CHAPTER - V

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Developing an effective organisation where employees have a feel of good quality of worklife, industrial peace is assured and which can successfully cope up with changes in environment is very challenging and complex task. It becomes more difficult for 'the reason that generally continuous check on organisational health and effectiveness is not kept. One usually tends to wait till the signs of trouble appear and then only attempts to deal with them. This thwarts the development of the organisation.

Concept of organisation diagnosis is very useful for developing an effective organisation. It emphasises characterisation of health and effectiveness of an organisation in terms of a number of parameters. Some of these critical parameters relate to industrial relations environment which is a critical factor in developing an effective organisation. Through industrial relation audit one can gain insight into the
overall industrial relations environment, its strength and weakness, its capacity to cope with changes. This understanding will be of crucial significance while formulating strategies for developing an organisation to be effective. This study has been conducted with these things in view.

To achieve its ends, the organisation requires an atmosphere where there is employees satisfaction with the quality of working-life. Moreover, organisation has to be sensitive to every aspects of the changing society. An organisation can survive and grow when it continuously and timely adapts and responds to its environment — internal as well as external. As such, an organisation should be always alert to cope with its different and ever-changing environment. The chief causes of failure of an organisation may be absence of favourable human climate and adaptability to its environment.

The scope of the study is limited only to the state of health of human relations characterised by
perception, attitude and behaviour of various categories of employees. The health of an organisation depends on the perception, attitude and behaviour of different levels of individuals and their groups in the organisation.

The harmonious industrial relations can be obtained only when there are positive and correct perception, highly favourable attitude and democratic behaviour amongst the different groups of people in the organisation. For the development of an effective organisation, the characterisation of industrial relations atmosphere is indispensable. There can be no doubt that the cordial industrial relations atmosphere encourages organisational effectiveness. The organisation is found to be effective if there is high satisfaction and favourable attitude of employees of all ranks and file.
Perception, attitude and behaviour are inter-related factors. These three factors are the main determinants of industrial relations atmosphere.

On the basis of the information collected for this study it can be concluded that:

1. Perception of workers in M.E.D.C. is found to be correct and positive whereas in M.S.M.C. it is not at high side (Table No. 3.1, 3.2 and 3.3).

2. Supervisors' perception in both the units have been found to be favourable and very near to the reality (Table No. 3.4 and 3.5).

3. Regarding the issues and matters concerning their behaviour, managers of M.E.D.C. have been found with more correct and positive perception than the managers of M.S.M.C. (Table No. 3.6 and 3.7).

4. Another important variable is the attitude of workers as judged by supervisors. The study indicates that attitude of workers is highly favourable in both the units (Table No. 3.8).
5. Attitude of workers according to the judgement given by managers is highly favourable in M.E.D.C. (Table No. 3.8) and moderately favourable in M.S.M.C. (Table No. 3.8).

6. Supervisors' behaviour is found to be democratic in M.E.D.C. but it is consultative in M.S.M.C. (Table No. 3.9).

7. Managers' behaviour in M.E.D.C. is found to be democratic while it is consultative in M.S.M.C. (Table No. 3.10).

8. The satisfaction of workers as perceived by them and as perceived by the supervisors and managers is found to have positive correlation in M.E.D.C. whereas it is negative in M.S.M.C.

The industrial relations environment which is one of the critical variables in determining organisational effectiveness as characterised by the perception, attitude and behaviour of the employees appears to be quite congenial and healthy in M.E.D.C. but in M.S.M.C. it is not so conducive.
**Strengths**: So far as the strength of the organisation is concerned, M.E.D.C. is smoothly running with proper production planning and control. Raw materials are made available as per requirement. Employees' salary and bonus are paid timely which is an indicator of sound financial position. M.E.D.C. has the strength of its committed manpower. On this count M.S.M.C. appears to be sailing into rough weather. Good condition of machinery in M.S.M.C. is the soul point of its strength as such there is a big question mark before its effectiveness.

**Weaknesses**: Quality of the product of M.E.D.C. is not as good as of other notable companies in the field. Working condition is a source of dissatisfaction to the employees. Improper control of finished goods causes difficult storage problem. Another serious drawback is conspicuous deficiency of professional talent of the management cadre. Absence of well conceived marketing policy is yet another issue calling for immediate attention.
The weaknesses of M.S.M.C. are many. They outnumber the weaknesses of M.E.D.C. The machine utilisation goal of 75 percent of the spindles commissioned has not been achieved because of inappropriate production techniques. M.S.M.C. has never made any endeavour to minimise the wastage of materials. The poor working condition, day-to-day labour problems, non-professional managers, high rate of absenteeism and poor industrial culture are the main reasons of low productivity and production. Further, some other important factors, which affects the unit are poor public image, inadequate marketing infrastructure and poor financial position.

Opportunities: As agreed by the Government of Manipur M.E.D.C. has got the chance to act as a trader when the Government departments want to purchase electronics equipments. This is the main opportunity available to M.E.D.C.

The opportunities of M.S.M.C. are availability of cheap labour and increasing domestic demand for its product. Sufficient number of labourers are available
at lower rate of wages. Besides it, the demand of the product is also increasing day-by-day.

**Threats**: Both the units are suffering from threats of similar kind i.e. transport bottleneck, insufficient power supply and inadequate distribution network.

The account presented in the preceding paragraphs lands us to the conclusion that industrial relations climate in M.E.D.C. is tolerably sound. This has made it perform better, as such, qualify for being termed as more effective organisation. But much needs to be done to transform it into really and optimally effective organisation.

In regard to M.S.M.C. the picture that has emerged from the study is quite dismal. On account of poor industrial relations environment it has failed to serve its purpose. Obviously there is a question mark before its effectiveness. It is, therefore, essential that M.S.M.C. should strive for improving industrial relations climate. This may pave way for its better organisational effectiveness.
SUGGESTIONS

In order to have harmonious industrial relations which may usher in era of optimal effectiveness in the two units, some suggestions are placed as follows:

Production: It is a well known fact that an organisation without proper production has to struggle for its survival instead of stepping into its development. It is advisable to carry on production activity smoothly and efficiently. There will be more satisfaction of workers in M.E.D.C. if the unit attempts to control and improve the quality of the product with better quality devices. The excess time consumed in quality control may also be saved. Again, it is also suggested that the degree of satisfaction in terms of industrial relations will be higher than what it is if the unit works with adequate storage facilities and plant layout.

Production in M.S.M.C. is miserable. It is due to the fact that the unit has not followed the necessary production techniques. It has been
clearly realised from Table No. 1.2 that M.S.M.C. has failed to achieve the target of 75 percent capacity utilisation. It is proposed that the unit should try its best level to achieve the 75 percent capacity utilisation to meet the increasing demand of production. Raw materials and spare parts should be made available on time. Wastage of materials should also be avoided. It is also felt that the post of production manager should be filled as soon as possible to run the production system smoothly.

One of the most important factors to improve workers productive motive is their welfare. Workers in M.S.M.C. have working motive but due to the lack of welfare facilities, they are not willing to work up to the mark. Therefore, adequate welfare facilities in monetary as well as non-monetary forms should be provided.

**Finance**: Finance is the life blood of any organisation. Finance is essential for the production of goods as well as their distribution. The efficient operation of production and marketing is dependent upon the
manner in which finance is managed by the financial executives. In order to evoke better industrial relations environment finance department of M.S.M.C. should enforce financial discipline in later as well as spirit. Proper accounting with proper budgetory control is what seems to be highly essential for its smooth & accelerated growth and its development. It is painful to note that M.S.M.C. is not in a position to remit the regularly necessary contribution of E.P.F. (Employees Provident Fund) on time. This is a major lapse on the part of management. This should be cured immediately without any further delay as it is a major source of dissatisfaction amongst the employees.

Human Resource Management:

Healthy industrial atmosphere is the source of stability of a business enterprise. There is a very close association between human happiness and human efficiency. Effectiveness of an organisation mainly depends upon human factors. Sometimes problems remain unsolved in M.E.D.C. The management of M.E.D.C. is suggested to solve day-to-day problems timely. This
will help in removing the undesirable attitude of employees.

It is advisable to M.S.M.C. that administrative decisions in connection with employees promotion should be taken on the basis of their performance. A large section of officers and workers remain antagonised. The reason seem to be unprofessional and unethical behaviour while dealing with recruitment and promotion to higher status. Groupism and favouratism should also be avoided to wash off employees unwillingness to work. It is also felt that workers' perception and attitude cannot be changed only through training and education if their grievances are not handled timely and with justice. Effective grievance redressal helps the management to shift from preventive needs to development needs. Workers can easily learn about industrial democracy and integration with corporate goal.

According to the revised project report of Project Consultants and Engineers Private Ltd. G.N.B. Road Guwahati July 1987. "There are presently two cars, one jeep, one truck and one bus (purchased after 31st
March 1987). With the increase in number of employees, additional bus is deemed necessary. The accommodation proposed is for 25 per cent staff and thus more buses for smooth working are essential. At present the bus has been sold off and the employees are transported by public bus services. Employees believe and feel it as unfair and unjust step and more dissatisfaction arises amongst them. It should be borne in the mind of management that such grievances affect the relationship between management and workers.

Proper measure should be taken up to minimise the rate of absenteeism. It is an important way to increase productivity. Labour department and personnel department should remain alert to handle the complaints of workers and clean record of every relevant information should be maintained in proper manner. In addition to this, personnel department of M.S.M.C. is suggested to take keen interest in developing and maintaining an effective system of communication with regular and continuous net work. This will bring about mutual understanding, confidence and good human relations.
With the experience the employees had in the past with the management of M.S.M.C. they have become sceptical about the intention of the present management. It is, therefore, necessary that management plays its role so honestly and transparently that employees are made to develop confidence in it.

Technical supervisors should have a good dose of human relation approach in their supervision & control related behaviour with workers. Motivation which relates to the work place must emerge from better team work, a proper climate, an emotional commitment to and components of the work. As society advances, fear should take second place. The absence of correct motivation will generate more indicipline, insubordination and militancy.

**Marketing**: Marketing concept is much broader than selling concept. Marketing focuses on buyer’s needs while selling focuses on seller’s need. It is felt that M.E.D.C. will be a more effective organisation if unit establishes a separate marketing department which does not exist at present.
The same suggestion can be put forward to M.S.M.C. also. The distribution of its products should be governed by modern concept of marketing. It should not be just selling alone.

Unionism: Union is the child of industrialisation process. As such strength of the union is the strength of the organisation. M.S.M.C. is invariably found engulfed with conflict on the issue of workers leadership. Another element dignosed in the unionism functioning in the unit is the tendency to go for personal gains in the name of the union. This unhealthy practice should end forthwith. It is no doubt a two way traffic but management has definitely crucial role to play in generating palatable wave for healthy growth and functioning of the unions.

The above suggestions are based on the specific assessment of the units and as such are meant specifically for each of them. Here an attempt has been made to suggest certain overall strategies which may make industrial relations environment in any unit quite
favourable to enhance organisational effectiveness.

They are:

1. Taking note of emerging profile of employees, their changing aspirations, and needs - The new incentive schemes should be based on such notes.

2. Efforts to strengthen and nurture the feelings of trust and satisfaction. - This can be better achieved by fostering the family type relationship in the organisation.

3. Reorganisation of the existing organisation structure, if necessary, in terms of clear cut roles, job-description, line of communication and authority - responsibility mix etc.

4. Setting up clear cut communication channels.

5. Devising a formal follow-up control and feedback system.

6. Honest and sincere use of the principles of delegation, motivation, coordination and control etc. in order to ensure optimal utilisation of existing
resources.

7. **Scientific system of manpower planning, career planning, recruitment and selection** which alone can ensure the fit between the job and the employee and avoid wastage and turnover.

8. **Training and development of employees for improving their knowledge and skill** with a view to transform their attitude conducive to the needs of the organisation.

9. **Professional orientation to the union leaders to make them internalise the significance of their roles and how they can cater to the real needs of the employees.**

10. **Proper attention to the provision of housing, educational and medical facilities in the welfare and incentive schemes.**

11. **Introducing a formalised performance appraisal system based purely on objectivity on regular basis in order to provide feedback to employees for improvement**
12. Counselling service to the employees for discussing and solving their work and family related problems. Which will promote the sense of belongingness with the organisation.