CHAPTER-IV

STRENGTHS, WEAKNESSES,
OPPORTUNITIES AND THREATS.
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STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS.

SWOT is an acronym for strengths, weaknesses, opportunities and threats. It is an analytical tool with which an evaluation of an industrial unit could be made after taking into consideration the internal and external environment wherein they are functioning. The existing capacity and constraints of the unit are treated as internal environment. On the other hand, the opportunities available to the organisation from the environment and the threats prevailing in it are treated as external environment of the unit. An understanding of such environment in terms of strengths, weaknesses, opportunities and threats is of crucial importance. An industrial establishment should know environment for its smooth and effective functioning.

The points of strengths, weaknesses, opportunities and threats of the organisation under study have been identified on the basis of the collected data.
For the purpose of evaluating the above mentioned points of the two units, the following functional areas have been taken into consideration. They are production, finance, human resource management and marketing.

Strengths of

Manipur Electronics Development Corporation Ltd.
and
Manipur Spinning Mills Corporation Ltd.

Production: Production is the main objective of an organisation. An organisation cannot survive if its production activity is irregular. Irregular function of production is a symptom of ineffective and inefficient production management. Harmonious industrial relations with high productivity is brought only by efficient production management. Therefore, some of the important production techniques like production planning and control, material management, inventory control, quality control and value analysis etc. are to be followed. In this regard M.E.D.C. is running with proper production planning and control. Efficient material management in the unit enables it to meet the material
requirements so that production can carry on smoothly, regularly and economically. As a result the employees in the unit do not show worry that they would face the problems like shortage of raw material and interruption in production activity. The employers and employees relations in connection with production planning, control and material management is found to be quite conducive in M.E.D.C.

In case of M.S.M.C. the plant and machinery installed are in excellent condition. Quality of the product is well maintained at different stages of the production process. Employees of M.S.M.C. feel proud of it and do not have any reason to go irritant on this count.

Finance:

Finance is the backbone of any organisation. For a better industrial relations climate, sound financial position with effective financial management and accounting system is of crucial importance. Hence, financial resources should be utilised efficiently and effectively. Sound financial position of the concern
imbibes the employees with a sense of economic security. Obviously, they approach their work installed with confidence and commitment. The result is better production performance. M.E.D.C. is in a sound financial position to meet all the necessary expenditure related to employee like salary and bonus on time. Thus, there is a harmonious industrial relation between employer and employee in the unit.

Human resource management:

Human resource is the most important asset of an industrial unit. No department of an organisation can function without human beings. Efficient management of manpower resources works as a positive inforcer of employees' commitment. The functions of human resource management includes staffing, personnel maintenance, labour relations, training and development, compensation, communication, organisation, personnel policy and planning etc. The employee commitment depends on how these personnel functions are handled in the units.

All three groups of M.E.D.C. i.e. workers, supervisors and managers are well qualified as
inferred from the profile of the employees. The personnel functions in terms of staffing, training and development, compensation and communication are handled smoothly. Manpower is planned as per requirement with reference to other similar companies and then it is placed before the Board of Directors. Almost all the employees are recruited permanently on merit basis. The recruitment committee adopts the following process: advertisement with required age, qualification and experiences - receiving the application - screening - call letter - written test - interview - declaration of result on the same day. This brings competent hands in the organisation. In addition, the unit earns reputation for transparancy and fairness in selection of employees.

Employees are sent outside Manipur for training in new technology as per requirement. Such trained employees of the organisation exchange their new ideas and knowledge with other members. It is helpful in improving productivity. The absenteeism rate of employees in the unit is found to be very low and therefore the employers and employees relationship in this regard
is also found to be cordial.

It may, thus be concluded that M.E.D.C. and M.S.M.C. have the following strong points:

**Manipur Electronics Development Corporation Ltd.**

1. Proper production planning and control.
2. Efficient material management system.
3. Sound financial position.

**Manipur Spinning Mills Corporation Ltd.**

1. Excellent condition of plant and machinery.

**Weaknesses of**

**Manipur Electronics Development Corporation Ltd.**

and

**Manipur Spinning Mills Corporation Ltd.**

**Production**: Though M.E.D.C. follow some production techniques, deficiencies are still existing in the unit. Quality of tools and equipments are not excellent. That is why the unit is facing constraints in controlling the quality of its products. Employees
in the quality control section are not satisfied with their work because they have to devote a longer time. Therefore, it has become a source of conflict in the organisation. In addition, finished goods are found lying at the entrance of production floor due to inadequate storage facilities.

Lack of room temperature control and labour saving devices have made the employees dissatisfied with their work. The result of such dissatisfaction is decrease in productivity. When such problem arises management tries to handle it with a little bit forced labour. As such relationship between employers and employees in this regard is not found to be that harmonious in the unit. Further, there is an evidence that M.E.D.C. does not have proper control and management of finished goods and adequate plant layout though its raw material is properly managed.

In case of M.S.M.C., there is under utilisation of machinery. Out of 16,416 spindles installed. Only 15,552 spindles have been under workable condition. The target of M.S.M.C. is to utilise 75 percent of
spindles commissioned. But the unit has not been able to achieve the target due to ineffective production techniques i.e. inventory control, production planning and control. Inventory control which is one of the most important production techniques is found to be inappropriate in the unit. Raw materials, spare parts, tools and finished products have not been maintained at desired level. An inefficient layout is found in the area of handling and storing finished goods. The unit has not tried to reduce the cost of production by minimising wastage of materials and optimal utilisation of resources.

The Manipur Spinning Mills Corporation, a yarn producing unit has not attempted to fill the post of production manager and as a result there is no responsible manager in production department. Unfortunately, M.S.M.C. even after years of its existence remains without proper arrangement of lighting, ventilation, medical, recreational etc. in the form of non-financial facilities.

There is always a conflict between the leave
sanctioning authority and labour department, Labour department is not active in solving day-to-day labour problems. This weakness affects the satisfaction of workers and effectiveness of the organisation. Thus there is unhealthy industrial relations in the unit.

Finance:

It is also found that financial resources of M.S.M.C. have not been utilised in the right manner. Employees in the same unit are not getting their dues on time because of the shortage of funds which gives birth to disputes in the organisation. Hence, the employees are not doing their job efficiently and it results in decrease in productivity as well as production.

Human Resource Management:

Managers in M.E.D.C. are not well professionalised in the field of management. None of them is found to have studied either diploma or degree course in management discipline. This shows that the unit is being handled by the managers who do not have proper
knowledge of management. Managers do not have proper knowledge of motivating employees efficiently and smoothly. Such deficiency causes non-cooperation, misunderstanding, negligence in duty and uncompromising attitudes between employer and employees.

Majority of the managers and supervisors in M.S.M.C. are also not well professionalised in the field of management. In addition to the above deficiency, nepotism and favouratism are the common practice of some organisational leaders. Organisational leaders do not possess the quality of a good and ideal leader. This has turned the workers, in a large measure, indisciplined and problem creators.

Percentage of absenteeism for nine months i.e. from January 1993 to September 1993 was 17.74. There are many reasons of having such high rate of absenteeism.

It is not convenient for the workers of 'B' shift to go back after their work is over. On the other hand, workers of 'C' shift are also not feeling
convenient to come to factory at night. Therefore, those workers ('B' shift 3 p.m. to 11 p.m. and 'C' shift 11 p.m. to 7 a.m.) who are coming from a distance of 5/6 km. are supposed to sleep in rest room before or after their work at night. But the rest room for workers is not well maintained so that they do not feel like coming to the factory for night shift. Such cases happen quite often during rainy season. Nepotism, favouratism, lack of leadership quality, high rate of absenteeism etc. have given birth to unhealthy industrial relations in the unit. Moreover, some of the workers are not satisfied with the style of supervision. This is also one of the reasons that they are absenting from work.

Absenteeism record is found to be much higher during harvesting season because majority of the workers belong to rural areas and they can earn higher wages working outside the factory during this period. Another reason of high absenteeism is that workers are not industrially cultured. Instead of it, they are more conscious about festivals, religious ceremonies like marriage, birth, death etc.
Marketing:

Marketing function represents the flow of goods and services from the producers to customers. The planning and development of the product is mainly based on the whole system of marketing policies and programmes. When the marketing system of the units under study are examined deficiencies are found as follows:

M.E.D.C. is not having separate marketing department and its marketing activities are performed under the banner of sales department which faces a great problem to deal with marketing aspects in the unit. The person who deals with marketing activity is not specialised in marketing field.

In case of M.S.M.C. also, there is no marketing department. Its function is handled by sales department. However, sales department is found inefficient. This is due to the fact that right persons are not placed in this department. Opening of sales depots in some of the selected towns is not effective on account of the irresponsibilities of such department.
Products can not be sold on time. Employees are found suffering from non-payment of their wages and salary due to shortage of income. This has become a source of undesired industrial relations in the unit.

It is, thus, concluded on the basis of the above paragraphs that M.E.D.C. and M.S.M.C. have the following weak points:

**Manipur Electronics Development Corporation Ltd.**

1. Poor quality of the product.
2. Poor working condition.
3. Inefficient control of finished goods.
4. Non-Professionalised managers.
5. Lack of marketing policies as there is no separate marketing department.

**Manipur Spinning Mills Corporation Ltd.**

1. Under-utilisation of capacity.
2. Inadequate production technique i.e. inventory control, production planning and control etc.
3. Wastage of materials.
4. Poor working condition.
5. Poor public image.
6. Day-to-day labour problems.
7. Absence of professional inputs.
8. High rate of absenteeism.
9. Lack of separate marketing department.
10. Poor financial position
11. Poor industrial culture.

Opportunities of
Manipur Electronics Development Corporation Ltd.
and
Manipur Spinning Mills Corporation Ltd.

M.E.D.C. is also playing the role of a trading agent. When the Government departments require electronics equipments like computers, FAX machines and Electronics typewriter etc., the purchase or installation of such equipments are made through M.E.D.C. The unit has been a successful one mainly because of this trading facilities provided by the Government of Manipur.

Manipur Spinning Mills Corporation Ltd.

1. The wages given to the employees of M.S.M.C.
are found to be very low in comparison with the wages given by other similar companies. The daily wages of the factory workers of the unit is ranging from Rs. 17.38p to Rs. 36. M.S.M.C. has such an opportunity that sufficient number of employees are available even though they are paid the minimum wages.

There is growing domestic demand for the product of M.S.M.C. So, the unit may try to increase the production by utilising the maximum capacity of the machines commissioned.

In the light of the above descriptions the following opportunities can be spelt out for the units under study:

**Manipur Electronics Development Corporation Ltd.**

1. Trading facilities provided by the state Government as its sole agent.

**Manipur Electronics Development Corporation Ltd.**

1. Availability of cheap labour.
2. Growing domestic demand for the product.
Threats of

Manipur Electronics Development Corporation Ltd.
and
Manipur Spinning Mills Corporation Ltd.

1. Needless to say that the state is faced with the chronic problem of transport bottleneck. There are only two national highways which connect the Imphal city with the mainstream. These are the only means through which raw materials are brought in and finished goods are sent out. Both the units are affected if these highways are blocked because of factors such as agitations and strikes, communal riots, bandhs and landslides etc.

2. Power consumed by the units under study for production is generated by the Loktak Hydro-electricity Project and supplied by the Electricity department of the Government of Manipur. Frequent disruption in power supply has become almost a common feature. The Loktak Hydro-electricity Project finds it difficult to maintain the capacity level generation throughout the whole year as regular supply of water is not available during certain months of the year. Even when generation of
electricity is done to the fullest capacity supply mechanism of the electricity department of the government fails to ensure regular supply. This has become a great threat for both the units. If timely remedial measures are not taken both M.E.D.C. and M.S.M.C. are bound to face a situation of crises in their functioning. This factor has been instrumental to a great extent for their unsatisfactory performance.

3. Distribution system in both the units is far from satisfactory. People do not have the facility to purchase the product from the nearby place. This is due to the lack of opening sufficient number of sales depots.

Thus, it will not be wrong to conclude that both the units i.e. M.E.D.C. and M.S.M.C. are currently characterised by following threats:

1. Transport bottleneck.
2. Inadequate supply of power.
3. Lack of distribution network.
4. Absence of professional inputs.