CHAPTER – 6
SUMMARY OF FINDINGS, CONCLUSIONS AND SUGGESTIONS

The public Sector has occupied a pivotal position in the Indian economy. It has grown steadily in size over the years and encompasses a wide spectrum of industrial economy. Kerala has the highest number of State owned enterprises spread over various sectors. However in Kerala, the overall performance of public sector undertakings is poor. The growing picture of industrial sickness has now become a serious problem and it seems to be a big blow on the face of the economic development of the state. In order to safeguard the industrial and economic development of the state, the Government has to take necessary steps to restructure and revive the loss making PSUs under the Industrial Department of the state.

Kerala has a total of 114 public sector enterprises, many of the PSEs were set up by the successive coalition governments, to suit their political conveniences such as accommodating middle-rung politicians as chairpersons or board members or generating jobs far in excess of their actual need or financial capacity. Over the years, several of them have incurred huge losses becoming a burden to the government. In the socio-political context of Kerala, options like
abrupt closures, large-scale retrenchment or even voluntary retirement schemes are impractical. This has made the government to sustain these companies either on budgetary support or by facilitating loans from banks and other credit institutions on the state guarantee.

The State Planning Board's Economic Review 2009 adds: “The present government, in contrast to the previous government, has taken a very supportive stand, strongly backed by the State Planning Board, and had made financial provision in each year's budget. In the 2009-10 budgets, Rs 50 crore had been provided for the rejuvenation and revival of viable PSUs.”

The State PSUs have not been functioning efficiently and there is tremendous scope for improvement in their overall performance. They need to imbibe a greater degree of professionalism to ensure delivery of their products and services efficiently and profitably. The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of projects, running of operations and monitoring.

A review of the latest audit reports shows that the State PSUs incurred losses of Rs 589 crore and in fructuous investment of Rs 31.98 crore. During 2008-09, the Government had guaranteed loans aggregating Rs 2,593.10 crore obtained by eight working Government companies and three statutory corporations. At the end of the year,
guarantees of Rs 3,398.65 crore against 22 working Government companies and four statutory corporations were outstanding.

It is a proven fact that the efficiency of corporate governance plays an important role in increasing productivity, it is considered as one of the crucial element in an organization. If it is not done properly, it may cause reduction in productivity increase employee turnover, increase wastage, absenteeism, accidents, etc. In each and every organization the main aim will be to maximize productivity and there by maximize profit. On the other side of the token, the employees’ aim will be to maximize their earnings to satisfy their needs. The style of governance that has been in existence in many of our public sector undertakings has become obsolete and antique. By way of elucidation one may say that the style of management and governance that has been in existence in the public sector establishments over the years should undergo drastic changes. Such changes should come over the current style of human resource management, production management and financial management as well. It is congenial to the modern industrial environment that according to the changing business environment and globalization which has resulted in the emergence of cut-throat competitions in business the existing systems and practices that have been in existence in our public sector undertakings should be revamped.
The organizational efficiency is dependent on technological and various non-technological factors. But the organizational efficiently to a large extent is dependent on the efficiency of labour. Even the machine efficiency also is dependent on the labour that operates it. There is no doubt that the manpower of all types being the fundamental resource of industry, its effective organization and control remains the prime task of those responsible for governance.

The major determinants of labour efficiency are the personal skills and capabilities of the worker, the work facilities and work environment, and the motivational inputs provided to them. In order to increase the over all productivity of the organization there should be a combination of technological and various non-technological factors.

This study revealed that among the above determinants, the employees are much bothered about the style of governance, work facilities, rewards, etc. An effective governance style is essential to ensure the optimum deployment of available manpower in order to maximize the productivity and for achieving better operating efficiency.

The skills and capabilities to a certain extent can be increased by proper training. But as a motivational input, a developing country like ours, especially in Kerala’s Public Sector undertakings, the management should strive for creating the proper climate by
adopting sound polices concerning recruitment, promotion, training, payment, performance appraisal etc because it is a proven fact that the efficiency of corporate governance plays an important role in increasing productivity.

Underlining the need to bring in more accountability and professionalism into public sector enterprises (PSEs), the government has to chalk out new guidelines for corporate governance for PSUs. As good governance is the key to a company’s performance, there is a great need to train directors in PSUs and define their roles in corporate governance, as the standard of governance in PSEs has to improve in order to survive and do well in a competitive environment. As it implies a well-defined, well-structured system to manage, direct and control the functioning of a company, corporate governance is quite essential to the turnaround of PSEs that have not been able to perform well in the post-reform competitive scenario. This study covers a careful analysis of the financial performance and the effectiveness of existing style of governance of the selected loss making public sector undertakings in Kerala. The main objectives of this study were to trace out the cause of loss of selected industrial Units. The findings and conclusions emanated from the study will enable the researcher to give suggestions for improvement.
The Major Objectives of the Study are recapitulated below:

On the basis of the above theoretical perspective, the following research objectives have been developed for this study.

1. To evaluate the financial performance of loss--making Public Sector Undertakings in Kerala.

2. To identify the various causative factors and trace out the reasons for loss in these Public Sector Undertakings.

3. To highlight the drawbacks in the existing financial management of these units.

4. To analyze the efficiency of corporate governance of the loss--making Public Sector Undertakings and to find out the causes of operational sickness.

5. To identify the problems and difficulties experienced by the employees of public sector undertakings.

6. To offer suggestions on the basis of the findings and conclusions of the study, so that deficiencies and shortcomings can be rectified. And design a suitable financial strategy (based on a unit-by-unit basis) for the rescue of these sick PSUs with a plan of action to be implemented forthwith for its revival.
Methodology of the Study

The primary data collection was conducted in two stages. The first step in the process of data collection is a pilot study, for this 25 employees from The Autokast limited, Traco Cable Company limited, were selected and a questionnaire was supplied to them to be duly filled in. An informal talk was also held with these employees. For the purpose of this study, in the second stage convenient sampling techniques have been used. It was decided to take total population as only those public sector undertakings which are in loss belonging to the manufacturing sector and under the control of Industries Department of Kerala. A sample comprising of 150 respondents were selected. Out of this there are 63 manufacturing units which are classified under 9 sectors namely chemical, engineering, electrical equipment, textiles, electronics, ceramics, infrastructure, and agro and wood based sectors. These sectors are under the control of Industries Department of Kerala. Out of these 63 manufacturing units 43 units are continuously running under loss, therefore the population comprised of 43 loss making PSUs. Twenty five percent of the population is taken as sample size, hence the sample size, comprise 10 units. These units are selected on convenient sampling method. While selecting the companies due importance was given to various sectors, profitability, investment, labour strength etc. So ten loss making companies belonging to six
industrial sectors were selected for the study. The companies selected are Travancore Cochin Chemicals limited [TCC], and Travancore Cements limited both from chemicals sector. From electrical equipments sector Kerala Electrical & Allied Engineering Company limited and Traco Cable Company limited are selected. The Metal Industries and Autokast limited belongs to engineering sector, The Kerala Ceramics limited representing the ceramics and refractories sector, The Quilon Co-operative Spinning Mills limited and Sitharam Textiles limited belong to textiles sector and finally The Kerala State Coir Corporation limited representing the traditional and welfare sector.

Primary data has been collected from 250 respondents i.e 25 respondents from each unit with the help of structured questionnaire. While selecting a respondent due importance was given to various factors such as age, sex, length of service etc of the respondents. 40 officials, i.e, 4 top officials from each unit were personally interviewed with the help of structured questionnaire.

In the earlier chapters an attempt was made to analyze the financial performance of the selected public sector undertakings and effectiveness of corporate Governance in the selected sick PSU’s. This chapter is divided into three sections. Section A contains the summary of the findings of the study, Section B contains the
conclusions of the study and Section C contains the suggestion emanating from the findings and conclusions of the study.

Section A

Summary of Chapters

The first chapter is the introductory chapter, which encompasses the objectives of the study, hypotheses set, the variables studied, concepts and definitions used in the study, the methodology adopted for data collection and survey design of the study. A brief account of the role of effective corporate governance in increasing productivity is also given in this chapter.

The second chapter describes a theoretical perspective of the financial management in sick units. It gives an overview of the existing theories of motivation and remuneration. It also provides different measurements to find out productivity.

An account of the available literature on role of effective corporate governance and comments regarding the financial performance and role of PSU’s in the economy is given in the third chapter.

Chapter IV comprise of a detailed analysis of the financial performance of the selected sick Public Sector Undertakings with the objective to find out and highlight the drawbacks in the existing
financial Management and also to reveal the financial efficiency of these units.

The next chapter i.e., chapter V comprises the analysis of primary data, collected through a field survey. The results are interpreted in this chapter. The main focus of this chapter is to analyse the effectiveness of corporate governance of the selected sick Public Sector Undertakings. So Chapter V specially focuses on the effectiveness of corporate governance of the selected Public Sector Undertakings.

The sixth and last chapter contains the findings of the study, the conclusions arrived at by the researcher and the suggestions made on the basis of the findings and conclusions of the study.
Findings

The financial performance of the selected ten sick companies in the Public Sector has been analyzed with the help of certain parameters. The major findings of the study are summarized below:

THE TRAVANCORE COCHIN CHEMICALS LIMITED [TCC]

The analysis has been done for a period of five years i.e from 2001 to 2005

(a) Profitability

General Profitability

1. TCC was incurring losses in all the five years.
2. During these five years the company’s sales were decreased by 32.03 per cent.
3. From 2001 to 2004, the company’s operating loss was decreased by 9.49 percent, but in 2005 operating loss, had recorded an increase of 10.15 percent from the previous year.

Overall Profitability

1. During these five years the net worth of the TCC was negative. It clearly indicates deterioration in the company’s profitability and efficiency due to an improper utilization of its resources during the period.
(b) Efficiency

1. During the study period, the company was maintaining an average inventory turnover ratio of 9.30 times with an average investment of Rs 10.60 crores in inventories, which can be considered to be a satisfactory one.

2. Fixed assets turnover ratio of TCC during these five years were very low. During the study period the company was maintaining an average fixed assets turnover ratio of 1.29 times with an average investment of Rs 72.08 crores in its fixed assets.

3. With a negative working capital, the company’s working capital turnover ratio was always unsatisfactory in the period under review.

4. Debtor’s turnover ratio shows that the company was following an inconsistent credit policy and the credit collection power of the company is questionable.

(c) Financial Position

Liquidity Position

1. Liquidity ratios of the company were not good during the period under study. It was always below the satisfactory level.

2. As an index of financial liquidity, the current ratio of TCC was not satisfactory. During these five years, the company’s current ratio never touched the standard proportion of 2:1.
3. Current liabilities of the company were almost double that of its current assets. This shows that there is no margin of safety for the creditors resulting in a drastic erosion of its working capital.

4. As a more vigorous measure of a firm’s liquidity position, Quick ratio of TCC was not satisfactory; it never touched the satisfactory levels during the period under study.

**Solvency Position**

1. The debt-equity ratios of the company were not satisfactory, during the period under review. The outsider’s fund were almost double than shareholders fund in the total capital structure of the company.

2. During these five years, the company relied much on outside source for raising long-term fund, except in the year 2003.

3. The solvency ratio of the company had revealed that the ability of the company to honor its long term obligations was not satisfactory.

**(d) Cost analysis**

1. The materials cost had shown a decrease of 2.53 percent during the period under review.

2. Labour cost of the company had increased by 9.38 percent during the period.
3. Factory overheads were the major item in the total cost structure of the company. During these five years the company was able to reduce the Factory overheads by 6.37 percent.

4. Administration overheads were comparatively a small item in the total cost structure of the company. During these five years administration overheads had registered an increase of 0.25 percent.

5. Selling and distribution overheads had shown a decreasing trend. During these five years, selling and distribution overheads had shown a decrease of 0.109 percent.

6. During these five years, direct expenses of the company came down by 0.05 per cent.

(e) Variable cost analysis

1. The analysis reveals the fact that during these five years the company had registered a decrease of 9.93 percent in its sales and 16.39 percent in its variable cost.

2. During the first three years (i.e 2001, 2002 and 2003) variable cost was more than sales. It means Incremental cost was more than differential revenue. But in 2004 and 2005 sales were more than variable cost, meaning Incremental cost was less than differential revenue.
3. There was no contribution in the first three years i.e. in 2001, 2002, and 2003, because, in these years the variable cost was more than sales. In 2004 and 2005 company’s sales were more than its variable cost, leaving a margin for contribution.

4. In 2004 the P/V ratio of the company was 6.35 percent but it dropped to 2.57 percent in 2005.

THE TRAVANCORE CEMENTS LIMITED [TCL]

The analysis has been done for a period of five years i.e from 2001 to 2005

(a) Profitability

General Profitability

1. The Travancore Cements Limited was running under loss in all the five years from 2001 to 2005. And during these five years company’s loss had increased by 10.85 percent.

2. It is evident from the analysis that, during these five year period TCL had registered an increase of 8.7 percent in its operating ratio; consequently its operating loss was also increasing in all the five years.

Overall Profitability

1. The net worth of the Travancore Cements Limited was negative during the period under review. It clearly indicates deterioration in the company’s profitability and efficiency due
to an improper utilization of its resources during these five years.

(b) Efficiency

1. During these five years the company was maintaining an average inventory turnover ratio of 3.93 times with an average investment of Rs 5.50 crores, in its inventories which can’t be considered as a reasonable one.

2. The fixed assets turnover ratio of the company was 15.45 times with an average investment of Rs 1.75 crores, in fixed assets. This reveals that the fixed assets of the company contribute a substantial amount towards the sales of the company.

3. During these five years working capital turnover ratio of the company shows an effective utilization of its net working capital; it was 2.39 times in 2001 which had improved up to 9.29 times in 2005; which shows that the velocity of utilization of net working capital of the company during these five years was improving.

4. Debtor’s turnover ratio shows that during these five years the company was following almost a consistent credit policy, and the debt collection strategy of the company is good.
(c) Financial Position

Liquidity Position

1. During these five years Liquidity ratios of the company was good. As an index of financial liquidity, the current ratio of TCL had shown a healthy picture. During these five years, even though company’s current assets were gradually deteriorating, it was always sufficient to meet its current liabilities.

2. Quick ratio of TCL during the study period was good; company was always maintaining a satisfactory level of quick assets and cash balance, which eventually helped the company to meet its obligations on time.

Solvency Position

1. Solvency ratios of the company reveals the fact that during these five years total liabilities to the outsiders of the company were decreasing and it enabled the company to have a better balance over its liabilities.

(d) Cost analysis

1. The material cost of the company had recorded an overall decrease of 0.94 percent during the period under review.

2. The percentage of employee cost in the total cost structure of the company was increasing. During these five years the company had recorded an increase of 6.09 percent in its employee cost in the total cost structure.
3 Factory overheads were the first major item in the total cost structure of the company. During these five years the Factory overheads had recorded a decrease of 10.57 percent in the total cost structure.

4 Administration overheads in the total cost structure of TCL marked an overall decrease of 4.62 percent during these five years.

5 Selling and distribution overheads had shown a decreasing trend. It had marked a decrease of 2.13 percent during these five years.

6 Direct Expenses marked a slight increase of 0.12 percent during these five years.

(e) Variable cost analysis

1 The analysis reveals the fact that the company had registered a decrease of 15.25 percent in its sales, during the period from 2001 to 2005, but the company’s variable cost had increased by 2.94 percent.

2 During these five years, even though the variable cost of the company had recorded an increase of 2.94 percent, it was always less than the sales, which means Incremental cost was less than differential revenue, during these five years.

3 In all the five years of analysis the Company does have contribution.
4. During these five years company was maintaining an average P/V ratio of 14.43 percent.

5. Incremental cost of the company was less than differential revenue during these five years.

THE KERALA ELECTRICAL & ALLIED ENGINEERING COMPANY LIMITED [KEL]

The analysis has been done for a period of five years i.e from 1998-1999 to 2002-2003.

(a) Profitability

General Profitability

1. During these five years under study KEL was in loss. However the company was able to reduce its loss from 5.93 percent to 3.72 percent, showing a decrease of 2.21 percent.

2. The analysis reveals that during the period under study, the operating ratio of the company had increased by 16 percent.

Overall Profitability

1. During the study period the net worth of the KEL was negative. It clearly indicates deterioration in the company’s profitability and efficiency due to an improper utilization of its resources.

(b) Efficiency

1. The company was maintaining an average inventory turnover ratio of 2.406 times with an average investment in inventory of
Rs 19.598 crores, which is considered to be reasonable in the industry.

2 The company was maintaining a stable fixed assets turn over ratio of 4.676 times with an average investment of Rs 10.25 crores in its fixed assets; hence the study finds that there is reasonable contribution of fixed assets towards the sales of the company.

3 Since the company was showing a negative working capital, the working capital turnover ratio was at a lower pace.

4 Debtor’s turnover ratio shows that the company was following a consistent credit policy during the period under study; it was maintaining an average Debtor’s turnover ratio of 2.77 times.

(c) Financial Position

Liquidity Position

1 Liquidity ratios of the company were satisfactory. Even though the current liabilities had shown an increasing trend, current ratio of the company was always above the satisfactory level. But from the analysis it is evident that during these five years, even though the current assets of the company were more than its current liabilities, its current ratio was slowly weakening.

2 Quick ratio of KEL was not satisfactory. During the study period these ratios never touched the satisfactory level. So it can be concluded that the liquidity position of the company
during the study period was slowly weakening, the current assets of the company was decreasing while its current liabilities were increasing. Therefore it is evident from the analysis that company had show a very poor judgment in planning and handling of its current assets.

**Solvency Position**

1. The proportion of borrowed funds and owner’s capital in the total capital structure of the company was almost equal, during these five years it remained more or less constant.

2. Solvency ratio of the company during the five years was weakening. The solvency ratio of the company during 1999 was 26.43 percent was 53.04 percent in 2003 (more than two times increase) so the Solvency ratio of the company clearly shows a poor trend.

3. During these five years the company was not much relied on outside source for raising long-term fund.

**(d) Cost analysis**

1. During these five years cost of raw materials had increased by 6.63 percent.

2. The percentage of employee cost in the total cost structure of the company was increasing. The company had registered an increase of 6.01 percent in its employee cost.
3. Factory overheads are the third major item in total cost structure of the company. It was fluctuating between 25.62 percent and 22.50 percent in the total cost structure of the company.

4. Administration overheads were fluctuating between 2.74 percent and 4.48 percent in the total cost structure of the company.

5. Selling and distribution overheads had shown a fluctuating trend. It was 1.24 percent of the total cost in 1999. In 2003 it increased up to 1.83 percent in the total cost structure, and it was the highest ratio during these five years.

(e) Variable cost analysis

1. The analysis reveals the fact that during these five years the company had registered a decrease of 5.28 percent in its sales, but during these five years company’s variable cost had increased by 0.71 percent.

2. During these five years (except 1999) the company’s variable cost was more than its sales, Meaning Incremental cost was more than differential revenue.

3. In all the years except in 1999 company had no contribution. Because in these years variable cost of the company was more than its sales. During 1999 it has contribution of 4.32 percent indicating that the sales were more than its variable cost.
The analysis has been done for a period of five years i.e from 2000-2001 to 2004-2005

(a) Profitability

General Profitability

1. It is revealed from the table that in 2001 the company had registered a profit of Rs 4.77 crore, with a sale of Rs 90.86 crores. Net profit of the year was 5.25 percent.
2. From 2002 to 2005 the company was plummeting into loss.
3. During these five years company’s operating ratio were increased by 26.99 percent

Overall Profitability

1. In 2001 the companies were having a net worth ratio of 36.20 percent, but in the next four years i.e. from 2002 to 2005 it became negative.
2. In 2001 when the company was in profit; it had a very small amount of EPS, but in the next four years i.e. from 2002 to 2005 company incurred loss.
(b) Efficiency

1. During these five years the company was maintaining an average inventory turnover ratio of 5.06 times with an average investment of Rs 9.16 crores, in its inventories.

2. During these five years the company was maintaining an average fixed assets turnover ratio of 6.028 times, with an average investment of Rs 7.20 crores in its fixed assets. So company’s investment in its fixed assets contributes well towards its sales.

3. The company was maintaining an average working capital turnover ratio of 2.56 times during the period under review. In 2005 its working capital turnover ratio was 3.46 times which was more than average and shows a better utilisation of its working capital.

4. Analysis reveals the fact that during this five years company was following a liberal and inconsistent credit policy.

(c) Financial Position

Liquidity Position

1. During these five years Liquidity ratios of the company was always more than the satisfactory level by offering sufficient level of margin of safety to the creditors.

2. Acid test ratio of the company was satisfactory except in 2002 and 2003.
Solvency Position

1. The debt-equity ratio of the company was satisfactory. During these five years equity had increased by 38.13 percent and debt had shown an increase of 4.71 percent in the total capital structure of the company.

2. During these five years the company was relied much on the outside source for raising long-term fund, except in 2004 and 2005.

3. Solvency position of the company during these five years was gradually weakening.

(d) Cost analysis

1. The Cost of raw materials was a major item in the total cost. During these five years material cost of the company had shown a decrease of 3.75 percent.

2. The analysis reveals the fact that the labour cost of the company was increasing; it had recorded an increase of 4.44 percent during these five years under study.

3. Factory overheads of the company during these five years had recorded a decrease of 3.77 percent.

4. Company’s Administration overheads were almost consistent during these five years.

5. Selling and distribution overheads had recorded a decrease of 1.23 percent during these five years.
6. During these five years, the company had recorded an increase of 3.6 percent in its direct expenses.

(e) Variable cost analysis

1. The analysis reveals the fact that during these five years the company had registered a decrease of 22.55 percent in its sales, and 13.89 percent in its variable cost.

2. Even though the company’s variable cost was decreased by 13.89 percent during these five years, it was always higher than its sales, except 2001.

3. During the last four years (2002 to 2005) the company’s variable cost was more than its sales, i.e Incremental cost was more than differential revenue.

4. The company was having a P/V ratio of 12.55 percent in 2001. After that there was no contribution in the next four years, because in all the preceding years the variable cost was more than its sales.
THE METAL INDUSTRIES LIMITED

The analysis has been done for a period of five years i.e from 2002-2003 to 2006-2007

(a) Profitability

General Profitability

1. The Metal industry Limited was in loss in all the five years under study.

2. The analysis reveals that during these five years operating ratio of the company had shown a decrease of 1.76 percent.

Overall Profitability

1. During these five years under study the Metal industry was in loss and the net worth of the company was negative.

(b) Efficiency

1. The company was maintaining an average inventory turnover ratio of 4.72 times with an average investment of Rs 37 lakhs in its inventories, which can be considered to be a low investment.

2. During the period under study the company was maintaining an average fixed assets turnover ratio of 0.794 times with an average investment in fixed assets of Rs 2.17 crores. So the Fixed asset turnover ratio of the company indicates that its investment in fixed assets is not contributing anything towards its sales.
3 During the first three years i.e from 2003 to 2005 the company had shown a good working capital turnover ratio, but during the last two years i.e in 2006 and 2007 the company’s working capital has become negative.

4 Debtor’s turnover ratio shows that the company was following a consistent credit policy and the debt collection strategy of the company was effective.

(c) Financial Position

Liquidity Position

1 The company was maintaining satisfactory liquidity ratios during the first three years of analysis i.e. in 2003, 2004 and 2005 but in the last two years of analysis i.e in 2006 and 2007 ratios were not satisfactory.

2 Quick ratio of the company was not good; it never touched the satisfactory levels during these five years.

Solvency Position

1 The analysis reveals the fact that during these five years the debt was more than the equity in the total capital structure of the company.

2 During the study period the company was relied much on shareholders fund rather than the outside source for raising long-term fund. The portion of outside fund in the total capital structure of the company was around 14 to 17 percent.
3. Solvency position of the company during these five years had shown a good picture.

**(d) Cost analysis**

1. The Cost of raw materials was increasing; it had recorded an increase of 8.45 percent during the period under review.
2. The employee cost had recorded a slight decrease of 0.15 percent.
3. Factory overheads were the first major item in the total cost structure of the company in 2003, but in the next four years, it had recorded a decrease of 9.71 percent.
4. Administration overheads had shown an increase of 0.71 percent over a period of five years.
5. The Selling and distribution overheads had shown a decrease of 1.34 percent during these five years.
6. During these five years company’s direct expenses were increased by 2.12 percent.

**(e) Variable cost analysis**

1. The analysis reveals the fact that during these five years the company had registered a decrease of 1.24 percent in its sales, and 10.09 percent in its variable cost.
2. During these five years company’s sales were always higher than its variable cost, which means the Incremental cost was less than differential revenue.
3. The company was maintaining a good P/V ratio, in all the five years under study.

4. During these five years it was maintaining an average P/V ratio of 31.26 percent.

THE AUTOKAST LIMITED

The analysis has been done for a period of five years i.e from 2001-2002 to 2005-2006

(a) Profitability

General Profitability

1. Autokast Limited was in loss in all the five years under study. However analysis reveals the facts that during these five years the company was able to reduce its loss by 55.63 percent.

2. The analysis reveals the facts that during these five years the company’s operating ratio had decreased by 52.87 percent, the company was having an operating ratio of 168 percent in 2002, was able to reduce the same into 115 percent in 2006, which shows a good improvement in its operating efficiency.

Overall Profitability

1. During these five years under study the Autokast Limited was in loss and the net worth of the company was negative.
(b) Efficiency

1. The company was maintaining an average inventory turnover ratio of 4.63 times with an average investment of Rs 2.52 crores in its inventories.

2. The company was maintaining an average fixed assets turnover ratio of 2.95 times with an average investment in fixed asset of Rs 4.40 crores. So it can be concluded that company’s investment in its fixed asset does not contribute anything towards its sales.

3. With a negative working capital company’s working capital turnover ratio was always unhealthy during these five years.

4. Debtor’s turnover ratio shows that the company was following an inconsistent credit policy and the debt collection strategy of the company was not effective.

(c) Financial Position

Liquidity Position

1. Liquidity position of the company were so bad, Liquidity ratios of the company had shown an imbalance. During these five years it was always below than satisfactory level.

2. Quick ratio of the Autokast Limited also had shown a poor trend. Cash balance of the company was decreasing in all the five years.
Solvency Position

1. Debt-equity ratio of the company was not good. In the total capitalization, portion of debt was more than three times of its equity. The analysis reveals the fact during the study period; debt had registered an increase of 7.22 crores.

2. During these five years 80.21 percent of the total capitalisation was outsider’s fund. Debts were mounting up in all the five years and the working capital of the company was negative (the current liabilities were always in excess of the current assets).

3. Solvency position of the company during the five years was gradually weakening.

(d) Cost analysis

1. The Cost of raw materials was increasing. During these five years material cost had recorded an increase of 20.27 percent.

2. During these five years employee cost of the company was increasing. It had recorded an increase of 1.57 percent in the total cost structure of the company.

3. Factory overheads were the third major item in the total cost structure of the company.

4. Administration overheads were shown an increase of 0.41 percent during these five years.

5. Selling and distribution overheads also had shown a decreasing trend.
6. Direct Expenses ratio during the study period had shown a tremendous decrease of 23.07 percent.

**Variable cost analysis**

1. During these five years the company had registered a decrease of 17.82 percent in its sales, and 20.63 percent in its variable cost. The analysis reveals the fact that in all the five years company’s variable cost was more than its sales, which means the Incremental cost was more than differential revenue.

2. During the study period there was no contribution. Because the variable cost was more than its sales.

**THE KERALA CERAMICS LIMITED**

The analysis has been done for a period of five years i.e from 1999-2000 to 2003-2004

**(a) Profitability**

**General Profitability**

1. The Kerala ceramics was in loss in all the five years under study, and during these five years loss of the company had increased by 28.54 percent.

2. During these five years company’s operating ratio had increased by 37.51 percent.
Overall Profitability

1. During these five years under study the Kerala ceramics was in loss and the net worth of the company was negative

(b) Efficiency

1. During the study period the company was maintaining an average inventory turnover ratio of 4.14 times with an average investment of Rs 7.064 crores, in its inventories.

2. During these five years the company was maintaining an average fixed assets turnover ratio of 11.34 times with an average investment of Rs 7.064 crores in its fixed assets, which shows that its investment in fixed assets contributes well towards sales.

3. With a negative working capital company’s working capital turnover ratio was always unhealthy during these five years.

4. Company was following an inconsistent credit policy during this five year period.

(c) Financial Position

Liquidity Position

1. Liquidity ratios of the company were always below the satisfactory levels. During these five years company’s current assets were gradually deteriorating but its current liabilities were gradually increasing.
2. Quick ratio of the company never touched the satisfactory level during these five years.

Solvency Position

1. During these five years the company’s debt was gradually increasing, it had recorded an increase of 9.76 percent in the total capitalization.
2. Solvency position of the company was not satisfactory.

(d) Cost analysis

1. The cost of raw materials during these five years had recorded an increase of 5.09 percent
2. The percentage of employee cost in the total cost structure of the company was decreasing except in 2001. During these five years it had shown a decrease of 8.31 percent.
3. Factory overheads were the first major item in total cost. During these five years it had shown a decrease of 4.09 percent.
4. Administration overheads of the company were increasing.
5. During these five years direct expenses of the company had recorded an increase of 4.76 percent.

(e) Variable cost analysis

1. The analysis reveals the fact that during these five years the company had registered a decrease of 21.61 percent in its sales, and 5.15 percent decrease in its variable cost.
2. During the study period even though the variable cost had recorded a decrease of 5.15 percent it, was always more than sales, which means Incremental cost was more than differential revenue.

3. There was no contribution, because the variable cost of the company was always more than its sales.

THE QUILON CO-OPERATIVE SPINNING MILLS LIMITED

The analysis has been done for a period of five years i.e from 2002-2003 to 2006-2007

(a) Profitability

General Profitability

1. The Quilon Co-operaitve Spinning Mills Limited was in loss in all the five years under study.

2. During these five years the operating ratio of the company had shown an increase of 44.73 percent. The analysis indicates that during these five years company were not applied any cost control measures, and it was having an inefficient control over its cost., and now its operating efficiency is under threat.
Overall Profitability

1. The Quilon Co-operative Spinning Mills Limited was in loss in all the five years under study, and the net worth of the company was negative

(b) Efficiency

1. During these five years the company was maintaining an average inventory turnover ratio of 8.48 times with an average investment of Rs 1.008 crores in its inventory.

2. The company was maintaining an average fixed assets turnover ratio of 14.72 times with an average investment of Rs 51 lakhs, which shows that its investment in fixed assets contributes well towards sales.

3. With a negative working capital company’s working capital turnover ratio was always bad during these five years.

4. The company was following an inconsistent Credit policy.

(c) Financial Position

Liquidity Position

1. Liquidity ratios of the company were not good. It was always below than the satisfactory level.

2. Quick ratio of the company was always below the satisfactory level.
Solvency Position

1. The analysis reveals the fact that during these five years debt in the total capitalization of the company was gradually increasing.
2. The outsider’s fund in the total capitalization of the company was increasing; it had recorded an increase of 15.21 percent during the period under review.
3. Solvency position of the company during these five years was not satisfactory.

(d) Cost analysis

1. The Material cost was a major item in the total cost structure of the company, during these five years material cost of the company had recorded a decrease of 4.01 percent.
2. During these five years Employee cost of the company had shown an increase of 10.97 percent.
3. Factory overheads during these five years had shown a decrease of 6.49 percent.
4. Administration overheads marked a decrease of 0.25 percent.
5. Selling and distribution overheads also had shown a decreasing trend except in 2007.
6. Direct expenses of the company had shown a decrease of 0.96 percent.
(e) **Variable cost analysis**

1. The analysis reveals the fact that during these five years the company had registered a decrease of 46.63 percent in its sales, and 16.71 percent in its variable cost.

2. During these five years variable cost of the company was always more than its sales. Which means that during these five years, Incremental cost of the company was more than its differential revenue.

3. The analysis shows that in all the five years of analysis there was no contribution, because the variable cost of the company was always more than its sales.

**THE SITARAM TEXTILES LIMITED**

The analysis has been done for a period of five years i.e from 2001-2002 to 2005-2006

(a) **Profitability**

**General Profitability**

1. The Sitaram textiles limited were in loss in all the five years under study.

2. During these five years operating ratio of the company had shown an increase of 15.67 percent.
Overall Profitability

1. The net worth of the company during these five years was negative.

(b) Efficiency

1. The company was maintaining an average inventory turnover ratio of 6.49 times with an average investment of Rs 1.01 crores in its inventories.

2. During these five years the company was maintaining an average fixed assets turnover ratio of 10.51 times with an average investment of Rs 58.4 lakhs, which shows that its investment in fixed assets contributes well towards its sales.

3. With a negative working capital company’s working capital turnover ratio was always unhealthy during these five years.

4. During these five years the company was following an inconsistent credit policy.

(c) Financial Position

Liquidity Position

1. Liquidity ratios of the company during these five years were always below than satisfactory level.

2. Acid test ratio was poor during the five years under study; it never touched the satisfactory level.
**Solvency Position**

1. Debt-equity mix of the company during these five years was not good. Outsiders fund in the total capital structure of the company was increasing.

2. During these five years 84.04 percent of the total capitalisation of the company constitutes the outsider’s fund.

3. Solvency position of the company during the five years was bad.

**(d) Cost analysis**

1. During these five years material cost of the company had recorded an increase of 7.66 percent.

2. The employee cost in the total cost structure of the company was increasing; it had recorded an increase of 1.75 percent of its labour cost during the five year period.

3. Factory overheads were the second major item in the total cost structure of the company. It had shown a decrease of 1.28 percent.

4. Administration overheads were shown a decrease of 0.41 percent during these five years.

5. Selling and distribution overheads had increased by 0.34 percent.
6. During these five years the direct expenses of the company had shown an increase of 2.66 percent.

(e) Variable cost analysis

1. The analysis reveals the fact that during these five years the company had registered a decrease of 16.08 percent in its sales, but the variable cost had increased by 4.04 percent.
2. During these five years variable cost of the company was always more than sales, this means Incremental cost was more than differential revenue.
3. During the five years there was no contribution, because variable cost of the company was more than sales.

THE KERALA STATE COIR INDUSTRY LIMITED

The analysis has been done for a period of five years i.e from 2000-2001 to 2004-2005

(a) Profitability

General Profitability

1. During these five years under study [2000-2001 to 2004-2005] KSCC was in loss.
2. The company had reduced its loss by 2.32 percent but its sales had shown a decrease of 9.63 percent.
3. The analysis revealed that during these five years the operating ratio of the company had shown an increase of 35.68 percent, because of an inefficient control over its costs.

**Overall Profitability**

1. The net worth of the company during the period was negative.

**(b) Efficiency**

1. During these five years the company was maintaining an average inventory turnover ratio of 1.394 times with an average investment of Rs 2.738 crores, which can be considered to be a reasonable one.

2. The company was maintaining an average fixed assets turnover ratio of 5.97 times with an average investment of Rs 60 lakhs in its fixed assets.

3. With a negative working capital the company’s working capital turnover ratio was always unhealthy during these five years.

4. The company was following an inconsistent credit policy and the credit collection strategy of the company was ineffective.

**(c) Financial Position**

**Liquidity Position**

1. During the five years under study, Liquidity ratios of the company were good.
2. Acid test ratio was poor. It never touched the satisfactory level during the period under study.

**Solvency Position**

1. The shareholders fund was more than the Outsiders fund in the total capital structure of the company.
2. During these five years the portion of debt in the total capitalization was increasing.
3. Solvency ratios of the company during the five years were satisfactory.

**Cost analysis**

1. The cost of raw materials was a major item in the total cost. During these five years the materials cost had shown a decrease of 3.01 percent.
2. During these five years the Cost of Remuneration to employees had shown a 1.04 percent decrease.
3. The Factory overheads were decreased by 0.54 percent.
4. Administration overheads were the second major item in the total cost structure of the company which were marked an increase of 2.16 percent during these five years.
5. Selling and distribution overheads had shown an increasing trend. It had shown an increase of 2.11 percent during these five years.
6. Direct expenses had shown a decrease of 0.05 percent over the period of five years.

(e) Variable cost analysis

1. The analysis reveals the fact that during these five years the company had registered a decrease of 1.48 percent in its sales, but the variable cost had increased by 42.83 percent.

2. During these five years even though the variable cost had recorded an increase of 42.83 percent it was always less than sales except in 2003 and 2005. This means Incremental cost was less than differential revenue, during these five years.

3. During the first two years of analysis i.e. in 2001 and 2002 the company had a reasonable P/V ratio, and in 2004 the company had a good P/V ratio of 39.82, percent, but in 2003 and 2005 there was no contribution. Because the variable cost of the company in those years was more than its sales.
The primary data collected from the employee respondents about the efficiency of corporate governance in the selected ten sick public sector companies are analysed with the help of SPSS and the major findings of the study are summarized below:

1. **Perception of the employees regarding their Working environment**
   1. Out of the total of 250 employees, only 28 percent of the workers are satisfied with the working conditions.
   2. Out of the total of 250 workers 62 percent are not satisfied with the working conditions.

**Relation between Age of the workers and their Satisfaction with the working environment**

**I. Age-wise analysis of the employees satisfied with working conditions**

1. Out of the total 7 employees who fall under the age group below 25 years, 28.6 percent of the employees are found satisfied with the working conditions.
2. Out of the total 24 employees who fall under the age group of 26-35, 41.7 percent are found satisfied with the working conditions.
3. Out of the total of 94 employees who fall under the age group of 36-45, 27.7 percent are satisfied with the working conditions.
4. Twenty six percent of the employees who are of the age of above 45 years out of the total of 125 employees are satisfied with the working conditions.

5. The Satisfaction level is comparatively more for those employees who fall under the age group of 26-35.

6. The chi-square test reveals that there is no close association between age of the worker and the level of satisfaction with the working environment.

II. Age-wise analysis of the employees dissatisfied with working conditions

1. Out of the total 7 employees who fall under the age group below 25 years, 42.9 Percent of the employees are dissatisfied with the working environment.

2. In case of employees who fall under the age group of 26-35, 41.7 percent, out of the total of 24 employees are dissatisfied with the working environment.

3. Out of the total of 94 employees who fall under the age group of 36-45, 62.8 percent are dissatisfied with the working environment.

4. Sixty seven percent of the employees whose age falls above 45, out of the total of 125 are dissatisfied with the working conditions.
5. It is interesting to note that majority of the senior workers above the age of 45 in the total population are dissatisfied with the available working conditions.

**Relation between Sex of the workers and Satisfaction with the working conditions**

**III. Sex-wise analysis of employees satisfied with the working conditions**
1. Among the male workers 26.4 Percent are satisfied with their working conditions.
2. Among the female workers 38.4 percent had expressed their satisfaction in the working environment.
3. The chi-square test reveals that there is no close association between sex of the workers and Satisfaction with the Working environment.

**IV. Sex-wise analysis of employees dissatisfied with the working environment**
1. Sixty three percent of the male workers are dissatisfied with their working conditions.
2. Fifty eight percent of the female workers are dissatisfied with their existing working environment.

**Relation between length of service of the workers and Satisfaction with working conditions**
V. Length of service and satisfaction with working conditions

1. Out of 20 employees who are having service below five years, 30 per cent of the employees are found satisfied with their working conditions.

2. Out of 43 employees who are having 6 to 10 years of service, 20.9 per cent are satisfied with their working conditions.

3. The respondent having more than ten years of service out of a total, of 187 employees, 29.9 percent are satisfied with their existing working conditions.

4. The chi-square test reveals that there is no close association between the length of service of the workers and their satisfaction with the working environment.

VI. Length of service and dissatisfaction with working conditions

1. The dissatisfaction is the highest among the employees having service between 6-10 years. Out of 43 employees, 62.8 percent are dissatisfied with their existing working environment.

2. The second highest groups of employees who are dissatisfied with the existing working environment are the employees having service more than 10 years; out of a total of 187 employees, 62.6 percent are dissatisfied with their existing working conditions.

3. Out of 20 employees having service of less than five years, 60 per cent are dissatisfied with the working conditions.
4. The workers who are having more service in the company are more dissatisfied, worried and desperate with the working conditions.

5. Employees who are having shorter length of service are less bothered about the working conditions.

VII. Reasons for dissatisfaction with working conditions

1. Sixty per cent of the employees dissatisfied with the working conditions expressed the reason for dissatisfaction as lack of friendly attitude by the supervisors and management.

2. Nineteen per cent of the employees point out the reason as lack of safety measures

3. Eight per cent of the employees point out the reason as lack of other facilities.

4. Six per cent of the employees point out the reason as relationship with co-workers

5. Only six per cent of the employees point out the other reasons for dissatisfaction

VIII. Company wise data on the level of satisfaction with working conditions

1. Among the ten public sector undertakings taken into the study, the employees satisfied with the working conditions is found high in TCC (40 percentage).
2. Thirty Six per cent of the employees of Traco Cables and Autokast are found satisfied.
3. In QCSM, 32 per cent of the employees are found satisfied.
4. In Metal Industries and Sitharam Textiles, only 16 percent of the total employees are satisfied with their working conditions.

2. Perception of the employees regarding their Salary.
   1. Fourteen per cent of the employees are found satisfied with their salary.
   2. Seventy six per cent are not satisfied with their salary.

Relation between Age of the Workers and Satisfaction with Salary

I. Age wise analysis of the employees who are satisfied with their salary

   1. The highest satisfaction is with the respondents whose age falls above 45 years. Out of the total of 125 respondents whose age falls above 45 years, 17.6 percent are satisfied with the present salary.

   2. The second highest satisfaction level is with the employees who are below the age of 25 years. Out of 7 respondents 14.3 percent are satisfied with the salary.

   3. The lowest satisfaction is among the employees between the age group of 26-35 out of the total of 24 respondents; only 8.3 percent are satisfied with their present salary.
4. The satisfaction with salary is found high among the aged employees and the young people.

5. The chi-square test reveals that there is no close association between age of the worker and their satisfaction with the Salary.

II. Age wise analysis of the employees who are dissatisfied with their salary

1. The dissatisfaction with salary is high among the employees whose age falls below 25 years. Out of the total 7 respondents, 86 percent of the workers not satisfied with the salary.

2. Employees whose age falls between 26 to 35, is the second highest group holding dissatisfaction with their salary, 83 percent of the workers belong to this group out of the total of 24 respondents are not satisfied with the salary.

3. It is interesting to see that young employees are more dissatisfied with their salary than seniors.

Relation between Sex of the Worker and Satisfaction with Salary

III. Sex-wise analysis of the employees who are satisfied with their salary

1. Out of the total of 216 male workers only 13.4 Percent of the workers are satisfied with their salary.

2. Out of 34 female respondents only 17.6 percent are satisfied with their salary.
3. The chi-square test reveals that there is no close association between sex of the workers and Satisfaction with the Salary.

IV. Sex-wise analysis of the employees who are dissatisfied with their salary
1. Out of the total of 216 male workers, majority i.e 64.4 Percent of the male workers are dissatisfied with their salary.
2. Eighty two percent of the female workers out of the total of 34 had expressed their dissatisfaction in the present salary.
3. Dissatisfaction level regarding the salary is high in the case of female workers.
4. Majority of the workers irrespective of gender are dissatisfied with their salaries. Only 14 percent workers out of the total of 250 workers are satisfied with their salary.

Relation between length of service of the workers and Satisfaction with Salary.

V. Length of service of the employees and their level of satisfaction with salary
1. The satisfaction is high among the employees having long years of service. Among the employees having above ten years of service, fifteen percent are satisfied with the salary.
2. The satisfaction level of employees having services of 6-10 years (14%), and below five years (5%).
3. The chi-square test reveals that there is no association between length of service of the workers and Satisfaction with their salary.

VI. Length of service of the employees and their level of dissatisfaction with salary

1. The dissatisfaction is high among the employees having less than five years of Service. Out of 20 employees who are having service below five years 90 percent are dissatisfied with the salary.

2. Out of 43 employees having more than ten years of service, 75.4 per cent of them are dissatisfied with the salary.

3. Out of 43 employees having services of 6-10 years 72, per cent of them are dissatisfied with the salary.

4. The analysis reveals the fact that the most dissatisfied workers are those who have below 5 years of experience and those who have more than 10 years of experience.

VII. Rating of Salary on comparative Scale

1. Seventy nine percent of the employees consider their salary as low when compared to similar jobs in other organizations.

2. Twenty percent of the employees rate their salary as average when compared to similar jobs in other organizations.
3. Only one employee in the entire lot gives a high rating of the salary on a comparative scale.

VIII. Company wise data on Satisfaction with Salary

An analysis of company wise data on satisfaction with salary reveals that the satisfaction is high among the employees of TCC (32%), followed by Traco Cable Company Limited (28%), and Kerala State Coir Corporation Limited (24%). The situation is too bad in The case of Metal Industries Limited and Sitharam Textiles Limited were 100 percent of the workers are dissatisfied by their salary. In Autokast Limited 84 percent of the workers disclosed their dissatisfaction with the salary.

3. Perception of the employees regarding their Work Load

1. Out of 250 respondents, 42 percent of the employees rated their work load as being heavy.

2. The work load was rated as Moderate by 54 percent employees.

3. Four percent of the total workers rated the work load as Low.

Relation between age of the Workers and their perception regarding the work Load

I. Relation between age of the Workers and their perception regarding the work Load

1. Out of the total 7 employees who fall under the age group below 25 years, 14 percent have ranked their work load as heavy and the
remaining 86 percent workers have rated their work load as moderate one.

2. Out of the total 24 employees who fall under the age group of 26-35 years, 25 percent have ranked their work load as heavy and the rest of the 75 percent of the workers have ranked their work load as Moderate.

3. Out of the total of 94 employees who fall under the age group of 36-45 years, 47 percent ranked their work load as heavy, 51 percent of the respondents have rated their work load as moderate and rest of the two percent workers have rated their work load as low.

4. Out of the total of 125 employees whose age falls above 45 years, 43.2 percent have rated their work load as heavy, 52 percent of the workers have rated it as moderate and 4.8 percent have rated it as low.

5. The chi-square test reveals that there is a close association between the age of the worker and their perception about the work load.

II. Relation between Sex of the Workers and their perception regarding the work Load

1. Out of the total of 216 male workers 54.6 percent of the male workers have ranked their work load as Moderate, 41.7 percent workers have ranked their work load as heavy. The remaining 3.7 percent have the opinion that their work load is low.
2. Out of 34 female respondents, 55.9 Percent of the female workers have ranked their work load as *Moderate* and the remaining 44.1 percent workers have ranked their work load as *heavy*.

3. The chi-square test reveals that there is no close association between sex of the workers and the perception regarding their work load.

III. Relation between Length of Service of the Workers and their perception regarding the work Load

1. The analysis reveals the fact that the respondents, who are having service below five years, out of the total 20 employees 70 percent have ranked their work load as *Moderate* and the remaining 30 percent workers, hold the view that their work load is *heavy*.

2. Out of the total 43 employees who falls under 6 to 10 years of service, 69.8 percent have ranked their work load as *Moderate*, 27.9 percent hold the view that their work load is *heavy* and the remaining 2.3 percent workers hold the view that their work load is *low*.

3. Out of the total of 187 employees who are having service more than 10 years of service 49.7 Percent of the workers ranked their work load as *Moderate*.46.5 percent hold the view that their
work load is heavy and the remaining 3.7 percent workers hold the view that their work load is low.

4. Majority of the workers who hold the view that their workload is moderate, 68 percent have more than 10 year of service. Among 20 workers who have less than 5 years of service, 70 percent subscribe to the same view.

5. It is to be noted that among those who commonly hold the view that the workload is moderate there are workers who have more than 10 years of service as well as those who have less than 5 years of service.

6. The chi-square test reveals that there is a close association between length of service of the workers and satisfaction with the working environment.

IV. Company wise analysis about the perception of the employees regarding their work load

The analysis reveals the company wise data about the perception of the employees regarding their work load. It is clear from the table that 80 percent of the workers in the Metal Industries Limited, 76 percent workers in the Sitharam Textiles Limited and 68 percent of the workers in Quilon Co-operative Spinning Mills Limited hold the view that their work load is heavy. 84 percent of the workers in The Kerala Ceramics Limited, 72 percent workers in the Travancore Cochin Chemicals Limited [TCC], and 64 percent workers in the
Kerala State Coir Corporation Limited have ranked their work load as *Moderate*. 12 percent of workers in the Travancore Cochin Chemicals Limited [TCC], and 8 percent of workers in the Kerala State Coir Corporation Limited hold the view that their work load is *low*

4. **Perception of the employees regarding the effectiveness of existing Supervisory Practices**

1. Out of 250 respondents, 54.2 percent of the employees consider the existing Supervisory Practices are ineffective.

2. Fourteen percent of the workers regard it as Perfunctory.

3. Thirty one percent consider it as effective.

I. **Relation between age of the workers and their perception regarding the effectiveness of existing supervisory practices**

1. Among the workers whose age falls below 25 years, 42.9 percent have rated the existing supervisory practices as ineffective, 28.5 percent had the opinion that it is effective and the remaining 28.5 percent hold the view that it is Perfunctory.

2. In the age group between 26 to 35 years, 54.2 percent have ranked the existing supervisory practices as ineffective 41.7 percent hold the view that it is effective and the remaining 4.2 percent hold the view that it is Perfunctory.
3. 58.5 Percent of the workers who belongs to the age category of 36 to 45 years have ranked the existing supervisory practices as ineffective. 12.8 percent of the respondents hold the view that it is perfunctory and the remaining 28.7 percent hold the view that it is effective.

4. Among the workers above the age of 45, 51.6 percent have rated the existing supervisory practices as ineffective, 16.1 percent of the workers have rated it as perfunctory and the remaining 32.3 percent hold the view that it is effective.

5. The chi-square test reveals that there is no close association between age of the worker and their perception regarding the effectiveness of existing supervisory practices.

II. Relation between Sex of the workers and their perception regarding the effectiveness of existing supervisory practices

1. Fifty four percent of the male workers have rated the existing supervisory practices as ineffective, 31.6 percent workers had the opinion that it is effective and the remaining 14 percent hold the view that it is Perfunctory.

2. Fifty two percent of the female workers have rated the existing supervisory practices as ineffective, 32.4 percent hold the view that it is effective and the remaining 14.7 percent hold the view that it is Perfunctory.
3. The chi-square test reveals that there is no close association between sex of the workers with their perception regarding the effectiveness of existing supervisory practices.

III. Perception regarding the effectiveness of existing supervisory practices based on length of service of the employees

1. Among the workers, who are having service below five years, 60 percent have ranked the existing supervisory practices as ineffective, 30 percent workers had the opinion that it is effective and the remaining 10 percent hold the view that it is perfunctory.

2. Workers who fall under 6 to 10 years of service, 58.1 percent had the opinion that existing supervisory practices are ineffective, 32.6 percent had the opinion that it is effective, remaining 9.3 percent hold the view that it is perfunctory.

3. Fifty two percent of the respondents having more than ten years of service hold the view that existing supervisory practices are ineffective. 31.7 percent workers had the opinion that it is effective and the remaining 15.6 percent hold the view that it is perfunctory.

4. The chi-square test reveals that there is no close association between length of service of the workers and their perception regarding the effectiveness of existing supervisory practices.
IV. Views of the employees about the existing supervisory style

1. Fifty four percent of the workers have rated the existing supervisory style as autocratic. 30.4 percent workers had the opinion that it is democratic, and the remaining 15.2 percent of the workers have rated the same as participative.

2. The majority workers had the opinion that the existing supervisory style that prevailing in the Public Sector companies is an autocratic one, and this is seems to be one of the reasons for labour agitation.

V. Post Appraisal feedback from supervisors

1. Out of 250 respondents 8 percent of the employees observe that this happens frequently.

2. Twenty four percent had the opinion that post appraisal feedbacks are received occasionally.

3. Twenty one percent indicate that this rarely happens.

4. Forty seven percent had the opinion that they never received any feedback from the supervisors.

5. The study reveals the fact that one of the problems by the public sector undertakings is lack of proper feedback system between supervisors and employees.
VI. Company wise analysis about the perception of the employees regarding the effectiveness of existing supervisory practices

All the employees of the The Metal Industries Limited and Sitharam Textiles Limited consider the existing supervisory practices as ineffective. 64 percent employees of the Traco Cable Company Limited, also consider the existing supervisory practices as ineffective. 72 percent of the workers of the Travancore Cochin Chemicals Limited [TCC], and 52 percent of the employees of the Autokast Limited consider it as effective. 36 percent of the workers of the Autokast Limited and 28 percent of the employees of the Kerala State Coir Corporation Limited regard it as Perfunctory. The situation is extremely bad at The Metal Industries Limited and Sitharam Textiles Limited.

6. Perception of the employees regarding the Inter department cooperation and communication in the Public Sector Undertakings.

1. Eight percent of the total respondents expressed strong agreement to the view that healthy relationship exists among the various departments in the organization.
2. Thirty one percent of the workers seemed to agree that inter-departmental relationship is healthy.
3. Thirty one percent denied that healthy relationship existed among the departments.
4. Twenty seven percent strongly differed from the view that inter-departmental relationship is healthy.

I. Rating of the Relationship among various departments in the organization based on the age of the employees

1. Out of the total 7 employees who fall under the age group below 25 years, 42.9 percent had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization. 14.4 Percent seemed to agree that inter – departmental relationship was healthy, 28.8 percent denied that healthy relationship exist among the departments. 14.3 Percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

2. In the age group between 26 to 35 years, out of the total of 24 employees, 8.3 percent of the workers had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization. 41.7 percent seemed to agree that Inter – departmental relationship was healthy, 25 percent denied that healthy relationship existed among the departments and 25 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.
3. Out of the total of 94 employees who fall under the age group of 36-45 years 5.3 percent of the workers had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization. 29.8 percent seemed to agree that inter – departmental relationship was healthy, 37.2 percent denied that healthy relationship exists among the departments and 27.7 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

4. Among the employees above the age of 45 years, 9.8 percent had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization, 32 percent seemed to agree that inter – departmental relationship was healthy, 28.7 percent denied that healthy relationship exist among the departments and 29.5 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

5. The chi-square test reveals that perception of the workers regarding the Inter department co-operation and communication is not at all influenced by their age.
II. Rating of the Relationship among various Departments in the Organization based on the Sex of the employees

1. Out of the total of 216 male workers 10.3 percent of the male workers had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization. 31.9 percent seemed to agree that inter – departmental relationship was healthy, 30 percent denied that healthy relationship existed among the departments and 27.7 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

2. Out of 34 female respondents 29.4 percent of the female workers seemed to agree that inter – departmental relationship was healthy, 41.2 percent denied that healthy relationship existed among the departments and 29.4 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

3. The chi-square test reveals that perception of the workers regarding the Inter department co-operation and communication does not have any relationship with the sex of the workers.
III. Rating of the Relationship among various departments in the organization based on the length of service of the employees

1. Out of the total 20 employees who falls under five years of service, 15.0 percent had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization. 30.0 percent seemed to agree that inter – departmental relationship was healthy, 20 percent denied that healthy relationship existed among the departments and 35 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

2. Among workers who fall under 6 to 10 years of service out of the total 43 employees, 4.7 percent had expressed strong agreement to the view that healthy relationship exists among the various departments in the organization. 23.3 percent seemed to agree that inter – departmental relationship was healthy, 53.5 percent denied that healthy relationship existed among the departments and 18.6 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

3. Out of the total of 187 employees who are having service more than 10 years 9.2 percent of the respondent had expressed strong agreement to the view that healthy relationship exists
among the various departments in the organization. 33.7 percent seemed to agree that inter – departmental relationship was healthy, 27.7 percent denied that healthy relationship existed among the departments and 29.3 percent of the workers strongly differed from the view that inter-departmental relationship was healthy.

4. The chi-square test reveals that perception of the workers regarding the Inter department co-operation and communication does not have any relationship with their length of service in the company.

III. Rating of the effectiveness of the communication between supervisors and management

1. Out of 250 respondents, 16 percent employees feel that this is effective.

2. Twenty three percent of the employees prefer to consider the communication with the management as perfunctory.

3. Sixty percent feel that effective communication between supervisors and management is not taking place.

IV. Opinion of the employees regarding groupism among the employees

1. Out of 250 respondents 52 percent workers agreed that groupism did exit.

2. Forty eight percent denied the presence of groupism.
VI. Company wise analysis about the Perception of the employees regarding the effectiveness of the Inter department co-operation and communication in the Public Sector undertakings.

Cent percent of the workers of the The Metal Industries Limited and Sitharam Textiles Limited, expressed strong disagreement to the view that healthy relationship exists among the various departments in the organization. 88 percent of the workers of the Quilon Co-operative Spinning Mills Limited also expressed strong disagreement. On the other hand 72 percent of the workers of Travancore Cochin Chemicals Limited [TCC], 50 percent of the workers of Kerala Electrical & Allied Engineering Company Limited and 46 percent of the workers of expressed agreement to the view that healthy relationship exists among the various departments in their organization. The situation is extremely bad at The Metal Industries Limited and Sitharam Textiles Limited.

6. Perception of the workers regarding the role of labour unions in the organization.

1. Fifty five percent of the employees are active in labour union activities.

2. Twenty five percent of the employees are not active in labour union activities.
3. Nineteen percent employees prefer not to comment on the query.

I. Relation between age of the workers and their involvement in the labour union activities

1. Among the workers whose age falls below 25 years, 57.1 percent are actively involved in labour union activities 14.4 percent are not involved in labour union activities and the remaining 28.6 percent of workers refused to disclose their opinion.

2. In the age group between 26 to 35 years, 66.7 percent are actively involved in labour union activities 12.5 percent are not involved in labour union activities and the remaining 20.8 percent of workers refused to disclose their opinion.

3. Fifty three percent of the workers who belong to the age category of 36 to 45 are actively involved in labour union activities 26.6 percent are not involved in labour union activities and the remaining 17.6 percent of workers refused to disclose their opinion.

4. Among the employees who are above the age of 45 years, 55.2 percent are actively involved in labour union activities, 27.2 percent are not involved in labour union activities and the
remaining 17.6 percent of workers refused to disclose their opinion.

5. The chi-square test reveals that there is no close association between age of the worker and *their involvement in the Labour union activities*.

II. Relation between sex of the workers and their involvement in the labour union activities

1. Out of the total of 216 male workers 56.9 percent of the male workers are actively involved in labour union activities 23.1 percent are not involved in labour union activities and the remaining 19.9 percent of workers refused to disclose their opinion.

2. Out of 34 female respondents, 47.1 percent of the female workers are actively involved in labour union activities, 38.2 percent are not involved in labour union activities and the remaining, 14.7 percent of workers refused to disclose their opinion.

3. The chi-square test reveals that there is no close association between sex of the workers and their involvement in the labour union activities.
III. Relation between length of service of the workers and their involvement in the labour union activities

1. Among the employees, who are having service below five years, 60.0 percent, are actively involved in labour union activities, 15 percent is not involved in labour union activities and the remaining 25 percent of workers refused to disclose their opinion.

2. Among the workers who fall under 6 to 10 years of service, 48.8 percent are actively involved in labour union activities 23.3 percent is not involved in labour union activities and the remaining 27.9 percent of workers refused to disclose their opinion.

3. Fifty six percent of the respondents having more than ten years of service are actively involved in labour union activities 26.7 percent are not involved in labour union activities and the remaining 16.6 percent of workers refused to disclose their opinion.

4. The chi-square test reveals that there is no close association between length of service of the workers and their involvement in the labour union activities.
IV. Participation in strike

1. Out of 250 respondents 77.2 Percent of the workers have participated in one or more strikes.

V. Reason for strike

1. Forty five percent of the respondents pointed that the reason for strike is for getting more salary.
2. Thirty percent of the respondents pointed that the reason for strike is for better working conditions.
3. Fifteen percent of the respondents pointed that the reason for strike is some issues with the superiors.
4. The analysis says that the main reasons for strike and labour agitation is for better salary and better working conditions, both are inadequate in most of the Public Sector Undertakings.

VI. Company wise analysis about the involvement of the employees in the labour union activities.

Eighty three percent of the workers of the The Metal Industries Limited and 80 percent of the workers of the Kerala Electrical & Allied Engineering Company Limited are actively involved in the labour union activities. 56 percent of workers at the Kerala State Coir Corporation Limited and 44 percent of the employees of Autokast Limited are not involved in any form of labour union activities. The situation is extremely bad at The Metal Industries Limited and Kerala Electrical & Allied Engineering Company Limited.
6. Perception of the workers regarding the effectiveness of existing grievance redressal system in Public Sector Undertakings.

1. Ten percent of the respondents are of the opinion that the existing grievance redressal system is effective and always boost the moral of the employees.
2. Twenty nine percent of the respondents feel that the existing grievance redressal system is not so effective and very often they have been motivated by the action of the management on grievances.
3. The majority i.e. 61 percent of the workers observe that the existing grievance redressal system is not effective. They have never been motivated by the action of the management on grievances. So the majority of the employees are not satisfied with the existing grievance redressal system followed by the companies.

I. Relation between age of the workers and their perception regarding the effectiveness of existing grievance redressal system in the organization.

1. Forty three percent of the respondents who are of the age of less than 25 years rate the existing grievance redressal system as an effective one, and always works as a source of motivation. 28.6 percent feel that very often they have been motivated by the action of the management on grievances;
remaining 28.6 percent observe that the existing grievance redressal system is not effective. They have never been motivated by the action of the management on grievances.

2. In the Age group between 26 to 35 years, 12.5 percent of the respondents rate the existing grievance redressal system as an effective one and an instances source of motivation always. 41.7 percent feel that very often they have been motivated by the action of the management on grievances; remaining 45.8 percent observe that they have never been motivated by the action of the management on grievances and the existing grievance redressal system will never boost the moral of the employees.

3. Nine percent of the workers who belong to the age category of 36 to 45 rate the existing grievance redressal system as a source of motivation always. 21.3 percent feel that very often they have been motivated by the action of the management on grievances; remaining 69.1 percent observe that they have never been motivated by the action of the management on grievances.

4. Workers whose age falls above 45 years, 8.3 percent of the respondents observe that rate the existing grievance redressal
system is effective and it always boost the moral of the employees. 33.3 percent feel that very often they have been motivated by the action of the management on grievances; remaining 58.3 percent observe that they have never been motivated by the action of the management on grievances.

5. Sixty percent have never been motivated by the action of the management on grievances, and have the opinion that the existing grievance redressal system is in effective. Out of these dissatisfied employees, 47.29 percent are above 45 years of age and 69 percent workers are between 35 to 45 years of age.

6. The chi-square test reveals that there is a close association between age of the worker and satisfaction with the grievance redressal system.

II. Relation between Sex of the workers and their Perception regarding the effectiveness of existing grievance redressal system in the organization.

1. Ten percent of the male workers rate the existing grievance redressal system is an effective one because it always works as a source of motivation. 30.8 percent feel that very often they have been motivated by the action of the management on grievances; remaining 58.3 percent the majority, observe that they have never been motivated by the action of the
management on grievances, and the existing grievance redressal system is not at all effective.

2. Five percent of the female workers had the opinion that the existing grievance redressal system is an effective one because it always boosts the moral of the employees and is an instances source of motivation. 20.6 percent feel that very often they have been motivated by the action of the management on grievances; remaining 73.5 percent the majority, observe that they have never been motivated by the action of the management on grievances, and the existing grievance redressal system is not effective.

3. The chi-square test reveals that there is no close association between sex of the workers and their perception regarding the effectiveness of existing grievance redressal mechanism in the organization.

III. Relation between length of service of the workers and their perception regarding the effectiveness of existing grievance redressal system in the organization.

1. The workers having service below five years 25 percent of the workers consider the existing grievance redressal system is an effective one. They also have the opinion that the existing grievance redressal system always boosts the moral of the
employees and works as an instances source of motivation. 20 percent feel that very often they have been motivated by the action of the management on grievances; remaining 55 percent the majority, observe that they have never been motivated by the action of the management on grievances.

2. Among the workers who fall under 6 to 10 years of service, 7 percent of the respondents rate that the existing grievance redressal system, always as a source of motivation. 20.9 percent feel that very often they have been motivated by the action of the management on grievances; remaining 72.1 percent the majority, observe that existing grievance redressal system never boosts the moral of the employees and they have never been motivated by the action of the management on grievances.

3. Nine percent of the respondents having more than ten years of service 18.2 rates such instances always as a source of motivation. 32.4 percent feel that very often they have been motivated by the action of the management on grievances; remaining 58.2 percent the majority, observe that they have never been motivated by the action of the management on grievances.

4. The chi-square test reveals that there is no close association between the length of service of the workers and their
perception regarding the effectiveness of existing grievance redressal system in the organization.

IV. Consistence of grievance redressal system

1. Out of 250 respondents 7.2 percent workers record that the management often takes action on grievances.
2. Forty percent feels that this rarely happens.
3. Fifty three percent workers hold that the management never takes action on grievances.

V. Company wise analysis about the Perception of the employees regarding the effectiveness of existing grievance redressal system in the organization

All the workers of the The Metal Industries Limited, Sitharam Textiles Limited and The Kerala Ceramics Limited observes that there is no effective grievance redressal system in their company and the management never takes prompt action for grievance redressal.

8. Perception of the workers regarding the Consistence of Feedback system

1. Out of 250 respondents 8 percent of the workers observe that this happens frequently.
2. Twenty four percent indicate that post appraisal feedbacks are received occasionally.
3. Twenty one percent indicate that this rarely happens.
4. Forty seven percent choose the option suggesting that such feedbacks are never received from the superiors.

I. Relation between Age of the workers and their Perception regarding the consistence of existing feedback system in the Public Sector Undertakings.

1. Among the workers whose age falls below 25 years, 14.3 percent respondents observe that this happens *frequently*. 42.9 percent indicate that post appraisal feedbacks are received *occasionally*. 28.6 percent indicate that this *rarely* happens. 14 percent choose the option suggesting that such feedbacks are never received from the superiors.

2. In the age group between 26 to 35 years Out of a total of 24 respondents, none of the respondents observe that this happens *frequently*. 37.5 percent indicate that post appraisal feedbacks are received *occasionally*. 33.3 percent indicate that this *rarely* happens. 29.2 percent choose the option suggesting that such feedbacks are never received from the superiors.

3. Six percent of the workers who belong to the age category of 36 to 45 observe that this happens *frequently*. 25.5 percent indicate that post appraisal feedbacks are received *occasionally*. 14.9 percent indicate that this *rarely* happens.53.2 percent choose the option suggesting that such feedbacks are never received from the superiors.
4. Employees whose age falls above 45 years, 10.4 percent respondents observe that this happens frequently. 18.4 percent indicate that post appraisal feedbacks are received occasionally. 23.2 percent indicate that this rarely happens. 48 percent choose the option suggesting that such feedbacks are never received from the superiors.

5. The chi-square test reveals that there is no close association between age of the worker and their perception regarding the effectiveness of existing feedback system in the Public Sector Undertakings.

II. Relation between Sex of the workers and their perception regarding the consisitence of existing feedback system in the Public Sector Undertakings.

1. Nine percent of the male respondent’s observe that this happens frequently. 23.1 percent indicate that post appraisal feedbacks are received occasionally. 22.7 percent indicate that this rarely happens. 44.9 percent choose the option suggesting that such feedbacks are never received from the superiors.

2. Out of the total female workers none of them observe that this happens frequently. 26.5 percent indicate that post appraisal feedbacks are received occasionally. 11.8 percent indicate that this rarely happens. 61.8 percent choose the option suggesting that such feedbacks are never received from the superiors.
3. The chi-square test reveals that there is no close association between sex of the workers and their Perception regarding the effectiveness of existing feedback system in the Public Sector Undertakings.

III. Relation between Length of service of the workers and their Perception regarding the effectiveness of existing feedback system in the Public Sector Undertakings.

1. The workers having service below five years out a total of 20 workers 5.0 percent of the respondents observe that this happens frequently. 35 percent indicate that post appraisal feedbacks are received occasionally. 20 percent indicate that this rarely happens. 40 percent choose the option suggesting that such feedbacks are never received from the superiors.

2. Among the workers who fall under 6 to 10 years of service, 4.7 percent of the respondents observe that this happens frequently. 30.2 percent indicate that post appraisal feedbacks are received occasionally. 16.3 percent indicate that this rarely happens. 48.8 percent choose the option suggesting that such feedbacks are never received from the superiors.

3. Nine percent of the employees having more than ten years of service observe that this happens frequently. 20.9 percent indicate that post appraisal feedbacks are received occasionally. 22.5 percent indicate that this rarely happens. 47.6 percent
choose the option suggesting that such feedbacks are never received from the superiors

4. The chi-square test reveals that there is no close association between length of service of the workers and their perception regarding the effectiveness of existing feedback system in the Public Sector Undertakings.

IV. Company wise analysis about the perception of the employees regarding the effectiveness of existing feedback system in the Public Sector Undertakings.

All the workers of the The Metal Industries Limited and Sitharam Textiles Limited, 80 percent of employees of the The Kerala Ceramics Limited and 76 percent employees of Quilon Co-operative Spinning Mills Limited observe that such feedbacks are never received from the superiors. On the other hand 80 percent of the employees of Travancore Cochin Chemicals Limited [TCC], indicate that post appraisal feedbacks are received occasionally.

9. Perception of the workers regarding the effectiveness of disciplinary procedure currently in place in the Public Sector Undertakings

1. Out of 250 respondents 29.3 percent of workers affirm that the procedure has been effective.
2. The majority i.e. the remaining 70.7 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

I. Relation between Age of the workers and their Perception regarding the disciplinary procedure currently in place in the Public Sector Undertakings

1. Among the workers whose age falls below 25 years, 57.1 percent of respondents affirm that the procedure has been effective. The remaining 42.7 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

2. In the age group between 26 to 35 years, 37.5 percent of the respondent’s affirm that the procedure has been effective. The majority i.e. the remaining 62.5 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

3. Twenty seven percent of the workers who belong to the age category of 36 to 45 affirm that the procedure has been effective. The majority i.e. the remaining 72.3 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

4. Employees whose age falls above 45 years, 27.4 percent of respondents affirm that the procedure has been effective. The
majority i.e. the remaining 72.6 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

5. The chi-square test reveals that there is no close association between age of the worker and their perception regarding the effectiveness of disciplinary procedure currently in place in the Public Sector Undertakings.

II. Relation between Sex of the workers and their perception regarding the disciplinary procedure currently in place in the Public Sector Undertakings.

1. Twenty eight percent of the male workers affirm that the procedure has been effective. The majority i.e. the remaining 72 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

2. Thirty eight percent of female workers affirm that the procedure has been effective. The majority i.e. the remaining 62 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective.

3. The chi-square test reveals that there is no close association between sex of the worker and their Perception regarding the
effectiveness of disciplinary procedure currently in place in the
Public Sector Undertakings.

III. Relation between length of service of the workers and their
perception regarding the effectiveness of disciplinary procedure
currently in place in the Public Sector undertakings.

1. The workers, who are having service below five years 35.0
percent of the workers, observe that the procedure has been
effective. The majority i.e. the remaining 65 percent employees
hold the view that the disciplinary procedure being followed
by the company has not been effective.

2. Among workers who fall under 6 to 10 years of service, 20.9
percent of the respondents affirm that the procedure has been
effective. The majority i.e. the remaining 79.1 percent
employees hold the view that the disciplinary procedure being
followed by the company has not been effective.

3. Thirty one percent of the respondent having more than ten
years of service rates observes that the procedure has been
effective. The majority i.e. the remaining Sixty nine percent
employees hold the view that the disciplinary procedure being
followed by the company has not been effective.

4. The chi-square test reveals that there is no close association
between length of service of the workers and their perception
regarding the effectiveness of disciplinary procedure currently
in place in the Public Sector Undertakings.

IV. Company wise analysis about the perception of the employees
regarding the effectiveness disciplinary procedure currently in
place in the Public Sector Undertakings.

All the workers of the The Metal Industries Limited and Sitharam
Textiles Limited, 80 percent of employees of the The Kerala Ceramics
Limited and 84 percent employees of Quilon Co-operative Spinning
Mills Limited hold the view that the disciplinary procedure being
followed by the company has not been effective. On the other hand
72 percent of the employees of Travancore Cochin Chemicals Limited
[TCC], affirm that the procedure has been effective.

10. Perception of the workers regarding the effectiveness of
    training programs in the Public Sector Undertakings

1. Out of 250 respondents 36 Percent of the respondents rate the
   training programs as highly effective.
2. Thirty nine percent feel that this has been effective very often.
3. Twenty five percent of the respondents consider the training
   within the organization as never having been effective.
I. Relation between Age of the workers and their Perception regarding the effectiveness of existing Training Programmes in the Public Sector Undertakings

1. Workers whose age falls below 25 years, 85.7 percent of the respondents rate the training programs as highly effective. 85.7 percent feel that this has been effective very often. None of them consider the training within the organization as never having been effective.

2. In the Age group between 26 to 35 years, 29.2 percent of the workers rate the training programs as highly effective. 62.5 percent feel that this has been effective very often. 8.3 percent of the respondents consider the training within the organization as never having been effective.

3. Thirty nine percent of the workers who belong to the age category of 36 to 45 hold the view that the training programs as highly effective. 38.3 percent feel that this has been effective very often. 22.3 percent of the respondents consider the training within the organization as never having been effective.

4. Respondents whose age falls above 45 years, 34.5 percent hold the view that the training programs as highly effective. 37.9 percent feel that this has been effective very often. 22.8 percent of the respondents consider the training within the organization as never having been effective.
5. The chi-square test reveals that there is no close association between age of the worker and their perception regarding the effectiveness of existing training Programmes in the Public Sector Undertakings.

II. Relation between Sex of the workers and their perception regarding the effectiveness of existing training programmes in the Public Sector Undertakings.

1. Thirty six percent of the male respondents rate the training programs as highly effective. 39.1 percent feel that this has been effective very often.24.2 percent of the respondents consider the training within the organization as never having been effective.

2. Among the female workers, 41.2 percent rate the training programs as highly effective. 44.1 percent feel that this has been effective very often.14.7 percent of the respondents consider the training within the organization as never having been effective.

3. The chi-square test reveals that there is no close association between sex of the workers and their perception regarding the effectiveness of the existing training programmes in the Public Sector Undertakings.
III. Relation between length of service of the workers and their perception regarding the effectiveness of training programmes in the Public Sector Undertakings

1. The workers, who are having service below five years 52.6 percent of the respondent’s rate the training programs as highly effective. 31.6 percent feel that this has been effective very often. 15.8 percent of the respondents consider the training within the organization as never having been effective.

2. Among workers who fall under 6 to 10 years of service, 37.2 percent of the respondents rate the training programs as highly effective. 55.8 percent feel that this has been effective very often. 7 percent of the respondents consider the training within the organization as never having been effective.

3. Thirty six percent of the respondent having more than ten years of service rates observes that the procedure has been effective. 37 percent employees hold the view that the disciplinary procedure being followed by the company has not been effective. 27 percent of the respondents consider the training within the organization as never having been effective.

4. The chi-square test reveals that there is no close association between length of service of the workers and their perception regarding the effectiveness of Training Programmes in the Public Sector Undertakings.
VI. Company wise analysis about the Perception of the employees regarding the effectiveness training programmes in the Public Sector Undertakings

All the employees of the The Metal Industries Limited and Sitharam Textiles Limited, consider the training within the organization as never having been effective. 87 percent of employees of the The Kerala Ceramics Limited, 68 percent employees of Kerala Electrical & Allied Engineering Company Limited and 64 percent workers of Quilon Co-operative Spinning Mills Limited hold the view that this has been effective very often.

11. Reason for loss in the Public Sector Undertakings

So many reasons can be pointed out for the dismal performance of public sector undertakings. One of the important reasons for loss in public sector undertakings is that the management does not able utilize the full efficiency of the workers. The reason for this can be attributed as lack of facilities in the work place, mismanagement, inadequate motivation etc.

1. Majority of the employees of selected public sector undertakings are not satisfied with their working conditions
2. Lack of friendly attitude by the supervisors and management, lack of safety measures, lack of other facilities, relationship with co-workers, are the major reason for dissatisfaction
3. Majority of the employees of selected public sector undertakings are not satisfied with their salary.

4. The reward is not based on the labour productivity.

5. Majority of the employees consider their salary as low when compared to industrial standards and living cost.

6. Majority of the employees has the opinion that the existing supervisory practices in the public sector undertakings are ineffective.

7. The majority workers had rated the existing supervisory style that prevailing in the Public Sector companies as autocratic one, and this is seems to be one of the reasons for labour agitations.

8. There is no efficient supervision in the organizations. The supervisors play an important role in increased labour productivity. There is no proper training facility to the supervisors also.

9. There is no effective feedback system between supervisors and employees.

10. Inter- Departmental Relationship in the Public Sector companies are not smooth effective and healthy
11. In almost all Public Sector companies there is no effective communication between supervisors, management and casual workers.

12. The majority of the workers in Public Sector Undertakings agree that high degree of groupism among the employees did exit. Department wise, class wise, political wise etc.

13. Political instability and over interference of trade unions at the work place can be posed as other major reason for the dismal performance.

14. In almost all the public sector undertakings the labour strength is very high. It should be reduced.

15. Due to political interference, there is a practice of appointing less qualified employees.

16. In Kerala’s public sector, in general due to over influence of labour unions, the employees are not fully offering their efforts and at the same time demanding more salary.

17. The labour unions are reluctant to accept the suggestion linking wages with productivity.

18. Majority of the employees are very active in labour union activities, and participating in strikes.
19. The main reasons for majority of strikes and labour agitation are for better salary and better working conditions, both are inadequate in most of the Public Sector Undertakings.

20. There is no efficient grievance redressal system in Public Sector Undertakings.

21. The majority of the employees hold the view that the disciplinary procedure being followed by the Public Sector Undertakings has not been effective. There is no proper training facility to the employees.

Section B

Conclusion

On the basis of the above findings, the following conclusions are emanated:

The findings summarized in the previous section about the financial performance of the selected ten sick companies in the Public Sector leads to the following conclusions:

THE TRAVANCORE COCHIN CHEMICALS LIMITED [TCC]

1. During these five years the company’s sales were decreased by 32.03 per cent. The study reveals the fact that the company never conducted any marketing survey or collected any feedback from its customers and currently has no marketing strategy.
2. The company was following an inconsistent credit policy and the credit collection power of the company is questionable.
3. Working capital management of the company was not effective.
4. During these five years, the company relied much on outside source for raising long-term fund.
5. Factory overheads were the major item in the total cost structure of the company.

**THE TRAVANCORE CEMENTS LIMITED [TCL]**

1. It is evident from the analysis that, during this five year the operating ratio of TCL had increased by 8.7 percent.
2. The net worth of the Travancore Cements Limited was negative during the period under review.
3. Factory overheads and labour cost were the major items in the total cost structure of the company.
4. The companies don’t have any quality improvement program.
5. The study reveals the fact that the company never have conducted any marketing survey or collected any feed back from its customers.

**THE KERALA ELECTRICAL & ALLIED ENGINEERING COMPANY LIMITED [KEL]**

1. The analysis reveals that during the period under study, the operating ratio of the company had increased by 16 percent.
2. During the study period the working capital management of the company was not effective.

3. The company was following an inconsistent credit policy.

4. During these five years materials cost had increased by 6.63 percent.

5. The study reveals the fact that the company is purchasing raw materials from suppliers, and always faces delay in the supply of materials. The cost of materials is also high.

6. The labour cost had increased by 6.01 percent.

7. Factory overheads are the third major item in total cost structure of the company.

8. During these five years (except 1999) the company’s Incremental cost was more than differential revenue.

**THE TRACO CABLE COMPANY LIMITED [TCC]**

1. The analysis reveals the fact that during these five years the company had registered a decrease of 22.55 percent in its sales and its operating ratio had increased by 26.99 percent.

2. During these five years the company was relied much on the outside source for raising long-term fund, and the solvency position of the company during these five years was gradually weakening.
3. The cost of raw materials was a major item in the total cost. It along was consuming 64 percent of the total cost.
4. The study reveals the fact that the cost of materials is high and the company is purchasing raw materials from suppliers.
5. During the last four years (2002 to 2005) the company’s Incremental cost was more than differential revenue.

**THE METAL INDUSTRIES LIMITED**

1. During the study period the working capital management of the company was not effective.
2. The company was following an inconsistent credit policy.
3. During these five years it was maintaining an average P/V ratio of 31.26 percent.
4. The study reveals the fact that the company experience interruption in the production process many times mainly due to labour problems. Regular production is often not happening in the company. At present the company is using less than average of installed capacity.

**THE AUTOKAST LIMITED**

1. During these five years the company had registered a decrease of 17.82 percent in its sales.
2. The working capital management of the company was not effective.
3. The company was following an inconsistent credit policy.
4. Liquidity positions of the company were not satisfactory.
5. In the total capitalization, portion of debt was more than three times of equity. During these five years 80.21 percent of the total capitalisation was outsider’s fund. Debts were mounting up in all the five years and the working capital of the company was negative (the current liabilities were always in excess of the current assets).
6. Solvency position of the company during the five years was gradually weakening.
7. The cost of raw materials, labour and factory overheads were increasing.
8. The analysis reveals the fact that in all the five years company’s incremental cost was more than differential revenue.
9. The study reveals the fact that the company is facing stiff competition in the market and the existing marketing system of the company is not effective.

THE KERALA CERAMICS LIMITED

1. The analysis reveals the fact that during these five years the company had registered a decrease of 21.61 percent in its sales
2. The study reveals the fact that the company had never conducted any marketing survey or collected any feedback from its customers and the current marketing strategy of the company is not effective.
3. During these five years company’s operating ratio had increased by 37.51 percent.
4. The working capital management of the company was not effective.
5. Company was following an inconsistent credit policy during these five year period.
6. During these five years the company’s debt was gradually increasing.
7. Factory overheads were the major item in total cost structure of the company.
8. During the study period incremental cost was more than differential revenue.

**THE QUILON CO-OPERATIVE SPINNING MILLS LIMITED**

1. During these five years the company had registered a decrease of 46.63 percent in its sales, the analysis reveals the fact that there is no separate marketing wing in the company. For the last ten years the company had never made any efforts for marketing its products.
2. During these five years the operating ratio of the company had shown an increase of 44.73 percent. The analysis indicates that during these five years company were not applied any cost control measures, and it was having an inefficient control over its cost, and now its operating efficiency is under threat.

3. The company was following an inconsistent credit policy.

4. The analysis reveals the fact that during these five years debt in the total capitalization of the company was gradually increasing.

5. The Material cost was the major item in the total cost structure of the company, during these five years material cost of the company had recorded a decrease of 4.01 percent.

6. During these five years incremental cost of the company was more than its differential revenue.

**THE SITARAM TEXTILES LIMITED**

1. The study reveals the fact that during these five years the company had registered a decrease of 16.08 percent in its sales, there is no separate marketing wing in the company and for the last many years its marketing activities were passive.

2. During these five years operating ratio of the company had shown an increase of 15.67 percent.
3. During these five years the company was following an inconsistent credit policy.

4. Liquidity positions of the company were always below than satisfactory level.

5. During these five years 84.04 percent of the total capitalisation of the company constitutes the outsider’s fund.

6. Material cost of the company was the major item in the total cost structure of the company. The company is purchasing raw materials from suppliers, and always faces delay in getting the materials. The cost of materials is also high.

7. During these five years incremental cost was more than differential revenue.

8. Actual production of the company is less than average of installed capacity. The company many times experienced interruption in the production process mainly due to labour problems.

THE KERALA STATE COIR INDUSTRY LIMITED

1. The analysis revealed that during these five years the operating ratio of the company had shown an increase of 35.68 percent, because of an inefficient control over its costs.

2. The working capital management of the company was not effective.
3. The company was following an inconsistent credit policy.
4. During these five years the portion of debt in the total capitalization was increasing.
5. The cost of raw materials was a major item in the total cost.

On the basis of the above findings, summarized in the previous section about the efficiency of corporate governance of the selected ten sick companies in the Public Sector leads to the following conclusions:

1. Employees generally are not satisfied with the working conditions. Older employees and the employees who have more service are found to be more dissatisfied with the working conditions. It indicates that the aged employees are much bothered about the working conditions, even though they are preparing for their retirement.

2. The major reason for dissatisfaction with working conditions can be described as lack of friendly attitude by the supervisors and management. The management does not recognize and consider the efforts taken by the employees.
3. Employees are expecting and giving more importance to good and healthy relationship with the management than the quality of physical working conditions.

4. Employees who are having shorter length of service are less bothered about the working conditions but the employees having service for a long period are much bothered about the working conditions.

5. The major reason for dissatisfaction is the lack of friendly attitude by the supervisors and management.

6. Employees are not satisfied with their salary. They have the opinion that even in the absence of modern or sophisticated facilities and machineries they are performing well when compared to many modern private sector companies but the management is not considering the efforts of the employees and the present reward system is not based on the labour productivity.

7. The dissatisfaction with salary is high among the young employees. They have the opinion that the present salary is not enough to maintain even an average standard of living.

8. Majority of the workers irrespective of gender are dissatisfied with their salaries.
9. The dissatisfaction is high among the employees having below five years of service.

10. Majority of the female employees are not satisfied with their salary.

11. The reward is not based on the labour productivity.

12. The labour class employees are found more dissatisfied with their salary. They are of the view that when compared to the managerial staff they are doing more manual work, but getting only lower pay. Here the problem is lack of proper communication. It is the task of the management to communicate the reasons for this change to the employees.

13. One of the major reasons for labour agitation and low productivity can be seen as inadequacy of salary and incentives.

14. The main reason for dissatisfaction with salary is that the amount is not at par with the cost of living.

15. The productivity is largely dependent on the labour class people. The study found that the labour class people are more dissatisfied with the salary and incentives. This can be indicated as the main reason for low productivity in the public sector undertakings. When compared to the rewards to the managerial staff, rewards to the labour class are much low. This difference should be minimized; other wise there should be
sufficient clarification for the difference and it should be properly communicated to the workers.

16. It will be better if the company provide quality motivating benefits to lower level workers, if provided it will boost the morale of the workers and will help to increases production.

17. The study reveals the fact that in public sector companies the management always taking autocratic decisions with out considering the reasonable demands of the employees, so the employees in many situations are forced to do strike to mark their protest against the unfair management decisions.

18. Supervisory practices in the public sector undertakings are ineffective. This is seems to be one of the reason for labour agitations. There is no proper training facility to the supervisors also. Most of the supervisors are autocratic leaders.

19. There is no effective feedback system between supervisors and employees.

20. Inter-Departmental Relationship in the Public Sector companies is not effective.

21. There is no effective communication in Public Sector Undertakings.

22. In Public Sector Undertakings high degree of groupism among the employees did exit.
23. Political interference of trade unions at the work place is a major reason for the dismal performance. Due to political interference, of labor unions, the employees are not fully offering their efforts and at the same time demanding more salary.

24. There is no efficient grievance redressal mechanism in Public Sector Undertakings.

25. The majority of the employees hold the view that the disciplinary procedure being followed by the Public Sector Undertakings has not been effective.

26. There is no proper training facility to the employees.

27. Most of the employees are aware that they are not utilizing their efficiency fully. The justification given by the employees for the above situation is that the salary and incentives provided by the organizations are not sufficient.

28. It can be concluded that in Kerala’s public sector, the average labour productivity is only medium.

29. Most of the young employees are not satisfied with their work itself and their productivity also is very low.

30. The study revealed the fact that because of unfair political interferences lot of under qualified employees are there in most of the public sector companies this lead to the dilution in the
quality of work in these companies and this is not good for the organization.

31. There is close association between age of the worker, sex, length of service, educational qualification, participation in decision making, active participation in labour unions, and satisfaction with work environment, satisfaction with salary and labour productivity.

Section C
Suggestions

Based on the findings and conclusions drawn from the study, the following suggestions seem feasible for improving the financial performance of the selected ten sick public sector undertakings.

THE TRAVANCORE COCHIN CHEMICALS LIMITED [TCC]

The company should take immediate steps for increasing its sales. It should frame an effective marketing strategy for widening the market and countering the competition especially from outside state industries.

The company has to revamp its credit policy.

Working capital management of the company should improve.

The company should strike a balance between debt and equity in its capital structure.
Factory overheads of the company should be controlled especially the electricity charges.
The company should increase the production.
The company should settle the labour problems then only it can ensure uninterrupted production.

**THE TRAVANCORE CEMENTS LIMITED [TCL]**

The company should frame an effective marketing strategy for countering the stiff competitions. More professional approach is needed for widening the market for the company’s products.

Working capital management of the company should improve.

Company should take adequate steps for regulating the factory overheads and labour cost.

The companies should implement a suitable quality improvement program.

The company should increase the production.

It will be better if the company give some quality motivating benefits to lower level Worker/workers.

**THE KERALA ELECTRICAL & ALLIED ENGINEERING COMPANY LIMITED [KEL]**

The company should take immediate steps for improving its operating efficiency.

Working capital management of the company should improve.
The company has to follow a consistent credit policy.

Material cost can be reduced if the company buys the same directly from the manufactures. Intermediaries (suppliers) should be avoided; this also will help the company to avoid delay in getting the materials.

For reducing the labour cost the company has to find out solutions for the problem of “excess labour” in consultation with government and trade unions.

As a part of cost reduction process urgent steps should be taken for regulating the factory overheads.

The company should increase the production.

THE TRACO CABLE COMPANY LIMITED [TCC]

The company should take immediate steps for increasing its sales. It should frame an effective marketing strategy for widening the market and countering the competition from private firms.

The company should take immediate steps for improving its operating efficiency.

The study reveals the fact that the cost of raw materials was a major item in the total cost structure of the company. It along was consuming 64 percent of the total cost. This was mainly because of the reasons that (a) company always purchase materials from suppliers, (b) it often make delay in the material availability. (c)
Suppliers never supply adequate quantity of raw material at right time (d) the company is not maintaining adequate reserve stock to insulate itself against interruption in production process.

The company experience interruption in the production process many times because of the complaints of old machinery. Now the production is less than average of installed capacity. So it is the high time for the company to replace its antique machineries.

The quality of the products should improve.

**THE METAL INDUSTRIES LIMITED**

The company has to make its working capital management more effective.

The company has to follow a consistent credit policy.

The study reveals the fact that the company experience interruption in the production process many times mainly due to labour problems. Regular production is often not happening in the company. At present the company is using less than average of installed capacity. The company should take immediate steps for settling the Labour problems.

**THE AUTOKAST LIMITED**

The company should take immediate steps for increasing its sales.

Company’s products still enjoy a good demand in the market but
because of the lack of professional approach in marketing. So the company should frame an effective marketing strategy for widening the market for its products.

Working capital management of the company should improve.

The company has to follow a consistent credit policy.

The company should strike a balance between debt and equity in its capital structure. Now 80.21 percent of the total capitalisation was outsider’s fund this creates high interest burden for the company.

Company should take immediate steps for washing off its accumulated loss in consultation with the government.

**THE KERALA CERAMICS LIMITED**

The company should take immediate steps for increasing its sales. It should frame an effective marketing strategy for widening the market and countering the competition from private firms. There is a lot of scope for the company’s products in the market but because of the lack of professional approach in marketing company’s sales had decreased.

The company should conduct a marketing survey or collect feedback from its customers; this will help the company to improve its marketing efforts.

The working capital management of the company should make effective.
Company has to follow a consistent credit policy. The study reveals the fact that the company experience interruption in the production process many times mainly due to labour problems. At present the company is using average of installed capacity. The company should take immediate steps for settling the Labour problems.

**THE QUILON CO-OPERATIVE SPINNING MILLS LIMITED**

The study reveals the fact that the company experience interruption in the production process many times mainly due to labour problems. At present the company is using less than average of installed capacity. The company should take immediate steps for settling the Labour problems.

The company is still running with 25 year old machinery and often experience interruption in the production process many times because of the complaints of old machinery. Now the production is less than average of installed capacity. So it is the high time for the company to replace its antique machineries.

The analysis reveals the fact that there is no separate marketing wing in the company. For the last ten years the company had never made any efforts for marketing its products. So the company has to frame an effective marketing strategy for its products.
The company should take immediate steps for improving its operating efficiency.

The company has to follow a consistent credit policy.

THE SITARAM TEXTILES LIMITED

The study reveals the fact that the company experience interruption in the production process many times mainly due to labour problems. At present the company is using less than average of installed capacity. The company should take immediate steps for settling the Labour problems.

The study reveals the fact that there is no separate marketing wing in the company and for the last many years its marketing activities were passive. So the company has to set up a separate marketing wing and frame an effective marketing strategy for widening the market.

The company has to follow a consistent credit policy.

The company should strike a balance between debt and equity in its capital structure. Now 84.04 percent of the total capitalisation was outsider’s fund this creates high interest burden for the company.

Material cost can be reduced if the company buys the same directly from the manufactures. Intermediaries (suppliers) should be avoided; this also will help the company to avoid delay in getting the materials.
THE KERALA STATE COIR INDUSTRY LIMITED

The analysis indicates that during these five years company were not applied any cost control measures, and it was having an inefficient control over its cost., and now its operating efficiency is under threat. The company has to make its working capital management effective. The company has to follow a consistent credit policy.

The cost of raw materials was a major item in the total cost. Material cost can be reduced if the company buys the same directly from the manufactures. Intermediaries (suppliers) should be avoided; this also will help the company to avoid delay in getting the materials.

Based on the findings and conclusions drawn from the study, the following suggestions seem feasible for improving the efficiency of corporate governance of the selected ten sick public sector undertakings.

There should be good relationship between management and workers.

1. Compensation management should be revamped by considering all influencing factors and it should be related with productivity.
2. There should be an effective appraisal system clearly differentiating between the excellent, the good, the average and the poor performers in the organization.
3. Before offering productivity based on salary the organization should see whether the circumstances are suitable or not. In other words the organization should check whether it is in line with its plans and the resources to manage it is available or not. Before introducing the system the organization should make sure that how many employees would be covered by it, how performance would be measured, frequency of the payouts and the degree of employee responsibility etc.

4. There should be provision for reviewing the performance appraisal system and salary and incentives system. If the employees are not satisfied with the incentives or performance appraisal system, it is better to review it as early as possible.

5. The job should be assigned to the right person, it should be clearly defined, assign responsibilities and set tight but realistic deadlines.

6. There should be team work in the organization. It will improve productivity.

7. Frequent meetings reviewing the performance of the employees are essential. It should find out the drawbacks and should be rectified.

8. There should be provision for prompt resolution of employee grievances. In problems corrective action should be taken. If employees are not satisfied with the manner in which their
grievances were handled by the managers, let them to approach the next management level.

9. Sufficient powers should be delegated to the employees.

10. The employees should get participation in decision making.

11. The management should make the employees aware that they have scope for higher earnings provided they improve their productivity.

12. Before allocating a particular work to a worker or to a group, make sure that they are capable to do it.

13. There should be provision for good supervisors to monitor the work and they can play an important role in motivating the workers. So it is advisable to provide leadership training to top management and supervisors.

14. It is advisable to keep referring the names of outstanding performers in the company journals or seminars or other sources of information.

15. There should be co-ordination and team work between various departments.

16. The employees should be consulted for their ideas on improving productivity.

17. Do not over utilize the employees who are more capable, give the inexperienced ones a chance too. Improvement comes from exposure.
18. Always be result oriented and make the best use of available resources by integrating and coordinating them where ever required.

19. It is required to maintain an open door policy in the organization. For e.g., the middle line managers should be able to easily access the senior management. So that the suggestions to improve will reach the right person and it will be critiqued, evaluated and implemented quickly. In the same way all the workers should get an access to their superiors. this will pave the way for improvement in communication with in the organization.

20. Ensure that technically trained persons do not have to do mundane or no technical jobs.

21. Productivity will be higher where organization structure is simple, the management is responsible and leadership is excellent.

22. Absenteeism is a major deterrent to productivity, lay focus and stress up on regular attendance.

23. Total Quality Control (TQC) process should be implemented, that will help to improve the quality of operations as well as products in the organization.

24. There should be provision for quick and proper communication between the management and workers.
25. Do not hesitate in removing incompetent managers from their positions.

26. Tighter controls could be necessary but rigidity could have a negative effect on productivity.

27. Quality motivating benefits should be offered to lower level workers that will motivate the employees to maintain the quality in the process as well as in the product.

28. When forming teams, it is advisable to put together people with different backgrounds. The ability to see things in different perspectives will be beneficial for improved productivity.

29. Increased job security will result in increased workers commitment and which will in turn result in increased productivity.

30. Create a feeling of dignity to all work is very important in increasing labour productivity. The inherent worth of all workers should be acknowledged and their dignity upheld.

31. In an ever changing environment, technical, socio-economic or political reasons can be a cause for decrease in productivity.

32. Good reward management and good governance is only one part for increased labour productivity. The other part is that the management should be able to meet other requirements of the workers.
33. The companies should take steps for increasing sales. It is the need of the hour to frame an effective marketing strategy for widening the market for the products and countering the competition especially from private firms both inside and outside the state. More professional approach is needed for widening the market. Marketing system and strategies of the companies should be revamped from time to time according to the market pulse.

34. Material cost can be reduced if the companies buy the same directly from the manufactures. Intermediaries (suppliers) should be avoided; this also will help the company to avoid delay in getting the materials. The companies has to evaluate the sources of raw materials according to the quality, availability, rate etc this will help them to select the economic source for raw materials. In order to avoid material wastage in stores the company can utilize the help of logistics where ever needed.

35. Most of the public sector companies are running with antique machineries. The companies experience interruption in the production process many times because of the complaints of old machinery. Most of the companies having a production of less than average of installed capacity. So it is the high time for the companies to replace the antique machineries.
36. On line inspection and strict documentation should be implemented

37. The company should collect the feedback from the customers to assure the quality of the product supplied. This will help to understand the needs and preference of the customers and will eventually help the company to provide better service to the customers.

The performance of the public sector undertakings in Kerala State is not satisfactory. Majority of the public sector undertakings are working in a dismal way. In order to change the situation, it is required to change out work view itself. In most of the organizations mismanagement can be placed as one of the important reasons for low productivity. There should be good employer – employee relationship in the work place. The employees should be properly motivated. In a developing country like ours the effective corporate governance is very important in motivating the workers and it will have an impact and play a big role in improving the labour productivity.

In order to have an increased productivity, the employees should be satisfied with the working environment and also with the rewards. The labour union activities inside the company should be
restricted and regulated. Political interferences in the affairs of the company should not be entertained.

A good working condition, good reward, healthy relations, effective grievances redressael system, effective feed back system, participative management, and good co-ordination between various departments, good training facilities will affect the satisfaction level of the employees. So the management should consider all these aspects. It is also to be noted that the above factors alone will not contribute higher productivity; there should be a combination of all factors, which contribute higher labour productivity. In order to attain overall productivity, there should be a combination of people through effective corporate governance, technology and effective financial management. Among these variables, the satisfaction of people and managing financial resources are very important. Based on the findings of the study, we can conclude that a good corporate governance system and financial management will improve the overall productivity of the organization.

**SCOPE FOR FURTHER RESEARCH**

1. A detailed study about the financial planning and controlling in Public Sector Undertakings.

2. A detailed study about the role of BIFR in the revival of sick industries in kerala.