6.1 INTRODUCTION

In this chapter, the summary of findings of the study, operational problems and suggestions are presented. The thrust areas of the study are the issues and problems faced by RMG manufacturing units in Madurai district.

The study highlights the various problems faced by RMG manufacturing units. Personal interview with sample garments units and informal discussion with the officials of the Textile Committee in Madurai and Textile Testing Development Centre, District Industries Centre (DIC), Madurai Integrated Textile Park (MITP), Maditssia and the office bearers of the Tamil Nadu RMG Manufacturing Association were helpful in identifying the operational problems of the RMG manufacturing units.

The suggestions offered in this chapter are based on the views expressed by the manufacturers of the RMG manufacturing units.
6.2 SUMMARY OF FINDINGS

The background of the manufacturing units in the study area and the problems faced by the units have been analysed on different dimensions such as problems relating to raw-materials, processing, labour, power supply, modern technology, Governmental delays and financial aspects. For this, the manufacturing units are classified on the basis of the nature of products produced i.e., branded and unbranded products and named Branded Units (BU) and Unbranded Units (UBU).

The background variables such as the nature of ownership, nature of business, number of branches, type of garments, experience of the units, source of finance, education of the owner and age of the owner were collected and analysed.

As far as the nature of units are concerned, the analysis reveals that majority of the units are producing only unbranded products at their units.

Sole proprietorship type of ownership dominates in the study area. However the important nature of ownership among BU and UBU are sole proprietorship and partnership.

The important level of business done by the units is at local level followed by the inter-state level.
Among the total respondents, 50 per cent own only one branch. The analysis reveals that the number of branches owned by the BUs is higher than the UBUs.

The important type of garments produced by the units is gents wear and ladies wear. The analysis reveals that majority of units are producing only gents and ladies wear.

The important years of experience of the units are below 10 years (35.43%) and 10 to 20 years which constitute 34.42 per cent. The important years of experience of BUs are above 30 years and 21 to 30 years. In the case of UBU, these two are below 10 years and 10 to 20 years. The analysis reveals that the years of experience among the BU are higher than among the UBUs.

The important source of initial capital in the units is self. Only 23.37 per cent of the units depend on banks in order to meet their initial capital.

The important level of education of the owner is primary level and secondary level.

The analysis reveals that the important age group of the owners in the units is 51 to 60 and less than 30 years.

The important motivating factors to start the BU were identified as high profit and social status. Among the owners in UBU, these are compulsion and desire to be
self-employed. The significant difference among the owners in BU and UBU has been noticed in the case of ambitions and compulsion.

The highly viewed source of raw-material among the owners in BU is within India and import. Among the owners in UBU, these are local and from buyers. The significant difference among the owners in BU and UBU has been noticed in the view on few sources of raw-material namely local, within India and import.

The analysis reveals that the term of payment for purchase of raw-material in majority of units is purchasing their raw materials on both cash and credit basis.

The period of credit availed by the units from their suppliers have been examined and the important period of credit availed by the BU is above 3 months and 2.01 to 3 months. In the case of UBU, these two are 1 to 2 months and less than one month. The analysis reveals the credit period availed by BU is higher than by the UBU from their suppliers.

The analysis reveals that the important raw materials used by the units are all materials and cotton. The problems encountered by the units in acquiring raw material among the BU are price fluctuations and poor quality. In the case of UBU, these are higher cost and price fluctuations. The significant difference among the owners in BU and UBU has been noticed in all raw-material related six problems.
The confirmatory factor analysis used to examine the reliability and validity of the six variables in raw material problem indicates the content validity since the standardized factor loading are higher than 0.60. It is also proved by the composite reliability and average variance extracted since these are greater than its minimum threshold of 0.50 and 50.00 per cent respectively.

The score on raw-material problem (SRMP) among the owners in units is confined to less than 2.00; 2.00 to 3.00; 3.00 to 4.00 and above 4.00. The important SRMP in the units is 3.01 to 4.00 which constitute 54.02 per cent to the total. The important SRMP in BU are 2.00 to 3.00 and 3.01 to 4.00. In the case of UBU, these two are 3.01 to 4.00 and above 4.00. The analysis reveals that the level of raw material problem is identified as higher in UBU than in BU.

The ways to solve the raw-materials problems identified in the present study for the units among the BU is price fluctuations and poor quality. In the case of UBU, these are higher cost and price fluctuations. The significant difference among the owners in BU and UBU has been noticed in all six problems.

The important mode of manufacture in the units is manual and machinery. In the case of BU, the important mode of manufacture is machinery and both. In the case of UBU, this is manual. The analysis reveals that the important mode of manufacture in BU and UBU is machinery and manual respectively.
The number of sewing machines used by BU is 31 to 40 (54.7%) and more than 40 which constitute 29.06 per cent. In UBU this is Less than 10 machines (42.35%) and 10-20 machines which constitute 43.06 per cent.

The type of machineries used by the units is cutting, embroiding, packaging, folding and ironing machineries. The highly used machinery by the units is cutting machinery. Among BU, most of the units have packaging machineries, followed by cutting machinery. In the case of UBU, most of the units are having cutting machineries followed by embroiding machinery. The analysis reveals that the number of machineries owned by BU is higher than the number of machineries owned by UBU.

The nature of work represents the own processing work and job work. The most important nature of work in BU is own processing. Among the UBU, it is job work. The analysis reveals that the BU depends on own processing whereas the UBU depends on job work.

The reasons for giving job work by the units have been examined to identify the important reasons. The highly viewed reason by the BU is to ensure timely delivery and lack of technical skills. In the case of UBU, these are labour absenteeism and lack of technical skills. The significant difference among the BU and UBU has been noticed in the case of all six reasons for giving job work selected for the study such as lack of modern machineries, lack of technical skills, highly
expensive in own processing, labour absenteeism, capacity constraints and to ensure timely delivery.

The highly viewed problem faced in garment processing in BU and UBU is lack of power supply and labour absenteeism. The significant difference among BU and UBU has been noticed in all variables except lack of power supply.

The confirmatory factor analysis used to examine the reliability and validity of the five variables in processing problem explain it to the extent of 76.61 per cent since its Cronbach alpha is 0.7661. The content validity is proved since the standardized factor loading of the variables in it are greater than 0.60. The analysis reveals the reliability and validity of variables in processing problem.

The important score on processing problem (SPP) in the units is 3.01 to 4.00 and 2.01 to 3.00. The important SPP in the BU is 2.01 to 3.00 and 3.01 to 4.00. In the case of UBU, these two are 3.01 to 4.00 and 2.01 to 3.00. The analysis reveals that the level of problem perception on garment processing is higher in UBU than among the owners in BU.

In the present analysis, the important view on electricity charges among the owners is exorbitant and reasonable. The most important opinion on electric charges among the owners in BU is reasonable. In the case of UBU, it is exorbitant.
The important opinion among the owners on power supply in BU is poor supply and manageable. In the case of UBU, these two are inadequate and poor supply. In total, the opinion on electricity supply is very poor among the owners in UBU than among the owners in BU.

All BU has generator facilities at their units whereas half of the UBU have no generator facility. The highly viewed reason for not installing the generator in UBU is expensive and not viable. The higher consistency in the view on the reasons has been identified in the case of inadequate space.

The highly viewed problem by owners on the problems due to lack of power supply in BU is ‘unable to deliver on time and increase in storage cost.’ Among the owners in UBU, these two are unable to delivery on time and increase in other overheads. Among the problems due to power supply, the significant difference among the BU and UBU have been noticed in the case of unable to delivery on time and increase in other overheads.

The Cronbach alpha (0.7667) indicates that included variables in power supply problem explain it to an extent of 76.67 per cent. The standardized factor loading is varying from 0.6991 to 0.8554 which indicates the content validity.

The important score of power supply problem (SPSP) among the units is above 4.00 and 3.01 to 4.00. Among the BU, these are 3.01 to 4.00 and above 4.00
whereas among the UBU, these are above 4.00 and 3.01 to 4.00. The analysis reveals that the perception on power supply problem in the UBU is higher than in the BUs.

An attempt has made to examine the implementation of modern technology in the units. In total a maximum of 59.30 per cent of the units are not adopting modern technology. The analysis infers that the usage of technology is higher in BU than in UBU.

In the present study, the highly viewed reason for not using the modern technology in BU is lack of technical labour and lack of interest. In the case of UBU, these are financially weak and lesser demand. Among the reasons for not using the modern technology in the units, the significant difference among the BU and UBU has been identified is costly, lesser demand, financially weak and lack of interest.

The highly implemented area of modern technology in BU is computer aided design and grading system. In the case of UBU, these are computer aided design and marking system. The significant difference among BU and UBU has been noticed in the implementation of areas namely designing system, grading system and computer aided design.

In total, 50.25 per cent of the units are not giving for outsourcing. The number of units applied outsourcing is identified as higher in BU than in UBU. In total, a maximum of 81.82 per cent of the units which give outsourcing have a percentage of
above 40 per cent to its total production. In the BU, the important per cent of outsourcing in the units is 10 to 20 and 21 to 30 per cent while in the case of UBU, these two are above 40 and 31 to 40 per cent. The percentage of outsourcing given by the units is identified as higher in UBU than in BU.

The important number of workers in the units is less than 10 and 10 to 20. The important number of workers in BU is above 40 and 31 to 40. In the case of UBU, these are less than 10 and 10 to 20. The number of workers in BU is higher than in UBU.

The highly used type of workers in BU is skilled and semi-skilled. In the case of UBU, these are unskilled and semi-skilled workers. The significant difference among the BU and UBU has been noticed in the case of usage of skilled and unskilled workers.

The highly considered criterion to recruit the employees for BU is age and experience. In the case of UBU, these are personally known and friendship. The significant difference among the owners in BU and UBU has been identified in the case of age, personally known, friendship, technically qualified, experience and recommendation.

In the units selected for study, the highly considered basis for determination of wage/salary in BU is piece rate and consolidated basis. In the case of UBU, these two
are piece-rate and consolidated basis. The significant difference among the BU and UBU has not been identified in the case of viewing on consolidated basis.

The payment of wages/salary to their workers differs from workers to workers. The highly considered basis to pay wages/salary in BU is monthly basis and weekly basis. In the case of UBU, these two are daily basis and weekly basis. The significant difference among the BU and UBU has been noticed in the case of payment of wages/salary on daily basis and monthly basis.

Among the monetary benefits offered by the units, in the present study, in total, a maximum of 80.65 per cent of the units are offering bonus to their workers followed by advance (41.45%) and provident fund facilities (30.15%). The two important financial incentives offered by BU and UBU are bonus and advance.

The highly perceived labour problem among the owners in BU is demanding higher pay and absenteeism. Among the owners in UBU, these are demanding higher pay and membership in trade union. The significant difference among the owners in BU and UBU has been noticed in all problems selected for the study such as Non-availability of skilled labour, Non-availability of experienced staff, Non-availability of motivated labour, demanding higher pay, membership in trade union, irregular in work and absenteeism except in the membership of trade unions, where the difference is little.
The standardized factor loading of the variables in labour problems are higher than 0.60 which shows the content validity. The Cronbach alpha (0.7911) shows that the included variables in labour problem explain it to an extent of 79.11 per cent.

The important score on labour problem in the units (SLP) in the present study in BU are 3.01 to 4.00 and 2.00 to 3.00. In the case of UBU, these two are 3.01 to 4.00 and above 4.00. The analysis reveals that the perception on labour problem in the units is higher among the owners in UBU than in BU.

The important extent of employee turnover ratio in the units is 21 to 30 and 31 to 40 per cent. The important labour turnover in BU is 21 to 30 and less than 10 per cent. In the case of UBU, these two are 21 to 30 and above 40 per cent. The extent of employee turnover in UBU is higher than in BU.

In the present study the reasons for labour turnover are confined to nine reasons such as working environment, job stress, delay in payment of wage/salary, lack of training, labour disputes, financial requirements, marriage, offer from competitors and opening own unit. The highly viewed reason by the owners in BU is competitors offer and labour disputes. Among the owners in UBU, these two are competitors offer and financial requirements. The significant difference among the owners in BU and UBU has been noticed in all the reasons except in lack of training.
The highly viewed problems relating to Government faced by the owners in BU is textile ministry office and export import policy. In the case of UBU, these are documentation and other procedure; and income tax. The significant difference among the owners in BU and UBU has been noticed in the case of labour law, excise duty, income tax, sales tax and export import policy.

The content validity is proved since the standardized factor loading of the variables in Governmental problem is higher than 0.60. The internal consistency is proved since the Cronbach alpha is greater than its minimum threshold of 0.60.

The important score on governmental problem (SGP) in the units is 3.01 to 4.00 and 2.00 to 3.00. The important SGP in BU are 2.00 to 3.00 and less than 2.00. In the case of UBU, these two are 3.01 to 4.00 and 2.00 to 3.00. The analysis reveals that the perception on governmental problems is higher among the owners in BU than among the owners in UBU.

The highly viewed variable in financial problem in BU is higher cost of capital and higher need for overhead. In the case of UBU, these are higher cost of capital and poor working capital. The significant difference among the BU and UBU has been noticed in the case of all seven variables such as poor working capital, higher need for overhead, higher cost of capital, fluctuation in the need of working capital, formalities and delay in bank finance, poor incentives/subsidies and mismatching of source and application of funds.
The standardised factor loading of the variables in financial problem are greater than 0.60 which shows the content validity. The Cronbach alpha (0.7917) reveals that the included seven variables in financial problem explain it to the extent of 79.17 per cent.

The important score on financial problem (SFP) in the units is 3.01 to 4.00 and 2.00 to 3.00. The important SFP in the BU is 2.01 to 3.00 and 3.01 to 4.00. In the case of the UBU, these two groups are 3.01 to 4.00 and 3.01 to 4.00. The analysis reveals that the level of financial problem in UBU is higher than in BU.

The present study has made an attempt to examine the association between the profile of units and the perception on various problems by taking variables such as nature of ownership, nature of business, number of branches, type of garments, experience of units, source of finance, education of the owner and age of the owner.

Regarding the perception on raw material problem, the significantly associating profile variables are type of garments, experience of units, source of finance, education and age of the owner. The significant associating profile variables in the perception on processing and power supply problem are experience of units and education of the owner. Regarding the perception on labour problem, the significantly associating profile variables are number of branches, education and age of the owner whereas in the case of governmental problem, these are education and age of the owner. The significantly associating profile variables with the perception
on financial problem is nature of ownership, nature of business, type of garments, source of finance education and age of the owner.

The problem perception among the owners in BU and UBU is identified by administering discriminate analysis. The significant mean differences among the BU and UBU have been noticed in the perception on raw material, processing, labour and financial problem. The higher mean differences are identified in the case of financial and processing problem. The higher discriminant power of the problem has been noticed in the case of financial and processing problem.

The significant problems have been included to estimate the two group discriminant function. The higher discriminant co-efficients are raw-material and financial problem. It shows the higher degree of influence of abovesaid problems in discriminant function. The higher relative contribution in total discriminant is noticed in the case of raw-material and financial problem. The analysis reveals that the important discriminant problems among the owners in BU and UBU are financial and raw-material problem which is highly perceived by the owners in UBU than in BU.

The owner’s view on the characteristics of the unit has been measured with the help of eight variables such as creation of employment opportunities, industrial distribution, minimize risk, lesser price, easy to register and control, intensity of workers, help in fostering the entrepreneurs and independence. The highly perceived
variable in characteristics of the unit among the owners in BU is help in fostering the entrepreneurs and creation of employment opportunities. Among the owners in UBU, these are lesser price and help in fostering the entrepreneurs. The significant difference among the owners in BU and UBU has been noticed in the case of five variables (other than industrial distribution, lesser price and intensity of workers) out of eight variables.

The standardised factor loading of the variables in it are greater than 0.6 which shows the content validity. The included eight variables in characteristics of the unit explain it to an extent of 81.47 since its Cronbach alpha is 0.8147.

The owner’s view on the raw-material used in the units has been examined with the help of seven variables such as variation in price of raw material, scarcity of raw material, quality of raw material, cost of raw material, frequency of purchase of raw materials, local purchase of raw materials and quantity of raw material purchased. The highly viewed variable in raw-material among the owners in BU is variation in price of raw-material and cost of raw-materials. Among the owners in UBU, these are variation in price of raw-material and scarcity of raw-materials. The significant difference among the owners in BU and UBU has been noticed in the case of all the variables in raw-materials.

The standardised factor loading of the variables in raw materials is ranging from 0.6317 to 0.8244 which shows the content validity. The included seven
variables in raw materials explain it to the extent of 76.44 per cent since its Cronbach alpha is 0.7644.

The view on power supply among the owners have been measured with the help of seven variables such as regular power supply, utilization of material with power supply, utilization of man power with power supply, provision of supplementary power supply, price of power, production with power supply and response on the complaints against power supply.

The highly viewed variable in power supply among the owners in BU is provision of supplementary power supply and utilization of material with power supply. Among the owners in UBU, these are regular power supply and production with power supply. The significant difference among the owners in BU and UBU has been noticed in all variables in power supply.

The standardised factor loading of the variables in power supply are greater than 0.60 which reveals the content validity of the construct. The Cronbach alpha (0.7884) reveals that the included seven variables in power supply explain it to an extent of 78.84 per cent.

The general trend for the unit which represents the internal and external environmental factors in and around the unit have been measured with the help of eight variables such as competition, support by financial institution, support by
Government, rate of interest on loans and advances, technology applied, productivity in the unit, cost efficiency of the unit and quality maintenance in the unit.

The highly viewed variable in BU is cost efficiency of the unit and productivity in the unit. In the case of UBU, these are support by the government and productivity in the unit. The significant difference among the owners in BU and UBU has been noticed in the case of last four variables out of eight variables in it.

The standardised factor loading of the variables in general trend in varying from 0.6561 to 0.9245 shows the content validity of the construct. The Cronbach alpha (0.8244) shows that the included eight variables in general trend explain it to the extent of 82.44 per cent.

The labourers trend in the units have been measured with the help of eight variables namely availability of labour, price of labour, labour relationship, regularity in attendance, sincerity among the labour, training attended by the labour, working environment and labour involvement.

The highly viewed variable in labour trend among the owners in BU is labour relationship and price of labour. Among the owners in UBU, these are price of labour and labour relationship. The significant difference among the owners is BU and UBU have been identified in all variables in labour trend.
The standardised factor loading of the variables in labour trend are greater than 0.60 which shows the content validity. The Cronbach alpha (0.7908) shows that the included eight variables in labour trend explain it to an extent of 79.08 per cent.

The manufacturers competencies in the units have been measured with the help of ten variables namely confidence, independence, individuality, profit orientation, initiative, resourcefulness, leadership, need for achievement, challenge orientation and time management.

The highly viewed variable 3.8524, owners in BU is profit orientation and individuality since their mean scores is 3.9224 and 3.8969 respectively. Among the owners in UBU, these are resourcefulness and need for achievement since their mean scores are 3.2665 and 3.1883 respectively. Regarding the perception on variables in manufacturers’ competencies, the significant difference among the owners in BU and UBU has been noticed in the case of all 10 variables in it since their respective ‘t’ statistics are significant at five per cent level.

The standardized factor loading of the variables in it is varying from 0.6549 to 0.9244 which reveals the content validity. The internal consistency has been proved by the Cronbach alpha since it is greater than 0.60.
The owners view on the manufacturing unit have been examined with the help of six important factors namely characteristics of unit, raw materials, power supply, general trend, labour and manufacturers’ competencies.

The highly viewed factors in manufacturing units among the owners in BU are manufacturers’ competencies and raw materials. Among the owners in UBU, these are manufacturers’ competencies and characteristics of units. The significant difference among the owners in BU and UBU has been noticed in the case of all six factors.

By administering discriminant analysis the discriminant factors among the owners of BU and UBU are identified. The significant mean differences are noticed in the case of characteristics of unit, raw-materials, power supply, labour trend and manufacturers’ competencies. The higher mean differences are identified in the case of raw materials and labour trend. The higher discriminant power is identified in the case of raw materials and manufacturers competencies. The significant factors have been included to estimate the two group discriminant function.

The higher discriminant co-efficient are identified in the case of manufacturers’ competencies and labour trend. It shows the higher influence of abovesaid two factors in discriminant function. The higher relative contribution in TDS is noticed in the case of manufacturers’ competencies and labour trend. The estimated two group discriminant function correctly classifies the cases to the extent
of 72.48 per cent. The analysis reveals that the important discriminating factors among the BU and UBU is manufacturers’ competencies and labour trend which is highly perceived at BU than at UBU by their owners.

An attempt has been made to analyse the association between the profile of the units and the owners’ perception on factors in the units with the help of one way analysis of variance. The included profile variables are nature of ownership, nature of business, number of branches, type of garments, experience of units, source of finance, education and age of the owner.

Regarding the perception on characteristics of the units, the significantly associating profile variables are nature of ownership, source of finance, education and age of the owner. In the case of raw materials, the significantly associating profile variables are number of branches, source of finance, education and age of owner whereas in the case of power supply, these are nature of ownership, nature of business, number of branches, experience of units and education of the owners.

The association between the profile of the units, their owners and their view on general trend, labour trend and manufacturers’ competencies has been examined separately with the help of one-way analysis of variance. It was found that the significant associating profile variables with the perception on general trend is nature of ownership, number of branches, education and age of the owner.
The owners’ view on the overall performance of the units has been examined in order to exhibit the level of performance of the units as per the view of its owners. The overall view on the units have been measured with the help of profit, competitive advantage, labour management, raw materials management, productivity and financial accommodation.

The highly viewed variable in the overall view on the BU units is financial accommodation and profit. In the case of UBU, these two variables are financial accommodation and productivity. The significant difference among the BU and UBU has been noticed in the case of all six variables included in it.

The standardized factor loading of the variables in overall view on the units (OVU) are ranging from 0.6344 to 0.9049 which shows the content reliability of the construct. The Cronbach alpha reveals that the included variables in overall view explain it to an extent of 81.44 per cent.

The important score on overall view SOVU in the units is 2.00 to 3.00 and 3.01 to 4.00. The important SOVU in the BU are 3.01 to 4.00 and 2.00 to 3.00. In the case of UBU, these two are 2.00 to 3.00 and less than 2.00. The analysis reveals that the overall view on the units is higher among the owners in BU among the owners in UBU.
The impact of factors on overall view on the units has been examined among the owners in BU, UBU and also for pooled data separately by executing multiple regression analysis.

The significantly and positively influencing factors on the overall view on the units among the owners in BU are characteristics of units, raw materials, and manufacturers’ competencies. The changes in the perception on factors explain the changes in the overall view on BU to an extent of 78.49 per cent.

In the case of UBU, a unit increase in the perception on power supply result in an increase in overall view on the units by 0.1386 units. The changes in the perception on the factors explain the changes in the overview on UBU to an extent of 76.41 per cent. The analysis of pooled data reveals the importance of raw materials and manufacturers competencies in the determination of overall view on the units.

The impact of problem on the overall view on the units has been examined among the owners in BU, UBU and also for pooled data separately by executing multiple regression analysis.

The significantly and negatively influencing problem on the overall view on the BU among the owners is labour. The changes in the perception on problem explain the changes in overall view on the units to the extent of 78.14 per cent. In the
case of UBU, the significantly and negatively influencing problem on the overall view on the units is raw material, power supply, labour and financial problem.

A unit increase in the abovesaid problems result is a decrease in the overall view on units by 0.1441, 0.1299, 0.1889 and 0.1776 units respectively. The changes in the perception on problems explain the changes in the overall view on UBU to an extent of 81.49 per cent. The analysis of pooled data reveals the importance of perception on labour and financial problem in the determination of overall view on the units.

One of the components of SWOT is strengths. The strength of the units have been measured with the help of 12 variables such as raw material availability, testing and evaluation, traditional skills, large market area, low cost, reasonable price, good quality product, efficient control, job work, brand, garment association and Kerala market.

The highly viewed variables in strength of the units among the users in BU are brand and large market area. Among the owners in UBU, these two are raw material availability and good quality product. The significant difference among the BU and UBU has been possession of strengths, the significant difference among the BU and UBU have been noticed in all variables in strength.
The standardized factor loading of the variables in strength are greater than 0.60 which shows the content validity. The Cronbach alpha (0.8233) reveals that the included 12 variables in strength explain it to an extent of 82.33 per cent.

The weaknesses of the units have been assessed with the help of 12 variables such as lack of product development, lack of resources, government formalities, lack of research and development, not updating with the changing trends, modernization without diversification, no timely delivery, lack of technology, fashion change, poor packaging, export communication gap and Kolkata market.

The highly viewed variables in weaknesses among the means of BU are fashion change and Government formalities. In the case UBU, these two are lack of product development and Government formalities. The significant difference among the owners in BU and UBU has been noticed in the case of all 12 variables in weaknesses.

The standardized factor loading of the variables in weakness are varying from 0.6209 and 0.9079 which reveals the content validity. The Cronbach alpha (0.8042) shows that the included 12 variables in weaknesses explain it to the extent of 80.42 per cent.

The level of opportunities available to the units has been measured with the help of 10 variables such as higher demand, expanding market, transfer of
technology, overseas business opportunities, garments training centre, tax exception, government support, Textile Park, TUF schemes and financial incentives and support.

The highly variable in opportunities among the owners in BU are overseas business opportunities and expanding market. The significant difference among the owners in BU and UBU have been noticed in the case of expanding market, transfer of technology, overseas business opportunities, garments training centre, and TUF schemes.

The standardized factor loading of the variables in opportunities are greater than 0.60 which shows the content validity. The internal consistency of opportunities has been proved since the Cronbach alpha is greater than its standard minimum of 0.60.

The present study has made an attempt to examine the threats to the manufacturing units with the help of 12 variables such as global competition, safety measures, high labour turnover, time requirements for order execution, hectic local competition, quality standards, trade union, higher material cost, higher labour cost, poor availability of technical labour, lack of power supply and huge investment on show room.
The highly viewed variable in threat in BU is lack of power supply and huge investment on show room. In the case of UBU, these are global competition and huge investment on show room. The significant difference among the BU and UBU have been noticed in 10 variables (other than lack of power supply and huge investment on show room) out of 12 variables in threats since their respective ‘t’ statistics are significant at five per cent level.

The content validity of construct has been powered since the standardized factor loading of variables in threats are greater than 0.60. The Cronbach alpha (0.5334) reveals that the included 12 variables in threats explain it to the extent of 83.34 per cent.

The score on strengths, weaknesses, opportunities and threats to the units have been computed by the mean scores of the variables in it respectively. The mean scores of strengths, weaknesses, opportunities and threats in BU and UBU have been computed separately. The significant difference among the BU and UBU has been estimated regarding the strengths, weaknesses, opportunities and threats with the help of ‘t’ test.

The highly viewed SWOT in BU is strengths and opportunities. In the case of UBU, these are weaknesses and threats. The significant difference among the BU and UBU has been noticed in the case of all four factors in SWOT.
The SWOT score in the units have been compared in two ways. Initially, the difference between the strengths and weaknesses has been computed. Secondly, the difference between the opportunities and threats are analysed. The mean scores of the difference between strength and weaknesses; and opportunities and threats in BU and UBU have been computed separately. The ‘t’ test has been administered to find out the significant difference among the BU and UBU regarding the two differences.

In BU, the positive differences are noticed in two cases. It reveals that the strengths of the BU are highly perceived than its threats. In the usage of UBU, the differences are identified as negative. It reveals that the weaknesses of the unit are higher than its strengths and the threats are higher than its opportunities. Regarding the differences in the pairs, the significant difference among the BU and UBU has been noticed in all the basis.

An attempt has been made in the present study to examine this association between profile of units, owners and their view on SWOT with the help of one way analysis of variance.

Regarding the view on the strengths of the units, the significantly associating profile variables are nature of ownership, experience of units, education and age of the owner. The significantly associating profile variable with the level of perception on weaknesses is experience of units whereas in the case of perception on opportunities, the significantly associating profile variables are source of finance and
age of the owner. The significantly associating profile variables with the level of perception on threats are number of branches, experience of units and age of the owner.

The score of the difference between two pairs such as strength Vs weaknesses and opportunities Vs threats have been examined to exhibit its association with the profile of the units and its owners with the help of one way analysis of variance.

The significantly associating profile variables are nature of ownership, type of garments, source of finance, education and age of the owner. In the case of difference between the opportunities and threats, the significantly associating profile variables are nature of business, source of finance, education and age of the owner.

An attempt has been made to study the impact of SWOT score on the overall view on the units by applying multiple regression analysis. The impact of SWOT on overall view on BU, UBU and pooled data has been examined separately.

In the case of BU, the significantly and positively influencing factors on the overall view on units are strengths, weaknesses and opportunities. The change in the score on SWOT explains the changes in the overall attitude on the units to a higher extent in BU than in UBU.
6.3 OPERATIONAL PROBLEMS AND SUGGESTIONS

The study has thrown light on few specific problems. The various problems identified and the relevant suggestions are presented in this part. For each problem, the researcher has attempted few suggestions.

6.3.1 Acquisition of Raw Material

The high cost of the raw material always stands high as a problem for the RMG manufacturing units. The small-scale industries find themselves at a loose end when compared with the large scale industries. With their larger organisation and resources, getting raw materials at competitive prices, the large scale industries appear to be the greatest threat to small scale industries. Financial weakness stands the way of securing raw materials in bulk in the competitive market. The small scale industry owners does not get enough of what they want, and what they get is of poor quality and has to be bought at higher prices.

To solve the problems of acquiring the raw materials the following suggestions are made.

- Adoption of cluster method of production will ease the further process of manufacturing RMG
• Setting up of more number of textile mills in the study area will help in providing required raw-material to the RMG manufacturing units

• Making necessary arrangements to ensure supply of raw material at concessional rates to reduce the cost of raw material

• Conducting periodic survey to identify the availability of raw materials

• Developing local market for raw materials in order to prevent units to get raw material from the outside markets, that results in higher costs.

• Regulatory functions of the concerned Ministries and Government Departments need to be focused on controlling raw material movements with a view to ensure stable yarn prices in the country and to make the sector more competitive and productive.

6.3.2 Labour Shortage

The RMG manufacturing units require both skilled and unskilled labourers for processing the RMG. But they always fall well behind the required human resource for achieving their production targets. Under-utilization of the installed capacity in the units is a major blow to these RMG manufacturing units.

To solve the problems in this arena, the following steps are suggested:
• Creating awareness about the employment opportunities in RMG manufacturing units

• The Textile Testing and Development Centre established in Kappalur, in Madurai District which is not fully known to the public, should be made known to all and be utilized to its full capacity

• The Labourers who are ready to work in Tiruppur and are not showing much interest to work in Madurai units, should be motivated to work in Madurai

• Technically Developed Technicians should be encouraged mainly to fulfill the labourers vacancy and to run the units effectively

• The re-orientation programme, workshops and seminars should be organized at district level to provide latest information to the small scale RMG manufacturing units

• With regard to labour, an atmosphere may be created for the employer to feel comfortable and secure in order to serve the nation by running this industry smoothly and successfully

**6.3.3 Increase in Labour Turnover**

Labour turnover is the rate of change in the working staff of a concern during a definite period. High rate of labour turnover is harmful to the quality of production
and is a serious obstacle to the full utilization of the capacity. When a well set employee leaves the company then it is very difficult to replace his place and it will slow down the process of production, result in under utilization of the installed machineries and delay the delivery of goods. Among various reasons for labour turnover, relying on competitor offer, financial requirements, marriage and opening of new units influence most of the labourers.

To solve the above-mentioned issue of labour turnover, the following suggestions will be instrumental.

- Advance payments should be increased to slow down the labour turnover
- Salary and wages should be increased when compared with the competitors
- Other fringe benefits like pension, provident fund, gratuity, bonus, maternity benefits, earned leave, and the like should be implemented
- Pay Scale should be implemented to each and every small scale units

6.3.4 Power Failure

Electricity is a major power resource to the RMG manufacturing units. Adequate and uninterrupted power supply is an essential input for the efficient operation of the industrial unit, but lack of power increases the shortcomings and
difficulties which are faced by the RMG manufacturing units. Frequent power cuts and power shut down is a regular feature these days and, small RMG manufacturing units are severely affected as they could not keep up the production schedule. Power shortage results in loss of man-days, under utilization of capacity and increased cost of production.

To solve the problems in shortage of Power supply, few innovative measures should be adopted which will provide a sigh of relief.

- Rational distribution of power supply would ensure uninterrupted power supply and increase in production
- Power cuts should be announced in advance so that the RMG manufacturing units can adjust and pre plan their work schedule, which will help them to finish their targets
- The number of transformers can be increased in proportion to the number of units
- The government should treat RMG manufacturing units as a priority sector and assure uninterrupted power supply
- Government should provide power without interruption and reduce the cost of each units consumed for small scale RMG manufacturing units.
• It has been found that one of the major cost components in the production cost is the energy consumed during the production process that offsets the competitiveness of the sector. It is therefore suggested to subsidize unit rates of power or encourage the use of other viable options such as non conventional energy sources.

• The efficiency of the TANGEDCO should be enhanced by providing them with necessary infrastructure

• The generating capacity of the existing power station should be enhanced

• The loss of electricity during transmission and distribution should be reduced

• New power projects should be implemented by taking into consideration of the prevailing demand and future requirement

• Taking speedy measures for giving connection to the pending applications for power and procedure for grant of industrial connection should be made easier

• Increasing the subsidy percentage to purchase power generator for the small scale RMG manufacturing units
6.3.5 Technology

Major parts of the units in small-scale sector carry on production with outdated and obsolete technology due to weak financial conditions and lack of technical labour. They do not have the facilities of research and development to increase the output with modern technology. In advanced countries, modern technology has revolutionized the small scale units. There is little scope in India for transmitting better technology to the manufacturers in the small scale units, as there is no proper delivery of mechanism of better technology.

The following suggestions are given to overcome the problems of low level technology.

- Conducting more seminars and creating awareness about the recent technologies among the owners of small scale RMG manufacturing units

- Increasing the usage of latest technology and machineries the government should start giving subsidies for these kinds of machines which are commonly used by small scale RMG manufacturing units

- Textile Upgradation Fund (TUF) should be increased in the financial plans of the government and it should be spent in such a way that small
scale RMG manufacturing units should make use of those opportunities and use the fund allocated to them for their benefit

- No special financial institutions have been put so far either by the government or by the private organizations for helping the small scale RMG manufacturing units. So these kinds of financial institutes should come up to increase their capacity

- Recent inventions like Computer aided design (CAD) and computer aided machines (CAM) which are not fully used by the small scale RMG manufacturing units should be used effectively

- The current technology is predominantly information-intensive unlike the earlier technologies that were essentially material intensive. Denial of access to the information highway, in this information age, will severely handicap the small scale RMG manufacturing units. Owners quest for information on the latest technology, designs and market conditions are the need of the hour

- Since Total Factor Productivity (TFP) contribution is relatively stagnant there is a need to encourage more of technical innovation through better design, technology, diversity of production etc. in the production process
6.3.6 Taxes

All the small scale RMG manufacturing units have to pay both Central Sales Tax and State Sales Tax. The tax is collected from the customers. Value added tax (VAT) and central excise duty payments, Income tax are also adding the extra burden on the shoulders of RMG manufacturers.

This problem can be solved by the following ways:

- Liberating tax procedures
- Avoidance of arbitrary assessment
- Introducing a friendly tax policy
- Lowering of tax rates
- Desisting from unwanted litigations created by officials

6.3.7 Financial Problems

Finance is the life blood of any business. Adequate finance is required to provide both fixed capital and working capital. In the case of the small scale RMG manufacturers, most of them had invested their own funds or borrowed from their friends, relatives or money lenders. Some units have received financial assistance
from banks. As scanty financial assistance is a big problem facing the RMG manufacturing units, this problem should be solved urgently.

- The nationalized commercialized banks should be instructed to be liberal in their lendings

- The nationalized commercial banks should provide interest-free loans to the small scale RMG manufacturing units

- The formalities to avail bank loans should be simplified

6.3.8 Processing Units

Processing units are located at different places. The RMG manufacturing is a continuous and step by step process which includes Design/Sketch, Pattern making, sample making, pattern designs, production pattern, Grading, Marker making, spreading, cutting, sorting/ bundling, Sewing/Assembling, Inspection, Pressing/ Finishing, Final Inspection, Sewing defects, color defects, sizing defects, garments defects etc.,

To solve the dangerous issues mentioned in the above passage, the following suggestions are made:
• A special RMG manufacturing zone for the entire RMG manufacturing process should be installed to have better access to raw material, labour and completion of process within the expected time period

• Madurai Integrated Textile Park (MITP) should concentrate more on the small scale RMG manufacturing units rather than focusing its attention towards the large scale RMG manufacturing industries

• Government should come out with some innovative ideas and allocate land to set up more number of RMG manufacturing units

• In SIDCO Industrial Estate, Kappalur in Madurai District, a special area should be allotted to RMG manufacturing units to give special focus

6.3.9 Illiteracy and Lack of Awareness

Most of the manufacturers running the RMG manufacturing units have studied upto the primary level of education and due to illiteracy they are not exposed to the welfare and other schemes announced by the Governments. Due to this they are unable to enrich their knowledge in technical and research areas to introduce new products.
Remedial measures for the above said problem is as under:

- Government and NGO’s must provide assistance to manufacturers in the area of their need

- The successive generation of the same family who are traditional manufacturers of RMG should be well educated and they should be supported to implement their ideas to develop the overall activities involved in the business

- Awareness campaigns must be carried out in full swing to encourage youngsters to become the first generation entrepreneurs

- Training must be provided to RMG manufacturers in technological, managerial and financial areas

6.3.10 Problems Regarding Job Work

Most of the garments manufacturing units are giving job works due to lack of certain facilities such as fabrication, dyeing, stitching, packaging, embroidery and the like. This helps units to ensure quality and timely delivery of the RMG. To solve the problems of job work, purchase of modern machineries, appointment of skilled labourers, specialization in each and every step of production, and check labour absenteeism are suggested.
6.3.11 Red Tapism

Majority of the units finds it difficult to adhere to the complicated procedures and detailed documentation. The small scale units spend most of their valuable time in fulfilling the complicated tax procedures of sales tax, excise duty, income tax, customs duty and changing export-import policies by the central government. Hence it is suggested that the procedure should be simplified.

Majority of the government officials follow delaying tactics in sanctioning loans, license etc. At a time when the duty of the government is to help the new RMG manufacturers and exporters who come forward to start the units, the delaying tactics followed by the officials result in a blow to the manufacturers.

6.4 CONCLUSION

The RMG manufacturing units in Madurai district is facing many operational problems relating to production, labour, technology, garment processing, finance and governmental organisations. While the manufacturers of the RMG units who have started their enterprise with the support of the family members were successful, those who did not get the needed support from their own family circle faced utter failure. The study witnessed the problems in unbranded units which unless addressed, will result in the closure of these units in near future. Since these units provide both direct and indirect employment opportunities to a large number of people, the government
should initiate some more positive programmes for the development of these units. At present branded units are enjoying the full advantage of the business environment. Going by the prevailing situation, in future, only the branded RMG manufacturing units can survive with the external and internal pressure, the unbranded units will never be in race.