A Study on Working Capital management in Public Enterprises

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Abstract:

A well designed and implemented working capital management is expected to contribute positively to the creation of a firm's value. "Working Capital" is the capital invested in different items of current assets needed for the business, viz, inventory, debtors, cash and other current assets such as loans & advances to third parties. Those current assets are essential for smooth business operations and proper utilization of fixed assets. The firm should maintain sufficient level of working capital to produce upto a given capacity and maximize the return on investment in fixed assets. Shortage of working capital leads to lower capacity utilization, lower turnover and hence lower profits. Working Capital, in excess of the amount required to produce to full capacity, is idle and consequently leads to decline in profits. Hence the dictum "Adequacy is a virtue, surfeit is not".

The study concentrates on the main components of working capital like inventory management, accounts receivable management and cash management of Public Enterprises. The tools used in this study includes ratio analysis, trend analysis and percentage method.

Introduction:

Every business whether big, medium or small, needs finance to carry on its operations and to achieve its target. Infact, finance is so indispensable today that its rightly said to be the lifeblood of an enterprise. Without adequate finance, no enterprise can possibly accomplish its objectives. So this chapter deals with studying various aspects of working capital management that is necessary to carry out the day-today operations. The term working capital refers to that part of firm's capital which is required for financing short term or current assets such as cash, marketable securities, debtors and inventories funds invested in current assets keep revolving fast and are being constantly converted in to cash and this cash flows out again in exchange for other current assets. Hence it is known as revolving or circulating capital. On the whole, Working Capital Management performs a key function and is of top priority for every finance manager. All managers must, however, keep in mind that n their pursuit to liquidity, they should not lose sight of there basic goal of profitability. They should be able to attain a judicious mix of liquidity and profitability while managing their working capital.

In our present day economy, finance is defined as the provision of money at time when it is required. Every business whether big, medium or small, needs finance to carry on its operations and to achieve its target. Infact, finance is so indispensable today that its rightly said to be the lifeblood of an enterprise. Without adequate finance, no enterprise can possibly accomplish its objectives.

A firm is required to maintain a balance between liquidity and profitability while conducting its day to day operations .liquidity is a precondition to ensure that the firm are

able to meet its short term obligations and its continued flow can be guaranteed from a profitable venture. The importance of cash as an indicator of continuing financial health should not be surprising in view of its crucial role within the business. This requires that business must be run both efficiently and profitably. In the process, an asset-liability mismatch may occur which may increase firm's profitability in the short run but at a risk of its insolvency. On the other hand, too much focus on liquidity will be at the expense of profitability. Thus, the manager of a business entity is in a dilemma of achieving desired tradeoff between liquidity and profitability in order to maximize the value of a firm

Working capital management deals with the most dynamic fields in finance, which needs constant interaction between finance and other functional managers. The finance manager acting alone cannot improve the working capital situation.

In recent times a few case studies regarding management of working capital in selected companies have been in order to make in-depth analysis of the several experts of working capital management, The finding of such studies not only throws new lights on the technical loopholes of management activities of the concerned companies , but also helps the scholars and researchers to develop new ideas ,techniques and methods for effective management of working capital.

RESEARCH METHODOLOGY

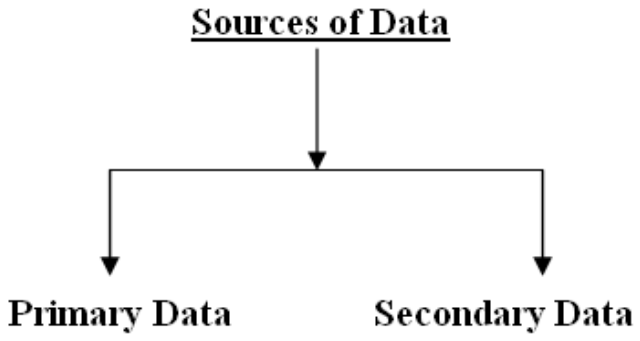
Research is the systematic process of collecting and analyzing data in order to increase our understanding of the phenomenon about which we are concerned or interested. It is the in-depth search for knowledge. It is a careful investigation or inquiry especially through search for new facts in any branch of knowledge. The study exhibits both descriptive and analytical character. Regarding the theoretical concept it is descriptive since it interprets and analysis the secondary data in order to arrive at appropriate conclusion, it is also analytical in character. The interpretation of data is done based on ratio and percentage

RESEARCH DESIGN

Research Design is the strategy for the study and the plan by which the strategy is to be carried out. It is the set of decisions that make up the master plan specifying the methods and procedures for the collection, measurement and analysis of data.

Research has used descriptive research. Descriptive studies are fact finding investigation with adequate interpretation. It focuses on particular aspects of in the study. It is designed to gather descriptive information and provides information for formulating more sophisticated studies.

DATA SOURCE



PRIMARY

Primary data has been obtained through personal discussions with managers and senior officials of the organization.

SECONDARY

Secondary data's has been obtained from published reports like the annual reports of the company, balance sheets, and profit and loss account, booklets, records such as files, reports maintained by the company. Mainly the annual report consists of two parts;

1) Profit and Loss Account

2) Balance Sheet

Profit and loss account reveals the income and expenditure of the company. Balance Sheet reveals the financial position of the organization. Those two statements are prepared by the highly qualified and experts with the help of available information or data.

TOOLS USED FOR THE ANALYSIS

1. Trend Analysis
2. Ratio Analysis
3. Operating Cycle Analysis
4. Working Capital Leverage Analysis
5. Schedule of changing in working capital

PERIOD OF STUDY

The present study deals with the data collected from the annual reports and other relevant documents for the period commencing from 2000-2001 to 2009-2010.

SCOPE OF THE STUDY

The study is on working capital management of selected Public enterprises. The study furnishes the management of idea about the performance of working capital of the company. Management of working capital refers to management of current assets, current liabilities and relationship between them. The basic goal of working capital is to maintain the satisfactory level of working capital. A sound working capital policy ensures higher profitability and proper liquidity of a firm. Every business needs funds for two purposes: for its establishment and to carry out its day to day operations. For this purpose it is important for the company to manage its short term assets and liability.

Working capital is quite essential for the working of any business. For a good manufacturing company, some basic capital for producing the goods is required before it starts selling them. It has to take care of production expenses, administration expenses as well as selling expenses. Moreover, since business is usually done on credit, there is a time lag between the date of sale and date of receipt of revenues, which can be as high as 90 days at times. Considering all these, it is essential that a company has sufficient capital to keep it going before it coverts its purchases into goods and then finally into cash.

Each and every study has its own scope. This project intends to study the working capital position of the Public enterprises. This study helps to identify the areas that could be improved. Further suggestions were quoted which the company could use it in the future program enhancing better utilization of all resources.

LIMITATIONS

The data's were collected mainly on the basis of secondary data. So the limitations of secondary data are applicable. Due to busy work schedule, detailed discussions were not possible. The data collected for the study was historic in nature, so the suggestions will be irrelevant.

LITERATURE REVIEW

Mohammad Neab and Noriza BMS (2010) worked on crating the relationship between Working Capital Management (WCM) and performance of firms. For their analysis they chose the Malaysian listed companies. They administered the perspective of market valuation and profitability. They used total of 172 listed companies from the databases of Bloomberg. They randomly selected five year data (2003-2007). This research likewise the researches quoted before studied the impact of the dimensions of working capital component i.e. C.C.C., current ratio (C.R.), current asset to total asset ratio (C.A.T.A.R), current liabilities to total asset ratio (C.L.T.A.R.), and debt to asset ratio (D.T.A.R.) in effect to the firm's performance whereby firm's value dimension was taken as Tobin Q (T.Q.) and profitability i.e. return on asset (R.O.A.) and return on invested capital (R.O.I.C). They applied two different techniques for analyzing the data that are multiple regression and correlations. They found that there is a negative relationship between working capital variables and the firm's performance.

Dong (2010) reported that the firms' profitability and liquidity are affected by working capital management in his analysis. Pooled data are selected for carrying out the research for the era of 2006-2008 for assessing the companies listed in stock market of Vietnam. He focused on the variables that include profitability, conversion cycle and its related elements and the relationship that exists between them. From his research it was found that the relationships among these variables are strongly negative. This denote that decrease in the profitability occur due to increase in cash conversion cycle. It is also found that if the number of days of account receivable and inventories are diminished then the profitability will increase numbers of days of accounts receivable and inventories.

Saswata Chatterjee (2010) focused on the importance of the fixed and current assets in the successful running of any organization. It poses direct impacts on the profitability liquidity. There have been a phenomenon observed in the business that most of the companies increase the margin for the profits and losses because this act shrinks the size of working capital relative to sales. But if the companies want to increase or improve its liquidity, then it has to increase its working capital. In the response of this policy the organization has to lower down its sales and hence the profitability will be affected due to this action. For this purpose 30 United Kingdom based companies were selected which were listed in the London Stock exchange. The data were taken of three years 2006-2008. It analyzed the impact of the working capital on the profitability. The dimensions of working capital management included in this research which is quick ratios, current ratios C.C.C, average days of payment, Inventory turnover, and A.C.P (average collection period. on the net operating profitability of the UK companies.

Mathuva (2009) studied the impact of working capital management on the performance. He took almost 30 listed firms as a sample and all these companies were listed in Nairobi stock exchange and the data was taken from 1993 to 2008. There were certain findings of his research by analyzing the fixed effects regression models. Firstly, there is a negative relationship between the time when the cash is collected from the customers and the firm's productivity. This depicts, firms that are more profitable enjoys less time period for the collection of cash from the customers as compare to ones which are less profitable. Secondly, there is a positive relationship between the inventories when they were brought in and the period to which they are sold and the firm's profitability. The interpretation comes out as that the firms or the organizations which take more time to keep the inventories it reduces the costs of the disruption in the process of production and usually the business losses as there is the insufficiency in the goods. This situation decreases the operating cost of the firm. The third assumption of the research was the association between the average payment period and profitability and found out to be positive ($p<0.01$). The more the time taken to disburse the creditors, the profitability will increases

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A firm is required to maintain a balance between liquidity and profitability while conducting its day to day operations .liquidity is a precondition to ensure that the firm are able to meet its short term obligations and its continued flow can be guaranteed from a profitable venture. The importance of cash as an indicator of continuing financial health should not be surprising in view of its crucial role within the business. This requires that business must be run both efficiently and profitably. In the process, an asset-liability mismatch may occur which may increase firm's profitability in the short run but at a risk of its insolvency. On the other hand, too much focus on liquidity will be at the expense of profitability. Thus, the manager of a business entity is in a dilemma of achieving desired tradeoff between liquidity and profitability in order to maximize the value of a firm

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An effort has been made to make an in-depth study of working capital management with special reference to Hindustan Newsprint Limited, Kottayam.

WORKING CAPITAL MANAGEMENT

The funds required by every business organization can be broadly classified in to fixed capital and working capital. Fixed capital is need for the acquisition of fixed assets. Fixed assets constitute the basic tools or the means of production. Investment in fixed assets by itself is dead investment and the funds so locked up do not circulate. In the same every business organization requires some funds to carry on its operations and to produce goods for sale to earn profit. These funds, which are represented by the current capital used through the various stages of production and distribution, are invested in current assets.

"Working Capital" is the capital invested in different items of current assets needed for the business, Viz, inventory, debtors, cash and other current assets such as loans & advances to third parties. Those current assets are essential for smooth business operations and proper utilization of fixed assets. The firm should maintain sufficient level of working capital to produce upto a given capacity and maximize the return on investment in fixed assets. Shortage of working capital leads to lower capacity utilization, lower turnover and hence lower profits. Working capital, in excess of the amount required to produce to full capacity, is idle and consequently leads to decline in profits. Hence the dictum "Adequacy is a virtue, surfeit is not".

IMPORTANCE OF ADEQUATE WORKING CAPITAL

The importance of adequate working capital in commercial undertakings can never be over emphasized. A concern needs funds for it's day-to-day running. Adequacy or inadequacy of these funds would determine the efficiency with which the daily business may be carried on. Management of working capital is an essential task of the finance manager. He has to ensure that the amount of working capital available with his concern is neither too large nor too small for its requirements. A large amount of working capital would mean that the company has idle funds. Since funds have a cost, the company has to pay huge amount as interest on such funds. The various studies conducted by the Bureau of Public Enterprises have shown that one of the reason for the poor performance of public sector undertaking in our country has been the large amount of funds locked up in working capital. This results in over capitalization. ***Over capitalization*** implies that a company has too large funds for its requirements, resulting in a low rate of return a situation which implies a less than optimal use of resources. A firm has, therefore, to be very careful in estimating its working capital requirements.

If the firm has inadequate working capital, it is said to be ***under-utilized***. Such a firm runs the risk of insolvency. This is because; paucity of working capital may lead to a situation where the firm may not be able to meet its liabilities. It is interesting to note that may firms which are otherwise prosperous (having good demand for their products and enjoying profitable marketing conditions) may fail because of lack of liquid resources.

CLASSIFICATION OF WORKING CAPITAL

Concept of Working Capital

There are two concepts of working capital they are:-

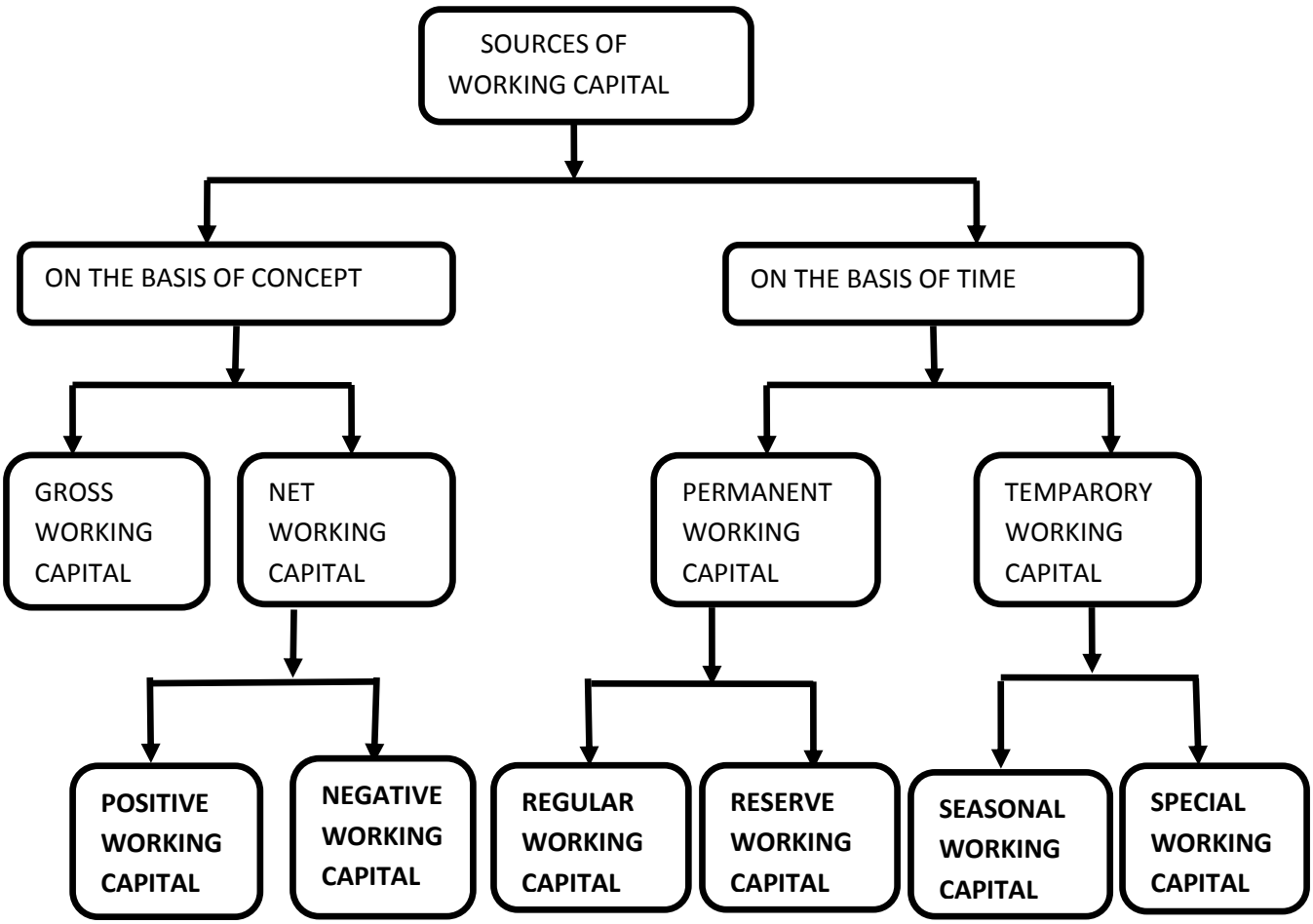
- Balance Sheet concept and
- Operating cycle concept

Under the Balance Sheet concept, there are two interpretations of working capital:

a) Gross working capital.
b) Net working capital.

Gross Working Capital

In the broad sense, the term working capital refers to the gross working capital and represents the amount of funds invested in current assets. Thus, the gross working capital is the capital invested in total current assets of the enterprise. Current assets are those assets which in the ordinary course of business can be converted into cash within a short period of normally one accounting year.



Net Working Capital

In a narrow sense, the term working capital refers to the net working capital. Net working capital is the excess of current assets over current liabilities.

Net Working Capital = Current assets – Current liabilities

Net working capital may be positive or negative. When the current assets exceed the current liabilities, the working capital is positive and the negative working capital results when the current liabilities are more than the current assets.

The task of the financial manager in managing working capital efficiently is to ensure sufficient liquidity in the operations of the enterprise. The liquidity of a business firm is measured by its ability to satisfy short term obligations as they become due. Net working capital as a measure of liquidity is not very useful for comparing the performance of different firms, but it is quite useful for internal control. The net working capital helps in comparing the liquidity of the same firm overtime. For purpose of working capital management, therefore, net working capital can be said to measure the liquidity of the firm. In other words, the goal of working capital management is to manage the current assets and liabilities in such a way that an acceptance level of net working capital is maintained.

Nature of Working Capital

Working capital management is concerned with the problems that arise in attempting to manage the current assets, the current liabilities and the interrelationship that exists between them. The term current assets refer to those assets which in the ordinary course of business can be, or will be, converted into cash within one year without undergoing a diminution in value and without disrupting the operations of the firm. The major current assets are cash, marketable securities, accounts receivable and inventory. Current liabilities are those liabilities which are intended, at their inception, to be paid in the ordinary course of business, within a year, out of the current assets or earnings of the concern. The basic current liabilities are accounts payable, bills payable, bank overdraft, and outstanding expenses.

The goal of working capital management is to manage the firm's current assets and liabilities in such a way that a satisfactory level of working capital is maintained. The current assets should be large enough to cover its current liabilities in order to ensure a reasonable margin of safety. Each of the short term sources of financing must be continuously managed to ensure that they are obtained and used in the best possible way. The interaction between current asset and current liabilities is, therefore, the best main theme of the theory of working capital management.

Working capital is very essential to maintain the smooth running of a business. No business can run successfully without an adequate amount of working capital. Working capital management is concerned with the problems that arise in attempting to manage the current assets, current liabilities and the inter-relationship that exists between them. In other words, it refers to all aspects of administration of both current assets and current liabilities.

Source of Working Capital

The sources of working capital can be divided as *Long-term source* of working capital and *Short-term source* of working capital. Long-term funds are required to create production facilities through purchase of fixed assets such as plant and machinery, land and building, etc. Investments in these assets represent that part of firm's capital is blocked on a permanent or fixed basis and is called fixed capital. Short-term funds are needed to manage the day-to-day operations of the organization. It is a temporary working capital.

Working capital for the long-term purposes can be obtained by several ways. There are different sources of long-term working capital:

1. Issue of shares.
2. Issue of debentures
3. Retained earnings
4. Sale of fixed assets
5. Security from employee and from customers.

Sources of Short-term Working Capital are:

1. Trade credit.
2. Credit paper.
3. Bank credit.
4. Public deposits.
5. Government assistance
6. Customer credit

DETERMINANTS OF WORKING CAPITAL

The need of working capital varies from month to month, year to year. For determining the working capital needed by a business unit there is no set of rules to formulate. In order to determine the proper or optimum amount of working capital of a business unit various factors should be considered carefully as each of them having own importance and the importance of various factors changes for a business unit overtime. The main factors that determine the working capital requirements of the organization are as follows:

a) General nature of business
b) Size of business operations/scale of operations
c) Production cycle
d) Business cycle
e) Production policy
f) Credit policy
g) Growth and expansion
h) Vagaries and availability of raw material
i) Profit level
j) Terms of purchase and sales
k) Depreciation policy

a) General nature of business

The working capital requirements of an enterprise are basically related to the conduct of the business. Enterprises fall into some board categories depending on the nature of their business. For instance, public utilities have certain features which have a bearing on their working capital needs. The two important features are (1) cash sales and (2) sale of services rather than commodities.

b) ***Size of business operations/scale of operations***

The size of business has also an important impact on its working capital needs. Size of a business unit may be measured in terms of a scale of operation. Bigger the size of business

unit, the larger will be the amount of working capital required as because the larger business units are required to maintain huge inventories and also spend more in carrying out the business operations smoothly. A business unit carrying on activities on a small scale needs less working capital.

c) Production cycle

It refers to the time involved in the manufacture of goods. It covers the time-span between the procurement of raw materials and the completion of the manufacturing process leading to the production of finished goods. Funds have to be necessarily tied up during the process of manufacture, necessitating enhanced working capital. The longer the time-span the larger will be the tied-up and therefore the larger is the working capital needed and vice versa.

d) Business cycle

The working capital requirements are also determined by the nature of business cycle. Business fluctuations leads to a cyclical and seasonal changes that, in turn cause a shift in the working capital position, particularly for temporary working capital requirements. The variations in business conditions may be in two directions;

Upward phase: When boom conditions prevail, *Downswing phase:* When economic activity is marked by a decline. During in the upswing of business activity, the need for working capital is likely to grow to cover the lag between increased sales and receipt of cash as well as to finance purchase of additional material to cater to the expansion of the level of activity.

e)Production policy

The quantum of working capital is also determined by the production policy. The case of certain lines of business, the demand for the product is seasonal. In such a case there are two options: either they confine their production only to periods when goods are purchased or they follow a steady production policy throughout the year and produce goods at a level to meet the peak demand. The former option is inconvenient. The second option would require a sufficient amount of working capital.

f) Credit policy

The credit policy relating to sales and purchases also affects the working capital. The credit policy influences the requirements of working capital in two ways. (1) Through credit items granted by the firm to its customers; (2) the credit term available to the firm from its creditors.

g) Growth and expansion

As a company grows, the working capital requirements will be more. It is very difficult to determine the relationship between the volume of business of a company and the increase in its working capital. The composition of working capital in a growing company also shifts with economic circumstances and corporate practices. Other things being equal, growing industries require more working capital than those that are static.

h) Vagaries and availability of raw material

The availability or otherwise of certain raw materials on a continuous basis without interruption would sometimes affect the requirement of working capital. There may be some raw materials which can't be procured easily either because of their sources are few or they are irregular. To sustain smooth production, therefore, the firm might be compelled to purchase and stock them far in excess of genuine production needs. This will result in an

excessive inventory of such materials. Hence the volume of working capital to be kept will be increased.

i) Profit Level

The level of profits earned differs from enterprise. Higher profit margin would improve the prospects of generating more internal funds thereby contributing to the working capital pool. The net profit is source of working capital to the extent that it has been earned in cash.

j) Terms of purchase and sales

Terms of purchase and sales [cash or credit] also affect the amount of working capital. If a company purchases all goods in cash and sells its finished products on credit, then the company will require larger amount of working capital. On the other hand, a company purchasing all goods on credit and allowing no credit to its customers will require lesser amount of working capital. The length of period of period credit has also a bearing on working capital.

k) Depreciation policy

The depreciation policy through its effect on tax liability and retained earnings has an influence on working capital. Depreciation is tax deductible. Higher the amount of depreciation the lower the tax liability and more the cash profit. Similarly, the amount of net profits will be less if higher depreciation is charged. If the dividend policy is linked with net profits, the firm can pay fewer dividends by providing for more depreciation. Thus, depreciation is an indirect way of retaining profits and preserving the firm's working capital position.

STEPS INVOLVED IN WORKING CAPITAL MANAGEMENT

There are two steps involved in working capital management. They are

- Forecasting the amount of working capital.
- Forecasting the amount of working capital.
- Determining the sources of working capital.

DIFFERENT ASPECTS OF WORKING CAPITAL MANAGEMENT

a. Management of inventory.
b. Management of accounts receivables.
c. Management of cash.

a. Management of inventory

Management of inventories means an optimum investment in inventories. It should neither be too low affect the production adversely nor too high to block the funds unnecessarily.

The inventory management includes the following aspect:

- Size of inventory- maximum level and minimum level.
- Establishing time schedules, procedures and lot of sizes for new orders.
- Ascertaining minimum safety levels.
- Coordinating sales, production and inventory policies.
- Providing proper facilities.
- Arranging the receipts, disbursements and production and procurement of materials and

- developing the form of recording these transactions.
- Assigning responsibilities for carrying out inventory control functions.
- Providing the report necessary for supervising the overall activities.

b. **Management of account receivables**.

It is the process of weighting the benefits as well as the costs of investments on accounts receivables and taking such steps as regards as investment on accounts receivable which will result in maximum results or benefits to the firm.

In other words, it means the maintaining of the accounts receivables at an optimum level or point i.e., at such a level or point at which there is a trade off or balance between profitability and costs.

Management of accounts receivables has three aspects. They are:

- Establishing the credit policy of the concern

  It involves:

  a. Determination of the level of credit sales.
  b. Determination of the credit standards.
  c. Determination of the credit terms.
- Establishing the collection policy of the concern

It means the determination of the policy and procedure to be followed for the collection of accounts receivables.

- Control of the maintaining the accounts receivables at the minimum possible level.

It means maintaining the accounts receivables at the minimum possible level

c. Management of cash

Cash management involves the efficient collection and disbursement of cash and any temporary investment of cash while it resides with the firm. It is concerned with the managing of cash flows into and out of the firm, cash flows with in the firm, and cash balances held by the firm at a point of time by financing deficit or investing cash surplus.

METHODS OF ESTIMATING WORKING CAPITAL

There are two methods which are usually followed in determining working capital requirements. There are:

1. Conventional method

According to the conventional method cash inflows and outflows are matched with each other. Greater emphasis is laid on liquidity and greater importance is attached to current ratio, liquidity ratio, etc…which pertains to the liquidity of a business.

2. Operating cycle method

In order to understand what gives rise to differences in the amount of timing of cash flows, one should first think of the length of time which is required to convert cash into resources, resources into final product, final product into receivables, receivables back into cash. The length of the operating cycle is a function of a nature of a business. There are four major companies of the operating cycle of a manufacturing company. These are:

- The cycle starts with free capital in the form of cash and credit, followed by investment in materials, manpower and other services
- Production phase
- Storage of the finished products terminating at the time –finished product is sold
- Cash or accounts receivables collection period, which results in and ends at the point of dis-investment of the free capital originally committed. New free capital then becomes available for productive reinvestment. When new liquid capital becomes available for recommitment to productive activity, a new operating cycle begins.

3. Cash cost technique

In this method, all transactions are shown in the working capital forecast on cost basis. For forecasting working capital, the following information is required.

- Costs to be defrayed on materials, wages and overheads.
- Length of which time during raw materials are to remain in stock before they are put to production.
- Length of production cycle
- Length of sale cycle denoting the period of time finished goods have to stay in the ware house before sale
- Period of credit availed of from creditors
- Time- lag involved in the payment of wages and overhead expenses

4. Balance sheet method

In this method a forecast is made of the various assets and liabilities. Thereafter, the difference between the two is taken out the difference will indicate the deficiency or surplus of cash.

1.2.9 WORKING CAPITAL CYCLE/ OPERATING CYCLE

The length of time involved in the conversion of cash into raw materials, raw materials into work- in-progress, work –in-progress into finished goods, finished goods into debtors ,debtors into cash again the operating cycle or working capital cycle.

The length of operating cycle or working capital cycle may differ from one firm to another, depending upon the nature of the business.

WORKING CAPITAL POLICIES

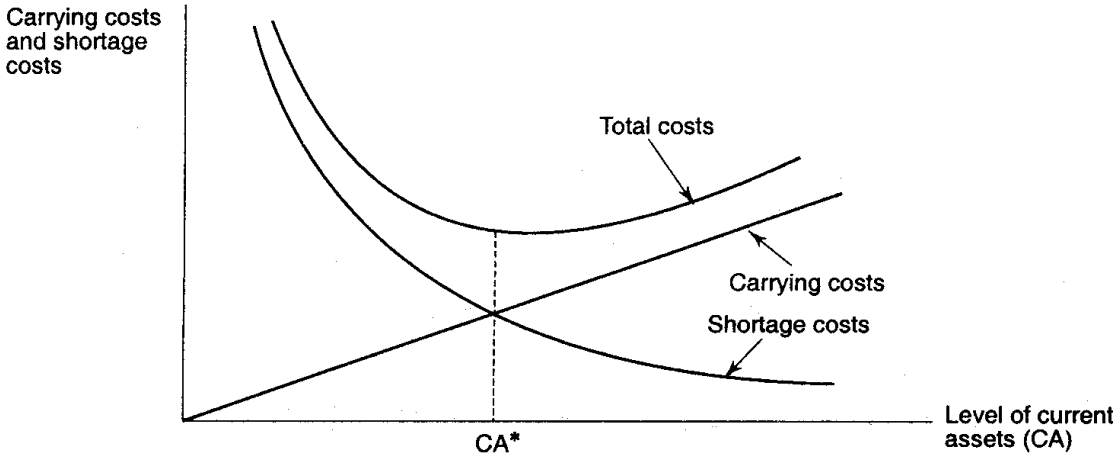
A business firm can adapt any of the following working capital policies:

1. Conservative working capital policy
2. Aggressive working capital policy
3. Moderate working capital policy

Under Conservative approach, the firm carries high investment in current assets such as cash, marketable securities and carries large amount of inventories and grants generous terms of credit to customers resulting in a high level of debtors. The consequences of conservative working capital policy are quick deliveries to customers and more sales due to generous credit terms.

Under Aggressive working capital policy, investment in current assets is very low. The firm keeps less amount of cash and marketable securities, manages with less inventories and tight credit terms resulting in low level of debtors. The consequences of aggressive working capital policy are frequent production stoppages, delayed deliveries to customers and loss of sales. A trade off between two costs namely carrying cost and shortage cost determines the optimal level of current assets. Costs that rise with current assets i.e. that cost of financing a higher level of current assets form carrying costs. Shortage costs are in the form of disruption in production schedule, loss of sales and loss of goodwill.

The optimum level of current assets is denoted by the total costs (= carrying costs + shortage costs) minimized at that level



Working capital financing strategies

After determining the level of current assets, the firm must determine how these should be financed.

Investment in current assets can be broken into two parts

1. Permanent current assets
2. Temporary current assets

A firm requires a certain amount of current assets to meet even the minimum level of sales where as temporary current assets reflects a variable component that moves in line with seasonal fluctuations. Several strategies are available for financing capital requirements

DATA ANALYSIS

RATIO ANALYSIS

a) Liquidity ratio:- Liquidity refers to afirms ability to meet its obligations in the short term, usually one year. These ratios are based on the relationship between current assets and current liabilities. The important ratios are current ratio, acid test ratio and cash ratio.

CURRENT RATIO

Current Ratio is the ratio of Current Assets to the Current Liabilities. It shows the ability of a firm to cover its Current Liabilities with the Current Assets.

CURRENT RATIO=CURRENT ASSETS/CURRENT LIABILITIES

Table :1(Rs in Lakhs)

Year	Current assets	Current liabilities	Current ratio
2001	16800	4290	3.91
2002	14452	3424	4.22
2003	12203	2806	4.35
2004	13121	2691	4.88
2005	13150	4053	3.24
2006	13877	4399	3.15
2007	15637	5208	3.00
2008	16177	5231	3.09
2009	21914	8152	2.69
2010	14228	7395	1.92

(Source: Secondary Data)

Current ratio is optimum at 2:1 i.e. Current Assets should be 2 times that of Current Liability. But this rule need not work well in real life situation as it depends on many other factors.

Since the availability of the raw materials are seasonal in nature and the industry uses imported Materials and Stores the Company have to stock them for a longer period to avoid lead time. Both these components make the Inventory level very high in turn resulting in a higher Current Assets level over the Current Liability, this in turn lead to a higher Current Ratio.

Over the period of analysis the Current Ratio of the company never went below 2.5:1. For the last 9 years i.e. from the year 2001-2009, the Company was stable in maintaining its Current Ratio. In the year 2010 the Companies Current Ratio was at 1.92:1 which is not suitable as per the above rule

Overall the Company is found satisfactory with its Current Ratio till the year 2009.

Acid test Ratio=Quick Assets/Current Liabilities

Table :2(Rs in Lakhs)

	Quick assets	Current liabilities	Quick ratio
2000-2001	10277.02	4893.59	2.10
2001-2002	6005.14	4446.85	1.35
2002-2003	5678.87	4054.79	1.40
2003-2004	7044.71	3082.84	2.29
2004-2005	6076	4771.89	1.27
2005-2006	6995.89	4955.42	1.41
2006-2007	8568.22	6080	1.4
2007-2008	9152.98	5262.6	1.74
2008-2009	7497.52	8617.8	0.87
2009-2010	8122.17	8419.43	0.96
	AVERAGE	5458.52	1.48

(Source: Secondary Data)

The Liquid Ratio shows the actual liquidity of a firm. As a convention the Liquid Ratio of 1:1 is considered satisfactory. The company has been efficient in maintaining its Liquid Assets over its Current liability.
Over the period of analysis the Company has maintained its Quick Assets more than its Current Liabilities till 2008.But in the year 2009 the company had stepped into severe liquidity crisis and the quick ratio had gone below the ideal ratioi.e 0.87 The Company was successful in maintaining its Liquid Ratio below 2:1 after the year 2000-08 thereby increasing the efficiency of the firm. The Liquid Ratio of the Company is not at a satisfactory level. The Company is not in a safe position.

LEVERAGE RATIO

Financial leverages refer to the debt finance. Leverage ratios helps in assessing the risk assessing the risk arising from the use of debt capital. The important ratios are debt equity ratio, debt assets ratio, interest coverage ratio, and fixed coverage ratio.

Debt equity ratio=outsiders fund/shareholders funds

Table :3(Rs in Lakhs)

Year	Debt	Equity	Debt equity ratio
2000-2001	834.78	21672.04	0.04
2001-2002	375.39	19419.59	0.02
2002-2003	3610.7	18930.73	0.19
2003-2004	4754.13	19153.89	0.25
2004-2005	4280.56	19292.46	0.22
2005-2006	3195.94	19825.29	0.16
2006-2007	1402.44	21569.10	0.07
2007-2008	787.7	23883.81	0.03
2008-2009	3265.5	23977.43	0.14
2009-2010	-	19175.03	-

(Source: Secondary Data)

This ratio shows the relative contribution of the creditors and owners. In general, the lower this ratio the higher the degree of protection enjoyed by the firm. So the company was having a low ratio till 2007-2008 i.e. 0.03 which is favorable. But in the year 2008-09 it rose to 0.14.This ratio ascertains the soundness of long term financial policies of the company.

Debt Asset Ratio

DEBT ASSET RATIO=DEBT/ASSETS

Table :4(Rs in Lakhs)

Year	Debt	Assets	Debt asset ratio
2000-2001	834.78	22506.82	0.04
2001-2002	375.39	22245.62	0.02
2002-2003	3610.7	24795.04	0.15
2003-2004	4754.13	26395.31	0.18
2004-2005	4280.56	26437.71	0.16
2005-2006	3195.94	26795.96	0.12
2006-2007	1402.44	26578.82	0.05
2007-2008	787.7	23883.81	0.03
2008-2009	3265.5	30487.51	0.12
2009-2010	-	22199.90	-

(Source: Secondary Data)

This ratio measures the extent to which borrowed funds support the firm's assets. It is related to the debt equity ratio and so the lower the ratio the more sound the form is said to be. As shown this ratio is high during 2003-2004, but decreased during 2004-2005 and continued this decline till 2007-2008 but then rose to 0 .12 in the year 2008-09 which is not favorable. In the last year the debt asset ratio is nil which sounds good financial position of the firm.

CURRENT ASSET TURNOVER RATIO (CATR)

The Sales to current assets ratio is best measured over several periods and needs to be compared to industry averages, as the amount of current assets varies widely among companies and industries. A decreasing current assets turnover ratio is generally a negative sign, indicating the company may have slowed production, decreasing the amount of inventory and resultantly the current assets.

CATR=NET SALES CURRENT ASSETS

Table :5(Rs in Lakhs)

Year	Sales	Current assets	Current assets turnover ratio
2000-2001	25336	16800	1.51
2001-2002	23376	14452	1.62
2002-2003	21457	12203	1.76
2003-2004	25268	13121	1.93
2004-2005	27393	13150	2.08

2005-2006	30296	13877	2.19
2006-2007	31519	15636	2.01
2007-2008	29861	16177	1.84
2008-2009	29767	21913	1.36
2009-2010	28439	14228	2.00

(Source:Secondary Data)

The Current Assets Turnover Ratio shows the number of times the Current Assets are being turned over in a stated period. It also shows how well the Current Assets are being used in the business. A high ratio indicates high degree of efficiency in asset utilization

The Company was found satisfactory with the level Current Assets turnover ratio. There was an increasing trend in the ratio till the 2005-06 after that the ratio gradually started decreasing; this was because of the increase in the level of Current Assets during the period. In the year 2008-2009 current asset turnover ratio was 1.36. The last year shows high efficiency in utilization.

WORKING CAPITAL TURNOVER RATIO (WCTR)

A high or increase working capital turnover is usually a positive sign, showing the company is better able to generate sales from its Working Capital. Either the company has been able to gain more Net Sales with the same or smaller amount of working capital, or it has been able to reduce its working capital while being able to maintain its sales. Efforts to streamline the operations of the company will often show favorably in this ratio.

WCTR = NET SALES/WORKING CAPITAL

Table :6(Rs in Lakhs)

Year	Sales	Working capital	Working capital turnover ratio
2000-2001	25336	12536	2.02
2001-2002	23376	11029	2.12
2002-2003	21457	9397	2.28
2003-2004	25268	10430	2.42
2004 -2005	27393	9098	3.01
2005 -2006	30296	9478	3.19
2006 -2007	31519	10431	3.02
2007 -2008	29861	10961	2.72
2008 -2009	29767	13763	2.24
2009-2010	28439	8372	3.40

(Source:Secondary Data)

This ratio measures the number of times the Working Capital is turned over. The Company could maintain a satisfactory level of Working Capital Turnover Ratio in the period of analysis.

The Working Capital Turnover Ratio stood at the highest level in the year 2009-10 Owing to lower Unit Net Sales Realization during the year 2008-09. In the year 2010 the Working Capital turnover of the Company increased to 3.40 which is the largest.

Profitability ratio:- Profitability reflects the final results of the business operations. There are two aspects of profitability ratios: profit margin ratio and rate of return ratios. Profit margin ratio shows the relationship between profit and sales. Rate of return ratio reflects the relationship between profit and investments.

Net profit margin ratio =net profit/net sales

Table :7(Rs in Lakhs)

Year	Net profit	Net sales	Net profit Margin ratio
2000-2001	1619.98	25335.59	0.06
2001-2002	407.23	23375.95	0.02
2002-2003	-488.91	21457.4	-0.02
2003-2004	502.46	25267.61	0.02
2004-2005	421.55	27393.28	0.02
2005-2006	1568.11	30296.34	0.05
2006-2007	3192.31	31519.30	0.10
2007-2008	1153.69	29860.84	0.04
2008-2009	1263.56	29767.37	0.04
2009-2010	(4802.40)	28438.59	(0.17)

(Source:Secondary Data)

This ratio explains the per rupee profit generating capacity of sales. If the cost of sales is lower than the net profit will be higher and then we divide it with the net sales, the result is the sales efficiency. This ratio is very useful for proprietors and prospective investors because it reveals the overall profitability of the firm. The ratio was high in the year2006-2007 but in the year 2009-2010 it has declined to (0.17) and still continuing so there is a chance of increasing the ratio through improved efficiency of the concern

FINDINGS

1. The financial performance of the companies was not encouraging with a sales turnover of Rs 284.39 crore for the year ending 31st march, 2010 to Rs 297.67 crore during the previous year
2. Actual production has been increasing consistently from 2003-04 but was low in 2009-2010 when compared with this previous year.
3. The company has no accumulated losses at the end of the financial year.
4. No loans and advances have been granted by the companies on the basis of shares, debentures and other securities..
5. Overall the Companies are found satisfactory with its Current Ratio till the year 2009
6. The Liquid Ratio of the Companies are not at a satisfactory level. The Company is not in a safe position.

7. The debt equity ratio is favorable from long term creditor's point of view. It ascertains the soundness of long term financial policies of the Companies.
8. The debt asset ratio is nil in the year 2009-2010 so there will be goog affect in the financial strength of the business enterprise.

SUGGESTIONS

The companies have a sound working capital managements system. In our opinion and to the best of knowledge of information about the companies does not have accumulated losses as at the end of the financial year and the companies have not incurred cash losses in the current financial year and in the immediately preceding financial year.

The major sources of Working Capital of companies are Sundry Debtors, Sundry Creditors, and Advances from customers and Provisions The internal control procedures need to be more ad equals so as to be commensurate with the size of the company and the nature of its business with regard to accounting, handling, control and valuation of inventories, so that it does not block a huge amount of money in inventory.

The bad/doubtful debts for the last 10 years are showing an increasing trend. This should be given due attention as it implies the provision for bad debts made in the previous years were not sufficient as compared to the reality so effective collection methods should be adopted.

Quick ratio of companies from 2000-2001 to 2007-08 is more than ideal ratio 1:1.But in the year 2008-09 and 2009-10 it has declined to 0.87 and 0.96 .So. Management has to take actions to maintain the ratios at the standard level as it is important for the concern to keep its liquid assets at least equal to the liquid liabilities at all times. The cash position should be improved as early as possible since it is at an alarmingly low level.

CONCLUSION

A study conducted in public limited enterprises; enable to get practical touch to the topic Working Capital Management of the company. The management of working capital plays an important role in maintaining the financial health of the companies during the normal course of business. The company should maintain sufficient level of working capital to produce upto a given capacity and maximize the return on investment in fixed assets .Shortage of working capital leads to lower capacity utilization.

To maintain the solvency of the business and continue production, it is necessary that adequate funds be available to pay the bills for material, labour, selling and administrative expenses and other cost of doing business .The prompt payment of b ills to suppliers of materials ensures a continued supply of raw materials and established credit for the future or for reasonable operations.

From the study undertaken it is clear that the various components of working capital are interrelated. An increase in one component will decrease the amount of other, leading to maintain the level of working capital. As could be seen from the working capital the financial position of the firm is very encouraging. It ensures reasonable return on investment, hence it

is considered as a sound and feasible project. Objective of working capital management is to manage in such a way that satisfactory level of working capital is maintained.

The goal of working capital management is to ensure that a firm is able to continue its operations and that it has sufficient ability to satisfy both maturing short term debt and upcoming operational expenses. To conclude the project work has been a great experience and exposure to the real fixed experience and actual working of an organization.

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EFFECTIVENESS OF EMPLOYEE MOTIVATIONAL STRATEGIES IN THE PRINT MEDIA INDUSTRY

Mr.Binod.S , Lekshmi Anand

Abstract

The world is shrinked to a global village; the opportunities for the competent employees are opened with red carpet. Thus the relevance of employee motivation is getting strategic importance for achieving the benchmarks and attracting the talents. Even though it's a world of opportunities the employees without having expected level of competence and having expected level of competence but not motivated will not be able to cop-up with the industry competitors. Media industry in India is exploring the world with ultra-modern, world class facilities and competing with the global leaders. But now print media lost its legacy but the relevance makes it more competent with other media. This study chalks out clear picture of print media industry and its employee motivational strategies adopted for sustenance and existence.

Key words: Blue Ocean strategy, motivators.

Introduction

Needs, which determine a person's motivation, changes constantly. They alter according to change in external environment and it is possible that the same person will have different needs at different times. Also, needs and wants are never completely satisfied- no sooner is one need satisfied, than another one arises. An individual thus constantly tries to achieve one goal after another. However he cannot achieve all goals. Thus, a person may be unable to satisfy all his goals because of his personal, financial, social and cultural limitations.

Motivation is a term that refers to a process that elicits, controls, and sustains certain behaviours. Motivation is an important function which every manager performs for actuating the people to work for accomplishment of objectives of the organization. A manager has to make appropriate use of motivation to enthuse the employees to follow them.

The word motivation has been derived from motive which means any idea, need or emotion that prompts a man into action. Whatever may be the behaviour of man, there is some stimulus behind it. Stimulus is dependent upon the motive of the person concerned. Motive can be known by studying the needs and desires of employees. There is no universal theory that can explain the factors influencing motives which control mans behaviour at any particular point of time. In general, the different motives operate at different people and influence their behaviours. The process of motivation studies the motives of individuals which cause different type of behaviour.

Motivation means any idea, need or emotion that prompts a man in to action. Motivation is the core of management. Motivation is an effective instrument in the hands of the management in inspiring the work force. Motivation involves getting the members of the group to pull weight effectively, to give their loyalty to the group, to carry out properly the purpose of the organization.

Motivation is an important function which every manager performs for actuating the people to work for accomplishment of objectives of the organization. There are types of motivation which are categorized as positive motivation, negative motivation, extrinsic, intrinsic and group motivation.

Motivation is the key factor in every organization. Motivated employee is an asset to the organization. It is the responsibility of the top management to look for it that all the employees are being motivated otherwise being de-motivated there is a chance to quit the organization. It is difficult to maintain a loyal employee in the organization so top management should be cautious about the situation and maintain the balance in the organization. Motivation of employees is one of the major problems faced by the HR Department in any organization.

Research Methodology

Objectives

The primary objective of the study is to find the effectiveness of motivation of the employees in the print media industry.

It also identifies the methods used by the company to increase motivation in employees. Identify the needs of the employees in order to help them improve their motivation.

Scope of the study

Motivation has a wide scope in the present scenario. A motivated employee is the main wealth of the company as it will provide the efficiency. This study will help in the studying the motivational need of the company. Motivating an efficient employee will increase the overall functioning of the organisation. A motivated employee will work thrice as much as a normal employee who is less motivated. Employee motivation is one of the major issues faced by every organization. It is the major task of every manager to motivate his subordinates or to create the 'will to work' among the subordinates.

Universe

The population selected for the study is the 850 employees of a print media organisation.

Sampling and Sample size

For this study the method used for sampling is convenient sampling. Its due to the availability of employees are mainly in reporting areas and accessing them was a herculeous task. Number of the sampling units selected from the population is called the size of the sample. Out of the 100 questionnaires distributed sample of 60 respondents were obtained.

Period of the study

The period of the study was in the month of January 2012.

Limitation of the study

The study is limited for a short period and this is not enough to study the original problem of company. The data collected from the employees will be biased. There is a chance to get prejudiced information.

Data analysis

The data is analyzed with simple percentage technique.

Literature Review

Maslow hierarchy of need (1943) discussed five levels of employee needs, physiological, safety, social, ego, and self- actualizing. According to Masclow lower level needs had to be satisfied before the next higher level need would motivate employees.

Herzberg (1959) categorized motivation into two factors: motivators and hygienic (Herzberg, Mausner, & Snyderman, 1959). Motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction.

Vroom's theory is based on the belief that employee effort will lead to performance and performance will lead to rewards **(Vroom, 1964).** Rewards may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employee will be motivated.

Adams' theory states that employees strive for equity between themselves and other workers. Equity is achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs **(Adams, 1965).**

Skinner's theory simply states those employees' behaviors that lead to positive outcomes will be repeated and behaviors that lead to negative outcomes will not be repeated **(Skinner, 1953).** Managers should positively reinforce employee behaviors that lead to positive outcomes. Managers should negatively reinforce employee behavior that leads to negative outcomes

Hale (1998) and Lawler (1981, 1987) revealed that rewards have critical importance as a means of employee motivation. Organisation managers acknowledge rewards and recognition consistently as a motivator of individual employees.

Cacioppe (1999) in his article revealed that employees understanding and satisfaction with the reward system lead to specific behaviours and actions, finally results operational and financial results.

Saxby (2007), in his study says that it is an avoidable mistake of management for not rewarding employees for a well done job. Tangible rewards are nicest and more meaningful regarding employee motivation rather than intangible praising and acknowledgement.

Newspaper Industry

The history of newspaper is an often-dramatic chapter of the human experience going back some five centuries. In Renaissance Europe handwritten newsletters circulated privately among merchants, passing along information about everything from wars and economic conditions to social customs and "human interest" features. The first printed forerunners of the newspaper appeared in Germany in the late 1400's in the form of news pamphlets or broadsides, often highly sensationalized in content. In the English-speaking world, the earliest predecessors of the newspaper were currants, small news pamphlets produced only when some event worthy of notice occurred. The first successively published title was The Weekly News of 1622. It was followed in the 1640's and 1650's by a plethora of different titles in the similar news book format. The first true newspaper in English was the London Gazette of 1666. For a generation it was the only officially sanctioned newspaper, though many periodical titles were in print by the century's end.

Technology has rendered obsolete newspaper in their traditional format. The future of newspaper has been widely debated as the industry has faced down soaring newsprint prices, slumping ad sales, the sales, the loss of much classified advertising and precipitous drops in circulation. Most traditional papers also feature an editorial page containing columns that express the personal opinions of writers.

While most newspapers are aimed at broad spectrum of readers, usually geographically defined, some focus on groups of readers defined more by their interests than their location: for example, there are daily and weekly business newspapers and sports newspapers. More specialists still are some weekly newspapers, usually free and distributed within limited areas; these may serve communities as specific as immigrant populations, or the local gay community.

The number of copies distributed, either on an average day or on particular days is the newspaper's circulation and is one of the principal factors used to set advertising rates. Circulation is not necessarily the same as copies sold, since some copies or newspapers are distributed without cost. Readership figures may be higher than circulation figures because many copies are read by more than one person, although this is offset by the number of copies distributed but not read.

Advertising

A newspaper typically generates 40–60% of its revenue from advertising in case of a Malayalam newspaper and 70-80% in case of English newspaper, and the remainder from sales and subscription. Newspaper has been hurt by the decline of many traditional advertisers. Department stores and supermarkets could be relied upon in the past to buy pages of newspaper advertisements, but due to industry consolidation are much less likely to do so now. Additionally, newspapers are seeing traditional advertisers shift to new media platforms. The classified category is shifting to sites

including Craigslist, employment websites, and auto sites. National advertisers are shifting to many types of digital content including websites, rich media platforms, and mobile.

Declining Newspaper Industry

Due to the over use of internet by the new generation the newspaper industry of the world is declining now a day. For this Mrinal Chattergi suggests some newer avenues. Those are:-

Multimedia platform: Print media companies should now adopt multi-media platform. In fact almost all large and successful print media companies have now become multi media companies.

Niche market: According to a study titled "There's life in the old dog yet" by consulting firm Roland Berger Strategy Consultants, print media can grow despite digital competition if they apply various success factors. As Alexander Moggs, Partner in the InfoCom Competence Centre at Roland Berger Strategy Consultants, say, We see growth potential in the premium reader segment and in other niches. The ability to fill a niche, strengthen the brand and improve competence in innovation will be the decisive factors." Rigorous orientation toward the target group and the alignment of the medium, the reader market and advertising strategy as part of an overall publishing concept have a positive effect on sales. That's because premium customers are ready to pay good money for high-quality offers. And premium customers are especially attractive to advertisers. "Especially for image ads and premium segments, print media will continue to be an attractive environment in spite of online competition."

Bottom of the Pyramid model: This refers to targeting the masses. Print media in India, especially mainstream newspapers have been doing that for ages. There can be further attempts to reach the masses and improve revenue collection by turning the number as strength.

Find unexplored market: As stated earlier there are hundreds of thousands of literate people, who can afford to buy newspapers and periodicals and not doing so. Attempts have to be made to make them buy and patronize print media.

Catch them young: Young people especially need to be introduced to print media. Investing in brands therefore pays off, because strong brands are becoming more and more important in an increasingly diverse media landscape. Possible ways to do this include "worlds of experience" and events such as conventions, seminars and trips. They not only spark interest, but also represent the next level for profitable sidelines after the first generation of tie-in product business from books, CDs, DVDs, etc.

Blue Ocean strategy: Blue ocean strategy is about creating and capturing uncontested market space, thereby making the competition irrelevant. Creating Blue Oceans is a way to make the competition irrelevant by creating a leap in value for both the company and its customers.

Data Analysis

1. Respondents coverage

Table No.1

Present status

Particulars	%
Managers	13
Supervisors	27
Executives	27
Employees	33

(Source: Primary Data)

2. Qualification of Respondents

Table No.2

Qualification of employees

Particulars	%
Below SSLC	0
SSLC	17
Graduation	33
PG	42
Above PG	8

(Source: Primary Data)

3. Years of Experience of Respondents

Table No.3

Years of experience

Particulars	%
Below 5 yrs	7
5-10 yrs	35
10-20 yrs	33
20-30 yrs	17
Above 30 yrs	8

(Source: Primary Data)

4. Incentives provided by the Organisation which motivates.

Incentives are the benefits that are given other than the normal wages. Employees are motivated when they are agreed with fair incentives. The incentives are of two types, financial and non financial incentives.

Table :4

Incentives which motivates

Particulars	%
Financial Incentive	53
Non-financial incentives	40
Both	7

(Source: Primary Data)

5. Responses of how far motivators which motivates - Friendly atmosphere with the colleagues, Salary , Fringe benefits, rewards and recognition, Idle time ,roles and responsibilities

Friendly atmosphere with the colleagues implies the relation employees maintain with each other. Friendly atmosphere with the colleagues is a necessary in every organization. Salary is the amount which the employees receive as a result of their work in the organization. Salary is a fixed income and it changes based on the position that the employees hold in the organization. Fringe benefits are those benefits which are supplementary to the regular wages. These benefits are paid to all the employees based on their participation also it helps to provide favourable attitude towards the organisation.

Rewards and recognition and promotions are provided to those employees whose performance within the organisation is very useful and impressive to the top management.Lunch break and rest time are those which are provided to the employees as a recess time. It is the time in which they can relax and rest. A good rest time provides a refresh employee with new thoughts. Fair rest time motivates the employees and their by their morale.

Every employee has to maintain certain roles and responsibilities in an organisation while working. This provides them with the opportunity for advancement and master in their work. A good role or responsibility will help them to improve their morale.

Table. 5

Motivators

Particulars	Friendly atmosphere with	Salary %	Fringe benefits	Rewards& Recognitio	Idle time %	Roles & Responsibili

	colleagues %		%	n %		ties %
Strongly Agree	25	25	26	33	25	33
Agree	50	58	50	33	33	53
Neutral	25	10	12	22	25	7
Disagree	0	7	12	12	17	7
Strongly Disagree	0	0	0	0	0	-

(Source: Primary Data)

6. Responses of how far motivators which motivates - Training, relation with top management, extra curricular activities, opportunity for advancement, acceptance of ideas and opinions and Working environment

Training of an employee is essential while working because it will enhance the capabilities and strength of the employees and help to identify the job profile and this will in return help the employee to have a motivated attitude. The top authority of any organisation should be fair enough to understand employee's problems and find solutions to that this will help the employees to be satisfied and thus helping them to be faithful to the organisation.

The activities provided by the company other than work for the relaxation & entertainment of workers. Extracurricular activities will enable a day off from work and thus employee feel stress-free.Every employee enters an organisation looking for the opportunity for advancement. It is important for them to have a career growth and their by improving their living standard.

Employees have an urge to give ideas and opinions about matters and if the top authority involves in functions they feel of being heard and thus being motivated. The place where employees work can be called as working environment. Working environment of the organization should be such that every employees should feel comfortable thus maintaining a high morale towards the company.

Table. 6

Motivators

	Training %	Relation with top managemen t %	Extra curricular activities %	opportunity for advancemen t %	acceptance of Ideas and opinions %	Working environment %
Strongly Agree	40	25	47	20	47	25

Agree	47	40	53	73	36	35
Neutral	13	23	0	7	17	32
Disagree	0	12	0	0	0	8
Strongly Disagree	0	0	0	0	0	0

(Source: Primary Data)

FINDINGS

The study covers the top to the bottom level of employees - the managers, supervisors, executives and employees.The respondents are basically qualified and majority credits graduation and one third of them mastered too. From the above table we can find out that majority of respondents having more than five years of experience and inflow is too low. The respondents mostly believe in financial incentives or combinations with financial incentives are effective for motivating the employees. But 40% believes in Non-financial incentives.

The Respondents mostly agrees with the tangible factors like Salary, Fringe benefits, rewards affects the morale of employees. The Respondents also mostly agrees with the intangible factors like friendly atmosphere with the colleagues, recognition, idle time, roles and responsibilities, training, relation with top management, extra curricular activities, opportunity for advancement, acceptance of ideas and opinions and working environment which influences motivation. It is clear that a inconsiderable numbers disagrees with the tangible and intangible factors in the organization will influence motivation, but they may believe in behavioral factors of an employee.

SUGGESTIONS

While considering the responses we can suggest any factors which motivates an employee must based on a sound psychological background. Behavior of any employee makes himself to satisfy with the organization and his own work. So when ever any organization frames the strategy to motivate the employees consider their behavioral framework to accept the situation and employee competence and employability.

CONCLUSION

Motivation is an inevitable force in any organization and the study reveals that in the print media industry also have to motivate their workforce with great combination of tangible and intangible motivators. The study also analyses about each motivators' relevance and influences motivation of the work force. It envisages the fact that in the print media industry the company must be initiated motivate their employees with great combination of motivators.

As there is a straight competition going on in the industry the company should keep its strategies and policies in a manner so that the employees are always motivated, and by this the company can assure employees have a high morale towards the company. Company should watch on its strategic alliance or it should improve its policies in order to compete with the competitors. The position in the market will ensure a higher motivation and morale towards the company from the employee.

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EVALUATION OF STRESS AMONG THE EMPLOYEES

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Abstract

Human Resource is considered as an important asset by many organizations. Capital, technology and other resources can be used efficiently only with the help of competent people. The role of work has changed throughout the world due to economic conditions and social demands. Originally, work was a matter of necessity and survival. Throughout the years, the role of "work" has evolved and the composition of the workforce has changed. Stress, depression and hypertension have now become extremely common among all industries. Stress can lead to many health problems like sleeping disorder, anger, headaches, diabetes, fatigue and obesity. This is gradually transforming into a major health concern in India and especially during the times of economic depression when job security is doubtful, these concerns increase drastically. Stress is identified as one of the problems that may affect the satisfaction level of employees. Highly stressed jobs may affect employee's productivity. One of the main effects of employee stress is related to attitudes. Job satisfaction, morale and organizational commitment can all suffer, along with motivation to perform at higher levels. Thus there is a need to identify the stressors and try to reduce their influence on employees. In this paper we discuss about various factors affecting the stress and their impact among the employees.

Keywords: Stressors, Healthy, Work place

Introduction

Organizations were walking up to problems posed by high stress levels at the work place. They were adopting creative methods to address this menace and equip the employees with stress management strategies. The work place had become a high stress environment in many organizations cutting industries. Employees were experiencing high level of stress due to various factors such as high workload, high targets, type of work, lack of jobsatisfaction,long

working hours, pressure to perform etc..Interpersonal conflicts at the workplace such as boss-subordinate relationship and relationships with peers, were also a source of stress. Experts believed that the dysfunctional aspects of stress could directly impact on organization's performance and also affect the well being of its among the employees

The study was conducted on the topic "Evaluation of stress among the employees of Terumo Penpol Ltd, Trivandrum". The company employs around 984 employees. For the present study, a sample of 100 employees was considered.

Most of the organizations consider competent employees as an important asset through which they can attain competitive advantage. One of the great challenges that firms face today is high attrition rate. In order to retain competent employees, the firm should ensure maximum satisfaction to the employees. The factors contributing to the satisfaction can be different in different employees. In order to improve the existing scenario and retain competent workforce, the factors contributing to the satisfaction level of the employees are identified and the degree to which these factors contribute to the work life balance are to be analyzed. This will help to retain the employees and maintain good relation with them. Stress is identified as one of the problems that may affect the satisfaction level of employees. Highly stressed jobs may affect employee's productivity. One of the main effects of employee stress is related to attitudes. Job satisfaction, morale and organizational commitment can all suffer, along with motivation to perform at higher levels. Thus there is a need to identify the stressors and try to reduce their influence on employees.

OBJECTIVES OF THE STUDY

1. To determine the degree of stress experienced by employees of Terumo Penpol Ltd.

2. To analyze the department and category wise stress experienced by employees.
3. To determine the stressors and suggest measures to control and reduce stress in the workplace.

RESEARCH METHODOLOGY

DATA COLLECTION FROM SECONDARY SOURCES

Secondary data were collected from different sources like the company brochures, articles issued by various publications, news paper publications, magazines, business journals and various websites.

DATA COLLECTION FROM PRIMARY SOURCES

Primary data were collected from the employees with the help of questionnaires. The questionnaires contained 15 questions which would bring out the perceptions of employees with respect to various factors. A five point rating scale was used namely Very high, High, Medium, Low and Very low/No influence.

SAMPLING TECHNIQUE

The sampling technique adopted for the study is convenient sampling. In convenience sampling, each of the samples can be selected in the ease of access.

SAMPLING SIZE

The company is occupied with 984 employees and most of them were in the busy work schedule. Among them 100 were taken conveniently for the study.

SCALING TECHNIQUE

Scaling technique is the use of a scale in questionnaires to make interpretation of results easier. In this study non comparative scaling technique is used with five point scale.

REVIEW OF LITERATURE

Stress has been called "the invisible". It is a disease that may affect you, your organization, and any of the people in it, so you cannot afford to ignore it.

EVOLUTION OF STRESS:

The Garden of Eden began as a tranquil stress environment. However when Adam was given the tantalizing chance to eat the forbidden fruit, he was thrust into mankind's first stressful situation. Adam was offered a choice and, as we know, decision-making is the breeding ground for conflict, frustration and distress.

DEFINITION:

Stress in individual is defined as any interference that disturbs a persons' healthy mental and physical well being. It occurs when the body is required to perform beyond its normal range of capabilities. Stress is the way that you react physically, mentally and emotionally to various conditions, changes and demands in your life. High levels of stress can affect your physical and mental well being and performance.

The results of stress are harmful to individuals, families, society and organizations, which can suffer from "organization stress". Ivancevich and Matteson define stress as individual with the environment.

Behr and Newman define job stress as "a condition arising from the interaction of people and their jobs and characterized by changes within people that force them to deviate from their normal functioning".

Stress is a dynamic condition, which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important. Stress is associated with constraints and demands. The former prevent you from doing what you desire, the latter refers to the loss of something desired. Stress is highest for those individuals who perceive that they are uncertain as to

whether they will win or lose and lowest for those individuals who think that winning or losing is certainty.

ANALYSIS OF DATA

The following are the details of the analysis of data based on the response of employees to various variables. The collected data is been analyzed in two ways.

1. **Categorization based on the departments**

   The Finance, IT, HR, Production, Export, logistics and MSG departments were selected for the study. From each department 20 employees were selected.

2. **Categorization based on the category of employees.**

   The employees were classified based on the category into top, middle and lower levels.

   Top level- 10, Middle level-50, Lower level-40

Rules and Regulations

The Company expects each employee to conduct himself at all times with proper decorum. For this the Company has established rules and regulations to protect it and its staff from any misbehaviour of any of its members.

Table.1-Response to Rules and Regulations based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	10	20	60	10	-	100
HR	-	-	50	40	10	100
Production	-	10	90	-	-	100
Export and logistics	10	50	20	10	10	100

MSG	-	40	60	-	-	100
Total	4	24	56	12	4	100

Source: Primary data

The table shows that among the Finance and IT department 60% of employees' experience medium level of stress.

In the HR department 50% of the employees experience medium level of stress.

Among the employees of production department 90% experience medium level of stress.

50% of the employees in export and logistics department experience high level of stress

60% of the employees in MSG department experience medium level of stress.

Table.2-Response to Rules and Regulations based on categories (in percentage)

Level	**Views**					**Total**
	Very high	**High**	**Medium**	**Low**	**No influence**	
Top Level	-	-	60	30	10	100
Middle Level	2	32	56	4	6	100
Lower Level	7.5	20	55	17.5	-	100
Total	3.17	17.33	57	17.17	5.33	100

Source: Primary data

The table shows that among the top level majority experience medium level of stress due to the rules and regulations of the company.

Among the middle level 56% experience medium level of stress.

55% of the lower level employees experience medium level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing medium level of stress due to the rules and regulations of the company.

Targets Fixed

A manager should be ambitious and aim high when setting targets for staff. Challenging yet achievable goals are essential to keep employees motivated to improve performance and maintain high standards. They should look at the current levels of performance and identify ways of improving the skills and knowledge of staff. The targets set must be in line with the policy and goals of the company.

Table.3-Response to Targets fixed based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	5	15	45	35	-	100
HR	-	10	55	35	-	100
Production	-	15	80	5	-	100
Export and logistics	-	10	70	20	-	100
MSG	-	20	65	15	-	100
Total	1	14	63	22	-	100

Source: Primary data

The table shows that among the Finance and IT department 45% of employees' experience medium level of stress. In HR department 55% of the employees experience medium level of stress. Among the employees of production department 80% experience medium level of stress.70% of the

employees in export and logistics department experience medium level of stress. In MSG department 65% employees experience medium level of stress.

Table.4-Response to Targets fixed based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	10	40	-	50	-	100
Middle Level	-	16	60	24	-	100
Lower Level	-	5	82.5	12.5	-	100
Total	3.33	20.33	47.5	28.83	-	100

Source: Primary data

The table shows that among the top level 50% experience low level of stress and 40% experience high level of stress due to targets fixed.

Among the middle level 60% experience medium level of stress.

Majority of the lower level employees experience medium level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing medium level of stress due to the targets fixed.

Compensation for work

Compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required. An ideal compensation system will have positive impact on the efficiency and results produced by employees. It will encourage the employees to perform better and achieve the standards fixed.

Table.5-Response to Compensation for work based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	

Finance and IT	-	10	55	30	5	100
HR	-	5	40	50	5	100
Production	5	20	35	25	15	100
Export and logistics	-	35	40	25	-	100
MSG	5	20	60	15	-	100
Total	2	18	46	29	5	100

s

Source: Primary data

The table shows that among the Finance and IT department 55% of employees' experience medium level of stress. In the HR department 50% of the employees experience low level of stress.

Among the employees of production department 35% experience medium level of stress.

40% of the employees in export and logistics department experience medium level of stress and 35% experience high level of stress

60% of the employees in MSG department experience medium level of stress.

Table 6-Response to Compensation for work based on categories (in percentage)

Level	**Views**					**Total**
	Very high	**High**	**Medium**	**Low**	**No influence**	
Top Level	-	10	20	40	30	100
Middle Level	4	16	50	26	4	100
Lower Level	-	22.5	47.5	30	-	100
Total	1.33	16.17	39.17	32	11.33	100

Source: Primary data

The table shows that among the top level 40% experience low level of stress and 30% are not stressed by the compensation system of the company. Among the middle level 50% experience medium level of stress.

47.5% of the lower level employees experience medium level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing medium level of stress due to the compensation.

Incentives provided

A reward for a specific behaviour, designed to encourage that behaviour also called inducement. When people see that they are receiving positive rewards for their hard work, they will always work harder.

Table.7-Response to Incentives provided based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	-	10	35	55	100
HR	-	-	5	15	80	100
Production	-	-	5	55	40	100
Export and logistics	-	5	20	60	15	100
MSG	-	10	15	40	35	100
Total	-	3	11	41	45	100

Source: Primary data

The table shows that majority of employees among the Finance and IT and HR department are not stressed by the incentives provided. In the

production, export and logistics department majority of employees experience low level of stress.

Table .8 Response to Incentives provided based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	-	-	20	50	30	100
Middle Level	-	6	18	56	20	100
Lower Level	-	-	-	20	80	100
Total	-	2	12.67	42	43.33	100

Source: Primary data

The table shows that among the top level 50% experience low level of stress and 30% are not influenced due to the incentives provided.

Among the middle level 56% experience low level of stress.

Majority of the lower level employees are not influenced.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing either low level of stress or are not stressed by the incentives provided.

Recognition at work

Workers value recognition for their contributions over all other work-satisfaction factors. The criteria for recognition should be directly tied to the company's business goals. Recognizing behaviour that furthers company goals will get the entire team pulling in the right direction.

Table 9-Response to Recognition at work based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No	

					influence	
Finance and IT	10	35	45	10	-	100
HR	-	40	60	-	-	100
Production	15	60	20	5	-	100
Export and logistics	10	35	40	15	-	100
MSG	20	45	25	10	-	100
Total	11	43	38	8	-	100

Source: Primary data

The table shows that 45 % of employees in the Finance and IT department experience medium level of stress and 35% experience high level of stress

In the HR department 60% of the employees experience medium level of stress.

Among the employees of production department majority experience high level of stress.

40% of the employees in export and logistics department experience medium level of stress and 35% high level of stress.

In MSG department 45% experience high level of stress.

Table 10-Response to Recognition at work based on categories (in percentage)

Level	Views					Total
	Very high	**High**	**Medium**	**Low**	**No influence**	
Top Level	-	-	40	60	-	100
Middle Level	18	38	40	4	-	100
Lower Level	5	60	35	-	-	100
Total	7.67	32.67	38.33	21.33	-	100

Source: Primary data

The table shows that among the top level 60% experience low level of stress. Among the middle level 40% experience medium level of stress and 38% experience high level of stress.

Majority of the lower level employees experience high level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing either high level of stress or medium level of stress due to lack of recognition at work.

Interference of Trade unions

Although trade unions look after the interests of their members, they also recognise the advantages of working in partnership with employers. This is because a successful, profitable business is good for workers and therefore good for the union and its members. An employer and a recognised trade union interact with the workplace in a number of ways but sometimes the trade unions can cause problems due to their interference.

Table 11-Response to Interference of trade unions based on departments (in percentage)

Departments	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	-	-	30	70	100
HR	-	-	-	25	75	100
Production	-	-	5	45	50	100
Export and logistics	-	-	-	60	40	100
MSG	-	-	10	70	20	100
Total	-	-	3	46	51	100

Source:Primary data

The table shows that among all the departments majority of the employees experience either low level of stress or they are not influenced by the interference of trade unions.

Table 12-Response to Interference of trade unions based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	-	-	30	70	-	100
Middle Level	-	-	-	60	40	100
Lower Level	-	-	-	22.5	77.5	100
Total	-	-	10	50.83	39.17	100

Source: Primary data

The table shows that among the top level 70% experience low level of stress.

Among the middle level 60% experience low level of stress.

Majority of the lower level employees are not influenced by the interference of trade unions.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing either low level of stress or are not stressed by the interference of trade unions.

Coordination of departments

Coordination between departments at the work place is vital for all organizations to meet profit maximization objectives. Coordination between departments at the work place ensures that the interests of the employees are aligned with company's short and long run interests. A good relationship with other departments will help you conduct your job responsibilities with

less effort. Maintaining a harmonious relationship within departments will reap benefits.

Table 13-Response to Coordination of departments based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	15	45	35	5	-	100
HR	20	55	25	-	-	100
Production	20	65	15	-	-	100
Export and logistics	30	55	15	-	-	100
MSG	10	60	25	5	-	100
Total	19	56	23	2	--	100

Source: Primary data

The table shows that among the Finance and IT department 45% of employees' experience high level of stress.In the HR department 55% of the employees experience high level of stress.

Among the employees of production department 65% experience high level of stress.55% of the employees in export and logistics department experience high level of stress

60% of the employees in MSG department experience high level of stress.

Table.14-Response to Coordination of departments based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	10	20	70	-	-	100
Middle Level	36	62	2	-	-	100

Lower Level	-	57.5	37.5	5	-	100
Total	15.33	47.33	35.33	1.67	-	100

Source: Primary data

The table shows that among the top level 70% experience medium level of stress.

Among the middle level 62% experience high level of stress.

Majority of the lower level employees experience high level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are highly stressed due to coordination of departments.

Attitude of administrative staff

Some managers have an inhuman attitude towards their employees. Some employers do not care about how much pressure they put on their staff, even if it is too much or unreasonable. Stress is causes when your employer does not care about your happiness. Thus the attitude of employers is an important factor.

Table.15-Response to Attitude of administrative staff based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	-	20	60	20	100
HR	-	-	35	55	10	100
Production	-	10	40	50	-	100
Export and logistics	-	5	30	60	5	100
MSG	5	15	65	15	-	100
Total		6	38	48	7	100

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Source: Primary data

The table shows that majority of the employees in the Finance, IT, HR, export and logistics department experience low level of stress.

Table.16-Response to Attitude of administrative staff based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	-	-	20	10	70	100
Middle Level	-	8	48	44	-	100
Lower Level	2.5	5	30	62.5	-	100
Total	0.83	4.33	32.67	38.83	23.33	100

Source: Primary data

The table shows that among the top level 70% are no influenced due to the attitude of administrative staff.

Among the middle level 48% experience medium level of stress.

Majority of the lower level employees experience low level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing low level of stress due to the attitude of administrative staff.

Relationship with co workers

Working well with others will bring you more advantages than if you work alone. Because we spend so much of our lives at work - it is certainly important that we enjoy what we are doing and that we "get along" with those we "work" with. Sometimes "the job" itself can become stressful and it

helps when we can count on those that we work with to be supportive to each other.

Table 4.17-Response to Relationship with co-workers based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	15	60	25	-	100
HR	5	20	65	10	-	100
Production	-	20	60	20	-	100
Export and logistics	5	30	55	10	-	100
MSG	10	25	65	-	-	100
Total	4	22	61	13	-	100

Source: Primary data

The table shows that among all the departments majority of the employees experience medium level of stress due to the inability to maintain good relationship with co workers.

Table 18-Response to Relationship with co-workers based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	-	40	30	30	-	100
Middle Level	8	26	52	14	-	100
Lower Level	-	12.5	80	7.5	-	100
Total	2.67	26.17	54	17.17	-	100

Source: Primary data

The table shows that among the top level 40% experience high level of stress.

Among the middle level 52% experience medium level of stress.

Majority of the lower level employees experience medium level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing medium level of stress due to relationship with co-workers.

Flow of communication

Table.19-Response to Flow of communication based on departments

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	5	25	60	10	-	100
HR	10	30	60	-	-	100
Production	-	35	55	10	-	100
Export and logistics	15	70	15	-	-	100
MSG	-	30	55	15	-	100
Total	6	38	49	7	-	100

Source: Primary data

The table shows that among the Finance, IT, HR, Production and MSG departments majority of the employees' experience medium level of stress. 70% of the employees in export and logistics department experience high level of stress

Table.20-Response to Flow of communication based on categories (in percentage)

Level	Views					Total
	Very high	High	Medium	Low	No influence	
Top Level	-	-	70	30	-	100

Middle Level	12	58	30	-	-	100
Lower Level	-	22.5	67.5	10	-	100
Total	4	26.83	55.83	13.33	-	100

Source: Primary data

The table shows that among the top level majority experience medium level of stress due to flow of communication

Among the middle level 58% experience high level of stress.

Majority of the lower level employees experience medium level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing medium level of stress due to flow of communication

Handling Chemicals

Handling of chemicals can cause stress to a greater extent. Employees should take specific protective measures while handling stress as it can cause a great deal of discomfort to them. They should be aware about the proper handling techniques.

TTable.21-Response to handling chemicals based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	-	-	-	100	100
HR	-	-	-	-	100	100
Production	5	65	25	5	-	100

Export and logistics	-	-	-	10	90	100
MSG	-	-	-	15	85	100
Total	1	13	5	6	75	100

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Source: Primary data

The table shows that among the Finance, IT, HR, Export, Logistics and MSG departments majority of employees' are not influenced by handling of chemicals.

Among the employees of production department 65% experience high level of stress

Table 4.22-Response to handling chemicals based on categories (in percentage)

Level	**Views**					**Total**
	Very high	**High**	**Medium**	**Low**	**No influence**	
Top Level	-	-	-	-	100	100
Middle Level	-	-	-	4	96	100
Lower Level	2.5	32.5	12.5	10	42.5	100
Total	0.83	10.83	4.17	4.67	79.5	100

Source: Primary data

The table shows that among the top level no one is influenced by handling of chemicals.

Among the middle level majority of the employees are not influenced.

42.5% of the lower level employees are not stressed and 32.5% experience high level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are not stressed by the handling of chemicals.

Basic amenities

Workplace amenities are facilities provided for the welfare or personal hygiene needs of employees. They include toilets, rest rooms, shelter sheds, seating, dining rooms, change rooms, drinking water, lockers and washing facilities. The provision of workplace amenities can help minimise illnesses and diseases, which may result from the absence of appropriate hygiene and welfare facilities.

Table 23-Response to basic amenities based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	-	65	25	10	100
HR	-	-	55	40	5	100
Production	-	20	55	25	-	100
Export and logistics	-	10	40	50	-	100
MSG	-	10	35	55	-	100
Total	-	8	50	39	3	100

source: Primary data

The table shows that among the Finance, IT, HR, and Production departments majority of employees' experience medium level of stress. In the export, logistics and MSG departments majority of employees experience low level of stress.

Table 24-Response to basic amenities based on categories (in percentage)

	Views	

Level	Very high	High	Medium	Low	No influence	Total
Top Level	-	-	-	70	30	100
Middle Level	-	16	46	38	-	100
Lower Level	-	-	67.5	32.5	-	100
Total	-	5.33	37.83	46.83	10	100

Source: Primary data

The table shows that among the top level majority experience low level of stress due to basic amenities.

Among the middle level 46% experience medium level of stress.

Majority of the lower level employees experience medium level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing either medium or low level of stress due to basic amenities.

Grievance handling mechanism

Maintaining quality of work life for its employees is an important concern for the any organisation. The grievance handling procedure of the organisation can affect the harmonious environment of the organisation. Effective grievance handling is an essential part of cultivating good employee relations and running a fair, successful, and productive workplace.

Table 25-Response to grievance handling mechanism based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	-	45	40	15	100
HR	-	-	-	60	40	100

Production	-	-	55	40	5	100
Export and logistics	-	5	50	35	10	100
MSG	-	10	20	60	10	100
Total	-	3	34	47	16	100

Source: Primary data

The table shows that among the Finance, IT, Export, Logistics and MSG departments majority of employees' experience medium level of stress. In the HR department 60% of employees experience low level of stress.

Table 26-Response to grievance handling mechanism based on categories (in percentage)

Level	**Views**					**Total**
	Very high	**High**	**Medium**	**Low**	**No influence**	
Top Level	-	-	20	30	50	100
Middle Level	-	6	48	46	-	100
Lower Level	-	-	20	52.5	27.5	100
Total	-	2	29.33	42.83	25.83	100

Source: Primary data

The table shows that among the top level 50% are not influenced and 30% experience low level of stress due to grievance handling mechanism.
Among the middle level 48% experience medium level of stress.
52.5% of the lower level employees experience low level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are experiencing low level of stress due to grievance handling mechanism.

Technology up gradation

A primary source of workplace stress is the various demands of new technologies. Adjusting to the new paradigms that technology creates is also a

source of stress for many employees. Adjusting to new technologies -- like the web, networks, personal communications -- that have saturated today's workplace is creating new demands on workers, and that's causing more stress to employees.

Table 27-Response to technology up gradation based on departments (in percentage)

Department	Views					Total
	Very high	High	Medium	Low	No influence	
Finance and IT	-	5	60	35	-	100
HR	-	45	40	15	-	100
Production	20	60	15	5	-	100
Export and logistics	-	30	40	30	-	100
MSG	25	60	15	-	-	100
Total	9	40	34	17	-	100

Source: Primary data

The table shows that 60% of the employees of Finance and IT experience medium level of stress due to technology up gradation.

In the HR department 45% of employees experience high level of stress.60% of employees in the production department experience high level of stress. Among the export and logistics department majority experience medium level of stress.

In the MSG department 60% experience high level of stress due to technology up gradation

Table 28-Response to technology up gradation based on categories (in percentage)

	Views	

Level	Very high	High	Medium	Low	No influence	Total
Top Level	-	20	50	30	-	100
Middle Level	6	50	36	8	-	100
Lower Level	15	32.5	27.5	25	-	100
Total	7	34.17	37.83	21	-	100

Source: Primary data

The table shows that among the top level 50% experience medium level of stress due to technology up gradation.
Among the middle level 50% experience high level of stress.
32.5% of the lower level employees experience high level of stress.

Conclusion:

So, in general considering both the analysis based on department and category majority of the employees are either experiencing high or medium level of stress due to technology up gradation.

Findings are:

- Rules and regulations are causing high level of stress to employees of export and logistics departments and medium level of stress to employees of all categories.
- Targets fixed are causing medium level of stress to all the departments and categories.
- The compensation for work causes medium level of stress to employees of all departments and categories except the HR department and to the top level.
- Recognition at work causes high level of stress to employees of production and MSG departments and to the lower level employees.
- Employees of all the departments and categories (except top level) experience high level of stress due to coordination of departments.

- Attitude of administrative staff causes medium level of stress to the MSG department and among the middle level employees.
- Employees of all the departments and categories experience medium level of stress due to relationship with co workers.
- Employees of export and logistics department and middle level are highly stressed due to flow of communication.
- Handling of chemicals causes high level of stress among the employees of production department.
- Majority of employees of the production department and lower level are highly stressed due to workplace cleanliness.
- Basic amenities cause medium level of stress to all the departments and categories.
- The HR, Production and MSG departments are highly stressed due to technology up gradation. Employees of middle level and lower level are also highly stressed due to technology up gradation.

The data was analyzed to determine the stressors and suggest measures to control and reduce stress in the workplace. So, as per my study the variables that are significant in causing some stress to the employees are-

1. Rules and Regulations
2. Targets Fixed
3. Compensation for work
4. Recognition at work
5. Coordination of departments
6. Relationship with co workers
7. Flow of communication
8. Workplace cleanliness

CONCLUSION

A man's life today faces all sorts of challenges and obstacles that hamper his normal functioning and most of the time his pressure is too hard

to handle. When we are expected to meet the changing demands, we undergo stress. Stress, depression and hypertension have now become extremely common among all industries. This is gradually transforming into a major health concern in India and especially during the times of economic depression when job security is doubtful, these concerns increase drastically. The organization and its employees are very healthy when work life balance is at its best and the employees are satisfied with the working conditions and take part in business development. The employer- employee relation is strengthened by paving way for natural understanding and better human relations.

After completing the study and analyzing the personal and organizational factors in Terumo Penpol Ltd, I have come to the conclusion that employees are slightly stressed as per the various parameters set out by in the questionnaire.

A healthy organization is sure to win over their competitors easily in the market segment and improve their productivity, sales and profitability in the years to come. They may continue their Research and Development activities and dwell at length in their innovative approaches so that their market share will grow. The level of customer service is very good. The organization has to take care of the employees who have expressed their dissatisfaction, counsel them in the right direction so that they also rank in line with the other majority group.

SUGGESTIONS

After analyzing various factors relating to the cause of stress in the organization, it is observed that there is still scope for further improvement in the functions of the company. Keeping this view in mind, the following suggestions are made so that the employees of the organization feel satisfied in their present work which may motivate them to contribute more and make them high performers.

- The management must try to bring in some changes in the workload and targets to be achieved.
- The management should try to provide better counselling and employee assistance programmes.
- Try to provide some motivational factors to employees to increase their performance.
- Try to bring improvement in the flow of control and coordination of departments for better performance.
- The organization must try to provide an environment for creating good relationships with co-workers.
- Try to bring changes in the existing recreational facilities provided by the company.
- The organization should try to provide training to reinforce stress management.

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CHANGE MANAGEMENT STRATEGY IN ERP IMPLEMENTATION

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ABSTRACT

Change Management is a planned approach to change within an organization. The objective is to maximize the benefits for the organization and lower the potential risk associated with any ERP solution changes. These changes are either reactive, which is caused by external source, or proactive, which is a goal oriented change. The key process of change management begins by measuring attitudinal changes as the process of ERP implementation begins, which is not just recording how people feel about the changes anticipated in technology implementation of the business processes that is primarily focused on the automation over a period of time and how to manage the shift in their expectations. This requires a communication as well as a training process. Implementing an ERP will bring in changes to the way people work within the organization, processes will change and there may be job cuts and rationalization of responsibilities within departments. All this will definitely evoke resistance from the employees and this has to be managed effectively before, during and after the implementation of the ERP package. A strong change management team needs to be involved to approve, implement and track the changes in the organization, which includes the impact and detailed structure associated with the life cycle of the ERP project.

Keywords: Change Management, ERP , Implementation, Customisation, Implementation Strategy, ERP software.

INTRODUCTION

Change management is an approach to shifting/transitioning individuals, teams, and organizations from a current state to a desired future state. It is an organizational process aimed at helping change stakeholders to accept and embrace changes in their business environment. Kotter defines change management as the utilization of basic structures and tools to control any organizational change effort. Change management's goal

is to maximize an organization's benefits and minimize the change impacts on workers and avoid distractions. Change management is a way of preparing employees and executives for the changes that come with ERP. Although ERP software will help make your business more efficient by refining your processes and eliminating time-wasting double data entry, it can still be scary for some employees to think about changing the way they do their jobs. Change management is designed to help employees adjust to the new system in a stress-free way, using training and management teams to introduce new practices in small pieces, rather than in one enormous move. A huge aspect of integrating any new ERP technologies is human-based. There are psychological aspects of any change, such as resistance, that many people go through. Any effective change management touches on all these aspects within an organization. Top management has to lead the way in propagating the reasons for the implementation and the business benefits that can be expected by implementing a new ERP package.

Enterprise resource planning software requires full support from top management at the time of implementation, selection, customization etc. During implementation, organization may require to change some business processes to meet the software standards, which are industry specific standards. Business process cannot be change without top management support. It is quite necessary to change some of the business process. It helps in implementation. If you are not willing to change any business process, you may go for customization. But, customization is costly and not good for any ERP. Little bit customization is ok, but too much customization will affect your ERP project. It will increase your project duration, budget, and increase the risk of implementation failure. It will be better to change some business process if possible, rather than customizing. When an organization changes some of their business processes, change management expert is required. People resist change. Change management expert will guide how to change, and explain the benefits of changes to the employees. ERP system helps in changing the process; it is designed and developed by adopting best practices of specific industries.

Evershine is India's largest Manufacturers and suppliers in Wirenetting and Allied products. Evershine is one of India's largest chain of stores in the distribution of wire nettings and allied products has a record of over 20 years in delivering extremely high quality products with an unmatched customer service. It has evolved into one stop shop for all wire netting related range of products and one can endear to get the products of their choice at the best possible prices. The product portfolio comprises of over 100 products ranging from different types 0f wires (GI,PVC) to meshes (Welded Mesh, Chicken Mesh, Mosquito Mesh) all marketed under the 'Shine Star Brand'. As far as the organization is concerned, implementing ERP is an important task in order to gain a competitive advantage over the competitors and manage the inventory better. This Study has been conducted at various branches of Evershine Wire Products (P) Ltd. Evershine is the fore runner in the wire netting industry with more than 14 branches around India. The Study is targeted at the employees working in various branches of Evershine. The aim of the Study is to identify the different change management strategies. It also gives us an idea about the level of reluctance or acceptance of the employees working in different branches. Scope of this Study includes:

An ERP implementation entails changes in business processes and reporting structure. Addressing this paradigm move is a process that the organization has to go through. This will help in achieving the acceptability of the ERP users.

REVIEW OF LITERATURE

Change Management Strategy is defined as activities, processes, and methodologies that support employee understanding and organizational shifts during the implementation of ERP systems and reengineering initiatives.

Change management is a primary concern of many organizations involved in ERP project implementation. It is very important to adopt the right strategic changes.

- **Adel Aladwani Model**

Aladwani suggested very effective and popular change management strategies, that the marketing concepts and strategies are adaptable to the ERP implementation context. Moreover, this strategies is integrated, process-oriented conceptual framework which is consisting of three phases : Knowledge Formulation, Strategy Implementation, and Status Evaluation to overcome users' resistance to change, top management has to study the

structure and needs of the users and the causes of potential resistance among them in the first phase (knowledge formulation), also must deal with the situation by using the appropriate strategies and techniques in order to introduce ERP successfully; this is done in the second phase (strategy implementation), and finally status of change management efforts in the third phase (status evaluation).

- **Prosci's Model**

Prosci's model for organizational change management process. It consist of three main phases: Preparing for change, Managing change , and Reinforcing change. The first phase in Prosci's methodology is aimed at getting ready. It answers the question: "how much change management is needed for this specific project?" The first phase provides the situational awareness that is critical for effective change management. The second phase of Prosci's process is focused on creating the plans that are integrated into the project activities - what people typically think of when they talk about change management. The third phase of Prosci's process helps project teams create specific action plans for ensuring that the change is sustained. In this phase, project teams develop measures and mechanisms to see if the change has taken hold

OBJECTIVES OF THE STUDY

The following are the Objectives of this Study:

- To find out various changes required in the organisation
- To find out the expected level of the organisation
- To assess the various change management strategies adopted by the organisation
- To find out the level of acceptance or reluctance from the part of the employees

RESEARCH DESIGN

The Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done. This includes study of various steps that are generally adopted by a researcher in studying her research problem along with logic behind her.

Type of Research Design

Research Design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It constitutes the blueprint for collection, measurement and analysis of data. The Research plan calls for gathering of secondary & primary data based on analysis, which was undertaken. Descriptive type of research design has been used. It is the type of research that focuses on providing accurate description of the problem.

A Research comprises of statement of problem, purpose of Study, location, type of data required, source of data, time frame, sampling design, techniques of data collection, data analysis etc. descriptive research design is used in this Study.

Data Collection Method

Collection of data is the most important stage in the research process. If any mistake occurs in the collection of data, it will affect the entire Study. Hence at most care was exercised in the process of collection of data.

The Study is descriptive, empirical and analytical in nature. It is descriptive with regard to the theoretical concepts, and regarding the analysis and interpretation of data collected. Data was collected from both primary and secondary.

Data collection from Primary Source

Primary Data are those which are collected for the first time for the particular purpose and thus original in character. Primary data was collected from direct interviews and questionnaire schedule. A questionnaire was exclusively designed to find out the preference and satisfaction of customer.

Data collection from Secondary Source

This is the method in which data is collected through some other external sources. Secondary data can be defined as the data collected by someone else for some other purposes. Major sources of secondary data for my Study is from,

- Company Brochures
- Annual Reports
- Company journal
- Internet

Sampling Technique

Sample design is definite plan for obtaining a sample from a given population. It refers to a procedure, adopted by a researcher for selecting items for a sample. In this Study, the branches are located far away from the head office. So all the employees of Head Office and Coimbatore are the samples.

Sample: A sample of 40 employees from Head Office and Coimbatore branch of Evershine Wire Products (P) Ltd. is taken

Reason: As the organisation is changing to a new system and there is a need for a change in the job profile and reporting pattern in the organisation.

The population is defined in keeping with the objectives of the Study. Sometimes, the entire population will be sufficiently small, and the researcher can include the entire population in the Study. This type of research is called a census Study because data is gathered on every member of the population.

Usually, the population is too large for the researcher to attempt to survey all of its members. A small, but carefully chosen sample can be used to represent the population. The sample reflects the characteristics of the population from which it is drawn.

Sampling Methods are classified as either probability or non probability. In probability samples, each member of the population has a known non-zero probability of being selected. Probability methods include random sampling, systematic sampling, and stratified sampling. In non-probability sampling, members selected from the population were based on non-random manner.

These include convenience sampling, judgment sampling, quota sampling, and snowball sampling. The advantage of probability sampling is that sampling error can be calculated. Sampling error is the degree to which a sample might differ from the population. When inferring to the population, results are reported plus or minus the sampling error. In non-probability sampling, the degree to which the sample differs from the population remains unknown.

Scaling Technique

Scaling emerged from the social sciences in an attempt to measure or order attributes with respect to quantitative attributes or traits. Scaling provides a mechanism for measuring abstract concepts.

Scales, usually of approval or agreement were used in questionnaire. The respondent is asked to say whether, for example, they 'Strongly agree', 'Agree', ‘Neutral’, 'Disagree', or 'Strongly disagree' in some statement. Here I used non-comparative scaling technique.

5 point Arbitrary Scale:

Respondents were requested to indicate the level of satisfaction or the level of effectiveness and the level of agreement or disagreement on a five-point scale for all questions.

Data Analysis Tools and Techniques

Analysis of data is a process of inspecting, cleaning, transforming, and modelling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision-making.

Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

In order to extract meaningful information from the data collected, the data is analyzed using statistical tools. The statistical tools used are percentage analysis.

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data. The collected data is also represented in table format.

- To motivate the employees towards the change implemented.
- To study the change management strategies adopted by the management.
- Increased job satisfaction.
- Increased productivity and creativity.

DATA ANALYSIS & INTERPRETATION

Data analysis is considered to be important step and heart of the research in research work. After collection of data with the help of relevant tools and techniques, the next logical step, is to analyze and interpret data with a view to arriving at empirical solution to the problem. The data analysis for the present research was done quantitatively with the help of both descriptive statistics and inferential statistics.

STATISTICAL TOOLS USED

- Percentage Analysis.
- Net Weighted Average Analysis.

PERCENTAGE ANALYSIS

It refers to a special kind of ratio. Percentage is used in making comparison between two or more series of data; percentages are used to determine relationship between the series if data finding the relative differences becomes easier through percentage.

It is expressed as,

$$\text{Percentage (\%)} = \frac{\text{No. of respondents}}{\text{Total no. of respondents}} \times 100$$

4.1.1. Classification based on gender

Table 4.1.1 Classification based on gender

Gender	Number	Percentage
Male	15	37.50
Female	25	62.50
Total	70	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that 37.50% of the respondents are Male and 62.50% are Female.

4.1.2. Classification based on Designation

Table 4.1.2 Classification based on Designation

Department	Number	Percentage
HR Executive	3	7.50
Marketing Executive	20	50
Manager	5	12.50
Accountant	12	30
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 7.50% of the employees are HR Executives, 50% of the employees are Marketing Executives, 12.50% of the employees are Managers and 30% of the employees are Accountants.

4.1.3. Are you satisfied with the existing system of organization?

Table 4.1.3 Classification based on the satisfaction of the existing system of organization

Level of Satisfaction	Number	Percentage
Highly Satisfied	25	62.50
Satisfied	10	25
Neutral	0	0

Dissatisfied	5	12.50
Highly Dissatisfied	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 87.50% of the employees are satisfied with the existing system followed in the organisation and 12.50% of the employees are not satisfied with existing system followed in the organisation.

4.1.4. Do you agree with the changes brought in the existing system?

Table 4.1.4 Classification based on the level of satisfaction of the changes brought in the existing system

Level of Satisfaction	Number	Percentage
Strongly Agree	10	25
Agree	15	37.50
Neutral	2	5
Disagree	9	22.50
Strongly Disagree	4	10
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 62.50% of the employees agree with the changes to be brought in the organisation, 32.50% of the employees do not agree and 5% of the employees do not have any opinion regarding the changes to be brought in the organization.

4.1.5. Do you accept the new ERP system?

Table 4.1.5 Classification based on the level of acceptance of the new ERP system

Level of Satisfaction	Number	Percentage
Strongly Agree	18	45
Agree	10	25
Neutral	1	2.50
Disagree	11	27.50
Strongly Disagree	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 70% of the employees accept the ERP system and 27.50% of the employees do not accept the ERP system and 2.50% of the employees do not have any opinion.

4.1.6. Do you think the new system will help in career growth?

Table 4.1.6 Cllassification based on the level of satisfaction that the new system will help in career growth

Level of Satisfaction	Number	Percentage
Strongly Agree	5	12.50
Agree	25	62.50
Neutral	5	12.50
Disagree	4	10
Strongly Disagree	1	2.50
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 75% of the employees thinks that the new system will help in career growth, 12.50% of the employees are of the opinion that the new system does not help in career growth and 10% of the employees do not have any opinion.

4.1.7. Will you gladly accept the changes in job profile due to implementation of ERP?

Table 4.1.7 Classification based on the level of satisfaction of the changes in job profile due to implementation of ERP

Level of Satisfaction	Number	Percentage
Strongly Agree	8	20
Agree	10	25
Neutral	5	12.50
Disagree	15	37.50
Strongly Disagree	2	5
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 45% of the employees accept the change in job profile due to ERP implementation, 42.50% of the employees do not accept the change and 12.50% of the employees have no opinion.

4.1.8. Do you require training to cope up with the changes being implemented?

Table 4.1.8 Classification based on the level of satisfaction of requirement of training to cope up with the changes being implemented

Level of Satisfaction	Number	Percentage
Strongly Agree	15	37.50
Agree	17	42.50

Neutral	5	12.50
Disagree	3	7.50
Strongly Disagree	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 80% of the employees are of the opinion that they need training to cope up with changes being implemented, 7.50% of the employees do not need training and 12.50% of the employees have no opinion.

4.1.9. Do you think the new system goes hand in hand with the company's policy?

Table 4.1.9 Classification based on level satisfaction of that the new system goes hand in hand with the company's policy

Level of Satisfaction	Number	Percentage
Strongly Agree	15	37.50
Agree	15	37.50
Neutral	5	12.50
Disagree	5	12.50
Strongly Disagree	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 75% of the employees are of the opinion that the existing system will go hand in hand with the company's policies, 12.50% of the employees think that the existing system will not go hand in hand with the company's policies.

4.1.10. Do you think the new system will help to reduce the existing work load?

Table 4.1.10 Classification based on level of satisfaction that the new system will help to reduce the existing work load

Level of Satisfaction	Number	Percentage
Strongly Agree	25	62.50
Agree	10	25
Neutral	0	0
Disagree	4	10
Strongly Disagree	1	2.50
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 87.50% of the employees thinks the new system will reduce the work load, 13..50% of the employees thinks the new system will not reduce the work load.

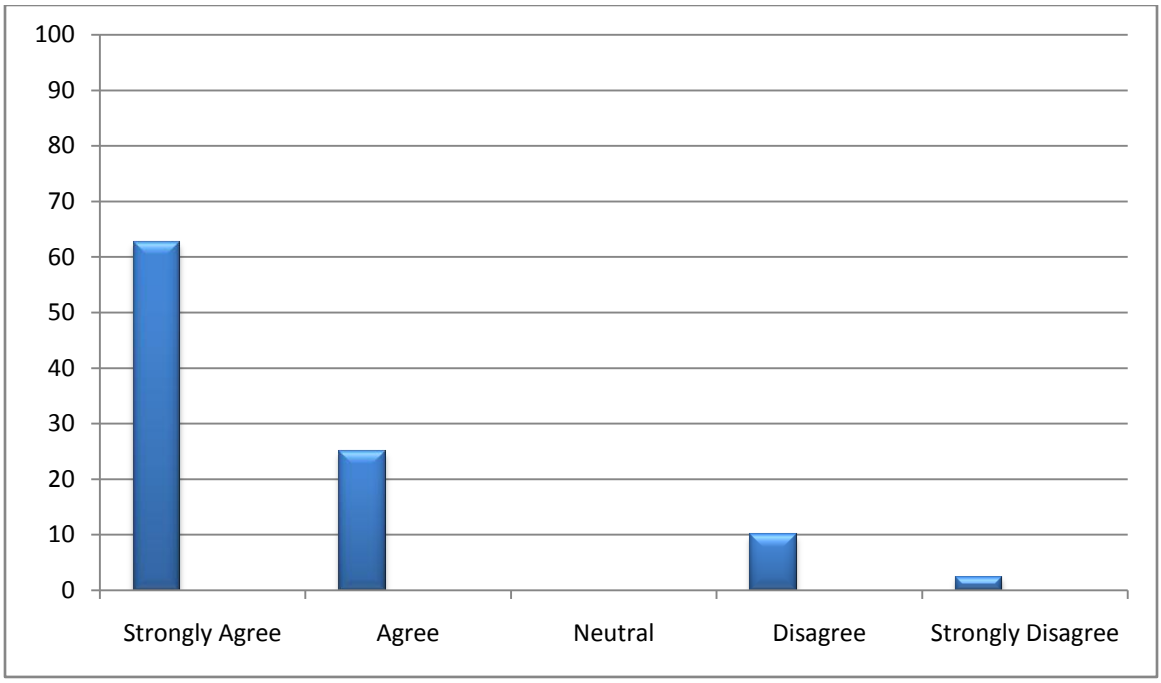

Fig 4.1.10 Showing the level of satisfaction of employees

4.1.11. Do you think the new system will increase productivity?

Table 4.1.11 Classification based on the level of satisfaction that the new system will increase productivity

Level of Satisfaction	Number	Percentage
Strongly Agree	22	55
Agree	15	37.50
Neutral	0	0
Disagree	3	7.50
Strongly Disagree	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 92.50% of the employees thinks the new system will increase the productivity of the organisation, 7.50% of the employees thinks the new system will not increase the productivity.

4.1.12. Do you agree the new system will enhance the sales or turnover of the company?

Table 4.1.12 Classification based on the level of satisfaction that agree the new system will enhance the sales or turnover of the company

Level of Satisfaction	Number	Percentage
Strongly Agree	10	25
Agree	12	30
Neutral	8	20
Disagree	10	25
Strongly Disagree	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 55% of the employees thinks the new system will increase the sales and turnover of the organisation, 25% of the employees thinks the new system will not increase the sales and turnover of the organisation and 20% of the employee have no opinion.

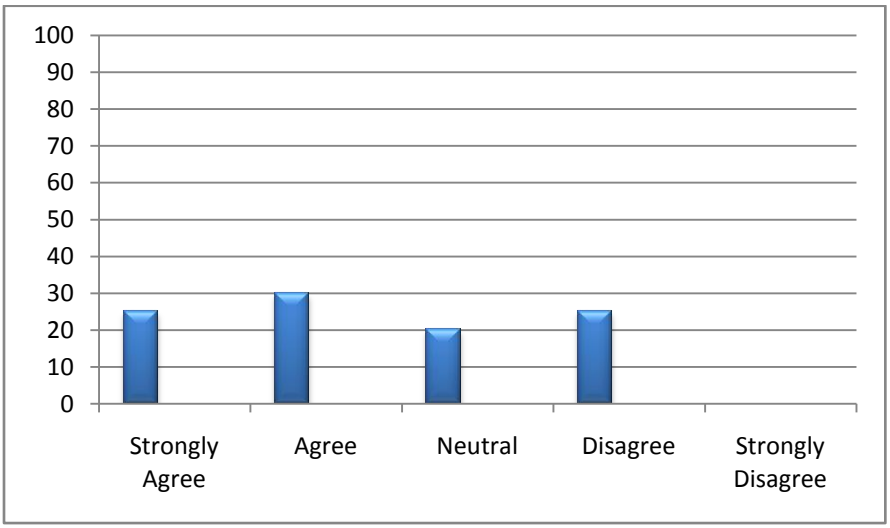

Fig 4.1.12 Shows the level of satisfaction of employees

4.1.13. Do you think the new system will improve the organizational climate and culture?

Table 4.1.13 Classification based on the level of satisfaction that think the new system will improve the organizational climate and culture

Level of Satisfaction	Number	Percentage
Strongly Agree	10	25
Agree	12	30
Neutral	8	20
Disagree	8	20

Strongly Disagree	2	5
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 55% of the employees thinks the new system will improve the organisational climate and culture of the organisation, 25% of the employees thinks the new system will not improve the organisational climate and culture of the organisation and 20% of the employee have no opinion.

4.1.14. Do you think the new system will provide you job security?

Table 4.1.14 Classification based on the level of satisfaction that new system will provide you job security

Level of Satisfaction	Number	Percentage
Strongly Agree	5	12.50
Agree	12	30
Neutral	15	37.50
Disagree	5	12.50
Strongly Disagree	3	7.5
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 42.50% of the employees thinks the new system will provide the job security, 12.50% of the employees thinks the new system will not provide them job security and 37.50% of the employee have no opinion.

4.1.15. Do you think the ERP system will enhance the competency of the organization?

Table 4.1.15 Classification based on the level satisfaction that the ERP system will enhance the competency of the organization

Level of Satisfaction	Number	Percentage
Strongly Agree	2	5
Agree	15	37.50
Neutral	15	37.50
Disagree	8	20
Strongly Disagree	0	0
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 42.50% of the employees thinks the ERP system will enhance the competency of the organization, 20% of the employees thinks the new system will not enhance the competency of the organization and 37.50% of the employee have no opinion.

4.1.16. Do you think the ERP system will help in improve inventory management and material delivery?

Table 4.1.16 Classification based on the level of satisfaction that the ERP system will help in improve inventory management and material delivery

Level of Satisfaction	Number	Percentage
Strongly Agree	10	25
Agree	12	30
Neutral	9	22.50
Disagree	8	20
Strongly Disagree	1	2.50
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 55% of the employees thinks the ERP system will improve inventory management and material delivery, 22.50% of the employees thinks the new system will not improve inventory management and material delivery and 20% of the employee have no opinion.

4.1.17. Do you think educating and communicating the employees are necessary before introducing new strategies?

Table 4.1.17 Classification based on the level of satisfaction that educating and communicating the employees are necessary before introducing new strategies

Level of Satisfaction	Number	Percentage
Strongly Agree	5	12.50
Agree	20	50
Neutral	5	12.50
Disagree	8	20
Strongly Disagree	2	5
Total	40	100

(Source: Primary Data)

Interpretation:

From the above table it is inferred that from the 40 samples taken, 62.50% of the employees thinks educating and communicating the employees are necessary before introducing new strategies is required, 25% of the employees thinks educating and communicating the

employees are necessary before introducing new strategies is not required and 12.50% of the employee have no opinion.

FINDINGS

On the basis of the data analysis it is find out that

1. The majority of the employees are females
2. Majority of the employees haven't done graduation
3. Most of them are highly satisfied with the existing system followed in the organisation
4. Many of the employees are agree with the changes to be brought in the organisation
5. Most of the employees accept the ERP system but there is reluctance from some of the employees
6. Many of the employees have the opinion that new system will help in theircareer growth
7. Majority of the employees accept the change in job profile due to ERP implementation
8. Most of the employees have agreed that training is needed
9. Most of the employees agree that the existing system goes hand in hand with the company's policies
10. Employees agree that new system will help to reduce the existing workload
11. Many of the respondents have the opinion that the new system will help in increasing the productivity of the organisation
12. Many of the employees have the opinion that the new system will enhance the sales or turnover of the company
13. It is find out that the new system will help in improving the organisational climate and culture
14. Employees agrees that the new system will provide job security
15. Most of the employees agree that ERP system will enhance the competency of an organisation
16. Majority of the employees agrees that ERP system helps in improve inventory management and material delivery
17. Many of the employees have the opinion that educating and communicating the employees before introducing strategies is necessary

SUGESTIONS

The following suggestions cam be derived from the above findings

1. The reluctance of employees has to be removed
2. The employees have to be give a clear idea about the changes to be brought in the organisation
3. The opinion of the employees has to be taken in management process
4. Training the employees in order to cope up with the changes in inevitable
5. Employees have to be included in the change management team
6. The ERP system should be tested in parallel to the existing accounting or billing software before implementing it completely
7. The change in job position must not affect the efficiency of the organisation

8. There should be a proper reporting route for the employees
9. The grievance handling system should be more efficient
10. There should be a good appraisal system to help the career growth

CONCLUSION

From the study conducted, it is clear that the company is doing a good job in managing the changes brought in the organisation.

As there is a tight competition going on in the industry, the company should keep its strategies and policies in an orderly manner so that the employees are always motivated, and by this the company can assure employees have a high morale towards the company. Company should watch on its strategic alliance or it should improve its policies in order to compete with its competitors. A good stand in the market will ensure a higher motivation and morale towards the company from the employees side.

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