

A STUDY ON SWOT ANALYSIS TOWARDS SALEM STEEL PLANT AT SALEM

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Abstract—There is no doubt that for an organization to actually remain stable and productive effort should be made to identify what constitute their strength, weakness, opportunities and threat, hence the acronym SWOT. It is the identification and careful analysis that would actually keep every productive organization going. If an organization does not make necessary effort to identify its strength, weakness, opportunities and threat, such organization is bound to fail in area of productivity as such organisation will not be stable. This paper however dealt on the actual meaning and what the acronym stands for and its evaluation in two private schools. The paper however identified what constituted strength, weakness, opportunities and threat of the two schools. SWOT analysis however helped one of the two studied to advance in the face of growing challenges thereby leading to its stability and increased productivity.

Keywords—Opportunities, Organisation, Strengths, Threats, Weakness

INTRODUCTION

A SWOT analysis is a tool that is frequently used that question the provision of a broad or comprehensive picture of the health of an organization. A SWOT analysis may be considered a periodic audit that a company may require to identify and rectify troubles already caused or those in the process of being created. SWOT offers a useful methodology to project managers to provide assistance in the process of evaluating and making correct decision SWOT may not be able to identify the best solution.

However, it will facilitate the identification, classification, and prioritization of the issues concerning a project. All the elements of SWOT, namely Strengths, Weakness, Opportunities and Threats, need to be thoroughly considered to execute an enduring project strategy.

Strength

- ❖ Staffing is a big strength for SAIL as being a Government venture it is looked upon for generating and offering employment
- ❖ Customer base is another major strength for SAIL as it offers steel at subsidized rates and hence caters to high volume of clients
- ❖ strength for SAIL is its Market position which is on a very successful level and thus there is no hesitation in its clients
- ❖ Financial Resources also acts as strength as it can use Govt funds for ventures.
- ❖ Sales Channels also is strength as it uses all possible channels for promotion and Sales.
- ❖ Strength is the (product Steel) is core in nature and related to almost all development and infrastructure activities.
- ❖ Profitability is another strength as SAIL records astounding profit figures in spite of providing social benefit and subsidies to its clients
- ❖ Abundant resources of iron ore, low cost and efficient labour force.

Weakness

- ❖ Staff also possess as a weakness in a certain way as SAIL being a Govt. venture, targets and workload are not tight and job security leads to staff not being fully productive
- ❖ Weakness is that higher profit margins are possible but not allowed since being a Govt venture.

- ❖ Competitive Vulnerability is another weakness as competitors include private players with better quality manpower, strategies and policies.
- ❖ Another weakness is production of a single vertical (Steel) and no diversification.
- ❖ Also, a major Weakness is completely answerable to the Central Govt. and hence exposed to corruption and mismanagement.
- ❖ High cost of energy, higher duties and taxes, infrastructure quality of coking coal, labour laws, dependence on imports for steel manufacturing equipment and technology.

Opportunities

- ❖ SAIL has certain opportunities as it is affiliated to the Central Govt. of India and hence expansion and growth is possible
- ❖ SAIL also can adopt globalization with ease using Govt. support
- ❖ Also, SAIL being financially sound can undertake merger and acquisition projects with weaker counterparts.
- ❖ It can also involve in production of forward integration products and by-products apart from its core product (Steel) with the help of its healthy brand image.
- ❖ Huge infrastructure demand, rapid urbanization, increasing demand for consumer durable of foreign steel.

Threats

- ❖ Threats would include change in Govt Policies and Economy trend which can have a direct impact on the functioning of SAIL.
- ❖ Also, emerging and existing private sector competitors who can steal market share.
- ❖ Also, late implementation of technology and modern machinery as compared to counterparts can pose a potential threat.
- ❖ Apart from the above major threats, labour turnover can also cause problems due to existence of higher paying jobs with better benefits in the sector.

STATEMENT OF THE PROBLEM

- ❖ As a study on Salem steel plant, the proposal of the study is to determine the strength, weakness, opportunity & threats of the organization.
- ❖ It is used to measure the resources available, quality, demand, growth, equity.
- ❖ Which is the most important parameters to be considered

OBJECTIVES OF THE STUDY

- ❖ The four factors mentioned in a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats)
- ❖ To study about the strength, weakness, opportunity and threats towards SWOT analysis of Salem steel plant.
- ❖ Aim to evaluate the balance between the internal resources and capabilities of a company and external possibilities and threats.
- ❖ ASWOT analysis can be carried out for a company, product, place, industry, or person

HYPOTHESIS

H₀: There is no significant difference in SWOT among the different experience of the employees.

H₁: There is significant difference in SWOT among the different experience of the employees.

SCOPE OF THE STUDY

- ❖ The study covers all functionality aspects of this company.
- ❖ The research will help the company to know the SWOT.
- ❖ The aim of the study is to analyses and evaluates the SWOT analysis towards Salem steel plant.
- ❖ So, the company will help to know about the SWOT analysis.

LIMITATION OF THE STUDY

- ❖ SWOT Analysis is not free from its limitations.
- ❖ The strengths, weaknesses, opportunities and threats might be very subjective as there is great degree of uncertainty in market.
- ❖ SWOT Analysis does stress upon the significance of these four aspects, but it does not tell how an organization can identify these aspects for itself.
 - a) Price increase
 - b) Inputs/raw materials
 - c) Government legislation
 - d) Economic environment

METHODOLOGY

Sample

A research design is the basic the frame work which provide guidelines for whole research methodology. The choice of research design depends on the depth and expert of data required the costs and benefits of the research, the urgency of the work and time available for completing it. The Sample size of the study is 60.

Tools for data collection

The research instrument is the means and methods through which data are collected for the purpose of this study, structured questionnaire was used it consists of 9 question under various dimensions. The questionnaire was constructed using a five-point rating scale, multiple choice questions for determining the SWOT analysis of Salem steel plant.

RESULT AND DISCUSSION

Table 1: Experience and SWOT of Salem Steel Plant Employees

ANOVA

H0: There is no significant difference in SWOT among the different experience of the employees.

H1: There is significant difference in SWOT among the different experience of the employees.

P – Value: Strength - .710, Weakness – 2.994, Opportunity – 2.057 & Threats – 2.055.

<i>Opinion</i>	<i>Source of variation</i>	<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Strength	Between Groups	18.423	4	4.606	.710	.589
	Within Groups	356.827	55	6.488		
	Total	375.250	59			
Weakness	Between Groups	46.285	4	11.571	2.994	.026
	Within Groups	212.565	55	3.865		
	Total	258.850	59			
Opportunities	Between Groups	38.393	4	9.598	2.057	.099
	Within Groups	256.590	55	4.665		
	Total	294.983	59			
Threats	Between Groups	37.208	4	9.302	2.055	.099
	Within Groups	248.975	55	4.527		
	Total	286.183	59			

The above table 1 indicates that strength, opportunity & threats are not associated with experience of the Salem steel plant employee since there p values (0.589, 0.099 and 0.099) on greater than the usual threshold value of 0.05. Therefore, the null hypothesis is accepted & the alternative hypothesis is rejected

It can be concluded that there is no significantly difference in strength, opportunity & Threats with experience of the Salem steel employees

CONCLUSION

A SWOT analysis where correctly applied is one tool that could provide an overall picture of the current situation and the outstanding requirement for business organization used creativity, swot can form a foundation upon which to construct strategic plans for implementation

This knowledge will help me well to establish myself in the corporate world after completing my academic session.

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