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ISSN 0974 - 200X

ANUSANDHANIKA

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Volume III Number I January 2011

Contents

1.	Some aspects of financial performance of India's iron and steel industry- A post liberalization period snapshot	Sarbapriya Ray	1
2.	Institutional Credit, Indebtedness and Suicides in Maharashtra	Dr. Radha Raman Das	6
3.	Global Recession: Opportunity and Challenges	Dr. M.K.Singh Sonal Sharma	11
4.	Impact of Business Process Outsourcing (BPO) In Service Sector with special Reference to CMPDI	Tarique Sajjad	18
5.	Indian Gems & Jewellery Industry – Problems and Prospects	Dr. Rajesh Kumar	26
6.	Manpower Planning and Management in New Economic Era in CCL	Rakesh Kumar Dhar Dubey	33
7.	Operating an efficient and sustainable agriculture market information system: The FAO strategies	Dr. G.C. Singh Ashutosh Mishra	37
8.	Rubber plantation: A source of multiple incomes for rural people in Tripura	Sukanta Sarkar	43
9.	Integrated Water Resources Development and Management - Its Strategies	Dr. Vijay Prakash Dr. Mahadeo Prasad	46
10.	Corporate- Governance : Philosophy & Reality	Sumita Roy	51
11.	Industrial relations and globalization	Dr. B. K. Mehta Kumari Anamika	56
12.	Management : A Tool of Success	Dr. Shahid Akhter	61
13.	Philosophy of Man-Management : Indian Perspective	Dr. S. N. L. Das Dr. Prabhat Kumar Pani	67
14.	Consumers' satisfaction in using plastic money : An analysis	Tapas Kumar Mallick	70
15.	Network Marketing - An emerging profession	O.P. Khandelwal Dr. G.P. Trivedi	74
16.	Aiming Zero Waste in the 21st century : Idealistic dream or realistic goal?	Shabbir Hussain	78
17.	Aviation Safety Management - A dire need	Brajesh Kumar	85
18.	Management of Inventory in Indian Iron and Steel industry : A case study of Sail and Tisco	Anand Prakash Shyama Nand Singh	94
19.	Green Computing- A New Horizon of Energy Efficiency and E-Waste Minimization	Manisha Kumari Jai Ram Agrawal	100
20.	Impact of globalisation on Indian women : Reflections	Dr. Kamini	104
21.	Role of Insurance in uplifting- The life-styles of the tribals of Ranchi District	Dr. Jayant Chakraborty	108

ISSN 0974 - 200X

ANUSANDHANIKA

Refereed Research Journal of Commerce & Business Management

Volume III Number I January 2011

Contents

22.	Communication challenges for budding Managers	Chetna Sinha	112
23.	The Importance of Customer Application Documentation process in Telecom	Priya Srivastava	116
24.	Marketing strategy of S.B.I. Credit Cards	Dr. Md. Nezamuddin Zubairi Tanweer Alam	119
25.	Buying Behavior of Consumers in AC Industry in India	Jay Prakash Verma	122
26.	Outsourcing Results in Turnaround in BCCL	Dr. Pramila Choudhary	129
27.	Talent Management in Recession	Dr. Sanjiv Kumar Singh Krishna Prasad	134
28.	Indian Banking: Towards Better Future	Dr. Anil Kumar Jha Dr. Bhushan Kumar Singh	138
29.	Revival of Regional Rural Banks in Jharkhand	Anirban Gupta Dr S.B. Say	141
30.	Dimensional Modeling-A viable technique for the development of a Data Warehouse	Dipak Kumar Shukla	148
31.	The Merger of Indian Airlines and Air India:- Open new horizons for Indian aviation sector	Dr. Vikas Kumar Sweta Jha	154
32.	Prospects of packaged drinking water industry in India with special reference to Jharkhand	Dr. Jitendra Sonar Mohammad Tauseef Ali Ahsan	158
33.	The Outsourcing in India : An intellectual prosperty perspective	Dr. Md. Moazzam Nazri Dr. Deepa Sharan	162
34.	A study of Wage Administration and job evaluative procedure in Mecon, Ranchi	Dr. Indramani Das	167
35.	Scenario of Industrialization in Jharkhand	Dr. Tarun Chakraborty	171
36.	Food Security In Jharkhand State- Status of the Social Security Schemes in Jharkhand	Rahul Kumar	173
37.	Importance of Induction in Employee Retention	Subhash Adhikari	177
38.	National Rural Employment Guarantee Act - A tool of Rural Development	Sarika Sinha	180
39.	Goods and Services Tax and Its Relevance in Indian Economy	Dr. B.N.Singh Dr. Anuradha Verma	185
40.	Economic Value Added : An additional Approach to Risk Aggregation of Banks for Capital Adequacy Requirements	Dr. G.P.Trivedi Avinash Sinha	191
41.	A world without Mouse	Sumit Kumar Sinha	194
42.	Role of Media in Disaster Management: A case study of floods in Bihar in 2008	Manisha Prakash	198

Anusandhanika / Vol. III / No. I / January 2011 / pp. 1-5 ISSN 0974 - 200X

Some aspects of financial performance of India's iron and steel industry- A post liberalization period snapshot

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Abstract

This paper seeks to measure performance of Indian iron and steel industry in view of some financial indicators during post- liberalized scenario. The paper points out that the steel industry has been passing through turbulent phases characterized by enhanced debt burden, low utilization of assets, industry-wide losses and above all huge liquidity crunch, excess supply and demand crunch situation. There is an urgent need for developing a comprehensive plan for iron and steel industry in India so that it can survive in the post-liberalized Indian environment and make its presence global.

Keywords: Iron and steel industry, liberalization, financial performance

Introduction

The new industrial policy adopted by Government of India has opened up the iron and steel sector for private investment by removing it from the list of industries reserved for public sector and exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are freely permitted to the certain limits under an automatic route. This, along with the other initiatives taken by the Government, has given a definite impetus for entry, participation and growth of the private sector in the iron and steel sector. While the existing units are being modernized or expanded, a large number of new and green field steel plants have also come up in different parts of the country based on the modern, cost effective and state of the art technologies. Increasing demand by sectors like infrastructure, real estate and automobiles, at home and abroad, has put steel industry on the world map.

Each and every industry is continuously trying to assesss its own performance in view of various targets, past financial achievements. Business decision and policy formulation mostly depend on such economic indicators. Some financial ratios and economic indicators are comprehensively recognized as advanced pointers of industrial performance which have been used here in evaluation process.

Materials and Methods

In this study, an attempt has been made to measure the performance of Indian iron &steel industry in the light of some financial indicators. The present study is based on industry-level time series data taken from several issues of Annual Survey of Industries, National Accounts Statistics(NAS) and Economic Survey , Statistical Abstracts (various issues), RBI Bulletin on Currency and Finance, CMIE(Financial aggregates and ratios) etc covering a period commencing from 2000-01 to 2007-08.

Results and Discussions

The long-term financial performance of Indian iron and steel industry has been analyzed from 2000-01 to 2007-08.The sample for analysis includes 42 companies like SAIL, Tata steel, Essar, Ispat Negam etc.Important performance indicators like Debt-Equity ratio (D/E), Return on Investment (after tax), Fixed asset- turnover, profitability, liquidity and earning power ratios have calculated and depicted in Table 1.

Table-1
Performance indicators

Year / indicator	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
D/E ratio	2.70	3.81	3.30	3.15	9.31	8.02	2.86	4.73
ROI=PAT/Net Worth	-1.57	-3.67	-5.07	-11.63	18.75	5.03	9.53	1.62
FixedAsset turnover= sales/fixed asset	1.15	1.24	1.03	1.11	1.64	1.35	1.49	1.28
Profitability=PAT/Sales	-0.86	-2.37	-2.87	2.63	-2.03	3.43	6.67	4.6
Liquidity=CA/CL	0.85	0.90	0.52	0.56	0.75	0.96	1.24	0.82
Earning power ratio= PAT/Total asset	-0.86	-1.3	-1.93	1.6	3.43	3.07	5.9	1.41

Source: CMIE, Financial Aggregates& Ratios, (various issues), compiled

Table-1 reveals the rising trend of D/E from 2.70 in 2000-01 to 4.73 in 2007-08 which indicates that the industry is shouldering an increasing debt burden which involves more interest burden and repayment liability. Return on investment ratio, being a good indicator of judging the utilization of resources and capital of the industry, indicates a sharp decline of -11.63% in 2003-04 from -1.57% in 2000-01 before making a partial recovery of around 2% in 2007-08.This, in general, signifies that its net worth is gradually depleting and hence industry is becoming unattractive to the equity stakeholders. The industry should try to increase the ratio gradually at least at a level over and above the standard bank interest rate to cover the risk involved. Slight improvement in fixed turnover is noticed which implies that the industry is trying to utilize its assets in an efficient manner. Profitability ratio, an indicator of operational efficiency, exhibits the decreasing profit levels from -0.86% in 2000-01 to a low of -2.04% in 2003-04 and to some extent recovered in 2005-06 onward endangering the survival of the unit and indicating heightening of competition in the industry. Low liquid ratio implies that there exist insufficient current assets to meet current liability inducing instable solvency position of the industry.

Export performance

Although India started exporting steel way back in 1964, exports were not regulated and depended largely on domestic surpluses. However, in the years following economic liberalization, export of steel recorded a quantum jump. Iron and steel constitutes approximately 8% of the total export in 2007-08. Indian steel industry's share in the global market has been showing a distinct improvement since mid-nineties'. But, during the period commencing 2007-08, it is showing a dismal declining export scenario. Total export of steel declined from 5123thousand tonnes in 2006-07 to 2348 thousand tonnes in 2007-08 and further declined to 1753thousand tonnes in 08-09(upto Dec,08).In spite of the fact that India has considerable export potential in bars/ rods/ structure etc. export performance shows during the current financial year 08-09 a sharp decline as meltdown affected steel sector. Surprisingly, it has been noticed that fall in demand of Indian steel abroad, especially in Indonesia, Malaysia, Italy, Japan, Nepal and UK etc.join hands to decline further the export of Indian steel.

Demand Doldrums

On the demand side, it is estimated that there is a fall in finished steel demand by nearly 27 million tonnes in the year 2008-09(up to Dec.'08) implying a sharp decline of 57.3% over previous year. A slowdown in economic activities engulfed almost all the industrial segments leading to a steep drop in the growth rate of steel consumption. Apparent consumption (i.e. Production + import – export + / -variation in stocks) of finished steel, year wise, has been shown below. Apparent consumption represents the actual demand of steel in a particular period/year.

Table-2
Apparent consumption of finished steel (carbon) (in million tones)

Apparent consumption of finished steel(carbon) (in million tones)													
Year	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09 (Up to Dec 08)
Apparent consumption	22.12	22.63	23.15	25.01	26.87	27.35	28.9	31.17	34.39	38.15	43.74	47.02	20.06
Growth(%)*	-	2.3	2.3	8.03	7.44	3.1	5.32	7.88	10.33	10.9	14.65	7.5	-57.3

(*The figures indicate the percentage increase over the previous year) Source: Steel Guru: www.steelguru.com,compiled

Steel demand started displaying softening trend as the off take declined from the user industry especially the infrastructure firms during the monsoon season (June-July) which lead to marginal easing of rates in the domestic market. The demand for the Indian steel products also went down in the Middle East where construction activities slowed down due to excessive heat in the period. Steel prices continued the downward trend as market sentiments continued to deteriorate mainly on bad news in form of sub prime lending crisis and then the worsening Wall Street scenario. Tremors of failure of US-based merchant and commercial banks were felt across the globe and the world was faced with an apparent liquidity crunch. Infrastructure sector globally was hit hard due to lack of credit availability to undertake projects, which also hitherto impacted the demand for steel in the steel industry in India also. On the whole, demand for steel has not been improved in a significant manner over the couple of years.

As a result, domestic steel prices followed the global trend as major producers in India including SAIL, JSW Steel, and Essar announced a cut in prices and production by as much as 30 per cent during 2008-09.This has not happened in a day . The long term failure to tap overseas market is responsible for that to some extent. The countries which have achieved major growth including growth in steel industry, like Japan, China and South Korea have largely used their trading houses to embed their market abroad. Indian steel sector failed to make its presence felt even in the neighboring countries due to lack of profit motive, wrong scale of assets, no coordination between market and plants, poor investment decision etc.

Excess supply scenario: On the supply side, there were troubles of versatile nature which stem from investment and capacity related problems. It is to note that there has always been a tendency to relate these specific problems to shrinkage of demand. Despite well known global excess capacity, enormous investments were made in Greenfield steel projects in India with the hope of attaining the massive prospective gain from the industry there. The fact is that steel capacity was continuously increased inspite of the so-called well known excess capacity in the industry because of some futuristic belief.

First, this may perhaps be due to the reasons that there existed plenty of capital to invest and having no potential avenues to invest, it compelled investors to invest in the steel sector with cheap and assured source of capital.

Second, the steel sector is always well thought-out as an ever prospective industry with a permanent future, irrespective of its recent dismal earning potential and current difficulties and speculated that long term boom of prosperity will wipe- out the prevalent crisis in the industry but on the contrary, shortened boom period exaggerated the intensity of crisis.

Third, the demand for steel is a derived demand and the purchase quantity depends on the end-use requirements. Recent volatility of demand affects the integrated steel

manufacturers because of their inability to tune their production in line with the market demand fluctuations because of its inherent nature of being a high fixed cost industry. On the other hand, total export of steel during this meltdown situation is showing dismal display and therefore, the industry is forced to undercut prices to maintain market shares.

Fourth, there are several other reasons which can not be ignored in creation of excess supply in the Industry. Decreasing import duty on steel, dumping of steel by developed countries; high quality products from developed countries available for import at very competitive prices join the race in creating excess supply.

Table-3
Excess supply scenario (in million tones)

Year	Production	Import	Apparent consumption	Export	Excess supply
1991-92	17.23	1.043	14.84	0.373	3.06
92-93	18.65	1.115	15	0.895	3.87
93-94	19.85	1.153	15.32	1.605	4.078
94-95	24	1.936	18.66	1.272	6.004
95-96	28.54	1.864	21.43	1.32	7.654
96-97	31.07	1.822	22.12	1.922	8.85
97-98	32.08	1.815	22.63	2.383	8.882
98-99	31.91	1.637	23.15	1.944	8.453
99-00	35.23	2.2	25.01	2.998	9.422
00-01	38.25	1.632	26.87	3	10.012
01-02	40.1	1.375	27.35	3	11.125
02-03	45.87	1.51	28.9	4.966	13.514
03-04	49.49	1.65	31.17	5.922	14.048
04-05	53.57	2.109	34.39	4.903	16.386
05-06	58.99	3.765	38.15	4.7	19.905
06-07	70.12	4.1	43.74	5.125	25.355
07-08	79.84	5.9	47.01	2.348	36.382
08-09	66.47	1.14	20.02	1.753	45.84
(upto Dec.'08)					

Source: Steel Guru, www.steelguru.com, compiled. (Excess supply is calculated by adding production and import and deducting there from apparent consumption and export)

Finally, situation of oversupply has not created from demand shortage but from the initiative to keep capacities utilized to the fullest possible inspite of the fact that there does not exist adequate demand for the product. As a result, in order to capture substantial market share, steel producers involved themselves into self induced declining price net that compels many of them to incur huge losses. Such a situation is argued to be plausible only if there exists excess capacity. This may so happen because the steel capacity comes in bulk and cannot be fragmented and therefore it is not possible to keep just as much capacity idle as is sufficient to meet the current demand.

Conclusion

From the above analysis, these above indices considered together exhibits that the steel industry has been passing through turbulent phases characterized by enhanced debt burden, low utilization of assets, industry-wide losses and above all huge liquidity crunch

excess supply and demand crunch situation, declining export scenario. There is an urgent need for developing a strategic plan for the Indian Iron and Steel industry to get rid of crisis. Development of a comprehensive plan for modernization of all existing steel plants should be given priority in order to be competitive in global perspective. Frequent downturns in the steel industry reflecting intense competition in the industry made the industry cost conscious which induces cost reducing strategy. In order to ensure competitive advantage and to be ahead of competition, steel maker should lay stress on cost reduction through reduction in working capital cost, operating cost, reduction in unsold inventory, improving techno-economic parameter etc. As result of lowering down of import and export duties, development of a trigger mechanism against dumping of iron and steel and also allied products is of crucial need. Merger may be a strategy against dumping of domestic market. Financial restructuring would invite improved financial health of the steel producers because where the industry is in deep financial crisis, it will ensure profitability of the producers through reduction of interest and depreciation as well as efficient deployment of capital. It will also help in mitigating the financial risk by reducing the debt-equity ratio and improving debt servicing capability of steel industry. Iron and Steel being a full-grown industry offers many good opportunities of expanding business through the chain of acquisition and merger as are taking place worldwide. This strategic tie-up will assist industry to fight against technological obsolescence by strengthening assets and absolute liquidity position.

It is worth-mentioning that the industry is not hoping against hope as the steel sector faces certain cyclical slowdown, which got coupled with the credit-induced economic slowdown. The future is uncertain, but challenging, and holds great promise if the right steps are taken because of the inherent qualities of domestic steel.

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Institutional Credit, Indebtedness and Suicides in Maharashtra

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Abstract

Agriculture is the prime source of livelihood in rural areas. In urban areas it provides raw materials demand for industrial goods. Due to growth of rural population in the farmland has gone rapid fragmentation and farmers cost of production has increased. Farmers need much more capital. This arise the need for institutional credit arrangement for agriculture. The institutional involvement in the sphere of agricultural credit originated with the enactment of the co-operative societies Act in 1904, setting up of RBI, Nationalization of commercial banks and setting up of regional banks. The SHG bank linkage programme has been launched by the government of India and the pioneering efforts has been made by national banks for agriculture and rural development (NABARD) with the lack of framing policy for rural credit. The revival of agricultural credit was inspired by the announcement by the central government in 2004 and the flow of agricultural credit would be doubled between 2004-05 and 2007-08. There has been a sharp growth of agricultural finance that is urban in nature. In 2008, the share of rural and semi-urban branches in total agricultural credit was 66 percent. In Maharashtra, almost half of the total agricultural credit from commercial banks in 2008 was provided by metropolitan branches and in the state with the largest number of suicides by farmers.

Keywords: Credit to Agriculture, SHG-Bank linkage, Small and Marginal Farmers, Rural poverty

Introduction

In developing country like India, the development of agriculture sector is imperative for a variety of reasons. Agriculture is still the prime source of livelihood for majority of people in rural areas and this livelihood needs to be made sustainable for many. In urban areas it provides raw materials demand for industrial goods and in India, whenever agriculture sector has grown to 3 to 4 percent; industrial sector has grown at more than 6 percent. In the last 58 years Indian agriculture has significantly contributed in terms of income and employment generation. Even today the 24 percent of the total GDP (Gross Domestic Product) originates from the agriculture sector and 62 percent people find direct and indirect employment in the agriculture sector in India.

Due to rapid growth of rural population and division of families the farmland has undergone rapid fragmentation. Presently 80% of the farmland holdings are with the small and marginal farmers owning land up to 5 acres. For these categories of farmers cost of production by way of farm inputs has increased while the productivity of the land remained at the same level and sale price of farm produce has not commensurately increased. These factors have driven farmers to the debt trap and have caused distress leading to suicide. Farmers need much more capital than they can afford to save. Credit is a condition that enables a person to extend his or her control over ownership of resources. It represents mobilization of the savings by intermediaries as government from the people and through such credit operations financial savings are transformed into capital. However credit is not capital, the money obtained from credit provides a command over enough funds to exploit opportunities. Credit plays the role of an accelerator in the agricultural development provided it is adequate in quantity, cheap and development oriented.

Materials and Methods

The present study is entirely based on secondary data. The data were obtained from Reserve Bank of India (RBI) Bulletin, Economic surveys, National Bank for Agriculture and Rural Development (NABARD) : The Hindu a National Newspaper.

Results and Discussions

The demand for agricultural credit rises due to (i) the time lag between the realization of income and operation of expenditure (ii) unevenness of investment in fixed capital formation; and (iii) increasing movements in capital needs and savings that accompany technological innovations. The credit requirement is highly related with the expenditure pattern of the farmers. They generally spend 32 percent of the borrowings on capital expenditure and 13 percent on current expenditure on the farm.

But, other 47 percent is mostly consumed by them on family expenditure and the rest 8 percent in other non-farm expenditures. This draws the poor Indian farmers in indebtedness and so they require more and more credits to go for agricultural production (Praffula Chandra Mohanty 2007).

Under the impact of new developments in agriculture science and technology, and increasing commercialization of farming agriculture is becoming costlier for cultivators. Over the years, prices of fertilizers, seeds, diesel and inputs have gone up.

Indian agriculture has undergone structural changes in recent times. The nature of Indian agriculture has geared towards small farms; Indian agriculture has also undergone changes in its own output mix and thereby input mix.

These changes were reflected by the shift in area from food grains to non-food grains and within food grains from coarse cereals to finer cereals. This shift towards non-food grains has been observed across states with the exception of Bihar, Haryana, Jammu & Kashmir, Karnataka, Punjab, Uttaranchal, Uttar Pradesh and west Bengal. The maximum shift away from food grain crops was visible in Kerala followed by Jharkhand, Gujarat, Orissa and Assam. These crops have strong links with the market. The credit requirement also goes up with these changes. Inputs like fertilizers, insecticides, mechanical power and improved seeds were vital parts of the input structure. Hence farmers have to take option of credit to a much larger extent than in the part for purchase of inputs. Indigenous systems of credit have been developed as a consequence of seasonal needs and fluctuations in order to facilitate smoothing of the consumption pattern of farmers.

Institutional credit to agriculture

Earlier Indian rural credit system was dominated by the private money lenders, large land owners, traders, relatives and friends. The interest charges by the lender used to be unduly high and the land or the other assets were kept as collateral. This gave rise to the need for institutional credit arrangement for agriculture.

The friction of institutional credit to agriculture could be broadly classified into four distinct phases – 1904-1969(predominance of cooperatives and setting up of RBI), 1969-1975(Nationalization of commercial banks and setting up of regional rural banks), 1975-1990 (setting up of NABARD) and from 1991 onwards(Financial sector reforms).

SHG Bank Linkage

Bank linkage has been launched by the government of India as a strategy of poverty alleviation and rural development. The pioneering efforts at this has been made by National Bank for Agriculture and rural development(NABARD) which is vested with the task of framing appropriate policy for rural credit, provision of technical assistance backed liquidity support to banks supervision of rural credit institutions and other development initiatives.

The SHG Bank linkage programme introduced and encouraged by NABARD, is now being implemented vigorously by more than 30000 branches of commercial banks, regional rural banks(RRBs) and cooperative banks is over 520 districts in 30 states and union territories.

TABLE 1 : SHG-Bank linkage: cumulative progress

As on March 31	No of SHGs (Cumulative)	No. of SHG financed by banks	Bank Loan disbursed (cumulative Rs. Crores)
1999	33000	33000	57
2001	263830	149000	480
2003	717360	255000	2050
2004	1079090	361730	3900

Source: RBI: Trend and progress of banking, 2003-04, P107

At the end of March 2004, as many as 10.8 lakh SHGs are now linked with banks and 2800 NGOs are associated with the scheme.

According to the All India Debt and Investment Survey (AIDIS), the share of total debt of cultivation households taken from formal sources fell from 64 percent in 1992 to 57 percent in 2003. In the same period the share of total debt taken from money lenders almost doubled from 10.5 percent to 19.6 percent.

In 2000s, however, there was a reversal from the slide in agriculture credit flow. From the early 2000s, growth of credit to agriculture began to pick up. Commercial banks and regional rural banks (RRBs) played a major role in the revival of agricultural credit.

The revival story

The growth of agricultural credit from commercial banks and RRBs, which was 1.8 per cent between 1990 and 2000, increased to 19.1 percent between 2000 and 2007. The share of credits supplied by commercial banks and RRBs in total agricultural credit increased from 30.1 percent in 2000 to 52 percent in 2007.

In part, the revival of agricultural credit was inspired by the announcement by the central government in 2004 that the flow of agriculture credit would be doubled between 2004-05 and 2007-08. Three distinct features of the revival story are worth noting.

First, a significant proportion of the increase in agricultural credit from commercial banks was accounted for by indirect finance to agriculture. Indirect finance refers to loans given to institutions that support agricultural production, such as input dealers, irrigation equipment suppliers and non-banking financial companies (NBFCs) that on-lend to agriculture.

Second, a number of changes were made in the definition of agricultural credit under the priority sector. The definitional changes broadly involved (a) the addition of new forms of financing commercial, export-oriented and capital intensive agriculture; and (b) raising the credit limit of many existing forms of agricultural financing. To cite an instance, loans given to corporate and partnership firms for agriculture and allied activities in excess of Rs. 1 Crore in aggregate per borrower was considered as priority sector lending under agriculture, from 2007 onwards.

These definitional changes were initiated from around the mid 1990s, during the period of financial sector reforms. According to Y.V Reddy, former governor of the reserve bank of India (RBI), "…coverage of definition of priority sector lending has been broadened significantly in the recent years, thus overestimating credit flows to actual agricultural operations in recent years".

Third, much of the increase in the total advances to agriculture in the 2000s was on account of a sharp increase in the number of loans with a credit limit of Rs. 10 crores and above, and especially Rs. 25 crore and above.

Even within direct agricultural finance, which goes directly to farmers, there was a sharp rise in the number of loans with a credit limit above Rs. 1 crore. It seems likely that these large loans were advanced towards

financing the new activities added to the definition of agricultural credit.

Agricultural Credit is Urban in Nature

Recent data on banking has brought out a fourth disturbing feature of the revival in agricultural credit. There has been a sharp growth of agricultural finance that is urban in nature. Between 1995 and 2005, the share of agricultural credit supplied by urban and metropolitan bank branches in India increased from 16.3 percent to30.7 percent. The share of agricultural credit supplied by metropolitan branches alone increased from 7.3 percent in 1995 to 19 percent in 2005. While there was a moderate decrease in these shares between 2006 and 2008, urban and metropolitan branches continued to supply about one third of the total agricultural credit in 2008. Concurrently, there was a sharp fall in the share of agricultural credit supplied by rural and semi-urban branches from 83.7 percent in 1995 to 69.3 percent in 2005. In 2008, the share of rural and semi urban branches in total agricultural credit was 66 per cent.

Share of agricultural credit from bank branches classified by population groups, India and Maharashtra, 1990-2008, in per cent

Year	Rural Plus semi urban branches	Only rural branches	Urban plus metropolitan branches	Only metropolitan branches	All brances
India					
1990	85.1	55.5	14.9	4.0	100.0
1994	83.4	54.6	16.6	5.6	100.0
1995	83.7	52.7	16.3	7.3	100.0
2005	69.3	43.0	30.7	19.0	100.0
2006	62.4	37.1	37.6	23.8	100.0
2008	66.0	38.4	34.0	20.0	100.0
Maharashtra					
1990	82.4	59.7	17.6	-	100.0
1994	76.8	52.9	23.2	-	100.0
1995	70.5	46.5	29.5	-	100.0
2005	41.8	26.1	58.2	48.5	100.0
2006	31.6	18.4	68.4	61.3	100.0
2008	42.4	25.7	57.6	48.3	100.0

Source: calculated from basic Statistical returns of Scheduled Commercial Banks in India.

Inside Maharashtra

Let us now take Maharashtra, which boasts of strong banking development and yet is the state with the largest number of suicides by farmers. In Maharashtra, almost half of the total agricultural credit from commercial banks in 2008 was provided by metropolitan branches. Mumbai alone had a share of 42.6 per cent in total agricultural credit supplied in Maharashtra as a whole in 2008. As a result, there has been a widening of the gap between the rural and metropolitan areas of Maharashtra in the provision of agricultural credit. Rural branches provided only 25.7 percent of the total agricultural credit in Maharashtra in 2008.

It may be argued that credit taken, whether in metropolitan or rural areas, would ultimately benefit the agricultural sector. What is missed in this argument is that an urban and metro-centric supply of agricultural credit

would only benefit large corporations with their headquarters in cities and engaged in agricultural production.

The actual farmer in the villages, particularly the small and marginal ones, would benefit the least from the non-rural nature of growth of agricultural credit. Regionally speaking, farmers from Vidarbha in Maharashtra, the region from where a large number of farmers' suicides have been reported, are likely to be the section that has the least benefit.

The increasing concentration of agricultural credit in the urban and metropolitan areas offers a missing link in the discussion on the persistence of agrarian distress despite the revival in agricultural credit in the 2000s.

Conclusion

In the nineties, the commercial banks credit to agriculture registered a slow growth. Since 2000-05 the growth of commercial banks credit to agriculture has pick up due to the implementation of government policy of doubling agricultural credit. The RRB functioned well in the beginning for more than a decade after their establishment in 1975. Since 2002, it has been improving primarily as a result of their linkage with SHGs. The linkage has also enabled them to revert back to their original mandate of serving the rural poor. The concentration of agricultural credit should be in rural areas also.

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Global Recession: Opportunity and Challenges

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Abstract

As we know the intensifications of the global financial crisis following the bankruptcy of Lehman Brothers in September 2008, has made the current environment a very difficult time for the world economy, the global financial system and central banks. Every country in every part of the world has been affected by the crisis, although through different channels and to different degrees. It is, therefore, very important that we indentify the causes of the current crisis accurately so that we can then find, appropriate immediate crisis resolution measures and mechanism. Second, understand the differences among countries and how they are impacted and finally, think of the longer time implications for monetary policy and financial regulatory mechanisms. In this paper authors will attempt on sub-prime of financial crisis in USA, how it affect us ; why the Indian financial sector has been able to weather the crisis relatively well. Is global recession an opportunity for India and this crisis has also been intellectual challenges because it has thrown up a number of issues. Out of all this churning, lessons are being drawn and applied to policy and institutional reforms, so that a legion of both policy makers and scholars are at work analysing the causes of the crisis and findings both immediate and long term solutions.

Keyword - Global recession, Lehman Brothers, de Larosiere report, The farner Review

Introduction

The proximate cause of the current financial turbulence is attributed to the sub-prime mortage sector in the USA. At a fundamental level, however, the crisis could be ascribed to the persistence of large global imbalances, which, in turn, were the outcome of long periods of excessively loose monetary policy in the major advanced economy during the early part of this decade.

Global imbalances have been manifested through a substantial increase in the current account deficit of the US mirrored by the substantial surplus in Asia, particularly in China, and in oil exporting countries in the Middle East and Russia (Lane,2009). These imbalances in the current account are often seen as the consequence of the relative inflexibility of the currency regimes in China and some other EMEs. According to Portes (2009), global macroeconomic imbalances were the major underlying cause of the crisis. These saving-investment imbalances and consequent huge cross-border financial flows put great stress on the financial intermediation process. The global imbalance interacted with the flaws in financial markets and instruments to generate the specific features of the crisis.

In 2008, the United States experienced a serious financial crisis which turned into a major economic recession. Both events also spilled over to the rest of the world.A global recession may be called global economic slowdown. The International Monetary Fund (IMF) defining global recession as global economic growth of 3 percent or less is equivalent to a global recession. In global recession global per capita output growth become zero or negative. A recession is a general slowdown in economic activity over a sustained period of time, or a business cycle contraction. During recessions, many macroeconomic indicators vary in a similar way. Production as measured by Gross

Domestic Product (GDP), employment, investment spending, capacity utilization, household incomes and business profits all fall during recessions. Sub-prime crisis which was the main theme of post and the prime reason that eventually sparked a worldwide recession is at best an immediate cause of the recession. The second main cause of the global recession is credit creation. The bank creates money supposedly up to ten times what they have on deposit and capital. The basis of the banking system is fundamentally fraudulent. The money we assume the bank has on our behalf is in fact not there. The business of fractional reserve banking is based on faith and confidence therefore this is known as a confidence trick. It's fraudulent because banks are lending out money held on deposit which is supposed to be "on demand" and are effectively making money on money they do not have, and have no right to use. Due to this fraudulent behaviour most banks have failed because depositors suddenly show up to withdraw all their money which the bank does not have. Moreover since Central banks were created as the "lender of last resort", credit created through their policies gives rise to an artificial boom, which is inevitably followed by a bust. Therefore Central banks manipulate the money supply at will, by controlling all elements of the fractional reserve process, by altering the reserve requirements and the total money supply as and when deemed necessary.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

Housing Finance & Securitization of Mortgages: Expanded the depth of mortgage markets by popularizing securitization of mortgages: pooling together mortgages into a lower risk, marketable security.

Subprime Mortgage Market: The explosive growth of the subprime mortgage market was due primarily to the ability to securitize and sell off those loans as Collateralized Mortgage Obligations (CMOs).

Shadow Banking System: Shadow Banks as financial institutions not subject to bank regulations.

Credit Crisis: Contraction of lending due to uncertainty about the liabilities borrowers might be holding.

US Economic Crisis

US Recession: The recession formally started in December 2007; there were signs of economic slowdown as far back as early 2006.

Recession So Serious: The current US recession is so serious because it originated with the financial crisis.

Sub-Prime crisis in United States of America is termed as “the second great depression” because of the enormous dislocation it has created across continents. It is the resultant of a multiplicity of factors. In USA, borrowers are rated as prime or subprime. Prime means good credit worthiness of borrowers and subprime loan means borrowers capacity to pay loan has been below par. Loans to borrowers who do not qualify for normal interest rates. They have problems with their credit history. Interest rate higher than other loans due to the increased risk. Variety of credit instruments, including Sub-prime mortgages, Sub-prime car loans, and Sub-prime credit cards, among others defined by U.S. Department of Treasury guidelines issued in 2001,"Sub-prime borrowers typically have weakened credit histories that include payment delinquencies and possibly more severe problems such as charge-offs, judgments, and bankruptcies. They may also display reduced repayment capacity as measured by credit scores. These loans were backed by mortgage of the property financed. So, if the borrowers defaulted, banks could always foreclose the property, sell it and recover their loan. They paid no heed to prudential norms. As the Federal Bank (the USA bank equivalent of RBI) started increasing interest rates, these subprime

borrowers started defaulting. Stock prices in the $6.5 trillion mortgage bundled securities market collapsed, leading to the collapse of stock prices for many in the subprime mortgage industry, and drops in prices for some large lenders like Countrywide Financial. This led to major declines in stock markets worldwide, several multi-billion dollar hedge funds have become worthless, Record dollar devaluation, coordinated national bank interventions, Contractions of retail profits, and Bankruptcy among several different mortgage lenders. The effect of the meltdown has spread beyond housing. It has disrupted global financial markets as investors, largely deregulated foreign and domestic hedge funds, and was forced to re-evaluate the risks they were taking and Consumers lost the ability to finance further consumer spending, causing increased volatility in the fixed income, equity, and derivative markets.

At the extreme, Indian corporations could face higher costs of borrowing through this channel due to increasing credit market spreads. Firms would have to tap into the domestic credit market as an alternative, thereby exerting upward pressure on domestic borrowing costs. This could whittle down the economic growth rate. These are the possible channels through which the US crisis could affect the Indian economy. Precise estimates of these repercussions would need a more thorough analysis, which is premature given the short life of the crisis. In sum, the spill-over effects of the US financial crisis to the Indian economy may not be significant enough to overwhelm the positive economic momentum already in place. The sub-prime crisis did not affect India directly. Indeed, the initial expectation was that robust growth in China and India would rescue the global economy as emerging markets had 'decoupled' sufficiently from OECD countries. This resulted in an influx of capital, currency appreciation and a stock market boom. However, once the credit storm in western markets combined with the spike in commodity prices to coalesce into a 'perfect storm' of faltering growth and high inflation, the second round effects appear ominous.

Impact of Global Recession on India

In the age of globalization, no country can remain isolated from the fluctuations of world economy. America is the most affected country due to global recession, which comes as a bad news for India. Recessions are the result of reduction in the demand of products in the global market. Recession can also be associated with falling prices known as deflation due to lack of demand of products. Recession in the West, especially the United States, is a very bad news for our country. Our companies in India have most outsourcing deals from the US. Even our exports to US have increased over the years. Exports for January have declined by 22 per cent. There is a decline in the employment market due to the recession in the West. There has been a significant drop in the new hiring which is a cause of great concern for us. Some companies have laid off their employees and there have been cut in promotions, compensation and perks of the employees. Companies in the private sector and government sector are hesitant to take up new projects. And they are working on existing projects only. Projections indicate that up to one crore persons could lose their jobs in the current fiscal ending March. The one crore figure has been compiled by Federation of Indian Export Organizations (FIEO), which says that it has carried out an intensive survey. The textile, garment and handicraft industries are worse affected. Together, they are going to lose four million jobs by April 2009, according to the FIEO survey. There has also been a decline in the tourist inflow lately. The real estate has also a problem of tight liquidity situations, where the developers are finding it hard to raise finances.

IT industries, financial sectors, real estate owners, car industry, investment, banking and other industries as well are confronting heavy loss due to the fall down of global economy. Federation of Indian chambers of Commerce and Industry (FICCI) found that faced with the global recession, inventories industries like garment, gems, textiles, chemicals and jewellery had cut production by 10 per cent to 50 per cent. The impact of global financial

crisis is “stronger and longer than expected” and there is a need to weather its negative impact on the domestic economy. The global financial crisis originating in the US economy, the consequent economic slowdown and now recession in the US, the European Union and other developed country markets, and the associated impact upon exports in India.

The recession in the US market and the global meltdown termed as Global recession have engulfed complete world economy with a varying degree of recessional impact. World over the impact has diversified and its impact can be observed from the very fact of falling Stock market, recession in jobs availability and companies following downsizing in the existing available staff and cutting down of the perks and salary corrections. Globally the financial sector sacking the existing base of employees in high numbers in US, the major example being CITI Group same still followed by others in hospitality industry Jet and Kingfisher Airlines too. The cut in salary for the pilots being 90% can anyone imagine such a huge cut in salary.

In the globalized market scenario, the impact of recession at one place perculate down to all the linked industry and this can be truly interpreted from the current market situation which is faced by the world since approx two month and still the situation is not in control inspite of various measures taken to fight back the recession in the market. The badly hit sector at present is being the financial sector, and major issue being the "Liquidity Crisis" in the market.

Global economic meltdown has affected almost all countries. Strongest of American, European and Japanese companies are facing severe crisis of liquidity and credit. India is not insulated, either. However, India’s cautious approach towards reforms has saved it from possibly disastrous implications. The truth is, Indian economy is also facing a kind of slowdown. The prime reason being, world trade does not function in isolation. All the economies are interlinked to each other and any major fluctuation in trade balance and economic conditions causes numerous problems for all other economies.

Several crucial sectors of Indian economy are likely to face serious problems in coming months. Foremost among them is real estate sector. The demand for houses have reduced significantly and property prices across India has registered 15-20% fall. The woes of real estate have spread to construction industry as well. Because of less demand for houses, construction companies are going to suffer big time. Financial services segment is also likely to be a major victim of economic slowdown because of less demand for credit and reduced liquidity in market. Industrial slowdown will also affect transport services. Transport companies are likely to witness drastic fall in their business and profits. Global recession will also lead to less tourists coming to India. That will negatively affect tours and travels industry. Recession will have its plus point and minus points. The minus points are that, there will be job scarcity; retrenchment will be all time high, liquidity in the market will be low; export market will be severely hit etc. The plus point is that cost of living will come down. Things we were exporting will be forced to be sold locally, bringing the price of products down. Real estate which was out of reach for the common man will be within his reach. The major impact of global economic recession in India or economic slowdown is with the small exporters and importers in the country as most of them are facing the problem of heavy duties. Everything is slowing down. Due to recession markets are down, sales have decreased now just imagine products manufactured in India for exports, will not be sold in international market due to recession so it has affected exports and our industries are suffering.

Effects of Global Recession on India

- Share markets were/are falling.
- Due to recession, banks faced shortage of liquidity; they started to withdraw their investments from India.
- The Indian currency got weakened against dollar: Before recession, banks continued to buy stock from India but now they are selling. The same stock thus converting Rupee into Dollars and weakening our currency.

- Banks faced huge shortage of funds and soon collapsed.

Global Recession - An Opportunity for India

Near recession in the US and the global meltdown will, of course, have its impact on India's high-tech industry, as it is one of the greatest financial crisis of our globalized times. But it also presents an opportunity for Indian services vendors to improve their market share, while forcing them to diversify and de-risk across sectors and geography. Small workers are allowed to get united. It is definitely a period of labour reforms. Global financial crisis accelerate the industrial restructuring exercise. Corporate governance also comes out into a picture. Global recession provides India with an inflection point to leverage its position as a relatively safe destination for investment and to tap the inflow of capital for strengthening the domestic economy. Global recession has offered two options, to go and get more education in any field or still better, or start one own concern and create more jobs.

The current worldwide recession is a unique and excellent opportunity for entrepreneurs to establish their businesses. Recession should not threaten the new generation; instead, it should be taken as an opportunity to practise new principles and acquire new skills. Opening up of the geographical boundaries of the European markets has provided opportunities for many countries such as China and India to do business. Recession rather than a threat should be seen as blessing. It is forcing them to have a re-look at their existing IT infrastructure and how they can fine tune it to streamline processes, improve productivity and help their enterprises reduce costs. Recession will generate new opportunities for low-cost high quality services, especially the mergers.A recession is all the more reason to cut costs and become more competitive on quality. Hence, more need to outsource and offshore. Many companies who were not outsourcing certain processes will increasingly be forced to do so.The US Congress approved a revised $700 billion package to bail out the US financial sector. This means major opportunity for India-based services companies. Indian services vendors have an opportunity waiting. There are factors in their favor. The dollar has swung very hard in the other direction now. India's brand image and reputation of services expertise in a range of areas, beginning with financial services but now extending to telecom, engineering services and medicine and more is on the rise. And then there is this large untapped market - a long tail of companies and processes that do not outsource that may be forced to open up to reduce costs. An economic downturn is like a mild ice age, with the survival of the fittest. Take the airlines industry shakeout today: the fittest will survive. This as an opportunity rather than doom.

Various steps taken by RBI to curb the present recession in the economy and counter act the prevailing situation. The sudden drying-up of capital inflows from the FDI which were invested in Indian stock markets for greater returns visualizing the Potential Higher Returns flying back is continuing to challenge liquidity management. At the heart of the current liquidity tightening is the balance of payments deficit, and this NRI deposit move should help in some small way. The RBI will continue to initiate liquidity measures as long as the current unusually tight domestic liquidity environment prevails. The current step to curb these being lowering of interest rates and reduction of PLR. However, the big-picture story remains unchanged – all countries in the world with current account deficits and strong credit cycles are finding it difficult to bring cost of capital down in the current environment. India is no different. New measures do not change our view on the growth outlook. Indeed, we remain concerned about the banking sector and financial sector. The Balance of Payment deficit (BOP) at a time when domestic credit demand is very high is resulting in a vicious loop of reduced access to liquidity, slowing growth, and increased risk-aversion in the financial system.

In total, the recession have turned down the growth process and have set the minds of economists and others for finding out the real solution to sustain the economic growth and

stability of the market which is desired for the smooth running of the economy. Complete business or industry is in dolled rum situation and this situation persist for a longer duration will make the small business to vanish as they have lower stability and to run smoothly require continuous flow of liquidity which is drived from the market. In present situation down a fall in one sector one day leads to a negative impact on the other sector thus altogether everyone feel the impact of the Financial crises with the result of the current recession which started in US and slowly and gradually due to linked global world have impacted everyone. Solution for the problems still remain at the top of the mind of every one, still everyone facing the impact of recession but how long, this is the major question.

Collapse in Commercial Activities and Business set ups of the Economy. The economy is facing a sheer drop in the business activities due to lack of demand and indications given by the existing market forces. Many big firms are following a mind numbing trend of employees' layoff that has made the other sector labour force to fear for their job lost. Further, the lack of solubility has lead to many bank failures that in turn led to shutting down many job opportunities. Employment degeneration, the employment sector is one among the majors that get affected by the situation of economic failure and depression. The situation of unemployment in the economy has deserted the people from satisfying their basic requirements for survival. Less Purchasing power the economic recession period deprived people of income generation sources that in turn affect their purchasing power. They tend to spend less and save more that too in non-investment sources. The keeping back of money affects the monetary flow in the market that led to the inflation forces enter the scenario. Inflationary forces the inflation gets invited that alone becomes enough to worsen the whole situation further. The economy has not to wait for its collapse as soon as it is engrossed by inflation. The awful situation then leads to rise in oil prices, food and basic expenditures that challenge the survival of many sections of society. Such situation needs to be controlled in its initial stages so that the economy gets prevented from recording 'The Great depression' in the global history once again. Tax cuts are generally the first step any government takes during slump. Government should hike its spending to create more jobs and boost the manufacturing sectors in the country. Government should try to increase the export against the initial export. The way out for builders is to reduce the unrealistic prices of property to bring back the buyers into the market. And thus raise finances for the incomplete projects that they are developing. The falling rupees against the dollar will bring a boost in the export industry. Though the buyers in the west might become scarce. The oil prices decline will also have a positive impact on the importers.

Conclusion

Undertake large private participation projects with extremely tight deadlines to deliver better infrastructure including roads, telecommunications, electricity, banking, hospitals, river interlinking projects etc. This is really the time to set out on ambitious and challenging projects that can improve national productivity and increase investor and consumer confidence by inspiring through unbelievable results. Invest and regulate education with a twofold objective first Improve the quality of India's huge population presently in working age group and second undertake effective and radical reforms to ensure all children visit at least part time school. Encourage a regime to encourage taxation mainly at the hand of the seller of final good. Increase tax net and improve collections. Fourthly, improve transparency on tax money usage to encourage well meaning citizens to pay taxes honestly. Crack down on corruption. Empower the Vigilance Commission and set up an executive body. To increase availability of working credit to segments represented by rural areas and persons below poverty lines. Improve patent laws to attract patents from world over in India. Be part of any global move

that eliminates discriminatory tariffs based on origin of produce and service and encourages a world order of letting the consumer choose what is best for them.

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Impact of Business Process Outsourcing (BPO) In Service Sector with special Reference to CMPDI

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Abstract

BPO industry is a young and nascent sector in India and has been in existence for a little more than five years. Despite its recent arrival on the Indian scene, the industry has grown phenomenally and has now become a very important part of the export-oriented IT software and services environment. It initially began as an activity confined to multinational companies, but today it has developed into a broad based business platform backed by leading Indian IT software and services organizations and other third party service providers. BPO in Central PSU such as CMPDI may give fruitful result but it should be incorporated with utmost care keeping in view the larger interest of employees. This paper looks into how BPO is going to benifit CMPDI and whether there is any risk involved in it while introducing.

Keywords: Outsourcing, BPO, IT & IT Enabled Services

Introduction

Service Sector is a part of industry or business, which deals with the marketing and selling of intangible products rather than physical goods. The service sector consists of the "soft" parts of the economy such as insurance, tourism, banking, retail, education, and social services. In soft-sector employment, people use time to deploy knowledge assets, collaboration assets, and process-engagement to create productivity (effectiveness), performance improvement, potential and sustainability.

India's Growing Services Sector

In India the service sector mainly comprises of Information Technology (IT) & IT Enabled Services(also called web enabled services or remote services or Tele-working), Engineering Services, Travel & Transport Services, Advertising Services, Manpower Recruitment Services, Management Consultancy, Franchising, News Media, Hospitality Industry (e.g. Restaurants, Hotels, Casinos etc), Consulting, Legal Practice, Healthcare/ Hospitals, Waste Disposal, Real Estate, Personal Services, Financial Services such as Banks, Insurance, Business Services and many more.

According to Report on India's Growing Services Sector by Federation of Indian Export Organisation, (FIEO), New Delhi, India. Service Sector in Indian Economy contributes to around 55 percent of India's Gross Domestic Product (GDP) during 2006-07. This sector plays a leading role in the economy of India, and contributes to around 68.6 percent of the overall average growth in GDP between 2002-03 and 2006-07. The service sectors of Indian economy that have contributed major portion of GDP are Information Technology (the most leading service sectors in Indian economy), IT-Enabled services (ITES), Telecommunications, Financial Services, Community Services and Hotels and Restaurants etc.

India's services sector has matured considerably during the last few years and has been globally recognized for its high growth and development. As per FIEO Report. Service sector has been growing at an annual growth rate of about 28% during the last 5 years. There has been rapid growth in the services exports from the year 2002. The exports have grown up from US $ 19.1 billion to US $ 73 billion in 2006. India's share in worldwide service export is expected to almost triple itself from current 2.3 % to 6 % by 2012, if the present annual growth rate of 28% has been maintained.

Today, Indian companies are offering a variety of outsourced services ranging from Customer Care, Transcription, Billing Services and Database Marketing to Web Sales/ Marketing, Accounting, Tax Processing, Transaction Document Management, Telesales/ Telemarketing, HR Hiring, Insurance Claims

Processing, Financial Management Services, Content Development Service sector such as Engineering and Design Services, Digitisation (GIS), Animation, Network Management and Biotech Research.

Materials and Methods

Resources has been taken from both Primary and Secondary sources of data/information. The material/information on the topic has been taken from Annual Reports of Coal India, Report of the Committee on Integrated Coal Policy (Chari Committee), Corporate Plan of Coal India Limited, Sankar Committee Report and the various web sites. Data thus collected from both Primary and Secondary Sources is being integrated, analyzed and interpreted to develop a system to achieve the objective of this Research.

Results and Discussions

The idea of outsourcing has its roots in the 'competitive advantage' theory propagated by Adam Smith in his book 'The Wealth of Nations' which was published in 1776. Over the years, the meaning of the term 'outsourcing' has undergone a sea-change. What started off as the shifting of manufacturing to countries providing cheap labour during the Industrial Revolution, has taken on a new connotation in today's scenario. In a world where IT has become the backbone of businesses worldwide, 'outsourcing' is the process through which one company hands over part of its work to another company, making it responsible for the design and implementation of the business process under strict guidelines regarding requirements and specifications from the outsourcing company. This process is beneficial to both the outsourcing company and the service provider, as enables the outsourcer to reduce costs and increase quality in non-core areas of business and utilize his expertise and competencies to the maximum. Outsourcing promises to reduce costs, achieve efficiencies, and provide new capabilities that economies of technological scale offer. It enhances productivity, access to latest technologies, and the ability for organizations to free themselves of administrative burdens and focus more on strategic activities.

According to National Association of Software and Services Companies of India (NASSCOM) Report "BPO exports have been the fastest-growing segment of the Indian IT-BPO sector. They have grown from $3.1 billion in fiscal 2004 to $11 billion in 2008 and currently account for 37% of the global business process outsourcing. They sustain an employee pool of more than 700,000."

NASSCOM and Everest India have recently launched their Study on the Indian BPO sector, which evaluates the country's current standing in this sector and its Roadmap until 2012. The Indian BPO sector, at its current momentum, can reach around US$ 30 billion in export revenues by 2012. However, the sector can set itself a stretch target of US$ 50 billion (that is, approximately five times its present size) in export revenues by 2012. A five-fold growth in the Indian BPO market will add nearly 2.5 percent directly to India's GDP from exports earnings and provide direct employment to about 2 million people.

BPO in India

BPO is a broad term referring to outsourcing in all fields. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process. Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns, administers and manages the selected process based on defined and measurable performance criteria. Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry.

Few of the motivation factors as to why BPO is gaining ground are:

Factor Cost Advantage

Economy of Scale

Business Risk Mitigation

Superior Competency

Utilization Improvement

Generally outsourcing can be defined as - An organization entering into a contract with another organization to operate and manage one or more of its business processes.

Different Types of Services Being Offered By BPO's

1. Customer Support Services

Our customer service offerings create a

virtual customer service center to manage customer concerns and queries through multiple channels including voice, e-mail and chat on a 24/7 and 365 days basis.

Service Example: Customers calling to check on their order status, customers calling to check for information on products and services, customers calling to verify their account status, customers calling to check their reservation status etc.

2. Technical Support Services

Our technical support offerings include round-the-clock technical support and problem resolution for OEM customers and computer hardware, software, peripherals and Internet infrastructure manufacturing companies. These include installation and product support, up & running support, troubleshooting and Usage support.

Service Example: Customers calling to resolve a problem with their home PC, customers calling to understand how to dial up to their ISP, customers calling with a problem with their software or hardware.

3. Telemarketing Services

Our telesales and telemarketing outsourcing services target interaction with potential customers for 'prospecting' like either for generating interest in products and services, or to up-sell / promote and cross sell to an existing customer base or to complete the sales process online.

Service Example: Outbound calling to sell wireless services for a telecom provider, outbound calling to retail households to sell leisure holidays, outbound calling to existing customers to sell a new rate card for a mobile service provider or outbound calling to sell credit or debit cards etc.

4. Employee IT Help-desk Services

Our employee IT help-desk services provide technical problem resolution and support for corporate employees.

Service Example: of this service include level 1 and 2 multi-channel support across a wide range of shrink wrapped and LOB applications, system problem resolutions related to desktop, notebooks, OS, connectivity etc., office productivity tools support including browsers and mail, new service requests, IT operational issues, product usage queries, routing specific requests to designated contacts and remote diagnostics etc.

5. Insurance Processing

Our insurance processing services provide specialized solutions to the insurance sector and support critical business processes applicable to the industry right from new business acquisition to policy maintenance to claims processing.

Service Example

New Business / Promotion

Inbound/outbound sales, Initial Setup, Case Management, Underwriting, Risk assessment, Policy issuance etc.

Policy Maintenance / Management

Record Changes like Name, Beneficiary, Nominee, Address, Collateral verification, Surrender Audits Accounts Receivable, Accounting, Claim Overpayment, Customer care service via voice/email etc.

6. Data Entry Services / Data Processing Services

Service Example

Data entry from Paper/Books with highest accuracy and fast turn around time (TAT)

Data entry from Image file in any format

Business Transaction Data entry like sales / purchase / payroll.

Data entry of E-Books / Electronic Books

Data Entry : Yellow Pages / White Pages Keying

Data Entry and compilation from Web site

Data Capture / Collection

Business Card Data Entry into any Format

Data Entry from hardcopy/Printed Material into text or required format

Data Entry into Software Program and application

Receipt and Bill Data Entry

Catalogue Data Entry.

Data Entry for Mailing List/Mailing Label.

Manuscripting typing in to word

Taped Transcription in to word.

Copy, Paste, Editing, Sorting, Indexing Data into required format etc.

Data Conversion Services

Service Example

Conversion of data across various databases on different platforms

Data Conversion via Input / Output for various media.

Data Conversion for databases, word processors, spreadsheets, and many other standard and custom-made software packages as per requirement.

Conversion from Page maker to PDF format.

Conversion from Ms-Word to HTML format

Conversion from Text to Word Perfect.

Conversion from Text to Word to HTML and Acrobat

Convert Raw Data into required MS Office formats.

Text to PDF and PDF to Word / Text / Doc

Data Compilation in PDF from Several Sources.

E-Book Conversion etc.

8. Scanning, OCR with Editing & Indexing Services

Service Example

High speed Image-Scanning and Data capture services

High speed large volume scanning

OCR Data From Scanned page / image

Scan & OCR paper Book in to CD.

ADOBE PDF Conversion Services.

Conversion from paper or e-file to various formats

9. Book Keeping and Accounting Services

Service Example:

General Ledger

Accounts Receivables and Accounts Payable

Financial Statements

Bank Reconciliation

Assets / Equipment Ledgers etc.

10. Form Processing Services

Service Example

Insurance claim form

Medical Form / Medical billing

Online Form Processing

Payroll Processing etc.

11. Internet / Online / Web Research

Service Example

Internet Search, Product Research, Market Research, Survey, Analysis.

Web and Mailing list research etc.

Activities to be Outsourced

i) Finance and accounting services which includes billing, collection, tax preparation, claims processing, statutory reporting, equity research, and patent writing and evaluation.

ii) Data entry and conversion services, including medical transcriptions

iii) Customer interaction centers i.e. call centers, contact centers etc.

iv) Architectural services

v) Translation services

vi) Insurance services

vii) Distance learning services

viii) Marketing, advertising and PR services

xi) Legal services

Benefits of Outsourcing

The outsourcing may be fruitful and advantageous for small & medium size organisations in the following manners:

Reduce and Control Operating Costs: Outsourcing may be a powerful way to reduce administrative and production costs. By leveraging an outsourcing company's size, specialization and lower wage rates, small and mid-sized companies can drive down costs in their non-core business functions.

Improve Company Focus: By concentrating resources on core businesses, a company may become more efficient, drive costs further down, provide better service and expand its market share.

Gain Access To World-Class Capabilities: BPO may take non-core administrative functions and make them their core businesses. They are experts in such business processes as Human Resources, Sales, Marketing, Finance, Accounting, Customer Service, Procurement, Business Administration and IT infrastructure, eCommerce, Data Processing, Network Management, Telecommunications, Data Security and Software Development. A well funded outsourcing company may invest heavily in people, technology and process engineering to provide state of the art services to their clients. This level of investment and

commitment is beyond the abilities of most middle market companies.

Free Internal Resources For Other Purposes: Outsourcing frees key management from day to day routine and permits them to focus on priorities. Staff utilizes more of their skills; they have more interesting work and overall productivity may increase. Boredom is the biggest enemy of productivity.

Resources May Not Available Internally: In 2005, Bill Gates complained about Microsoft's difficulties in finding skilled programmers and opened Microsoft India. Finding qualified skilled workers is also a problem for small and mid-sized companies. Outsourcing permits a company to rapidly field an expert team and implement financial, marketing, manufacturing and distribution programs. As a result the BPO sector is very fast growing in IT & IT Enabled Services in India due to very cheap, efficient and skilled manpower in IT Sector.

Accelerate Reengineering Benefits: Sometimes an executive needs to make a major change to save an organization and the staff does not have the skills or the interest to execute a plan in a timely manner. Outsourcing offers immediate access to qualified staff that may be more experienced and receptive to change.

Function Difficult To Manage/Out Of Control: Executives often seek to reduce excessive costs for IT, legal, marketing, customer service and HR. The costs can be measured in hard cash and the time that these non-core businesses take to manage which can take focus away from the core business. Before a non core business becomes a bottleneck to growth, it may make sense to scale back and outsource.

Make Capital Funds Available: When properly implemented and executed, outsourcing improves cash flow in four ways: Outsourcing may be cheaper than running the operation internally. By focusing more resources on the core business it becomes more efficient and profitable. Capital expenditures and fixed costs are lowered and are transformed to variable costs driving up operating margins and lowering break even points. Because outsourcing increases the value of a business, the capital markets place a higher multiple on future earnings.

Share Risks: A well thought out outsourcing partnership may provide for the outsourcing company to adopt new technology, methods and productivity increases. Small and mid-sized companies can develop a partnership with a better founded provider who shares the risk of innovation.

Cash Infusion: Some outsourcing companies may purchase staff and infrastructure for cash in exchange for a long term outsourcing commitment ranging from 7 to 10 years.

Risks of Outsourcing

There may be some risks factors involved in implementing the BPO without taking precautionary measures. The following disadvantages/risks may happen while incorporating BPO:-

Risks and dangers of transferring too much managerial power to one partner. Companies fear to be too dependent on one outsourcing partner because its failure to meet commitments may result in large losses for outsourcing company. To reduce such risks companies may diversify them, selecting several BPO vendors for partnering, in addition to thorough geopolitical analysis.

Danger for senior management to become obsolete. When part of functions is transferred to offshore partner, it usually results in lay-offs. This may become a serious obstacle for companies willing to outsource, as they may face strong opposition from its own personnel and labour unions. In both cases indecisiveness and delays in acting may result in low effectiveness or even unprofitableness of outsourcing.

Danger of becoming dependent from outsourcing provider. When considering outsourcing possibility, the companies should assess the consequences of vendor failure. The results of such analysis may vary greatly for different companies. To reduce possible risks of failure to carry out delivery schedules, companies shall work out legally binding agreements with tough conditions and heavy penalties.

Protection and security of confidential information. Most mature BPO vendors enjoy

more impressive security practices than internal ones of the outsourcing companies. However, the risk of commercial data theft or security breach significantly increases when working in international business. Although this issue rarely presents a serious obstacle to making a decision to outsource, it should not be underestimated, the requirements must be documented and the methods and integration with vendors defined.

Outsourcing results in knowledge transfer to outside party and vendors personnel training. There is an ever-present pressure to retain functions perspective for outsourcing within the company, even if it means increasing staff and training new personnel. The most common argument is that there is always a possibility of returning functions that have been outsourced back into the company. Companies must carefully assess their business knowledge and determine whether its spreading might compromise companies' practices and hinder achieving strategic goals. Outsourcing is not just making a decision and enjoying the benefits of it. It is an ongoing process of strategic analysis and vendors relations management. Company must clearly identify its strategic goals, and decide whether outsourcing part of its functions will be beneficial or it may hinder its strategic development.

Brief Background Of Cmpdi & Its Activities

Central Mines Planning & Design Institute Limited (CMPDIL) was established in 1975 as a wholly owned subsidiary to provide in house consulting services to Coal India Limited (CIL). This Planning & Design Company was established to prepare the techno-economic feasibility reports of different projects for the seven coal producing subsidiary companies namely Eastern Coalfields Ltd. (ECL), Bharat Cocking Coal Ltd. (BCCL), Central Coalfields Ltd (CCL), Western Coalfields Ltd (WCL), South-Eastern Coalfields Ltd (SECL), Northern Coalfields Ltd (NCL) & Mahanadi Coalfields Ltd (MCL). It has now diversified its activities in several areas and undertaken several overseas projects under its new unit of "Coal Videsh". Its Corporate headquarters is at Ranchi and it has seven Regional Institutes attached with each of the subsidiary of coal producing company. It renders services to CIL and subsidiaries, directly to Ministry of Coal (MoC) and also takes up specific jobs for companies other than CIL as consultancy services.

The services rendered by CMPDI to different clients are listed below:

A) **For Coal India Ltd. (CIL)**

Exploration including drilling and preparation of geological reports.

Preparation of pre-feasibility reports, advance action proposals, feasibility/ project reports, revised cost estimates for new and reconstruction projects.

Annual operational plans for large open cast mines.

Preparation of project reports and working drawings for Coal Washeries, Coal Handling Plants and various infrastructure facilities.

Bid documents for Coal Handling Plants (CHPs), Workshops, Sub-Stations and other infrastructural facilities.

Annual assessment of mine capacity and Heavy Earths Moving Machines (HEMM)/ equipment performance for all mines of CIL.

Technical services related to blasting, ventilation, support design, non-destructive testing, etc.

Laboratory testing services for coal characterization, washability, air/water quality, physical-mechanical properties of rocks, etc.

Management services for ISO certification.

Energy audit/conservation studies

Mining electronics and repair/testing of electronic components of equipment.

Third party inspection of quality checking of materials and random testing of explosives procured by subsidiaries.

Contract Management Manual (CMM) related services.

Special reports

Nodal agency for CIL, Research & Development (R & D) projects

B) For Ministry of Coal (MoC)

Promotional exploration and detailed drilling for non-CIL blocks

Nodal agency for other Central Sector

schemes, viz Research Projects under Science & Technology (S&T) schemes .

Identification and evaluation of captive mining blocks

Technical services including preparation of special reports.

C) For Outside Clients

The above listed services are being provided to companies outside CIL also depending upon specific job orders and based on open market bidding or specific requisition for such services.

BPO in CMPDI

To meet the growing demand of coal by power, steel and cement sectors, CMPDIL, the exploration subsidiary of the country's largest coal producer Coal India Ltd., is going to outsource about 10 lakh meters drilling task to other companies. CMPDIL is going to sign a memorandum of understanding (MoU) with MECL for conducting coal drilling projects of 1 lakh meters. For this Central Mine Planning and Design Institute (CMPDIL) already joined hands with Mineral Exploration Corp (MECL) to fast-track the process of coal exploration in the country. The tie-up will help CMPDIL to involve MECL in undertaking its drilling works without inviting tenders. The purpose of this step is to accelerate coal exploration activities by saving time lost in the tender processing system. After signing the MoU with MECL, CMPDIL will not require to outsource drilling projects to MECL via tendering process. The company plans to enhance coal exploration capacity from 2 lakh meters per annum to 10 lakh meters per annum by 2011-12. MECL will drill up to 1 lakh meters, outsource 5 lakh meters to private players and increase in-house exploration capacity 4 lakh meters. With a positive response from various companies across the globe for the global expression of interest (EoI) floated for detailed exploration, the company is optimistic that it will be able to take its capacity to 10 lakh meters in the near future. In the current fiscal the company has outsourced 3.87 lakh meters of drilling task for eight blocks across the country that may be developed by CIL or allotted as captive blocks. CMPDIL is in the process of finalising another deal for outsourcing 6.5 lakh meters drilling with private players. The exploration is likely to be carried out in another five years.

The ministry wants to enhance the present drilling capacity of CMPDI to 10 lakh meters per annum as soon as possible. For that, it is likely to invest Rs 1500 crore in terms of running revenue for enhancing its drilling in the Eleventh Plan period. The company is planning to replace the old drilling machines and bringing new technology to enhance its drilling capacity.

Moreover, the coal exploration agency would have to work on resource evaluation and documentation for investment and exploitation decisions as more coal mines develop and begin production in eleventh plan period. Government has also asked CMPDI to increase its mapping capacities to match the spiralling demand for raw materials. CPMDI is carrying out detailed exploration through 20 camps and 47 drilling machines and around 2 lakh meters of drilling is done every year, which is the company's existing drilling capacity. Coal India Ltd (CIL) has recently assigned CMPDI the exploration of 165 billion tons of unproven coal deposits out of the total domestic reserves of 264 billion tons. The company has a total drilling target of 3.4 lakh meters for the fiscal 2008-09. Out of this, drilling work for more than1 lakh meters is already outsourced while 5000 meters will be done by state government agencies.

The company plans to carry out a total of 23.44 lakh metres of drilling in five years of the Eleventh Plan period through in-house drills as well as outsourcing services.

Conclusion

CMPDI may be made an autonomous body with powers to independently hire sub-contractors or bid out exploration work so as to enhance its drilling capacity from 3 lakh meters per annum to 10 lakh meters per annum by the end of the 11th Plan. A list of recognized domestic and foreign contractors can be developed to enhance the number of players in the field of detailed exploration in India. CMPDI's current capacity of drilling 3 lakh meters per annum may be raised to at least 15 lakh meters per annum by involving all eminent agencies within the country and outside by outsourcing.

The most urgent measure to augment coal supplies and increase the number of players in

coal mining would be to ensure the full and fair use of the provisions for captive coal-mining under the current legal framework, especially by those public and private power generating companies with the necessary financial and management capabilities to quickly realize the full potential of captive blocks. The current provisions for increasing the level of competition in coal mining through captive mining and outsourcing may be able to meet the target of CMPDI.

In order to increase the proven category of reserves CMPDI may speed up detailed exploration by engaging institutions/ companies which could take up exploration of the blocks under the Indicated and Inferred categories. Awards may be made on the basis of competitive bidding and CMPDI should be given the necessary funding for this purpose. This may lead to higher costs of exploration as compared to CMPDI. But when such blocks are given for captive mining, all the data and information collected could be transferred to the allottee on collection of all the costs incurred in the exploration.

BPO in CMPDI may provide few of the benefits as mentioned above and the target may be achieved to compete in the global market. But introducing outsourcing in public sector is not so easy task. Government has different objectives than the private sector, thus, it cannot blindly follow the private sector's lead. Many elements must be taken into consideration, including political climate, unions, local economies, employment situation, and the investments required and available. Management must carefully weigh the potential negative consequences—job loss, skills transfer, unemployment costs, and disruption of local economies—against the promised benefits.

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Indian Gems & Jewellery Industry – Problems and Prospects

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Abstract

Gems and Jewellery have been a part of the Indian civilization since its recorded history, the significance of the Gems and Jewellery industry in the Indian economic scenario is a development of the last three or four decades. This paper attempts to provide an insight about the problems and prospects of Gems and Jewellery Industry. This paper discusses about export trends of various classifications – Gold, Diamond, Synthetic Stones and Gem Stones. Demand, Recent developments in this industry, actions taken by the government and future prospects of this industry are also discussed.

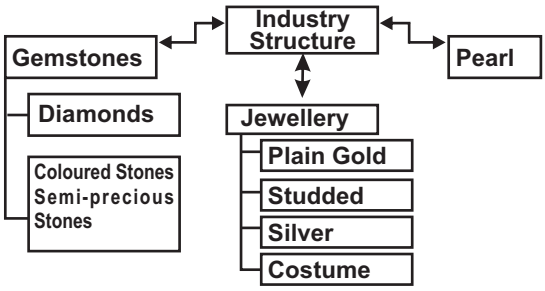
Keywords: Export, Import, Foreign Trade Policy, Mercosur Preferential Trade Agreement

Introduction

The gems and jewellery industry occupies an important position in the Indian economy. It is an integral part of Indian tradition a legacy passed from one generation to another. The components of jewellery include not only traditional gold but also diamond and platinum accompanied by a variety of precious and semi-precious stones. It is a leading foreign exchange earner and also one of the fastest growing industries in the country. Before the liberalization of the Indian economy in 1991, only the Minerals and Metals Trading Corporation of India (MMTC) and the State Bank of India (SBI) were allowed to import gold. The abolition of the Gold Control Act in 1992, allowed large export houses to import gold freely. Exporters in export processing zones were allowed to sell 10 percent of their produce in the domestic market. In 1993, gold and diamond mining were opened up for private investors and foreign investors were allowed to own half the equity in mining ventures. In 1997, overseas banks and bullion suppliers were also allowed to import gold into India. These measures led to the entry of foreign players like DeBeers, Tiffany and Cartier into the Indian market.

The Gems and Jewellery sector basically comprises of sourcing, processing, manufacturing and selling of precious metals and gemstones, such as platinum, gold, silver, diamond, ruby and sapphire. The sector can be classified as :

- Polished Diamonds: India is one of the best markets in the world in the polished diamonds for its world-class quality of diamonds as well as exquisite cutting skills. Surat and Jaipur are famous as world class polishing and designing centers.
- Gem Stones: This category refers to the stones other than diamonds. These stones come under two basic categories that are precious stones and Semi precious stones.
- Gold and Jewellery: This category represents the gold and jewellery, which is used in the manufacturing of various ornaments.
- Synthetic Stones: Synthetic diamond is diamond produced through chemical or physical processes in a laboratory. Like naturally occurring diamond it is composed of a three-dimensional carbon crystal. Synthetic diamonds are also called cultured diamonds. Synthetic diamond is not the same as diamond imitation, which can be made of other material.



India is one of the fastest growing jewellery markets in the world and is the largest consumer of gold (around 20-22 percent of global consumption) and also the largest diamond processor (around 90 percent by pieces and 55 percent by value of the global market). The industry is highly unorganized and fragmented with around 96 percent of the total players being family-owned businesses. It is estimated that the country has around 450,000 goldsmiths, 100,000 gold jewelers, 6,000 diamond processing players and 8,000 diamond jewellers. The major players in this sector are Rajesh Exports, Classic Diamond (India) Ltd., Shrenuj & Company Ltd., Goldiam International Ltd., Gitanjali Gems, Subhashish Diamonds and Tanishq. The major markets include the US, Hong Kong, UAE, Belgium, Israel, Japan, Thailand and the United Kingdom.

India is a leading exporter of jewellery, especially diamonds and diamond jewellery, to the world and to the United States. In 2006, the United States imported $5.9 billion worth of jewellery from India, or 25.5% of all imports from India. Of this, $3.3 billion (55.5%) were diamonds and diamond jewellery and another $2.4 billion (41.0%) was precious metal jewellery.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

The depletion of many of India's diamond mines has pushed its industry to source its diamonds from overseas. In 2005, India imported nearly $10.6 billion worth of diamonds. This has raised concerns about the possible import of so-called "conflict diamonds." In January 2003, India, the United States, and 53 other countries endorsed a UN initiative called the Kimberley Certification Process that certifies that the diamonds do not come from Angola, Liberia, Sierra Leone, and Congo. In 2005, India considered lowering the FDI limit for diamond mines from 100% to 74% in an effort to close a possible back door for the import of "conflict diamonds." However, there are claims that uncut "conflict diamonds" are still finding their way into India, especially into the markets in Surat. If true, then there is high likelihood that "conflict diamonds" could also be making their way into the U.S. consumer market.

SWOT Analysis – Gems & Jewellery

Strengths

i. About one million craftsmen are associated with this industry. Their skills can be utilized for designing and making modern jewellery.

ii. Availability of abundance of cheap and skilled labor in India.

iii. Presence of excellent marketing network spread across the world.

Weakness

i. Small firms lacking technological / export information expertise.

ii. Low productivity compared to China, Thailand and Sri Lanka.

iii. As the major raw material requirements need to be imported, companies normally stock huge quantities of inventory resulting high inventory carrying costs.

Opportunities

i. New markets in Europe & Latin America. Growing demand in South Asian & Far East countries.

ii. Rupee value depreciating resulting in a windfall increase in the profitability industry moving from a phase of consolidation.

Threats

i. China, Sri Lanka and Thailand's entry in small diamond segment.

ii. Infrastructure bottlenecks, absence of latest technology.

iii. Unusual increase in the prices of gold and rough diamonds.

Export Trends

The Indian gems and jewellery industry is

competitive in the world market due to its low cost of production and the availability of skilled labour. In addition, the industry has set up a worldwide distribution network, of more than 3,000 offices for the promotion and marketing of Indian diamonds.

According to the investment commission of India the industry is expected to have a 65 % share of the global market by the end of 2010. In terms of domestic sales, branded jewellery is likely to become the fastest growing segment and is expected to witness a growth of 40 % per annum to US $ 2.2 billion by 2010, as per McKinsey. The export of gold jewellery was valued at Rs. 3642.5 million in 1990-91. This increased to Rs. 11,486.9 million in 1993-94. The progressive trend in export of gold is shown in Annexure II.

- As per the latest Gems & Jewellery Export Promotion Council (GJEPC) release, the industry registered exports worth US $ 15 billion in April-December 2008 (Provisional), compared to US $14.9 billion in the corresponding period of 2007, registering a growth of .59 %. Further, the total gems and jewellery exports from India stood at US $ 20.8 billion in the financial year 2007-08, against US $ 17.1 billion in the previous year, witnessing a growth of 22.27 %. The sector accounted for 13.41 % of India's total merchandise exports.
- Out of the total US $ 20.88 billion exports generated by the Indian gems and jewellery sector, the United States and Hong Kong accounted for the largest import, with a share of 26 % each, followed by UAE at 21 %.
- Gold jewellery exports increased from US $ 5.2 billion in 2006-07 to US $ 5.6 billion 2007-08.
- Export of cut and polished diamonds grew from US $ 10.9 billion in 2006-07 to US $ 14.2 billion in 2007-08, witnessing a growth of nearly 68 percent.
- Export of colored gemstones increased from US $ 246.4 million in 2006-07 to US $ 276.42 million in 2007-08.
- The export industry mainly comprises of small-to-large units based in various special economic zones (EPZs) in Chennai and Noida and Santacruz Electronics Exports Processing Zone (SEEPZ) in Mumbai, supplying primarily diamond-studded jewellery. More SEZs are on the anvil.

With the US economy beginning to recover and the US consumers typically purchasing about half the world's diamonds and diamond jewelry, retail prices are moving upward. The economies of other diamond-consuming countries are also showing signs of recovery so the global demand for polished diamonds is expected to rise in 2010.

At the end of January 2010, there was an industry wide price increase for diamonds over 3.0 carat weight with price increases ranging from 1.5% to 3.5% depending on carat weight, color and clarity. In mid-February, another industry wide price increase occurred for round diamonds in the 1.00 to 1.99 carat range with at least H color and VS2 clarity and had increases in the 1.0% to 5.0% range depending on carat weight, color, and clarity.

Changing Scenario

YESTERDAY	TODAY
Unbranded	Branded
Silver & Gold jewellery	Gold & Diamond jewellery
Investment	Investment + Fashion
Traditional design	Fashionable & innovative design
Marriage & festival is peak season	Wearability and gifts

Gold versus Diamond investment – comparison

Gold is not as rare as diamond. Diamond is a thousand times rarer. There is more gold explorable at the earths surface. Gold is a long time precious metal, since ancient times. Gold speculation, i.e. trading gold without the actual goods, makes the metal exchange volatile and speculative.

The high degree of rarity of a diamond makes up its value. In addition diamond has a high value for its very low weight, it is easy to transport. Obviously the buyer will need a reliable source to purchase the diamond, a diamantaire who is able to guarantee a buyback at the exchange rate of the day.

Demand: Gold and Jewellery

The increasing independence of women in developing countries like India and shifts in attitudes and behaviours, combined with a significant increase in their personal wealth, have led to enormous growth in the potential market for gold jewellery. Research revealed today by the World Gold Council points to major cultural changes in developing societies that have influenced women to take more responsibility in their own appearance and independence in their purchases - a pattern set to continue as the wealth of developing countries continues to grow.

The World Gold Council (WGC), the marketing organization for the global gold market, researched over 9,000 women across all six key gold jewellery markets: China, India, Italy, Saudi Arabia, Turkey and the USA. With the exception of the USA and Italy, where samples reflected the entire female population, all other markets were representative of the urban population only, and the data was weighted to reflect this. The research was conducted with women aged 15–65 years.

Commenting on the research, Philip Olden, Managing Director, Jewellery and Marketing at the World Gold Council, said:

"Developing countries have historically accounted for the majority of gold jewellery demand, and the research points to an increasing appetite for gold amongst the emerging middle class. This is driven not only by increased wealth but also a greater sense of independence and significant changes in consumer attitudes, whereby gold jewellery is much more desirable now to women around the world than it was three years ago.

"It is clear from the research that gold jewellery markets should not be simply categorised as either "investment" or "adornment". We are seeing much more convergence. The emotional attributes and benefits of gold, as well as its practical or financial benefits, play important and complementary roles to women around the world. The rise in the gold price over the past three years has added to gold's desirability, but has also provided a stronger justification for women to buy gold jewellery."

In India, rural areas are a major consumer of gold. In 2006, 60 percent of the demand for gold came from rural India as they have few investment options than people in urban areas. In the first half of the year 2007, gold consumption rose to 70 percent over the corresponding period of 2006. The first six months saw gold consumption of 528 tonnes, compared with 307 tonnes in the corresponding period of 2006. The southern region alone accounts for 40 to 45 percent of country's gold demand. India's import of gold fell by almost 50 percent to 101 tons during the first quarter of 2008. India imports about 90 percent of gold from South Africa and the rest from Australia and Russia. To summarize,

- India accounts for 20 percent of the world gold consumption, the largest in the world. The country consumes nearly 800 tonnes of gold, of which nearly 600 tones go into making jewellery. Further, India is also emerging as the world's largest trading centre for gold targeting US $ 16 billion by 2010.
- The Indian diamond jewellery industry is the third largest consumer of polished diamonds after US and Japan. Diamond jewellery consumption is likely to jump to nearly 80 percent in 2010 and over 95 percent between 2010 and 2015.

Problems and Expectations

The sector has seen one of the most difficult year in 2008, with more than 100,000 skilled and unskilled laborers' being laid-off due to poor demand from the US market–which is reeling under the current global economic downturn. In fact, India's jewellery sales to the US declined over 20 percent even during the holiday season, i.e. Christmas and New Year. Furthermore, the domestic jewellery demand has also decreased by over 20 percent. To counter the situation the industry has demanded for a separate bailout package from the government in ther third stimulus package (White Drums, 2009).

On 11th July 2009, Mr. Vasant Mehta, Chairman, Gems and Jewellery Export Promotion Council (GJEPC) held discussions with the Honorable Finance Minister, Shri

Pranab Mukherjee on recovering the industry from recession. The charter of expectations sought government intervention as under:

- Increasing the flow of dollar liquidity to the industry which has a projected need of at least $ 3-4 billion in the coming year. Such additional dollar finance may be made available from the foreign exchange reserves of the country (White Drums, 2009).
- Domestic funding at internationally competitive rates (LIBOR based) as opposed to the high interest rates being charged by the Banks at present. This can be facilitated with an interest subvention of 2% (White Drums, 2009).
- Citing the peculiar nature of the Industry, characterized by daily price fluctuations, as a major cause for taxation dispute, the GJEPC has proposed the levy of a flat 1% turnover tax in place of all forms of current direct taxes, thereby doing away with arbitrariness, confusion and delays in finalization of tax returns. Owing to recessionary pressures, income on export earnings should be made tax-free for the next two years (White Drums, 2009).
- Export credit limits sanctioned by the banks as on 1st April 2008 to exporters of the Gem & Jewellery Industry should be continued till 31st March 2011 (White Drums, 2009).
- The lack availability of duty free gold in many parts of the country severely constrains small exporters who find it difficult to procure their primary raw material and are unable to be competitive in the International markets. As a relief to them, the introduction of a duty draw back scheme for Gold Jewellery exports has been proposed by the GJEPC (White Drums, 2009).

In another meeting called for by Honorable Minister of Commerce & Industry, Shri Anand Sharma, Mr. Mehta tabled some of the measures required to provide relief to the Industry. These include reduction in import duty on machinery from 10% to 5%; reduction in import duty on Plain Gold Jewellery below 22k form 10% to 5%; removal of import duty on Rhodium and Rough Coral; and Reduction in import duty on Precious Metal Scrap from Rs. 257.50 per 10 gram to Rs. 100 per 10 grams (White Drums, 2009).

In order to revive the Indian economy from the current global economic downturn, the government announced a stimulus package on December 7, 2008. Some of the measures announced in the package that might benefit the gems and jewellery sector include:

- Increasing the Post-Shipment Rupee Export Credit Period from 90 days to 180 days with effect from November 28, 2008.
- Increasing the Pre-Shipment Rupee Export Credit Period from 180 days to 270 days with effect from November 15, 2008.
- Providing an interest subvention of 2 percent up to March 31, 2009 subject to minimum rate of interest of 7 percent per annum, to make pre and Post-shipment export credit for labor intensive exports, such as gems & jewellery, more attractive.
- Allowing exporters to avail refund of service tax on foreign agent commissions of up to 10 percent of FOB value of exports. They will also be allowed refund of service tax on output services while availing benefits under Duty Drawback Scheme.

Recent Developments

In the recent years, Indian manufacturers such as Gitanjali have forayed overseas by taking over the jewellery retail outlets in the US and at the same time several large overseas players have outsourced jewellery design and manufacturing to the players having their units in the special economic zones in Surat and Mumbai.

DVN Traders, a Mumbai based jewellery exporter and manufacturer leveraged use of IT for their business. They found online B2B market places such as Alibaba.com and Tradekey.com for selling their products to the customers spread across the world.

Foreign Trade Policy (2009-2014)

In the new foreign Trade Policy (2009-2014), Honorable Union Minister of Commerce

Shri Anand Sharma announced some measures for gem & jewellery sector:

- To neutralize duty incidence on gold jewellery exports, it has now been decided to allow Duty Drawback on such exports.
- Import of Diamonds on consignment basis for Certification/ Grading & re-export by the authorized offices/ agencies of Gemological Institute of America (GIA) in India or other approved agencies will be permitted.
- To promote export of Gems and Jewellery products, the value limit of personal carriage have been increased from US$ 2 million to US$ 5 million in case of participation in overseas exhibitions. The limit in case of personal carriage, as samples, for export promotion tours, has also been increased from US$ 0.1 million to US$ 1 million.
- The number of days for re-import of unsold items in case of participation in an exhibition in USA has been increased to 90 days.
- In an endeavor to make India a International Diamond Trading Hub, it is planned to establish "Diamond Bourses".
- With an objective to meet the Dollar Credit needs of exporters, a Committee has been constituted consisting Finance Secretary, Commerce Secretary and Chairman IBA.

India – Mercosur Preferential Trade Agreement

Mercosur is a trading bloc in Latin America comprising Brazil, Argentina, Uruguay and Paraguay. Mercosur was formed in1991 with the objective of facilitating the free movement of goods, services, capital and people among the four member countries.

As a follow up to the Framework Agreement, a Preferential Trade Agreement (PTA) was signed in New Delhi on January 25, 2004. The aim of this Preferential Trade Agreement is to expand and strengthen the existing relations between Mercosur and India and promote the expansion of trade by granting reciprocal fixed tariff preferences with the ultimate objective of creating a free trade area between the parties. This came into effect from June 1, 2009.

Anant Diamond Jewellery – India Diamond Jewellery Promotion

Anant – Indian diamond jewellery promotion is a joint undertaking initiated by the Gems and Jewellery Promotion Council, Gold Souk, Rio Tinto, International Gemological Institute and All India Gems and Jewellery Trade Foundation. GJEPC will promote Anant in print, electronic and outdoor media.

Prospects: Investment Scenario

Positive govt. policies such as 100 percent Foreign Direct Investment (FDI) in gems and jewellery through the automatic route has further provided an impetus to the booming gems and jewellery industry. Some of the major developments include:

- Reliance Retail is planning an aggressive entry into the jewellery retail market. It will open between 400 to 500 jewellery retail outlets across the country.
- D'Damas India, part of one of the largest jewellery retail outlets in the world, is adding 16 new stores to the 12 stores it currently has in India.
- The Gitanjali Group has bought 'Nakshatra', the premium brand of jewellery promoted by Diamond Trading Company (DTC). Gitanjali Gems, a diamond and jewellery manufacturer has entered into an agreement with the Mineral and Metal Trading Corporation of India (MMTC), a leading bullion trader, and would invest US$ 12.69 million in the first phase of the joint venture.
- Thai company Pranda Jewellery is foraying into retailing in India and will be investing US$ 21.15 million towards retail expansion in the country.
- Geneva-based luxury watch and jewellery brand de Grisogono is firming up its plans to foray into the Indian market. It has set up its first flagship boutique for US$ 5.29 million. The company will be adding six mono-brand outlets by 2011.

The Road Ahead

The Indian gems and jewellery sector is excepted to cross US$ 26 billion by 2012, driven by availability of a huge base of skilled labor and improving lifestyle, according to a new report called "Indian Gems and Jewellery Market - Future Prospects to 2011", by RNCOS, published in September 2009.

According to the same report, the Indian gems and jewellery sector is expected to grow at a compound annual growth rate (CAGR) of around 14 per cent from 2009 to 2012.

According to industry experts the consumption of diamond jewellery in India is expected to touch US$ 6.41 billion in 2012.

State-run National Mining Development Corp (NMDC) plans to produce close to 100,000 carats of diamonds from the Panna diamond mines in Madhya Pradesh by 2010-11.

Conclusion

Gold is a time tested asset. Even when the price rises, people continue to buy it. The real value of gold for investors lies not its price performance but in its reliable diversification return. Jewellery designers will have to work on innovative design concepts that will add some utility value to the luxury jewellery products and help them to stay afloat. The KPMG report titled “The Global Gems and Jewellery: Vision 2015: Transforming for Growth” has projected that global jewellery sales will grow at 4.6 percent on year to year basis to touch $ 185 billion by the year end of 2010 and $ 230 billion in 2015. Hence the outlook for gold looks extremely bullish.

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Manpower Planning and Management in New Economic Era in CCL

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Abstract

There is a definite system of manpower planning at corporate level in CCL in the new economic era. It is a combined effort of different departments dealing with manpower management in which service department plays the lead role. A scientific manpower planning has a definite result in increasing efficiency and higher productivity. There is much difference of manpower planning and management in CCL in pre and post liberalization. The exercise of manpower was earlier done by the manpower planning using of personnel development of the organization and it was observed that manpower development has more historical reason and no serious thought has been paid to include other factors like production target etc. similarly analysis of development in various collieries of CCL reveals that for the production level and other similar conditions the number of workers varies considerably. Accordingly the manpower planning wing in their report suggested the manpower assessment for every 100 tons of underground productions 63.0 to 72.0 miners / loaders are deployed. It is lamentable that in all subsidiaries of coal India including CCL manpower is reducing and as such the manpower will be below the requirement.

Keywords: Outlay, ore, fossil, overman, quantum

Introduction

Coal in India has a glorious history. It is the most valuable gift of nature. Warren Hastings initiated commercial coal mining at Raniganj (West Bengal) in the year 1774 AD[1] . The working of the mines first began in 1814 but extensive operations started in about 1825. Large coal mines in Burdwan district of Bengal were worked in 1832 AD to the extent of 14000 or 15000 tones annually.[2] The opening of mines at Raniganj marked the beginning of coal mining in Bengal. Car Tagor and company[3] took over Raniganj mines in 1835. Bengal Coal Company was formed in 1843 to explore and expand local mining in public sector. Its progress was retarded till 1854 when the East India Railway reached the field. The output rose from 293443 tones in 1857 to 1019793 tones in 1880. The industry showed and accelerated growth between 1895 and 1909. The number of joint – stock coal companies was 128 in 1909 of which 119 were in Bengal, the total paid up capital stood at Rs. 7,31,12,842.[4]

A large labour force had the opportunity to find employment in the coal industry, the number of miners who were recruited from agricultural classes rose from 28,438 in 1887 to 119546 in 1909.[5] In Bengal the private enterprises had their hold over the coal fields. The government had direct control over the coal mines. The government policy was determined according to the needs of the state Railways. The capital expenditure was incurred by the government though on a small scale on the working of the mines. The government participation made the working of the mines more efficient.[6]

The Warora mine was opened in 1871, capital outlay in 1871 amounted to Rs. 51183, the total capital outlay expended upto 1899 was about 18 lakhs.[7] The output of the colliery rose from 60,000 tones in 1881 to 155,336 tones in 1902.[8] Though the coal industry had made much progress its development was in the initial stage. W. R. Dustan of the imperial institute gave some excellent report on the Indian coal industry and highlighted scope for the further development of the industry. Dustan noted that “only small proportion of total known coal ore was being worked”, the industry was ‘hardly out of its infancy’ the Indian output was about 1/35th of that of Great Britain.[9] Foreign capital dominated the coal industry, a beneficiary of government spending.[10]

The Railway collieries were transferred to

the coal board in the year 1944. After the Indian independence i.e. 1947, a great need for coal production was felt in the First Five Year Plan. In 1951 a working party for the coal industry was setup, which suggested for the amalgamation of small and fragmented producing units. In the pre – nationalized era coal mining was controlled by private owners, and suffered from their lack of interest in scientific methods, unhealthy mining practices and sole motive of profiteering. The miners lived in sub – standard conditions as well. In 1956 the National Coal Development Corporation (NCDC) was formed with [11] state railway collieries with task of exploring new coal fields and expediting development of new coal mines.11 After nationalization of non - coking coal sector in 1973 NCDC became the Central Division of Coal Mines Authority Ltd. (CAML). Again in 1975 with recognition of CAML as Coal India Ltd, Central Division of CAML was known as Central Coalfields Ltd. (CCL).[12] CCL is one of the four coal producing subsidiaries of Coal India Ltd. (CIL) which was formed in 1975 as a holding company. It is located with its registered office at Darbhanga House, Ranchi. The Indian energy sector is largely dependent on coal as the prime source of energy and coal is the most abundant fossil fuel in our country which is the valuable gift of nature.

At present CCL has 11 area, 65 mines (26 UG and 29 O/C), 7 washry (4 medium coking coal and three non - coking coal), 1centralworkshop and 5 regional workshops and 2 central hospitals spread over 26 hundred square kilometers of Ranchi, Hazaribagh, Giridih, Bokaro, Chatra and Palamau having coal reserves of 33.562 billion tones (medium coking coal 14.023 billion tones and non – coking coal 19.359 billion tones).[13] Coal meets nearly 68 percent of total commercial energy requirements of the country. The coal production of India currently is around 250 million tones which meet about 98 percent of coal needs of the country. Nature has bestowed India sufficiently with large reserves of coal 200 billion tones according to present estimate which will last for coming 280 years at the current rate of consumption.

Materials and Methods

Manpower planning and management in CCL in new economic era is an important topic for discussion. The author has attempted to prepare this research article with the help of huge materials collected from various sources – both primary and secondary. Journals, periodicals and bulletins of CCL constitute the mine of information. Besides, the reports published from CCL also serve the purpose of source material. Books of reputed authors both indigenous and foreign have been used as secondary source to write this research article. The news papers and interviews have also been judiciously utilized.

Results and Discussions

CCL is the major employer in the nation having manpower of 70651 (35% belonging to SC/ST). the company is also providing direct employment to over 2 Lakh people in a year in loading, transportation, civil construction, small industry, coke ovens manufacturing agencies, ancillaries etc. it was elevated with Nav-Ratna status in 2008[14] and is expected to be elevated with Maha-Ratna status shortly.

The company is managed by a board of directors and is headed by the Chairman – cum – Managing Director (CMD), assisted by a group of staff officers looking after different departments. The functional Directors comprise of Director (personnel), Director (finance), Director (technical), Director (project and planning) and Director (technical and operation).

In the new economic era the liberalization and globalization process, which has come over the Indian economy in the last 20 years, has given birth to a fair number of enterprises which hope to gain legitimacy and foster rapid growth, by setting up a Human Resource Department.[15] Thus the role of the manpower planning and management in new economic era has become the most important in CCL too. Modern organizational setting is characterized by constant changing relations to environmental factors and human resource or manpower planning. The competitive force that is faced today will continue to be faced in future demand organizational excellence. The times have changed and the role of manpower also needs a change. It is human resource's

responsibility to lead the organization in tapping the remaining sources. In today's global economy every one can have the latest information technology.[16]

During 1990s a new human resource management has emerged specially as a result of globalization and liberalization. The economy and policy of India are fast changing in the wake of new economic era. Today among all the resources of production like men, material, money and motive power, the most important 'M' is for men or human resource. Manpower is essential to put the plans of the organizations into action. Planning is significant as it helps determine future personnel needs.[17]

In CCL manpower inventory is a record which indicates the existing strength / position of human resources segregating into different types / standard / trade / grade wise on particular date. It is prepared at project / unit level. The table given below indicates the sanctioned existing and proposed group wise manpower in CCL.[18]

Table – I

Sl. No.	Particulars	Sanctioned	Existing	Proposed
1	Executive	3557	3257	3543
2	MR	20060	18200	20508
3	Daily Rated	48872	47698	50023
4	Piece Rated	-	21652	14787
5	Casual	-	434	-
6	CMWO	-	-	
7	Trainers	-	274	-

Manpower budget is equally important as other budget like the cost / finance budget, material budget etc. Manpower budget is an ad hoc manpower forecast for the ensuing year to ascertain the additional, total requirement and mode of filling with clearly identifying the surplus hand. It is based on production program and different activity/jobs so as to achieve higher level productivity.[19]

Table – II

The comparative figure of executive and non-executive in CCL for different years are as follows.[20]

Year	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Executive	2991	3095	3265	3333	3313	3543
Non - executive	95841	93895	92411	91079	98503	85310

The manpower planning and management in CCL in new economic era has been critically analyzed by adopting the following processes: - i. visit of mine, ii. Discussion with mine management, iii. Collection of data, iv. Job nomenclature, v. fixation of quantum of work, vi. A total time determination, vii. Net available time determination, viii. Manpower method of working etc.

There is a need to strengthen the training institute of CCL so that a large number of persons who are capable of being absorbed in diversified jobs could be trained. Those mines which have a very poor should either be closed or merged with other mines to improve productivity. Similar rational approach for optimal utilization of the manpower force may be extended to the other mines of organization for improving the production by adjusting the surpluses to the shortages.

Conclusion

Manpower planning and management in CCL in new economic era has become an important tool of finance, production, plant and equipment, sales and dispatches etc. Manpower is needed in CCL in order to identify areas of surplus personnel or areas in which there is shortage of personnel. It is needed to strike a balance between a manpower demand and supply, to increase production and productivity to achieve the corporate objectives in CCL. No appointment in the company has been made since 1972, no supervisor nor technicians have been appointed science 1989. Though in the last financial year 32 appointments against the post of over man, 13 against the post of miners were made in CCL but no appointment of surveyors was made. At present only 633 over man, 667 miners and 64 surveyors are working in the company. Manpower of 1641 related to security are needed to be appointed in CCL. On the whole in CIL the post of 15000 manpower in the security department is lying vacant. This is also a fact that by year 2014 – 15 about 90 percent of miners will retire and as such the manpower will be below the requirements.

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Operating an efficient and sustainable agriculture market information system: The FAO strategies

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Abstract

Today, in an increasingly complex marketplace, competitive advantage of any market player is dependent on the quality of the market information it has, its utilization for decision making, and responsiveness to the market. Thus, competitive pressure, the cost of making a mistake and the complexity of markets all contribute the need of information for any organization to sustain. The purpose of an efficient agriculture market information system is to aid towards more intelligent production with the essential objective of achieving effective distribution and fair pricing of farm produce both for producers and the consumers. With this backdrop, the paper aims to highlight the strategic aspects for an efficient and sustainable agriculture market information system, as pointed out by FAO . The users and planners must be acquainted with the information that will help them make better decisions, how the data must be attained, how the data should be ordered, the fashion in which the data should to reported and the schema and the plan according to which the data should be delivered.

Keywords: Agriculture Market, Information System, FAO

Introduction

According to the Food and Agriculture Organisation (FAO) of the United Nations, the Marketing Information Service for Agriculture is:

"A service, usually operated by the public sector, which involves the collection on a regular basis of information on prices and, in some cases, quantities of widely traded agricultural products from rural assembly markets, wholesale and retail markets, as appropriate, and dissemination of this information on a timely and regular basis through various media to farmers, traders, government officials, policy makers and others, including consumers "

There are changeable names given to procedures that broadly fit in with the above definition. FAO has settled on the use of "Market Information Services" in order to distinguish "market" information from "marketing" information, the subsequent being a much wider understanding which is likely to include details on possible market channels, payment necessities, packaging, quality and a whole cluster of information required by a producer to make a lucrative sale, including market information.

Concisely, agriculture market information usually refers to market price information, and in some cases includes information on quantities. Whereas marketing information is a broader concept, including information on marketing channels, buyers, quality standards etc .

Materials and Methods

The research method used in the work is primarily a Qualitative Research. Many qualitative researchers, prefer the term "empirical materials" to the word "data" since most qualitative data is non numeric. The techniques used here for the collection of empirical materials are: Documents, Texts, Articles. It is realized that although a clear distinction between data gathering and data analysis is commonly made in quantitative research, such a distinction is problematic for the qualitative research. Thus it is more accurate to speak of "modes of analysis" rather than "data analysis" in qualitative research.

The mode of analysis here in this work is largely, the "written textual analysis", used for analyzing and interpreting the qualitative data.

Results and Discussions

Studies relating to market news frequently include surveys to discover where farmers get market news, how they use this information and how it might be improved. Farmers typically are found to have access to several different sources of short terms market news information (Dodds and Marvin[1954] and Gerald[1960]). Radio and to a lesser extent, television are important sources of market news(Bohlen and Beal[1967],Dodds and marvin [1954], Guither[1970] and Purcell [1959]).

Coverage of prices at local grain markets is often inadequate. McCormick [1954] found that daily newspapers and information on bulletin boards were the dominant sources of grain market information as surveyed in 1950.

Findings relating to how farmers use market news for decision making and decision processes of farmers appear in numerous studies. Bohlen and Beal[1967] and Dodds and Marvin[1954], for example reported that radio market news was most helpful.

Telephone calls to buyers, on the other hand were the greatest help in deciding on the buyer. Kohls and Gifford [1957] found that nearly one half of the producers surveyed obtained price information from only one market prior to sale. Dodds and Marvin [1954] reported a nearly identical finding. P.L.Farris [1956] found that many producers probably did not shop around though pay prices differed. Kohls and Gifford [1975] concluded that producers are more interested in trying to time the sale properly than in ascertaining advantage of different points of sale. Gerald[1960] found that Michigan producers surveyed used market news more for after sale evaluation of the price received than for deciding when or where to sell. It was remarked that almost 40% of the producers surveyed sold when cash was needed for expenses and almost 50% sold when they thought that the market was right . An annotated bibliography by Kroupa, Burnett and Johnson [1976] contains additional references on the use of market news and other types of market information for decision making.

In general, findings on the use of market news for decision making support a hypothesis that farmers fail to use some market information which is readily available to them and that factors other than purely economic considerations often dictate choice of markets.

Advanced in various studies were the following suggestions for increasing the value to users of market of market news information distributed by government agencies[1] market news for local markets should be high (Mc Cormick[1954])[2] reports of future prices should be increased in areas where large scale cash grain are important (Kroupa and Walker [1974])[3] radio and television market news broadcasters should be better informed about agricultural markets to improve listener interest and comprehension[4] written market news reports should be presented in an interesting and simple style to Increase readership.[5] Market news price reports should be given for the full range of product grades normally marketed and not just for the top grade.[6] ways should be found to increase farmer's knowledge of terms used in mass media market reports[7] outlook information could be included with market news to provide a comprehensive market information program and[8] more market news could be provided for consumers.

Due to the important role of prices in resource allocation and as a key variable in the agricultural market liberalization reforms, price has been a key and important variable in Market information systems (Goetz et al., 1986). From the experience of market information services in Mali, Mozambique, Zambia, Kenya and Malawi (Weber et.al 2005, Tollens 2005) six factors have been considered necessary for successful MIS. These are: (1) Political commitment to serving both public and private sector market participants so that information is made freely available to all participants, (2) Sustainable funding mechanisms through cost recovery mechanisms such as membership and commissions by users. National and international donor financial assistance is needed but needs to be supported by cost recovery mechanisms; (3) Constant targeting,

reassessment of user needs, feedback from users and analysis to ensure that the information generated and disseminated meets the needs of the users; (4) Strong local capacity to acquire and use market information. This is because if the market information generated were not used locally it would be a waste of resources. (5) Strong human resources for managing and running a results orientated MIS because if the information generated is not result oriented the system could end up generating information which has no value; and lastly (6) an effective institution which could maintain and provide timely services. Various types of MIS (CTA, MISTOWA, RATES, RATIN, Foodnet) piloted in Africa following advancements in the digital communication systems such as radio, mobile phones, internet, and satellites, have tremendously contributed, to timely dissemination of information (Tollens, 2005). MIS help in facilitating the interaction of private sector buyers and sellers in agricultural marketing (Weber et al., 2005). Questions however emerge as to how far MIS services should go in terms of involvement in linking farmers to markets (Poulton 2006). Kenya Agriculture Commodity Exchange (KACE) and Malawi Agriculture Commodity Exchange (MACE) combine price information with trade facilitation service (Tollens 2005). Trade facilitation service involves linking farmers or sellers with buyers of agricultural commodities. Putting into place sustainable market information systems to provide timely information, which is, easily accessible to everyone with information on market requirements, is not an easy task because of lack of mechanisms for users to pay for the service (Weber et al., 2005). One feature of MIS in sub-Saharan Africa is that no real impact evaluation had been made, thus it has been impossible to determine whether MIS services have contributed to improved agricultural markets efficiency (Tollens 2005).

In theory, though being very much advantageous, no MIS should be planned for execution without evaluating and understanding the possible obstructions that might come in the acceptance of the new system. It is always marked, that changes have each time given birth to troubles and it is as well very much clear that developing an efficient , relevant and sustainable MIS is not at all an easy job. While the benefits of such services appear unarguable, the failure of many countries to manage reliable, accurate and lasting services definetly requires closer examination. Obviously, problems with operating an MIS in agriculture are numerous. In the past, mistakes have undeniably been made in setting up an MIS, but they can definetly be avoided in the future.

The strategies: As per the recommendations of FAO of the UN, the concerned areas of the marketing system and information needs, that are to be analysed at the commencement , for an efficient and sustainable MIS are :

Suitable Organizational Arrangement: The most perfect organisational setting for an MIS will depend upon various factors and that too will vary from country to country and state to state. If at all possible, the Statistics Department of the Government, may be utilized as they generally tend to have in place a network of trained Data Collectors. But the major problem that may arise in most cases are the lack of speed of collecting data which is not suitable for daily price dissemination, commitment towards timeliness, lack of resources for operating expenses and. Training etc. The solution is to have a dedicated and specifically trained personnel and obtain a commercial support for an MIS by attracting advertisements and sponsorships besides Government finances to meet the operating cost involved in data collection and dissemination.

Ensuring Sustainability: It has been surveyed that several Marketing Information Services that has been established by aid or fundings, have later run into problems once the donor or funding agency have left. Steady revenue generation through means like inviting advertisements and sponsorship from the industry, needs to be attended. The earnings from industries who are directly or indirectly associated with the agricultural sector, can be the best solution to meet the recurrent expenses for this project and will provide it with provisions.

Analysing The Information Needs : A detail survey of the marketing system should

be performed in order to assess the exact information requirement of each category of participant in the system. These involves farmers, traders and commission agents, exporters, retailers, consumers, extension services and Government departments. As per the recommendations of FAO of the UN, the concerned areas of the marketing system and information needs, that are to be attended to are:

Products And Markets- More the reporting of market with useless data, the more likely it is that an MIS will have an uncontainable amount of data to handle, staff whose salaries need to be paid and whose training and monitoring need to be afforded. The most recommended idea should be to start the MIS with information on prices in a few wholesale market, progressively expanding to include other wholesale centers and assembly markets. It is better for the market information service to cover five produces well, than to try to cover 50 produces and do so badly for all.

Collection of Market Information- Market information should ideally be gathered by people who both have the time available to do the job perfectly and have the interest in ensuring the success of the service. Price data collectors should preferably be engaged full time on the job and they should have developed a good relationships with the farmers , traders and market officials. This is expected to result in better quality data collection than by unwilling employee, who is sent to the market at intervals as an added responsibility. The role of data collectors, becomes very crucial for the success of the MIS and thus they should be dedicated , sincere and intelligent enough to convey accurate information.

Methods Of Collecting Price Data- Prices in the market can be gathered by interviewing the market vendors, by interviewing the buyers, or by observation of transactions between the buyer and the seller. Put into practice, a blend of all three methods is needed although, wherever possible, it is better for the data collector to observe transactions between the buyer and the seller. In this way the accurate price at which the produce is traded is obtained without having to rely on the recollections of the vendors or the buyers and without independent checking leading to errors.

Frequency of Collecting Information- Particularly, information on grain markets needs to be collected less frequently than the information on perishables. Important than ensuring data collection during the peak trading period is to have the data collection at the same time everyday in order to have uniformity to permit assessment from day to day. Thus a collection time must be adhered to and the MIS needs to arrange for close administration of data collectors to ensure that this is done.

Product Varieties- For efficient MIS, it is also needed to be decided on the varieties which are to be reported on because in many cases there will be noteworthy differences between prices for different varieties of same crops. If resources and other concerns limit the number of crops that can be reported on, then it is very much required to select the most important varieties of each product.

Product Quality- In any of the market, an extensive range of quality of a particular product is likely to be available at one time, and the prices for different qualities could very well vary widely. MIS should aim to collect and disseminate prices for produce of fair standard quality or quality most in demand.

Weights And Measures- It is a general problem that the marketing system do not use standard weights expressed in terms of Kilograms. Farmers sell and traders trade by the bag, carton, box, bundle or tin. Under this condition, the provision of accurate and meaningful market information can be very risky. Where the farmers and traders fully understand units of weight then it should be feasible to disseminate information about prices on a per kilogram basis or else with reference to the standard trading measure.

Quantity, Stocks and Other Information- Quantity information can help farmers and traders to make informed estimation about likely trend in prices. The main difficulty here is that such information can be time consuming to obtain and accuracy can almost be impossible to accomplish. The method usually adopted is therefore for the data collector to

give an indication of the relative volumes of the different commodities, using terms such as:

"limited quantities available, market under supplied."

"very good quantities available."

"market over supplied, more sellers than buyers."

"poor supplies."

Data Accuracy- Data accuracy is a major area of significance and concern for an efficient MIS. Extensive consideration needs to be paid to make sure that the data collectors are fully trained in price and data collection methods with proper format and instructions. Proper arrangements are also to be made for monitoring and prompt transmission of data from collectors to processors and on to the users.

Data Transmission and Processing- Delays in transmitting, processing and disseminating price data can undermine the reliability of an MIS. Out of date market information is of little significance to market participants. With sophisticated communication system and basic equipments like computer, internet, fax etc in place, problem can be countered. The system should be designed in such a manner that generation of daily, weekly and monthly reports with meaningful assessment between different time periods and markets are perfect. Problems with the security of data also need suitable consideration and appropriate data security techniques should be used to prevent unauthorized access and manipulations.

Dissemination- Substantial attention needs to paid to the way in which the data is disseminated. So that the reach is maximum. Price information should go together with some analysis of market situation and opportunities. The service should be preceded with guidelines to the farmers in order to interpret the offered information.

Language- Information should be presented so as to be commonly understood . The layout and comprehension is important to focus but most importantly the medium of dissemination should be in the language which people can comprehend and to solve this problem, a multilingual translation server should be considered. The first step is to develop a multilingual dictionary of agricultural terminology and a multilingual thesaurus. The second step is to combine the thesaurus with a web-based automated translator .

Utilization Of Data - This indicates that considerable care needs to be taken to make sure that the type of price information provided is that which the user finds most valuable. Utilization of MIS information by farmers can be improved if data collectors are in a position to advice them on how to interpret the prices and seasonal price trends. Information like quantities available at the market or in major producing areas, supply-demand movement and problems with transport etc should be the part of MIS. It must be established that proper utilization of data ensures the success of any MIS.

Suitable Technology: The proposed MIS should always use the technology that best suits the local constraints and feasibility. Infrastructure requirements like power and communication services besides the financial aspect should be evaluated and accordingly a sustainable system should be considered. The intended technology should be a suitable blend in terms of the objective and workable in terms of technology.

Interferences In Acceptance : It is true that MIS can augment the bargaining power of farmers and it follows in this aspect that , atleast MIS can lead to a cut in traders margins. As a consequence traders may resist an MIS which will result in their financial losses. Further, large traders may be against an MIS because they have invested in obtaining their own information and an MIS will reduce their competitive position in relation to small traders. Setting up the MIS thus needs to have its own benefits shared and communicated properly in order to have its acceptance without any resistance.

Conclusion

While the benefits of an efficient market information system for agriculture is unarguable, the failure of many countries to manage reliable, accurate and lasting services definetly requires closer examination. As per the recommendations of FAO of the UN, the

concerned areas of the marketing system and information needs, that are to be analysed at the commencement , for an efficient and sustainable MIS are : Suitable Organizational Arrangement, Ensuring Sustainability, Analysing The Information Needs : Products and Markets. Collection of market information- Methods of collecting price data- Frequency of collecting information- Product varieties- Product Quality- Weights and Measures- Quantity, Stocks and other information- Data accuracy- Data transmission and processing- Dissemination- Language- Utilization of Data.,suitable Technology, Interferences In Acceptance etc.

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Rubber plantation: A source of multiple incomes for rural people in Tripura

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Abstract

The study makes an attempt to assess the different sources of income from rubber plantation. The result indicates that rubber plantation shows various sources of income for rural people. It is evident from the study that rubber production in Tripura is expanding speedily. Farmers can earn from both immature plantation and mature plantation. Intercropping is the main source of income from immature plantation and rubber sheet from the mature plantation. Rubber plantation provides large employment opportunities for rural people. Thus, the paper suggests that rubber plantation is the probable instrument for solving unemployment and poverty problems in rural areas.

Keywords: Employment, Intercropping, Latex, Poverty & Rubber sheet

Introduction

The state of Tripura is located in the extreme southwest of the North Eastern region of India with a geographical area of 10,492 sq. km. Rubber was introduced in Tripura in 1963 by the Forest Department. Further expansion of rubber cultivation in the state was assigned to Tripura Forest Development Plantation Corporation (TFDPC) in 1976. Laying special emphasis for the rehabilitation of the tribals, Tripura Rehabilitation Plantation Corporation (TRPC) was established in 1983. With 35760 ha. under rubber, Tripura is the second biggest rubber growing state in the country, next only to kerala.[1]

Rubber has now become the most accepted and commercially viable crop in Tripura. Apart from its commercial value, rubber planting has been recognized as a key economic activity around which the rehabilitation projects for 'shifting cultivators' has been set up. Rubber based welfare programmes in Tripura are well acclaimed as an exceptional example towards upgradation the living standard of the tribals. The monthly income of the growers rises from Rs. 200/- to 2000/- when they start tapping the trees. Considering the multiple benefits of rubber, such as generation of employment and income, and provided a tree cover for the denuded land, the state government is giving great importance to rubber development schemes.

The basic objectives of this paper are to review the possibility of various kinds of incomes from rubber plantation.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

Rubber plantation can be divided into two types, mature plantation and immature plantation. Those rubber gardens whose age is more than six years than that garden is called as mature garden. People can get income from both types of plantation. From immature rubber plantation people can get income through intercropping. During the initial years of a plantation when the interspaces receive plenty of sunlight, a variety of intercrops can be cultivated. The most common intercrops are listed below,

1. **Pineapple** : Pineapple can be grown as intercrop during the initial four years. Two or three rows of pineapple suckers are planted along the interrows in trenches during the year of planting of rubber. In North-eastern states the cultivar 'Queen' is popular Rubber was spaced 2 x 8 or 2.5

x 10 m, whereas intercropping spacing for pineapple was 0.5 x 0.7 x 1.0 or 0.4 x 0.5 x 0.8 m and in this intercropping system, rubber and pineapple each took half of the total area. Some pineapples were harvested from the second year after planting. The yield increased gradually year after year and reached its peak at the age of four to five years.

2. **Vegetables:** Many vegetables like cowpea, cucumber, ladies finger, amarsnthus etc. can be grown during the initial 2-3 years with proper addition of organic manures.
3. **Medicinal Plants:** Some shade tolerant medicinal plants can be grown in rubber plantations. Strobilanthus haenianus, Adhatoda vasica and Plumbago rosea are found suitable for this.[2]
4. **Lemongrass:** Lemongrass plant cannot grow well under shade. It was planted at the same time as rubber trees with a spacing of 0.8 x 1.0 or 0.5 x 0.7 in between rows of rubber trees; and harvested five or six months after planting, then once every four or five months. Each time 10 - 15 tons/ha of fresh leaves were collected and turned into 100 - 150 kg of citronella oil.
5. **Banana:** Non ratoon types like Nendran are suitable as intercrops during the initial two years. During the first year 1200 plants/ha can be grown in a double row system at 2 x 2 m spacing in rectangular system of planting. In the North-Eastern states cultivars like 'Sabri' and 'Champa' which are ratoon type are popular. Spacing for the former was 2 x 8 or 2 x 10 m, the latter 2 x 2 m. Tending, irrigating and fertilising were carried out to promote their growth.[3]
6. **Sugarcane:** Sugarcane is usually planted between rows of rubber trees with a spacing of 0.3 x 0.8 m. Once planted, the sugarcane can be harvested three or four times.
7. **Coffee:** Coffee can be interplanted between rubber trees before or after rubber tapping with a spacing of 1.5 x 1.5 or 1 x 2 m. The best area ratio between coffee and rubber is 30% and 70%. Three years after planting, coffee was harvested and the yield increased gradually for three or four years until it reached its maximum.
8. **Tea:** Rubber and tea trees are usually planted at the same time. but either of them can be planted one or two years after the other. Because tea plant can tolerate some shade between rows of rubber trees and can coexist harmoniously for a long time. Rubber trees were spaced at 2 x 12 or 2 x 15 in whereas intercropping spacing for tea trees was 0.4 x 0.6 or 0.4 x 0.5 x 1.0 m. In addition, 1.5 - 2 m of space along each side of rubber trees was kept for the convenience of tending, fertilising and rubber tapping. Tea was collected three years after planting, and its yield increased gradually year after year, until its peak at six or seven years.
9. **Ginger and turmeric:** Since through digging of the soil is required for the cultivation of these crops they may be grown only on level and near lands. Heavy application of cattle manure or compost and organic mulches are important. They may be grown for the initial two years.[4]
10. **Agar plantation:** Rubber farmer beneficiary under Tripura Rehabilitation Plantation Corporation (TRPC) are motivated to raise agar plantation as shelterbelt for rubber plantation.
11. **Bamboo Plantation:** Bamboo is raised in pure plantations in the land of tribal beneficiaries and as one of the species mix in shelter belt of the new rubber plantations with financial assistance from Tripura Bamboo Mission since 2008-09.

From mature plantation people can earn income from various ways: latex, rubber sheet, branches of trees, rubber wood, rubber seed, rubber honey, rubberized bitumen, biogas etc.

1. **Latex:** Hevea latex in the latex vessels of tapped trees contains 30-40% rubber in the form of parties. Latex is a hydrosol in which the dispersed particles are protected by a complex film. Farmer can directly sell latex in processing centre and can earn money.

2. **Rubber Sheet:** Latex is coagulated in suitable containers into thin slabs of coagulum and sheeted through a set of smooth rollers followed by a grooved set, and dried to obtain sheet rubber. Depending upon the drying method, sheet rubbers are classified into two, ribbed smoked sheets and air dried sheets. Dry smoked rubber sheets are sold by the producer in the market.
3. **Fire wood:** Branches of rubber trees can be used as firewood for domestic purpose and farmers can earn money by selling those in market.
4. **Rubber Wood:** The TFDPC has set up a laboratory for testing rubber wood and its products at Anandanagar, near Agartala. Various furniture are produced by using rubber woods. Objective of setting up the laboratory is to make available the testing facilities to the processors, consumers, researchers and decision and policy makers to evaluate the suitability of rubber wood for various applications and to improve the quality and acceptability of rubber wood in the domestic as well as in the international market.[5]
5. **Rubber Seed:** Rubber seed is a minor source of non-edible oil. Seed production is not stable every year. The availability will be more if there is no continuous and heavy rain and severe attack of phytophthora disease.
6. **Rubber Honey:** Rubber tree is a rich source of nectar. It is found at the extra-floral nectar glands at the end of the petiole where the leaflets join. About 15 hives can be placed in a hectare of rubber. About 10 kg of honey is obtained from one hive. Honey is a saturated solution of sugar. Rubber honey contains mainly glucose and fructose that are easily digestible. The sucrose content is less, so honey does not have the bad effects of cane sugar. Proteins and all essential amino acids are present in the honey.[6]
7. **Rubberized Bitumen:** Flexible pavements with bituminous surfacing are widely used. However, high traffic intensity and over-loading of vehicles may lead to distress symptoms like undulations, rutting, cracking, deformations and pot-holing. The wide variation in temperature could also affect road surfacing. The pavements tend to become soft in summer and brittle in winter. This may lead to bleeding and cracking. The properties of the bituminous mixture can be improved by the incorporation of modifiers.
8. **Biogas:** Biogas can be produced by using the water of latex which is left after production of rubber sheet.

Conclusion

Among the rubber producing states, Tripura occupies the second position after Kerala. In Tripura, there are many government agencies (like TRPC, TFDPC, Rubber Board) working for the development of rubber plantation. People can earn from both mature and immature plantation. From mature plantation people can get income from various things like latex, rubber sheet, rubber wood, rubber honey, biogas, firewood etc. Intercropping between rubber with various vegetable or fruits is the main source of income. Rubber plantation is the tool which government used to rehabilitate the rural poor. Therefore, it is useful for creating employment opportunities in rural areas.

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Integrated Water Resources Development and Management - Its Strategies

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Abstract

Water is one of the most important natural resources and is a key element in the economic development of a country. When properly developed it can substantially augment food and water supplies, improve transport, provide energy and develop industries. The demand for water is continuously increasing due to population growth and development in industrial and agricultural sectors. It has been estimated that the total water requirement of India, by the year 2050 would become between 1220 to 1680 BCM which would be much in excess of total utilizable average water resources of 1086 BCM. The available surface and ground water resources are inadequate to meet all the water requirements for all purpose. So the demand for water has increased over the year. The interpretation of satellite data in conjunction with sufficient ground truth information makes it possible to identify and outline various ground features such as geological structures, geomorphic features and their hydraulic character that may serve as direct or indirect indicators of the presence of ground and surface water.

Keywords: Water Resources, NWP, Drinking Water, Agro- Industries, Irrigation

Introduction

The variety of benefits that can be derived from a water resources system is dependent upon its overall management. Any water system does not stand alone but is an integral part of its surrounding. The best utilisation of waters of a basin cannot be ensured through separate individual decisions, specially when water is scare compared to the need of the society. Only a system of unified basin management can co-ordinate the different possible uses of the water and direct the water to the most beneficial use. Our National Water Policy, therefore rightly recognizes river basin as the basic unit for water resources planning and management. The policy further lays down that all individual developmental projects and proposals should be formulated and considered within the framework of such an overall plan, keeping in view the existing agreements/awards for a basin or a sub-basic, so that the best possible combination of options .can be selected and sustained. The various aspect of river basin development and the systematic planning process are being discussed here and certain vital issues of integrated development highlightened.

The important factors in the development of water resources are its availablility its present and future needs, and its relationship with other resources that are integral part of any overall planning. The purpose of preparing river basin plans for development of water resources may be enumerated as follows :

i) To prepare a long term perspective river basin master plan for the development of water resources.

ii) To develop a comprehensive and integrated approach to the development of water and other natural resources, using water with due regard to constraints imposed by configuration of water availability.

iii) To identify and set priorities for promoting water resources development projects.

iv) To formulate a short term action plan, consistent with the financial allocations and priorities of Government action plans.

v) To contribute towards the formulation of a long term national master plan for water resources development.

The plan must maximise the use of available natural resources. It should not preclude the future utilization of potentials within the basin. It should also enhance the environmental conditions within the basin. The process of planning is carried out in several distinctive phases and in a sequential manner in order to realize optimal utilisation of the resources for the long term benefit of the people of the region. These phases are :-

(i) Objectives and Framework for Evaluation.

(ii) Inventory of Conditions and Resources

(iii) Needs and Potential for Development

(iv) Analysis of Existing System

(v) Identification of Plan Elements

(vi) Formulation and Analysis of Full Development Alternatives

(vii) Multi-objective Evaluation and Plan selection

(viii) Implementation, Monitoring and Ongoing Planning.

Materials and Methods

For the purpose of in depth study the contents have been taken from relevant books and articles from Journals. The approach followed in this paper is purely based on secondary data. The materials used have at times been drawn from the website and extreme case has been taken to be objective in approach.

Results and Discussions

The various objectives relevant in the development of the basin are fixed during this phase which provides the direction needed to guide the planning process. It is a well known fact that all development works are aimed at increasing the welfare of the society. While this is the major goal to be achieved, working objectives have to be set down for the studies. Thus there is a need to identify the problems facing the basin in order to select the objectives for integrated river basin plan. If improving the quality of life of the society is the primary objective, one can think of a number of sub objectives to achieve this primary objective. Various plans can than be developed to emphasize these sub objectives. Finally a single plan can be developed synthesizing the different plans for the fulfillment of the primary objective. Some of the probable sub objectives are discussed below :-

Provide water for domestic demand - This is the most important sub objective for improving the quality of life. There should be drinking water available throughout the year and throughout the basin. It should be economical and of good quality. It should take into consideration the growing human and livestock population in urban and rural. areas and should also cover the commercial and industrial centres. A well planned water supply system will certainly improve public health conditions and provide safety against water borne diseases.

Maximize food production - With the population growth, the demand for farm produce increases. Moreover, there are deficit regions elsewhere in the country demanding food produces. Both area under production and productivity in the basin should be maximized for improving the quality of life, keeping in view the socio-economic and other constraints.

Maximize return to labour - For this, integrated use of surface and ground water should be attempted. The allocation of these two, judiciously, can help in maximization of return to labour and capital and ensure well being of the population of the basin, especially engaged in the field of agriculture.

Maximize energy production - If there is ample scope for generation of hydel power in the basin, its full development can help increase the quality of life. Possibilities of installing mini, micro and small units for power generation, alongwith major projects should always be explored.

Improve the environmental conditions - While increasing the area under cultivation,

there is a need to preserve the available forest without denudation. Also the watershed management needs to be extensively carried out in order to minimize soil erosion. The problem of water pollution, water logging, salinity and floods in the basin requiring management measures should also be addressed suitably in order the improve the quality of life of the population.

Framework for Evaluation

Once the objectives are fixed, the alternative plans are formulated for development, giving emphasis to each objective, one at a time. An unplanned alternative is also formulated which provides a benchmark plan for comparison. All the alternative plans are then evaluated. The framework for evaluation is mainly dictated by the guidelines in the National Water Policy.

The National Water Policy lays topmost priority to drinking water. Attempt is therefore made to improve the supply of domestic water to the fullest extent, possible in terms of quality and reliability. Other purposes such as irrigation hydro-power, ecology, agro-industries, non-agricultural industries, navigation, recreation etc. are considered as and where opportunities exist, however, their priorities could be modified as warranted by the region specific considerations. The most important benefit other than drinking water is irrigation. The benefits and costs in irrigated agriculture is expressed in monetary terms and constitute an important factor in plan evaluation. Non monetary factors are carefully identified and expressed in. suitable format for consideration. The possible evaluation criterion with varying importance co-efficient may include safety, groundwater development, economic development, local participation, water quality, water conservation, flood control, erosion control and drought management.

Inventory of Conditions and Resources

During this phase the relevant data required for planning is collected and organized for easy retrieval. The collected data cover existing demography, topography, hydrology, geology, groundwater, floods, water quality, water supply, nutritional supply, environmental conditions, social and cultural information on agricultural conditions, existing power systems, existing water resources developments and a variety of other topics. All data necessary to determine the existing condition and to project the future potential are collected. The level of details of the collected data, however, will depend upon the level of detail required. Excess collection of data should be avoided.

Identification of Needs & Potential for Development

During this phase of planning, the needs of the basin for different scenario of the planning horizon are analysed. The potential available for development to meet such demands are also analysed. This may include new storage sites, watershed development programmes, augmentation of groundwater and water harvesting, water recycling and reuse, interbasin transfer of water, etc. What should be considered as legitimate requirement of water in the basin and which basin should receive priority in allocation of surplus water need through deliberations. A variety of engineering disciplines, besides social and natural sciences are used in this process. The demand forecasts are made on the basis of population studies arriving at future need, future potential and future opportunities for development. Existing and future land use are also analysed. The regional requirements for water supply and water needs are defined.- Within the basin, the site specific studies are performed based upon available resources and the forecast needs.

Anaylysis of Existing System

The existing system forms the common base for all the development alternatives. It is the scenario at the beginning of the planning horizon and should be used as a bench mark for the evaluation of the alternative basin development plans. This existing system is generally simplified into a networks of nodes and links. Such a representation helps in applying the systems analysis techniques and carrying out optimization and simulation studies.

Identification of Plan Elements

Once the existing system is analysed the plan element are identified. The plan elements are the structural and non structural measures required for addressing different objectives. This may give rise to different planned alternatives, each giving emphasis to one of the desired objectives. The three possible alternatives, could be :

a) Economic Development alternative for maximizing economic returns

b) Foodgrain Production alternative for maximizing foodgrain output

c) Employment Generation alternative to encourage employment in the basin.

Creativity and ingenuity is necessary to arrive at an implementable basin plan. The water storage sites, canals, irrigated areas, cropping pattern etc are all plan elements, forming either a supply node or a demand node. These are integrated with the link and node diagram of the existing system. To make the process simpler the possible dam sites, diversion structures, irrigated areas, water needs etc for different plan scenario during the planning horizon should be first tabulated and then incorporating in the alternate plans. Environmental characteristics must be considered in the preparation of alternatives. The economics related to each alternative must be evaluated. This is specially important while including high capital intensive technologies like rehabilitation of old projects, land leveling and scientific preparation of fields, canal automation, treatment of municipal and industrial effluents and their recycling etc. The ability of preserve future options within the plan and maintenance of flexibility of the plan are critical elements in the formulation of plan alternatives.

Formulation and Analysis of Full Development Alternatives

It was earlier mentioned that the identified plan elements are combined into systems and sub systems to form components of the plans. Making use of these components, alternate plans, giving emphasis to different objectives, are formulated. The alternatives formulated needs to be tested to determine their ability to satisfy the needs, set objectives and ultimate goal. This step of evaluation of alternatives is an iterative process in combination with the formulation step. Each alternative must be evaluated with respect to the evaluation criterion originally identified. Included in the evaluation of alternatives, is the economic comparison made among themselves and also with the unplanned alternative. The unplanned alternative serves as a basis of comparison to determine which of the evaluated alternatives come close to and satisfy the overall objective. In addition to the quantitative evaluation, qualitative evaluation regarding environmental and other subjective issues are also made.

Multi Objecttve Evaluation and Plan Selection

During this phase the advantages and disadvantages related to alternative plans should be presented before media, Commission or Boards. This will enable representatives of the public to judge the plan, keeping in view the public sentiments. This should be done to involve public participation and for the social acceptability of the development envisaged. After discussion trade offs will have to be carried out to cater for the public and legislative acceptability and then only the optimal plan among the various alternatives selected. This plan can then be documented as the preferred plan to guide for future growth of the river basin.

Implementation, Monitoring and Ongoing Planning

Once the plan is finalised, it is implemented. The important activities for the implementation may includes.

a) Organisation set up for implementation of projects and plans

b) Procurement of adequate funds, conducting financial analysis and procuring necessary sanctions

c) Preparation of engineering designs, estimates, specification, awarding contracts, engineering supervision, land acquisition, worker training and other services

d) Monitoring, review of construction schedule.

While the plan is implemented new data become available and conditions also do change, necessitating updating of plan to suit the changed conditions. The basin development plan should therefore be reviewed and updated at least every five years or so.

Conclusion

The earlier concept of project by project development is now losing relevance due to the temporal and spatial variation in the availability of water. The efficient utilisation of water resources calls for a holistic approach to planning, development and management within the prescient of natural hydrological boundaries. The water resources development should not only aim at beneficial use of water but also at achieving it in a manner compatible with social economic and environmental interests. The integrated river basin planning and management helps in understanding resources system as a whole with emphasis on the inter actions and inter dependencies among its part. It provides a broad view of objectives and criteria by which the alternative plan can be evaluated and provides a framework to guide specific actions. It offers systematic and effective ways to deal with complexities making use of multiobjective decision making process. Integrated water resources development with river basin as a planning unit has been recognized and propagated all over the world. So far it has achieved only partial success, but the ongoing exchange of experiences between different river basin organisations will certainly lead to many success stories in near future.

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Corporate- Governance : Philosophy & Reality

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Abstract

While recent high-profile corporate governance failures in developed countries have brought the subject to media attention, the issue has always been central to finance and economics. The issue is particularly important for developing countries since it is central to financial and economic development. Recent research has established that financial development is largely dependent on investor protection in a country-de jure protection (the protection offered in the laws) and de facto protection (to what extent the laws are enforced in real life).

Keywords: Transparency, Social-Accountability, Governance-Mechanism, Protection

Introduction

'Success is not the art of making mistakes when nobody is looking at, true success is truthful expression of the performance when it is measured.'

Corporate governance is the system, set of processes, customs, policies and laws by which the corporations are directed and controlled. The corporate governance structure specifies the distributions of the rights and responsibilities among different participants in the corporation, such as, the board of directors, management, share holders and other stakeholders (include employees, suppliers, customers, investors and other lenders, regulators, the environment and the community at large) and spells out the rules and the procedures for making decisions on corporate affairs.[1] By doing this, it also provides the structures in which the company objectives are set and the means of attaining those objectives and monitoring the performance.

While recent high-profile corporate governance failures in developed countries have brought the subject to media attention, the issue has always been central to finance and economics. The issue is particularly important for developing countries since it is central to financial and economic development. Recent research has established that financial development is largely dependent on investor protection in a country-de jure protection (the protection offered in the laws) and de facto protection (to what extent the laws are enforced in real life).With the legacy of the English legal system, India has one of the best Corporate Governance laws but poor implementation together with socialistic policies of the pre-reform era has affected corporate governance.

Concentrated ownership of shares, pyramiding and tunneling of funds among group companies mark the Indian corporate landscape.

Corporate governance therefore calls for four factors:-

1. To build-up an environment of trust and confidence amongst those having competing and corporate interest.
2. Transparency in decision making.
3. Accountability which follows from transparency because responsibilities could be fixed easily for taken or not taken.
4. The accountability is for the safeguarding the interest of the stakeholders and the investors of the organization.[2]

Corporate governance in India- Evolution

In the third century B.C. in the city of Pataliputra (Patna) Kautilya (Chanakya) wrote 'Arthashastra' or Law of Economics. History records Patliputra the Capital of Mauryan Empire as a city "astonishingly well organized and administered according to the principles of Governance".

Kautilya further elaborates on the fourfold duty of a king as :-

1. RAKSHA-Protection

2. VRIDDHI-Enhancement
3. PALANA-Maintenance
4. YOGAKSHEMA-Safeguard

The substitution of a state with the Company, the king with the CEO or the Board of a Company Subjects with the Shareholders, brings out the spirit of Corporate Governance.

The four principles of corporate governance are:-

Protecting shareholder's wealth

Enhancing the wealth through proper utilization of assets

Maintenance of that wealth and not frittering away in unconnected and non profitable ventures through expropriation, and above all

Safeguarding the interest of the shareholders.[3]

Purpose of corporate governance

1. To enhance the reputation of a business/ entity, which is in the public sector include expectations of model behaviors from public entities.
2. To comply with the laws and Acts.
3. To make the business entity more efficient and effective and to avoid disasters.

Players in corporate governance

1. Board of executives,
2. The management teams,
3. Shareholders,
4. Other stakeholders
5. Government.

Excellence through corporate governance

Good governance provides stability and growth to the companies.

Good governance system, demonstrated by adoption of good corporate practices, builds confidence.

Effective governance reduces perceived risks, consequently reducing cost of capital.

In the knowledge driven economy, excellence in skills like management will be the ultimate corporate houses to leverage competitive advantage in the financial market.

Adoption of good corporate practices promotes stability and long term sustenance of stakeholder relationship.

A good corporate citizen becomes an icon and enjoys a position of pride.

Potential stakeholders aspire to enter into a relationship with enterprises whose governance are exemplary.[4]

Factors influencing corporate governance

1. The ownership structure :

Our corporate sector is characterized by the co-existence of state owned, private and multinational enterprises. Specifically, the shares are held by (except those belonging to a public sector) :-The term lending institutions, Institutional investors, comprising government - owned mutual funds, Unit Trust of India and government owned insurance companies, Corporate bodies, Directors and their relatives and Foreign investors. Apart from these holdings, there is a sizable equity holdings by small investors.[5]

2. The structure of company boards.
3. The financial structure.
4. The institutional environment.

Mechanisms of corporate governance

1. **Companies Act** : - Companies in our country are regulated by the companies Act,1956 with 658 sections and 14 schedules. But to ensure corporate governance Act confers legal rights to shareholders to :-Vote on every resolution placed before an annual general meeting; To elect directors who are responsible for specifying objectives and laying down policies; Determine remuneration of directors and the CEO; Removal of directors; Take active part in the annual general meetings.[6]
2. Securities law :i.e. SEBI Act Since its setting up in 1992.
3. Discipline of the capital market.
4. Nominees on company boards.
5. Statutory audit.
6. Codes of conduct.

Materials and Methods

The works of various authors, journals periodicals and interviews have been used in this paper with the help of huge materials collected from variety of sources, both primary and secondary. Various books concerning 'Corporate-Governance' were consulted. The materials used have at times been drawn from

the website and extreme care has been taken to be objective in approach. Consultations and Interviews with eminent scholars in the field have shaped the present discussion.

Results and Discussions

Corporate governance has been a central issue in developing countries long before the recent spate of corporate scandals in advanced economies made headlines. Indeed corporate governance and economic development are intrinsically linked. Effective corporate governance systems promote the development of strong financial systems- irrespective of whether they are largely bank-based or market-based- which, in turn, have an unmistakably positive effect on economic growth and poverty reduction. There are several channels through which the causality works. Effective corporate governance enhances access to external financing by firms, leading to greater investment, as well as higher growth and employment. As for equity financing, the ratio of stock market capitalization to GDP in the countries is the highest quartile of shareholder right enactment and enforcement is about four times as large as that for countries in the lowest quartile.[7] Hence poor corporate governance also hinders the creation and development of new firms. Good corporate governance also lowers the cost of capital by reducing risk and creates higher firm valuation once again boosting real investment. Effective corporate governance mechanisms ensure better resource allocation and management raising the return to capital. The return on assets (ROA) is about twice as high in the countries with the highest level of equity rights protection as in countries with the lowest protection. Good corporate governance can significantly reduce the risk of nation-wide financial crisis. There is a strong inverse relationship between the quality of corporate governance and currency depreciation. Indeed poor transparency and corporate governance norms are believed to be the key reasons behind the Asian-Crisis of 1997.Such financial crisis have massive economic and social costs and set a country several years back in its path to development.

Finally, good corporate governance can remove mistrust between different stake holders, reduce legal costs and social and labour relationships and external economies like environmental protection.

Making sure that the managers actually act on behalf of the owners of the company-the stakeholders-and pass on the profits to them are the key issues in corporate governance. Limited liability and dispersed ownership-essential features that the joint-stock company form of organization thrives on- inevitably lead to a distance and inefficient monitoring of management by the actual owners of the business. Managers enjoy actual control of business and may not serve in the best interest of the shareholders. These potential problems of corporate governance are universal.[8] In addition, the Indian financial sector is marked with a relatively unsophisticated equity market vulnerable to manipulation and with rudimentary analyst activity; a dominance of family firms; a history of managing agency system; and a generally high level of corruption. All these features make corporate governance a particularly important issue in India.

Systematic problems of corporate governance:-

Demand for information: A barrier to shareholders using good information is the cost of processing it, especially to a small shareholder. The traditional answer to this problem is the efficient market hypothesis (EMH) asserts that financial markets are efficient and suggests that the shareholder will free ride on the judgment of larger professional investors.[9]

Monitoring costs: In order to influence the directors, the shareholders must combine with other form of a significant voting group which can pose a real threat of carrying resolutions or appointing directors at a general meeting.

Supply of accounting Information : Financial accounts form a crucial link in enabling provider's finance to monitor directors. Imperfections in the financial reporting process will cause imperfections in the effectiveness of corporate governance. This should, ideally, be corrected by the working of the external auditing process.

What Companies should do?

Companies need to take steps to prevent harm to their reputation and also pacify the activist group by taking basic steps like

meeting all corporate norms and regulations. They should be in a transparent manner. Companies these days reward employees for meeting sales targets, achieving profits etc. but somewhere down the line we have neglected ethical conducts and transparency. Those who achieve excel but by the doubtful way should face negative consequences not rewards. This may not sound well but long term reward for good corporate governance will be much higher. There is also need for the succession planning for the employees in the organization.[10]

Corporate Governance Practices by Infosys

The grand story of Infosys foundation started with its mentor Narayana Murthy having borrowed a princely sum of Rs.10,000. From his wife Sudha Murthy (Today, the chairperson of Infosys). This man with vision but zero capital is then responsible for what Infosys is today. In fact he boldly proclaims," Leaders must by example".

Infosys has accepted the recommendations of the CII (Confederation of Indian Industries published a code of corporate governance in the late 1990s) and the recommendation of the code of corporate governance by Kumar Manglam Birla Committee of SEBI.

Infosys has an executive chairman and chief executive officer (CEO) and a managing director and chief operating officer (COO).The COO is responsible for all day to day operational activities, achievements of annual targets in client satisfaction, sales, profits, quality, productivity, employer empowerment and employee retention. The CEO, COO, executive directors and the senior management made periodic presentations to Annual-Report on their targets, responsibilities and performance. Infosys adopted the tough US Generally Accepted Accounting Practices (GAAP) many years before the other companies in India did. To maintain transparency, Infosys provided details on high or low averages of share prices in all the stock exchanges on which the companies share were listed. Narayan Murthy believed in commitment to values, ethical conducts of business. He made a clear distinction between personal and corporate funds so that members took only salaries and dividend and did not have other benefits from the company. By the late 1990s, Infosys Technology Ltd had clearly emerged one of the best managed companies in India. In 2000, Infosys had been awarded the" National Award for Excellence in Corporate Governance" by the Government of India. In 1999, Infosys had been selected as one of Asia's leading companies in Eastern Economic Review's. REVIEW 2000 survey and voted it as India's most admired company by the Economic Times. As a way of discharging corporate-responsibility the company has pledged a part of its wealth away to charities involved in basic health care, education and nutrition.

Conducts of Satyam: Mockery of Corporate Governance

The failure of corporate governance is best exemplified by the Satyam Saga. The explosion of its success story brought into light the myth of 'asatyam' that had built around the IT Company and its founder and CEO B. Ramlinga Raju . The failure of the corporate governance, the blindness of the legal system of the country and the criminal complicity of the financial regulatory authorities not only pitiably affected the stakeholders but sent shock-waves through the length and breadth of the country. "Satyam" it is a Sanskrit word which means the truth but the Satyam case is one of the biggest untruth in India's corporate history. B. Ramalinga Raju, Founder & CEO of Satyam Computers proved that Satyam Computers had been feeding investors, shareholders, clients and employees diet of 'asatyam'. January7th, 2009 will go down as a black day in corporate India for this was the day, Ramalinga Raju, the founder & former chairman of Satyam admitted the company had been falsifying its account for years. What had shocked analysts is that the money, that supposed to be fictious later, had been rolling Satyam's balance-sheets and books of account that had been audited by the internationally reputed auditors, Price-Water-house-Coopers(PWC). The entire episode of attempt to purchase of Maytas by Satyam was nothing but making mockery of the concept of corporate governance in India, the very definition of which ie. Fairness, Transparency and Accountability have failed here. Satyam Computers episode has raised a question on

the role by independent directors and whether they all need to be regulated. This case is an eye-opener to the extent to which the independent directors are performed well their role.

Conclusion

The terms of philosophy and reality we can compare both the companys' honesty level, accountability level and of course transparency level. These are the pillars of Corporate Governance.

When one talk about Infosys, we find it strong in all aspect and above all the company thinks employee first then about anything else. Because, the founder of the Company Narayan Murthy thinks that employees are the biggest assets for the company.

Nevertheless, if we talk about Satyam, we find holes everywhere. Company's founder Raju never thought about employees and the code of Corporate Governance. He made a mistake that he falsified the books of accounts for last several years. And then another mistake for trying to overcome the first one by attempting to purchase Maytas Infrastructure and Maytas Properties.

So, we find that Infosys had not only acquired a best position for itself but by its best corporate governance practices it has made a great perception of investors about Indian Companies in Indian market.

On the other hand Satyam Computers had lost the trust of itself, other Indian Companies and International Market by its bad Corporate Governance conduct.

So, it can be said that fulfilling the needs and requirements of Corporate Governance is not the choice but it's a compulsion for companies. Ethics, Efficiency and Accountability are most important for long term survival and prosperity for the organization. So, Companies should follow the way Infosys has followed and stop following norms which Satyam took.

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Industrial relations and globalization

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Abstract

Industrial Relations is the composite result of attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and coordination of the activities of an organization with a minimum of human efforts and frictions with a spirit of cooperation and regard for the genuine wellbeing of all the members of the organization. The field of Industrial Relations includes the study of workers, trade unions, management, employers' associations and the state institutions concerned with the regulation of employment. The growth of Industrial Relations is directly linked with the industrial development. Higher the industrial development higher will be the complexities of Industrial Relations. New dimensions have been added to the complex concept of Industrial Relations in the era of globalization and liberalization. Industrialization strategies affect society and labour and influence human resource and Industrial Relations policies at both the macro and micro levels. Globalization has led to several changes in the industrial strategies and policies and in the wake of these changes it's a big challenge to ensure that economic and industrial development is in harmony with social and human progress. Here, the role of trade union as a channel between the management and the employees is very crucial. The stumbling trade unions require new vision, mission, strategy and philosophy, effective communication and ability to correlate individual goals with the goals of the enterprise to establish efficiency and competitiveness of the organization in the era of globalization. The present article attempts to develop an overview on the various facets of Industrial Relations in the era of globalization, its present and future challenges, IR policies and the role of trade unions.

Keywords: Industrial relations, globalization, trade unions, human resource, liberalization

Introduction

Industrial Relations (IR) has vastly emerged as a vital field of study and today it occupies a significant place in the modern business world. Earlier industrial relations did not exist the way it does at present. Infact, the growth of industrial relations is directly linked with the industrial development and the complexity of the work organization. As the organizations grew in complexity, size and number, industrial relations emerged very rapidly1.Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without co-operation of labour and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees and employers.

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen.

In the common perception, industrial relations connote the complex web of relationship that exists between the employer and the employees and the State being in the position of the third actor as a regulatory authority. Industrial relations affect not merely the interests of the two participants-labour and management, but also the economic and social goals to which the State addresses itself. To regulate these relations in socially desirable channels is a function which the State is in best position to perform.[2] Industrial relation is quite complex and multi-dimensional in nature and it rests upon economic, historical, social, psychological, ethical, political, legal and other variables. It includes everything that people do in the world of work, their actions and reactions which affect not just a company or an industry rather the entire economy.

It is a well known fact that dynamic changes take place in various fields whether it be social, economic, political, cultural or any other. In the economic sphere 'Globalization' represents the significant change. Globalization can be defined as a process of rapid economic, cultural, and institutional integration among countries. This unification is driven by the liberalization of trade, investment and capital flow, technological advances and pressures for assimilation towards international standards. Globalization has reduced barriers between countries, thereby resulting in intensification of economic competition among nations, dissemination of advanced management practices and newer forms of work organization, and in some cases sharing of internationally accepted labour standards. Globalization is a common characteristic of today's economic order. Globalization has had and is continuing to exert a variety of influences on the various economic aspects. It is not at all surprising that globalization impinges on industrial relations as well. This is so because globalization significantly contributes to structural changes resulting from new forms of organization of work and production within and between firms and also because it subjects national labour markets to increased pressures from foreign economic influences.[3]

Materials and Methods

The materials presented in this article are based on relevant books, magazines, journals, reports and websites. The materials are mainly of secondary nature. A descriptive and analytical approach has been adopted. Also, efforts have been made to maintain objectivity.

Results and Discussions

In the preliminary stages of industrialization industrial relation was not accorded the due importance it actually deserved. It was merely used as an ad-hoc managerial response in dealing with a problem ie, just a patch up job. However, the recent spate of changes in the economies of the world by the creation of WTO, economic liberalization and trend towards globalization have brought many changes in the modern organizations.[4] Increasing levels of globalization, ruling the world economy has thrown a spate of challenges in the field of industrial relations. Today, it's unimaginable that Industrial Relations (IR) and Human Resource (HR) professionals are at a liberty to ignore the consequent changes led by globalization in the field of IR. Rather it's a compulsion on their part to design and execute innovative mechanisms of developing skills and competencies of human resources and adopting relevant strategies to combat the challenges which include:

- Rapid advancement of technologies leading to obsolescence of present skills and techniques;
- Elimination of long established jobs on account of technological advancement;
- Changing profile of workers, such as increased education, rising share of women in the work force, increased emphasis on fulfillment of psychological needs, increased awareness, greater degree of skill and mobility, higher aspirations etc.;
- Increased number of mergers and acquisitions leading to redundancy of thousands of workers;
- Increased pressure on organizations to contract out the various services like house-keeping, security, gardening and para-clinical;
- Frequent changes in the requirement of different patterns of experience and education from the employees;
- Economic and industrial policy changes leading to tough competition from multinational corporations;
- Ever increasing needs and expectation of employees from their employers.

The aforesaid challenges in the field of IR definitely call for the change in the perspective of the IR managers. Today it is being realised that human resource is the greatest asset and policies like competence building, job rotation, improved working conditions, job security, financial and non-financial incentives, etc are being adopted by the organizations. Greater stress in being given in the field of labour welfare and social security with increased forced retirement benefits like health insurance, provident fund, pension etc. The managers are being compelled to evolve appropriate techniques to satisfy the higher

level needs of workers in order to motivate them to survive and grow in the highly competitive market and to face the challenges thrown upon by globalization. Managements across the world have started adopting participative style of management where workers are delegated responsibility and are involved in the day to day decision making process.

Industrial policy and globalization

Prior to 1991, the industrial relations system in India sought to control conflicts and disputes through excessive labour legislations. These labour laws were protective in nature and covered a wide range of aspects of workplace industrial relations like laws on health and safety of labours, layoffs and retrenchment policies, industrial disputes and the like. The basic purpose of these laws was to protect labour. However, these protectionist policies created an atmosphere that led to increased efficiency in firms, over employment and inability to introduce efficacy. With the coming of globalization, the 40 year old policy of protectionism proved inadequate for Indian industry to remain competitive as the lack of flexibility posed a serious threat to manufacturers because they had to compete in the international market. With the advent of liberalization in 1991, the industrial relations policy began to change. Now, the policy was tilted towards employers. Employers opted for workforce reduction, introduced policies of voluntary retirement schemes and flexibility in workplace also increased. Thus, globalization brought major changes in industrial relations policy in India. These changes may be summarized as follows:

- Collective bargaining in India has mostly been decentralized, but now in sectors where it was not so, are also facing pressures to follow decentralization.
- Some industries are cutting employment to a significant extent to cope with the domestic and foreign competition. On the other hand, in other industries where the demand for employment is increasing are experiencing employment growths.
- In the expansionary economy there is a clear shortage of managers and skilled labour.
- The number of local and enterprise level unions has increased and there is a significant reduction in the influence of the unions.
- Under pressure some unions and federations are putting up a united front e.g. banking.
- Another trend is that the employers have started to push for internal unions i.e. no outside affiliation.
- HR policies and forms of work are emerging that include, especially in multi-national companies, muli-skills, variable compensation, job rotation, etc. These new policies are difficult to implement in place of old practices as the institutional set up still needs to be changed.
- HRM is seen as a key component of business strategy.
- Training and skill development is also receiving attention in a number of industries, especially banking and information technology.

Trade Unions and Industrial relations in globalization

It was proposed earlier that there are three key actors in modern industrial relations systems-the employers, the labour unions and the government-wherein none of these institutions could act in an independent manner and that they are shaped to some extent, by the market, technological and political contexts under which they operate.

However, recent decades have witnessed profound changes in the said “contexts”-where trade unions operate, threatening their present day relevance. The sources of these changes are well known-globalization of the world economy, ascent of new technologies and changes in workforce demographics. These changes in the environmental contexts have resulted the expansion of marginalized workers of the economy and with their traditional approaches and strategies, they have remained outside the purview of trade unions, leading to their decline over the past years.

Trade unions have been important institutions of industrial society. Apart from being successful in legitimizing the workers’

struggle, they have helped deliver significant outcomes in terms of empowering their members and fighting for equity and justice to workers. The advent of the 21st century has proved to be the defining moment for trade unions. There have been immense changes in the political and economic spheres which have had negative effects on their position and influence.

Globalization of the economy is the foremost cause of such a development. It has brought about heavy pressure on the local industries to become globally competitive. Heightened global competition has disposed enterprises to adopt greater flexibility both functional and numerical.-in terms of labour utilization. Functional flexibility on the one hand includes "broadening of job designs, mobility across tasks, enlarging the scope of individual skills and extensive training and retraining programs." Numerical flexibility, on the other hand, entails practices such as labour subcontracting, changing work-hours and hiring casual, part-time, temporary and contract workers. These practices are nowadays considered typical by increasing number of people and now have gained 'legitimacy and political support in the climate of economic liberalism.' The even sadder part is that these practices are easily employed by capitalists without much reaction from workers as they are left with no choice but to agree due to limited employment opportunities.

Globalization has also affected the way employers see their employees. In their eyes labour has become a commodity and not a partner for progress. They constantly try to keep on creating cheap labour market to maintain low prices with high profit margins. Due to intense competition they prefer to avoid obstruction in their production processes, thus they adopt anti-union practices.

Apart from globalization, technological advancements too have affected the role of trade unions. Advancements in technology has led to geographically dispersed production units. It is no longer necessary for people to work closely and be physically located in the same place. Computers have facilitated online work execution. Truly, with technological advancements, the term virtual office has become a reality. Another phenomena associated with new technology is the automation of business process. Companies have been resorting to the substitution of labour-intensive operations by machine-processed operations.

The composition of workers is also changing and they are increasingly differentiated by their competence. At the higher end of the spectrum, workers "tend to be better educated, career minded, individualistic and less motivated by class interests and solidarity. Also majority of workers belong to the lower end of the scale, usually employed in service industries and occupations and they are mainly women and migrant workers.

The above trends in the realm of labour and employment have had the general effect of weakening trade unions, demarcating their organizing and bargaining opportunities. The challenge to trade unions, therefore is to transcend their traditional approaches in mobilizing and organizing workers. Today when global capitalism has emerged dominantly in the form of MNCs and more and more organizations are trying to globalize their operation and thus exposing them to stiff competition, new strategies and constructive policies are required to be adopted by the trade unions. Development of new perception; understanding of organization's vision, mission, strategy and philosophy; effective communication with the management; establishment and maintenance of cooperative work culture; correlation between individual's goals and organization's objectives etc is the need of the hour. Particularly, there is a need for trade unions to establish alliance with other institutions to be able to seek social justice for a wider group of workers and consequently sustain their relevance amidst changing global and local pressures.

Future of industrial relations

The business environment is changing rapidly and the pressures from various groups involved are starting to get more vocal and intense. In such an environment it will be extremely crucial to maintain harmonious and peaceful industrial relations for the success of the business concerned. The objective of maintaining healthy industrial relations is to safeguard the interests of the labour and management, avoid conflicts, eliminate strikes

and lockouts and raise productivity. Healthy industrial relation can be achieved through the existence of responsible management and trade unions. The government that plays the regulatory role is also very crucial in maintaining industrial peace and take the country on the path of speedy economic growth.

Effective management of industrial relations will continue to demand a very high priority in the coming era, not just to 'do well', but also for the survival of both, the organization, as well as the employees, jobs. The HR managers will have to develop more effective strategies to build understanding and co-operation for this common objective, before being too late. Instead of confronting, partnership attitudes between unions, employees and management will have to be created. Maturity from all will need considerable changes in management styles, impartial attitude building exercises and development work spearheaded by the HR managers. Productivity improvement, managing flexibility, rapid adaption of technological upgradation and fast response to market requirements will also warrant the HR managers to manage such changes with minimum disruption- an undaunting task.

The scope of industrial relations will be wider in the future and will depend upon the various strategies adopted by the concerned parties. The future of the industrial relation lies in the Human Resource Development that lays emphasis on investing in human capital through the development of competencies, multi-skilling, career planning, work that meets expectations of workers, and a balance between needs of the organization and the needs of the workers. Undoubtedly, industrial relations getting complex day by day is expected to consume more of managerial attention and time.

Further, the increasing globalization of market and the emergence of an international order seeking to enforce international labour standards would add to the complexity of industrial relations. Here, it would become imperative to upgrade and bring to tune with times the labour legislation, labour administration and labour judiciary. Also, appropriate institutional mechanism for review, simplification and rationalization of labour laws with a view to removing irritants and stumbling blocks in healthy industrial relation would be required. By a process of liberal and beneficial interpretation, the judiciary seeks to expand the horizon of social justice with the result that no area relating to industrial relations is immune from judicial intervention.

Conclusion

Industrial relation has undergone a great deal of transition and transformation. With every passing day, its complexities are multiplying. It's a big challenge for both present and future managers to handle adequately the issues related to industrial relations. To achieve the goals of efficiency and equity in the industrial relation, the roles of parties to industrial relations and their underlying values both needs to be redefined. With the global interdependence on the rise, a new outlook, a fresh perspective and rational strategies to industrial relation are required to bring about better performance, growth and development of the business concerns. To sum up, "the strategic importance of industrial relations extends beyond the limited frontiers of union-management relationship and overlaps with future prospects for the country on the one hand and the basic concepts and assumptions of economic development on the other. The set of strategic choices must be made in the midst of economic and political difficulties that the country is undergoing.

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Management : A Tool of Success

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Abstract

Management today has succeeded in assuning the appearances and privilages of professionalism while evadiny the attendent constraints and responsibilities. It is a fashion to denigrate professionals as elites enjoying shelters from the rough and tumble of the market place. But it is not easy for society to surrender the benifits that it derivers from prefessionals. Existence of elite knowledge workers in the complex modern society is inevitable.

Keywords: Trustworthy, professionalism, elites, commitment, ethics

Introduction

In response to the recent scandals, politicians and government officials have stepped in to pass new laws and create new regulations, while prominent persons on Wall Street and elsewhere in the business community have issued their own calls for reform in such areas as accounting practices and executive compensation. Yet while laws, regulations, and policies have a clear role to play here, they are a relatively expensive and inefficient way for a society to promote responsible conduct and trustworthy business leadership.

In the case of bad behavior on the part of business executives, the reason that the issue of trust arises is that these individuals are expected to exercise judgment - based on specialized knowledge and methods of analysis that they all along are thought to possess - in areas in which their decisions affect the well-being of others. When the need for such judgment has arisen in other spheres that are vital to the interests of society (such as law and government, military affairs, health, and religion, to consider the classic examples), modern societies have responded by creating the institutions that we know as professions. One way of diagnosing the cause of the recent epidemic of business scandals would be to speak of a widespread failure among CEOs and other senior executives (along with Board members, Auditors, Financial analysts, and others) to uphold their professional obligations.

To speak of the professional obligations of individuals such as CEOs and other executives is to imply that business management itself is a profession -but is it? Sociologists who study the professions have employed a wide range of perspectives and criteria for determining what makes an occupation a profession. For the purpose of our present inquiry, we have chosen four traits and practices out of the network of those that have been found to be associated with professions. We use these traits and practices both to set forth our own notion of the essence of professionalism and to enable us to compare management with what we take to be the bona fide professions, in particular law and medicine.[1] Our criteria for calling an occupation a bona fide profession are as follows:

A common body of knowledge resting on a well - developed, widely accepted theoretical base;

A system for certifying that individuals possess such knowledge before being licensed or otherwise allowed to practice;

A commitment to use specialized knowledge for the public good, and a renunciation of the goal of profit maximization, in return for professional autonomy and monopoly power;

A code of ethics, with provisions for monitoring individual compliance with the code and a system of sanctions for enforcing it.

In comparing management with the more traditional professions of law and medicine

along these criteria, one inevitably finds it wanting.[2] (we say this despite the inroads made by market values at the expense of traditionally professional ones that have been observable in both law and medicine in recent years). This shortcoming, we believe, has a direct bearing on society's ability to demand and obtain responsible conduct from executives, as well as on management's ability to maintain the public trust required for the optimal functioning of our economic institutions. While not intending to idealize what we have called the bona fide professions, we believe that the comparison we undertake in this paper has merit as a way of suggesting how management as an institution might be reformed, other than through the blunt instruments of law and regulation on one hand and well-meaning but ultimately toothless calls for greater individual integrity and ethics on the other. Common body of knowledge resting on well - developed , widely accepted theoretical base.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

The traditional professions of law, medicine, and the clergy all have deep historical roots in another major institution of Western society: the university. Roman and canon law, medicine, and theology, in fact, constituted three of the four faculties of the medieval European university, and they survive to this day - in schools of law, medicine, and divinity, respectively - in the modem American university. Law students now learn the law not as a collection of statutes but rather as a set of principles, doctrines, and rules that have evolved over the course of centuries and are said to constitute legal reasoning itself. The study of medicine, for its part, has been continually transformed since the Middle Ages by the rise and ongoing progress of modern science. The development of the germ theory of disease in the nineteenth century, for example, and of the science of genetics in the twentieth, have gone into the formation of a theoretical structure that undergirds the body of knowledge every medical student is now required to master.

Turning to the body of systematized knowledge underpinning the claim that business management too is a profession, we find important difference between management as a science and the knowledge bases of the traditional professions. It is not just that the study of management was a latecomer to the university which, since the creation of the modem America research university in the last three decades of the nineteenth century, has gained an effective monopoly on professional education[3] (the first university based business school in America, the university of Pennsylvania's Wharton School of Finance, was not founded until 1881)[4]. The professionalization of management, which was what business schools were founded to undertake, began as a quest to delve the practice of business, with its rule of thumb approach to business problems to discover a set of underlying principles that could explain effective practice These basic principles were by no means evident to the pioneers of academic business education and, as we suggest, they remain by no means evident today.[5]

During the time that the first business schools were being constituted, at the beginning of the twentieth century, scientific management was in the air, as Frederick Taylor's application of scientific methods to the study of physical labor had begun to be extended to the organization of industry as well as to spheres such as higher education and government.[6] While Taylorism was quickly jettisoned as the core of the business school curriculum, it made scientific reasoning and method appear to be applicable to business, thus helping to legitimize the study of business as an activity within the university. Yet what exactly a "science" of management should study would be puzzled over and debated for a great many years. There curricular models emerged and competed with one another in the early decades of university business education. The first was a simple aggregation of course taught elsewhere in the university

and covering such obviously useful (if intellectually circumscribed) subjects as accounting and business law. The second model attempted to organize business education around specific industries such as banking, transportation, merchandising, mining and lumber. The third model increasingly adopted by the 1930s, and still the basis of the business school curriculum today - was the functional approach, as the grouping of courses began to mirror the differentiation of finance, administration, operations, and marketing as the major activities of the firm. Thus, the curricular structure evolved as a pragmatic response to the challenge of turning out graduates who could perform the tasks that would be required of them by employers.[7]

Economics, in the decades prior to World War II, had occupied a relatively weak position in the disciplinary pecking order. Yet as the growing acceptance of Keynesian theory in the post - war years gave the subject greater prestige, and the 1958 reports on the state of business education in America by the Carnegie corporation and the Ford Foundation led to a greater emphasis on the social sciences and quantitative method in business schools[8] economics began to move into the position of dominance that it enjoys in the MBA curriculum today. It is undeniable that other recent economic theorists have contributed important insights into the internal workings of firms that are applicable to managerial practice. Yet they have also left business education with a dominant theory that, in adhering to many of the individualist assumptions and methodologies of neoclassical economics, is unable to account for much of the social environment of business - including the social and cultural factors that make themselves felt within organizations, as well as other essential aspects of the phenomenon that it purports to explain.[9]

System of certification

Besides having failed to develop a body of knowledge and theory comparable to those of the true professions, management differs from these other occupations in lacking a set of institutions designed to certify that its practitioners have a basic mastery of a core body of specialized knowledge and can apply it judiciously. In medicine and law, for example, there are institutions that specify the educational requirements (i. e, the MD or JD degree) that anyone desirous of practicing the profession must obtain. Beyond these educational requirements, aspirants to membership in these and other recognized professions must obtain a license to practice by passing a comprehensive exam designed to test mastery of the knowledge ostensibly acquired in professional passes that exam, he or she must invest in a certain amount of continuing education in order to stay abreast of evolving knowledge in the profession and to maintain a license to practice.

Management differs from medicine, law, and other recognized professions in having neither a formal educational requirement nor a system of examination and licensing for aspiring members. Although the MBA has been the fastest -growing graduate degree for the past twenty years, it is not a requirement for becoming a manager [10]. It is true that for those seeking access to senior executive positions or work in the fields of investment banking or consulting, an MBA has become a de facto requirement. Yet even in these cases, there is no requirement of passing a standard exam before being admitted to practice, nor are senior managers, investment bankers, or consultants required to participate in continuing education. There is no explicit obligation, for example, for experienced, high level managers to know anything about investing in innovative new financial derivatives or special - purpose vehicles, even if they serve on boards that are required to approve such potentially risky transaction. In fact, data on enrollment in executive education programs offered by business schools suggest that those who already possess an MBA are the least likely to pursue continuing education.[11]

Commitment to specialized knowledge as a public good; renunciation of profit maximization.

To be able to set and enforce standards of admission to a profession, determine how professional work is done, engage in self - regulation rather than be subjected to extensive regulation from without, and reap the

economic benefits of a monopoly position in the marketplace - these are all privileges that society grants to professions in return for certain social benefits. The creation of these social benefits, in turn, places certain constraints on professionals. Because they possess specialized knowledge in areas of vital concern to society, genuine professionals are expected to place that knowledge at the disposal of all who require it and to provide services in a way that places the maintenance of professional standards and values ahead of the securing of individual advantage. The renunciation of unabashed self -interest that society expects of true professionals takes a very particular form: unlike actors in the marketplace, as envisioned by classical and neoclassical economic, professionals engage in work out of more than merely economic motives, and they eschew profit maximization (as opposed to profit making) as a goal[12]. Indeed, because of the exemption they have been granted from certain laws of market exchange, professionals are specifically enjoined from using the laws of the market to reap economic gain at the expense of their professional obligations.

Haunted by a belief that scientific, technological, and material progress was outstripping society's capacity for moral self-governance, and that the professions that had traditionally provided social moral leadership (i.e, law and the clergy) were no longer up to the task, Donham looked to a new "profession of business" for nothing less than saving modern, industrial civilization from itself. As the professionalization project that had provided the agenda for American business education from its founding up until the outbreak of world War II was abandoned in the postwar decades, expectations of what managers should contribute to society became rather more modest, to say the least.

Today, in place of such notions as the "socializing of industry from within" and the concept of the business executive as an expert capable of, and responsible for, solving some of the most urgent problems facing modern societies, we find American business schools propagating the doctrine of shareholder primacy and the paradigm of the manager as the mere agent of the company's "owners". Taken in combination, these two concepts - both outgrowths of the intellectual domination of American business education by economics during the past three decades - make managers anything but disinterested experts oriented toward the needs of society that we take to be part of the essence of professionalism. The doctrine of shareholder primacy has legitimized the idea that the benefits of managerial expertise may be offered for purely private gain and that this is equivalent to advancing societal interests. Having given rise to the notion of making managers " think and behave like owners" through equity - linked compensation, agency theory can now be seen to have led directly to many of the worst profit - maximizing abuses unmasked in the recent wave of corporate scandals. [13]

Code of ethics

The fourth and final dimension on which, in our view, management differs significantly from the true professions is that its members are not governed by a shared normative code that is reinforced by institutions that promote adherence to it. Such a normative code, whether known as a code of ethics or a code of conduct, is a central feature of almost any occupational group that desire to be seen as a profession. Though normative codes exist among "professions" as diverse as librarianship and plumbing, the true professions go farther than simply having a written code by which members are encouraged to abide voluntarily. They teach the meaning and consequences of the code as a part of the formal education of their members. They test and verify this understanding through licensing exams. Once licensed, members are required to adhere to the code in order to maintain a license. A governing body, composed of respected member of the profession, oversees adherence to the code by establishing monitoring mechanisms, reviewing complaints, and administering sanctions - including the ultimate sanction of revoking an individual's license to operate as a professional.

Professions establish these codes, and the institutions to enforce them, as part of their implicit contract with society. "Trust us to exercise jurisdiction over an important occupational category," these professions

essentially state. "In return, we will make every effort to ensure that the members of our profession are worthy of your trust, that they will not only be competent to perform the tasks with which they have been entrusted but will also adhere to high standards and conduct themselves with integrity." The privilege of self-regulation is granted out of society's recognition that in cases involving the use of highly specialized knowledge, laypersons may not be a position to pass accurate and fair judgment on the conduct of specialists.

Most normative codes, like the ancient Hippocratic Oath for doctors, clearly articulate a profession's higher aims and social purpose and the manner in which these purposes must be pursued. Such role definitions have many benefits; one is that by establishing a normative standard for inclusion, they create and sustain a sense of community and mutual obligation among the member of a profession as an abstract social entity. These bonds of membership create the social capital of a profession, which builds trust and significantly reduces transaction costs among members of that profession and between the profession and society. As we observed at the beginning of this paper, trust in management as an institution could not be much lower than it is in American society today. In light of that, the benefits of a true profession of management adopting a formal normative code would appear to be obvious-particularly in comparison with a regulatory regime that could all too easily stifle the innovation and risks taking that have contributed so much to the success of American capitalism.

Conclusion

One way of looking at the problem with American management today, we would argue, is that it has succeeded in assuming many of the appearances and privileges of professionalism while evading the attendant constraints and responsibilities. Although it is now fashionable in some quarters, as we have suggested, to denigrate professionals as elites enjoying shelters from the rough and tumble of the marketplace, do we as a society really wish to surrender the benefits that we rightfully demand of professionals in return? And given the inevitable existence of elite knowledge workers, such as managers, in complex modem societies, ought we not to be concerned with producing elites who are motivated by something beyond the pursuit of self interest under the laws of the marketplace or the fear of punishment under the laws of the land? A self-interested, self-indulgent corporate leadership is not inevitable, and a model for something better lies at hand. We can find it the flawed but durable institutions that serve society by meriting the label "profession."

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Philosophy of Man-Management : Indian Perspective

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Abstract

Management is defined as 'getting things done'. A manager accordingly is expected to get desired results from and through people. For this purpose, he is expected to motivate, that is 'induce' others such that they behave in the manner in which he wants them to behave. The need for man-management is felt not only at the national level but also at the level of individual undertakings. An employer can not effectively manage manpower in his organization or keep control on his human resources in relation to both quantity and quality unless he is fully aware of the manpower resources of his country. A comprehensive man-management programme will be ineffective and of little use, unless it is implemented and an effective control is maintained by the Manager. In this article it will be discussed as to shall discuss how to enhance the potential of those who are aspiring to be managers or those who are already in a position of manager for effective man-management.

Keywords: Management, Perspective, ATMA

Introduction

In our management education, we have depended heavily on the concepts and literature developed in the west. The truth is that to-day a stage has come when western scholars are looking for inspiration from the Indian experience; what is it that has helped us to survive for so long as a civilization. It is significant that the national best seller in the USA, 'The 7 Habits of Highly Effective People' by Stephen R. Convey is inspired by the words of Swami Sivananda, in the following paragraph in his book 'Self Knowledge'.

"You have got a particular way of writing in vertical way. This is prarabhda (inherited situation, condition or tendency). You can change that writing into slanting way. This is purushartha (effort). Take care of your thoughts. Then action will take care of them. Action follows thought. You sow an action and reap a tendency. You sow a tendency and reap a habit. You sow a habit and reap a character you sow your character and reap your destiny. Therefore, destiny is your own creation. If you change your merits you can become master of your destiny."

The distillate of entire process was given out in just four words. It is: TO BE ; TO DO : TO SEE : TO TELL

'TO B E' is the inner structure of an effective manager in terms of man-management. 'TO DO' is the style of a manager by personal example. 'TO SEE' and 'TO TELL' are the action of managers.

'TO BE' component is very strong. Firstly it is possible to say, that in the totality of the personality a manager should be gentleman in the true sense of the word. It is of interest to note that the definition of a gentleman and of 'STHITHAPRAJNA' (man of steady wisdom as described in the GEETA) is virtually the same. A gentleman has been described as under by a western scholar:

An honest man;

A man with a sense of duties and obligations of his position whatever it may be;

A man who tells the truth;

A man who gives to others their due;

A man considerate to the weak;

A man who has principles and stands by them;

A man not too elated by good fortune, and not too depressed by bad;

A man who is loyal;

A man who can be trusted."

Secondly, every outstanding manager has an inner hard core to him which is composed of certain universal virtues. If we piece these virtues to-gether, then, the integrated structure that emerges can be diagrammatically shown as Figures 1 and 2.

Fig 1

Universal Inner Structure of Good Managers

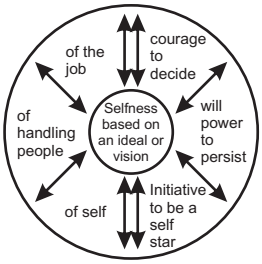
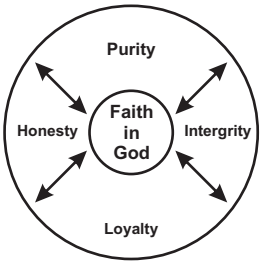


Fig 2

Selflessness Composition



'TO DO' is related to think correctly. Any tricky situation could be handled by the manager if he stops to think just once, before taking any action. Indian epics are replete with instances to illustrate the success of such a strategy and there are enough examples to prove to the contrary too.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

In Ramayan LAXMANA was a good brother, a very good brother. But he was quick to anger and slow to think. When Surpanakha was teasing him, why did he have to cut her nose and create problems (never underestimate anyone). If one were him, he would have run away into the jungles with our thinking cap on. Another time, when BHARATA was coming to return the throne to RAM, it was LAXMANA who got excited so quickly that he started shooting his arrows and RAM had to order him to wait and find out first what was in the mind of BHARATA; logical, commonsensical and good thinking.

Now RA VAN A was a very wise man. The ten wisest heads were on his shoulders. But he was not wearing his thinking cap when Surpanakha came crying. RAVANA, drunk with power, did not ask her the right questions and believed his cunning sister. May be if we were in his situation we would have gone across to RAM and LAXMANA to ask why LAXMANA cut her nose off? The moral of it is simple, that one must think the thinkable and unthinkable, and use one's mind to its full capacity instead of taking short-cuts and creating long term problems.

'TO SEE' and 'TO TELL' components are the knowledge and action of managers. The manager's context and role tend to lead him into a plan of logical argument, practical details and deeds. He is generally less inclined to-wards devotion, spirituality and values. But the GEETA, stresse puts, on an organic link between knowledge and action, through the meditation of values. Now, we try to draw managerial lessons from GEETA, which appear germane to this conundrum of knowledge and action.

The Muni or evolved person reaches the stage of YOGA through- KARMA - action. Having made the ascent through action he stays there through SHAMAN-self control. (Sloka 6.3).

A senior or top manager has to work rather hard with great concentration during his years in Junior and middle management. Moving ahead he reaches senior / top positions, he has to detach himself from the details, the temptation of known areas and give himself time to think, guide and counsel the entire organization.

UDDHARE THATMANAM- lift up the self. How?

ATMANA-By the self

A TMANAM NA A VASADA YETH - Do not down grade and destroy oneself.

Who is-ATMANO BANDHUH- one's friend? ATMA EVA - one's own self. Be your own friend.

Similarly, who is one's RIPUH- enemy?

ATMA - EVA - Again, one's self. Avoid being your own enemy.

These four guidelines of Sloka 6.5 give both hope and warning. They close al the exit

routes of externalization of responsibility for one's failures. Some managers have a tendency to blame their superiors, sub-ordinates, external forces for their problems. In reality, many problems may arise from their own unmanaged or mismanaged self.

RAHASISTHITAH (Sloka 6.10) indicates that a manager should be able, from time to time, to be by himself, cope comfortably with the inevitable loneliness of his position. He would be in touch with his people, accessible to them, but avoid familiarity. Some task distance is useful for objectivity, guidance and control.

PRATHISTHAPYA (Sloka 6.11) having created oneself. How should a leader seat himself?

NA ATHIUCHRITHAM-Not too high; and NAATHINICHAM-Not too low.

A manager should avoid dominating his team from a high physical or mental posture; as well as the opposite danger of being overwhelmed.

DISAH (Sloka 6.13) indicates much different direction. Once a manager decides on a strategy, organization structure, policy or system, it is more effective-to concentrate on its implementation. The focus must be such that - DISAH CHA NA AVALOKAYOM- not seeing (and getting distracted by) myriad directions.

JAGRATHAH (Sloka 6.16) means quite awake, alert. The theme of balance is repeatedly emphasized in the GEETA. The manager needs to show the quality of NA ATHI SWAPNA - not too much sleep, rest (resulting in a free hand to his sub-ordinates).

NA ATHI JAGRATO - nor too wide awake, vigilant (thus, reducing the space for his sub-ordinates). He has to strike a via-media between abdication and interference, internally. With respect to the external environment, this balance would help him not to over or under-react.

SHANTA RAJASAM (Sloka 6.27) indicates pacified energy. A dilemma for managerial leaders is how to retain and utilize energetic and ambitious sub-ordinates. The same human energy is more effective in a state of SATTVA (refinement), than in a state of RAJAS (fever). So, the leader has to first achieve - SHANTA RAJASAM- peace in his energy quality and utilization without in any way descending into TAMAS' (sloth). Then he can help his sub-ordinates to pacify, retain and improve the quality of their work.

UBHAYA VIBHRASHTAH (Sloka 6.38) means neither here, nor there; losing at both ends. The manager has the temptation that we can at least succeed in our goals whatever the process. But, if we go for the proper means, is there a danger that I will neither get credit for performance nor for the means? He may lose out like - CHINNA ABHRAM TV A - scattering clouds. In a moral organizational culture, this is an understandable fear. Managerial leaders have the responsibility to establish a corporate culture and reward systems - both material and psychological - to recognize means and ends.

Indian culture and epics have many useful insights for those engaged in the world of action. Managers have to deal with an unending stream of choices as well as decide, initiate, perform or sanction action. The messages of this paper may be summarized as under :- The manager must be a universal inner structure and he should think correctly.

The manager must strive to remove evil and establish righteousness jn his organization.

Be comfortable in the simultaneity of action and thought. Seek and utilize knowledge for correct action.

Be personally unsullied by any action which is organizationally necessary. Be a light which light others.

Self-driven and self-managing.

Must cultivate and sustain qualities of evenness, compassion, discretion, concentration, alertness, cheer fulness, and positive attitude.

Conclusion

To conclude, let us add that a good man-management results, the development of an organization. If one possesses all the above qualities, he may become a good manager and above all the organization will run smoothly and in an efficient manner.

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Consumers' satisfaction in using plastic money : An analysis

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Abstract

Credit card is the most popular form of plastic money. It enables a person to purchase goods and services without having to pay for them immediately. In India The Central Bank set up the first credit card operation in 1981. The present study aims to analyse the socio-economic profile of sample SBI Card holders, to evaluate consumer's satisfaction or dissatisfaction and to suggest the measures for improving the credit card business in India.

Keywords: Plastic, card, consumer satisfaction

Introduction

Credit card is the most popular version of plastic money. It has been designed as a rectangular thin sheet of plastic, about the size of a visiting card, which enables a person to purchase goods and services without having to pay for them immediately. Credit cards originated in the United States in the 1930s. Its use was widespread by the 1950s. The origins of bank credit have been traced to John C. Biggins, a consumer credit specialist at the F'latbush National Bank of Brooklyn, New Work. In 1946. he launched a credit plan "Charge it", The Diners group first brought credit card to India in 1964. In real sense it was not a credit card, it was only a charge card. The Central Bank set up the first credit card operation in the country with the help of Master card in 1981. The first rush into the business came way back in the late 1980s with Citibank; the rush peaked around 1993-1994 when Standard Chartered, among others, came in with much flourish. The credit card industry in India has never had it so good, in its 20 years of doing business in this country, it had issued 2.69 crore cards till December 2003. This ffigure skyrocketed to 4.33 crore in 2004 and is expected to grow to 20 crores by 201 0.

Kotler (2000) described satisfaction as "It is a person's feelings of pleasure or disappointment resulting from comparing a products' perceived performance (or outcome) in relation to his or her expectations." Howard and Sheth (1969) have defined customer satisfaction as "the buyer's cognitive stage of being adequate) or inadequately rewarded for the sacrifice he/she has undergone."

For customer-centered companies, consumer satisfaction is both a goal and a marketing tool. Companies that achieve high customer satisfaction rating make sure that their target market knows it.

Credit Card Players in India

Selected foreign players in credit cards in India include Citibank, stanchart, HSBC, AMEX and ANZ Grindlays. The Citibank offers various credit cards like Gold card, Silver card, Diners card, Women card and. 10C card. Selected Indian players that offer credit card in India are Allahabad Bank. Andhra Bank. Bank of Baroda, Central Bank of India. Canara Bank, Dena Ban, State Bank of India.-HDFC Bank and ICICI Bank. The State Bank of India while launching its SBI visa card declared a target of 2 million credit card holders in the next three years. The Citibank nearly took 8 years to reach the one million mark. The Bank of Baroda could make 2, 00,000 plus cards in 13 years: The SBI is expected to reach 3 million with over 25 million accountholders.

Materials and Methods

The study is based on both primary and secondary data. The structured questionnaire for the sample cardholders was prepared for various key issues like consumers' satisfaction

or dissatisfaction. Direct interview was adopted in the process of collecting primary data. For this purpose a sample of 100 SBI cardholders are selected. In order to bring out the differences among various groups of SBI Cardholders, sample was selected to represent different cross-sections of the customers, such as employees, businessmen and others. As this study involves measurement of satisfaction, three point scales are also used.

Results and Discussions

In this study, an attempt is made at first to study the socio-economic profile of sample SBI Cardholders. The socio-economic profile of the people helps in assessing the people's living standards, affordability etc.

Apart from the above, this study aims at measuring the levels of satisfaction of the sample SBI cardholders with regard to card features & services provided by SBI cards division. Based on the feedback received data were analysed, interpreted and has been reported as follows.

Table 1 reveals that 93% respondents of SBI cardholders are males and 70% respondents are female. This clearly indicates the status of men who are the bread winners of the family and also of the females who are dependents on their husbands. Dependence on husband's income restricts taking cards by their female counterparts.

Marital status of the sample respondents explains the credit card business coverage in the life styles of the people. From Table 2 it can be interpreted that 60% respondents were married and 40% respondents were unmarried. This clearly shows that only those who have married and settled in life are getting attracted towards the credit cards while unmarried are less attracted in comparison to married respondents.

The educational qualifications of the respondents influence the purchasing behaviour of credit cards. From Table 3 it is evident that the majority of credit card holders are graduates followed by post graduates & others. An analysis of Table 3 reveals that there is a close relationship between educational background of card holders and interest in credit cards.

Occupation in India indicates the economic status of credit card holders. The relevant data relating to occupational background of the credit card holders is shown in Table 4. The data of Table 4 reveals that the majority of respondents are service holders in comparison to businessmen & others. It is interesting to note that the businessmen were not interested in credit cards. When enquired about the reasons for the same, it was revealed that high interest rate is the reason for unpopularity amongst the businessmen in Jamshedpur.

Annual income of the family decides the life pattern and buying behaviour of the family members, and consequently influences the card business. Table 5 reveals that the major portion of the sample respondents were in the middle income group of Rs. 2,00,000 to 5.00,000 followed by Rs. 5,00,000 and above.

Table 6 exhibits the sample respondents' promptness in paying the due amount. It is found that 92% respondents are regular in payment of dues whereas 8% are irregular in Jamshedpur. This indicates that no final interest was collected from majority cardholders.

Level of satisfaction among sample cardholders

Measuring level of satisfaction is a qualitative aspect and poses different problems in the process. Therefore a three point scale i.e.

A. Satisfied

B. Dissatisfied

C. Can's say. has been adopted in the study.

About five statements were identified to measure the level of satisfaction of sample respondents as shown in Table 7.

Table 7 reveals that majority of credit cardholders, i.e. 72 percent responded that the cash withdrawal from ATMs costs them more. 71 percent of them agreed on that credit card agencies offer nothing free as advertised, 65

percent respondents agreed that it makes them to buy more when purchases are made with the help of credit card.

Table 8 exhibits consumers' overall opinion about credit card. It is evident from Table 8 that there is a dissatisfaction regarding joining fee. annual fee and interest rate charged by the credit card agencies.

Based on the above findings, and personal interview the following suggestions are recommended:

Number of merchant establishments should be reduced.

Annual fees should be reduced.

Cost of printing currency notes by the government can be done away resulting into a great saving for the Indian economy.

Recurring payments should be moved on the credit card.

To expand the business, credit card issuers should focus on non-metro cities.

More number of ATMs should be installed. They should be net-worked so that a customer having credit card issued from one agency can also make use of it at the ATMs of any other agency.

Table 1
Gender wise Distribution of Sample Respondents

Gender	Total No. of respondents	% of Total
Male	93	93%
Female	07	7%
Total	**100**	**100%**

Table 2
Marital status of Sample Respondents

Marital Status	No. of Respondents	% of Total
Married	60	60%
Unmarried	40	40%
Total	**100**	**100%**

Table 3
Educational Background of Sample Respondents

Educational Qualification	No. of respondents	% of Total
Undergraduate	17	17%
Graduate	51	51%
Post-graduate & other	32	32%
Total	**100**	**100%**

Source : Complied from questionnaire data

Table 4
Occupational Background of Sample Respondents

Occupation	No. of respondents	% of Total
Service	68	68%
Business	06	6%
Others	26	26%
Total	**100**	**100%**

Source : Complied from questionnaire data

Table 5
Income-wise distribution of Sample Respondents

Annual Income (in Rs)	No. of respondents	% of Total
Less than 2 Lakhs	16	16%
2 Lakh - 5 Lakhs	62	62%
5 Lakhs & above	22	22%
Total	**100**	**100%**

Source : Complied from questionnaire data

Table 6
Payment pattern of dues by the Sample Respondents

Particulars	No. of respondents	% of Total
Regular	92	92%
Irregular	08	8%
Total	**100**	**100%**

Source : Complied from questionnaire data

Table 7
Consumer's overall experience as credit card holder

Statements	A	B	C
1) You have to pay more when purchases are made with the help of credit card	56	27	17
2) It makes you to buy more when purchases are made with the help of credit card	65	25	10
3) It always cost you to more to withdraw cash from ATM with the help of credit card	72	6	22
4) Revolving credit forces to make relatively higher payment to credit card agency	65	20	15
5) The credit card agency offers nothing free of cost as being claimed by them	71	8	21

Source : Complied from questionnaire data

Table 8
Consumer's overall opinion about credit card holder

Factors	No. of respondents		
	A	B	C
A. Information provided by agency on credit cards	53	14	33
B. Usefulness of credit cards	74	12	14
C. Joining fee charged	29	49	22
D. Annual fee charged	23	34	43
E. Interest rate charged	06	60	34
F. Administrative facilities given	46	24	30

Source : Complied from questionnaire data

Conclusion

To conclude it can be said that use of plastic money is widely accepted by the people because of improved payment infrastructure and grace period. Most Indian banks have been widening their networks of Automated Teller Machines (ATMs) in order to expand their business. But it is suggested to users that they should use it with care avoiding overspending and the issuers should be controlled with proper regulations from authorities concerned.

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Network Marketing - An emerging profession

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Abstract

Every year, thousands of men and women leave established, lucrative careers to pursue new opportunities in the booming network marketing industry- an industry that is now attracting former doctors, university professors, company managers, CEOs, lawyers, real state developers and others seeking independence and financial rewards. Serious professionals from many fields are taking either their first look or a fresh look, at network marketing. These New professionals are not only changing the face of network marketing but are also having a broad impact on the business world as a whole.

Keywords: Network marketing, Profession, Multi-level Marketing (MLM)

Introduction

Today we are witnessing the steady destruction of the traditional employment economy, in which workers sell their time to a company in exchange for money and sell their experience in exchange for security. This traditional structure is being replaced by a single, massive interconnected economy in which money, people, companies, ideas, and technologies are totally fungible. In this new economy, spectacular growth and severe dislocations are occurring side by side. It is an economy that is choking off the more traditional methods of generating secure income but at the same time is spawning new opportunities. Business Week recently assessed this development and its impact on workers, "Just as the new Economy is dismantling the old rules of commerce, and the new workforce is shredding the contracts between employers and employees. Employers are giving up rigid wage scales in favor of flexible compensation. They are learning to live with high turnover and abolishing seniority-based pay. What will remain is an altered employment relationship in which increasingly independent workers negotiate their own way through their careers." Many professionals understand these changes and are altering their careers and their strategies for generating wealth and income accordingly.

Materials and Methods

The present research work has been carried out on the basis of secondary source of information. The secondary source provides the standard information related to this business, (most of them written by those who are a "brand" in themselves in this business of NETWORK MARKETING.) The Secondary data relate to the information that is available through various books, magazines, articles, information over the internet and the information from the voucher's of various MLM companies.

Results and Discussions

One of the most exciting trends in business today, "Network Marketing", also known as Multi – Level Marketing (MLM) "Relationship Marketing" and "Multi-level direct selling" is an important component of the Direct Selling Industry. It has proven over many years to be a highly successful and effective method of compensation of the direct selling firms for distributing products and services directly to consumers, which compensates independent salespersons or distributors. Network Marketing is a marketing concept which can be applied to almost any consumer product or service. It is not a get rich quick scheme rather than it is a get rich quick system.

Multi-level marketing and network marketing are synonymous terms. Industry

folklore documents that multilevel marketing was the initial title given to this channel of distribution in the year 1940s. Multilevel marketing was descriptive of compensation plans in which commissions were paid on sales made at "multiple levels" or "multiple tiers" down a vertically structured sales organization.

The structure is designed to create a marketing and sales force by compensating promoters of company products not only for sales they personally generate, but also for the sales of other promoters they introduce to the company, creating a down line of distributors and a hierarchy of multiple levels of compensation.

Network marketing is the preferred term for the new millennium because in MLM persons build their own network. Networking is a process in which individuals help other individuals achieve separate goals. It is not teamwork, where each member works toward a common end. In fact networkers need not have anything in common with each other. The diversity offers even more opportunity for trade If one wants to become rich , you need to learn how to build a business network . If you really want to learn how to be rich, you must begin to know and understand the power found in networks. The richest people in the world build networks.

Network marketing is a specific type of network in which an entrepreneur has the merchandising rights to a product or service, and may sponsor (or recruit) others into the association, sharing with them the proceeds from the business generated. In some companies a person may even earn bonuses for volume generated by the distributers that his own distributers recruit. The same process may extend to yet another level of distributors, and another. One signs up Rohit, he signs up Rahul, who signs up Vishal, and you earn bonuses from the volume of them all. Within a short time you could end up with dozens of distributors or independent business people in the network. Each one is earning you yet another small bonus. Those small bonuses sometimes add up to a lot of money.

Network marketing places the appropriate emphasis on person-to-person communication and relationship building and nurturing processes at the core of this marketing channel. Network marketing based on interpersonal communication can be linked directly to information technology, the focus on distribution processes related to efficiently serving consumers and maximizing satisfaction, and the global, multicultural economy, which is highly dependent on person-to-person communications.

Network marketing -historically disparaged as pyramid schemes for schemers and suckers – is today emerging as the most powerful distribution method and the most appealing enterprise model in the new economy. It is an approach to sales and entrepreneurship so powerful that traditional companies, struggling to find new ways to reach a fragmented market while containing the prohibitively high costs of full-time sales forces and national advertising campaigns, are now borrowing its best features to apply to their operations.

Network Marketing is a professional carrier that offers us to nurture and empower the inherent talents of all those persons whom we sponsor. In this business success means the chance to develop spiritually, intellectually, emotionally, and financially, while we contribute in a positive way to others. Real network marketing is about creating a culture of integrity, then teaching principles and skills that create consistency and develops character. The success will come not from changing others, but from changing ourselves.

Building a large growing network is not an easy job however it is simple. If one is going to follow a step – by – step system – one can achieve massive lasting success in Network Marketing.

Network Marketing business opportunity will give the opportunity to create that passive residual leveraged income, work from your home, spend time with family, travel, build massive wealth, tax benefits, work with the best quality of people who are big thinkers, the support and training working with a successful team of professionals and create the two most important factors which is financial and time freedom. One must have both of these so one can really live life on own terms. One without the other is not living a life of freedom.

Network marketing business opportunity also will teach not only to become a massive success financially but also how to deal with life challenges. How to move from living in problems of life, so that one can start to live in the solution, like true business professionals. The MLM business industry is growing so fast because it teaches people to also grow as human beings and to work together for maximum success in all areas of your life. To this day a traditional business will never give you this many benefits. MLM business opportunity is creating millionaires much quicker than a traditional business ever will. It may be said that the right concept along with the appropriate attitude towards the business of MLM, shall act as not only as a means to attain financial freedom , growth and prosperity but shall also help in addressing the basic principle of human birth, which is 'Success', as the same happens to be the birth right of a soul.

People must always be successful without defeating or destroying others and this very business concept works upon the concept of helping and growing all those who are attached to a common goal or aim, i.e. To attain the virtues of team building, growing together and attaining financial freedom. One thing haunted the mind of the researcher as to why people do not have a fair and positive idea about MLM when it is an effective way of building one's financial health and in what way and to what extent it becomes a key to success.

Conclusion

The world has finally awakened to the idea that the Industrial Age is over and we are officially entering the Information Age. Big business such as Maruti Motors and TISCO and TELCO are Industrial Age businesses. Franchises such as Mcdonalds are transition businesses. The transition between the Industrial Age and the Information Age. Network Marketing business are truly Information age franchises simply because most network marketing businesses run almost solely on information, rather than land, factories and employees.

Our parents always said "Go to school and get good grades, so that you can get secure high paying job with benefits that are classic Industrial Age thinking." Those are all old ideas from the industrial Age. Today most of us know job security is a joke and lifetime employment with one company is not a reality for most people. Today people need new ideas and systems via which they can find the financial security our parents once had. Network Marketing gives millions of people throughout the world the opportunity to take control of their lives and their financial future. That is why the MLM Industry will take time to grow, even though old world thinkers fail to see it. This new form of business is a revolution simply because for the first time in history it is now possible for anyone and everyone to share in the wealth that has been reserved only for the chosen few or lucky.

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Aiming Zero Waste in the 21st century : Idealistic dream or realistic goal?

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Abstract

This article provides a brief introduction to solid waste management. Today, the demands of the new century (let alone the new millennium) require that we find ways to manage our discarded materials in such a way as not to deprive future generations of an equitable share in those resources. More than anything else Zero Waste is a challenge to our most positive instincts: individual responsibility, community spirit, creativity and free enterprise. It won't happen without dedicated hard work from community activists, visionary officials and small business entrepreneurs. It won't happen overnight and it won't happen everywhere at once. But it is happening in some places right now. Education and awareness in the area of waste and waste management is increasingly important from a global perspective of resource management.

Keyword - solid waste management, zero waste, recycling, local government, environment

Introduction

Municipal solid waste management is one of the most serious and most neglected areas of urban development which create environmental hazards confronting municipalities. Municipal solid waste (MSW), also called urban solid waste, is a waste type that includes predominantly household waste (domestic waste) with sometimes the addition of commercial wastes collected by a municipality within a given area. They are in either solid or semisolid form and generally exclude industrial hazardous wastes. The term residual waste relates to waste left from household sources containing materials that have not been separated out or sent for reprocessing.

- Biodegradable waste: food and kitchen waste, green waste, paper (can also be recycled).
- Recyclable material: paper, glass, bottles, cans, metals, certain plastics, etc.
- Inert waste: construction and demolition waste, dirt, rocks, debris.
- Composite wastes: waste clothing, Tetra Packs, waste plastics such as toys.
- Domestic hazardous waste (also called "household hazardous waste") & toxic waste: medication, e-waste, paints, chemicals, light bulbs, fluorescent tubes, spray cans, fertilizer and pesticide containers, batteries, shoe polish.

Resource conservation, reduced consumption, product redesign, careful materials selection, new rules and incentives, and materials reuse, recycling, and composting have never been such a necessity as they are today. Rapid action to reduce GHG emissions, with immediate attention to those gases that pose a more potent risk over the short term, is nothing short of essential. Methane is one of only a few gases with a powerful short-term impact, and methane and carbon dioxide emissions from landfills and incinerators are at the top of a short list of sources of GHG emissions that may be quickly and cost-effectively reduced or avoided.

The only effective method to prevent methane emissions from landfills is to stop biodegradable materials from entering landfills. The good news is that landfill alternatives such as composting and anaerobic digestion are readily available and cost-effective. Compost has the added benefit of adding organic matter to soil, sequestering carbon, improving plant growth and reducing water use - all important to stabilizing the climate.

Aiming for Zero Waste

The good news is that preventing waste and expanding reuse, recycling and composting - that is, aiming for zero waste - is one of the fastest, cheapest and most effective

strategies available for combating climate change.

We suspect when most people first hear the term Zero Waste they think the whole idea is 'pie-in-the-sky' or the vision of some hippie community. However, when one learns that Zero Waste policies have been adopted by Canberra, the capital of Australia, 12 cities in New Zealand, leading corporations like Hewlett Packard, Bell Canada and Fetzer Wineries, as well as one of the most conservative counties in California, one's attitude changes.

'Zero Waste' as a term works better than '100% recycling' because the latter vision seems to imply that the community has to do everything. Zero Waste requires the need for dual responsibility. First, the community has to maximize reuse, repair, recycling and composting and secondly industry has to redesign the objects the community cannot reuse, repair, recycle or compost. And, of course, both industry and the community need to reduce wasteful practices like over-packaging and over consumption.

As Bill Sheehan of the Grass Roots Recycling Network and avid promoter of Zero Waste says, "Zero Waste is a design principle. If we plan for eliminating waste, whether we reach 100% elimination is not the point. The point is to start planning for the elimination of waste rather than managing waste." This quote nicely summarizes the paradigm shift from 20th Century Waste Management to 21st Century Resource Management. If you asked a responsible government official in the 20th Century how waste should be handled, he or she would probably have said, "To get rid of the waste in ways which minimize threats to human health and the environment." Today, the demands of the new century (let alone the new millennium) require that we find ways to manage our discarded materials in such a way as not to deprive future generations of an equitable share in those resources. Such a requirement is the linch-pin of the concept of 'sustainability.' In fact, applied correctly the strategy for Zero Waste not only drives towards sustainability, but also Clean Production and Environmental Justice.

Clearly, there is a huge need for the kind of creativity that private enterprise can offer in Zero Waste strategies. Ironically, one of the disastrous mistakes that a number of developed and developing countries are entertaining at present is the 'privatization of the waste industry.' This model envisages handing over all collection and disposal to the waste disposal industry. Here governments will not be encouraging resource recovery but waste disposal. This kind of privatization needs to be fought tooth and nail. It represents 'waste' management in the corporate interest as opposed to the community interest.

In addition to meeting the global imperatives of the 21st Century, there are two enormous pay-offs to the municipalities who pursue the Zero Waste option: a) the generation of jobs and b) the generation of community spirit.

As far as community spirit is concerned, there are vast numbers of parents and children who want to play their part in moving towards a more sustainable future for our planet With just a little seed money from governments they can also provide a tremendous platform in every community to educate the wider public on the simple habits and activities which can make the job of local government so much easier, e.g. backyard and community composting. Even more exciting is the creation of community gardens in our cities. These not only add colour to grimy parts of the city ("The earth smiles with flowers") but also represent a marvellous opportunity to use up local organic waste.

Local, regional, and global air pollution; accumulation and distribution of toxic wastes; destruction and depletion of forests, soil, and water; depletion of the ozone layer and emission of "green house" gases have threatened the survival of humans and thousands of other living species, the integrity of the earth and its biodiversity, the security of nations, and the heritage of future generations.

Education and awareness in the area of waste and waste management is increasingly important from a global perspective of resource management. It is high- time for us to wake up and realize the secret life of garbage, what happens to it when it’s “thrown away” and its impact on the world.

Materials and Methods

Researchers are continually striving to learn more about what new action has been taken up in the area of waste and waste management. The two major sources of imformation that supply the data related to the waste management process or perspective of this article are primary and secondary sources. The Primary source includes direct observation of practicing of municipalities, the use of interviews, surveys through questionnaire, speeches and presentation of the officials of Ranchi Municipal Corporation, Ranchi.

The secondary sources are publications, research-based as well as popular. These include academic journals, textbooks on waste management, new periodicals, documentary, proceedings of conferences, government publications, etc. This article will be beneficial for creating awareness and imparting education to one and all in the area waste management and providing civic sense of responsibility.

Results and Discussions

Waste management is the collection, transport, processing, recycling or disposal, and monitoring of waste materials. The term usually relates to materials produced by human activity, and is generally undertaken to reduce their effect on health, the environment or aesthetics. Waste management is also carried out to recover resources from it. Waste management can involve solid, liquid, gaseous or radioactive substances, with different methods and fields of expertise for each.

Waste management practices differ for developed and developing nations, for urban and rural areas, and for residential and industrial producers. Management for non-hazardous waste residential and institutional waste in metropolitan areas is usually the responsibility of local government authorities, while management for non-hazardous commercial and industrial waste is usually the responsibility of the generator

Waste management concepts

There are a number of concepts about waste management which vary in their usage between countries or regions. Some of the most general, widely used concepts include:

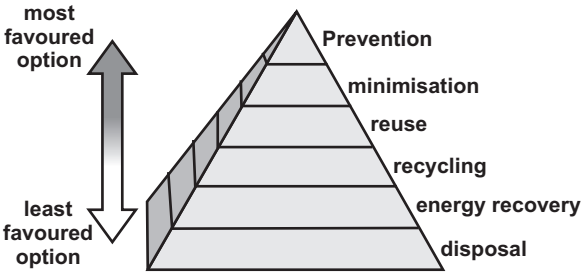


Diagram of the waste hierarchy

- **Waste hierarchy** - The waste hierarchy refers to the "3 Rs" reduce, reuse and recycle, which classify waste management strategies according to their desirability in terms of waste minimization. The waste hierarchy remains the cornerstone of most waste minimization strategies. The aim of the waste hierarchy is to extract the maximum practical benefits from products and to generate the minimum amount of waste.
- **Extended producer responsibility** - Extended Producer Responsibility (EPR) is a strategy designed to promote the integration of all costs associated with products throughout their life cycle (including end-of-life disposal costs) into the market price of the product. Extended producer responsibility is meant to impose accountability over the entire lifecycle of products and packaging introduced to the market. This means that firms which manufacture, import and/or sell products are required to be responsible for the products after their useful life as well as during manufacture.
- **Polluter pays principle** - the Polluter Pays Principle is a principle where the polluting party pays for the impact caused to the environment. With respect to waste management, this generally refers to the requirement for a waste generator to pay for appropriate disposal of the waste.

Methods of Disposal

1. Integrated waste management

Integrated waste management using LCA (life cycle analysis) attempts to offer the most benign options for waste management. For mixed MSW (Municipal Solid Waste) a number of broad studies have indicated that waste administration, then source

separation and collection followed by reuse and recycling of the non-organic fraction and energy and compost/fertilizer production of the organic waste fraction via anaerobic digestion to be the favoured path. Non-metallic waste resources are not destroyed as with incineration, and can be reused/ recycled in a future resource depleted society.

2. Landfill

Disposing of waste in a landfill involves burying the waste in abandoned or unused quarries, mining voids or burrow pits. A properly designed and well-managed landfill can be hygienic and inexpensive. Poorly managed landfills can create adverse environmental impacts such as wind-blown litter, attraction of vermin, generation of liquid leachate, greenhouse gas (mostly composed of methane and carbon dioxide), which can create odour problems, kill surface vegetation.

3. Incineration

Incineration or "thermal treatment" is a disposal method common in countries such as Japan in which solid organic wastes are subjected to combustion so as to convert them into residue and gaseous products. This method is useful for disposal of residue of both solid waste management and solid residue from waste water management. This process reduces the volumes of solid waste to 20 to 30 percent of the original volume.

4. Recycling

Recycling refers to the collection and reuse of waste materials such as empty beverage containers, copper such as wire, steel food and aerosol cans, old steel furnishings or equipment , polyethylene and PET bottles, glass bottles and jars, paperboard cartons, newspapers, magazines and light paper, and corrugated fiberboard boxes collected from general waste using dedicated bins and collection vehicles, or sorted directly from mixed waste streams. PVC, LDPE, PP, and PS (see resin identification code) are also recyclable. These items are usually composed of a single type of material, making them relatively easy to recycle into new products. The recycling of complex products (such as computers and electronic equipment) is more difficult, due to the additional dismantling and separation required.

5. Sustainability

The management of waste is a key component in a business' ability to maintaining ISO14001 accreditation. Companies are encouraged to improve their environmental efficiencies each year. One way to do this is by improving a company's waste management with a new recycling service. (such as recycling: glass, food waste, paper and cardboard, plastic bottles etc.)

5.1. Biological reprocessing

Waste materials that are organic in nature, such as plant material, food scraps, and paper products, can be recycled using biological composting and digestion processes to decompose the organic matter. The resulting organic material is then recycled as mulch or compost for agricultural or landscaping purposes. In addition, waste gas from the process (such as methane) can be captured and used for generating electricity and heat (CHP/cogeneration) maximising efficiencies. Methods of biological decomposition are differentiated as being aerobic or anaerobic methods, though hybrids of the two methods also exist.

5.2. Energy recovery

The energy content of waste products can be harnessed directly by using them as a direct combustion fuel, or indirectly by processing them into another type of fuel. Recycling through thermal treatment ranges from using waste as a fuel source for cooking or heating, to anaerobic digestion and the use of the gas fuel (see above), to fuel for boilers to generate steam and electricity in a turbine. Pyrolysis and gasification are two related forms of thermal treatment where waste materials are heated to high temperatures with limited oxygen availability.

6. Avoidance and reduction methods

An important method of waste management is the prevention of waste material being created, also known as waste reduction. Methods of avoidance include reuse of second-hand products, repairing broken items instead of buying new, designing products to be refillable or reusable (such as cotton instead of plastic shopping bags), encouraging consumers to avoid using disposable products (such as disposable cutlery), removing any food/liquid remains from cans, packaging and designing products that use less material to achieve the same purpose (for example, lightweighting of beverage cans).

Solid Waste Management Facility: Ranchi Municipal Corporation, Jharkhand

Ranchi Municipal Corporation, in Jharkhand, India is struggling to implement its plan to build a solid waste management facility in the state capital due to problems of finding land. The civic body needs 45 acres to build the facility, and has now turned to the district administration to help it acquire the necessary space. At present, the corporation dumps waste generated by the city's household at an 11 acre area in Jhiri village near Ratu, about 25 km from Ranchi. It also possesses a 22-acre plot in Kanke, which it has not utilised for waste disposal. Rs 513 million ($11.5 million) has been allocated to RMC under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for setting up the plant that will convert biodegradable waste into bio-fertilisers and non-biodegradable wastes into bricks. However, the space available with the municipal corporation is inadequate to set up a solid waste management plant, even when clubbed together. Besides, they are located in different places on the city's outskirts.

RMC chief executive officer Dipankar Panda has urged the deputy commissioner to give land to set up the plant as soon as possible. RMC has asked deputy commissioner K.K. Sone to consider handing over a 35-acre plot belonging to the government in Jhiri, to RMC to serve the purpose of installing the solid waste management plant. The plot housed the Charwaha Vidyalaya earlier, now abandoned.

After examining technical bids, the civic body drew up a list of eight firms which would install and manage the plant under a public-private partnership (PPP) model. The firms are:

- Hanjer Bio-Tech Energies Pvt. Ltd
- IL&FS Waste Management and Urban Services Ltd
- Jusco
- Jindal
- Urban Infrastructure Ltd
- Ramky Enviro Engineers Ltd
- SMS Infrastructure Ltd
- SPML Infra Ltd
- A2Z Infrastructure Ltd

The civic body, however, wants to secure sufficient land before making a final selection.

Time for action is now - A 12-step plan - In order for a zero waste strategy to reduce GHG emissions by 406 megatons CO2 eq. per year by 2030, the following 12 priority policies are needed:

1. Implement 20-year national, state-wide and municipal zero waste targets: Any zero waste target or plan must be accompanied by a shift in funding from supporting waste disposal to supporting zero waste jobs, infrastructure and local strategies.
2. Retire existing incinerators and halt construction of new incinerators and landfills: The use of incinerators and investments in new disposal facilities - including mass burn, pyrolysis, plasma, gasification other incineration technologies, and landfill “bioreactors” - obstruct efforts to reduce waste and increase materials recovery. Eliminating investments in incineration and landfilling is an important step to free up taxpayer money for resource conservation, efficiency and renewable energy solutions.
3. Levy a per-ton surcharge on land filled and incinerated materials: Surcharges on both landfills and incinerators are an important counterbalance to the negative environmental and human health costs of disposal that are borne by the public.

4. Stop organic materials from being sent to landfills and incinerators: Implement local, state and national incentives, penalties or bans to prevent organic materials, particularly food discards and yard trimmings, from ending up in landfills and incinerators.
5. End state and federal "renewable energy" subsidies to landfills and incinerators: Incentives such as the Renewable Electricity Production Tax Credit and Renewable Portfolio Standards should only benefit truly renewable energy and resource conservation strategies, such as energy efficiency and the use of wind, solar and ocean power. Resource conservation should be incentivized as a key strategy for reducing energy use. In addition, subsidies to extractive industries such as mining, logging and drilling should be eliminated. Instead, subsidies should support industries that conserve and safely reuse materials.
6. Provide policy incentives for locally-based reuse, recycling and composting: Incentives should be directed to revitalize local economies by supporting environmentally just, community-based and green materials recovery jobs and businesses.
7. Expand Pay-As-You-Throw (PAYT) programs: Adoption of per-volume or per-weight fees for the collection of trash, such as PAYT, has been proven to increase recycling and reduce the amount of waste disposed.
8. Make manufacturers responsible for products and packaging: Manufactured products and packaging represent 72.5 percent of all municipal solid waste. When manufacturers are responsible for recycling their products, they use less toxic materials, consume fewer materials, design products to last longer, create better recycling systems, are motivated to minimize waste costs and no longer pass the cost of disposal to the government and the taxpayer.
9. Regulate single-use plastic products and packaging: In less than one generation, the use and disposal of single-use plastic packaging has grown from 120,000 tons/year in 1960 to 12,720,000 tons/year today. Policies such as bottle deposit laws, polystyrene food takeout packaging bans and regulations targeting single-use water bottles and shopping bags have successfully been implemented in several jurisdictions around the world, and should be replicated everywhere.
10. Regulate paper packaging and junk mail: Reducing and recycling paper will decrease releases of numerous air and water pollutants to the environment, and will also conserve energy and forest resources, thereby reducing greenhouse gas emissions.
11. Reject climate protection agreements that incorporate burning and disposal: Decision-makers and environmental leaders should reject climate protection agreements and strategies that embrace landfill and incinerator disposal. Rather than embrace agreements and blueprints that call for supporting waste incineration as a strategy to combat climate change, such as the U.S. Conference of Mayors Climate Protection Agreement, decision-makers and environmental organizations should adopt climate blueprints that support zero waste. One example of an agreement that will move cities in the right direction for zero waste is the Urban Environmental Accords signed by 103 city mayors worldwide.
12. Assess the true climate implications of the waste sector: Measuring greenhouse gases over the 20-year time horizon, as published by the Intergovernmental Panel on Climate Change, is essential to reveal the impact of methane on the short-term tipping point. Also needed are updates to the U.S. EPA's Waste Reduction Model (WARM), a tool for assessing greenhouse gases emitted by solid waste management options, as well as new models to accurately account for the impact of local activities on total global emissions and to compare the lifecycle climate impact of different energy generation options.

Conclusion

Bottom Line, by cutting waste, we would not only better protect the planet's climate, we would also double or triple the life of existing landfills, eliminate the need to build expensive new incinerators and landfills, create jobs, build healthier and more equitable communities, restore the country's topsoil, conserve valuable resources and reduce our reliance on imported goods and fuels. More than anything else Zero Waste is a challenge to our most positive instincts: individual responsibility, community spirit, creativity and free enterprise. It won't happen without dedicated hard work from community activists, visionary officials and small business entrepreneurs. It won't happen overnight and it won't happen everywhere at once. But it is happening in some places right now.

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Aviation Safety Management - A dire need

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Abstract

Aviation safety has come a long way in over one hundred years of implementation. In modern times, two major manufacturers still produce heavy passenger aircraft for the civilian market: Boeing in the United States of America and the European company Airbus. Both have placed huge emphasis on the use of aviation safety equipment, now a billion-dollar industry in its own right, and made safety a major selling point—realizing that a poor safety record in the aviation industry is a threat to corporate survival.

Keyword - Aviation, Accident, Fatalities, Safety, Precaution

Introduction

An aviation accident is defined as an occurrence associated with the operation of an aircraft which takes place between the time any person boards the aircraft with the intention of flight and all such persons have not disembarked, in which a person is fatally or seriously injured, the aircraft sustains damage or structural failure or the aircraft is missing or is completely inaccessible. An aviation incident is also defined as an occurrence other than an accident, associated with the operation of an aircraft, which affects or could affect the safety of operations. An accident in which the damage to the aircraft is such that it must be written off, or in which the plane is destroyed is called a hull loss accident.

When measured on a passenger-distance calculation, air travel is the safest form of transportation available. A typical statement is this one by the BBC: "UK airline operations are among the safest anywhere. When compared against all other modes of transport on a fatality per mile basis air transport is the safest — six times safer than traveling by car and twice as safe as rail." However, when measured by fatalities per person transported, buses are the safest form of transportation and the numbers of air travel fatalities per person are surpassed only by bicycles and motorcycles. This statistic is the one used by the insurance industry when calculating insurance rates for air travel. For every billion kilometers traveled, trains have a fatality rate 12 times larger than air travel, while automobiles have a fatality rate 62 times larger. On the other hand, for every billion journeys, buses are the safest form of transportation. By the last measure air transportation is three times more dangerous than car transportation and almost 30 times more dangerous than bus.

A 2007 study by Popular Mechanics found that passengers sitting at the back of a plane are 40% more likely to survive a crash than those sitting in the front, although this article also quotes claims that there is no safest seat. The article studied 20 crashes, not taking in account the developments in safety after those accidents[1]. However, a flight data recorder is usually mounted in the aircraft's empennage (tail section), where it is more likely to survive a severe crash.

Some major safety devices now required in commercial aircraft involve:

- Evacuation slides — aid rapid passenger exit from an aircraft in an emergency situation.
- Advanced avionics - Computerized auto-recovery and alert systems.
- Turbine engines - durability and failure containment improvements
- Landing gear - that can be lowered even after loss of power and hydraulics.

Materials and Methods

While preparing this research article focus has been kept on aviation safety and related accidents by different airline carrier of respective countries. Both primary as well as

secondary sources of information have been taken into consideration. Substantial care has been taken to be objective and correct in the presentation of facts.

Results and Discussions

Air safety is a term encompassing the theory, investigation and categorization of flight failures, and the prevention of such failures through regulation, education and training. It can also be applied in the context of campaigns that inform the public as to the safety of air travel. During the 1920s, the first laws were passed in the USA to regulate civil aviation. Of particular significance was the Air Commerce Act,1926, which required pilots and aircraft to be examined and licensed, for accidents to be properly investigated, and for the establishment of safety rules and navigation aids, under the Aeronautics Branch of the Department of Commerce.

Despite this, in 1926 and 1927 there were a total of 24 fatal commercial airline crashes, a further 16 in 1928, and 51 in 1929 (killing 61 people), which remains the worst year on record at an accident rate of about 1 for every 1,000,000 miles (1,600,000 km) flown. Based on the current numbers flying, this would equate to 7,000 fatal incidents per year. The fatal incident rate has declined steadily ever since, and, since 1997 the number of fatal air accidents has been no more than 1 for every 2,000,000,000 person-miles flown (e.g., 100 people flying a plane for 1,000 miles (1,600 km) counts as 100,000 person-miles, making it comparable with methods of transportation with different numbers of passengers, such as one person driving a car for 100,000 miles (160,000 km), which is also 100,000 person-miles), making it one of the safest modes of transportation, as measured by distance traveled. A disproportionate number of all U.S. aircraft crashes occur in Alaska, largely as a result of severe weather conditions. Between 1990-2006 there were 1441 commuter and air taxi crashes in the U.S. of which 373 (26%) were fatal, resulting in 1063 deaths (142 occupational pilot deaths). Alaska accounted for 513 (36%) of the total U.S. crashes.[2] Another aspect of safety is protection from attack. The terrorist attacks of 2001 are not counted as accidents. However, even if they were counted as accidents they would have added only about 2 deaths per 2,000,000,000 person-miles. Only 2 months later, American Airlines Flight 587 crashed in Queens, NY, killing 256 people, including 5 on the ground, causing 2001 to show a very high fatality rate. Even so, the rate that year including the attacks (estimated here to be about 4 deaths per 1,000,000,000 person-miles), is safe compared to some other forms of transport, if measured by distance traveled.

Airline Statistics

The Geneva-based Aircraft Crashes Record Office (ACRO) compiles statistics on aviation accidents of aircraft capable of carrying more than six passengers, not including helicopters, balloons, or fighter airplanes. The ACRO announced that the year 2007 was the safest year in aviation since 1963 in terms of number of accidents. There had been 136 accidents registered (compared to 164 in 2006), resulting in a total of 965 deaths (compared to 1,293 in 2006). 2004 was the year with the lowest number of fatalities since the end of World War II, with 771 deaths. The year with most fatalities was 1972, with 3,214 deaths.

Year	Deaths	No. of accidents
2009	1,103	122
2008	884	156
2007	971	147
2006	1,294	166
2005	1,459	185
2004	771	172
2003	1,230	199
2002	1,413	185
2001	1,534	200
2000	1,582	189
1999	1,138	211

Source;- http://www.ntsb.gov/ntsb/brief.asp?ev_id=20051229X02026&key=1. Retrieved 2007-07-14

Navigation aids and Air Safety Techniques

One of the first navigation aids to be introduced (in the USA in the late 1920s) was airfield lighting to assist pilots to make landings in poor weather or after dark. The Precision Approach Path Indicator was developed from this in the 1930s, indicating to the pilot the angle of descent to the airfield. This later became adopted internationally through the standards of the International Civil Aviation Organization (ICAO).

In 1929 Jimmy Doolittle developed instrument flight. With the spread of radio technology, several experimental radio based navigation aids were developed from the late 1920s onwards. These were most successfully used in conjunction with instruments in the cockpit in the form of Instrument landing systems (ILS) in 1938. A form of ILS was adopted by the ICAO for international use in 1949. “ILS” first used by a scheduled flight to make a landing in a snowstorm at Pittsburgh.[3] All of the ground-based navigation aids are being supplemented by satellite-based aids like Global Positioning System (GPS), which make it possible for aircrews to know their position with great precision anywhere in the world. With the arrival of Wide Area Augmentation System (WAAS), GPS navigation has become accurate enough for vertical (altitude) as well as horizontal use, and is being used increasingly for instrument approaches as well as en-route navigation. However, since the GPS constellation is a single point of failure that can be switched off by the U.S. military in time of crisis, onboard Inertial Navigation System (INS) or ground-based navigation aids are still required for backup.

Lightning

Boeing studies have shown that airliners are struck by lightning on average of twice per year. While the "flash and bang" is startling to the passengers and crew, aircraft are able to withstand normal lightning strikes. The dangers of more powerful positive lightning were not understood until the destruction of a glider in 1999. It has since been suggested that positive lightning may have caused the crash of Pan Am Flight 214 in 1963. At that time aircraft were not designed to withstand such strikes, since their existence was unknown at the time standards were set. The 1985 standard in force at the time of the glider crash, Advisory Circular AC 20-53A, was replaced by Advisory Circular AC 20-53B in 2006, however it is unclear whether adequate protection against positive lightning was incorporated.[4]

The effects of normal lightning on traditional metal-covered aircraft are well understood and serious damage from a lightning strike on an airplane is rare. However, as more and more aircraft, like the upcoming Boeing 787, whose whole exterior is made of non-conducting composite materials take to the skies, additional design effort and testing must be made before certification authorities will permit these aircraft in commercial service.[5]

Ice and snow

Snowy and icy conditions are frequent contributors to airline accidents. The December 8, 2005 accident where Southwest Airlines Flight 1248 slid off the end of the runway in heavy snow conditions is just one of many examples. Just as on a road, ice and snow buildup can make braking and steering difficult or impossible. The icing of wings is another problem and measures have been developed to combat it. Even a small amount of ice or coarse frost can greatly decrease the ability of a wing to develop lift. This could prevent an aircraft from taking off. If ice builds up during flight the result can be catastrophic as evidenced by the crash of American Eagle Flight 4184 (an ATR 72 aircraft) near Roselawn, Indiana on October 31, 1994, killing 68, or Air Florida Flight 90.[6]

Airlines and airports ensure that aircraft are properly de-iced before takeoff whenever the weather threatens to create icing conditions. Modern airliners are designed to prevent ice buildup on wings, engines, and tails (empennage) by either routing heated air from jet engines through the leading edges of the wing, tail, and inlets, or on slower aircraft, by use of inflatable rubber "boots" that expand and break off any accumulated ice. Finally, airline dispatch offices keep watch on weather along the routes of their flights, helping the pilots avoid the worst of inflight icing conditions. Pilots can also be equipped with an

ice detector in order to leave icy areas they have flown into.

Engine failure

Although aircraft are now designed to fly even after the failure of one or more aircraft engines, the failure of the second engine on one side for example is obviously serious. Losing all engine power is even more serious, as illustrated by the 1970 Dominicana DC-9 air disaster, when fuel contamination caused the failure of both engines. To have an emergency landing site is then very important.

In the 1983 Gimli Glider incident, an Air Canada flight suffered fuel exhaustion during cruise flight, forcing the pilot to glide the plane to an emergency deadstick landing. The automatic deployment of the ram air turbine maintained the necessary hydraulic pressure to the flight controls, so that the pilot was able to land with only a minimal amount of damage to the plane, and minor (evacuation) injuries to a few passengers.[7] The ultimate form of engine failure, physical separation, occurred in 1979 when a complete engine detached from American Airlines Flight 191, causing damage to the aircraft and loss of control.

Delamination

Composite materials consist of layers of fibers embedded in a resin matrix. In some cases, especially when subjected to cyclic stress, the fibers may tear off the matrix, the layers of the material then separate from each other - a process called delamination, and form a mica-like structure which then falls apart. As the failure develops inside the material, nothing is shown on the surface; instrument methods (often ultrasound-based) have to be used to detect such a material failure. Aircraft have developed delamination problems, but most were discovered before they caused a catastrophic failure. Delamination risk is as old as composite material. Even in the 1940s, several Yakovlev Yak-9s experienced delamination of plywood in their construction.

Stalling

Stalling an aircraft (increasing the angle of attack to a point at which the wings fail to produce enough lift), is very dangerous and usually results in a crash unless the pilot quickly reacts in the proper manner and there is sufficient altitude left to regain adequate flying airspeed, while the plane is losing altitude. Devices have been developed to warn the pilot when the plane's speed is coming close to the stall speed. These include stall warning horns (now standard on virtually all powered aircraft), stick shakers and voice warnings. Most stalls are a result of the pilot allowing the plane's to go too slow for the particular weight and configuration at the time. There is, however, such a thing as a high-speed stall. That can occur when a plane pulls out of a high speed dive too rapidly, causing the angle of attack of the airfoil to become so extreme that the air flow over the top of the wing is broken up into a turbulent mass, which destroys the lift capability of the wings.

Notable crashes, caused by a full stall of the airfoils:

- British European Airways Flight 548, June 18, 1972
- United Airlines Flight 553, December 8, 1972
- Aeroflot Flight 7425, July 10, 1985
- Arrow Air Flight 1285, December 12, 1985
- Northwest Airlines Flight 255, August 16, 1987
- Delta Air Lines Flight 1141, August 31, 1988
- The Paul Wellstone King Air Charter crash, October 25, 2002
- Colgan Air Flight 3407, February 12, 2009
- Turkish Airlines Flight 1951, February 25, 2009

Fire

Safety regulations control aircraft materials and the requirements for automated fire safety systems. Usually these requirements take the form of required tests. The tests measure flammability and the toxicity of smoke. When the tests fail, they fail on a prototype in an engineering laboratory, rather than in an aircraft.

Fire on board the aircraft, and more especially the toxic smoke generated, have been the cause of accidents. A large amount of research into evacuation and cabin and seating layouts was carried at Cranfield

Institute to try to measure what makes a good evacuation route, which led to the seat layout by Over wing exits being changed by mandate and the examination of evacuation requirements relating to the design of galley areas. The uses of smoke hoods or misting systems were also examined although both were rejected.

The cargo holds of most airliners are equipped with "fire bottles" (essentially remote-controlled fire extinguishers) to combat a fire that might occur in the baggage holds, below the passenger cabin. In May 1996 ValuJet Airlines Flight 592 crashed into the Florida Everglades a few minutes after takeoff after a fire broke out in the forward cargo hold. All 110 aboard were killed. At one time fire fighting foam paths were laid down before an emergency landing, but the practice was considered only marginally effective, and concerns about the depletion of fire fighting capability due to pre-foaming led the United States FAA to withdraw its recommendation in 1987.

Bird strike

Bird strike is an aviation term for a collision between a bird and an aircraft. It is a common threat to aircraft safety and has caused a number of fatal accidents. In 1988 an Ethiopian Airlines Boeing 737 sucked pigeons into both engines during take-off and then crashed in an attempt to return to the Bahir Dar airport; of the 104 people aboard, 35 died and 21 were injured.

Modern jet engines have the capability of surviving an ingestion of a bird. Small fast planes, such as military jet fighters, are at higher risk than heavy multi-engine ones. This is due to the fact that the fan of a high-bypass turbofan engine, typical on transport aircraft, acts as a centrifugal separator to force ingested materials (birds, ice, etc.) to the outside of the fan's disc. As a result, such materials go through the relatively unobstructed bypass duct, rather than through the core of the engine, which contains the smaller and more delicate compressor blades. Military aircraft designed for high-speed flight typically have pure turbojet, or low-bypass turbofan engines, increasing the risk that ingested materials will get into the core of the engine to cause damage.

The highest risk of the bird strike is during the takeoff and landing, in low altitudes, which is in the vicinity of the airports. Some airports use active countermeasures, ranging from a person with a shotgun, through recorded sounds of predators to employing falconers. Poisonous grass can be planted that is neither palatable to birds, nor to insects that attract insectivorous birds. Passive countermeasures involve sensible land-use management, avoiding conditions attracting flocks of birds to the area (e.g. landfills). Another tactic found effective is to let the grass at the airfield grow taller [approximately 12 inches (30 centimeters)] as some species of birds won't land if they cannot see one another. Bird strike can also break windshields and wound the pilot.

Ground damage

Aircraft are occasionally damaged by ground equipment at the airport. In the act of servicing the aircraft between flights a great deal of ground equipment must operate in close proximity to the fuselage and wings. Occasionally the aircraft gets bumped or worse. Damage may be in the form of simple scratches in the paint or small dents in the skin. However, because aircraft structures (including the outer skin) play such a critical role in the safe operation of a flight, all damage is inspected, measured and possibly tested to ensure that any damage is within safe tolerances. A dent that may look no worse than common "parking lot damage" to an automobile can be serious enough to ground an airplane until a repair can be made.

An example of the seriousness of this problem was the December 26, 2005 depressurization incident on Alaska Airlines flight 536. During ground services a baggage handler hit the side of the aircraft with a tug towing a train of baggage carts. This damaged the metal skin of the aircraft. This damage was not reported and the plane departed. Climbing through 26,000 feet (7,900 metres) the damaged section of the skin gave way due to the growing difference in pressure between the inside of the aircraft and the outside air. The cabin depressurized with a bang, frightening all aboard and necessitating a rapid descent back to denser (breathable) air and an emergency landing. Post landing examination

of the fuselage revealed a 12 in × 6 in (30 cm × 15 cm) hole between the middle and forward cargo doors on the right side of the airplane.[8] The three pieces of ground equipment that most frequently damage aircraft are the passenger boarding bridge, catering trucks, and cargo "belt loaders." However, any other equipment found on an airport ramp can damage an aircraft through careless use, high winds, mechanical failure, and so on. The generic industry colloquial term for this damage is "ramp rash", or "hangar rash".

Volcanic ash

Plumes of volcanic ash near active volcanoes present a risk especially for night flights. The ash is hard and abrasive and can quickly cause significant wear on the propellers and turbo compressor blades, and scratch the cockpit windows, impairing visibility. It contaminates fuel and water systems, can jam gears, and can cause a flameout of the engines. Its particles have low melting point, so they melt in the combustion chamber and the ceramic mass then sticks on the turbine blades, fuel nozzles, and the combustors, which can lead to a total engine failure. It can get inside the cabin and contaminate everything there, and can damage the airplane electronics.

There are many instances of damage to jet aircraft from ash encounters. In one of them in 1982, British Airways Flight 9 flew through an ash cloud, lost all four engines, and descended from 36,000 ft (11,000 m) to only 12,000 ft (3,700 m) before the flight crew managed to restart the engines. In 1991 the aviation industry decided to set up Volcanic Ash Advisory Centers (VAACs), one for each of 9 regions of the world, acting as liaisons between meteorologists, volcanologists, and the aviation industry.[9]

The April 2010 eruptions of Eyjafjallajökull caused sufficient economic difficulties that aircraft manufacturers were forced to define specific limits on how much ash is considered acceptable for a jet engine to ingest without damage. In April, the CAA, in conjunction with engine manufacturers, set the safe upper limit of ash density to be 2 mg per cubic meter of air space. From noon 18 May 2010, the CAA revised the safe limit upwards to 4 mg per cubic meter of air space.[10] In order to minimize the level of further disruption that this and other volcanic eruptions could cause, the CAA announced the creation of a new category of restricted airspace called a Time Limited Zone (TLZ).[11] Airspace categorized as TLZ is similar to airspace experiencing severe weather conditions in that the restrictions are expected to be of a short duration; however, the key difference with TLZ airspace is that airlines must produce certificates of compliance in order for their aircraft to enter these areas. Flybe was the first airline to conform to these regulations and their aircraft will be permitted to enter airspace in which the ash density is between 2 mg and 4 mg per cubic meter.[12] Any airspace in which the ash density exceeds 4 mg per cubic meter is categorized as a no fly zone.

Human factors

Human factors including pilot error are another potential danger, and currently the most common factor of aviation crashes. Pilot error and improper communication are often factors in the collision of aircraft. This can take place in the air (1978 Pacific Southwest Airlines Flight 182) or on the ground (1977 Tenerife disaster). The ability of the flight crew to maintain situational awareness is a critical human factor in air safety. Human factors training is available to general aviation pilots and called single pilot resource management training.

Failure of the pilots to properly monitor the flight instruments resulted in the crash of Eastern Air Lines Flight 40 in 1972 (CFIT), and error during take-off and landing can have catastrophic consequences, for example cause the crash of Prinair Flight 191 on landing, also in 1972. Human factors incidents are not limited to errors by the pilots. The failure to close a cargo door properly on Turkish Airlines Flight 981 in 1974 resulted in the loss of the aircraft - however the design of the cargo door latch was also a major factor in the incident. In the case of Japan Airlines Flight 123, improper maintenance resulted in the loss of the vertical stabilizer.

Controlled flight into terrain (CFIT)

Controlled flight into terrain is a class of accident in which an undamaged aircraft is

flown, under control, into terrain or man-made structures. CFIT accidents typically are a result of pilot error or of navigational system error. Some pilots, convinced that advanced electronic navigation systems such as GPS and inertial guidance systems (inertial navigation system or INS) coupled with flight management system computers , or over-reliance on them, are partially responsible for these accidents, have called CFIT accidents "computerized flight into terrain". Failure to protect Instrument Landing System critical areas can also cause controlled flight into terrain. One of the most notable CFIT accidents was in December 1995 in which American Airlines flight 965 tracked off course while approaching Calí, Colombia and hit a mountainside after the speed brakes were left deployed despite an aural terrain warning in the cockpit and an attempt to gain ample altitude in the nighttime conditions. Crew awareness and monitoring of navigational systems can prevent or eliminate CFIT accidents. Crew Resource Management is a modern method now widely used to improve the human factors of air safety. Other technical aids can be used to help pilots maintain situational awareness. A ground proximity warning system is an on-board system that will alert a pilot if the aircraft is about to fly into the ground. Also, air traffic controllers constantly monitor flights from the ground and at airports.

Terrorism

Terrorism can also be considered a human factor. Crews are normally trained to handle hijack situations. Prior to the September 11, 2001 attacks, hijackings involved hostage negotiations. After the September 11, 2001 attacks, stricter airport security measures are in place to prevent terrorism using a Computer Assisted Passenger Prescreening System, Air Marshals, and precautionary policies. In addition, counter-terrorist organizations monitor potential terrorist activity. Although most air crews are screened for psychological fitness, some may take suicidal actions.

The use of certain electronic equipment is partially or entirely prohibited as it may interfere with aircraft operation, such as causing compass deviations. Use of personal electronic devices and calculators may be prohibited when an aircraft is below 10,000', taking off, or landing. The American Federal Communications Commission (FCC) prohibits the use of a cell phone on most flights, because in-flight usage creates problems with ground-based cells. There is also concern about possible interference with aircraft navigation systems, although that has never been proven to be a non-serious risk on airliners. A few flights now allow use of cell phones, where the aircraft have been specially wired and certified to meet both FAA and FCC regulations.

Airport design

Airport design and location can have a big impact on air safety, especially since some airports such as Chicago Midway International Airport were originally built for propeller planes and many airports are in congested areas where it is difficult to meet newer safety standards. For instance, the FAA issued rules in 1999 calling for a runway safety area, usually extending 500 feet (150 m) to each side and 1,000 feet (300 m) beyond the end of a runway. This is intended to cover ninety percent of the cases of an aircraft leaving the runway by providing a buffer space free of obstacles. Since this is a recent rule, many airports do not meet it. One method of substituting for the 1,000 feet (300 m) at the end of a runway for airports in congested areas is to install an engineered materials arrestor system, or EMAS. These systems are usually made of a lightweight, crushable concrete that absorbs the energy of the aircraft to bring it to a rapid stop. They have stopped three aircraft (as of 2005) at JFK Airport.

Emergency airplane evacuations

According to a 2000 report by the National Transportation Safety Board, emergency airplane evacuations happen about once every 11 days in the U.S. While some situations are extremely dire, such as when the plane is on fire, in many cases the greatest challenge for passengers can be the use of the airplane slide. In a TIME article on the subject, Amanda Ripley reported that when a new supersized Airbus A380 underwent mandatory evacuation tests in 2006, 33 of the 873 evacuating volunteers got hurt. While the evacuation was generally considered a success, one volunteer suffered a broken leg,

while the remaining 32 received slide burns. Such accidents are common. In her article, Ripley provides tips on how to make it down the airplane slide without injury.[13]

Runway safety

Several terms fall under the flight safety topic of runway safety, including incursion, excursion, and confusion.

Runway excursion is an incident involving only a single aircraft, where it makes an inappropriate exit from the runway. This can happen because of pilot error, poor weather, or a fault with the aircraft. Overrun is a type of excursion where the aircraft is unable to stop before the end of the runway. A recent example of such an event is Air France Flight 358 in 2005. Runway event is another term for a runway accident.

Runway incursion involves a first aircraft, as well as a second aircraft, vehicle, or person. It is defined by the U.S. FAA as: "Any occurrence at an aerodrome involving the incorrect presence of an aircraft, vehicle or person on the protected area of a surface designated for the landing and take off of aircraft."[14]

Runway confusion involves a single aircraft, and is used to describe the error when the aircraft makes "the unintentional use of the wrong runway, or a taxiway, for landing or take-off". An example of a runway confusion incident is Comair Flight 191.

Runway excursion is the most frequent type of landing accident, slightly ahead of runway incursion. For runway accidents recorded between 1995 and 2007, 96% were of the 'excursion' type.[15] New systems designed to improve runway safety, such as Airport Movement Area Safety System (AMASS) and Runway Awareness and Advisory System (RAAS), have been introduced. AMASS prevented the serious near-collision in the 2007 San Francisco International Airport runway incursion.

Safety Improvement Initiatives

The Safety Improvement Initiatives are aviation safety partnerships between regulators, manufacturers, operators and professional unions, research organizations, international organizations to further enhance safety. The major Safety initiatives worldwide are:

- Commercial Aviation Safety Team (CAST) in the US. The Commercial Aviation Safety Team (CAST) was founded in 1998 with a goal to reduce the commercial aviation fatality rate in the United States by 80 percent by 2007.
- European Strategic Safety Initiative (ESSI)- The European Strategic Safety Initiative (ESSI) is an aviation safety partnership between EASA, other regulators and the industry. The initiative objective is to further enhance safety for citizens in Europe and worldwide through safety analysis, implementation of cost effective action plans, and coordination with other safety initiatives worldwide.

Conclusion

Improved air safety to produce airplanes that are especially designed for commercial airlines helped the number of passengers grow from only a few thousand a year in 1930 to about 2 million in 1939 and 16.7 million in 1949. Safety improvements have resulted from improved aircraft design, engineering and maintenance, the evolution of navigation aids, and safety protocols and procedures. It is often reported that air travel is the safest in terms of deaths per passenger mile. The National Transportation Safety Board (2006) reports 1.3 deaths per hundred million vehicle miles for travel by car, and 1.7 deaths per hundred million vehicle miles for travel by air. These are not passenger miles. If an airplane has 100 passengers, then the passenger miles are 100 times higher, making the risk 100 times lower. The number of deaths per passenger mile on commercial airlines between 1995 and 2000 is about 3 deaths per 10 billion passenger miles.

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Management of Inventory in Indian Iron and Steel industry : A case study of Sail and Tisco

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Abstract

The term inventory means all the materials which are kept in the stock to meet the day-to-day requirement of workshop machinery and plant. It is an aggregate of those items of tangible personal property which are held for sale in ordinary course of business, are in the process of production of goods and services. Since inventory constitutes the substantial portion of the resources of industrial enterprises, it needs to be used efficiently in order to keep the enterprise competitive in the market. The management has to pay much attention on management and control of inventory.

Keyword - Globalization, Management, Competitive

Introduction

Following the pace of liberalization and globalization initiated since eighties' the competition has been hotting up and industries have been compelled to cut the costs by economising the use of scarce resources to survive and grow. The economic use of resources is a must to get maximum benefit with limited financial resources. Since inventory constitute the substantial portion of the resources of industrial enterprises, it needs to be used efficiently to keep an enterprise competitive in the market. So, the management has to pay much attention on management and control of inventory.

All the materials which are kept in stock to meet day to day requirement of workshop, machinery and plant are covered under the term inventory. Inventory is "the aggregate of those items of tangible personal property which (i) are held for sale in ordinary course of business, or (ii) are in the process of production for sale, or (iii) are to be currently consumed in the production of goods and services"[1] In other words, the resources used in the form of raw materials which are being converted into goods under process and then converted into finished goods which when marketed gets cash into the organization are inventory. The operative cycle begins with cash outflow through purchases, storage, processing or manufacturing, sales, collection of receipts, ends in cash inflow in the organization.

Inventory for a finance manager is an idle and unproductive resource if not invested profitably. The inventory not only ties up a firm's precious capital but also costs money to carry it. On the other hand, the shortage of inventory is the matter of concern for production manager as well as sales manager, as their scheduled operations will be disrupted. G.W.Plosal and O.W.Weight have rightly pointed out that the 'Inventory in business serves much as suspension system of an automobile ups and downs in sales are absorbed by inventory just as the car springs absorb bumps in the road.[2] Thus, inventory is the integral part of business operations. The maintenance of optimum level of inventory is a must for maximization of wealth of the firm, as both surplus and shortage are harmful. For management it is essential that optimum level of inventory is maintained in the firm to economies the cost of operation. We have selected Indian Iron & Steel Industry for the purpose of study of inventory management.

Rationale

The iron and steel singled out for the study is the backbone of economic growth of a country. A strong relationship exists between the level of economic growth and quantum of steel consumption. Since India is still much behind the developed and some developing economies including China in respect of per caita consumption of steel, India needs faster development and expansion of the industry. In pursuit of achieving faster growth, the iron and steel industry was accorded top priority in five year plans. Accordingly four steel plants at Rourkela, Durgapur, Bokaro and Bhilai were set up which are now under the management of SAIL, a holding company under public sector. Besides these four integrated steel plants, there are three steel plants namely Alloy steel plants, Salem steel plant, and Visvesraya Iron and Steel Company. The I.I.SCo., Maharastra Electrosmelting, Power Supply co., Bhilai Oxygen Ltd. Are subsidiaries of SAIL.It has recorded sales turnover of Rs.45,555 crores on stand alone basis in 2007-08 and inventory of Rs.6857.23 crores.

Besides SAIL, the oldest and largest integrated steel plant in private sector is TISCO, posing challenge to the former in respect of relative growth and profitability. It has emerged as a flourishing plant due to its ability to transform itself rapidly to meet the challenges of highly competitive economy and commitment to become supplier of choice to the consumers with its quality of products and services.

The constant modernization and introduction of the state of art technology and innovative management have enabled the company to stay ahead of the industry. After taking over 'Corus' the European Steel Manufacturer, it has added new feathers to its already glittering cap.

Inventory forms a large portion of their resources exceeding nearly Rs.6,857/- crores in SAIL and Rs.2,047/- crores in TISCO, in 2007-08, hence, their efficient management and economic utilization is pre-requisite for any scheme of profit maximization and development. TISCO has shown consistently higher rate of profitability than SAIL. One of the major reasons of high profitability may be better and more efficient management of inventory. The committee on public undertakings was of the view that SAIL like other public undertakings suffered due to overinvestment in fixed assets, under utilization of capacity, heavy expenditure on provision of township and social amenities and surplus workforce and labour troubles.[3] The findings of the committee did not emphasise, the role of working capital, particularly 'inventory' in the financial well being of an undertaking. The authorities on financial management are of the view that one of the causes of losses incurred by an enterprise may be imprudent and inefficient management of working capital of which inventory is the most important.[4]

The problems of general management and organization are procedural in practice, but the problems of transmutation of working capital into cash and back into inventory is vital and dynamic aspect of management. That is the reason that finance manager's largest portion of time is devoted to the management of this segment of capital.[5] The management of working capital has assumed added significance in view of the inflationary conditions prevalent in the economy and policy of credit squeeze frequently being adopted by the RBI. Tandon committee has correctly observed that 'industrial production has risen at a slow space, but call on bank credit, essentially for maintaining inventories even at the same level, has gone up with increasing prices.[6] Thus, relatively low performance of SAIL in terms of profitability may be on account of inefficient management of inventory, hence an attempt has been made to evaluate the management of inventory in SAIL and TISCO with comparative analysis.

Materials and Methods

Two enterprises namely SAIL and TISCO have been selected for the comparative study of inventory management. The relevant data have been taken from the balance sheets of

these companies. The study covers a period of 5 years from 2003-04 to 2007-08. The analysis has been supplemented from the relevant reports of Public Enterprises Survey and several studies made by various other agencies. The analysis of secondary data has been supported by the observation made by the researchers from on the spot study.

Results and Discussions

The analysis of inventory management in the selected enterprises has been attempted in two stages. In first stage analysis is based on accounting ratios calculated through balance-sheets'data. In second phase the study focused on practices and convention prevalent in each enterprise for its management. Financial data have been taken from their balance sheets from stand alone basis excluding the autonomous subsidiaries. The analysis of balance sheet data have been grouped under three parts, each part devoted to specific aspect of inventory management. These aspects are (a) study of level of inventory in relation to others such as Current Assets and sales, (b) Circulation or conversion of inventory and (c) inventory holding in the context of operational requirement.

Level or share of Inventory

Inventory is the least liquid asset among other current assets and the excess holding neither serves the purpose of liquidity, nor of profitability of an enterprise. Inventory, on an average, formed 32.36 percent of total current asset in SAIL as against only 21.60 percent in TISCO during the period under review (table - 1). Besides the average, year wise percentage of inventory had been much high in the former. On the other hand, TISCO has consistently reduced inventory holding and brought down the share of inventory from 30.07 percent of current assets to 5.54 percent in 2007-08.Even the share of inventory in large companies in private sector has been much higher than TISCO.

Inventory in relation to sales had been consistently high in SAIL as compared to TISCO (table -2). The comparative analysis suggests that over stocking of inventory exists in SAIL as compared to TISCO, an integrated steel plant in private sector.

Circulation or Conversion

The inventory goes into the process of conversion from raw material to goods in process of production, to finished goods and ends in cash. Naturally, the quicker is the time taken in conversion, less will be requirement of inventory at the same volume of production and better liquidity and vice versa. The rapidity of conversion is reflected through turnover ratios. In other words, it can be said that a low turnover indicates over investment in inventory and poor management of inventory and high turnover represents under investment and more efficient use of inventory. The average turnover of inventory was 9.62 times recorded in TISCO whereas SAIL recorded a turnover of 5.80 which has been definitely much lower (table-3) TISCO has also maintained consistently higher turnover from 2003-04 to 2007-08. From this stand point too, the performance of TISCO has been far better than SAIL.

Inventory Holding in Terms of Operational Requirement

Financial prudence demands that stock of inventory should be in tandem with the operational requirement or the cost of production (excluding depreciation and interest) or less. SAIL has, on an average, maintained stocks equal to 1.78 months' of cost of production whereas TISCO has kept them equal to 1.55 months' cost of production without sacrificing liquidity and production (table-4). To make the analysis more specific the stock of raw materials with firms have been measured in terms of months' consumption of raw materials in table-5. The average raw material stocks have been equal to 1.26 months of total raw materials consumed in SAIL whereas 3.22 months' of TISCO. Such condition could arise on account of the fact that TISCO has shown in its balance sheet raw materials including stores and spares which inflated volume of stock of raw materials. The larger holding of raw materials may also be attributed that TISCO meets the requirement of coal from imports from Australia where

transportation lead time is longer.

The analysis has further enlarged to evaluate the finished goods inventory in terms of months' value of sales during the period under review. It has been found that SAIL has kept finished goods stock equal to 2.7 months' sales against 0.68 months' sale in TISCO (table 8). Both enterprises are in the same market, hence there should be no reason for keeping much more stock of finished goods by SAIL. It is also admitted by the concerned officials that overstock has not been there to earn speculative gains when prices were rising. TISCO has maintained consistently lower stock of finished goods which is revealed in table.

Thus, the above analysis has amply demonstrated that TISCO has an edge over SAIL in respect of quality of management of inventory and overstocking relatively does exist in SAIL eating into its profitability.

Causes of overstocking :

The causes of overstocking may be grouped under three heads namely (i) organizational set up (ii) planning and programming and (iii) controlling techniques.

(i) Organizational set up : In the whole organizational structure, the management of inventory has not been accorded due and distinct place in SAIL. An 'Integrated Inventory Management Department' has not yet been created and assigned power and responsibility under C.E.O. There are two departments under different heads to perform these functions. The separation of the functions of indent and purchasing has to a great extent led to overstocking on account of non-co-ordination of different functions under common head.

(ii) Planning and Programming : Planning and programming of materials leaves much to be desired which is evident from the fact that a large number of orders for purchasing materials and stores were of small value. The planning exercises are deficient, as adequate and accurate data to make correct forecasting of demand for materials are not available at subsidiaries and corporate level. Even with regards to items of regular use, the system of automatic replenishment based on minimum, maximum, and reordering levels has not been implemented in SAIL. Consequently, supplies are arranged as per the indents of consuming departments. Besides these, the optimum quantity for re-ordering is based on consumption and lead time without taking into consideration the costs of ordering and carrying of materials. The observation made by us has been corroborated by 40th Report on Materials Management in Public under-takings. It has been reported that provisioning levels were not fixed properly based on figures of past consumption. Further, the levels were not watched regularly and indents were raised after the stocks have gone below the minimum or in most cases long after stocks had become nil. On the other hand in respect of several items, there had been progressive additions to stocks year after and surpluses had accumulated over a period of time.[7]

(iii) Application of Modern Techniques of Control: Because of defective procedures based on breaucrative framework, the administrative lead time is much longer in SAIL. A compulsory reference to finance department at different stages of purchasing raises lead time in procurement of materials. The list of suppliers are not being updated regularly depending upon change in technology and product innovation by the already short listed suppliers.

SAIL has been found deficient in matters of introducing the modern techniques of control such as preparation of vocabulary, codification, classification, standardization and variety reduction. Even A.B.C. technique being implemented is in letter only not in spirit.

In contrast to SAIL, TISCO has exhibited efficient and responsive management using the latest techniques control and planning.

Table 1
Inventory of Current Assets in SAIL and TISCO during 2003-04 to 2007-08[a]

(In percentage)

Year	SAIL	TISCO
2003-2004	37.57	29.81
2004-2005	29.75	30.03
2005-2006	35.72	29.32
2006-2007	32.64	13.34
2007-2008	26.06	05.54
Average (2003-08)	32.35	21.60

a. Adapted from original Balance sheets of SAIL & TISCO.

Table 2
Inventory as the percentage of sale in SAIL and TISCO during 2003-04 to 2007-08a

(In percentage)

Year	SAIL	TISCO
2003-2004	14.47	8.62
2004-2005	14.89	10.51
2005-2006	22.29	11.44
2006-2007	19.61	10.41
2007-2008	17.36	10.40
Average (2003-08)	17.72	10.28

a. Adapted from Balance sheets of SAIL & TISCO.

Table 3
Inventory Turnover in SAIL and TISCO during the period 2003-04 to 2007-08a

(In time)

Year	SAIL	TISCO
2003-2004	6.91	11.60
2004-2005	6.72	9.51
2005-2006	4.49	8.74
2006-2007	5.10	9.60
2007-2008	5.76	9.62
Average (2003-08)	5.80	9.82

a. Adapted from Balance sheets of SAIL & TISCO.

Table 4
Inventory to Months cost of Production (Excluding Depreciation & Interest) During 2003-04 to 2007-08a

(In Month)

Year	SAIL	TISCO
2003-2004	1.51	1.17
2004-2005	1.52	1.70
2005-2006	2.22	1.71
2006-2007	1.93	1.57
2007-2008	1.71	1.59
Average (2003-08)	1.78	1.55

a. Adapted from Annual Account of SAIL & TISCO.

Table 5
Raw Material in terms of months' value of raw material consumption During 2003-04 to 2007-08 in SAIL & TISCO

Year	SAIL	TISCO
2003-2004	1.51	1.17
2004-2005	1.52	1.70
2005-2006	2.22	1.71
2006-2007	1.93	1.57
2007-2008	1.71	1.59
Average (2003-08)	1.78	1.55

a. Adapted from Annual Account of SAIL & TISCO.

Table 6
.Stock of finished goods in terms of months' value of sales in SAIL and TISCO During 2003-04 to 2007-08[a]

Year	SAIL	TISCO
2003-2004	8.90	0.70
2004-2005	0.83	0.73
2005-2006	1.39	0.79
2006-2007	1.24	0.74
2007-2008	1.20	0.45
Average (2003-08)	2.71	0.68

a. Adapted from the figures of Balance Sheet.

Conclusion

The organizational set up for management of inventory requires a complete change from breaucrative structure to responsive structure like TISCO, a private sector enterprise. An 'Integrated Inventory Management Department under CEO of each subsidiary and manned at lower level by especially trained specialists is required to be constituted. Procedures relating to procurement of materials are to be simplified and frequent reference to finance department should be given a good bye. Control line machinism is to be computerized and modern techniques need be used.

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Green Computing- A New Horizon of Energy Efficiency and E-Waste Minimization

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Abstract

Green Computing or Green IT is a recent trend towards designing, building, and operating computer systems to be energy efficient. While programs such as Energy Star have been around since the early 1990s, recent concerns regarding global climate change and the energy crisis have led to renewed interest in Green Computing. Data centers are significant consumers of energy - both to power the computers as well as to provide the necessary cooling. This paper proposes a new approach to reduce energy utilization & e-waste.

Keywords: Green IT, Green design, Green use, Energy Star & E-waste

Introduction

Green computing or green IT refers to an efficient utilization of computing resources with minimum or no negative impact on the environment; or we can say "environment responsible computing" known as Green computing. Green Computing includes efficient and effective environment friendly practice of designing, manufacturing, using and disposing of computers, devices, peripherals, networking & communication systems. The Motto of green computing are to reduce the electricity Consumption, use of hazardous materials, e-waste, carbon level and increase the efficiency and lifetime of computing devices that can result in promoting recyclability or biodegradability of defunct products and factory waste.

In 1992, the U.S Environmental Protection Agency launched energy star, a voluntary labeling program which is designed to promote and recognize energy efficiency in monitors, climate control equipment and other technologies. This label was also awarded to monitors, refrigerators, television sets, air conditioners etc. At the same time the Swedish organization TCO Development launched the TCO certification program to promote low magnetic and electrical emissions from CRT based computer displays. This program was later expanded to include criteria on energy consumption and the use of hazardous materials in manufacturing.

Materials and Methods

Many articles and magazines have been referred to collect the material and the exact situation of computing devices. Performance-wise, computer design has progressed amazingly well and astonishingly fast but looking at it from a green perspective, the greening is not satisfactory. Conventionally, manufacturing computers include the use of lead, cadmium, mercury, and other toxics in general. Lead is used in soldering of printed circuit boards and other components. It is also used in glass for CRTs. Lead can cause damage to the central and peripheral nervous systems, blood system, kidneys, endocrine system and cause negative effects on child brain development. Electronics contribute 40% of the total amount of lead found in landfills and can make its way from landfills into the water supplies and has toxic effects on plants, animals and microorganisms.

Results and Discussions

Mercury is used in batteries, switches, printed circuit boards, data transmission equipments, telecommunication equipments etc. It is estimated that 22% of the yearly use of mercury is in electrical and electronic equipment. Mercury spreads out in water

transforming into methylated mercury which can easily enter into the food chain through fish and can cause chronic brain damage to the living organisms.

Cadmium is used in resistors for chips, infrared detectors and in semiconductors. Cadmium is toxic and can absorb through respiration and also food intake and accumulates in the human body especially in the kidneys. Plastics are found throughout the computer from casings to hold internal components together. It's no wonder that computers and other electronics make up to two-fifths of all landfills which means a method of solid waste disposal.



Figure 1: E-Waste

To keep servers at the right temperature, companies mainly rely on air-conditioning equipments. The more powerful the machine, the more cool air needed to keep it from overheating. By 2005, the energy required to power and cool servers accounted for about 1.2% of total U.S. electricity consumption, according to a report released in February by staff scientist Jonathan Koomey of Lawrence Berkeley National Laboratory and sponsored by chip manufacturer Advance Micro Device (AMD).

According to Gartner by 2010, about half of the Forbes Global 2000 companies will spend more on energy than on hardware such as servers. Energy costs is, now about 10% of the average IT budget according to some research.

Faster processors use more power, because they use too much power and their waste heat increases temperature for which air conditioning becomes necessary. The waste heat also causes reliability problems, as CPU's crashe much more often at higher temperatures.

To stop the growing pollution threat all over the world due to the growing use of electronic device in general and computers in particular there is a need to look for an eco-friendly computer. This eco friendly computer will not only reduce the health hazards but also reduce the burden on the environment and will result in reduction of global warming.

How to achieve green computing:-

1. Virtualization

Today computers are very fast. Single user can't use even the 20% capacity of the system. Virtual computing can share the system performance through virtual clients. It is the process of running two or more logical computer systems on one set of physical hardware. With virtualization, several virtual systems can be connected through a single powerful system. This system unplugs the various components like CPU fan, Hard disk etc., and results in reducing power and cooling consumption. It can make the most efficient use of available system resources.

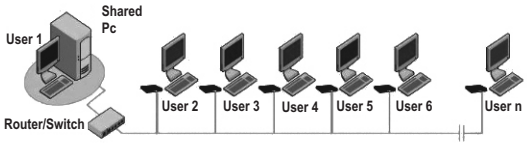


Figure 2 : Virtual Computing Setup

2. Power management

Green Computing also emphasizes to reduce the Power consumption. For this Hardware manufacturer should develop low power consumption devices and Software developers should develop software to optimize the power consumption through proper power management. Power Management can be achieved through: -

- Prolong battery life for portable and embedded systems.
- Reduce cooling requirements like AC, Fans etc.
- Reduce operating energy for computing.
- Replace CRT with LCD and LCD with LED

The system can be switched off when not in use especially in night. The monitor should be turned off when the user is going away even for shorter duration.

The power management can be adjusted using the control panel to turn off the hard drive and put the system into standby after a set

amount of time. For more advanced users remove unnecessary fans and Drives. Cable Modems, Routers and Wi-Fi Access Points can be switched off when not in use / overnight.

3. Reusing and Recycling

This can include finding another use for the system (i. e. donated to charity), or having the system disassembled in a manner that allows for the safe extraction of the constituent materials for reuse in other products. Recycling can keep harmful materials such as lead, mercury, and hexavalent chromium out of landfills. Obsolete computers are a valuable source for secondary raw materials, if treated properly. Most major computer manufacturers offer some form of recycling, often as a free replacement service when purchasing a new PC.

Simple Network Consulting receives hundreds of spent printer toner and inkjet cartridges and batteries a year. Instead of tossing these in the garbage, these can be recycled, saving resources and reducing pollution and solid waste. Refill laser toner cartridges, Ink-jet cartridges or use Ink-tank; it's cheaper and doesn't add to landfill. Useless printed materials can also be recycled and reused.

4. Reducing Paper Waste

Rather than creating a paperless office, computer use has vastly increased paper consumption and paper waste. Here are some suggestions for reducing waste:

Print as little as possible. Review and modify documents on the screen and use print preview, Minimize the number of hard copies and paper drafts made.

Instead of printing, save information to disk.

Recycle waste paper. Buy and use recycled paper in the printers and copiers.

Do not print out un-necessary e-mail messages.

Use e-mail instead of faxes or send faxes directly from the computer to eliminate the need for a paper copy.

One sided printed papers can be used as scrap papers.

When general information-type documents can be shared by circulating the same copy within an office.

5. Power Supply

If a PSU (power supply unit) meets the green certification, it will use only the power it needs at a given load. In other words, it won't use more power than it needs. It's the heart of a green PC, since it manages the power for all the other components. For this always use High quality SMPS (Switch Mode Power supply).

6. Storage

Features like the reduced RPM low-power, idle mode with fixed rotation speed for reduced power consumption has been developed. The second option is to use a solid state hard drive (SSD). The SSD uses low power, Less operating temperature, less hazardous materials in comparison to normal harddisk drive.

7. Video Card

A fast GPU (Graphics Processing Unit) may be the largest power consumer in a computer. It is normally used for High-end graphics designing, viewing picture and playing 3D games; but due to lack of knowledge user get it assembled even if use is not required. Energy efficient display options include using motherboard video output, using a shared terminal, shared thin client, reusing an older video card that uses little power etc.

Many new electronics that were sold in the United States already meet the European Restriction of Hazardous Substances Directive (RoHS), a standard for banning the general use of six hazardous substances which includes lead and mercury, and many manufacturers are helping in reducing to further use of toxic substance.

But in India, the principle of "Green Computing" is facing a dilemma due to many socio-economic matters. So far, consumers haven't cared about ecological impact when buying computers, they've cared only about speed and price. Now time has come to think about our ecology, consumer should become pickier about being green, devices that use less and less power while renewable energy gets more and more portable and effective.

Conclusion

So green computing is a mind set that asks how we can satisfy the growing demand for network computing without putting such pressure on the environment. There is an alternative way to design a processor and a system such that we don't increase demands on the environment, but still provide an increased amount of processing capability to customers to satisfy their business needs. Green computing is not about going out and designing biodegradable packaging for products. Now the time has come to think about the efficient use of computers and the resources which are nonrenewable. It opens a new window for the new entrepreneur for harvesting with E-waste material and scrap computers.

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Impact of globalisation on Indian women : Reflections

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Abstract

Women's lives in India and the world over are circumscribed by what can be termed as the 'five Ps'- patriarchy; productive resources access inadequacy; poverty; promotion advancement insufficiency; and powerlessness. At the core of this circle of denial of and gender discrimination in their rightful entitlements of life, education and training for a technological world, health and social security, lies the gross violation of the human rights of women embodied in structural and outward forms of violence perpetrated by the triple concentric circle of the family, community and society at large, now being compounded by the state under pressure of policy prescriptions of Structural Adjustment Policy (SAP) and Globalization. The author maintains that the " gender relationship of dominance and subordination is a political relationship which derives material sustenance from conditions and structure of production and its legitimacy from a tradition or culture which upholds subordination of women ."In analyzing the impact on women's lives in general and in India in particular, the inherent inequality, discrimination, disinheritance and non-endowment is aggravated hundred- fold by the trends and tendencies imposed by globalisation.

Keyword - Globalisation, Indian Women

Introduction

Globalization has been one of the most frequently used expressions in economic and political discourse over the last two decades. Its merits and demerits, advantages and disadvantages and as to who would be its gainers and losers have been debated. It has been the subject of innumerable lectures and speeches, seminars and workshops. Thousands of papers and articles in newspapers and academic journals; and scores, if not hundreds of books and monographs have been written on the subject. International Financial Institutions, Multinational Corporations, Government of most of the Developed countries and many influential intellectuals, economists and politicians have never got tired of admiring it as a natural and necessary process with immense potential for the betterment of humankind. On the other hand, a number of independent intellectuals, economists, social scientists, trade unions, number of n-government organizations and civil society groups have expressed serious reservations, If not opposition, to globalization.

They have, in particular, highlighted it as iniquitous on developing countries and under - developed countries, disadvantaged groups and labour.

Now since the process of globalization has gone on for over two decades – our own experience in India has been of almost two decades- it is possible to see the extent to which real situation reflects the views expressed by its proponents and opponents Authors highlights some of the aspects which are commonly ignored in India.

Globalization of economic relations aims at increasing production, enhancing efficiency, creating employment and providing social security benefits. Various reforms are introduced to attain these goals. The New Economic policy (NEP), General Agreement on Trade and Tariffs (GATT), renamed as World Trade Order (WTO) from January, 1995, liberalization and privatization are some of the mechanism / agencies which are supposed to be influencing the change process in this direction. But the reforms are being severly criticized as most of the them are pro-rich. The surplus only makes the rich richer instead of being channeled for poverty alleviation (Dhar, 1995). In fact. Reforms should not deprive major or significant section of population of their source of income, without providing them a viable alternative (Ranade, 1995).

Materials and Methods

The present study is exclusively based on the secondary data collected from different published sources such as Articles, The Hindu National Paper, Various reference papers, etc. the objectives of the study have been verified using secondary data.

Results and Discussions

A crucial fallout of modernization and globalization is their adverse consequences for the women in the third world countries, Any impact on the society's economy, whether it is recession and inflation, cut in jobs, destruction of the handicraft industry, ruin of the self-employed sector or impoverishment in general– all tend to hit the women first, Similarly spread of women values and commodity forms also targets the women first. Ever since the crowing of Indian girls as Miss Universe and Miss India in the same year and the holding of an "Indianized" version of the Miss World competition in India two years later, there has been a surfeit of beauty contests , catwalks and modeling shows in India. Beauty has become a business with more and more girl's wanting to be models or beauty queens. And for those who feel there is nothing alarming about this let us remember that the idols of these girls are not the Sushmita Sen and Aishwarya Rai of India but the (Supermodels) Claudia Schiffers and Noami Campbells of the West. Also the consumer products related to the fashion and beauty industry are manufactured primarily by the West and marketed to the "modernizing" societies. All this is being overlooked by the indigenization perspective which is basking in the warmth of the glamour and optimism attached to the process of globalization and modernization Sabbarwal (1999).

An increasing trend of consumerism, violence, individualism and sexual promiscuity is likely to have dangerous consequences for the society and especially for women. Increasing vilence, both outside and within the household, also has disastrous consequences, increasing trend to crime against women, especially the sex related crimes, points towards a further deteriorating situation. According to the information provided by the crime record bureau of the Home Ministry, a women is raped every 47 minutes, another is kidnapped or abducted every 44 minutes, while a third is subjected to cruelty by her husband or relatives . Nearly 17 dowry deaths are reported every day (Kaur 1999).

The strategy of development was totally reversed in 1991 when we adopted the National Economic Policy. Now, more and more social sectors like health, education, transport and communication are being privatized. No subsidies will be available in these sectors hence forth. All social welfare measures are going to be stopped and people have to pay for all these services. The emphasis is on the free market, export promotion and globalization. The arrival of multinationals has promoted the introduction of sophisticated technology and automation. This has resulted in unemployment increase in the unorganized labour force, faminization of poverty, and the winding up SSI's that employ women in large numbers. This change from welfare development to economic development will make women the victims and their position in society will deteriorate Ramanamma (1999).

In the modern era of emulative competition and the age of globalization and privatization, the handloom sector has been facing hurdles sometimes menacingly insurmountable, notwithstanding the fact that Assam tops the map of India with 6.94 looms which is 16.4 per cent of the national total of 42.24 lakh looms (Ghosh;1994). The general trends of marginalization and weakening of the small scale and cottage industries as a sequel to globalization and economic reforms would have drastic consequences in the North-East as its total dependence is on the small scale industry. This will have a wide ranging effect on the women of the region who have all along been very active participants in this industry.

Thus Economic reforms have had an adverse effect on the life of women weavers of Sualkachi, Assam (Mohanta & Sonowal.1999).

The process of globalisation of agriculture has raised serious concerns of displacement and loss of livelihood for agricultural workers in the country because of labour displacing mechanization and other new technologies, as also changes in crop patterns. This is one of the major findings of a research project commissioned by the International Union of Food and Agricultural Workers (IUF) to study the impact of globalisation on farm workers in India. Although labour has tried to cope with the situation by resorting to increased migration and entry into non-agricultural work, opportunities for doing so seem to be limited, the report observed. Land owners seem to prefer women as they are able to pay less and find them a docile and dependent workforce.

Thus wage discrepancies between men and women have continued. Agriculture seems to have become a sector where the comparatively less privileged women workers are being used increasingly as marginalized workers (Chandrasekhar, 2008).

Conclusion

There are the consequences of the transfer of technology for women. Are all economic and technological developments beneficial for all segments of the population? if not, who should take the decision to introduce new social policy? Who should decide what kind of technology needs to be introduced and for whom and in which occupations? Increasing consumerism which is intentionally promoted in the market-oriented global economic policy, further devalues the household role of women. Globalization for an Indian women could have been interpreted as amelioration of women's status decline in her fertility obligations, a reduction in her mortality and contraception burdens, her empowerment so that she could overcome her predicaments and her active participation in all the democratic institutions of society to ensure equity and justice. Historically, there have been a few Indian women who enjoyed such status but they are exceptions and not the rule. The stark reality is that Indian women have been and remain backward, looking illiterature, overburdened with excessive child bearing, carry excessive mortality and contraceptive burdens, and work mainly in the primary sector of economy. Globalization further helps to feminize their poverty by bringing them to the level of poorest among the poor. They are victims of social neglect and crime, and suffer life-long injustices, inequalities and discrimination. Their standing in the globalized society will further deepen their miseries. Fortunately, some of women can achieve high status, demographic advancement, literacy and education at much lower levels of economic development. The position of women depends more on social development, and policies and priorities of the state. The governments at the State and national levels have been adopting half-hearted, piecemeal policies for women and their priorities are the last in the list. Women have to overcome social, and political barriers by prioritizing democratic decision making to bring equity and justice at the local levels and then at the global level. The movement of the empowerment of women has to go a long way.

As the various strategies adopted do not address to the problem of the poor, few alternatives need to be looked into, such as upliftment of human life as a whole, emancipation of women and the rights of women, improvement for sustainable development and preservation of environment and emancipation of labour force.

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Role of Insurance in uplifting- The life-styles of the tribals of Ranchi District

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Abstract

In this new millennium, everyone wants to get assured as well as insured in every way, then why leave the tribal and that also just because they do not earn well. The tribal too have their own society, which is rich ion every way so why are they being left out in securing their life and earnings? This paper is mainly aimed at measuring the role of insurance in uplifting the quality of life of the tribal of the Ranchi district. The fast changing political and economic scene of the ChotaNagpur area requires proper study of the tribal life. It is a high time to review the tribal situation, especially related to the economic and social problems, which are fused into one. This is the time now, to shape their life to survive and compete with other races in the changing era stepping into the next millennium. The study would help the insurance companies and the governments that they can do something that can help the tribal realize how valuable their life is. It would assist to explore a wide market for the nationalized insurance companies as well as the multi-national companies about how to approach the insurance market on account of privatization of the insurance sector.

Keyword - Urban Agglomeration, Red- Tapism, Administrative Reforms Committee

Introduction

Insurance is an Rs.400 billion business in India and together with banking services it adds about 7% to India's GDP. Gross premium collection is about 7% of India's GDP and is growing between 15% and 20% per annum. The total investible funds with LIC of India are almost 8% of the GDP. Though, India has the highest number of life insurance policies in force in the world, yet more than three-fourth of the India's insurable population has no life insurance cover.

LIC was established on 1st September 1956 to take over the assets and the liabilities of the erstwhile insurers and to carry on life insurance business in the country, and so was the GIC. It was proposed that the insurance companies have to work for the betterment of the society especially the backward classes. However, the insurance companies today are been diverted from the original path and are being running totally on the commercial lines. The economically backward classes are largely ignored. There are several policies designed for them such as Jivan Rekha Policy, Gramin Janta Personal Policy, Gramin Personal Policy, Bima Sandesh and even special tribal packages. But, unfortunately, none of them have been successfully implemented nor have been able to explore the market in that segment just due to the problem faced in the collection of premium and also because it seems to be a low profitable segment for them. The major cause of failure of the insurance companies in this segment is due to the following facts: (a) unawareness among the tribal and other backward classes (b) Economic backwardness (c) Lack of communication (d) Fatal mindset among the masses (e) The marketing people are not interested to go there due to low premium collection (f) Illiteracy among masses (g) Lack of personal approach (h) Problem of "Red-Tapism" and government officials (i) Lack of caliber in the marketing professional (j) Lack of company initiative (k) Ethics of the company.

Materials and Methods

The contents have been taken from relevant books and brochures related to the different policies set up by the insurance companies for the benefit of the tribal. Intensive fieldwork in the interiors and the outskirts of the district has been taken for a clear understanding of the problems of tribals. The rural development offices and the tribal institutions have been consulted for more assistance.

Results and Discussions

The district of Ranchi with a population of 2214048 persons is divided into 43 community development blocks consisting of 3783 inhabited villages out of a total of 3195 villages including 103 with the constituent units of towns in the district and 10 towns. With 4.39 per cent of the total population of the state comprised within the district, it ranks 5th in the state in order of population.

It would be seen from the given data that the variation in the distribution of population among the C.D Blocks are very wide. Kanke block emerges as the most populous block accounting for 19.47 per cent of the district because it contains Ranchi urban agglomeration (consisting of Ranchi Municipal Corporation, the district headquarters and Kanke town). The urban population content in Kanke block is to the extent of 84.11 per cent of its total population.

The average population of a development block in the district is 71405. Ranchi district has an urban population of 642409 comprising 20.92 per cent the state population. The district is much ahead of the state in the matter of urbanization. Besides extensive industrialization and mining as also other socio-economic factors, the constitution of Ranchi Municipal Corporation involving the extension of the urban limits of Ranchi city may also be responsible for this.

Table showing numbers and percentage of people in Ranchi district

Area	18331 sq.km		
Border Shared	North South East West	Hazaribagh West Singbhum West – Bengal Border Palamu, Lohardaha, Gumla	
Total Population	2214048	Men: 1152736	Women:1061312
Total Rural Population	1483393	Men: 759740	Women: 723653
Total Urban population	730655	Men: 392996	Women: 337659
Total Population of Scheduled Caste	123239	Men: 64292	Women: 58947
Percentage of Scheduled Caste In Total Population	5.57%		
Total Population of Scheduled Tribes	964422	Men: 490510	Women: 439127
Percentage of Scheduled Tribes In Total Population	43.56%		
Population Growth Rate	1971-81 1981-91	23.68% 21.42%	
Density of Population	1981 1991	237 288	
Male –Female Ratio (Every 1000 males)	1981 1991	928 921	
Literacy	51.52%	Men: 613949	Women: 313816
Sub-Division	Ranchi Sadar	Khunti	

Table showing population figures and no. of villages of Ranchi district, 1981

Name of Dev. Block	Population Total	Population Male	Population Female	No. of Villages
Kanke	94995	49833	45162	131
Namkum	74722	38562	36160	121
Ratu	77603	39462	38141	91
Bero	59355	303348	29007	114
Lapung	39933	19697	20236	79
Chanho	48568	24731	23855	67
Mandar	58627	29588	29039	69
Burmu	79452	41893	37559	98
Ormanjhi	48375	24592	23783	91
Angara	74825	37811	37014	92
Silli	72930	36867	36063	113
Khunti	51620	23151	26166	159
Murhu	54946	27138	27358	141
Rania	29342	14165	15177	67
Torpa	57153	28035	29118	95
Karra	67329	33367	33962	178
Bundu	40154	20113	20041	90
Sonahatu	74616	37224	37393	101
Tamar-1	85091	43288	41803	120
Arki	55385	27702	27683	128
Simdega	71912	35312	36570	96
Kolehira	45969	22843	23126	53
Bano	58891	29098	29793	93

In consonance with the recommendations of Administrative Reforms Committee, LIC devised special schemes and recruited local people and trained them for the procurement of the rural business. The corporation introduced Rural Career Agent Schemes in February 1979, which envisaged recruitment and training of the rural agents -Annual Reports of LIC Schemes were designed to cater to the needs of the rural population which increased rural business. Thus, the corporation's rural insurance includes individual insurance policies to the break –off section of the rural population and low premium based on group insurance policies and subsidized group insurance policies for the weaker sections of the rural population. The various schemes run by LIC to provide security to the economically weaker section of the society through an insurance cover are as follows:

1. Social Security Group Insurance Schemes

The government of India with an objective to provide security to the weaker section of the society, set up a social security fund in the year 1998—1989 to provide subsidy up to 50% of the premiums under group insurance schemes covering such sections. The following 24 occupational groups have been approved so far for this purpose : Leather and Tannery Workers, Lady Tailors, Handloom and Khadi Weavers, Handloom Weavers, Handicraft Artisans, Hamals, Fishermen, Cobblers, Brick Kiln Workers,Beedi Workers, Papad Makers attached with SEWA, Physically Handicapped Self-Employed Persons, Primary Milk Producers, Rickshaw Pullers/Auto Drivers, Safai Karamcharis, Salt Growers, Tendu Leaf Collectors, Urban Poor, Forest Workers, Sericulturists, Toddy Tappers, Powerloom

Workers and Women in hilly areas. It may thus be seen that we have covered only 12% of the potential, leaving a big group yet to be tapped.

2. Landless Agricultural Labourer's Group Insurance (LALGI)

Landless Agricultural Laborer is defined as an agricultural labourer, whose name does not appear as a landholder in Revenue records and he has no inheritable right to agricultural land and his wage is paid in agriculture irrespective of the mode of payment i.e cash or kind. Under this scheme, heads of families who are landless agricultural labourers, aged between 18 to 60 years are insured for a sum of Rs. 1000which was increased to Rs.2000 w.e.f 10.01.1992. No premium is being charged from the insured person. The claims are paid through the Social Security Funds.

3. Integrated Rural Development Programme (IDRP)

Under the Government's IRDP, assistance is given to member living below poverty line, who takes up self-employment in agriculture, horticulture, animal husbandry etc. The claim paid under this scheme is not used to repay the loans, but goes to the beneficiaries of the deceased. An amount of Rs.5000, w.e.f 01.01.1994 is paid to the deceased nominee. There is Double accident benefit also.

4. Swarnajayanti Gram Swarozgar Yojana (SGSY)

A new programme known as SWARNA JAYANTI GRAM SWAROZGAR YOJANA (SGSY) was launched on 1st April, 1999. This is a holistic programme covering all aspects, of self employment such as organization of the poor into self-help groups, training credit, technology, infrastructure and marketing. This policy ensures that a family has a monthly net income of at least Rs.2000, subject to availability of funds, the effort will be to cover 30% of the poor families in each block during the next five years.

5. Rural group life insurance (RGLIS) Scheme

The objective of this scheme, which came into effect from 15.08.1995,is to provide life insurance protection to the rural masses. Persons aged 20 years or more but less than 50 years are eligible to enter the schemes. A person aged 20 years or more but less than 50 years who belongs to a household below the poverty line will be eligible for the subsidy. The annual premium is Rs.60 if he is aged 20 years or more but less than 40 years on the date of joining the scheme and Rs.70, if he is aged 40 years or more but less than 50 years on the date of joining the scheme.

Conclusion

The following steps to make these schemes more popular can be proposed in a logical manner. Marketing officials of P&GS and also the designated branch managers should be involved in these schemes for better progress. One village under each division will be selected where all the eligible persons under RGLIS, both general and subsidized, should be covered. The name of such a village will be reported in various publicity media and the Surpunch/Village Pradhan will be honoured. We shall honour the village level workers who have the maximum number of people under these schemes under each division of a function to be held at Block Headquarters. Closer liaison with the state government should be aimed at, during the year, for their added involvement. Designated branch managers of life insurance branches should meet at respective divisional headquarters for a review of performance.

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Communication challenges for budding Managers

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Abstract

The benchmark for excellence at all levels in today's workplace, especially managerial, is not how much one is intellectually qualified but rather how one can communicate and relate oneself with and to each and every level of work and people. All the job vacancies today, undisputedly, ask for one thing in common and that is a sound and effective communication skill. Against this backdrop, this article provides a brief introduction to some major developments in the workplace that are intensifying the need to communicate effectively and imposing a challenge to the managers to develop their communication skills in order to sustain and grow in the current scenario.

Keywords: Communication, Globalization, Culturally-diverse, Team-based

Introduction

One can have the greatest technical skills in the world, but without solid communication skills, who will know and who can understand? Communication skills are an ever-evolving skill set you never have enough practice (Kelvin Jettson, President of Genisys Consulting Services, 2005). Clearly, effective communication skills are crucial for success in today's workplace. Competent writing and speaking skill can not only get one hired but also help him to perform well and even earn promotions. If one decides to go into business, writing and speaking skills can help obtain venture capital, promote your product, and manage employees.

Walk through the halls of a contemporary organization – no matter whether it's a small start-up entrepreneurial firm, a fortune 500 global giant or a not-for-profit organization – and what do you see? Managers and other employees reading reports, drafting email messages, attending meetings, conducting interviews, talking on the telephone, conferring with subordinates, holding business lunches, reading mail, dictating correspondence and making presentations. In short, we see people communicating.

Effective communication becomes all the more important during times of crisis or radical changes within the organization and across the globe that occur as a result of mergers, sell-outs, re-definition of strategies, deployment of new organizational structures, changes in the organizational culture or top management, changes that result from innovations in products or processes, divestments, downsizing or expansions.

In the current context of ever changing world, communication skills have become not only the fundamental ability to function effectively as a social and a professional being but also a necessity for every individual. If we throw a cursory glance at the various recruitment advertisements of major companies as well as several minor players in the corporate sector, we can clearly notice how specifically they all ask for persons with excellent communication skills (and also interpersonal skills) beside the requisite 'skill set' in areas of specialization.

However, communication is yet an affliction than skill in India. It is a matter of concern that most of the graduates coming out of Indian universities are unemployed because of their lack of communication abilities. If we delve deeper and be specific to the young managers coming out of the management institutes, this is a stark reality which may affect current progress and also hamper our future growth. Industry-relevant managers are yet to be produced to meet the requirements of Indian corporate and business world. The trinity of academic institutions, corporate business houses and the government along with the individual candidate can no more afford to ignore this stark reality.

Management, as we all know, is a complex practice of communicating with other people, the importance of communication cannot be confined to any one area. For management as well as organizational

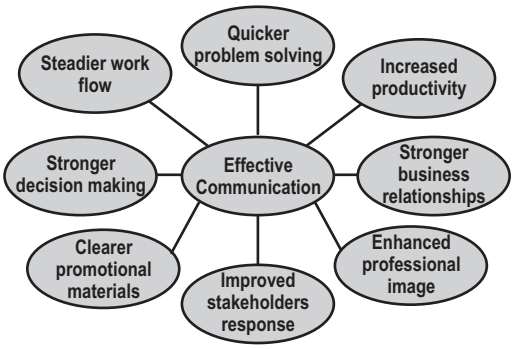
theorists, communication is a key element and theoretical construct, respectively, for describing and explaining organizational phenomena (Blake & Mouton, 1976). In his classic study, Mintzberg (1975) demonstrated that communication in its various forms is one of the key tasks of the managerial role. Moreover, effective communication in an organization can:

1. Foster greater commitment (Dutton et al, 1994; Kane, 1996)
2. Increase job satisfaction (Miles et al, 1996)
3. Act as a conduit for promotion and development
4. Facilitate the diffusion of teamwork (Pettit, 1997)
5. Improve internal control and facilitate strategy development (Steinberg, 1998)

Trends of globalization, market liberalization, deregulation and technical evolution are restructuring global market and challenging traditional approaches to gaining competitive advantage (Haevel, 2000). Business executives and management students wishing to be dynamic and effective players in the global economy of the 21st century must acquaint themselves with the various perspective of communication.

Career uncertainties, rightsizing, the pressure of working in a multicultural environment and the pressure of reaching out to the stakeholders through corporate communication channels have vitalized the importance of communication.

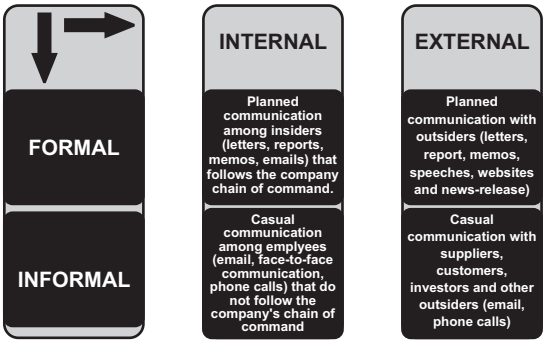
In this context we need to understand certain basic things about communication – the process of sending and receiving messages – sometimes through spoken and written words and sometimes through such non-verbal means as facial expressions, gestures, and voice qualities. However, communication is effective only when the message is understood and when it stimulates action or encourages the receiver to think in new ways. The ability to communicate effectively increases productivity of both individuals and organizations. The figure below clearly illustrates what an effective communication can do.



Without effective communication, people misunderstand each other and misinterpret information. Ideas misfire or fail to gain attention, and people and companies flounder. In fact, studies show that on an average, 14% of each 40-hour work-week is wasted because of poor communication between staff and management.

Whether an organization is large, small, or virtual, sharing information among its parts and with the outside world is the glue that binds the organization together. When one joins a company, you become a link in its information chain. Whether one is a top manager or an entry-level employee, one has information that others need in order to perform their jobs, and others have information that may be crucial for the former. In fact, communication is the lifeblood of an organization. It includes the internal and external structure through which messages pass and the way information is presented, as well as the actual context of messages themselves.

As one exchanges information with people inside and outside the organization, we use a variety of formal and informal forms of communication as shown below:



The above chart clearly shows how the formal and informal modes of communication, both internal and external are the key to any business.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this papers is purely textual. The materials used have at time been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

Good communication skills have always been important in the workplace and in an age when a lot is being experienced in organizations in terms of career uncertainties, rightsizing, the pressure of working in a multicultural environment, and the pressure of reaching out to the stakeholders through corporate communication channels, the need for good communication skills is being increasingly felt at all levels.

In the above contexts, communication skills have become not only the fundamental ability to function effectively as a social and a professional being but also a necessity for every individual. They are even more vital today, when the changing work place has brought various communication challenges for the business world: advanced technology, globalization, increasing culturally diverse workforce and the adoption of team-based organizational structures.

Advances in Technology

Technological advances, such as internet, email, voice mail, faxes, pagers and other wireless devices have revolutionized the way people communicate. They have increased the speed, frequency and reach of communication. People from opposite ends of the world can work together seamlessly, 24 hours a day from anywhere even out of their office – cars, airports, hotels and even home. Technology has created an expectation for instant answers. Not only is it unrealistic for employees to ignore a crucial project or a spate of email messages asking for additional information, but it's quite common for professionals to find themselves constantly tied to work. They make calls on their cell phones as they commute. They check their pagers and voice mail at business meetings, in their kitchens and at the grocery stores. They take work home and plug into their company intranet in the evening. Even when they are on vacation, some find it easier to take an hour out of their day to check e-mail and quickly respond than to return to work and tackle over 1,000 email messages. "I'd be lost on Monday", notes a manager, "if I didn't spend an hour or so on Sunday evening cleaning up my e-mail". However, this increased use of technology requires employee to communicate more effectively and efficiently. Technology showcases your communication skills – your writing skills are revealed in every e-mail messages, and your verbal skills are revealed in audio and video teleconferences. Furthermore, intranets and extranets facilitate communication among employees, managers, customers, suppliers and investors. The challenge of communicating with people inside and outside the organization is magnified as more businesses install such networks and as they increasingly engage in electronic commerce.

Globalization and a culturally diverse workforce

More and more businesses today are crossing national boundaries to compete on a global scale. Successful management of today's global firms demands an altogether different mindset, which is sensitive to the cultural differences that exist among nations. For any global firm, there is no single product that satisfies all customers across nations or a single way of motivating the workforce that will work in all nations or a single way of running the business. The most important factor that challenges the global firms is 'cultural differences among nations'. A growing percentage of workforce are made up of people with diverse cultural and ethnic backgrounds, a trend that will continue in the years ahead as diversity will have profound effect on our lives and will pose a growing challenge for managers.

Increased globalization and workforce diversity mean that employees must understand the laws, customs and business practices of many countries and be able to communicate with people who speak other languages.

Team-based organizations

In today's fast paced, e-commerce environment companies no longer limit decisions to a few managers at the top of a formal hierarchy. Instead, organizations use

team and collaborative work groups to make the fast decisions required to succeed in a global and competitive marketplace. Although working in team has many advantages, it also offers many challenges, as team members often come from different departments, perform different functions, and come from diverse cultural backgrounds. And hence, in order to function in a team-based organization, you must understand how groups interact, reach decisions, work collaboratively and resolve conflict along with being able to listen and to understand others, give balanced feedback, explore ideas and credit others' work. Doing so requires a basic understanding of the communication process in organizational settings.

Conclusion

In the light of the above facts, it is clear that improving one's business communication skills is the key to creating lean, efficient messages. People with good communication skills have definitely an advantage as achieving success in today's workplace is closely tied to the ability of employees and managers to communicate effectively with each other and with people outside the organization. With good communication skills they can anticipate problems, make decisions, coordinate work flow, supervise others, develop relationships and promote products and services. Understanding how communication works in business and how to communicate competently within an organization can help one participate more effectively in every aspect of business. Hence, it is very important to know and understand the basics of communication and develop effective communication skills for the budding managers in order to overcome various challenges imposed by today's vast and changing economy. In the words of Brian Tracy "Communication is a skill that you can learn. It's like riding a bicycle or typing. If you're willing to work at it, you can rapidly improve the quality of every part of your life".

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The Importance of Customer Application Documentation process in Telecom

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Abstract

The telecom market in India is growing with each passing day. With the advent of new players, this growth is bound to sustain.The Indian economy, despite the global slowdown, is also pegged to grow in excess of 6% in the next financial year. With tremendous amount of scope for expansion in the subscriber base, it is also imperative that we have a sound and robust structure to sustain this huge data base within the telecom organizations. This is mandatory to have a free flow customer service as well as for social security reasons for the country. In order to have the above system in place, we should have a flawless documentation policy within the organization. At the same time, it should also be emphasized upon on ease of activation for the customers, so that his experience of onboarding in telecom is good and with ease. He does not have to go through the cumbersome process of documentation. He should have a hassle free activation process which also takes into consideration the things which are mandatorily required in the national and the customer's interest. As there is a stiff competition, it is tried by the telecom companies that their customers undergo a very smooth activation process and in their endeavor to achieve this are ready to walk that extra mile to achieve customer delight.

Keywords: Prepaid connection, Checklist, Activation, CAF Scanning & Storage

Introduction

Customer Application Form is very essential in Telecom industry. Therefore special emphasis is on the filling up of the CAF (Customer Application Form) by the customer, verification done before the CAF goes for storage. Customer visits nearest retailer point for a prepaid connection. The documentation process happens thereafter. The Retailer Checklist on CAF Submission by the customer. Activation of the SIM card happens thereafter. The distributor back end activity happens followed by the activation in the system and the first call is made by the customer. CAF scanning and storage is done finally.

Materials and Methods

The present study is based on primary as well as secondary sources. Primary data has been collected through personal interviews with the help of questionnaire schedule and observation. Secondary data has been collected through available literature in form of books, Journals, reports and websites.

Results and Discussions

Retailer explains the plans available and recommend as per customer usage, to the customer when he visits the retailer point for the subscription. Retailer also explains the documentation process to the customer. A customer needs to fill the CAF completely.

Customer are required to submit the following documents

1. Clear Photograph (passport or Stamp Size Color/ B&W) affixed on CAF with self attestation (as per circle VTM consent).
2. Clear Photocopy of Photo ID Proof (List available with FOS as per VTM guidelines).
3. Clear Photocopy of Address Proof (List available with FOS as per VTM guidelines).

Retailer to ensure the following before activation of number

1. Completeness of CAF.
2. Photograph (passport or Stamp Size Color/ B&W) properly fixed on CAF with self attestation
3. POI/POA (Proof of Identity/ Proof of Address as per DOT-TERM guidelines
4. Retailer sign & stamp on the CAF , POI/POA

Post completion of documentation, retailer to initiate activation request. Retailer to compose a messageAct<space>MSISDN <Last 6 digit of CAF no>. Retailer to send this

message to a specified no as per the company's rules. (Toll free). This process may vary from company to company.

On receipt of Activation SMS, System will do the validation wthether Retailer is an authorized retailer in EVD Distribution Tree or not.

1. Validation to check the Retailer is an authorized retailer for doing GSM Activations
2. Is GSM launched in this circle or not?
3. Is this the first message received in the system for that MSISDN?
4. Does Customer Mobile No have 10 digits or not.
5. Does customer Mobile No belong to GSM or not.
6. Does the Retailer belong to the GSM rolled out circles or not.
7. Does Customer Mobile No and the Retailer Mobile No belong to the same circle or not.
8. Basic validation on CAF Number should be of 6 digits

After Successful validation, prepaid system will activate customer in blocked status on following platforms:

1. Mobile No will be created on the billing platform in VALID state with the same profile for which the starter pack generated.
2. Mobile No will be created for the SMS charging.
3. Mobile No will be created in the HLR (Home Location register) in Barred State.

After the subscriber being in blocked status, SMS server has to initiate 3 activities as follows:

1. Send one confirmation SMS to retailer confirming receipt of the request.
2. Send an SMS to Sales Executive attached with concerned retailer to collect CAF from the retailer.
3. Send an SMS to concerned distributor for confirming the activation request with the CAF number.

If the validations returns failure response, SMS will be sent to Retailer only with the specified text and no action will be initiated i.e. Mobile No will not be activated on any of the Network Elements.

Note: The activation process will vary from company to company. The above process outlines the basic process of activation.

After Successful validation, prepaid system will activate the customer Post activation; customer initiates the first call, and connects to IN IVR for language selection. IVR (Interactive Voice response) announces language selection in the same language. Customer selects the language of choice and thereafter, IVR confirms the current balance and the validity and call routes to dialed destination number.

The distributor sends his sales guy to the retailer point for the CAF collection. All the CAF's are collected at the distributor point which further goes to the Data Management Agency for entry in the system. Non Compliant CAF's to be sent to retailer for rectification. Distributor to prepare the list of Accepted CAF's.

Post order entries in the system, the documents are sent for Scanning. Post scanning, documents to be sent for indexing and Filing in warehouse. CAF and documents are assigned unique numbers for tracing for what-so-ever reason later on.

Agency runner returns the rejected document to same TATA outlet/ Distributor during pickup. Return of document from DMS (Data Management Agency) agency would be done for those documents where correction can be done at distributor point only. Distributor / Showroom Executive examines the rejection reason. Sales Executive to resubmit the document after correction.

Must Know Important Information regarding Prepaid Documentation & Activation is as follows:

1. Local referee/ Local address to obtain on CAF for issuing connection to Foreign National Customers
2. Over-writing and cross-cutting are not allowed on CAF and other documents.
3. Authorization letter of the authorized representative of company with passport size photograph on letter head required if connection is to be issued in the name of company
4. Post completion of documentation, retailer to initiate activation request retailer sends a message

Act<space>MSISDN <Last 6 digit of CAF no> to a Company's specified number. (toll free)

5. Post activation, Customer needs to do any Mobile originating activity (be a call or sms) and Billing status State will change from Valide to Active. However, if no talk-time is available then customer can make call to IVR.
6. Outgoing services will be barred on the 7th Day from date of activation incase we do not receive customer's CAF by then
7. Barring is restricted on Sundays and National Holidays
8. Premium numbers are not given as prepaid connections
9. CAF Should be submitted to DMS agency within 7 days of activation for Cluster Town and 10 days of activation for Upcountry Town
10. Photograph on The CAF should be self attested
11. Retailer should be an authorized retailer to activate a customer and should be authorized for doing GSM activations
12. After Successful validation, prepaid system activates customer in blocked status on following platforms

Conclusion

The above is done very stringently so that no mistakes happens. After all this is a very important aspect from the customer happiness perspective as well as for social security reasons. For example if there is an external threat to the country or some terrorist act, it can be very well traced by the telecom company. This can only be possible if we have an effective and a stringent documentation policy. Thus we can say the adoption of the above measure for documentation will give a smile on the customer's face as he can use the services safely in an uninterrupted way. This will enable him to have a good "moment of truth" experience with the company and the Company's objective of having a satisfied and a loyal customer will also be attained.

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Marketing strategy of S.B.I. Credit Cards

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Abstract

In the advancement towards a paperless transaction the credit card is a milestone. The 1950s plastic money of U.S.A. started with the nomenclature of Diners Club Card is now every ones need. The credit of popularization of credit cards in India largely goes to public sector banks. The State Bank of India played a vital role in development and popularization of credit cards in India. The present article discusses about the marketing strategy of credit cards of State Bank of India.

Keyword - Plasticmoney, Creditcard, Marketingstrategy, ATMs

Introduction

The credit card had its beginning in an embarrassing incident that took place in the early 1950's in America. The story goes that Mr. McNamara, a New York businessman took his friends out to dinner. At the end of meal he discovered that he had forgotten his wallet at home, the proprietor was kind enough to allow him a later settlement of bill. As McNamara stepped out of the restaurant he had the brainwave for the introduction of credit multibillion dollar plastic money business cards - system of availing instant credit upon confirming the identity of card holder. Thus was born the Diners Club Cards, the pioneer of today's credit cards.

Credit Cards

Credit cards are primarily seen as a means of convenience in meeting ones expenses. A person who holds a credit card need not pay in cash at the time of every expenditure. Instead he can deposit a lump sum in the bank or the agencies of which he holds the credit card, to meet the expenditure.

Some banks offer even flexible payment options under which a card holder may be required to pay as low as 10% of the amount due in the month. Thus though credit cards started as a substitute for cash and the resultant safety and convenience, the competition in this business has made credit cards a source of short term finance also for individuals.

About SBI Cards

1998 saw a new vista opening for the Indian credit card users. GE Capital Services, the largest issuer of private label credit cards in the world and State Bank of India, the largest Indian bank created a company to address the market. The State Bank of India Cards and Payment Services Ltd. (SBICPSL) and the technological processes and service capabilities of GE Capital to offer products that are value for money and supported by quality and service. The State Bank of India credit cards was set up in joint venture of State Bank of India Cards and payment services Ltd (SBICPSL) and GE Capital Business Process management Services ltd. (GECBPMSL) to leverage the brand equity, customer relationship and the unparalleled network. SBI Cards and Payment Services (SBI cards) is the second largest issuer of credit cards in India.GE Money and SBI had pumped in Rs.

200 core in the credit card business. This is a matter of great concern for the firm. As on 31st December 2007, the Non Performing Assets (NPAs) of SBI cards stood at 16.28% which is possibly highest among the credit card issuers in India.

In an email response, Archana Handa, Vice-president, Corporate communications, GE Money, said: "SBI Cards continue to be the No. 2 credit card player in India, despite the tough market environment for consumer finance. In our effort to continue being a leading player and face the industry challenges in the coming year, some of our strategic initiatives include launching innovative new products to meet the needs of different customer segments, increasing penetration in the SBI customer base, and further enhancing the customer experience of every SBI credit card holder."

An executive who does not want to be identified said, "Till recently, SBI Card was adding around 25,000-30,000 new cards a month, but a mandate was given to the top management to raise this level to 100,000. As a result of which, the company compromised on the quality. But the loans that have turned sticky are so small that it's not worth filing legal cases against the borrowers, as the cost of fighting such cases will be more than the money involved."

Materials and Methods

The present study is based on primary as well as secondary data. The primary data will be obtained from Company personnel, Sales persons, and end users (customers). Secondary data is collected from the Companies websites, Magazines, Journals and Newspapers. The study is contain both exploratory as well as conclusive approach.

Results and Discussions

Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. Marketing strategy should be centered on the key concept of customer satisfaction.

Carrying cash can be cumbersome and dangerous at times. But, plastic money or a credit card makes life a lot simpler. These cards can be swapped at almost any establishment around the globe. You can also withdraw cash on your credit card. Credit cards are fun; but a best practices list could be handy.

A credit card from VISA, MasterCard, or any other network allows paying for purchases or services by borrowing from the credit card company. The repayment is made through multiple option installment payments towards the amount borrowed. The facilitator need not have to repay the whole borrowed amount in full at one go.

Then there are charge cards, such as the American Express card, that require full payment of the borrowed amount each month.

Either way, the credit card is a very convenient alternative to paying by cash.

Essentially a credit card allows you to : Purchase products or services whenever and wherever you want, without ready cash and paying for them at a later date.

Have the option of paying only a part of the total expenses. The balance amount can be carried forward, with an interest charged.

Withdraw cash whenever, wherever you are, through ATMs and other withdrawal centers.

Enjoy a revolving credit limit without any charges for a limited period (mostly 20 to 50 days)

Transact money of more than one currency, from one country to another. Other facilities afforded on a credit card include reward points on card usage, insurance cover against air and road accidents, loss of baggage, and so on. All credit cards have built-in safety features like signatures and personal identification numbers.

Choosing the right credit card to suit the customer needs and making it workable is a complicated exercise. The credit limit offered by a credit card should be examined first. This

refers to the maximum amount the consumer may incur on his/her credit card before making his payment to the card issuer. Then, there is the time period, also known as an interest-free or grace period, which could range from 30 to 45 days. Credit cards also come with different charges like interest costs on outstanding balances, annual charges, and lost card charges. There are benefits too. Many cards come with insurance, ATM facilities, stolen card protection and reward programs.

Issue of credit cards

Usually, only banks are permitted to issue credit cards. However, with special permission, even large travel houses or other companies may be permitted to issue credit cards, subject to various approvals in their country of operation.

Procurement of credit cards

The procurement of credit cards involves various steps.

Identification of the credit card is the first step. Then comes the filling up of the application form correctly with all the requisite information. Provide supporting documents like proof of income, copy of bank statement of the last six months transaction. Then it should be send it to the credit card issuing company either through their authorized agent or directly by courier to the designated address.

Then after the company will process the credit card application based on the information and the supporting documents. If the documents are clear and to the satisfaction of the company, it would issue a credit card.

Normally, it takes about 3 to 4 weeks from the date of application. The credit card is always sent through a reliable courier and is delivered only to the applicant. It cannot be received by anybody else. The duration of the card is normally one to three years.

How long does it take to issue a credit card?

Normally, it takes 3 to 4 weeks from the date of application to get a new credit card. However, some credit card companies give a service guarantee to issue a card within 14 days. For an add-on card, it takes about 3 to 4 weeks.

Reasons for rejection of credit card application.

Credit card application could be turned down if : Any default made on loan repayments to credit card companies in the past.

Non compliance of income criteria specified by the card issuing bank/company.

Non availability to the credit investigating agency representing the card issuing bank /company.

Non compliance of some other specific criteria of the credit card issuing bank.

Conclusion

The banking sector is in booming stage and various International Banks are also entering the Indian Market and there is a tough competition among them in the credit card marketing. For the individual customer it is advisable that before deciding on a particular card, to carry out a quick survey of the features offered by various credit cards. For those who plan to pay their balance immediately every month, a card with a lower annual fee, a higher interest rate and a longer interest-free period is the best. Try and match is the rule.

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Buying Behavior of Consumers in AC Industry in India

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Abstract

The study of consumer behavior has become one of the most important disciplines of Marketing. The last fifteen years have seen explosive growth in competition at all levels. This intense competition has led organizations to shift their focus from Mass Marketing to Individual Marketing. For many organizations survival is at stake. The biggest challenge in the 21st century for Marketing Organizations is to increase their market Share and also increase the profitability. For achieving this objective, everyone in the Marketing Organizations needs to understand the customers and his needs. In a sense, every customer is different and unique. Yet there are some common traits in these customers that need to be understood effectively and Consumer Behavior is an effective tool for doing this. The Indian Air Conditioning Industry is a competitive industry. After 1991, we have seen a lot of players venture forth in this sector. Again, with a consistent rise in the disposable income of the consumers and other factors conducive for growth of this consumer durable product, we have seen this industry to a take a long stride and still it is growing in leaps and bounds and offering new challenges and competitiveness to the firms to compete. The Indian Air-conditioning Industry has an annual turnover of approximately US$ 821mn. A number of Indian companies in the organized sector, a large number of assemblers in the un- organized sector, and quite a few multinationals are operating in the industry. Even after the increase in competition, the penetration of the AC in Indian Market is very low (less than 2 %).

Keyword - Air-Conditioning Industry, Strategy, Prospects, Marketing, Consumer-Behavior

Introduction

Change is an integral part of our life. This may not sound amusing, but what is of significance today is the pace at which change occurs in any society. Ideas become obsolete before getting internalized, while products enter the decline phase even before getting into the maturity phase.

Markets all across the world have been witnessing this trend-India being no exception, particularly after 1991. We can say that customers are the pivot around which all the Marketing elements cluster. To understand the buyer and to create a customer out of him, through this understanding, is the purpose of buyer behavior study. It is therefore imperative that the firm understand the structural changes taking place in its market and also long term impact of these changes on its products and other elements of the Marketing Mix. The firm must also understand how the buyer decides in favor of one brand or product, what motivates him/her to select an alternative, and who influences him/her to buy product or brand. The marketers need to focus on the “how” and “why” of total experience consumers have with the products and services. Unfortunately, most marketers tend to look at only a few aspects of experience and build the complete strategy around it. Marketers need to focus on discovering the “why” of an experience. They also need to understand that large samples based surveys are no guarantee of having discovered the “truth”. What is needed is a deep understanding of Consumer Behavior. Without such an understanding, marketers cannot accurately anticipate consumer responses to product designs, features and marketing ideas.

An air conditioner (often referred to as AC) is a home appliance, system, or mechanism designed to dehumidify and extract heat from an area. The cooling is done using a simple refrigeration cycle. In construction, a complete system of heating, ventilation and air conditioning is referred to as "HVAC". Its purpose, in a building or an automobile, is to provide comfort during either hot or cold weather.

The Indian Air Conditioning Industry is a

competitive industry. After 1991, we have seen a lot of players venture forth in this sector. Again, with a consistent rise in the disposable income of the consumers and other factors conducive for growth of this consumer durable product, we have seen this industry to take a long stride and still it is growing in leaps and bounds and offering new challenges and competitiveness to the firms. The Indian Air-conditioning Industry has an annual turnover of approximately US$ 821mn. A number of Indian companies in the organized sector, a large number of assemblers in the un- organized sector, and quite a few multinationals are operating in the industry. As a result there is surplus capacity and the presence of a large number of players, and the competition in the industry is fierce.

There has been a substantial growth in demand for air-conditionings in recent years. Growing industrialization, an expanding middle class with increasing disposable income and reductions in price consequent to reduction in excise duties have led to this growth in the industry. The 5 years 2005 and 2010 saw rapid growth in the industry, at a CAGR of over 35%. Currently, environmental energy concerns are influencing the industry significantly and the product range on offer is reflection to this reality. The Consumer durables recorded a growth of 31 per cent in October 2010.

According to the Consumer Electronics and Appliances Manufacturers Association (CEAMA), the consumer durables and electronics sector has registered a 12-13 per cent growth in 2010. According to the industry body, the total size of consumer durables and electronics sector is around US$ 7.85 billion. The sales of display category products such as Flat Panel Displays -- LCDs, PDPs rose phenomenally by 45 per cent this year, while the sales of air conditioner and home appliances surged by nearly 12 per cent and 23 per cent respectively. The Indian consumer electronic industry represents immense growth potential for years to come. The industry is expected to grow at a CAGR of nearly 19 per cent during 2010-2013 to US$ 9.5 billion, according to a research report "Global Consumer Electronics Market Forecast to 2013", by RNCOS.

Materials and Methods

While preparing this research article, focus has been kept on competitive strategies for overall AC Industry and the marketing mix of the AC companies to lure the customers. Both primary and secondary sources of information have been taken into consideration. Extreme care has been taken to be objective and correct in the presentation of facts.

Results and Discussions

The new means of information has changed the way consumers look at products and services. The customer is extremely demanding and has become fully "value oriented". This has resulted in a reduction in "Brand Loyalty ". The lifestyles are changing and the cultural values are also getting refined, although, the core cultural values remain intact. It is pertinent to note that Consumer Behavior lacks a unified, well – defined, and established theory. The relevant ideas of Buying Behavior that we have are based on the studies of Economics, Psychology and Psychoanalysis, and Social Science. This problem gets more complicated and multiplied in highly diverse, multi-ethnical, and multi-cultural countries like India.

Consumer behavior is defined as "the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspect of their lives". This means that the buying actions of consumers are greatly influenced in their buying actions by various factors like opinion of others. Marketing stimuli like product, advertising, packaging, and product appearance. It is important here to understand that consumer behavior is dynamic, involves interaction, and involves exchanges.

During the days of protected economy in India, Companies rarely looked at the consumers and were focused only towards the maximization of profits through mass production. The consumers, who had no choice, were focused to buy whatever was made and was available in the market. For example, the same scooter and cars were sold for more than thirty years till the government allowed Suzuki to enter India through Maruti. The success of Maruti, TVS Suzuki and Hero Honda etc. has been partly because of their better understanding of their Indian companies

to think differently. This was essentially because of the increasing competition that the survival of these organizations was at stake. Today, these companies have to compete with the transnational organizations, and to compete, they need to basically understand their customers. Those who failed to do this had to close down their operations. The focus has now shifted to the consumer's needs and the value perception. Such a change in focus has partly contributed to making Indian companies become global players.

The second major reason to shift to focusing on the consumers is the dramatic increase in the quality of the consumer and marketing research. In the past, companies often did not have information on the actual purchases and uses of their products. A few companies in the past did Consumer Research. However, this was not a continuous process and did not identify their actual users. The advent of electronic and information technology has opened new avenues in collecting data on actual users. This is both fast and accurate. Both Manufacturers and Retailers can now carefully track consumer responses to products and services and evaluate marketing strategy better. Today, with the help of scanners, large retailers like Westside, Spencer's, etc are in a position to capture consumer buying data immediately and send this back to the manufacturers.

The third reason for the shift to focusing on consumers is the development of Consumer Behavior Research. There has been a significant increase in the number of behavior theories, concepts and models in recent years. The high level of sophistication in the consumer behavior process helps understanding and describing consumer behavior much better.

The analysis of consumer behavior assists the marketing fraternity to establish what the needs and wants of the costumers are and how they like to satisfy these needs. This is done in order to allow them to implement a marketing strategy that will result in a better outcome for the marketing plan when implemented. Consumer Buying Behavior can broadly be described as the process that individuals follow to search for, select, purchase, use, and dispose of goods and services, in the course of satisfying their needs and desires. During this process consumer makes different decisions. These consumer decisions are the method by which consumers identify their specific needs, collect relevant information, evaluate alternatives, and finally make a purchase decision based on the outcome of the process.

These activities are determined by psychological and economical factors, and are influenced by the environmental factors such as cultural, group and social values. The Buying Behavior of consumers consists of the combination of processes, actions and decisions of all the people involved in the acquiring and using of particular products.

Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:

- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society. Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for:
- Buyer's reactions to a firms marketing strategy has a great impact on the firm's success.
- The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies (gives utility to) customers, therefore need to analyze the what, where, when and how consumers buy.
- Marketers can better predict how consumers will respond to marketing strategies.

Stages of the Consumer Buying Process

1. Problem/Need Recognition

How do you decide you want to buy a particular product or service? It could be that your AC stops working and you now have to look for a new one. So you have a problem or a new need. For high value items like a AC or a car or other low frequency purchased products this is the process we would take. However, for impulse low frequency purchases e.g.

confectionery the process is different.

2. Information Search

So we have a problem, our AC no longer works and we need to buy a new one. What's the solution? Yes go out and purchase a new one, but which brand? Shall we buy the same brand as the one that blew up? Or stay clear of that? Consumer often goes on some form of information search to help them through their purchase decision. Sources of information could be family, friends, neighbors who may have the product you have in mind, and alternatively you may ask the sales people, or dealers, or read specialist magazines like What AC? To help with their purchase decision. You may even actually examine the product before you decide to purchase it.

3. Evaluation of different purchase options

So which AC do we purchase? Shall it be LG, Samsung, Voltas, Blue star, etc.? Consumers allocate attribute factors to certain products, almost like a point scoring system which they work out in their mind over which brand to purchase. This means that consumers know what features from the rivals will benefit them and they attach different degrees of importance to each attribute. For example performance maybe better on the Blue star product and feature of the Samsung, but aesthetics is more important to you than the power consumption. Consumers usually have some sort of brand preference with companies as they may have had a good history with a particular brand or their friends may have had a reliable history with one, but if the decision falls between the Samsung or Blue star then which one shall it be? It could be that the review the consumer reads on the particular Samsung product may have tipped the balance and that they will purchase that brand.

4. Purchase Decision

Through the evaluation process discussed above consumers will reach their final purchase decision and they reach the final process of going through the purchase action e.g. The process of going to the shop to buy the product, which for some consumers can be as just as rewarding as actually purchasing the product. Purchase of the product can either be through the store, the web, or over the phone.

5. Post Purchase Behavior

Ever have doubts about the product after you purchased it? This simply is post purchase behavior and research shows that it is a common trait amongst purchasers of products. Manufacturers of products clearly want recent consumers to feel proud of their purchase; it is therefore just as important for manufacturers to advertise for the sake of their recent purchaser so consumers feel comfortable that they own a product from a strong and reputable organization. This limits post purchase behavior. i.e. you feel reassured that you own the latest advertised product.

Types of Consumer Buying Behavior

Types of consumer buying behavior are determined by: - Level of Involvement in purchase decision, Importance and intensity of interest in a product in a particular situation. Buyer's level of involvement determines why he/she is motivated to seek information about a certain product and brand but virtually ignores others.

Regardless of the size of the business, or industry, understanding consumer buying behavior can help one to make important decisions about the business. Decisions such as pricing, promotion, distribution and how to create your product or which services to offer are greatly impacted by how and why customers purchase products or services from one company. There are several types of buyer behavior.

Types of buying decision behavior

	High involvement	Low involvement
Significant differences between Brands	Complex buying behavior (E.g. Air-Conditioner)	Variety-seeking buying behavior (E.g. Breakfast cereal)
Few differences between brands	Dissonance-reducing buying behavior (E.g. Extension cord)	Habitual buying behavior (Cereal crops)

Four types of buying behavior

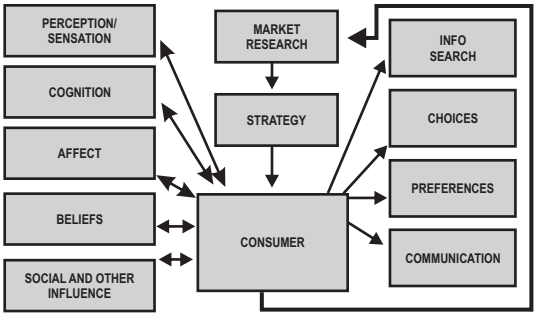
1. Complex buying behavior – Consumer buying behavior in situations characterized by high consumer involvement in a purchase and significant perceived differences among brands.

2. Dissonance-reducing buying behavior – Consumer buying behavior in situations characterized by high involvement but few perceived differences among brands.
3. Habitual buying behavior – Consumer buying behavior in situations characterized by low consumer involvement and few significant perceived brand differences.
4. Variety-seeking buying behavior – Consumer buying behavior in situations characterized by low consumer involvement but significant perceived brand differences

Sources of influence on the consumer

The consumer faces numerous sources of influence.

INFLUENCES ON AND OF CONSUMER BEHAVIOR



Major Factors Influencing Buyer Behavior

A. Cultural Factors

1. Culture - values, perceptions, and preferences that are the most fundamental determinants of a person's wants and behavior.
2. Subcultures - nationalities, religions, racial groups, geographical regions
3. Social Class - hierarchically ordered divisions in a society; members share similar values, interests and behavior.

B. Social Factors

1. Reference groups - all groups that have an influence on attitudes or behavior.
2. Family - the most influential primary reference group.
3. Roles and statuses - activities a person is expected to perform and the status associated with each.

C. Personal Factors

1. Age and life cycle stage - people buy different goods over their lifetime.
2. Occupation and Economic circumstances
   a. blue collar v. white collar
   b. Spending income, savings and assets, debts, borrowing power, and attitude toward spending versus saving --- all impacts product choice.
3. Lifestyle - pattern of living as expressed by activities, interests, opinions
4. Personality and self-concept. - Each person has distinguishing psychological characteristics that influence buying behavior.
5. Psychological Factors
   a. Motivation - correlated to the strength of a need (Freud, Maslow, Herzberg)
   b. Perception - selective attention, selective distortion, selective retention
   c. Learning - changes in behavior arising from experience.
   d. Beliefs and attitudes - a belief is a descriptive thought a person holds about something; an attitude is a person's enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea.

Indian Air-Conditioning Market

The size of Indian air-conditioning and refrigeration market is estimated at US$ 821 mn. A number of MNCs from Korea, US, Japan, Europe have entered the Indian refrigeration market. Leading MNCs present in Indian air-conditioning and refrigeration markets are from US, Japan, Korea, Finland, Denmark and Germany.

A potential Indian market which is likely to draw foreign investors in longer terms is the cold chain network. Despite being the second largest food producer in the world, the country does not have any cold chain network. The refrigerated existing transportation infrastructure facilities are substantially inadequate compared with the growing requirement of the facility.

Today, the Air Conditioning industry in India is witnessing increased expectations by the customers. Technology, designs, cooling capacity, energy efficiency & Service levels are seeing new highs. Companies are aligning the

best of international standards and local needs to have excellence in products and services. Industry is progressing from premium product image to a diversified market due to changes in lifestyle and rapid economic growth.

Companies have recognized consumer behavioral changes and are now directing all the activities to meet their demands and create a distinctive brand image. Companies are investing in a new manufacturing facility and Research and Development. They now believe in the Indian market and want to serve it with products made in India and more importantly, made for India, hence they continue investing in expanding manufacturing base in India.

Hitachi was the first Japanese company to set up any manufacturing unit in India and is now the only company who is expanding its production facilities. With encouraging growth prospects in Air Conditioner market and increasing demand of quality products,

The major players in AC Industry in India include the Companies like-LG, Samsung, Voltas, Hitachi, Diakin, Videocon, Haeir, Onida, Godrej, Lloyd, O General, Whirlpool, Carrier, etc. As the number of Companies is increasing and the customers are getting aware of all the offerings of the companies, the competition in the market is getting more and more complex. Companies are now paying more hives in understanding the consumers and penetrating deep into the Indian Market that offers a huge potential to the Companies. Few factors are playing favorable role as well, for the growth of the market, which includes- climatic changes with rise in mercury, increase in disposable income, better communication, good performance of the domestic economy, etc.

To differentiate itself from the other companies, and creating a favorable frame of references in the minds of the consumers, companies are positioning themselves in more innovative manner than before. Companies have improved the delivery mechanism, increase the value addition, providing new technologies, paying more hive in after sales service, creating and maintaining better long term relationship with its customers, and in a nutshell making the offering as value for money.

Companies now understand the importance of a thorough knowledge of the segments they are targeting. Spending more resources in gaining Consumers' insight in the Market Research process helped them to modify their marketing mix strategy to lure the customers. Now we can see some of the most innovative features like- Samsungs' Bio-fresh AC; Onida's Message enabled Ac; Hitachi's Noise Free Ac; Whirlpool's Instant Cooling Ac; Blue star's Eco-Friendly AC, Godrej's EON AC; etc. at the best prices and the effective promotion tools.

Conclusion

Hence, we can conclude that a thorough understanding of the consumer behavior has become imperative for the companies to survive in present scenario. The pace with which the market is changing is really alarming. We have seen the shift in the consumer's trend in the last one decade. Let us conclude with the Shift in Trends in consumer buying behavior-

First, consumer luxuries have got democratized during this decade. Products that were considered for a few started to reach larger and larger masses of consumers — from colas to shampoos to ready wear to mobile to airlines. Categories that started in the 90s began to expand their footprint and became a part of mass life. Consumption and consumerism reached more people than it did in the 90s. Social inequity continues to be part of India's economy, but the capitalistic principle that "open up from the top to a few, and the benefits will flow down to many" has come true. Consumerism is truly mass!

Along with this, has come a culture of upgrade and step movement rather than lifetime ownership and gradual movement. Technology, mobile handsets in particular, made consumers get used to constant change — buying a new product even when the old one was "functional", thus breaking the barrier of the "replace when it's broke" mindset. And then this extended to other categories in life — from clothes to televisions to homes. Every Indian market presents an opportunity to marketers to get consumers to move up. As technology improves and consumers' disposable income increases, the willingness and propensity of consumers to make leaps from unbranded to branded and pay significant premium is also

increasing. There is no longer “lifetime ownership”, but “lifetime consumer value’!

Third, there has been a shift from product to services and experiences. And this is taking place across categories. Coffee has become Cafes, beauty products are transiting into Parlors — and this is going into small towns too with local “aunties” sensing business opportunities opening parlors and beauty counseling centers at home — and home videos have become multiplexes. And in every case, it provides marketers an opportunity to extract more value.

According to a McKinsey Global Institute (MGI) study titled 'Bird of Gold': The Rise of India's Consumer Market, the total consumption in India is likely to quadruple making India the fifth largest consumer market by 2025. Urban India will account for nearly 68 per cent of consumption growth while rural consumption will grow by 32 per cent by 2025. India ranks first in the Nielsen Global Consumer Confidence survey released in October 2010. “India is one of the fastest growing markets in the world and the current consumer belief that recession would soon be a thing of the past has filled Indians with confidence,” said Piyush Mathur, Managing Director, South Asia, The Nielsen Co. With 129 index points, India ranked number one in the recent round of the survey, followed by Thailand (117) and Australia (115). According to recent reports, the Indian consumer sector is attracting more interest from both private equity (PE) and mergers and acquisitions (M&A).

However, there has been an increase in prices of AC and appliances due to high commodity prices such as copper, steal, etc and hike in VAT by few state governments. Despite the price increase, almost all the categories recorded handsome growth. The Indian consumer durable industry has experienced substantial change for the last few years on account of several factors. Among these factors, greater affordability and changing lifestyle, boom in housing and real estate and commercial advertising have been the major factors that bring revolution in the Indian consumer behavior pattern. According to a research report “Global Consumer Electronics Market Forecast to 2013”, by RNCOS, the Indian consumer electronic industry represents immense growth potential for years to come. The industry is expected to grow at a CAGR of nearly 19% during 2010-2013 to US$ 9.5 Billion.

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Outsourcing Results in Turnaround in BCCL

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Abstract

Public Sector undertakings in this country started with a view to ensuring all round and balanced regional development under five year plans. They worked well in the beginning but then, save some, others started incurring losses. Outsourcing has been deemed to be a way out . It is being adopted in abundance abroad. In this country also it is being found useful. Bharat Coking Coal (BCC)bears testimony to this approach. This article examines recent resumption of outsourcing in BCCL.

Keyword - CIL, Outsourcing, NCWA, BIFR

Introduction

Bharat Coking Coal Ltd (BCCL), a Coal India Ltd (CIL) subsidiary, has resumed outsourcing of equipment for digging coal beneath the abandoned Dhanbad-Patherdih railway track in the Jharia coal-belt near Dhanbad, where high-grade coking coal worth Rs.10,000 crores is burning into ashes. Macintosh Burn Ltd, appointed by BCCL to start lifting coal, was scheduled to begin work on September 24,2010. But the work could not be started as the local Congress member of Parliament and his supporters opposed it, alleging that Burn's appointment was an attempt at privatization. "The work of overburden removal has just started. Thanks to cooperation from various quarters. Coal extraction would start in a couple of months and the benefit of it would be available from the next financial year," BCCL.

The above news came recently in "The Financial Express." This reminds us of outsourcing in coal mines. Outsourcing is contracting out non-critical and no-core functions to an outside agency for carrying out the operations of an organization in a more economical way which if carried out by the parent organization, will entail cost over-run and time over-run . In other words an outsourcer can do it in a way that is beneficial from the organizational point of view specially from the efficiency angle. And at the same time it would be profitable for the outsourcer because no business activity will be sustainable without earning profit. That is why organizations have started resorting to outsourcing, This practice of getting work done by other agency i.e. outsourcing, has been in existence in some form or other in all forms of orgainsations since long . But this has gained acceptance only after globalization of market when competition became very keen and organizations have to not only find out better products and services but also to operate at competitive rates in the present economy. There is now a question of "Produce or Perish". But produce at what cost and produce of which quality ?. From these two angles, outsourcing has been found to be a better and more economical way out to help organizations in the present scenario, because it helps organizations to improve their performance.

An organization is not a gift of God, it is a man-made and contrived system which takes birth to serve a social purpose which individuals themselves cannot achieve unless organized. Since there are various social needs and objectives, different types of organizations come into being. They all aim at achieving their ultimate objective of serving social purpose for which they have been created . But since organizations operate with limited resources, they cannot survive if they do not operate efficiently and generate surplus. In other words, an organization has to be both effective and efficient at the same time -.both in the short run and also in the long run. Organisations operate in different types of industries in public sector, private sector and mixed sector even.

Materials and Methods

This study is mainly based on the use of available literature in the form of books,

journals, reports, news papers etc. The approach followed in this papers is purely textual. The materials used have at time been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

After gaining of independence in 1947, public sector undertakings came into existence in this country with the sole objective of ensuring balanced regional economic growth. For achieving this social objective five years plans came into existence. In the beginning these public sector undertakings worked well and gained the appreciation of all concerned because they started generating employment and creating infrastructural facilities for further economic and industrial development of this country. But after some time ,save and except some "Navratna Companies" others started incurring heavy losses and some even went to the extent of eating their capital and going "RED" and were registered under BIFR. Bharat Coking Coal Ltd.(B.C.C.L.) – a subsidiary of Coal India Ltd. (A Govt. of India Undertaking) also followed the same track. During the period from 1971-80,its performance was satisfactory. During the period 1999-2000 its net-worth became negative and was registered under BIFR vide No.502/2001 in February,2004. Earlier in 1994-95 it was registered as a sick unit vide Regn No.504/95 dt 18/2/1995.Its accumulated losses came to around Rs.10,000 crores. To tide over this situation BCCL took a number of steps including outsourcing and as a consequence for the first time it recorded a profit of R,156.11 crores in 2005-06 against the target of Rs.175 crores after accounting for year end adjustments and statutory audit has worked out to Rs.254.53 crores as against a loss of Rs.959.43 crores incurred during the previous year. This was for the first time after its inception in 1971 that the company recorded profit. This figure took into account the impact of wage revision under the National Coal Wage Agreement (NCWA). In the immediate previous year BCCL had suffered a loss of Rs.959.43 crores. Consistent with the trend of incurring reported loss of Rs.569.85 crores and cash loss of Rs. 209 crores in 2003-04. The turn around is less than two years near bankruptcy situation has been made possible through the sustained pursuit of a revival strategy focused on (a) enhancing production of high value coking coal and washed coal (b) internalizing premium on coal marketed to non-core sector through e-marketing and(c) arresting/reversing the trend of persistent decline in coal production since 1999-2000.The company came out with the declaration to wipe out the accumulated losses of Rs.7,044 crores by 2011-12, Measures adopted were "increase the production" and "decrease the cost". In this exercise adoption of outsourcing played the major role of rejuvenation of course CIL support was a major point because CIL promised to write off a loan amounting to Rs.3,400 crores.

The first turnaround is attributed to outsourcing in a number of areas in BCCL. As a result it recorded a 4.4% higher production in 2005-06. At present BCCL operates 76 coking coal mines, out of which 74 are in Jharia and two in Ranigunj fields. The following table shows the financial status of BCCL before and after it started outsourcing.

Performance in Key areas during 2005-06 to 2009-10

Item	Year / Production				
	2009-10	**2008-09**	**2007-08**	**2006-07**	**2005-06**
Coal Production Growth	27.512 MT (+)7.83%	25.514 MT (+) 1.19%	25.215 MT	24.205 MT	23.311 (+)13.8$
Overburden Removal (OBR)	61.63 M Cu	53.60 M Cu	50.61 M CuM	43.958 MCuM	39.604
Wagon Loading	2339 FWs/day	2337 FWs/day	2372 FWs/day	2385 FWs/day	2333 FWs/day
Coal Off-take	25.079 MT	24.60 MT	24.60 MT	24.008 MT	24.234

Item	Year / Production				
	2009-10	2008-09	2007-08	2006-07	2005-06
Supply of washed Coal to Steel Sector	16.93 MT	17.27 MT	17.61 MT	17.50 MT	24.28
Productivity (OMS)	1.85 T	1.68 T	1.88 T	1.18 T	1.45 T

Overburden removal and coal production has increasing trends during the period under review above. The growth in coal production is to the tune of 7.93% in 2009-10 as compared to the previous year of 1.19% growth in this area. Similar improvement is also visible in all other sectors like coal off-take and wagon loading.

High-lights of BCC Financial Performance after adoption of Outsourcing

Item	Financial Years					
	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
1. Profit (in Crores)	Rs.794.10	(-)Rs.1380.47	Rs.86.620	Rs.49.58	Rs202.67	(-)Rs.959.43
2. Cash & bank balance (March)	Rs.92301.76	Rs.77289.22	Rs.96097.25	Rs.96-97.25	Rs.61373.56	Rs.24788.
3. Loss in Coal Production (in lakh tones)	14.644	17.186	26.39	23.49	12.01	31.05
4. Payment to Exchequer	Rs.557.31	Rs510.58	Rs.437.06	Rs.441.65	Rs.458.25	s.441.65

Since its inception in 1971 BCCL recorded a profit of Rs.202.67 crores for the first time during 2005-06 and since then the trend has been continuing ,of course there has been reverses in the recent years but it is a purely temporary phenomenon. Outsourcing is said to have played a major role here. The increase in net loss in 2004-05 of Rs.959.43 crores is mainly due to (a) provision for NCWA-VII arrear payment to the extent of Rs.822.35 crores and (b) provision for interest on the delayed payment of PF of Rs.79.79 crores. This means that improvement in financial results between in 2004-05 and 2005-06 on a like to like basis is Rs.560.28 crores. Loss in coal production during the period under review has an increasing trend and this is good sign which certainly has contributed to improving financial turnaround.

So far as payment to the exchequer – central and state in the form of taxes is concerned , there has been increasing trend (from Rs.441.65 crores in 2004-05 to Rs.557.31 in 2009-10).This is an index of turnaround in financial performance and of operational efficiency.

Outsourcing is considered as a major contributory factory to the turnaround in BCCL. . This is because the down-ward trend started reversing only after the adoption of outsourcing strategy. This is also the perception of almost all sections of the organization. This has been established by the interview responses generated from cross sections of employees and also from those dealing with BCCL in some way or other.

The recent outsourcing vendors operating in BCCL are as under :-

1. Dhansar Engg Co. Private Ltd., It has man-power of 1000 and is working in all the 3 shifts i.e. round the clock .Collieries attached to this are Kusunda, Ghanudih, Lodna and Beniadih, Its production is 3,55,000 MT/month
2. Indian Iron Steel Co.(IISCO), headquarters at Durgapur. Collieries attached are Chasnala mines, Its production capacity is 3,55,000 MT/month with a manpower of1,500.
3. Calcutta Industrial Supply Co.(CISC), Durgapur. Its production capacity is 3,60,000 MT/month .It has manpower of 1200. The collieries that come under it are Rajapur with production of 4,20,000 MT and Jamuria with that of 6,00,000 MT/month.
4. Sainik Mining & Allied Services is the fourth outsourcer
5. Brahmaputra Outsourcing Co. is operating at Katras and Kankani
6. (BLA) Bhowra Banwarilal Agrawal is another outsourcer operating in Bhowra area with production capacity of 700 to 800 MT/month.
7. Sharp Pariwahan is operating at Bhowra
8. Ujjawal Transport another outsourcer operating is in Gopali Chuck
10. K.R.R. is another outsourcer in Akash Kinare

Of the total production of coking coal in BCCL approximately 40% is contributed by outsourcing agencies.

Conclusion

Annual Accounts of BCCL indicates that the company earned a net profit of Rs.6.03 crore. But in the subsequent two years i.e. 2008-09 and 2009-10 it suffered loss.During the year 2009-10 it again recorded a profit of Rs.797.55 crores. This is the period when BCCL again resumed outsourcing in its mines. The work ofoutsourcing was resumed, as the coal ministry and a state minister could successfully intervene following reports published in the Financial Express and later in The Indian Express.There has been protest and resentment on the part of local politicians and trade union leaders against outsourcing as they apprehend that this may lead to privatization of the coking coal mines and reversing the process of nationalization. Public sector undertakings have full fledged organizational set-up with large investment in machinery and equipment and there is perhaps no shortage of funds because the public exchequer comes to its rescue. Its sole purpose is not to earn profit but to contribute to social welfare and economic development of the country by providing infra structural facilities. But generating surplus from the capital employed is also necessary and it cannot be ignored because after all the capital invested in public sector undertaking has come from public exchequer. And not earning due surplus will be a social irresponsibility. Thus, a balance between earning profit and social welfare is to be maintained. Had scarcity of fund been the sole cause of going into RED of a public sector unit, HEC which ran for a number of years on heavy losses , would have been liquidated. Now the question arises why a public sector unit like BCCL which is engaged in mining metallurgical grade coking coal should run at loss and why only when an outsourcer is employed , it starts recording profit. It clearly goes to indicate that somewhere in the organizational functioning there is problem, which needs to be looked into at length and remedial measures be taken. Outsourcing agencies concentrate only on increasing production and ensuring delivery of the target ,they may ignore the long term interest of the industry and economic wealth of the country. Using outsourcing has no doubt shown good results in BCCL in the short run, but will it be in the interest of national interest to continue this stop-gap measure when large organizational set-up with necessary facilities are in existence. If outsourcing is to continue,

its side effects have to be examined. Labour legislations should not be ignored in an enthusiasm for increasing profit especially in a democratic welfare state like India.

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Talent Management in Recession

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Abstract

Managing talent can be a complex issue at best of times. During periods of economic instability and recession it can seem almost impossible. Managers shouldn't forget about talent management in times of crisis however, instead they should take the time to carefully reassess their talent management strategy and ensure they are using their biggest asset-their staff-as possible. Talent Management has risen up the management agenda since 1991 and, more importantly, the business environment in which organization now operate has changed considerably. For business and managers, many of whom were not in senior position in 1991, there are contrasting factors to consider. Cost cutting exercises are likely to be on the agenda, yet some areas of business are likely to still be expanding. Business may wish to reduce staff numbers, but are still facing skills shortages; and many are typically far leaner in term of staff numbers and productivity than they were 20 years ago, meaning there is less fat to trim. Developing and sticking to a comprehensive talent management program can help resolve some of these contrasting factors and provide guidance to managers and CEOs in times of economic uncertainty.

Keyword- management agenda, contrasting factors, cost cutting

Introduction

Managing talent can be a complex issue at best of times. During periods of economic instability and recession it can seem almost impossible. Managers shouldn't forget about talent management in times of crisis however, instead they should take the time to carefully reassess their talent management strategy and ensure they are using their biggest asset-their staff-as effectively as possible.

Talent Management has risen up the management agenda since 1991 and, more importantly, the business environment in which organization now operates has changed considerably .For business and managers, many of whom were not in senior position in 1991,there are contrasting factors to consider. Cost cutting exercises are likely to be on the agenda, yet some areas of business are likely to be expanding. Businesses may wish to reduce staff numbers, but are still facing skills shortages; and many are typically far leaner in term of staff numbers and productivity than they were 20 years ago, meaning there is less fat to trim. Developing and sticking to a comprehensive talent management programme can help resolve some of these contrasting factors and provide guidance to managers and CEOs in times of economic uncertainty.

Definition of talent management tends to focus on four key areas of interaction between an organization and its staff- Recruitment, Development, Reviewing, and Retention. These four areas can be used to develop a comprehensive talent management, covering senior staff or all staff within an organization, depending on priority levels and budgets. While many talent management programmes focus on senior staff only, it is worth remembering that staff with lower levels of responsibility may also benefit from being part of a tailored talent management programme. There are six talent management strategies, which may help managers understand how talent management can be used to achieve the objectives of their own organization :

- Process perspective- The future success of a company is based on having the right talent, so managing and nurturing talent is part of the everyday process of organizational life.
- Cultural perspective - Talent management is a mindset, where the performance of each individual is dependent on the talent of that individual. As a result, the organization appreciates each individual's talent and allows talent to be developed as a matter of course.
- Competitive perspective - Organizations must identify talented people, find out what they want they want and give it to them in order to keep the best talent within their organization. Competitors will also be following this perspective, with whoever has the best talent being best placed to succeed.
- Development perspective- Talent management is about accelerated development paths for the highest potential employees. The same development process is applied to all emoloyees, but "talented" employees go through the process more quickly.
- HR planning perspective- Talent management is about having the right people matched to the right jobs at the right time.
- Change management perspective- Talent management is used as the driver for change in the organization, normally being an embedded part of the organization's culture.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this papers is purely textual. The materials used have at time been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

A structured talent management programme can achieve all of the above. But it may be helpful to priorities which of the perspectives best fits the needs of your organization at a specific time, in order to understand where your talent management programmes deliver far greater long term benefits, Thus thinking about what your organization needs in the long run is vital to creating a suitable talent management programme. This long term mindset is crucial to talent management progammes in periods of economic instability, with the need to cut costs in the short term having to be balanced with the benefits of talent management in the long term-in other words, there's no point surviving a recession if you're not prepared for the good times afterwards!

Recruitment and staff levels- The first step in talent management program is ensuring you have talent within your organization, recruitment may be the last thing on manager's minds, but in reality it may be a very good time to recruit. If your competitors are making staff cuts it may be worth looking at who they are cutting and whether they would be of value to your organization. However it is also worth asking why your competitor is letting these particular staff leave. In time of widespread budget cuts it may even be possible to recruit skilled staff directly from your competitors by offering more competitive benefits, particularly if your competitors are making budget and training cutbacks. Again you should consider whether staff leaving competitors in times of difficulty are loyal enough to work for you in the long run.

Key to recruitment talent (in times of economic instability as well as in times of economics wellbeing) is to understand exactly what skills your organization needs at each level, where these skills exist in the labour market, whether there are skills shortages in your industry, and what skills you are likely to need in the future. If there are skills shortages in your industry then recruiting in times of economic downturn may be far less costly (and easier) than attempting to do so when your industry is booming. Staff shortages can quickly curtail any growth opportunities available post-recession.

The key to talent management in time of cut back is, unsurprisingly, ensuring talented

members of staff are kept within the organization if at all possible. This may mean moving staff around departments or even changing their job specifications if necessary, but with communication from managers to talented staff explaining why specific action are being taken, these are likely to be better received in periods of economic downturn than times. Striking a balance between ensuring short term survival and long term success is difficult, but it should be remembered that the role of managers and Human Resources is to make sure your organization survives AND that it grows and recovers faster than the competitors when economic recovery occurs.

Development-Staff development need not be put on hold during periods of economic instability. Cost cutting exercise have frequently targeted training and development budgets in the past, but managers in the current climate should ask themselves whether this is necessary and whether there are alternative actions that might be taken. Understanding the value of training and development is often the first step in making a decision on whether to continue with training or not. It is generally agreed that the correct training provides more value than it costs; and this holds true whether a recession is occurring or not. In terms of management training, the Management standard centre's report on the value of management Qualification is a useful resource for comparing views on the value of management qualifications.

Three question to ask yourself regarding talent development in periods of economic instability are: who would benefit the most from training or development activities; what alternative methods of training and development are available; and, if I don't train and develop my staff,will thay continue to be motivated and stay with the organization? Studies have shown that employees highly value the development of their own skills, with talented employees likely to do so more than others. Cutting back on training and development is likely to reduce morale and act as a de-motivator for your staff, and may even be a reason for leaving for some.

Reviewing- Staff appraisals and the reviewing of employees skills should take place within all organizations, and it can be a particularly useful tool in developing talent management programmes. Reviews can be used to find both the 'talent' within an organization and those who can be easily replaced or let go of. A review of current staff skills required by your organization now and in the future will go some way to determining where existing or likely future skills gaps exist within your organization. A review of the labour market in your industry alongside this will also show where any future skills shortages are likely to exist. These reviews can be used to determine which individuals in your organization have the potential to be promoted to senior roles in the future (the traditional definition of talent management literature), which individuals have scarce redundant should staff cuts need be made in periods of economic downturn. Finally, a review of current staff skills and the current needs of your organization will be of use if any restructuring activity is needed for the organization to enable it to cope with the economic downturn.

Retention- The issue of staff retention originates from the previous themes touched upon by talent management. If recruitment processes, staff development and staff reviews are all undertaken in line with an overarching talent management programme, staff retention should be a high priority, since staff currently at organization will be the high of quality, well developed staff. The key to staff retention is to ensure those staff you wish to keep are motivated, engaged and have high morale all problem areas in times of economic instability. Having reviewed your staff, industry condition and external labour market, it should be fairy straight forward to determine whom to retain. The next stage in the retention process is to communicate with your workforce. Let talented individuals know they are considered key assets in the organization and ask them what factors are the most important to them in terms of employee engagement and retention. Remember that pay is not necessarily a key factor in determining employee engagement,

although it can be a key factor in creating employee disengagement and low morale. Managers need to determine what factors are important to their staff and work towards ensuring these factors are viewed in a positive light by employees(both talented employees and others) Not only will this help to promote the service-profit chain within your organization, it will help to retain key talent.

The role of Manager- Talent management programmes can turn organizations into market leaders if undertaken correctly, but need the buy-in of managers to succeed. Managers need to ensure talent management seen as a business management strategy issue, not just an HR issue. Business managers need to work with HR managers to develop and realize a suitable talent management programme for their organization and undertake the numerous tasks discussed above in order to see the fruits of a well developed talent management programme.

The following National Occupation Standards will be useful to managers development and running a talent management programme within their organization:

- Manage your own resource and professional development
- Map the environment in which your organization operates
- Develop a strategic business plan for your organization
- Put the strategic business plan into action
- Provide leadership for your team
- Provide leadership in your area of responsibility
- Provide leadership for your organization
- Develop the culture of your organization
- Lead change
- Plan change
- Implement change
- Recruit, select and keep colleagues
- Plan the workforce
- Provide learning opportunities for colleagues
- Support individuals to improve develop and maintain their performance
- Manage redundancies in your area of responsibility
- Communicate information and knowledge

Conclusion

A useful source of information for managers is the National Occupational Standards for Managers and Leaders. These standerds break down the role of managers into a number of subject areas and the behaviours, outcomes and knowledge and understanding required to underpin effective performance.

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Indian Banking: Towards Better Future

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Abstract

Nationalization of major commercial banks in 1969 was a major landmark in the history of Indian economy. Since then, the banks have supported the planned development programmes and have served the wider sections of our people in the country with the gradual implementation of the financial sector reforms, the banking sector is improving its management and profitability. The Indian banking system has a bright future.

Keyword - Nationalization, planned development, Bright future, Goiporia Committee

Introduction

At the time of independence i.e., in the year 1947, India had a fairly well-developed commercial banking system. The Reserve Bank of India was established in 1935. While the Reserve Bank became a State-owned institution from 1st January, 1949, the Banking Regulation Act was enacted in 1949 providing a framework for regulation and supervision of commercial banking activity. However, the beginning of the planning era saw the emergence of public ownership of one of the most prominent of the commercial banks, There was a feeling that though the Indian Banking System had made considerable progress in the 50's and 60' it established close links between commercial as well as industry houses, resulting in cornering of Bank credit by these segments to the exclusion of agriculture and small industries.

Nationalization of major Commercial Banks in 1969 was a major landmark in the history of the Indian Economy. Commercial Banks have been nationalized in our country in order to support the planned development programme and to serve the wider section of our people and the regions of our country. The 28 public sector Banks of our country together with their subsidiaries Regional Rural Bank numbering 196 have brought about silent revolution particularly in the rural areas. No doubt that nationalization events of 1969 as well as 1980 heralded a new era by combining commercial banking with Social objectives and by transferring class banking into mass banking. The countryside and the rural town serving as marketing centers for the peasants and landless labourers have witnessed a period of renaissance and reform. The public sector banks have assured the noble role of missionaries and gave shape to the ideals who firmly believed that the heart as well as soul of this country lies in rural areas where majority of population live and depend on agriculture and allied activities for their livelihood.

Thus, the step of nationalization forced the banks to change their concept, role and approach constantly as commitments increased under social banking with introduction of scheme after schemes devised by the Government.

In the post nationalization era banks were performing their social responsibilities in the desired direction. But geographical expansion of the banks and priority sector lending have posed severe threat to the profitability as well as productivity of the banking sector as a whole. The rural branches are the major source of loss in respect of revenue income to the bank. Besides that the priority sector lending also loss in the added to the banking sector. Gross profits have been declining for the banking system over past decades and in 1989-90 such profits were no more than 1.10

per cent of inadequate provisioning in respect of sticky advances and against loan losses, the situation cannot but because of concern while this represents the average for the system. There are several banks in whose case the incremental cost of operation per rupee of working funds was higher than the incremental income per rupee of working funds. Therefore, the profitability and productivity of the banks suffered severely. This led to the thinking of Financial Reforms in India.

Materials and Methods

While concentrating on the topic various books of eminent scholars journals bulletins were consulted. Recourse has also been taken to make an in depth study of the published works of the author. Reviews of the works by eminent scholars and critics have also been widely consulted.

Results and Discussions

During the late eighties, several distortions have crept into the financial system of the Indian economy and certain rigidities as well as weaknesses were found to have developed in the Indian Banking system as a result productivity and efficiency of the system have suffered profitability has been eroded and its portfolio quality has operating costs as very high. Against this background the committee on Financial System, under the chairmanship of Sri M. Narashimham was appointed on 14th August, 1991 and asked to review various facts of the system including its structure, organization, profitability, capital adequancy and supervisory arrangement.

Committee's Recommendations

The Narashimham Committee went a long way in recommending far reaching changes in the Indian Banking scene. The Committee has made several recommendations among other things, on modifying the rural banking structure, interest rates on agriculture loans and directed programmes of rural credit which will have direct bearing on the future of agriculture credit system. The directed investments were opposed and banks profitability was put as the main criteria for any banking activity. The committee has further recommended to reduce the Statutory Liquidity Ratio (SLR). Cash Reserve Ratio (CRR), Priority Sector Lending (PSL) and encourage the Public Sector Banks to provide term finance to industry improving recovery performances by constituting tribunals relating banks rate to the market forces and phasing out the concessional interest rates and so on. The Committee was of the opinion that if SLR, CRR, and PSL are reduced, it leaves more money with the banks, which could be invested on commercial basis. Similarly, if commercial banks lend at market rate for industrial and other activities and improve recovery performance. The committee has also recommended that the loss making banks improve recovery performance. The committee has also recommended that the loss making banks and branches are to be closed or merged. The Government already made a step towards in this connection by merging Bank of India with the Punjab National Bank. The other such banks are on the card. Even the loss making branched of the same bank are to be closed or to bemerged with the nearer branches thus, main thrust of the recommendation is on the profit of the banking sector along with the productivity of the sector.

Goiporia Committee

The Reserve Bank of India constituted a Committee headed by Sri M. N. Goiporia in September, 1990 on making recommendations for consumer service improvements in banks. The Committee submitted its report on December 5, 1991. The chief recommendations were as below.

a) Extenstion of banking hours for all works excluding cash payment

b) Stop deposit of outstation cheques of Rs. 5000/- (instead of existing 2500/-) in Bank accounts.

c) Increase in bank interest rates on saving accounts.

d) Providing tax benefit to bank deposit amounts.

e) Re- adjustment of bank opening time for staff so as to ensure start of work at bank counters well in time.

f) To ensure optimum use of powers available with Bank Staff. No doubt that the recommendations given by the Committee are very useful from service point of view and will be helpful to encourage as well as attract the consumers for their business. But these recommendations are still under consideration of the Government including RBI.

Prospect

The future of Banking System is bright in the present changing and dynamic environment of globalization era. With effect from February, 2005, Public Sector Banks have been granted more freedom of action to make acquisitions of business, pursue new lines of business, close or merge unviable branches and take all decisions regarding HRD. Now, public sector Banks got the freedom acquiring the State-owned and Private banks finance companies and other businesses without seeking any permission from the Government. But these activities will be limited to those prescribed in the Banking Regulation Act. For using managerial as well as functional autonomy, the Government has put four preconditions for banks which are- (i) a tract record of three years consecutive profit, (ii) capital adequacy ratio of over 9 per cent, (iii) net non-performing assets of less than 9 per cent and (iv) minimum owned funds of Rs.100 Crore.

Conclusion

To conclude one can say that with the gradual implementation of the Financial Sector Reforms and by accepting and implementing the recommendations of Goiporia Committee, the banking sector of India will improve its management and profitability too. These steps will obviously lead to a bright future of Indian Banking System.

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Revival of Regional Rural Banks in Jharkhand

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Abstract

The banks are the engines of economic growth of the country. The Regional Rural Banks (RRBs) were brought in the ambit of financial intermediaries of the country to help expeditiously in the development of rural India which suffered a lot on account of the paucity of funds needed for agricultural development. But the RRBs failed to catch up the spirit on account of declining deposits, poor recovery of debts, rising NPAs etc. The Regional Rural Banks were restructured and consolidated in Jharkhand. Out of six RRBs only two i.e. Vananchal Gramin Bank and Jharkhand Gramin Bank were created to strengthen their viability.

Keywords: Non Performing Assets, Recovery of debts, Green revolution, Credit deposit ratio

Introduction

For many Europeans, India evoked a picture of Maharajas, Snake-Charmers, and the rope-trick.[1] But it is not a true picture-"India is essentially Rural India and Rural India is virtually of the cultivators, the village handicraftsmen and the agricultural labourers."[2] During different five year plans industrial development and agricultural development was accorded priority for the development of Indian economy. But with the outset of green revolution increasing public awareness and the given priority to the development of backward areas and reduction of disparities of income and wealth, agriculture and rural development received major attention, and afterwards plan reports give emphasis to credit planning. The sixth five year plan observes: "the aim of the sixth plan is to secure high rate of rural credit expansion to serve the productive needs of all, with priority being given to the credit needs of various economic groups among the poor.[3]

The banks are the hub of the economic development of a society. Therefore an economy to be stronger, always presupposes the existence of a vibrant and strong banking system. The banks functions as the provider of financial nucleus to the economy. The RRBs which have been propounded with specific purposes and to discharge limited functions need to be more vibrant. The RRBs were started with much fanfare and expectations and the co-operative sector and commercial banks failed to boost up the Indian rural economy where nearly 70% of the Indian population lives and thrives almost entirely on agriculture to eke out its bread. The agriculture suffers from several maladies but the lack of finance with the farmers assumes first and foremost importance. The RRBs were enunciated with the sole objective of providing timely and sufficient finance to the farmers. The RRBs have been established to discharge the following functions :-

1. To cater the agricultural and credit needs of small and marginal farmers.
2. To create a chain of banking channels in unbanked and under banked rural areas.
3. To participate actively in various schemes launched by the state and central government for improvement of rural poor.
4. To meet the big credit gap created on account of failure of commercial banks and co-operative banks in the overall development of rural and backward areas.
5. To reduce the rate of interest charged to the farmers on farm finance.
6. To reduce the distance of bank branches from the farmers. The commercial banks

and co-operative banks had their location mainly in big cities and towns where the farmers could not reach for availing the bank finance.

The RRBs get their capital from R.B.I. sponsored banks and state government in certain proportion. They have, infact, limited funds with which the unlimited financial requirements of the rural farmers are to be met. Further RRBs are expected to provide financial assistance only to the poorest of the poor in order that they can utilize their craftsmanship and earn their bread. These banks give out loans to farmers and expect an early recovery of loans so that the process of recycling of funds becomes easier.

It has recently been witnessed that the operational activities of the RRBs have not been very satisfactory. As a result of this many RRBs are having their red financial statements. In other words the proportion of NPA is increasing beyond their maximum tolerance limits and in some cases their existence itself is being threatened.

RRBs are basically required to rejuvenate the Indian rural farmers who are characterized by illiteracy, poverty and lack of awareness. Very importantly they constitute nearly 68% of the total population. Therefore any neglect to the rural sector of India will not help developing the entire economy with speed.

The RRBs have been started with the expectation of being sole provider of finance to farmers. Their non- viability will adversely impact the growth and development of the rural areas. RRBs are in bad financial health. The closure of RRBs will result into the following:-

1. Agricultural credit will not be served.
2. Rural credit gap will get enlarged.
3. Regional imbalances and increase in rural unemployment.

A threadbare discussion about increasing the viability of RRBs requires the study of its deposits. Deposits are the actual source of finance available with RRBs. They do not have much money of their own to provide financial accommodation to the farmers. Therefore larger the deposits mobilised greater is the ability to provide financial aid to the farmers. The deposit mobilisation hinges on two situations :

a) Confidence
b) Saving potentiality

Materials and Methods

In the course of identifying the reasons for bad financial health of RRBs the author basically utilises the published materials (secondary data) available from different RRBs and institutions. The public documents issued by these RRBs have been accepted as they are. Of course the free interaction (primary data) was sought with some RRBs, borrowers and scholars to elicit their respective opinions.

Results and Discussions

Factors leading to non viability of Regional Rural Banks can be gauged from the following factors.

1. Credit Deposits Ratio of Regional Rural Banks

The C/D ratio is the relationship between the amount of deposits mobilized and amount lent out in a particular locality where bank branch is situated. The higher C/D ratio indicates higher investments of deposits raised from the respective area and vice versa. The RBI also instructs that the C/D ratio would not be less than 60%.

Factors leading to non viability of RRBs can be gauged from the following factor

Table-3
Poor Credit deposit Ratio

Year	Commercial Banks in Jharkhand	All India RRBs	Jharkhand Gramin Bank	Vananchal Gramin Bank
2005-06	37.59	56	29	30.43
2006-07	40.83	58	30	31.34
2007-08	45.32	60	29	31.67
2008-09	43.68	58	26	29.21

Source- Annual Reports of NABARD, Vanachal Gramin Bank and Jharkhand Gramin Bank

Looking to the C/D ratios of RRBs in Jharkhand it is seen that it is much less than the directive given by R.B.I. It is further a matter of activity that the C/D ratios of all RRBs of Jharkhand are still declining. It was 29% and 30.43% in 2005-06 in case of Jharkhand Gramin bank and Vananchal gramin bank respected which reduced to 26% and 29.21% respectively in 2008-09. During the same period the C/D ratio of RRBs in India was 56% and 58% respectively. It means the national average C/D ratio is very close to the directives of R.B.I whereas the RRBs in Jharkhand are lagging behind.

2. Deposits of Regional Rural Banks

Deposits are the heart of banking institutions. It is the deposit on which the volume of lending depends. The deposits are the outcome of two things- confidence of the people on the strength of the institution and the saving potentiality of the people.[4] Although the deposit of the RRBs in Jharkhand has been increasing but the increase is not satisfactory. The growth in deposits is unsatisfactory because even the commercial banks operating in the area have also almost the equal rate of growth in their deposits. The RRBs of Jharkhand need to develop closer relation with the people. It has been a known fact that the income of the people of rural areas has increased significantly because of various rural development programmes. The incremental income of rural people should increase the deposits of RRBs.

Further a large chunk of rural population is still unaware of the banking system and their benefits. The RRBs are expected to bring them in their fold. This will develop their banking habits and even smaller savings will be placed with the RRBs.

Table-1
Statement of deposits of All India, Jharkhand Gramin Bank and Vananchal Gramin Bank
(Rs in lakh)

Year	All India		Jharkhand Gramin Bank		Vananchal Gramin Bank		Commercial Banks in Jharkhand	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
2005-06	7132883	14.78	97974.81	14.27	91515.59	22.06	3201780	
2006-07	8314355	16.56	106073.63	8.27	92516.11	1.09	3768780	17.71
2007-08	9909346	19.18	122193.83	15.20	106029.79	14.61	4347644	15.36
2008-09	11431745	15.36	146036.43	19.51	131790.76	24.30	5138507	18.90

Source-: Annual Reports of NABARD, Jharkhand Gramin Bank and Vananchal Gramin Bank

The following table shows deposits of All India RRBs, Jharkhand Gramin Bank, Vananchal Gramin Bank and Jharkhand Commerical Banks starting from the year 2005-06 to 2008-09. The total deposits of All India RRBs increased from 7132883 lakh in 2005-06 to 11431745 lakh in 2008-09 and that of Jharkhand Gramin Bank from 97974.81 lakh to 146036.43 lakh in 2008-09 and that of Vananchal Gramin Bank from 91515.59 lakh in 2005-06 to 131790.76 lakh. Similarly the deposits of Jharkhand Commercial Banks also grew from 3201780 lakh to 5138507 lakh. The percentage growth in case of both RRBs in Jharkhand as well as All India RRBs has been fluctuating. The percentage growth was maximum for All India RRBs in 2007-08 which stood at 19.18% while that of Jharkhand Gramin Bank stood at 19.51% in 2008-09 and that of Vananchal Gramin Bank which stood at 24.30% in 2008-09. The percentage growth of commercial banks in Jharkhand was maximum in the year 2008-09 which stood at 18.90%.

Table-2
Average Deposits per Branch (Rs in lakh)

Year	All India RRBS			Jharkhand Gramin Bank			Vananchal Gramin Bank		
	Deposits	No of Branches	Average deposit per branch	Deposits	No of Branches	Average deposit per branch	Deposits	No of Branches	Average deposit per branch
2005-06	7132883	14494	492.12	97974.81	210	466.55	91515.59	178	514.13
2006-07	8314355	14520	572.61	106073.63	210	505.11	92516.11	178	519.75
2007-08	9909346	14761	671.32	122193.83	211	579.12	106029.79	178	595.67
2008-09	11431745	15235	750.36	146036.43	215	679.24	131790.76	186	708.55

Source- Annual Reports of NABARD, Vananchal Gramin Bank and Jharkhand Gramin Bank

The table 2 shows average deposit per branch of Jharkhand Gramin Bank, Vananchal Gramin Bank and All India RRBs. It is clear from the table that average deposits of All India RRBs, Jharkhand RRBs is increasing. Though the deposit per branch in case of Jharkhand and Vananchal Rural Banks are increasing but it is yet to take measures to reach the national average level. This will require the following steps to be taken-

a) Creating more awareness among the rural people of the state of Jharkhand.

b) The confidence of the people towards the bank has to be increased.

3. Recovery of Regional Rural Banks

All financial institutions including the RRBs are the providers of supplementary finance to the process of development. The recovery rate of RRBs manifests their capability of getting loans. Heading of rural credit portfolio of several millions of loan accounts involves gigantic task of credit monitoring, follow up and recoveries. Due to conscious and concentrated efforts to design appropriate strategies for improving the recoveries and keeping the over dues under proper control, the bank performance has improved in this respect over the period.[5]

Table-4
Percentage Recovery of Loans by All India RRBs, Jharkhand Gramin Bank and Vananchal Gramin Bank

Year	All India RRBs	Jharkhand Gramin Bank	Vananchal Gramin Bank
2005-06	79.80	60.68	48.86
2006-07	80.49	60.51	37-99
2007-08	80.81	61.71	42.66
2008-09	77.76	75.24	60.12

Source-: Annual Reports of NABARD, Jharkhand Gramin Bank and Vanancal Gramin Bank

Looking to table 4 it appears that the recovery rate of RRBs in Jharkhand has been very disappointing. The average recovery rate of loan by RRBs in Jharkhand has clearly been improving but it is not very satisfactory. The recovery rate of Jharkhand Gramin Bank was only 60.68% in 2005-06 which has gone upto 75.24% in 2008-09 but during the same period recovery rate of loans of vananchal gramin bank had been 48.86% and 60.12% respectively. While this recovery rate is compared with the All India RRBs recovery rate, the dismal picture of Jharkhand Bank appears. In the year 2005-06 the all India RRBs recovery rate was 79.80% and 77.76% during 2008-09 but during the same period the RRBs of Jharkhand (Jharkhand Gramin Bank and Vananchal Gramin Bank taken together) had a recovery rate of 54.77% and 67.68%.

The poor recovery rate happens because of less productivity, rain depended farming, non-mechanisation of cultivation because of poverty and illiteracy and above all political reason. They defray payment of their loans on the expectation of getting their loans waived during the ensuing election.

The economics should not be mixed with politics. Both have different areas to operate. The economies should be allowed to operate independently. The political mileage should not be sought at the cost of economies. Otherwise RRBs in particular will suffer a lot and genuine credit demands of farmers will not be met. The contribution of rural sector in economy will be retarded and the dream becoming the best nation in the world at the best possible time will not be realised.

4 Non Performing Assets of Regional Rural Banks

Table-5
Statement of NPA of Jharkhand Gramin bank and Vananchal Gramin bank (Rs in lakh)

Year	Jharkhand Gramin Bank		Vananchal Gramin Bank		Jharkhand Commercial Banks	
	Amount	% change	Amount	% change	Amount	% change
2005-06	2597	8.97	3577.76	59.07	68371	
2006-07	2213	6.83	5691.02	21.62	66623	-2.56
2007-08	2213	6.83	5533.66	17.34	12962	-80.54
2008-09	1538	4.00	1538.50	4.14	77138	495.11

Source- Annual Reports of NABARD, Jharkhand Gramin Bank and Vananchal Gramin Bank

Since RRBs are rated on the parameters of profitability in the recent past there has been mounting pressure on the profitability of these banks. Profitability is considered as financial health and hence much attention is being focussed on profitability of RRBs. It measures the overall efficiency of banking, finance and administration. Indeed it is essential on the part of RRBs to earn sufficient revenue to meet the rising cost of funds and staff. Earning adequate revenue is a pre-requisite for survival and growth. As NPA are affecting the profitability of banks any further escalation in their quantum will drain away the profits and erode capital base of these banks causing anxiety.

Table 5 speaks of the NPA position in RRBs of Jharkhand. It is satisfying to note that the volume of NPA in Jharkhand RRBs has been improving. The effort of the Vananchal Gramin Bank has been very appreciable. It was 3577.76 in 2004-05 which reduced to Rs 1538.50 in 2008-09 almost the NPAs in both Jharkhand Rural Bank and Vananchal rural banks has been equal. But still efforts have to be made to reduce NPAs to the minimum to strengthen the financial viability of these banks. The origination of NPAs in the Indian banking landscape can be broadly discussed in two stages:

1. Pre-liberalization era and
2. Post-liberalization era

Banks usually classify as nonperforming assets any commercial loans which are more than 90 days overdue and any consumer loans which are more than 180 days overdue. It is called such as while it is an Asset, it does not bring substantial income to its owner or is just dormant. Call it white elephant if you wish. In liberalizing economy banking and financial sector get high priority. Indian banking sector having a serious problem due non is performance. The financial reforms have helped largely to clean NPA. Which was around Rs 52000 cores in the year 2004. The earning capacity and profitability of the bank's are highly affected due to this. NPA is defined as an advance for which interest or repayment of principal or both remain outstanding for a period of more than two quarters. The level of NPA act as an indicator showing the bankers credit risks and efficiency of allocation of resource.

Table- 6
Statement of outstanding Advances of All India, Jharkhand Gramin Bank and Vananchal Gramin Bank

Year	All India		Jharkhand Gramin Bank		Vananchal Gramin Bank	
	Amount	% change	Amount	% change	Amount	% change
2005-06	3971257		28816.64		27844.64	
2006-07	4849259	22.11	31295.68	8.60	28993.59	4.13
2007-08	5898427	21.64	34877.84	11.45	33582.63	15.83
2008-09	6584078	11.62	37551.82	7.67	38502.52	14.65

Source- Annual Reports of NABARD, Jharkhand Gramin Bank and Vananchal Gramin Bank

5. Outstanding Advances of Regional Rural Banks in India and in Jharkhand

Advances mean loans granted by RRBs for the overall development of rural areas. Rural credit is essential for the following purposes;

1. For purchase of farm implements viz indigenous wooden implements, improved iron implements, agricultural implements, hand tools etc.
2. For purchase of tractors with accessories, power tillers.
3. For purchase of oil engines, electrical engines, pump sets, construction of wells for irrigational purposes.
4. For the purpose of construction and repairs of farm buildings viz bullock sheds, god owns animal farm and farm store.
5. For purchase of seeds, fertilizers, manures, pesticides.
6. For meeting capital expenditure and working capital on dairy, poultry etc, for construction of buildings, purchase of animals, equipments, feeds, medicines and vehicles.

The main objective behind establishment of RRBs is to provide financial assistance to the people of rural sector especially to small and marginal farmers, agricultural labourers, artisans, small entrepreneurs. As per provisions of Regional Rural Bank Act 1976, every Regional Rural Bank in general undertakes the following types of business in addition to one or more forms of business specified in subsection (1) of Section 6 and clause 6 of Section 5 of the Banking Regulation Act 1949.6 Due to the nature and direction of public policy in the first three five year plans, non instructional agencies occupied a dominant place in the rural credit structure. According to the All India Credit Survey Report, the share of institutional agencies, comprising of the government, the cooperatives and the commercial banks in financing the borrowing of the rural household was 7.1 percent in 1951-52 whereas the corresponding share of private money lenders alone was as high as 68.6 percent.[7] As Charan D.Wadhwa pointed out the poor villagers are permanently trapped in the net of the money lenders because of vicious circle of poverty in which their expenses exceed their income every year.8 Therefore it is suggested that the Regional Rural Banks should be established to free the rural poor from the clutches of moneylenders and provide loans to rural poor at concessional rate of interest.

Conclusion

The thrust of revival of Regional Rural Banks in Jharkhand calls for multidimensional effort. The RRBs have to be clear and clean in their efforts on the one hand and the rural population of Jharkhand, which is characterised by poverty, illiteracy, ignorance have to be taken into confidence on the other hand. The RRBs of Jharkhand need to be friends, philosophers and guide to the farmers of Jharkhand.

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Dimensional Modeling-A viable technique for the development of a Data Warehouse

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Abstract

In recent years data warehouse projects have become popular to most Indian companies. A data warehouse implemented properly helps in efficient decision making as it is an approach which additionally focuses on goals and strategies of the organizations. A data warehouse is a repository of organizations' electronically stored data and the dimensions are the entry points to the data warehouse. The dimension model uses star or snowflake scheme that are useful for end user query. The dimensional model uses not only dimensions and fact tables but also business labels familiar to end users. Dimension modeling ensures the more effective modeling for data warehouse structures. This article navigates through the main ideas of dimensional modeling giving the concept of dimensional modeling technique for the development of a data warehouse.

Keywords: Business process, Data Mart, Dimensional modelling

Introduction

A data warehouse is designed according to a set of relevant business subjects and each of these subjects center around a business process. These relevant business subjects are also known as data marts. A data warehouse is developed to answer the questions being asked everyday, based on the overall business process. Decision making requires metrics which are used in every organization to evaluate and monitor business processes according to the goals of the business.

In this article dimensional modeling approach is considered for the development of a data warehouse. Dimensional modeling is a favorite modeling technique in data warehousing. Dimensional model constitutes a model of tables and relations which optimizes measurements for the outcome of the business processes being modeled. Dimensional modeling efficiently handles end user queries in a data warehouse because dimensions are the entry points to a data warehouse. In designing data models for DW the most commonly used schema types are star schema and snowflake schema. It is advisable to create a star version of the snow flaked dimension for presentation to the users which is best accomplished by creating an indexed view across the snow flaked dimension. Some dimension table may be used to contribute data to different data marts which are known as conformed dimensions, generally done for a large enterprise and memory space utility. Dimensions may be of different types based on its usability, say, slowly changing dimensions, degenerate dimensions, and junk dimensions, etc.

Terminologies

Data Warehouse

A data warehouse is a subject-oriented, integrated, non-volatile and time-variant collection of data that helps management in efficient and effective decision making processes.

The terms stated in the sentence can be further defined as:

Subject Oriented: Data that signifies information about a particular and relevant subject instead of about a company's ongoing operations.

Integrated: Data that is accumulated into the data warehouse from a variety of sources and merged into a coherent whole.

Time-variant: All data in the data warehouse being identified with a particular time period.

Non-volatile: Data is added in a data warehouse from time-to-time and are never removed constituting the historical data.

Data Mart

A data mart is a logical subset of the complete data warehouse structure.

Dimensional Model

It is a logical design model composed of one table with a multipart-part key i.e. the fact table and a set of smaller tables called dimension tables. Every dimension table contains a single part primary key that corresponds exactly to one of the components of the multipart key in the fact table.

Dimension Table

It is a table having textual attributes also being a set of companion tables to a fact table. Each dimension table is defined by the primary key that serves as the basis for referential integrity with any given fact to which it is joined.

[Referential Integrity: Referential integrity is a system of rules that uses to ensure that relationships between records in related tables are valid and that one cannot accidentally delete or change related data.]

Fact Table

A fact table is a table in each dimension model containing measurements of the business.

Conformed Dimension

A dimension becomes a confirmed dimension when it means the same thing with every possible fact table to which it is joined.

Junk Dimension

It a dimension containing convenient grouping of random flags and attributes to get them out of a fact table into a useful dimension framework.

[Flag: It is a special indicator to a fact table record to show that the status of that account has just changed or is about to change.]

Degenerate Dimension

These usually occur in line item-oriented fact table designs.

Slowly Changing Dimensions

The data warehouse has three main options

1) The dimension record is overwritten with the new values losing the original history.
2) A new additional dimension record is created using a new value of the surrogate key.
3) An old field in the dimension record is created to store the immediate previous attribute value.

[Surrogate key: A surrogate key is a key which is substituted for the natural primary key in a data warehouse. It is a unique identifier or number for each row that is utilized for the primary key to the table. A Surrogate key is always an integer or a numeric value.]

Building Dimensional Model

The dimensional model building process is based on the sequential steps of involvement of people and methods applied:

People

Besides the project manager, all the team members in the data warehouse development especially the data modeler and the database administrator must be honest in understanding the dimensional model building process. The business systems analyst must understand dimensional modeling to help the data modeler translate the business requirements into the database design.

Methods

Matrix Method

The matrix method is considered in this section. As the dimensional model constitutes the logical design of the data warehouse, so a top-down planning approach is used to build dimensional models. This is known as data warehouse bus architecture matrix. Here a matrix of data marts and dimensions is built and the intersections are marked where a dimension exists for a data mart. An example in case of a telephone company is depicted in the figure 1.

	Time	Customer	Service	Rate Category	Local Service Provider	Calling Party	Called Party	Long-Distance Provider	Internal Organization	Employee	Location	Equipment Type	Supplier	Item Supplied	Weather	Account Status
Customer Billing	#	#	#	#	#			#			#					#
Service Orders	#	#	#		#			#	#	#	#	#			#	#
Trouble Reports	#	#	#		#	#		#	#	#	#	#	#	#	#	#
Yellow Page Ads	#	#		#		#			#	#	#					#
Customer Inquiries	#	#	#	#	#	#		#	#	#	#				#	#
Promotions & Communication	#	#	#	#	#	#		#	#	#	#	#	#	#		#
Billing Call Detail	#	#	#	#	#	#	#	#	#		#	#	#	#	#	#
Network Call Detail	#	#	#	#	#	#	#	#	#		#	#	#	#	#	#
Customer Inventory	#	#	#	#	#			#	#		#	#	#	#		#
Network Inventory	#		#						#	#	#	#	#	#		
Real Estate	#								#	#	#	#				
Labor & Payroll	#								#	#	#					
Computer Charges	#	#	#		#			#	#	#	#	#	#	#		
Purchase Orders	#								#	#	#	#	#	#		
Supplier Deliveries	#								#	#	#	#	#	#		
Combined Field Operations	#	#	#	#	#	#		#	#	#	#	#	#	#	#	#
Customer Relationship Management	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#
Customer Profit	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#

Figure 1: The Data Warehouse Bus Architecture matrix for a telephone company (Source: Ref. 1; Page 271)

The matrix is also a kind of map of the political process that has to be undertaken to get all the groups to agree on the common definition of the dimension. A real matrix for a real data warehouse design can be larger and more complex than as shown in the figure. [2]

Method to Design the Fact Table

When the data marts that are pragmatic collection of related facts and their associated dimensions have been identified then the detailed logical and physical design of individual tables are stated. The steps used for designing the fact tables are

Choosing the data mart

Declaring the grain

Choosing the dimensions

Choosing the facts

Some miscellaneous detailed design tips for the above mentioned four steps to design the fact table are

The labels that are used to identify the data marts, dimensions, attributes, and facts will probably be the standard business names that will be displayed to the end users. Hence, these should be chosen carefully.

An attribute can live in one dimension against a fact that can be repeated in multiple fact tables.

If a single dimension appears to reside in more than one place then the roles should be uniquely named and are to be treated as separate dimensions.

A single field in the underlying source data can have one or more logical columns associated with it.

Every fact should have a default aggregation rule, say, sum, min, max, latest, semiadditive, special algorithm, etc.

The on going dimensional modeling project takes into account the data warehouse bus architecture matrix, the fact table diagram and its detail and the dimension table detail. The data warehouse bus architecture matrix is very useful as a high-level introduction to design and after its preparation a logical diagram of each completed fact table is prepared.

Besides this, the fact table detail provides a complete list of all the facts available through the fact table including actual facts in the physical table, derived facts presented through DBMS views, and other facts that are possible to calculate from the first two groups.

Aggregate rules should be provided with each fact for the reviewer. Finally the dimension table detail shows the individual attributes within a single dimension having a separate diagram. The dimension table detail explains the attribute cardinality and allows users to quickly browse multiple hierarchies and relationships between the attributes. Each dimension attribute should have the following:

Attribute name

Attribute definition

Cardinality

Sample data

Slowly changing policy

Example of the fact and dimension table details are depicted in figures 2 and 3 respectively.

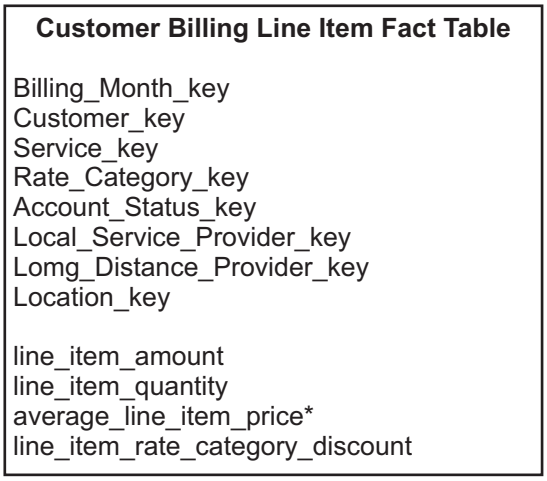


Figure 2: Fact table detail diagram showing dimension keys, basic facts, and derived facts (marked with asterisks)
(Source: Ref. 1; Page 280)

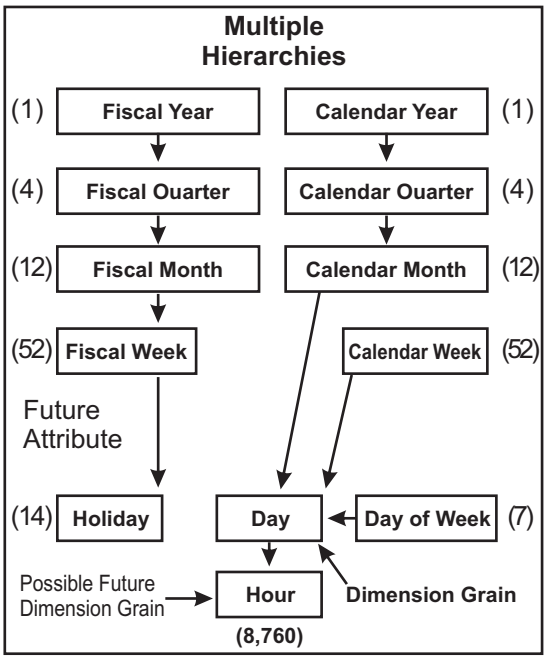


Figure 3 : Dimension table detail diagram (relative cardinalities shown in parenthesis)
(Source : Ref. 1 : Page 281)

Dimensional Modeling steps

The development of the dimensional model is an iterative process. An initial daft is created that contains possible data marts identified, possible dimensions identified, the matrix filled at the intersection of existing dimension and a data mart, the dimensions identified that apply and the grain for each data mart and the specific base business fact identified for each data mart. Based on the requirements of users base facts as well as derived facts are used. The derived facts can be of two types, the former being the additive as well as the latter being non additive calculation. Too often, the basic database design is completed and then no thought is put into the derived facts until the team is ready to begin developing the end user applications. The derived facts can be identified based on the requirements of the business users.

Identifying the sources for each Fact Table and Dimension Table

In the data source definitions the following information should be included:

Source: The name of the source system.

Business owner: The name of the primary contact within the business who is responsible for this data.

IS owner: The name of the person who is responsible for this source system.

Platform: The operating environment where this system rune.

Location: The actual location of the system. The name of the city and the specific machine where this system runs.

Description: A brief description of what this system does.

Mapping Data from Source to Target

Mapping data from source to target is done in the data staging process. The columns mainly being included are

Table name
Column name
Data type
Length
Target column description
Source system
Source table/file
Source column/field
Data transform
Dimension/data mart
Attribute/fact

Using a data modeling tool to develop the physical data model could be beneficial as it has got its own advantages.

Myths about DM (modified from the source: Ref. 1; Page 150 – 151)

There are a few myths about dimensional modeling:

Myth #1 Implementing a dimensional data model leads to stovepipe DSS.

Myth #2 Dimensional modeling is difficult to understand as no one understands it.

Myth #3 Dimensional model works only with retail databases.

Myth #4 Dimensional modeling is an alternative to snow flaking.

Reality against these Myths can be put forward as:

#1 Every ER-model has an equivalent set of dimensional models that contain the same information. In the case of organizational change and end-user adaptation dimensional model is highly appreciable as its form is not being altered.

#2 There is designers who are well adapted and find dimensional modeling easy extending from the packaged goods retail and manufacturing industries. Dimensional modeling is being used during the last thirty decades.

#3 The current-day reality of DM proves that it is being applied to many business areas, including retail, banking, commercial banking, property and casualty insurance, health insurance, life insurance, brokerage customer analysis, telephone industries, advertising, oil company fuel sales, government agency spending, manufacturing shipments, health care, and many more.

#4 Snow flaking is a process of removing low-cardinality textual attributes from dimension tables and placing them in secondary dimension tables attached to the parent one. Snow flaking is as an embellishment to the simplicity of the basic dimensional model.

[ER-model: A data model based on a perception of a real world that consists of a set of basic objects called entities, and of relationships among these objects.

SQL: Structured Query Language.]

Benefits of DM

1) The dimensional approach can be considered independent of the database

as it does not require the database to be restructured when any new data is introduced into the data warehouse and also when the relationships among data elements are revised.

2) Dimensional model is a standard and predictable framework where report writers can make strong assumptions to make the user interfaces more predictable making the processing more efficient.
3) The star join schema can withstand unexpected changes in the user bahaviour in dimensional modeling.
4) New data elements and design decisions can be easily accommodated in dimensional modeling.
5) The aggregates containing summary records that solve performance problems can be easily formed in dimensional modeling.

Conclusion

Dimensional modeling is an effective approach to make user interfaces more understandable while making the processing more efficient as business requirements determine the data needed to address business users' analytical requirements. The construction of a matrix represented key business processes and their dimensionality serving as a blue print to ensure that the data warehouse is extensible across the organization over time. Dimension modeling can be emphasized mainly as predictable framework being gracefully extensible where new data element and new design decisions are easily accomodable making it a successful approach for the development of a data warehouse.

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The Merger of Indian Airlines and Air India:- Open new horizons for Indian aviation sector

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Abstract

For long decades after its independence, India was served by two states run aviation companies. Air India which served the international market and Indian airlines which served domestic market. Even though the two were started with a lot of capital and initial performance was nothing short of remarkable, it was not long that the two companies started to feel the restriction and stress of a socialistic shackled system. In the recent years, the opening of Indian aviation sector for private players meant that the competition was getting too much for them . The solution was found by the Indian government in the form of merger of both the entities. Following the merger, a new entity known as the National aviation company of India limited was formed and finally the flag carrier of India is coming back to the days of its old glory.

Keywords: Aviation industry, Competition, National carrier, Strategy

Introduction

The last two decades after independence has witnessed growth of industrialization in this country. Tourism and civil aviation as an industry has been able to establish its foot hold and had substantially contributed to this growth. The potentiality and ability of this industry in connection to its contribution towards the national exchequer as well as earning of foreign exchange can not be questioned. In 1953, The government of India decided to nationalize this industry on the recommendation of Mr. P.C Mahlonbis committee. The government nationalized nine airline companies vide the Air corporation act,1953. Accordingly it established the Indian airlines corporation to cater to domestic air travellers passengers and air India international air travel passengers. The assts of the existing airlines companies were transferred to these two corporations. This act ensured that Indian airlines and air India had a monopoly over the Indian skies.

The origin of Indian civil aviation industry can be traced back to 1912, when the first air flight between Karachi and Delhi was started by the Indian state air services in collaboration with the UK based imperial airways.

The history of air India and the history of Indian aviation industry

In 1953 JRD Tata founded Tata airlines, the first Indian airlines . on 29th july1946, Tata airlines was converted into a public company, under the name of air India . on march 8 , 1948, air India international limited was formed to start air india international operations. On June 8, 1948, air India started its international services, with a weekly flight from Mumbai to London via Cairo and Geneva with a Lockheed constellation aircraft. In early 1950s, deteriorating financial condition of various airlines, the government decided to nationalize air transport on August 1, 1953, two autonomous corporations were created . Indian airlines was formed with the merger of eight domestic airlines to operate domestic services, while air India international was established to operate the overseas services . The word 'International' was dropped in 1962. With effect from March 1, 1994, the Airlines has been functioning as air India limited.

Indian airlines flights free run over the Indian skies ended with the entery of private carriers after the liberalization of the Indian economy in the early 1990's when many

private airlines like jet airways , air Sahara, east-west airlines and Modiluft entered the fray. The entery of low cost airlines like air Deccan , kingfisher airline and spice jet has revolutionized the Indian aviation scenario. Indian has been a pioneer in the aviation scene in India. It was the first airlines in India to introduce the wide- bodied A300 aircraft on the domestic network, the fly-by-wire A320 , walk in flights and easy fares continuous upgradation in the fleet of Indian airlines has been going on , ever since its inception.

Materials and Methods

For the purpose of in depth study the contents have been taken from relevant books and articles from journals and websites. The methods used is analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

In the year 2005, India witnessed a number of re branding initiatives, taken by some of the big names in the corporate world. One such noted move was made by Indian airlines limited, which changed its name to 'Indian'. The decision was a part of the promotional programme, done to revamp the image of the airline. The advertising compaigning of Indian airlines was a hit amongst the common masses. The 'turban maharaja' mascot of 'Indian' clicked the minds of the people in the country . The compaigning helped 'Indian' to become a household name in the country . in Feb. 2007, the government of India proposed the plan of Indian's merger with air India.

Air India and Indian airlines merger

The government of India, on March 1, 2007, approved the merger of air India and Indian airlines. Consequent upon the above, a new company viz national aviation company of India limited (NACIL) was incorporated under the companies act , 1956on 30 march 2007. The certificate to commence business was obtained on 14 may , 2007.

The authorised and paid up share capital of the merged entity will be Rs. 1500,05,00,000 and Rs. 145,00,00,000 respectively. It has been decided that post merger , the new entity will be known as "Air India" while "Maharaja" will be retained as its mascot. The logo of the new airline will be a red coloured flying swan with the "Konark Chakra" orange placed inside it. The flying swan has been morphed from air India's characteristic logo "The centaur" whereas the "konark chakra" was reminiscent of India's logo. The new entity has seen a number of changes in its operating model. It is much restricted by Government control and is there for much more agile and can churn better returns than the two different entities. Another special thing to be noted here is that since the two companies have come together, they have also been able to bring together their best practices and reduce the over all operational cost as well as administrative by a considerable margin. The merger of air India and Indian airlines was expected to create one of the biggest Airlines in the world in terms in fleet size placed the merged entity amounting to top ten Air lines in Asia and the top thirty in the world.

Synergy Factors

Merger of the transferor companies with the transferee company, along with a comprehensive transformation programme, is imperative to improve competitiveness. It will provide an opportunity to leverage combined assets and capital better and build a stranger sustainable business specifically, the merger will

1. Create the largest air line in India and comparable to other air lines in Asia. The merger between the two state run carriers will see the beginning of the process of consolidation in the Indian aviation space – the fastest growing in the world followed by china , Indonesia and Thailand.
2. Provide an integrated international / domestic foot print which will significantly enhance customer proposition and allow easy entry in to one of the three global air line alliances, mostly start alliance with global consortium of 21 Air lines.
3. Enable optional utilization of existing resources through improvement in load factors and yields on commonly service , routs as well as deploy, 'freed up' aircraft capacity on alternate routes . the merger had created a mega company with combined revenue of Rs. 150(3.7 billion) and an estimated fleet size of 150. It had a diverse mix of aircraft for short and long haul resulting in better fleet utilization.

4. Provide an opportunity to fully leverage strong assets, capabilities and infrastructure.
5. Provide a large and growth oriented company for the people and the same shall be in large public interest.
6. Potential to launch high growth & profitability businesses (ground handling services, maintenance repair and overhaul etc.)
7. Provide maximum flexibility to achieve financial and capital restructuring through revaluation of assets.
8. Provide an increased thrust and focus on airline support businesses.
9. Economics of scale enabled routes rationalization and elimination of route duplication. This results in a saving of Rs.1.86 billion ($0.04 billion) and the new airlines will be offering more competitive fares, flying seven different types aircraft and thus being more versatile and utilizing assets like real estate, human resources and aircraft better. However the merger had also brought close to $ 10 billion (Rs. 440 billion) of debts.
10. Traffic rights- the protection enjoyed by the national carriers with regard to the traffic right entitlements is likely to continue even after the merger. This will ensure that the merged airlines will have enough scope for continued expansion, necessitated due to their combined fleet strength.

The merger effects

1. The Nacil's Product Quality Is Bound To Improve With The Induction Of More New Aircraft.
2. In these days of high costs, the merger will enable the new air India to rationalise costs by synerging operations . not only can separate offices and man power be avoided , many other facilities such as engineering, inventories, IT, etc. Can be integrated, leading to large savings.
3. Air India and Indian airlines were encouraged to think differently and act differently. The two organisations competed with each other, rather than co-operate and offer better services to their passengers. Now there is a chance to change all that and offer the advantage and strength of two large domestic and international networks working as one single entity. The vastness and reach of the new air India , as result of the merger and membership of the star alliance will be truly impressive.
4. Both in terms of revenue and wastes, therefore , the merger can help the national carrier. For this two materials, the process of merger has to be carried to its logical conclusion. Merger is not easy nor is it painless. It will take time and there will be teething troubles: there could be setbacks and constant irritants these are all part of the merger process and have to be seen and accepted as such, and solutions found.
5. The merger will provide integrated international and domestic footprint, which will benefit passengers significantly. domestic and international flights will seamlessly integrate, allowing passenger to check in for their international flight from any domestic point in India.

Benefits of merger of air India and Indian airlines :-

Though in dire need of yet another dose of equity infusion the government and still grappling with problems of total integration post air India –Indian airlines merger, the turn around plan adopted by air India during 2010-11 has started showing results. The turn around plan of air India has resulted in improvement being reported across all performance parameters. During the period April- November 2010,, air India recorded network revenue of Rs. 7,250 crore as compared to the revenue of Rs.5,911 crore achieved during the corresponding period of the previous year, thus showing a growth of 22.6%out of the total network revenue, Rs. 4,401 crore was recorded on international flights as compared to Rs. 3,801 crore in the year ago period, showing a gain of 15.8% network revenue on domestic flights jumped 35% from Rs. 2,110 crore in April – Nov. 2009 to Rs.2,849 crore in April-Nov 2010.

Passengers continued to repose their faith in the airline and overall, air India was ranked 28th among the top 50 service brands, ahead of leading banks, insurance companies , food changes and airlines. In April

–November 2010, 9.05 million passengers flying the air India network as compared to 7.99 million in the previous year during the same period. On its international network, passenger traffic improved to 3.74 million passengers as compared to 3.61 million passengers in the year ago period , an increase of 3.5% on its domestic network , passenger traffic was up at 5.32 million passengers from 4.38 million in the year ago period, an increase of 21.4%.

The airline registered an overall passenger load factor of 66.3% during April-November 2010, up from 63.1% achieved in the previous year. On its international network, the passenger load factor increased to 65% from 62.2% while on its domestic network, the passenger load factor increased to 70.4% from 66.2% during this period yield per revenue passenger kilometre on the air India network increased by12.2%. on its international network, yield per revenue passenger kilometre increased by 8.7% , while on the domestic network the yield per revenue passenger kilometre was up by 14% . the mreger also provides an opportunity to fully leverage strong assts, capability, infrastructure and skilled and experienced man power available with both the companies to the optimum potential. It also provides a large and growth oriented company for the people in the large public interest: provide maximum flexibility to achieve financial and capital restricting through revaluation of assts and provide an increased thrust and focus an airline support business. New fleet brings in a product and service level that is the best in class, and now it includes in-flight entertainment, better service and enhanced in –flight services . a combined schedule means better connectivity to the largest international airline in India as well as improved service to various domestic points in India . the consumer is a clear winner in the merger, having a much improved product and superior service quality.

Conclusion

Aviation industry in India is one of the fastest growing aviation industries in the world. With the liberalization of the Indian aviation sector, aviation industry in India has undergone a rapid transformation. From being primarily a government owned industry, the Indian aviation industry is now dominated by privately owned full service airlines and low cost carriers. Earlier air travel was privilege only a few could afford, but today air travel has become much cheaper and can be afford by large number of people. Following the merger of air India and India airlines, a combined identity involve and the operational brand name of the company remains air India and the maharaja continues as the mascot of the new airline. The new entity has seen a number of changes in its operating model. It is much less restricted by government control and is therefore much more agile and can churn better returns than the two different entities. Another special things to be noted here is that since the two companies have come together, they have also been able to bring together their best practices and reduce the overall operational cost as well as administrative cost by a considerable margin. Finally the flag carrier of India is coming back to the days of its old glory.

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Prospects of packaged drinking water industry in India with special reference to Jharkhand

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Abstract

As we know that drinking water is the most essential thing to sustain human life on the earth, Pure and safe drinking water has always been a necessity for all human beings. The importance of water can be assessed only when we know that the reduction of water by 10 % in human body may cause death. It is but essential that the quality of water which we consume must be suitable for our health. In other words purity of water is essential for good health otherwise this may lead to poor health resulting into death. The failure of government to provide safe drinking water to the people has opened doors to the private companies to provide packaged water. The tendency of having pure and safe drinking water has brought tremendous development in the field of packaged drinking water industry abroad as well as in India. Now a days India has almost 100 companies whose production is 424 million litres of bottled water approximately and the annual turnover is almost 200 Crores. People in urban areas now a days have resorted to packaged drinking water as one of the options to meet their daily requirement. As a result, this industry has emerged as a business opportunity throughout the whole world. However there are some challenges before this industry in respect of price, quality standard, distribution channels, infrastructure etc. If all these problems are handled carefully and the government pays proper attention for the development of infrastructure, no doubt there is wider scope of growth of this industry.

Keywords: Earthern pots, Chlorination, Ozonisation, Superstores, Glaciers

Introduction

Among all the relevant issues of the global world, the most important issue is the water management i.e. safe drinking water because availability of pure drinking water stands as the basic requirement for healthy living. Nowadays water is one of the primary concerns for sustaining life, health and for the existence of life. Water is most important for human body and its importance in human body can be well realized when we observe the fact that even if the water in human body is reduced by just 1-2 %, we feel thirsty. A reduction of 5 % of water in human body may cause skin shrinkage and difficulty in movement of muscles and at the same time a reduction of 10 % of water may cause death. Though the world is surrounded at 75 % of its parts by water, but it is awful that out of the total water available in world, only 2.5 % is fresh water for drinking; and major part of it is locked up in glaciers or deep under ground. It is also regretting fact for specially those countries which are on the stage of development or underdeveloped, due to lack of infrastructure and finance, adequate quantity of safe drinking water is not available to the people. In earlier days, water available from wells, ponds and rivers used to be considered safe and it was stored in houses in earthern pots, and brass containers. The stored water was used for drinking by the members of the family and it was also served to guests and visitors. But this tradition has changed during the last few decades and the introduction of packaged drinking water specially in urban areas has occupied its position. This has emerged packaged water industry in the industry.

Packaged drinking water today is one of the fastest growing industries and is earning extra ordinary profit built on the foundation of the bad governance, inequity and blatant exploitation. The basic source or raw material of these industries is underground water and these companies bear a production cost of merely Rs 2- Rs 4 per litre, whereas they are selling purified water at Rs 10 to Rs 18 per litre.[1]

Sometimes it is confused that packaged drinking water and mineral waters are the same. Actually there is difference between the two. Bottled water containing not less than 250 parts million total dissolved solid may be labeled as mineral water. The U.S. FDA classifies mineral water as "water containing 250 parts per million total dissolved solids, originating from a geologically and physically protected underground water sources"2. Thus mineral water is distinguished from other water by its constant level and relative proportions and trace element at the point of emergence from the source.

Materials and Methods

Resource has been taken to both primary and secondary sources of information. Various reference books have been consulted and materials and data on the topic available on the internet too have been taken into consideration. Attempts have been made to be objective and analytical.

Results and Discussions

Packaged water is the drinking water which is packaged in a variety of forms. These varieties may include pouches, glasses, 500 ml bottles, 1 litre bottles, 2 litre bottles and even 20 to 50 litres bulk water packs. People living in urban areas are increasingly looking towards packaged water as a means of meeting their requirements for drinking water, only because it is safe to drink, it is readily available and can be carried from one place to another place easily. Owing to these qualities, packaged water industry is fast em.erging as a business opportunity nowadays.

Packaged water fall under two categories :

a) Packaged natural mineral water (PNMW)

b) Packaged drinking water (PDW)

Packaged natural mineral water

Packaged natural mineral water is the water which contains either naturally or artificially added minerals. The substance that can be dissolved mostly in water are salts, sulfur compounds and gases. According to National Seminar held on 'Packaged water industry in India' "PNMW or Packaged natural mineral water (governed under IS : 13428 : 1998 amendment 1-5 upto 15th Oct 2004) water is drawn from natural sources, conforms to composition listed under the standard and is bottled without altering the composition. Some brands available are Danone's Evian, Ferrarelle, Nestle's perrier and San Pellagrino etc. They are being retailed in the range of approx Rs 80 – Rs 100".[3]

Packaged drinking water

Packaged drinking water is the purified form of water in which ordinary form of water is treated to meet certain quality standard as set by Bureau of Indian standard. The water for the purpose of packaging undergoes various forms of treatment process including Chlorination, Sand filtration, Carbon filter, Ultra filtration, Reverse osmosis, Ozonisation, Ultra violet filtration. According to the National Seminar on Packaged water industries in india "PDW or Packaged drinking water (governed under IS : 14543 : 2004) in this case, any of the processes of filtration/disinfection listed under the standard can be utilized, altering the composition of subject water and finally bottling. Simply speaking it is ordinary water treated to meet certain quality standards. Some popular brands are Kinley, Aquafina, Hello, Prime etc. 1Ltr variants are being sold at approx Rs 10. This segment is where the action is. Due to inefficiencies in the present distribution system, PDW is fast emerging as an alternative drinking water supply, especially in urban areas. The main consumers of packaged water are no longer restricted to the upper class and lower- middle class families as well".[4]

Packaged drinking water industries in India

So far as India is concerned, India ranks 10th largest consumer of packaged drinking water in the world and today, it is one of the fastest growing industries here. Packaged water market in India has its seeding as, early as 1968-69 when Parle group launched bottled water along with soda water. But at that time, the concept of buying water in bottled form was not accepted by the Indian public and as a result the market remained dormant for a period of approximately 20 years. But in the early 1990s when Govt of India declared liberalization policy most of the companies like Cola, Thumps up, Gold spot, campa etc jumped into the Indian market. Due to various factors like exposure to media, exposure to international life styles, deteriorating levels of potable waters, increase in a number of water borne cases, increase in awareness about health and hygiene led to the acceptability of the concept of packaged water by Indian market. Today there are thousands of

packaged drinking water industries in India among which this industry is dominated by big players like Cocacola, Parle agro, Bislery, Pepsico, Mohan meakin, Kinley, Aquafina etc. There are more than 200 brands, nearly 80% of which are local. It is estimated that rate of growth of this industry is 40% in India and it is also estimated that the growth of this industry will go upto Rs 4000 – Rs 5000 crores at the end of 2011. At its early stage of development, packaged drinking water was mainly available at railway stations, but nowadays it has occupied place in superstores, grocers, hotels, restaurants and even panwalas. This is a growing market in India as quality consciousness among consumers is on the rise. From a mere 60 towns in the year 1997, it is predicted that packaged drinking water is today available in more than 1000 towns and cities across India. In the words of Azaz Motiwala, "in my view, thanks to all these factors the Indian bottled water industry will be booming in coming years and do not be surprised if today's bottles water industry becomes next oil industry by 2025".[5]

Packaged Drinking Water Companies Earn Extraordinary Profits

40% of bottled water comes from the same source as tap water, but is sold back to consumers at hundreds of times the cost, says the website of the North American "Think outside the Bottle" campaign. Companies earn extraordinary profits by selling water at 10 - 12 rupees (24 US cents) or more per liter after a production cost of 25 paise, or 0.25 rupee per liter. It can be shown with the help of Fig 1.



Cap Cost	Rs. 0.25
Bottle Cost	Rs. 1.50-2.50
Treatment Cost	Rs. 0.10 - 0.25
Label Cost	Rs. 0.15 - 0.25
Cartoon Cost	Rs. 0.50
Transportation Cost	Rs. 0.10 - 0.25
Others	Rs. 0.25
Total Cost (excluding labour, Marketing & Tax)	Rs. 2.84 - 4.25
Selling Cost	Rs. 10 -12.00

Source: Primary source

(FIG 1 : Cost of production per litre of Packaged Drinking water)

Scope of packaged drinking water industries in Jharkhand

As we know Jharkhand is the 28th state of Indian Union and this has come into existence on 15 Nov 2000 by the Bihar Reorganisation Act. Jharkhand meaning 'forest tract' is the ancient name given as a whole, to the forested upland geographically known as the chotanagpur plateau forming the north-eastern portion of the peninsular plateau of India. This state is famous for its rich mineral resources like Uranium, mica, bauxite, granite, gold, coal, iron ore, copper, dolomite, fireclay, quartz etc, but as ill luck would have it there is scarcity of safe drinking water. The entire rural population of Jharkhand do not have access to safe drinking water as the water source contains fluoride, arsenic and iron, owing to these things, people living in rural area and also in slum areas of the towns suffer from waterborne diseases. Some programmes such as acceleratd rural water supply (ARWS), Swajaldhara and total sanitation campaign have been launched to serve the rural population with water and sanitation related services all across the state.

Brands	Productions per Year (Litres)	Sale per Year (Rs)
Hi-Tech	60,00,000 (Approx)	7,20,00,000 (Approx)
Tans	30,00,000 (Approx)	3,60,00,000 (Approx)
Aquafina	36,00,000 (Approx)	4,32,00,000 (Approx)
Kempty	27,00,000 (Approx)	3,24,00,000 (Approx)
Nirmal Jal	28,50,000 (Approx)	3,42,00,000 (Approx)
Bislery	33,00,000 (Approx)	3,96,00,000 (Approx)

Source: Primary source

Market size by volume and value in Jharkhand:

Various leading brands available in Jharkhand are as follows:

The markets of packaged drinking water in Jharkhand include:

i. Theaters, cinema halls and multiplexes.
ii. Corporate sector.
iii. Caterers.

iv. Hotels, resorts and restaurants.
v. Colleges, schools and other educational institution's canteens.
vi. General stores.
vii. Railway station, bus stands and airports.
viii. Urban house holds.

The present population of Jharkhand is 2.69 crores approximately and the consumption of drinking water is about 5.48 crores litres per day. In Jharkhand the market size of packaged drinking bottled water is very huge. Only few of the leading players such as HI-Tech, Tans, Nirmal Jal, Kingfisher, Bislery, Aquafina etc are here in Jharkhand and producing approximately 2.5 crores litres of drinking water every year, but these are not fully capable to fulfill the requirement of drinking water to the masses of Jharkhand. Hence there is great potential for this industry in this state.

Conclusion

Although a number of manufactures have joined this industry, yet there is a gap between demand and supply of packaged drinking water. The per capita consumption of bottled water in India is less than ½ a litre per year as compared to 11 litres in France and 45 litres in US. Hence there is requirement of setting up of more producing units in the country so that the local demand in institution, hotels, restaurants, sponts, offices, tourist and house holds can be met easily. A manufacturing plant can be located at any suitable place where availability of clean water, power supply, bottles and market access is ensured. Besides some malpractices like not treating water properly before storage, filling tap water in used bottles and reselling them are also prevalent. The government should take steps to check all these malpractices, so that the trust of the people can be won; Besides the quality of the packaged drinking water should be improved. When the product is ready for distribution, storage condition should be improved as well and the final product must mention the details like batch number, date of manufacturing and best use before. Researches should be encouraged to improve the quality and reducing the price to make it affordable for the people living in rural areas as well. As there is stiff marketing competition between local brands and the global brands, the government should develop infrastructure for this industry.

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The Outsourcing in India : An intellectual prosperty perspective

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Abstract

Outsourcing implies obtaining goods or services by contract from an outside source. Especially with the growth of information technology (IT) outsourcing has acquired an international dimension and it has intensified in recent times. The main services which are being outsourced from India by developed countries are: voice- based business process (known as BPO or Call Centers), banking services, railway enquiry, record keeping, accountancy, music recording, book transcription, clinical advice, and teaching etc companies developed countries find it more profitable to contract services in developing countries like India. The cost for these services in developing countries is much less than in the developed countries. India has become an important destination for global outsourcing because of low wage rates and availability of vast skilled manpower. This is a big achievement by the Indian IT industry as it has proved its competitive strength in the world.

Keywords: outsource, benefits, growth, advantage

Introduction

Outsourcing can be generally defined as a means of "marrying efficiency with innovation, which requires managers to consider the following; time-cycle and cost reduction, levering scale and scope, reduction of resource, partners as role model for change and reduction of risk". It refers to an enterprise making an arm's length alliance with one or more entities or enterprises, to perform carefully selected operations and day- to-day business processes that were previously done in house.

The idea of outsourcing has been propagated by Adam Smith in his book 'The Wealth of Nations' which was published in the year 1776. Over the years the meaning of the term 'outsourcing' has undergone a sea-change. What started off as the shifting of manufacturing goods to countries providing cheap labour during the industrial revolution, has taken on a new connotation in today's scenario. In a world where information technology has become the backbone of business worldwide, 'outsourcing' is the process through which one company hands over part of its work to another company, making it responsible for the design and implementation of certain business process under the requirements and specification of the outsourcing company. This outsourcing process is beneficial to both the outsourcing company and the outsourcing service provider.

The IT industry in India has existed since the early 1980s, it was and amid 1990s, that saw the emergence of outsourcing. One of the first outsourced services was Medical transcription, but outsourcing of business process like Data processing, Medical billing and customer-support began towards the end of the 1990s when MNCs established wholly owned subsidiaries which catered to the off shoring requirements of their partner Companies. Some of the earliest players in the Indian outsourcing market were American Express, GE Capital and British Airways. Outsourcing is divided into two parts:

- Technology Services, which includes information technologies(application hosting, telecommunication(voice and

data) logistics, etc); electronics (semiconductor chips; high value micro processor); electronics, commerce, etc; and

- Business processing outsourcing (BPO), which deals with differentiated activities such as finance and accounting, procurement and supply, customer contact(customer relations management), human resources, security, etc.

Materials and Methods

The study is based on secondary data. The information has been collected from journals and newspapers and from websites. The collected data analyzed by using simple statistical tools like percentage and table etc.

Results and Discussions

Today, outsourcing has almost become the order of the day. India has been a pioneer in providing outsourcing solutions and has been providing a range of outsourcing services to countries across the globe. Today, India can be called as the world's outsourcing hub. Outsourcing to India can help the organization benefit from cost-effective services, high-quality services, reduced operating costs, greater flexibility and faster-time-to-market amongst others. These are just a few reasons why companies outsource to India. Another reason why outsourcing to India makes good business sense is because India has high-end technology and best-of-breed infrastructure. India has now become the world's most preferred outsourcing location. India is also the global hub for software enabled services and software development.

The following are a list of reasons why companies outsourced to India.

1. Cost-effective services

The numerous reasons why global organizations outsource to India are because India offers cost-effective services. Outsourcing to India can help in save more than half of operating costs. India has a large educated, trained and technically skilled manpower and this number only keeps growing every year. Unlike the west, where technical talent is rare, India has a large pool of high-skilled professionals. Having a large technically skilled manpower has enabled India to provide cost-effective services without compromising on quality. Outsourcing to India, can help in save operating costs, while increasing productivity, quality and efficiency.

2. High-quality services

India uses the latest in software, technology and infrastructure to provide global customers with high-quality outsourcing solutions. India has proved that it is technically superior when compared to other countries that provide outsourcing solutions. So outsource to India can be assured that the best technology and software would be used for services. India has the largest English-speaking audience after the U.S. India also has a highly educated manpower that is talented, educated, experienced, technically-skilled and computer literate. Outsource to India and be assured of high -quality services.

3. Time Zone Advantage

The time zone advantages between India and countries in the U.S and U.K has proved to be another important factor why companies outsource to India. Organizations who wish to provide their customer with 24x7x365 days customer support or helpdesk services can out source to India.

4. India's stable government

India has celebrated more than 60 years of democracy and has one of the world's most stable governments. Building up the IT sector has been a top priority for the Indian government. India has a ministry of informations technology that quickly approves the implementation of IT projects and streamlines regulatory processes. The Indian government has even released a bill termed as the "IT act 2000". India has been rated to have the most excellent investments potentials in the coming years. The Indian government has given complete support to the IT and ITES industry in India. With ample support from the government, Indians have been able to build high-tech IT parks which has the best in technology and infrastructure. The Indian government has even permitted 100% foreign equity.

5. The Indian Advantage

Cost-effective services are one of the primary advantages that India offers, but it is

not the only advantage of outsourcing to India.

Outsourcing to India can be helpful to professional and skilled solutions within a fast turnaround time. By outsourcing to India, an organization can concentrate on core business activities and save on time, effort, manpower and infrastructure. More than 20 Indian software companies have achieved the prestigious SEIS-CMM level. India also has the highest number of ISO-9000 software organizations.

6. Global organizations' most preferred choice

India has been the most preferred choice among global organizations when it comes to outsourcing. In the U.S alone, more than 80% have ranked India as their first choice, when outsourcing software and IT services. The U.S has also recognized India as an outsourcing superpower. The number of organizations outsourcing services has been increasing over the years.

Benefits of Outsourcing Jobs to India

Today, communication can be made between two countries without any difficulty. The development in communication and technology has broken down the barriers. There are no longer any barriers between countries and this has made job outsourcing to India possible.

1. Faster and Better Communication

Job outsourcing has only become possible because of the improvements in communications. Since communication has become so fast, easy and simple, distance is no longer a barrier between two organizations, no matter where in the world the organizations are located. Advancements in calling, e-mailing and chatting have made communication throughout the course of a project easy. Today, even video conferencing is possible and people can see each other, although they are miles apart. Companies no longer hesitate to opt for job outsourcing to India because of such advancements in communications. Organizations in India can send the completed work to organizations in the U.S for reviewing many times and work can go back and forth with ease. This is yet another reason why job outsourcing to India has become an ideal choice for out sourcers.

2. The Advent of Globalization

Globalization brought along with it several factors such as, lower costs of communication, transportation and production. Globalization has also broken down barriers such as trade barriers, cultural barriers, language barriers etc. with the coming of globalization, the relationship between countries has improved and the world has become a much smaller place with no boundaries and no distinction between countries. With the advantages that globalization has brought in, job outsourcing has been on the rise.

3. Time Zone Advantage

Earlier the distance between countries was a barrier, but today this distance has become an advantage! India for example has a different time zone when compared to U.S and Europe. This has also increased the volume of job outsourcing to India. For India, this is a major advantage as jobs sent during the evening in the U.S can be completed in India during the day and sent back to the U.S. this has increased delivery time and organizations in the U.S are happy about this. The time zone advantage between India and US has increased job outsourcing to India.

4. The "NEW" India

With this excess of job outsourcing to India, India has emerged as a new nation regarding the following factors which earlier crippled India's growth in business. With democracy, support from the government, more freedom for business, fewer restrictions and regulations, lesser interest rates and fewer restrictions concerning outsourcing, India has become a more ideal place for job outsourcing.

5. Human Resources

Before outsourcing, India's large population was a major disadvantage to the country's growth. But with the coming of outsourcing, it has proved to be a boon to India. The people in India are satisfied to work for lesser salaries and what people earn from the outsourcing industry is much higher than what they will earn elsewhere. The large number of human resources has enabled India cater to even large volumes of job outsourcing. India can thus meet any need that job outsourcing offers with its readily available human resources. India's human resources are skilled, professional, highly-educated and talented.

This advantage of India has attracted a lot of job outsourcing in the recent years.

6. The "English" Advantage

India has the highest number of English speakers among other developing countries. In India, English is taught in schools and Indians start conversation in English right from school. This has proved to be an advantage to India, because with the coming of outsourcing, and the internet as the medium, Indians could readily cater to the outsourcing industry because of their fluency in English. In most English-medium schools in India, students study other foreign languages such as French, German, and Spanish etc. This is an advantage over the English language.

Growth of Outsourcing in India

The ITES or BPO industry sector in India has been in existence for a little more than ten years. Despite its recent arrival on the Indian scene, the industry has growth phenomenally and has now become a very important part of the export oriented IT software and series environment. It initially began as an activity confined to multinational companies, but today it has developed into a broad based company's platform backed by leading Indian IT software and services organizations and other third party service providers. The ITES/BPO market expanded its base with the entry of Indian IT companies. The ITES market of the present day is characterized by the existence of these IT giants who are able to leverage their broad skill-sets and global clientele to a wide spectrum of services. The spectrum of services offered by Indian companies has evolved substantially from its humble beginnings. Today, Indian companies are offering a variety of outsourced services ranging from customer care, medical transcription, medical billing services and database marketing, to Web sales/marketing, accounting, tax processing, transaction document management, telesales/ telemarketing, HR hiring and biotech research.

Looking at the success of India's IT industry, the central government identified the ITES sector as a key contributor to the economic growth that prioritized the attraction of FDI in this segment by establishing 'Software Technology Parks' and 'Export Enterprises Zones'. Benefits like tax-holidays generally enjoyed by the software industry were also made available to the ITES/BPO sector. The National Telecom Policy (NTP) was introduced in the year 1999 and the deregulation of the telecom industry opened up national, long distance and international connectivity competition. The governments of various states also provided assistance to companies to overcome the recruitment, retention, and training challenges, in order to attract investments to their region.

India offers multiple advantages

1. India is talent-rich country.
2. India exports software to 95 countries around the globe and has expertise in global methodologies.
3. India enjoys the confidence of global corporations. 82% of the U.S companies ranked India as their first choice for software outsourcing. Bill Gates says that India is an IT superpower. His Microsoft has struck strategic alliances with WIPRO and Infosys to develop applications on the .Net platform. Jack Welch has opened a $130 million technology Centre in Bangalore. GE's largest R&D center outside the U.S has celebrated 10 years of GE Medical Systems in India.
4. India has state-of-the-art technologies for total solutions. An offshore assignment has moved up the value chain – from data entry to large and complex turnkey projects.
5. The IT act passed in 2000 brings E-commerce within the preview of law and provides for stringent punishment to "cyber criminals". With this, India has joined a select band of 12 notations that have cyber laws.
6. Software Technology Parks of India offer world-class infrastructure and various incentives and concessions to encourage foreign investment and promote software development in India e.g. 100% foreign equity is permitted and approved under the Automatic Route with tax holiday until 2010.

Conclusion

Thus outsourcing in India is the key factor for economic growth advancement in high

technology sector. They are good for business, benefit the public at large and act as catalysts for technical progress. Outsourcing to India offers significant improvements in quality and productivity. The outsourcing trend has brought with it a vast number of opportunities to India. India has become the world's outsourcing hub and has become the most ideal place for offshore outsourcing. This trend of sending jobs to India has been termed as 'job outsourcing". Job outsourcing has brought plenty of jobs from U.S and other European countries. With this excessive job outsourcing to India to reduce cost there has been a loss of jobs in the U.S. The existing ITES/BPO operations of major multinationals are also being ramped out to cater to the ever increasing demand for better and speedier services. Almost all of the India's top ITES/BPO giants have announced some form of expansion and are in the process of hiring manpower to fill in the additional seats. India's competitive advantage lies in its ability to provide huge cost saving thereby enabling productivity gains and this has given India an edge in the global ITES/BPO market place.

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A study of Wage Administration and job evaluative procedure in Mecon, Ranchi

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Abstract

Good compensation plans, well administered, have a salutary effect on the entire enterprise. Employees are happier in their work, co- operation and loyalty are higher, productive output is up and quality is better. In the absence of such plans compensations are determined subjectively on the basis of haphazard and arbitrary dangerous sources of friction and low morale in an enterprise. Today, most employers are Interested in paying a just and fair wage to the employee. This can be achieved by establishing a sound primary compensation structure with Internal and external alignments or job evaluation procedure.

Keyword - out put, Job evaluation, human resource, work experience

Introduction

The primary monetary compensation in basic pay is in the form of wages. In popular usage a distinction is drawn between these two words. The word 'wage' is used to denote payments to hourly - rated production workers.

Economists have developed a number of theories which try to explain how wages and salaries of the enterprise are determined. The Subsistence theory of wages states that the real wages of unskilled workers always remain at or very little above the subsistence level. If real wages rise more than enough to provide a bare subsistence, the population would expand at a greater rate than the increase of food and other of workers seeking jobs and the pressure of the big supply of labor would force wages down can only be temporary. This theory has considerable validity in the heavily populated countries with high birth rates in Asia and Africa. The wages of the great majority of workers in these countries are still on the subsistence level and may continue to be so until development programmes there cause the rate of productivity growth of these countries to become considerably greater than the rate of population growth.

In sum, we can say that the wage theories for the most part do not have much real bearing on the problem of attracting and maintaining adequate labor force. They are more academic than real. Today, most employers are Interested in paying a just and fair wage affect to the finances on the employee. This can be achieved by establishing a sound primary compensation structure with Internal and external alignments or job evaluation procedure.

Internal alignment or job evaluation procedure means that there should be a proper relationship between the wages and salaries of various positions within the enterprise. Job evaluation procedure is concerned with the concept of equity. If for example, the salary of a foreman, though above the average rate in the community, is lower than that of his subordinates, the foreman is not being paid fairly. The internal alignment or Job evaluation of rates is not correct. There is inequity in rates. In other words, the relative wages of an employee are almost as important for him as his absolute wages, unfair differentiation in pay lower his morals and often result in high turnover. Management answers to the problem of pay inequities through job evaluation. The control purpose of job evaluation is to determine the relative worth of the job of a enterprise.

Materials and Methods

This study is mainly based on the manuals, books, Jounals, available in Mecon library and reports from other journals. The materials used have at times been drawn from

the web site and extreme care has been taken to be objective in approach. Also for the purpose of adoption of wage Administration both primary and secondary data has been applied.

Results and Discussions

The wage policy should be conducive to

a) a high rate of economic growth and the internal savings necessary for the purpose

b) the maintenance of price stability and

c) the narrowing of unjustified wage differentials.

If these objectives are achieved, enlargement of employment opportunities will be facilitated by the steady economic growth.

The real purpose of wage policy is to protect workers against exploitation or unduly low wages, improve worker's efficiency and performance, encourage acquisition of newer skills, provide an incentive to labor mobility and acceleration of the nation's development process. As an instrument of economic policy it was considered as a means of promoting:

1. investment
2. internal price stability
3. worker efficiency
4. a more effective distribution of the labor force
5. the international competitiveness of economy and
6. an influx of foreign capital.

As an instrument of social policy, it was widely known or acclaimed;

i. as an alternative to social security system

ii. as a means of achieving industrial peace and

iii. as vehicle for securing social justice.

The International Labor Organization publication has enumerated the following objective of a wage administration policy in developing countries including India: (1) to abolish malpractices and abuses in wage payment; (2) to set minimum wage for workers whose bargaining position is weak because they are unorganized accompanied by separate measures to promote the growth of trade unions and collective bargaining; (3) to obtain for workers a just share in the fruits of economic development, supplemented by appropriate measures to keep workers expenditure on consumption of goods in step with available supplies so as to minimise inflationary pressure; and (4) to bring about an efficient allocation and utilization of manpower through wage differentials and more appropriate systems of payments by results.

The formulation of a proper wage policy consistent with the requirements of a developing economy is beset with numerous difficulties. There are innumerable obstacles in the way of evolving such a policy and these are further compounded by population pressure, growing inequalities of income, historical past, dualism in the economy, increasing unemployment and low rate of growth.

No policy can work by itself, more so a wage policy imposing restraints and controls. Moreover, an effective wage policy cannot be worked without continued research on various important matters such as, productivity, incentive systems, job evaluation, wage differentials, etc. It was rather a pathetic sight to see different wage boards deciding to carry out job evaluation projects, time and motion studies, etc. and to evolve rational wage structures and yet finding themselves thwarted in doing so for want of funds and technical assistance. These important technical matters cannot be handled by the Labor Ministry or Department sitting at the helm of affairs. So a separate National Wage Policy Commission and corresponding State Wage Policy Commissions should be set up to elaborate and implement the settled wage policy. These Commissions should evolve rules, procedures, norms, standards etc. and arrange for the carrying out of necessary studies and investigations bearing on these matters, but otherwise . should not be burdened with the actual fixation of wages and evolution of wage

structures. For the latter purpose other agencies such as, tribunals, and wage boards, etc. would have to be constituted as in the past.

The Wage Policy Commissions should be permanent and continuing bodies and not adhoc ones. The Chairman and Members of these Commissions should be whole time employees responsible for the implementation of policy under the ultimate control of the Central and State Labor Ministers, but they should mostly function independently within their area of responsibility without having to submit every proposal and project for the Ministry's approval. Hence men of status who are acknowledged authorities in their fields of specialization should man them. Special and detailed legislation will be needed to ensure authority and support for both the wage policy and the processes and authorities concerned with implementation.

Wage Administration Policy in the Indian context is influenced by a number ; of forces, economic and social. Without controlling non-wage incomes and unaccountable incomes, which have a suffocating impact on the economy, evolution of a wage policy would be difficult. It necessarily involves a delicate balance between numerous conflicting goals and interests. The Government has to exercise reasonable control over different forces and take into account not only the interests of the labor, but those of the consumers and the entire economy. Generation of employment and need-based minimum wage are the two important considerations that should form the basis of such a policy. Various aspects of wage determination at both the enterprise and national level will have to be constantly reconsidered in the light of changing socio-economic environment and technological improvements. Every organization must frame its own wage policy keeping in mind the interests of the management, the employees, the consumers and the community in general. In order to make the wage policy more effective, it should be carefully formulated, must be communicated not only to the managerial staff but also to the workers and their trade unions. It should be examined, evaluated and reviewed periodically to meet the changing needs of the organization. Increasing emphasis has to be given for rationalization of the wage structure keeping in view the goal of higher productivity in the years to come. Further a wage policy must be geared to achieving the best prices, the best wages and the best profits. Of course, the best prices are not the highest prices, but the prices that stimulate the largest volume of production and lead to the largest volume of sales. The best wages are not the highest wages, but the wages that lead to full employment and the largest possible pay rolls. The best profits are not the lowest profits, but the profits that encourage most persons to become employers and to prove jobs. Prices, wages and profits must be thought of together. Only when we have achieved the best balance among them can the economy function at its fullest.

If we try to force one of these elements out of relationship to the others, we must reduce production and hurt everybody and sometimes most of all the very groups we are most eager to help.

Conclusion

It is to conclude that a well-considered wage policy is indispensable to a developing country for various reasons, particularly those connected with national development and stability of the economy. The country can develop a scientific informative base on wage and productivity situation. Linkages of wage and productivity are important tools for improving productivity at enterprise levels. The following are the factors for linking wages with productivity. Linking wages with productivity can increase the rate of margin for the employer and at the same time can fill- up the poor boxes of wages of the workers. Another comprehensive gain for linking wages with productivity can develop and establish the legal base for bargaining how to increase wage level and productivity for the common interest of workers and employers. Linking wage with productivity can easily reduce the unfavorable disparity of wage. Linking wage with productivity can minimize the conflict between

employers and th e workers As a result they cannot blame each other without informative culture of wage and productivity situation. Certainly, the productivity linked wage system must be developed for practicing productivity linked wage system in the industrial enterprises of India like MECON, which will hopefully improve the habit and culture of productivity promotion in industries and firms of the country.

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Scenario of Industrialization in Jharkhand

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Abstract

The state of Jharkhand is widely acclaimed as the region of the future, having immense potential for industrialization with its large deposits of minerals, which could provide a firm launching pad for various industries. It is one of the richest zones of minerals in the world. The State is the sole producer of coking coal, uranium and pyrite. It ranks first in the production of coal, mica and copper in India. The geological exploration and exploitation of gold, silver, base metals, decorative stones, precious stones, etc. are the potential areas of future. Government intends to set up an SEZ along Jamshedpur - Ranchi National Highway, Ranchi, capital of Jharkhand, was once the summer capital of Bihar. Situated at a height of 2100 ft above the sea level Ranchi was one of the most important cities in Bihar.

Keywords: Industrialization, Minerals, exploitation

Introduction

Industrialization has a major role to play in the economic development of the developing countries like ours. It is a process which accelerates economic growth, increase income, brings about structural changes in the economy, creates employment opportunities, gives impetus to foreign trade and induces social change. Finally, industrialization is a continuing process of industrial development.

Jharkhand is a state where Mother Nature has poured life into every cranny and crevice. Where natural abundance forms a bedrock of progress on all fronts. People and the resources combine to drive the engine to the future growth. Geography was kind enough to Jharkhand endowing it with enormous mineral resources around which high growth centers like Ranchi, Jamshedpur, Bokaro, and Dhanbad have flourished.

Further, Jharkhand the newly born state of our union has the potential for development of both agricultural as well as industries. The state is well known for vast potential of mineral and needless to emphasize here that availability of minerals has a unique distinction of influencing the course of economic development of a developing country like ours. Iron and steel, aluminum, cement, coal, petroleum and fertilizer industries have a vital role in the economic progress as with high linkage effects they create conditions for large scale industrialization and thus enable a country to reach a high level of development.

Materials and Methods

The focus of the study is to examine the prospect of industrialization in Jharkhand while preparing this article, both secondary and precious reading information have been taken into consideration. Extreme care has been taken to be objective and appropriate in the presentation of data.

Results and Discussions

While developing industrial centers in Jharkhand, its industrial development potentials provided by the major industries located in Ranchi, Jamshedpur, Sindri, Bokaro and the forest and minerals resources of the state offering opportunities for the establishment of a variety of new industries may well be classified into:

Ancillary industries - with a number of components going in to production of truck, Tata motors located at Jamshedpur, can support a wide variety of ancillary units which can produce automobile parts and components, such as engine group, fuel and injection pumps, clutch group, carburetor, casting exhaust group, spark plugs and ignition coils, transmission system, starter motor and generators, electrical items, brake and brake booster, propeller shafts and universal joints, front axles and rear axles, steering, wind screen wipers, etc. Tata-Robin-Fraser (TRF) which manufactures equipments for bulk handling of goods can off-load some of its jobs to the smaller units.

By-products industries - a steel plant like Tata iron and steel limited, located at

Jamshedpur and Bokaro steel Limited, Located at Bokaro provides scope for starting a number of by-products industries. Blast furnace slag can be utilized for the manufacture of cement, fertilizers and slag wool. New industries can be set-up to further process the by-products available from the coke-oven. Other big companies can also give rise to new units to produce finished goods out of the products of these major industries located in our state.

Consumer Industries - In view of the reasonable high consumption power of a large number of people in our state, a host of consumer industries can be started in the state. The following are some of the lines of manufactures suggested: bakery, plastic, household goods, electrical and engineering goods, cycle tyre and tubes, rubber hose pipe, transistors, amplifiers, battery charging units, motor winding and repair of electrical appliances, tyre retreading, cycle and cycle parts, printing press, soap, aluminum ware, utensils and engineering parts, beverage bottling, panel door and furniture, ready-made garments, pine and gem clips, pencil, safety match, coke briquetting, electrodes, switches etc.

Allied Industries - A large number of industries closely linked to the major industries, particularly in Jamshedpur can be started. Some of the lines suggested are: fabrication and structural soaps (heavy and light), foundries (iron and steel), non-ferrous foundry, light forging, cements pipe manufacture, transformer and electrical equipment, material handling equipment, mineral pulverizing, safety appliances, tools and dies, insulating materials and tapes, repair of motors, generators and transformer, wire drawing, electroplating industrial fasteners, brazing and soldering sticks, hydraulic fitting, lubricating equipment oil and grease pumps, grease guns, power metal component etc.

Other Industries- As it has been mentioned earlier also that this state is surrounded by forest hence, forest based industry, Lac industry etc. and a number of agricultural based industries like soup, sauce and pickle industries.

Conclusion

The Government is committed to facilitate rapid, accelerated and planned industrial growth of the region. It shall provide the required infrastructure, simplified mechanisms, sensitive and proactive Government machinery and a friendly atmosphere for industrial growth in the State. It is determined to bring the Industrial Development of Jharkhand at par with leading industrially developed states of the country.

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Food Security In Jharkhand State- Status of the Social Security Schemes in Jharkhand

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Abstract

In recent past, there has been considerable concern in India regarding the fact that on the one hand the massive stocks of food grain is piling and rotting in the godowns of FCI and on the other hunger, malnutrition and starvation deaths continue to stalk the length and breadth of the country particularly in the areas, inhabited by Adivasis and Dalits. The constitution of India guarantees Right to Life as the fundamental right. This right cannot be guaranteed without right to food and right to work. The government of India as well as some state government, show initiated a number of schemes pertaining to food and nutritional security, Employment generation and poverty alleviation.

Keywords: Food Security, Public Distribution Scheme, Food Insecurity, Schemes.

Introduction

Jharkhand, the 28th state of the Indian Union was brought into existence by the Bihar reorganization Act on November 15, 2000 – the birth anniversary of the legendary Bhagwan Birsa Munda. Jharkhand is famous for its rich mineral resources like Uranium, Mica, Bauxite, Graphite, Gold, Silver, Graphite, Magnetite, Dolomite, Fireclay, Quartz, Feldspar, Coal (32% of India), Iron, Copper (25% of India) etc. forests and woodlands occupy more than 29% of the state which is amongst the highest in India. But this is only one side of the picture. People in many rural areas live in extreme poverty, hunger and destitution. Judged from all accepted indicators of development which includes Literacy, Mortality rate, Infant Mortality rate, Unemployment and Nutritional status, level of poverty ,hunger etc. it is at the bottom of the ladder in the country. Both micro and macro studies and continuous reports of hunger deaths from the marginal areas like Palamu, Santhal Pargana and Kolhan region confirm the degraded status of state in terms of availability, access and consumption of food items by the rural mass of the state. The reports of hunger deaths are clear indication of the fact that a considerable number of population is suffering from malnutrition, hunger and destitution.

In recent times a number of food security and social security schemes have been launched in the country the proper implementation of which is very crucial for the state like Jharkhand. The improper implementation or non-implementation is clear violation of the fundamental rights of the people in the area.

Materials and Methods

The paper is based on data obtained from various departments of the Government of Jharkhand and a sample survey of 11 blocks (Chaterpur, Manatu, Lesliganj, Satberwa, Panki, Manika, Koderma, Musaboni, Rania, Angara, and Murhu) in 5 districts (Palamu, Latehar, Koderma, East Singhbhum, and Ranchi) of the State. While the districts and blocks were purposely selected, the villages were selected randomly from selected blocks. The data was collected through a well-structured schedule. There were two sets of schedules - village and household schedules. The data was collected by trained investigators belonging to 7 various NGO partners involved in this study.

Results and Discussions

Sustainable food security involves strengthening the livelihood security of all members within a household by ensuring both physical and economic access to balanced diet including the needed micronutrients, safe drinking water, and environmental sanitation, basic health care and primary education. The food should originate from efficient and

environmentally benign production technologies that conserve and enhance the natural resource base of crops, farm animal, and forestry, inland and marine fisheries.

The following are some schemes run by the Government of India to provide food assistance to the poor

a. Target public distribution scheme (TPDS) & Public distribution system (PDS)
b. Food for work
c. Mid-day meal programme
d. Integrated child development scheme (ICDS)
e. Annapurna
f. Antyodaya

Status of the Social Security Schemes in Jharkhand

As it is known, the food, nutrition and social security schemes can be divided into four parts namely schemes which guarantee employment and wage payment both in cash and kind, scheme which gives grains at concessional rate or free of cost like TPDS, Antodaya and Annapurna, National Social Assistance Programme that includes NOAPS, NMBS, NFBS and nutritional security schemes which include ICDS and mid-day meal programme. The present section discusses the allotment and utilization of funds by the government of Jharkhand. There is also growing realization that these programmes can only be effectively implemented through the PRIs having effective control of Gram Sabha.

Target public distribution scheme (TPDS) & Public distribution system (PDS)

Under the targeted public distribution system each poor family is entitled to 10 kg. of food grains per month (25 kg. from July 2001) at specially subsidized price. The identification of the poor is done by the state government as per the poverty estimates of planning commission. A total of 22.21 lakh households were identified in the state of Jharkhand on the basis of population projections for 1996. During the year 2000 the central government revised the projections on the basis of the population as on the 1st April 2000 and the target for revised to 23.94 lakh households below poverty line.

The public distribution system states that a large proportion of what is lifted does not reach at the card holders. The PDS commodities arrive late or irregular if at all. The villagers are partly informed. The poor do not have sufficient cash when food grains arrive. The dealer was found to stock only what he can sell for one or two days.

Food for work

National Rural Employment Guarantee Act came into force on 2 February 2006. Under NREGA, every state government is bound to launch a Rural Employment Guarantee Scheme within six months of the Act coming into force. NREGA has been initiated within the framework of the earlier National Food For Work Programme (NFFWP) and Sampoorna Grameen Rozgar Yojana (SGRY), based on the Operational Guidelines issued by the Ministry of Rural Development in January 2006 as well as further State guidelines. The beneficiary of National Food For Work get food grains as daily wages. Employment guarantee has also been a lively issue for people's organizations and social movements such as Mazdoor Kisan Shakti Sangathan, Akal Sangharsh Samiti and Rozgar Evum Suchna ka Adhikar Abhiyan. In Jharkhand, by contrast, NREGA still has low priority on the political agenda. For instance, very little progress has been made towards framing a Rural Employment Guarantee Scheme for Jharkhand, as required under the Act. Opposition parties and people's organizations have also failed to take the government to task for its apathy in this regard.

Mid-day meal programme

The MDM programme was launched in erstwhile Bihar in 1995. It aimed at providing hot cooked meals of qduivalent calorie value of 100 gms. Of wheat/rice per child per day or 3 kgs. Per student per month food grains subject to 80% attendance for 10 months. The programme is running in all districts of the present Jharkhand state. The total number of children covered under MDM programme is 22,53,576 whereas the number of enrolled unhidden between age group 6 to 14 years is 38,73,212.

The ground realities show that ineffective delivery mechanism has resulted in low reach access, distribution of food grains is irregular and at times inadequate. Food grain is

consumed by the entire family or resold in the market, so child is not the safe beneficiary. Teachers are not paid transportation charges. By mere distribution of food grain the principle objective of nutrition support to child in dilated. It is very alarming because it has no substantial impact on enrolment, attendance and retention. Inadequacy data of allotment, lifting & distribution and delays in reimbursement of transportation cost are some features which show that MDM has failed to put impact.

Integrated child development scheme (ICDS)

An ICDS center (popularly known as Anganwari center) has to be available in every settlement having a population of 1000. The service of this scheme includes supplementary nutrition, immunization, health check-up, referral services and non-formal pre-school education. Children up to the age of 6 years are intended beneficiaries of this programme. The scheme also covers pregnant and lactating mothers and adolescent girls.

These centers are basically made for the close monitoring of the need of calories and protein per day of children up to age 6 years, adolescent girls, and pregnant & lactating mothers. Jharkhand stands 16th at the Hunger Index *.

Annapurna

The national old age pension scheme was introduced as a 100 per cent centrally sponsored scheme on 25th August 1995. Under this scheme old people get monthly pension ranging Rs. 100 to 250 per month. However, in Jharkhand the benefits were distributed once in two months and in some others there was no fixed frequency for distribution. After revision of programme, old people get only 10 kg. of grain, either wheat or rice free of charge every month. This scheme was somehow did not take off for many reasons. In Jharkhand 34,929 people get benefit of the scheme. The irregular distribution of grains makes the programme worthless in Jharkhand.

Antyodaya

Under the scheme the poorest get wheat at Rs. 2 per kg. and rice at Rs.3 per kg. Identification of the poorest has still not been done as the criteria for selecting the poorest is not objective. In Jharkhand 22,90,425 people are officially covered under the scheme. Financial outlay in the year 2009 was 9450 lakh. As the price is very attractive black marketing of the food grain is common in Jharkhand.

Some important findings

Distribution of the food grains had started only in 56% of sample villages.

Beneficiaries of the programme make complaint about the quality of grains which was supplied to them.

Most of the beneficiaries were not aware about the government price.

The poorest families in many districts have not received cards yet.

People have to return back because of the ignorance and lack of information.

Shopkeeper makes false entry in the card.

People are not getting 35 kg .of grains regularly.

Food grains quality is very poor.

Some of the beneficiaries have complained that dealers keep the cards in their custody.

Ration shop of Bishaypur, is 6 km far from the village the distance demotivates people to utilize the scheme.

Some beneficiaries complained that the dealer provides only 32 kg. of food grain instead of 35 kg.

Most of the Villagers do not know about the scheme.

There is not any fixed time of opening of PDS shop so the beneficiary has to visit many number of times to the ration shop.

Beneficiary does not get information of the arrival of food grain.

People do not get food grains every month.

Conclusion

Poor governance is at the root of many ills associated with food administration, as well as other programmes for the poor. More transparency and better accountability combined with more effective supervision may help in improving performance of these schemes.

The schemes are hardly helping the poor. This is because Jharkhand government does not lift all its quota due to bad administrative arrangements, and a substantial portion of

lifted grain is black marketed. So, to minimize the malfunctions at upper level, it is essential to involve community for the monitoring of the ongoing programmes at the grass-root level .In every panchayat, there should be decent and competent peoples institution that will look after the social security schemes and delivery system of the programmes.

Since supreme court has empowered Gram Sabha and panchayti raj institutions to monitor about the effectiveness and proper functioning of all the social security schemes.

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Importance of Induction in Employee Retention

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Abstract

Induction is the first step towards gaining an employees' commitment, it is aimed at introducing the job and organization to recruit him or her to the organization. It involves orientation and training of the employee in the organizational culture, and showing how he or she is interconnected to (and interdependent on) everyone else in the organization.

Keywords: Induction, Employee Retention, Organizational Culture, Organization, Productivity

Introduction

It is process of bringing/ introducing/ familiarizing a new recruit into the organization. This program familiarizes the new employee about the culture, accepted practices and performance standards of the organization.

It has been proved in one of the surveys conducted by the Centre for Creative Leadership (headquartered in Greensboro, North Carolina, US), that a fresh hire does not meet the expectations of an organization for the first few months. The issue of productivity of new hires has to be defined individually by every organization. Fresh hires are able to learn the process as quickly as possible if the induction efforts are right and they can be very productive if their induction has is been done in a proper manner.

Materials and Methods

The focus of the study is to examine the role of induction in modern context of human resource retention. The study conducted in different parts of the world by the professional, Personal conversations with different employee of many employers are used as primary data as well as secondary data. The concepts have been taken from relevant books and articles, from journals and websites. The method used is analytical and descriptive.

Results and Discussions

"What will happen if we do not train new recruits in the organization and they stay on".

While keeping the above statement in mind, One has to think the importance of induction program.

Induction training is very essential for any company because it helps an individual/new recruit to grow within a company and motivates him/her. It inculcates in the employee more confidence to progress. It is during induction that a new recruit gets to know about the organization's employment philosophy, physical work environment, employee's rights, employee's responsibilities, organization, culture and values along with key business processes.

A new entrant should culturally fit in an organization. Interaction at this stage shapes an individual's disposition and outlook for work and motivation levels. The importance of induction cannot be underestimated.

Involvement in Induction programs (should be's)

Induction program must/should include all the aspects of the organization and present for the awareness of the new employee. Like emergency procedures, facilities, safety issues, right's of the employee, what to be paid, no harassment, equal opportunity, grievance procedures, employee responsibilities, times, conduct standards, job function, dress requirements, organizational structure, what it does, how they fit in, who is their Manager, the functions of different departments, how the employee will be managed, what the performance management process will involve, and his/her role in that process, are the few concerned areas during an Induction program.

Induction should be conducted on the first day of the new recruit from the gate of the

organization itself. For induction only higher management or Head of HR or Senior should be addressing the new entrant. It should also involve the employees of the new entrant department. An effective induction helps a new employee feel assured and comfortable in the new environment, which is critical for early uptake in the new role. Induction should always be interactive. It also provides an opportunity to the new entrant to engrain the original values and ethics as well as the style of functioning. Escorting a new entrant will be one of the best and most impactful induction steps. It should always be interesting and must hold the attention of the new employee.

Involvement in Induction programs (not be's)

First of all Induction program must not/ should not include much of theoretical part. Bad induction leads to stress and de-motivation. Arriving for a new job a bad induction can leave a new starter worried, anxious and unable to perform their duties. More work for longer as the new entrant struggles to become an effective member. It increases the workload, all the wrong messages given to the new starter and can damage long-term implications.

Signs of bad Induction program are Too Short - during induction a new entrant should just not give the mobile numbers or small brief as always remember either a person should have or should not have knowledge, half knowledge leads to disaster. Too Hasty - A ten minutes brisk walk and making him familiarizing about the exit or entry should not be the part of induction. Too Boring - All the theoretical and long presentation with high figures involved is a bad sign of induction. Impersonal - Avoid hours of speeches and presentations and voluminous policy manuals or information packages. Too personal - It should not be related to the complete life cycle of a new entrant. Neglectful - whosoever takes the induction should have complete knowledge of the new entrant participation the induction program, Isolated and embarrassing.

Difference between effective and non effective Induction Programs.

Effective induction decreases the chances of attrition v/s bad induction increase the attrition.

It makes employees more energetic whereas non effective induction demoralizes the new entrant.

It makes positive impact v/s it possesses negative impact.

It reduces cost v/s it increase the cost.

It increases team work ability v/s it reduces team work ability.

To be more precise let us follow up the example:-

Two employees were recruited in 2004 at 'X' company as a technical recruiter. Employee 'A' was appointed in August whereas employee 'B' was appointed in December 04. 'A' went through bad induction program as mentioned above and employee 'B' went through good induction program inculcating all the necessities. 'A' was very confused about the organization policies; environment, culture etc whereas 'B' was clear about all aspects of the organization. After two years 'B' was promoted at a senior level position whereas 'A' was still confused and was unable to give his/her fullest to the company and was not at all comfortable with the environment of the organization. In, result after the promotion of 'B' he resigned the company reason being senior in terms of joining from 'B'.

With the above example it becomes very clear about the kind of difference bad and good induction can make. As bad induction does not only cost to employee but organization as well.

Impact of Bad induction program

Bad Induction = Attrition

Bad induction program does not only lead to confusion, stress and de-motivation, but one of the most disastrous effect is the attrition. Losing a new entrant staff and having to replace those costs about 25% of their salary/wage. Providing too much, too soon; the inductee must not be overwhelmed by a mass of information on the first day. Bad Induction program generates unreasonable expectations by being more interesting and more exciting than the job itself.

Good induction program

Good Induction = Retention

Induction programs help in reducing attrition rates. The first impression is very important when a person comes into a new organization and how one interacts with these

new entrants plays an important role in how they discharge their duties later. It was found that employees who received an effective induction were more engaged, compared to those who rated the quality of induction as below average. The thought of leaving the organization creeps in at early stage in cases where the induction is not done with passion. A good induction prepares an employee better to compete in fiercely competitive market place, which has a direct impact on the early success and hence motivation, he adds. It is true that only good induction does not keep the attrition away but it plays a big role.

In many organisations, HR is seen as just a support organization that comes to the fray only when some "people" based action/project needs to be implemented. It becomes hard for an employee to know who the people they can get in touch with Hence it's imperative that HR forms a part of the induction program not only as a presenter but as a convener.

Having a good brochure designed, placing important information on the desktop wallpaper, and creating a ready to use flash presentation is self durable are to be considered as the new trends of communication.

In induction the employee should find it as involving as possible. They should be made to believe that they have made the right decision by choosing the organization. They should feel that they are aware of the culture and hence can easily blend in.

The best person to communicate in Induction, The HR Asst. Manager, HR Manager, HR exec! However one has to make sure that if there is a group or even a single person induction, then the head honcho viz president, CEO, CLO, CFO should meet the new employees.

Conclusion

The induction process sets right the scene for the remainder of the employment experience. This is a critical phase in the employment process. Induction programs should be implemented in a structured manner and applied uniformly across the organization. Best practice involves a very structured approach to the induction process.

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National Rural Employment Guarantee Act - A tool of Rural Development

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Abstract

This paper looks at the National Rural Employment Guarantee Programme (NREGP) in India that was launched in the year 2005 as a social security measure aimed at providing employment security to the poor in villages. The NREG was also meant to use this labour to construct rural infrastructure that is clearly wanting in India. The National Rural Employment Guarantee Act guarantees 100 days of work to all households. This analysis looks at the direct and the indirect effects that the NREGP has on employment generation and poverty reduction in a local. For this, a detailed survey in a specific village was undertaken to highlight the impact of the NREGP. This survey covered a poor agricultural village with 400 households, nearly 2500 people. The survey recorded income and expenditure levels by type of household (large, small and marginal farmers, agricultural labour, services etc). The survey also recorded production activities undertaken by the inhabitants.

Keyword - IRDP, TRYSEM, IAY

Introduction

Rural India is at the centre-stage of all growth in the future. However it continues to suffer from lack of basic infrastructure. Caught in the vicious poverty-cycle, rural India, in absence of adequate infrastructure, rural India finds it difficult to undertake activities that can accelerate economic growth. Home to close to 69 per cent of India's total population, rural India faces the daunting task of providing sustainable income and employment opportunities to a major section of the population, especially the lower-income households. In absence of infrastructure facilities, there is lack of market-access to rural population, slow growth in organised retail and thus, limited livelihood opportunities, stagnation in agriculture and aggravation of rural poverty-levels. Absence of infrastructure also makes rural markets fragmented, characterised by high costs of transactions and high information asymmetry. The retail sector offers unprecedented opportunities for rural India, and the only thing that can hold this sector back is the lack of infrastructure. Two-thirds of India's consumers live in rural areas and a little more than half the national income is generated here. Therefore it is not surprising that that rural markets form an important part of the Indian market. In more than 630000 villages, there are almost twice as many 'lower middle income' households in rural areas as in the urban areas. At the highest income level there are 2.3 million urban households as against 1.6 million households in rural areas. Middle and high-income households in rural India are expected to grow from 80 million to 111 million by 2008. In urban India, the same is expected to grow from 46 million to 59 million2. The size of the rural market therefore will soon be more than double the size of the urban market.

In the modern world where technology is tradable and factor markets (labour and capital) have become integrated both locally (farm labour moves from Bihar to Punjab) and globally (through foreign direct investment), infrastructure plays an enabling role in bringing world markets to local areas. Since infrastructure enables growth, any growth strategy must actively plan for producing the necessary infrastructure to support growth targets. Indeed, instead of trying to engineer growth through interventions in the production of goods and services, governments are better off providing for the infrastructure that supports such growth.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this papers is purely textual. The materials used have at time been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

In the supplementary budget the government of India has allotted 30,000 crores for the implementation of NREGA. Government has also made a plan to implement NREGA in urban slum areas. It has been long recognized that access to minimum level of infrastructure facilities must be an integral part of the strategy for improving the quality of the people and for eradicating poverty. Over the last decade, considerable progress has been made in improving access to primary health care facilities, improvement in standard of life, increment in per capital income, rural development and increase in employment for the livelihood of general rural citizen, primary education, safe drinking water and shelter as reflected in an expansion of coverage and also improvements in the indicators of human development.

The primary responsibility for provision of funds for these sectors and for planning and implementation of specific programmers lies with the State/Union territory government. However, there has been recognition that the States do not have adequate resource to provide the basic minimum services to their population. In specific areas, Centrally Sponsored Schemes (CSS) were introduced to complement the efforts and resources of the States. In 1996, a conference of Chief Minister was held to review the situation with regard to the availability of basic minimum services to the people, the conference identified seven basic services for priority attention, namely, primary health care, universalization of primary education, safe drinking water, public housing assistance to all shelter-less poor families, nutrition, connectivity of all villages and habitations by roads, streamlining of the public distribution system with a focus on the poor. The Conference recommended that coverage of entire population should be done in a time-bound manner. In response to the recommendations of the Chief Ministers conference and in recognition of the fact that States are facing financial constraints, the government of India decided to provide some additional funds to supplement the rousources of the State. A separate budget head was introduced in 1996-97 with provision for Additional Central Assistance (ACA) for basic minimum services. States had flexibility in allocations of their Additional Central Assistance between the sectors as per sectors as per their own needs and priorities.

The strategy under basic Minimum Services was to mobilize resources and direct efforts to achieve 100 per cent coverage of the population with access to these basic minimum services in a time bound manner. The guidelines also ensured an adequate level of investment for the Basic Minimum Services sectors earmarked in the Annual plan of a sate. Any shortfall in the actual expenditure against earmarked outlays, attracted proportionate curtailment of Central assistance in the following year.

Since 1996-97 in each year, additional central assistance has been provided for Basic Minimum Services in the Central Budget. While in 1996-97, the allocation was Rs 2,24 Crores, in 1997-98, in was Rs. 3,100 Crores, which was, further increased to Rs. 3,400 Crores in 1988-99 and to Rs. 3,700 Crores in 1999-2000, while Rs. 3,700 Crores are in form of additional central assistance, the States/Union territories spend approximately Rs. 12,000 Crores from within their own plans. In addition, the basic minimum services sectors are also served by several Centrally sponsored Schemes and it is estimated that about Rs. 8,000 Crores are annually allocated for these areas.

While comprehensive monitoring formats for assessing both the financial and physical progress under Basis Minimum Services were made and circulated to the State Government, the information received was far from satisfactory. While the utilization against

allocations was forthcoming the problem was with the reporting of the physical achievements. This could be attributable to the fact that there was on one places where the monitoring of the Basic Minimum Services took place. There was considerable overlap between provisions from the three sources and there was likelihood of substitution of funds from one head to the other. To illustrate in the case of shelter, there is Centrally Sponsored called Indira Awas Yojana (IAY) wherein free cost housing is given to the families living below poverty line. The Centre conteibutes 75 per cent and the States are required to the creation of additional new houses. Therefore, the physical achievement cannot be correctly assessed and it would not correspond to the total financial provisions provided fewer than three separate heads.

Alleviation of poverty has become the main object of India's Five Year plans since 1970. The Sixth Five Year ploan declared Garibi Hatao' as the main object of the plan. From the sixth Five year plan, a massive expenditure is being incurred for direct attack on rural poverty. The various programmes undertaken for elimination of rural poverty have been of two categories: (a) Programmes to provide wage employment to the rural poor; and (b) programmes to provided income-generating assets to the poor. Both the programmes are supplementary to each other. The poverty exists in rural area because of lack of adequate wage employment through out the year and they also lack income generating assets. But there has been a controversy in the country whether the government should assign more importance to the wage employment programmes or to the income generating programmes. This controversy has arisen because income generating programmes, such as, Integrated Rural Development Project (IRDP), Training for rural youth & Self-employment (TRYSEM) has not met with great success. The objective of those programmes has been to lift the poor families above the poverty line, but various report suggest that very low percentage of IRDP and TRYSEM beneficiaries would succeed in crossing the poverty line. However, the method of measuring the success of the programme in terms of number of beneficiaries crossing the poverty line as used in various studies have been criticized by prof. K. Subba Rao. Suggests that whether a family would cross the poverty line or not depend on his initial income and amount of financial assistance. If the poor beneficiaries have moved to an upward income ladder, this itself indicates the success of the programmes. It is not necessary that family should cross the poverty line with once for all help. Thus, The methodology of measuring the success of the programme has been a subject of controversy against the background of the small success of income generating asset. Some economists have suggested giving a great preference to employment generating programmes.

In order to achieve the objective of sustainable human development at the village leve, a new initiative in the form of The National Rural Employment Guarantee Act, 2005 (NREGA) has been introduced in the Annual plan. This would focus on the creation of social and economic infrastructure in five critical areas with objective of improving the quality of life our people especially in rural areas. Schemes related to health, education, drinking water, housing and rural roads would be undertaken within this programme. Additional Central Assistance would be provided to the State the Union territories for this purpose. This would replace the Additional Central Assistance being provided for Basic Minimum Services, thus far.

The national rural Employment Guarantee Act, 2005 (NREGA) guarantees 100 days of employment in a financial year to any household whose adult members are willing to do unskilled manual work. The Act will come into force initially in 200 districts, and will be extended gradually to other areas notified by the Central Government. It will cover the whole country within five years.

The National Rural Guarantee Act is a "people's Act" in several senses. The Act was prepared through a wide range of consultation with people's organizations. Second, the Act addresses itself chiefly to working people and

their fundamental right to life with dignity. Third, the Act empowers ordinary people to play an active role in the implementation of employment guarantee schemes through gram Sabhas, social auditis, participatory planning and other means. More than anyother law, NREGA is an Act of the people, by the people and for the people. This Act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas. The choice of works seeks to address the causes of chronic poverty such as 'drought deforestation and soil erosion. Effectively implemented, the employment generation under the Act has the potential of transforming the geography

NREGA calls for the formulation of a rural employment guarantee Scheme (RREGS) by each State Government within six months of the date of commencement of the Act. The purpose of the Scheme is to give effect to the legal guarantee of work, by providing at least 100 days of guaranteed employment to every rural household whose adult members volunteer to do unskilled manual work subject to the conditions of this Act. Each rural Employment guarantee Scheme is required to have the minimum features specified in Schedule I and Schedule II of the Act.

Section 4 of the Act also provides that until such a Sechme is notified by the State Government, the Annual of perspective plan of the Sampoorna Grameen Rozgar Yojana (SGRY) or the National Food for work programme (NFWP), whichever is in force in that area, shall be deemed to be the action plan for the Scheme for the purposes of the Act.

These Guidelines have been formulated to facilitate the design and implementation of Rural Employment guarantee Schemes. They should be interpreted as a broad operational framework, around which further provisions may be built, taking into accout the state's economic, social and institutional context.

The basic objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. This work guarantee can also serve other objectives; generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering equity, among others.

The central government shall notify the areas in which the Act will come into force from such date as may be appointed in the notifications, and different dates may be appointed for different States or for different areas in a state. Each state government (where the Act is notified) shall formulate an employment guarantee Scheme. This is required under Section 4 of the Act.

The Act defines the legally non-negotiable parameters within which the state government have flexibility of drawing up the employment guarantee scheme, and schedule 11 defines the entitlements of workers employed under the scheme. In addition, Annexure 1-I of these guidelines suggests the essential points that the state scheme should cover. The Scheme so formulated will be called the State (Jharkhand) Rural Employment Guarantee Scheme (JREGS). In these guidelines, it is referred to as the Rural Employment Guarantee (PREGS) or simply 'the Scheme'. The State Government will also make rules pertaining to those aspect of the Act that determine the functions of the State government.

Conclusion

In order to ensure guaranteed employment to the households, intensive IEC activities have been undertaken to generate greater awareness among rural households about their legal rights under the Act. It has been emphasized upon the States to employ dedicated staff in the implementing agencies. Salary of such dedicated staff is met out of the administrative expenditure admissible under the Act. States have also been directed to ensure that adequate number of works are available to meet the labour demand. Implementation of NREG Act is monitored on regular basis. National level Monitors (NLMs) and Area Officers visit various districts to

oversee the progress of the Act. Professional institutions such as IIMs , IITs , Agricultural Universities and other Social Sciences Institute have been engaged to assess the implementation of NREGA in the States. Payments of wages to unskilled workers is through the Banks and Post Offices has been one of the important tools in the act to ensure transparency. A comprehensive Web-based MIS www.nrega.nic.in places all data in public domain and a Citizen information Board has been introduced for display at all prominent places. A grievance redressal mechanism and National toll-free telephone Helpline under NREGA have been set up to receive the complaints and queries relating to NREGA. States have also been requested to set up similar helplines. The act has been instrumental in coming to the help of the rural masses people and with further improvements it is poised to play a vital role in times to come.

NREGA has helped the rural people and has changed their lives. Now for seeking employment, they don't have to migrate to the cities. They are able to earn their livelihood in their own areas or villages. They are able to spend their time with their families and children. It is able to fulfill their aspirations and dreams. Due to this scheme, now the children of the poor people are able to attend the school and these people are able to earn their daily bread without any problem. Thus, NREGA can play a vital role in fighting against unemployment and eradicating poverty. It can also help to change the face of the rural areas.

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Goods and Services Tax and Its Relevance in Indian Economy

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Abstract

Now–a-days our country is following the unitary system for collection of Indirect Taxes levied on manufacture, sale and consumption of goods as well as services in order to create a suitable reform in Indirect tax from both domestic and foreign investment perspective – thereby reducing burdensome compliance, high cost of transaction and nagging uncertainty in tax liability for a business. The budget speech of 2006-2007 included a proposal for commencement of Goods and Service Tax (GST) and in the budget speech of 2009-10 it has been said again that the introduction of GST would be accelerated with effect form April 01, 2010. (It is now likely to be introduced w.e.f. April 01, 2011). GST model is outlined with a dual GST consisting of a Central and a State GST. To relieve the pressure on States, an assistance of Rs. 1,000 crore will be provided to them for GST implementation.Government of India is studying tax reforms that include many other Central and State level direct and indirect taxes, excise duties , service tax and luxury tax, and replace them with a single Goods and Service Tax (GST). Customs duty will be levied out of GST and is likely to be replaced by VAT on imports.

Keywords: Taxation , Production, Transaction

Introduction

The Indian Tax system was archaic with complex and cumbersome procedure, multiplicity of rates, numerous exemptions and large areas of discretion, all of which had a compelling desire for evasion by the taxpayer and harassment by the tax authorities. it was, therefore, necessary to have a system wherein all these loopholes are suitably plugged in order to reduce tariffs, harmonize state taxes , widen tax net and , above all, increase the budgetary support for developmental purposes.

About 140 countries have adopted GST. Different models of GST exist, each having its own peculiarities. In many countries, standard GST rate ranges between 15-20%.

In India ,VAT was introduced at the Central level on selective basis in terms of MODVAT with effect from March 1, 1986, and slowly it was extended to all commodities in terms of CENVAT in 2002-03. Service tax was also added to CENVAT in 2004-05. Introduction of VAT in the States started from April 1, 2005. Now all the states and Union Territories have implemented VAT.

Introduction of the Value Added Tax (VAT) at the Central and the State level has been considered to be a major step and an important break through in the sphere of indirect tax reforms in India.

If the CENVAT and VAT are a major improvement over the pre-existing Central excise Duty at the national level and the sales tax system at the State Level, respectively, then the Goods and Services Tax (GST) will indeed be a further significant improvement-the next logical step towards a comprehensive indirect tax reforms in the country encompassing both commodity and services tax under a full-fledged destination based VAT regime.

The Central focus of the transition to GST is to introduce an efficient, effective and tax payer friendly system of taxation of goods and services in the country, in line with international best practices as well as the special characteristics of the Indian economy. Keeping this objective in view, an announcement was made by the Union Finance Minster in the context of Budget 2007-08 to the effect that GST would be introduced w.e.f. 1st April 2011.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

Concept of GST- Goods and Services Tax (GST) is a tax on goods and services which is levied at the point of sales by the seller from the purchaser. In other words GST is a broad based and a single comprehensive tax levied on goods and services consumed in an economy. GST is levied at every stage of the production –distribution claim with applicable set-offs in respect of the tax remitted at previous stages. It is basically a tax on final consumption. To put at a single place, GST may be defined is leviable at each point of sale or provision of service, in which at the time of sale of goods or providing the services the seller or input credit of tax which he has paid while purchasing the goods or procuring the service.

GST is applicable on goods as well as on provision of services, where VAT is only applicable on goods but not on services. GST is a tax on only value addition at each stage. In GST , the seller of goods and services provider can claim the input credit of taxes which he has already paid at the time of purchasing of goods and services. Thus the tax burden finally comes on the shoulder of the consumers or last users of goods and services. The following example makes clear the concept of GST or how the GST works: let us suppose that GST rate is 10% with the manufacturer making value addition of Rs. 300 on his purchases worth Rs. 1000 of input of goods and services used in the manufacturing process. The manufacturer will pay net GST of Rs. 30 after setting-off Rs. 100 as GST paid on his inputs (i.e. Input Tax Credit) from gross GST of Rs.130. The manufacturer sells the goods to the wholesaler. When the wholesaler sells the same goods after making value addition of (say), Rs. 200, he pays net GST of only Rs. 20, after setting –off of Input Tax Credit of Rs. 130 from the gross GST of Rs. 150 to the manufacturer. Similarly , when a retailer sells the same goods after a value addition of (say) Rs. 100, he pays net GST of only Rs. 10, after setting –off Rs. 150 from his gross GST of Rs. 160 paid to the whole seller. Thus, the manufacturer, wholesaler and retailer have to pay only Rs. 60 (Rs. 30+Rs. 20+ Rs. 10) as GST on the value addition along the entire value chain from the producer to the retailer, after setting-off GST paid at the earlier stages. The overall burden of GST on the goods is, thus, much less. This is shown in Table-1. The same illustration will hold in the case of final service provider as well.

From the above it is clear that the whole system is developed in such a way that cascading effect can be avoided and final tax burden is on final user of goods and services. The seller or service provider –collect taxes from their customers and deposit it to the exchequer after adjusting their input credit. This system is very similar to the existing VAT system but only difference is that VAT is applicable on only goods but GST is on goods as also on service.

In GST , the rate of taxes on most goods and services are uniform but some goods and services can be declared as excepted or zero rated goods and service. Export can be considered as zero rated and exporters return all taxes paid by them which they paid at the time of purchasing of raw materials or other materials or inputs to make export more competitive.

Table-1

Stage of Supply chain	Purpose value of inputs	Value addition	Value of time of transferring the goods and services at next stage	GST Rate	GST on output of Goods & services	Input Tax Credit	Net GST Payable = GST on output tax- GST on input tax credit
Manufacturer	1000	300	1300	10%	130	100	130-100= 30
Wholesaler	1300	200	1500	10%	150	130	150-130= 20
Retailers	1500	100	1600	10%	160	150	160-150= 10

Why GST is preferred tax structure

i) G.S.T. is a quite simple tax structure because under GST just one or two rates are charged on all goods and services and it is a uniform single tax across the entire supply chain.

ii) GST increases tax revenue due to wider base and better compliance. GSt allows full credit for all input taxes across supply chain and across States within a tax jurisdiction.

iii) GST structure promotes exports account of its zero rating and refund of tax paid on inputs used in export production and services exports.

iv) It ensures better compliance as aggregate tax rate reduces.

v) It reduces distribution cost as there is no tax barrier in GST for inter –State movement of goods, which encourages state –wise branches and deports involving additional supply chain cost.

vi) GST is unbiased tax as it is neutral to business processes, business models, organization structure, product substitutes and geographic location.

vii) It brings uniformity of tax rates across the States.

viii) It reduces the overall tax compliance cost for government and can concentrate on GST.

GST Model in India

Many countries are following single GST. India is a federal country where both the Centre and the States have been assigned the powers to levy and collect taxes through appropriate legislation. Both the levels of Government have distinct responsibilities to perform according to the division of powers prescribed in the Constitution for which they need to raise resources. Keeping in view the report of the Joint Working Group on Goods and Services Tax, the views received from the States and Government of India, a dual GST structure with defined functions and responsibilities of the centre and the States is recommended. An appropriate mechanism that will be binding on both the centre and the States would be worked out whereby the harmonious rate structure along with the need for further modification could be upheld, if necessary with a collectively agreed Constitutional Amendment.

The proposed Dual GST model will have two components:

1. CGST- Central goods and service tax for levied by Central government.
2. SGST-State goods and service tax levied by state government.

There would have multiple statute on CGST statute and SGST statute for every State. The Central Board of Excise & Customers (CBEC) shall be responsible for implementing the CGST and the State Tax administrations will be separately responsible for implementing the SGST.

Taxes to be subsumed under the GST

CENTRAL TAXES to be subsumed

1. Central Excise Duty.
2. Additional Excise Duties
3. The Excise Duty levied under the Medicinal and Toiletries Preparation Act.
4. Service Tax
5. Additional Customer Duty (CVD)
6. Special Additional Duty of Customs (SAD)
7. Surcharges
8. Cesses.

The Working of GST

Stage of Supply Chain	Purchase Value	Value Addition	Sale Value	Assumed GST Rate	GST on Output	Input Tax Credit	Net GST
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Manufacturer	100	50	150	10%	15	10	5
Wholesaler	150	30	180	10%	18	15	3
Retailer	180	20	20	10%	20	18	2
							10

STATE TAXES AND LEVIES to be subsumed

1. VAT/Sales Tax
2. Entertainment tax (unless it is levied by the local body)
3. Luxury Tax
4. Taxes on lottery, betting gambling
5. State cesses and surcharges relating to supply of goods and services.
6. Entry tax not it lieu of Octroi.

Taxation of inter –State transactions of Goods and Services

Centre would levy IGST which would be CGST and SGST on all inter –state transactions of taxable goods and services. The inter –state seller will pay IGST on value addition after adjusting available credit of IGST, CGST, and SGST on his purchases. The importing dealer will claim credit of IGST while discharging his output liability in his own state.

It can be seen from the above table that Manufacturer, Wholesaler and Retailer pay Rs. 10 (Rs. 5+3+2) as GST on the value chain from the producer to the retailer, after setting off GST Paid at the earlier stage.

The working of GST with respect to manufacture, dealer and consumer can be seen in the illustrations given below:

Input tax paid by the manufacturer

Description	Amount	Tax Paid @ 12%
Raw Material	Rs. 40 lakh	Rs. 4.80 lakh
Packing Material	Rs. 10 lakh	Rs. 1.20 lakh
Stores & Spares	Rs. 10 lakh	Rs. 1.20 lakh
Services	Rs. 10 lakh	Rs. 1.20 lakh
Total input Tax		**Rs. 8.40 lakh**

Output tax charged by the manufacturer

Description	Amount	Tax Paid @ 12%
Sale	Rs. 120 lakh	Rs. 14.40 lakh
Total output Tax		**Rs. 14.40 lakh**

Net tax payable by the manufacturer

Description	Amount
Total output Tax	Rs. 14.40 lakh
Total input Tax	Rs. 8.40 lakh
Net GST Payable	**Rs. 6.00 lakh**

Advantages of GST

VAT has been accepted worldwide as a buoyant source of revenue to the Government. It has been considered as the broadening tax base system and neutral to patterns of production and consumption decisions due to minimum tax rates and minimum exemptions. GST may bring down rates of tax and still may increase the total revenue. Significant Advantages of a comprehensive GST Model are:

a) Reduces the effective rate of tax to one or two bas floor rates.

b) Abolition of multiple rate structure relating to sale, manufacturing of goods and provision of services on all India basis.

c) Reduces cost of compliance and increases voluntary compliance.

d) Removes the cascading effect of taxation and all distortions in the economy.

e) Enhances manufacturing and distribution efficiency, reduces the cost of production of goods and services.

f) Increases the demand, production of goods and services.

g) Makes all the goods & services more competitive in global competitive field leading to more export of goods & services.

h) Shall promote more economic efficiency and see stainable long term economic growth since GST is neutral to business processes, business models, geographic locations and product substitutes.

i) Reduces litigation, harassment and corruption.

j) Bring –in 'e'- Governance and electronic data based environment replacing the

age-old conventional system of tax management and administration.

k) Widening the tax base and tax network and thereby enhancing the revenue of the Centre as well as State Governments.

l) Reduces administrative cost of the Government.

m) Moving towards internationally comparable and compatible tax structure and tax administration.

High tax rates do not generate more revenue- rather discourage compliance and gives rise to economic distortions. The history of our tax system is evident that the peak basis rate of customs duty has been reduced to 10% in 2007-08 from 300% in 1990-91 on manufacturing non-agricultural products. Also, the basic excise duty has been reduced to 14% from 110% in the same period with an objective to encourage more voluntary compliance.

Drawbacks of GST

i) First, it does not specify the list of exempted goods and services. The lis of exempted goods and services is yet to be finalized and it is quite likely that some discretion may be allowed to individual States.

ii) Second , two rates are proposed for the SGST- one a low rate for essential items, and another – a standard rate for the remaining goods and services , it also advocate a similar approach to CGST. This increases both administrative complexity and compliance costs, besides creation classification disputes.

iii) At the State Level, the proposal still leaves open the possibility of levying entry tax in lieu of octoi as also octroi. Similarly, it does not include stamp duties and registration fees. Furthermore, entertainment tax, if levied by local bodies (Kerala) will continue. Thus, while the proposal goes a long way in unifying multiple taxes, it still leaves out some taxes.

iv) This is the opportune time to correct some of the design faults that exists in the prevailing. State VAT. One of the problems with the present design is the distinction made between inputs and outputs and levying the tax on the former at 4% and the latter at 12.5% even as it is well known that the essential principle of VAT is providing credit for input taxes.

v) The concept of “declared goods” in the Goods of Special Importance Act, does not have a place and the only criterion for rate differentiation to be followed , if at all, is on the basis of income elasticity of demand.

Justification of GST in Indian Context

Despite the success with VAT, there are still certain shortcomings in the structure of VAT both at the Central and the State levels. The deficiency in CENVAT of the Government of India lies in non-inclusion of several central taxes in the overall framework of CENVAT, such as, additional customs duty, surcharges, etc; and thus keeping the benefits of comprehensive input tax and service tax set-off out of reach for manufacturers/dealers. Moreover, no step has yet been taken to capture the value-added chain in the distribution trade below the manufacturing level in the existing scheme of CENVAT, resulting in a significant loss of opportunity of revenue gain for the centre. The introduction of GST at the Central level will not only include comprehensively more indirect Central taxes and integrate goods and service taxes for the purpose of set-off relief, but may also lead to revenue again for the Centre through widening of dealer base by capturing value addition in the distributive trade.

In the existing State-level VAT structure, there are, even now, several taxes which are in the nature of indirect tax on goods such as luxury tax, entertainment tax, etc. and yet not subsumed in the VAT for set-off relief. Moreover, in the present State-level VAT scheme, CENVAT load on the goods remains included in the value of goods to be taxed under State VAT, and contributing to that extent a cascading effect on account of CENVAT element. This CENVAT load needs to be removed. Further-more, any commodity, in general, is produced on the basis physical

inputs as well as services, and there should be integrated of VAT on goods with tax on the services at the State level as well. This is the essence of GST, which will be a further improvement on goods-based VAT in the State. However for this GST to be introduced at the State-level, it is essential that the State should be given the power of levy of taxation of all services. This power of levy of service taxes has so long been only with the Centre. A Constitutional amendment will be necessary for giving this power also to the States. The GST at the State-level is, therefore, justified for (a) comprehensive set-off relief (involving goods as well as services) for trade, industry and agriculture, (b) removal of cascading effect of CENVAT load, and (c)additional power of taxation of services of the States.

The GST at the Central and State-level will thus give more relief to trade, industry and agriculture through a more comprehensive and wider coverage of input tax and service tax set-off relief, further removal of cascading effects and more powers of taxation to the Central and the States. If this GST is properly formulated with appropriate calculation of rates, then there may eventually be revenue gains for both the Central and the States. If the potentiality of these revenue gains is significant, there may also be a likelihood of reduction of the overall incidence of taxes from the existing level, and yet retaining the revenue gains. This possibility of reduction of this overall incidence of taxes may mean a gain to trade, industry and consumers. In other words, there is a possibility of a collective gain for the Centre, the States, trade, industry, agriculture, and also the common consumers.

Finance Minister Pranab Mukherjee asked to introduce Goods and Services Tax (GST) "as early as possible", amid speculations that the indirect tax reform may not be implemented from the scheduled date of April 1, 2010. Some states, including Madhya Pradesh, Rajasthan, and Tamil Nadu, want the GST implementation to be delayed as there are issues relating preparedness. In fact, Mukherjee had also said that it might not be possible to introduce GST from April 1,2010. Finance Minister Pranab Mukherjee said in the Union Budget 2010-11 that he hoped to implement the GST from April 1,2011.

Conclusion

Successful implementation of GST in India is a challenging task for the government. This will need constitutional amendments giving power to the states to levy tax on services, fixation of GST rates for various items, issues like inter-State movement of goods and services, development of proper information & technology system and other administration infrastructure required for successful implementation of GST. Infect, with multiplicity of tax regimes in India, it is the second-most complex country in the world.- after Brazil-as noted by Anthony Mc-Clenaghan, the global indirect tax leader. Therefore, for successful implementation of GST, the country should take lessons from other countries of the world. The comparative picture depicted above would guide us to adopt a system which is most befitting for our federal polity and, at the same time fulfilling the regional fiscal aspirations in finally regional growth of fiscal revenue.

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Economic Value Added : An additional Approach to Risk Aggregation of Banks for Capital Adequacy Requirements

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Abstract

Risk management has become all pervasive across sectors and banks are no exception. The widespread crises in the last two decades have resulted in a number of recommendations to prevent such occurrences. There are four ways to provide their assurance- adequate bank capital, deposit insurance, lender of last resort and subordinated debt. Prior to 1988, bank regulator in different countries tended to regulate bank capital by setting minimum levels for the ratio to capital to total assets.BIS Accord was the first attempt to set international risk based standards for capital adequacy. The current Basel-II norms are based on three pillars: capital adequacy, supervisory review process and market discipline. In this paper, in the light of various complications of the current Basel-II norms for maintaining capital adequacy, a new framework has been designed and developed to cushion the existing practice under Basel-II. The suggested model is based on the concept of Economic Value Added as a measure of capital adequacy requirements. The model will be an assisting model for CAR calculation and will be outside the purview of regulatory requirements and will facilitate internal control process of the banks.

Keywords: Weighted Average Cost of Capital, Capital Adequacy Ratio, Profit & Loss Account.

Introduction

Economic Value Added (EVA) is a residual income measure that suggests subtracting the cost of Capital from the operating profits after tax generated by the business. In other words, EVA measures - whether the operating profit after tax is enough to meet the total cost of Capital. Unlike the traditional measure of accounting profit, where only a part of the cost of capital (Cost of debt) is deducted. EVA requires full cost of capital. The concept of EVA can be applied in the banking sector as a tool to risk aggregation parallel to that prescribed under Basel-II.

EVA approach facilitates - comparison between estimated Capital requirement under Basel-II & actual capital Requirement according to EVA approach.

For the purpose of research secondary data have been considered. The data have been obtained from the annual report of SBI, (2007-08), AS-1 issued by ICAI, and text book on financial accounting, ICFAI University press etc. The research is descriptive as the current Basel-II norms have been critically studied an epitomized. The research also carries the feature of empirical research as after a critical appraisal of the current Basel-II norms and their applicability in the banking sector, a new cushioning approach has been tried to be evolved which is assumed to be supporting the current 'CAR' calculation under Basel-II. Secondary data have been used for the purpose. For calculating Economic Value Added, Net Operating Profit After tax (NOPAT) and weighted average cost of capital, information have been collected from the 'Profit & Loss Account' and the Balance sheet of State Bank of India (Group) given in its annual report for the year 2007-08.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this papers is purely textual. The materials used have at time been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

Calculation of Capital Requirement (CAR) -under Economic value Added (EVA) approach on the basis of the information given in the

annual report of SBI for the year 2007-08, of the group, capital requirement can be calculated as follows:-

A.	Cost of Capital : (in Rs. Crore)		
	a. Cost of equity (Proposed dividend)	-	135.76
	b. Interest on Deposit (Assuming interest on demand deposit to be a negligible proportion of the total interest).	-	41,713.20
	c. Cost of Debt (assuming major amount under the head other interest Expended relates to Debts)	-	3,026.40
	Total Cost	**-**	**44,875.40**
B.	Group Profit	-	8,960.61
C.	Hence EVA (B-A)		(-)359, 14.78 Crore

Therefore, the Capital requirement as per the 'EVA' approach is Rs.35, 914.78 Crores. The amount of negative EVA - indicates a real pressure on the Capital hence can be considered as the required capital to mitigate risk on actual basis.

(II)	Capital requirement under BASEL_II (2007-08)		(Rs. Crores)
	(i) Capital Requirements for credit Risk	-	59241.33
	(ii) Capital Requirements for market Risk	-	4260.58
	(iii) Capital Requirements for operational Risk	-	4531.79
	Total Capital Requirement	**-**	**68033.70**

EVA can be explained as the difference between net operating profit after tax (NOPAT) and weighted average cost of capital (WACC). Credit risk is taken care of by proper provisioning as prescribed by the RBI. Under substandard assets category, a general provision of 10% and in addition a provision of 10% for exposures which are unsecured abinitio (where realizable value of security is not more than 10% abinitio). Under doubtful assets category for secured portion 20% provision has been prescribed for loans from one to three years and 100% for loans - more than three years. For unsecured portion under doubtful category 100% provisioning is required. Under loss assets category, 100% provisioning is prescribed. In case of market risk, profit on sale of investments in “Held to maturity” category (Banking Book) should be first taken to the Profit and Loss account and thereafter be appropriated to the capital reserve account ' loss on sale' will be recognized in the Profit & Loss account. Profit or loss on sale of investments in both 'Held for trading (HFT) and 'Available for sale' (AFS) categories (Trading Book) will be taken to the profit & loss account.

"Operational Risk" automatically finds place in P& L Account. At present, banks are disclosing their exposure to derivative transactions as off-balance sheet items. These include currency and interest rate swaps rupee options and forward contracts. At present there are two sets of guidelines issued by the ICAI in respect of 'Equity Index Futures' and AS-II [Accounting for effects of changes in foreign exchange (revised 2003)] relating to forward - exchange contracts only.

The RBI guidelines on 'Forward Rate Agreements/Interest Rate Swaps' issued on 7th July, 1999, recommend the following general principles for accounting of derivatives trading transactions by banks.

(i) Trading FRAs/IRs should be marked to market with changes recorded in income statement.

(ii) Income and expenses related to thee swaps should be recognized on the settlement date.

(iii) Fee should be recognized as immediate income on expenditure.

(iv) Gains or losses on the termination of the swaps should be recorded as immediate income or expense.

In this way 'credit risk', 'market risk' and 'operational risk' get reflected through Profit and Loss Account and get absorbed in the concept of economic value added.

Risk aggregation under EVA approach gives more realistic estimate of the Capital requirement and facilitates comparison between estimated capital under BASEL-II and the actual capital required according to EVA approach.

One often misses the important view that capital is not supposed to absorb normal losses. Provisions and reserves should take care of that. The abnormal losses exceeding the provisions and reserves are meant to be absorbed by the Capital. The result of hypothesis testing indicates that risk aggregation under Economic Value Added (EVA) approach gives more realistic estimates of the Capital requirement and facilitates Comparison between estimated Capital under Basel-II and the actual Capital required according to EVA approach.

Economic Value Added (EVA) model for risk aggregation is not an alternative to the current capital adequacy calculation under Basel -II, but it is in addition to the current practice (Basel II) to facilitate comparison between the estimated capital requirement as per Basel II and actual capital requirement according to economic value added (EVA) approach. This will help the banks to stress on developing risk reduction strategies for different types of risks to converge towards the actual capital required as per economic value added approach.

Conclusion

As the current CAR calculation under Basel II is more subjective in nature and lacks a framework for developing risk reduction strategies. We have tried to develop an additional risk aggregation model to facilitate the variance analysis of capital requirements suggested by Basel II and EVA approach. This may further facilitate the banks to develop strategies and tools to reduce different types of risks in order to converge the capital requirement under Basel II, towards that required as per EVA approach. As the suggested EVA approach is not subject to any regulatory compliance it can easily be applied by banks to strengthen their internal risk management practices.

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A world without Mouse

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Abstract

The cat will not survive, Lord Ganesh will become immobile the Immortal story of the pied piper of Hamlin would not have been written. But learned software and hardware friends can still survive without their pet, mouse. Now matter is that we are discussing about which mouse. What is mouse? The Mouse is the device one uses for most of the interactions with the PC. It is primarily used to move the pointer arrow around the screen and to select and activate options. The mouse buttons are used to interact with whatever is on the screen where the pointer is located. The left mouse button is the one we will use most often. Clicking this tells the PC to select an item and is called 'left-clicking'. To activate an item and use it, we will often need to click the button twice or 'double-click'. Sometimes we don't want to use our mouse, we find keyboard shortcuts faster, may be lose our mouse, or it breaks, so here in the article, how to fully use the computer using the keyboard. (Other than regular typing).

Keywords: Mouse, Keyboard shortcuts, Key purpose, Dialog box, keyboard shortcuts

Introduction

"Education system has got dramatic changes from "guru-sisya" system to class room teaching. In present times it has moved towards E-learning".

"Business & trade now find themselves as a the corporate now businessmen keep their records not only in books of account but also in software like tally, NEX generation next & SAP".

It means all the business sectors are expanding like anything and they need to have entire information and communication through computer so, here they require an extraordinary professional who can operate the computer elegantly, perfectly with time effectiveness.

So, this article explores information seeking various shortcuts in operating computer and also how to operate computer in absence of mouse.

Main Thrust

A fine morning of 22nd of December 2010 when I enter the classroom of IBS (MBA) at around 8:55 A.M to take the class of Accounting for Manager that day the session was regarding International Accounting Standards so I was ready with my power point presentation.

When boot computer, then all of a sudden discovered that the mouse of the computer was not working. I had an urgent/ important class immediately. I got panicked, "What should I do now? I could not finish my class delivery without this." Even there is not enough time to call a system administrator to fix this particular problem. Suppose this same thing happens to you. Then what will you do? Relax; there is nothing to be afraid of, if it happens to you also. Here is a solution. No, I am not going to teach you how to fix your mouse in a short time. Instead, I am going to tell you about some keyboard shortcut keys which could be used in place of normal mouse operations. These shortcut keys given from the keyboard perform the same as of a mouse. All mouse operations can be individually done by the keyboard also. Does it sound interesting? So do not be worried when your mouse fails to work. You can carry on your work with your keyboard without using the mouse. To do this you need to learn these keyboard shortcut keys about which I am going to discuss next. Here we will discuss about some commonly used keyboard shortcuts used in Windows operating system. Please note that other operating systems like UNIX, Linux, Mac OS etc and the different applications which run under these operating systems have their own set of keyboard shortcuts which are not discussed here.

Experts believe that by the efficient use of keyboard shortcuts we can speed up our work to a great extent as compared to normal mouse operations.

The following are some of the keyboard shortcuts which will help us in a great manner.

Keys	Purpose
CTRL+C	Copy
CTRL+X	Cut
CTRL+V	Paste
CTRL+Z	Undo
DELETE	(Delete)
SHIFT + DELETE	Delete the selected item permanently without placing the item in the Recycle Bin
CTRL	while dragging an item (Copy the selected item)
F2 key	(Rename the selected item)
CTRL+RIGHT	ARROW Move the insertion point to the beginning of the next word
CTRL+LEFT ARROW	Move the insertion point to the beginning of the previous word
CTRL+DOWN ARROW	Move the insertion point to the beginning of the next paragraph
CTRL+UP ARROW	Move the insertion point to the beginning of the previous paragraph
CTRL+SHIFT	with any of the arrow keys (Highlight a block of text)
SHIFT	with any of the arrow keys (Select

Keys	Purpose
	more than one item in a window or on the desktop, or select text in a document)
CTRL+A	Select all
F3 key	Search for a file or a folder
ALT+ENTER	View the properties for the selected item
ALT+F4	Close the active item, or quit the active program
ALT+SPACEBAR	Open the shortcut menu for the active window
CTRL+F4	Close the active document in programs that enable you to have multiple documents open simultaneously
ALT+TAB	Switch between the open items
ALT+ESC	Cycle through items in the order that they had been opened
F6 key	Cycle through the screen elements in a window or on the desktop
F4 key	Display the Address bar list in My Computer or Windows Explorer
SHIFT+F10	Display the shortcut menu for the selected item
ALT+SPACEBAR	Display the System menu for the active window
ALT+LEFT ARROW	Goes back a Window while using Windows Explorer
ALT+RIGHT ARROW	Goes forward a Window while using

Keys	Purpose
	Windows Explorer
CTRL+ESC	Display the Start menu
ALT+Underlined letter in a menu name	Display the corresponding menu. Underlined letter in a command name on an open menu (Perform the corresponding command)
F10 key	(Activate the menu bar in the active program)
RIGHT ARROW	Open the next menu to the right, or open a submenu
LEFT ARROW	Open the next menu to the left, or close a submenu
F5 key	Update the active window
BACKSPACE	View the folder one level up in My Computer or Windows Explorer
ESC	Cancel the current task
SHIFT	when you insert a CD-ROM into the CD-ROM drive (Prevent the CD-ROM from automatically playing)
CTRL+SHIFT+ESC	Open Task Manager

Dialog box keyboard shortcuts

If you press **SHIFT+F8** in extended selection list boxes, you enable extended selection mode. In this mode, you can use an arrow key to move a cursor without changing the selection. You can press **CTRL+ SPACEBAR** or **SHIFT+SPACEBAR** to adjust the selection. To cancel extended selection mode, press **SHIFT+F8** again. Extended selection mode cancels itself when you move the focus to another control.

Keys	Purpose
ALT+Underlined letter	Perform the corresponding command or select the corresponding option
ENTER	Perform the command for the active option or button
SPACEBAR	Select or clear the check box if the active option is a check box
Arrow keys	Select a button if the active option is a group of option buttons
F1 key	Display Help
F4 key	Display the items in the active list
BACKSPACE	Open a folder one level up if a folder is selected in the Save As or Open dialog box

Microsoft Internet Explorer navigation

Keys	Purpose
CTRL+B	Open the Organize Favorites dialog box
CTRL+E	Open the Search bar
CTRL+F	Start the Find utility
CTRL+H	Open the History bar
CTRL+I	Open the Favorites bar
CTRL+L	Open the Open dialog box
CTRL+N	Start another instance of the browser with the same Web address
CTRL+O	Open the Open dialog box, the same as CTRL+L
CTRL+P	Open the Print dialog box
CTRL+R	Update the current Web page
CTRL+W	Close the current window

Though mouse is having universal, acceptance even then the keyboard usefulness in true sense cannot denied. In absence of mouse we can operate the PC but without key board it is hardly possible to operate the PC.

So, now we have to see how we can work only with keyboard

At the mean time I got a query without mouse how I can operate a cursor, I recalled those day when I use to have full time video games on my computer mainly car race when I want to take left I press 4 like that 6 for right and so on.

Similarly we can use the numeric keypad as a control panel for cursor.

So, the prime way of doing this, is by using a feature that is built in by windows called MouseKeys. To turn on MouseKeys, go on Control Panel, click on Accessibility Options, click on the tab that says Mouse, and check the 'Use MouseKeys' box. Alternatively, you could turn on MouseKeys by pressing Left ALT + Left Shift + Num Lock at the same time. Please note that this only works with the LEFT alt and shift, as if you try it with the right side, it will not work.

Hereunder is the control, provided that you have numeric keypad, to run MouseKeys.

Key Pad	Controls
1	move diagonally bottom left
2	Move Down
3	Move Diagonally Bottom Right
4	Move Left
5	Simulate Mouse Single Left Click
6	Move Right
7	Move Diagonally Top Left
8	Move Up
9	Move Diagonally Top Right
(+)	Simulate Mouse Double Click
(-)	Simulate Mouse Right Click
(*)	Simulate Both Mouse Buttons Click At Once

By trying such mode of control you will find that there is a very slow speed of cursors, so addition to above matter you need to have speed up also for that you just go into setting, and change the speed.

So, there you have it, easy and effective ways of using computer, even if our mouse has died.

Conclusion

Wisdom & Knowledge is walking in and out of the institution all of the time and information is being added to multiple repositories in amounts that are well into gigabytes each day. A good domain knowledge and perfection with shortcut methods, properly governed and resources with technology that is appropriate to the requirements, will make a significant difference to the achievement of the organizational and personal goals.

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Role of Media in Disaster Management: A case study of floods in Bihar in 2008

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Abstract

Disaster is a sudden, calamitous event bringing in its wake great damage, loss, destruction and devastation. Disasters have been occuring since times immemorial. The concern for tackling disasters too has been the subject of research for both social and physical scientists. These studies have led to creation of a planned programme of disaster management throughout the world. There is now a global concern to mitigate disasters. Bihar has been the worst - affected state in India with 17 percent flood prone areas and 36 percent of the flood affected population. Media has allegedly remained insensitive in dealing with the disaters like flood which occured because of the breach in the Kosi embankment. In stead of sensible and senstitive treatement of the human interest stories of the flood, media has resorted to clitches and stereotypical representation of the flood victims. The media can communicate information to the people and the concerned authorities well in advance thus enabling them to take necessary steps to prevent and minimize the loss of lives and property.

Keywords: Disaster, Floods, media, embankment, global concern, Warth of God.

Introduction

Disaster has been occurring since time immemorial in every part of the globe and with every community. People have witnessed it and lived with it. We invariably consider these events as 'Wrath of God'. When 'evil' takes over 'good', God brings in the process of annihilation - the Kalki in Hindu philosophy. Even Malthus, the celebrated population theorist, went a step further to rationalize it as nature's own forces to reduce unabated growth of population. Of course, what he wrote a century ago still holds good in a different sense. For most disasters are man made, caused or abated by expanding population victimizing ultimately them only.

The concern to tackle disaster has also been the subject of research for both physical and social scientists (also for moral scientists who have been speaking on the subject through sermons, scriptures and discourses). The physical scientists are engaged in identifying the cause by examining various components associated with the event as also locating its strength and place of occurrence. The social scientists have been researching on the consequences of disaster. In the domain of social sciences, the first attempt was made by Samuel Prince when he investigated the ammunition ship's explosion in Halifax harbour (Novascotia) in 1917. In this work, he discussed at length the social effects of the disaster and provided a few stimulating ideas. Since then a number of social and behavioural scientists throughout the world have been contributing to the social and behavioural aspects of the disaster. However, since the Second World War, collective action and state-support research on disaster gathered great momentum. A noted state support study was U.S. sample survey of Japanese and German cities subjected to bombing during the 2nd World War. This study is known as U.S. Strategic Bombing Survey, 1947.

Some of the major studies conducted with empirical evidence were those of Tyhurst of Canada in 1951, Mark and Fritz of USA in 1954, Logan and Killar in 1952, University of Oklahama and Maryland University Psychiarty Institute Study conducted under the leadership of Powel in 1954, University of Texas study (Moore) in 1958, Disaster Research Group of National Academy of Sciences Studies (Disaster Study Service) between 1956 and 1963.

These studies led to the significant contribution of creation of a planned programme of disaster management in almost every country. Creation of ministries and departments to combat disaster appeared

everywhere. In India too, we have a Disaster Management Fund and in every state a Special Relief Commissioner (SRC) headed by a senior bureaucrat.

There is now a global concern to mitigate disaster. On 11th December 1987, the UN General Assembly passed a resolution which was adopted on 22nd December 1989 to observe the decade beginning 1990 as Natural Disaster Reduction Decade throughout the world. The idea behind the resolution was to give exclusive attention to programmes and activities designed to reduce loss of life, damage to property and reduce or minimize the disruption caused to economic and social life.

Materials and Methods

This study is mainly based on the use of available literature in the form of books, journals, reports etc. The approach followed in this paper is purely textual. The materials used have at times been drawn from the website and extreme care has been taken to be objective in approach.

Results and Discussions

Disaster management is the discipline of dealing with and avoiding risks. It is a discipline that involves preparing, supporting, and rebuilding society when natural or human-made disasters occur. In general, any Emergency management is the continuous process by which all individuals, groups, and communities manage hazards in an effort to avoid or ameliorate the impact of disasters resulting from the hazards. Actions taken depend in part on perceptions of risk of those exposed. Effective emergency management relies on thorough integration of emergency plans at all levels of government and non-government involvement. Activities at each level (individual, group, community) affect the other levels. It is common to place the responsibility for governmental emergency management with the institutions for civil defense or within the conventional structure of the emergency services. In the private sector, emergency management is sometimes referred to as business continuity planning.

The scope of disaster management and post reconstruction covers both natural and man-made disasters, including seismic events, drought, flood, war and famine. The World Bank's Hazard Management Unit aims to reduce human suffering and economic losses caused by natural and technological disasters through providing a more strategic and rapid response to disasters, and promoting the integration of disaster prevention and mitigation efforts into the range of development activities.

Generally, disasters are of two types - Natural and Manmade. Based on the devastation, these are further classified into major/minor natural disasters and major/minor manmade disasters.

The International Decade for Natural Disaster Reduction, which began in January 1990, embraced efforts to reduce death, injury and property losses stemming from rapid-onset of natural disasters. The expanding science and technology base made possible this concerted cooperative international effort, and communications has been a central part of that effort — for public education, early warning, evacuation and coordination of post-disaster relief. Mass communication is inextricably entwined with disasters and hazard mitigation.

Reflecting the public's great interest and concern, the electronic and print media extensively cover natural disasters and significantly affect how and what the public learns about and how it perceives natural hazards. Improving the linkages between the media and disaster-mitigation researchers and practitioners could prepare the public to act promptly on warnings, helping to mitigate disasters. This could also accelerate the shift of the societal emphasis from post-disaster relief toward pre-disaster initiatives.

In the "professional way" of dissemination of warnings also media, especially of electronic type, can play important role in dissemination of warnings to the public. The way media treats the Disaster stories and whether there is a need to change the kind of attitude to more socially responsible and committed approach to the issues has always been a matter of discussion.

This study will utilise survey research to describe and explain the role of the media in disaster preparedness and response during the unprecedented floods in Bihar in 2008. An administrative case study will also be utilised, based on an extensive review of Bihar government documents and interviews with key personnel of the Disaster Management

Department and other relevant government officials. Based on the perceptions of emergency managers and media reporters, the study will provide recommendations on how to improve capability in agency coordination and disaster management. The study will find out if continuous training by emergency response coordinators could improve the state and country disaster preparedness, and whether coordination with the media reporting on disasters could be improved.

Disaster Hazards in Bihar

As Bihar is vulnerable to different kinds of disaster due to its geographical and topographical location, it is prone to Flood, Drought, Fire and Earthquake. According to seismic zoning, some parts of the State are in Zone-IV & Zone-V, which can cause devastation as bad as BHUJ (Gujrat) and LATUR (Maharashtra).

Bihar is the worst flood-affected state in India. About 17% of the flood-prone areas and 36% of the flood-affected population of the country belong to this state. The state's share in total average annual flood damage in the country is about 23%.

Of all the river basins in the state, the ratio of flood-prone to catchment area within the state is maximum in the Kosi basin (89%). Floods have been a chronic and a serious problem for the state, particularly for north Bihar. It has forever remained in discussion, but last year's (2008) breach of the eastern afflux embankment of the Kosi at Kusaha (in Nepal) has caused unprecedented damage and attracted widespread attention and concern.

In 2008, due to floods in the river Kosi, the districts of Madhepura, Araria, Supaul, Purnia and Saharsa were badly affected. About 50-60 percent of the cropped area in the above districts was under submerged conditions.

The Kosi River eroded its embankment in Nepal about 12 k.m. upstream of the barrage as a result of which the embankment breached on August 18th, 2008 and the river started flowing on an entirely new course. The water spread along the new course was 15 km wide and headed straight down south. More than 25 lakh people and their houses fell in the path of the new course. The people along the new course took shelter on whatever high ground they could find and on roof tops.

Media was said to be insensitive in dealing with the disasters like the flood which occurred because of the breach in the Kosi embankment There were voices in the society which said that instead of sensible and sensitive treatment of the human interests' stories of the flood, media resorted to cliches and stereotypical representation of the flood victims. Nonetheless, media played a vital role.

Number of districts affected - 5

No. of Blocks Affected - 35

No. of Villages Affected - 993

Population Affected (In No.) - 3329423

Livestock affected (In No.) - 997344

Area Affected (Lac Ha) - 3.68

No. of Persons Evacuated - 993992

No. of Human Death - 527

No. of Livestock Death - 19323

(Source - Department, of Disaster Management, Govt, of Bihar)

Role of Media during the floods in Bihar

- Uncovered the lost link with country side
- Generated awareness amongst masses to join the fight against floods
- Ensured that relief materials reached the needy
- Tried to prevent any negligence on part of Government or NGO officials.
- Generated funds, clothes, medicines, dry food items and circulated this through right channel
- Use their manpower and telecommunication power to facilitate the relief work.
- Ensured that relief material should be distributed to all without any prejudice and irrespective of religion, caste and economic status.
- Tried to put a curb on corruption and injustice in the name of relief work
- Uncovered any malpractice or corrupt personnel through their investigative journalism.

Conclusion

The rapid world population growth is likely to further boost the impact and severity of any disaster. Disaster management, as such, needs to be placed within a holistic setting to insure that each and every disaster is viewed as a shared responsibility. To this end, it is imperative to consider a number of influences, which include "economic, social, cultural,

institutional, political, and even psychological factors that shape people's lives in disaster situations. Public education affords a major way to transfer knowledge to communities. Natural disasters have a low probability of occurring with a high probability of effects. Public education is essential in mitigation programmes. In public education, even simple instructions play a vital role in disaster mitigation. One of the most challenging tasks that security professionals have to carry out is to act as media relations officers after a newsworthy event. This is not an easy job because they must ensure that the information received by news sources is factual and properly managed. Otherwise, the information could be misinterpreted by the media and eventually harm the company's reputation. Security personnel can avoid or at least minimize the risk of bad press by adopting a well-planned communications strategy.

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