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## Editorial

It is my immense pleasure to introduce you the 20 th issue of Jashedpur Research Review. In this issue 11 research papers are published. The first research paper of this issues titled 'Globalisation and women employment in India: an analytical study' is very special in a sense that it analyses the issue of women empowerment in backdrop of globalization and argues that the need of the hour is the gender sensitization of the people of India across all ages and groups and the proper implementation of gender –budgeting and the national and international policies for development and empowerment of women along with zero-tolerance to crime against women.

Traditional Indian sweets, such as Burfi, Kalakand, Peda, Thabdi, Halwasan, Kajukatli, etc are not known only for their unique sensory attributes but also for the traditional technology that has been associated with them. The products have very large consumer base both in India and abroad. The second research paper of the issue titled 'Standardization of grinding and cooking parameters for Kajukatli production' might be extremely valuable for the commercial producers of Kaju Katli.

The paper titled 'The importance of human resource system to an organization' outlines the study of Human Resource System, Human Resources System and Human Resources Management System and the importance of HRS to an organization in HR perspective. In India, the skill gap between available manpower and industry needs is quite wide now. The paper titled 'The need for human resource development practices in micro, small, and medium enterprises' suggests that MSMEs should take initiatives to set up their own HR department and provide training to the apprentices to deal with the challenges of skill storage.

The paper 'An empirical study on strategic human resource development practices in Non-Government organizations in West Bengal' attempts to explore through a plight study to what extent the selected NGOs working in Bengal paid attention to Strategic Human Resource Development principles and SHRD practices are manifested into NGOs. It also examines the managerial problems of NGOs and proposes a SHRD Model for NGOs as well as its functions as key to educate and empower the employees of NGOs who could be efficient and effective in their service delivery. Furthermore, this paper aims to reflect on the implications of SHRD functions in NGOs in West Bengal Scenario.

The paper titled "Socio-economic impact of deforestation in Jharkhand" highlights that the valuable forest resources of Jharkhand have been ruthlessly depleted by illegal greedy contractors and other agencies without considering the implications of forest cover on environmental degradation, soil erosion and more importantly tribal life in the region.

We hope that all the papers of this issue will be extremely valuable for you.

**With best wished**

Dr. Mithilesh Kr Choubey

**Editor- In Chief**

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## GLOBALISATION AND WOMEN EMPLOYMENT IN INDIA: AN ANALYTICAL STUDY

**Dr. Malkit Singh**

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India is increasingly portrayed as a highly globalised nation and a poster state of globalisation.<sup>1</sup> The extensive economic and trade reforms were carried out by the Indian government in 1990's with the objective of reducing controls and easing policies to achieve greater integration with the world economy and to stimulate economic growth. The process of integrating and opening of the Indian economy for global investment and global market is often referred to as liberalising, privatising and globalising Indian economy. It is to note that under the norms of liberalization, privatization and globalisation, the Indian government was forced to modify its earlier model of mixed-economy and to encourage the privatisation of economy under the New Economic Policy (NEP) and Structural Adjustment Programme (SAP). The integration of Indian economy with the global economy has not only impacted the old model of economic development and the structure of the Indian economy, but it also has larger social implications for the Indian society. It will be perceived in the different ways not only by the rich and the poor but also by other social groups like: women, disabled, children, dalits, tribals rural and urban groups etc.

In recent years, globalisation and its implications for gender have been much

discussed and commented upon in academic circles around the world and the fact of the marginalisation of women in the economic sphere has been recognised by various studies at International conferences.<sup>2</sup> The fact of marginalisation of women has been also recognised by the General Secretary of U.N. In his concluding remarks on International Women Day 2015 he said that "Today we join the people of the world in celebration of the progress made for women rights, women's empowerment and gender equality. Research scholars also acknowledge that progress has been slow and uneven and in some cases women and girls face new and more complex challenges."<sup>3</sup> Expressing the urgency and necessity of the women's development UN General Secretary urged that "To be truly transformative, the post-2015 development agenda must prioritize gender equality and women's empowerment. The world will never realize 100 % of its goals if 50 % of its people cannot realize their full potential."<sup>4</sup>

In the Indian context many comprehensive studies have been conducted by the government and non-government organization to examine the economic impact of globalization on women. These studies have noted an increase in gender inequality since the economic reforms were initiated under the NEP

<sup>1</sup> M. Ahluwalia, *State Level Performance under Economic Reforms in India*, Centre for Research on Economic Development and Policy Reform, Stanford University, Stanford, 2001, 117-127.

<sup>2</sup> Bade Onimoda, "Adjustment Policies: Policy Options Before the Developing Nations", Pam Rajput &

Hem Lata Swarup, *Women and Globalisation*, Asish Publishing House, New Delhi, 2002, pp. 2-3.

<sup>3</sup> "Secretary-General's Message for 2015", [www.onwomen.org/en](http://www.onwomen.org/en), Accessed: 3-3-2015: 10:00 am.

<sup>4</sup> *Ibid*,

nd SAP.<sup>5</sup> But these studies lack the comprehensive analysis of economic development on women at the national level and were limited to the analysis of a district, a state and a particular policy of the states and central government in a limited area or a region. Some studies have explored the impact of economic development in the context of globalization, but only in a localized context and their geographical scope does not extend to all the states of India. In This paper an attempt is made to examine the gender inequality and economic development particularly after the globalization at the national level. This chapter will examine gender inequality, economic development and globalisation in India in a holistic method. A special emphasis will be given to examine the inclusion and exclusion of gender in the development discourse and process of development in the globalised India. Instead of focusing on analysis of a particular policy and programme enacted either by state or central government for the development & empowerment of women like the credit, self-help groups and small scale industry in any specific region. The focus will be on the rate of women's work participation, national policies, programmes aimed to enable women economically and the special legislative actions of the Parliament on the right to property, marriage laws and laws of inheritance for women in the liberalised, privatised and globalised India. The government of India has ratified various international conventions and human rights instruments committed to secure equal rights to women. These are CEDAW (1979), the Mexico Plan of Action (1975), the Nairobi Forward Looking Strategies (1985), the Beijing Declaration as well as the Platform for Action

(1995) and other such instruments. The year 2001 was observed as the year of women's empowerment in India. During the year, landmark documents 'the National Policy for the Empowerment of Women' and many other programme and schemes for the development and empowerment of women like National Credit Fund for Women, Food and Nutrition Board (FNB), Information and Mass Education (IME) etc were adopted by the Indian government in this year. The attempts to improve the position of women along with other weaker sections of society were started immediately after the independence in India. A unique model of socio-economic and political development of the weaker section under model of mixed- economy and welfare schemes was launched by the government of India since the Independence. The initiatives were aimed at social, economic and political changes based on three instruments: constitutional and legal reforms, planned development based on mixed economy and state support to the welfare measures. All these three policies were directed to create a democratic, just and prosperous society and have definite impact on the status of women in India.<sup>6</sup> The constitution of India aimed at creating a society in which the development of all sections of society on the equal basis could become possible. Equal citizenship along with equal, legal and political rights and state welfare measures can reduce economic inequality.<sup>7</sup> Planned development was considered to be the most efficient way for solving the problems of poverty, illiteracy and social conservatism, which had caused various imbalances and discriminations among vast numbers of people. The attempts were aimed at the inclusion of the weaker section of society and empowering them through the state sponsored

<sup>5</sup> Rashmi Umesh Arora, "Bank Credit and Development: A Study of Uttar Pradesh", *The Journal of Developing Areas*, vol. VI, no. .I, 2012, pp 124-142.

<sup>6</sup> Neera Desai, "Changing Status of Women, Policies and Programmes", Amit Kumar Gupta

(ed), *Women and Society, Development Perspective*, Quiterion Publishers, New Delhi. 1986, p.1.

<sup>7</sup> T.N., Kitchlu, "Women Rights, Legislative Measures" *Yojana*, , vol. XXXV, no. 20, 15 Nov., 1991, New Delhi, p. 16

welfare economy.<sup>8</sup> The planning commission in its landmark document entitled “Plans and Prospects for social welfare in India, initially has spelled out social welfare services as intending to cater to the special needs of persons and groups who by the reason of some handicap social, economic, physical or mental are unable to avail or are traditionally denied the amenities and services provided to the other members of the community.<sup>9</sup> The committee on status of women, in its report “towards equality”, has recommended that “women are considered to be handicapped by social customs and social values, therefore, social welfare services have specially endeavoured to rehabilitate them<sup>10</sup>.

The First Five Year Plan defined three major areas in which it had paid special attention to women’s development namely Education, Social welfare and Health under the welfare model of the state. To implement welfare measures for the benefit of the poor women, the Central Social Welfare Board (CSWB) was established. The CSWB recognised and realised the need for organising women into Mahila Mandals or women’s clubs as an approach to community development.<sup>11</sup> Although the second five year plan concentrated on the overall agricultural development, it was also determined to recognize women’s labour rights. It provided protection against the injuries at work, maternity benefits and crèches for their children. It advocated the immediate implementation of equal pay for equal work and provision for training to enable women to compete for higher jobs. The third and fourth five year plans concentrated on women’s education as education

was considered the key to the socio-economic and political development of women.<sup>12</sup>

The Fifth Five Year Plan was implemented during the International Decade for Women’s s and the submission of the Report of the Committee on the status of women in India (CSWI) “Towards Equality”. The CSWI had comprehensively examined the rights and status of women in the context of changing social and economic conditions and the problems related to the advancement of women. The CSWI reported that the dynamics of social change and development had adversely affected a large section of women and created new imbalances and disparities<sup>13</sup>.

Need for training of women in respect of income generating activities and their protection was stressed in the Fifth Five Year Plan. Further it recommended a strategic programme of functional literacy to equip women with skills and knowledge to perform their functions as good housewives. Under the health programmes, the primary objective was to provide minimum public health facilities integrated with family planning and nutrition for vulnerable groups, children, pregnant and lactating mothers.<sup>14</sup>

It was realised in the 1970’s that constitutional guarantees of equality would be meaningless and unrealistic unless women’s right to economic independence is acknowledged and their training in skills as contributors to the family and the national economy did not improved. Consequently National Plan of Action (1976) provided the guidelines based on ‘United Nations’ World Plan of Action for Women’ came into force. The National Plan of Action identified

<sup>8</sup> Neera Desai and Amit Kumar Gupta, *Women and Society in India*, Ajanta Publications, Delhi, 1987, p. 44.

<sup>9</sup> Desai, n. 50, p.1.

<sup>10</sup> Government of India, “Towards Equality”, *Report of the Committee on the Status of Women in India*, Ministry of Human Resources and Development, New Delhi, 1975, p. 356.

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid*, p. 308.

<sup>14</sup> M.K. Widge, “Gender Issue in Development” *Yojana*, vol. XXXVII, no. 10, 15 June, 1992, p. 12.

areas of health, family planning, nutrition, education, employment, legislation and social welfare for formulating and implementing of action programmes for women and called for planned interventions to improve the conditions of women in India. Women's welfare and development bureau was established in 1976 to act as a nodal point within the Government of India to co-ordinate policies and programmes and initiate some other measures for women's development.

The Sixth Five Year Plan stressed the need for economic independence, educational advancement and access to health care and family planning as essential for women development.<sup>15</sup> The impact of women movements and the global feminism which emerged in the 1970's have also showed their presence in India in the eighties.<sup>16</sup> It was first ever in the history of women's movements in India that women groups made an effort to integrate women in the economy and their pressure on the government for the inclusion of women into India's economy had become considerable.<sup>17</sup> But efforts of women groups could not achieve the desired goals as the means of production; exchange and distribution were controlled by men, which allowed women very limited space to evolve a Development Alternative with Women (DAWN).<sup>18</sup> Then efforts of the highly educated and politically connected women were aimed to save women from further marginalisation and to pressurise the government for the inclusion of women in the national development.

The period of 1980's is very crucial for the political governance and economic survival of the country. On the one hand communalism, terrorism and violation of the human rights by the state forces dominated the political governance and the issues of *Mandal*, *Mandir* and *Masjid* forced a severe crises of governance<sup>19</sup> and on the other, the mounting burden of debt leading to a balance of payment crisis forced the government to discontinue with the social responsibility towards the mass of poor women in the rural, tribal and urban areas.<sup>20</sup>

This decade witnessed the strengthening of women movement and the mass mobilisations of women on a wide range of issues like water, drought, riots, communal tensions, police brutality against forest people, agricultural labourers, industrial workers, white-collar women employees; problems about promotions and transfers, sexual harassment at workplace, harassment for dowry and bride price, witch hunting, widow burning, sexual violence against women, coercion in family planning, fetuses, female infanticide child care facilities etc.<sup>21</sup> It was during the eighties that a gender analysis of the development schemes supported by the state and central governments as well as by the international aid agencies and the voluntary organizations was started by the women academicians and women organisations in India.<sup>22</sup>

The Seventh Five Year Plan sought to generate awareness among women about their rights and privileges. The long term objectives of

<sup>15</sup> Kalbagh Chetana, "A Better Deal for Women by 2000 AD", Kalbagh Chetasna (ed), *Social and Economic Dimensions of Women's Development*, Discovery Publishing House, New Delhi, 1992, p. 124.

<sup>16</sup> Barbare Epstein, "[What Happened to the Women's Movement](#)", [Monthly Review](#), vol. XXXXXIII, no.1, 2001, pp. 1-13.

<sup>17</sup> Patel, n.6, pp.47-48.

<sup>18</sup> Geeta Sen and Carer Grown, *Development Alternative with women: DAWN Network*, Monthly Review Press, Delhi, 1987, p.87.

<sup>19</sup> *Ibid*,

<sup>20</sup> Shirin Kudchetkar and Sabiha Al-Issa, *Women against Violence, Violence against Women*, Pencraft International Press, New Delhi, 1998, p.68.

<sup>21</sup> Arvind Gupta, [Social Movements in India](#), [Patriot Publishers, New Delhi, 2013, pp.73-75](#).

<sup>22</sup> Patel, n. 6, p.49.

developmental programmes in the Seventh plan were to raise economic and social status of women in order to bring them into the mainstream of national development and to recognise the importance of women in contributing to the various socio-economic, political and cultural activities. The seventh plan emphasized the need to open new avenues of work for women and perceived them as crucial resource for the development of the country. Another salient and crucial recognition was the need for organisation of women workers and uniting of women for their rights.<sup>23</sup>

The decade of nineties is marked by an approach of gender and development (GAD). Here the focus was on the power relations determined as a result of interplay of complex class, caste, ethnicity, religion, races and gender. It was the emergence of the era of partnership with a clear cut understanding that women constitute half of the world's workforce and get only 1/10<sup>th</sup> of the world's income and own only 1/100<sup>th</sup> of the world's wealth.<sup>24</sup> The strategy in the Eighth Plan was to ensure that the benefits of development from different sectors did not bypass the women and special programmes were implemented to complement them. The main objective of Eighth Plan was to extend the reach of services to women both qualitatively and quantitatively. Panchayati Raj institutions were involved in the designing and implementation of women's programmes.<sup>25</sup> The Ninth Five Year Plan was an attempt to bring the women's issues within the policy-making spheres and it came into effect from April 1, 1997. An approach paper had been developed by the Planning Commission and

accepted by the National Development Council, which became basis for developing Ninth Five Year Plan. In this approach paper focus was laid on empowerment of women and people's participation in planning and implementation of strategies. The problems like feminisation of poverty, inadequate investment in social sectors, increasing violence against women and stereotyped portrayal of women in private and state sponsored media especially television were focused upon. The necessity for information and training opportunities, reservations and social services etc., and people's involvement were considered necessary for the success of any programme and were also desired to be solved by the state and civil society initiatives.<sup>26</sup> Tenth Five year Plan aimed at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring survival protection and development of children through rights based approach.<sup>27</sup> Eleventh Five Year Plan focused on women and work and the attempts were made to enhance women education and skills through public-private partnership in general and technical education. Special allocation of funds and new schemes were made to save the girl child and to raise the sex ratio for the age group 0 – 6 to 935 by 2011 – 12 and to 950 by 2016 – 17. Further, this plan intended to ensure that 33% of the direct and indirect beneficiaries of all government schemes are women and girl children. It also proposed to ensure that all children enjoyed a safe childhood, without any compulsion to work.<sup>28</sup>

<sup>23</sup> Government of India, "National Perspective Plan for Women 1988 – 2000 AD", *Report of the Core Groups*, Department of Women and Child Development, Ministry of Human Resource Development, New Delhi, 1986, p. 14.

<sup>24</sup> Kanakalatha Mukund, *Women Welfare Programmes in A.P.*, 1990, Centre of Economic and Social Studies, Hyderabad, 1990, p. 204.

<sup>25</sup> Government of India, *Eighth Five Year Plan (1992 – 97)*, Planning Commission, New Delhi, 1992, pp. 291 – 292.

<sup>26</sup> *Ibid*,

<sup>27</sup> Government of India, *Tenth Five Year Plan (2002-2007)*, Planning Commission, New Delhi, 2002, pp. 202-209.

<sup>28</sup> Government of India, *Twelfth Five Year Plan (2012-2017)*, Planning

### **Gender Budgeting & National Perspective Plan for Women 1988 – 2000**

Twenty first century started with the new promises of good governance and inclusive growth in India. The government took two major steps to increase the accountability of public sector towards women through the gender budgeting in 2001. Gender budgeting in India takes two forms: the Gender Budget Statement (also known as Statement 20) and Gender Budgeting Cells located in government ministries and departments. The Gender Budget Statement was institutionalised in India in the 2005- 2006 financial year. 3 Key actors in the formulation of the Gender Budget Statement are the Ministry of Finance, the Ministry of Women and Child Development, the Planning Department at the national level and the Planning Commissions at the state level. The Gender Budget Statement is a component of the annual “Union Budget of India”, being India’s national budget, which is issued by the Ministry of Finance. There are two parts to the Gender Budget Statement. Part A lists “schemes” for which the beneficiaries are solely women and girls, while Part B lists the schemes for which at least 30 per cent of the expenditure flows to women and girls.

Thus, the Gender Budget Statement indicates the quantity of public financial resources for which women and girls are the sole and partial beneficiaries. In this respect, India’s Gender Budget Statement is a quantitative form of gender budgeting. To support ministries and departments in undertaking gender budgeting, in 2007 the Ministry of Women and Child Development issued a handbook explaining gender budgeting and providing guidance on the practical steps to be followed. The handbook is an example of the capacity building efforts designed to promote meaningful gender budgeting in India. While initially a national initiative, gender budgeting is being promulgated at the state level. In February 2013, the Ministry of Women and Child Development issued an

advisory letter to the Chief Secretaries of the State Governments, in which the State Governments were advised to (a) formally adopt gender budgeting in all departments, municipal bodies and zila panchayats (district councils), (b) establish a “High Powered Committee / Task Force on Gender Budgeting”, and (c) address gender issues in the Planning Department’s “annual plan development circular”. The progressive institutionalisation of gender budgeting is also evident in budget speeches and circulars.<sup>29</sup> The second major step is the National Policy for the Empowerment of Women, 2001 views empowerment as an enabling process that must lead to their economic as well as social transformation. Government has sought to operationalise this approach through legislative and programmatic interventions as well as by mainstreaming gender into the development planning process. Numerous such initiatives were taken during the Eleventh Plan period. These initiatives need to be consolidated and built on during the Twelfth Five Year Plan to enable women to challenge and change the contexts in which they live. Focused efforts through development programmes, both multi sectoral as well as targeted, along with governance reforms would be a pre-requisite. Women, especially the vulnerable and marginalised, would need to be provided a level playing field to access social, economic and legal entitlements as a right. <sup>30</sup> The efforts to improve the economic condition of women are in progress and the concept of women empowerment has dominated the mainstream political scenario after the 1990. Instead of focusing on women’s development as it happened in 1980 and 1990, government is focusing on the capacity building programmes for women to enable them for participation in governance. Twelfth Five Year Plan has been entitled as Faster, Sustainable and More Inclusive growth. It has addressed the short-coming of the XI Five Year Plan including the decline in women employment. Recognising that economic

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Commission, New Delhi, 2012, pp. 192-197.

<sup>29</sup>Jhamband, n. 24, pp.37-38.

<sup>30</sup> Chetana, n. 59, p. 127.

independence is the key to improving the position of women within the family and in society, the Plan would need to focus on enhancing women's access to control over resources. Amongst others, this would entail not only increasing their presence in the work force but, more importantly, improving the quality of women's work and ensuring their upward mobility on the economic ladder. The theory of patriarchy puts the question of women empowerment in a proper perspective.<sup>31</sup> The Planning Commission is pushing for special dispensation for single women, particularly those who are single by choice, under various government schemes in the 12<sup>th</sup> plan. In addition to reserving a certain percentage of jobs for single women under centrally sponsored schemes, the plan has proposed promoting and strengthening federations of single women at the block and district level.<sup>32</sup>

It is observed in the Census of 2011 that 833 million people continue to live in rural India. A very large proportion of them are either wholly or significantly dependent on their livelihood on farm activity be it crop agriculture, horticulture, animal husbandry or fisheries. Women participation in farm related work, both in agriculture and in animal husbandry in framing policies/ schemes for the 12th five year plan, the special needs of women are taken care of. The Mahila Kisan Sahakarikaran Pariyojana (MKSP) which is a sub-component of NRHM (National Rural Health Mission) has been recently launched to meet the specific needs and to give leverage to the enormous potential of empowering rural women in the farm sector, and also in the rural sector and also in the rural non-farmer sector.<sup>33</sup>

### **Policies and Programme for Development and Empowerment of Women**

The Ministry of Women and Child Development which is the nodal agency for all matters pertaining to welfare, development and empowerment of women, has evolved schemes and programmes for their benefit. These schemes

are spread across a broad spectrum such as women's need for shelter, security, safety, legal aid, justice, information, maternal health, food, nutrition as well as their need for economic sustenance through skill development, education and access to credit and marketing. The schemes of the Ministry like Vocational Programme for Empowerment of Women and Swawlamban enable economic empowerment. Working Women Hostels and Creches provide support services. The Ministry also supports autonomous bodies like National Commission for Women, Central Social Welfare Board, Rashtriya Mahila Kosh and Indira Awas Yojana which work for the welfare and development of women. These schemes were started under the Tenth Plan and were continued in the Eleventh Plan.

The following are the details pertaining to the above schemes intended for the development and empowerment of women:

### **Vocational Programme for Empowerment of Women**

This programme has been launched with ILO assistance just to provide equitable opportunities for women's employment in the industry, service sectors and also in self employment. In this programme, diverse types of training like secretarial practice, electronics, hair and skin care, dress making instrument mechanic, data programming, computer software, architecture basic skills, embroidery business advanced skills and instructional skills etc.

### **Support to Training and Employment (STEP)**

The Vocational programmes seek to provide skills and new knowledge to poor and assetless women in the traditional sectors. Under this project, women beneficiaries are organized into viable and cohesive groups or cooperatives. A comprehensive package of services such as health care, elementary education, crèche facility, market linkages, etc. is provided besides access

<sup>31</sup> Editorial, "Good News for Single Women in 12th Plan", *The Hindu*, 14 May, 2013.

<sup>32</sup> *Ibid*,

<sup>33</sup> *Ibid*, pp. 124-125.

to credit. Skill development is provided in ten traditional skills amongst women. This is a Central Scheme launched in 1987. The Ministry is at present getting the programme evaluated. Based on the results of the evaluation, the scheme is proposed to be revamped. Further, the possibilities of providing training and skills to women both in traditional and non-traditional sectors and integrating with Rashtriya Mahila Kosh for credit linkages are being considered. A sum of Rs. 240 crore was proposed for the scheme in the XI Plan.

### **Rashtriya Mahila Kosh (RMK)**

The RMK was set up in 1993 as a national instrument for extending credit to poor and needy women in the informal, unorganized sector and had sanction worth 1113.50 crore (Upto October 31, 2002.) More than 4.28 crore women have benefited through 1046 NGOs. The objective of RMK is to create an environment for increase in the outlay of RMK's funds to the needy women through the intervention of women self-help groups (SHGs). The SHGs promote saving, build up a thrift fund and create leaders who manage the activity. Handling money is considered as a process of empowerment of women. It leads to a greater empowerment, when they learn to apply the funds for income generation and for improvement of their economic status.<sup>34</sup>

**Swa-Shakti** is a project jointly founded by IFAD, World Bank and the Government of India was launched in October, 1999 and culminated on 30th June, 2005. The objective of the programme was to bring out socio-economic development and empowerment of women through promotion of women SHGs, micro credit and income generating activities. The project was conceived as a Pilot Project implemented in 335 blocks of 57 districts in 9 states. The project established 17,647 SHGs covering about 2, 44,000

women. This was a Centrally Sponsored Project.

### **Swayamsiddha**

This was an integrated scheme for women empowerment through formation of Self Help Groups (SHGs) launched in February, 2001. The long term objective of the programme was holistic empowerment of women through a sustained process of mobilization and convergence of all the ongoing sectoral programmes by improving access of women to micro-credit, economic resources, etc. This is a Centrally Sponsored Scheme. The Scheme was able to provide a forum for women empowerment, collective reflection and united action. The scheme was culminated in March, 2007. The programme was implemented in 650 blocks of the country and 67971 women SHGs have been formed assisting 9, 89,485 beneficiaries. The scheme came to an end in March 2007.

It is proposed to take up Swayamsidha with a wider scope during the XI Plan. It is also proposed to implement a woman's empowerment and livelihood project in four districts of Uttar Pradesh and two districts of Bihar with assistance from IFAD. The schemes of Swayamsidha and Swashakti would be merged and implemented as Swayamsidha, Phase-II in the XI Plan. The Mid-Term Appraisal Report of the Tenth Plan has also recommended merger of these two schemes as these have similar objectives. The next phase would be a country wide programme with larger coverage in states lagging behind on women development indices. Convergence is the basic concept in Swayamsiddha. The lessons learnt in Swayamsiddha and Swa-Shakti would be incorporated in the universalized Swayamsiddha giving an integrated set of training inputs relating to social and economic empowerment, including skill development and training in traditional and non-traditional sectors. The estimated requirement during the XI Plan period for both

<sup>34</sup> Ravi Parkash Yadav, et.al., "Empowerment of Women in India", Rameshwari Pandya (ed),

*Women Welfare and Empowerment in India*, New Century Publication, New Delhi, 2008, p.254.

phase II of Swayamsidha as well as the IFAD Project is Rs. 3000 crore.

### **National Rural Employment Guarantee Scheme (NREGS)**

NREGS is a demand driven programme. However, it has been provided in the National Rural Employment Guarantee Scheme that while providing employment, priority shall be given to women in such a way that at least 1/3<sup>rd</sup> of the beneficiaries are women who have been registered and requested for work under the scheme.

### **Swarnajayanti Gram Swarozgar Yojana (SGSY)**

The Swarnajayanti Gram Swarozgar Yojana (SGSY) was launched in April 1999 after restructuring the Integrated Rural Development Programme (IRDP) and allied programmes. It is the only Self Employment Programme currently being implemented for the rural poor. The objective of the SGSY is to bring the assisted swarozgaris above the poverty line by providing them income generating assets through bank credit and government subsidy. The scheme is being implemented on cost sharing basis of 75:25 between the centre and states. Up to December 2007, 27.37 lakh self-help groups (SHGs) have been formed and 93.21 lakh swarozgaris have been assisted with a total outlay of Rs. 19,340.32 crore.<sup>35</sup> It is envisaged in the guidelines that the 50 percent of the groups formed in each block should be exclusively for women who will account for at least 40 percent of the total Swarazgaris. Under the scheme, women are encouraged in the practice of thrift and credit which enables them to become self-reliant. Through assistance in the form of revolving fund, bank credit and subsidy, the programme seeks to integrate women in the economy by providing increased opportunities of self-employment,

thereby empowering them economically and socially.

### **Indira Awas Yogana (IAY)**

IAY aims at providing assistance for the construction of houses for people below the poverty line in rural areas. Under the scheme, priority is extended to widows and unmarried women. It is stipulated that IAY houses are to be allotted in the name of women members of the household or, alternatively in the joint name of husband and wife.

The restructured, centrally sponsored Central Rural Sanitation Programme (CRSP), which was launched with effect from April 1, 1999, provides for the construction of sanitary latrines for rural households. Where individual household latrines are not feasible, provision exists for construction of village sanitary complexes exclusively for women to ensure privacy and dignity. Up to 10 % of the allocated fund can be utilized for construction and maintenance of public latrines for women.

### **Accelerated Rural Water Supply Programme (ARWSP)**

Women are trained in the repair and installation of water instruments like hand pumps and the other sources of drawing and purification of water. This training enables women to play an active role in using and maintaining hand-pumps for the supply of drinking-water. Women are also represented in village level committees and are actively involved in the selection of sites for hand pumps and other sources.<sup>36</sup>

### **Women Employment and Empowerment in India: An Analysis**

Although women development was a matter of serious concern for the policy makers in India from the dawn of Independence, the women

<sup>35</sup> Government of India (2008), *Economic Survey: 2007 – 08*, Ministry of Finance, New Delhi, 2008, p. 246.

<sup>36</sup> Rameshwari Pandya & Sarika Patel, *Women in Unorganized Sector in India*, New Century Publications, New Delhi, 2010, pp.117-118.

employment and work participation could only become a matter of concern for the policy makers and women studies in 1970's. The inception of women studies in India in 1970's questioned the state sponsored welfare measures of the state of women development and urged the authorities concerned to evolve new alternatives for women development in India. It is to be noted that in 1960's and specially before the advent of specialised women's studies decline in female work participation had been noticed, but it was generally thought to be transitory phenomena as the economy moved from subsistence agriculture and house hold industry to modern Industry.<sup>37</sup> It was also assumed that the decline would be automatically corrected by a "countervailing force", identified with the increase in income.<sup>38</sup> Analysis of historical trends in developed countries, particularly in Europe, had given rise to the development of the view which held that income increase initially aggravated the downward trend in female work participation; further gains in income reversed the decline.<sup>39</sup> Such assumptions and perspectives were, of course, proven to be erroneous in case of India on several counts.

It was after the Report of the Committee on the Status of Women in India (CSWI) in 1974 that the decline in the women work participation was thought to be the problem of developmental process in India. The long term overall decline, both in percentage of workers to total female population and in their percentage to the total labour force, began to be viewed as evidence that women's economic participation had been adversely affected by the nature of the development process in India. The CSWI

postulated that ruination of domestic industry from the colonial period onwards (with relatively greater ruin in the female labour intensive sectors) had eroded the non-agricultural occupations of women, while externally the process of limited modernisation had excluded them from the limited opportunities in the modern sector. The result was a permanent shift of women to the periphery of the economy.<sup>40</sup> From the latter half of the 1970's and throughout the 1990's studies on the Women Participation Rate (WPR) attempted to further explain the processes of underpinning the decline in female employment in India while simultaneously focusing on the question of actual under-enumeration or under-counting of women's work in national data sets. There were sufficient and observable evidences to show that the vast majority of women were not idle but were actively contributing to their household economy. The question, therefore, arose as to why and how their work was not being counted. Considerable attention was paid to problems in measurement of the extent of decline in the Female Work Participation Rate (FWPR), especially in the context of changes in the definition of workers across censuses and the ensuing problems of comparability.<sup>41</sup>

At the conceptual level, the need to evolve alternative methods of capturing women's work and the inadequacy of the existing modes of data collection on women's work were linked to the invisibility of a large part of women's productive labour and its contribution to family subsistence labour in both the monetized and non monetized segments of the economy.<sup>42</sup> The two sectors where such invisibility prevailed to a

<sup>37</sup> *Ibid.*

<sup>38</sup> Kamalanath Naryana, "Women in Working Force in India", *Economic and Political Weekly*, vol.III, no.2, 1968, p. 927.

<sup>39</sup> J.N. Sinha, "How to Use 1961 Census Working Force Data: A Comment", *Economic and Political Weekly*, vol. II, no.15, April, 1967, p. 89.

<sup>40</sup> Nirmala Benerjee, "Whatever Happened to the Dreams of Modernity, The Nehruvian Era and

Women's Position", *Economic and Political weekly*, vol. XXXIII, no. 17, April, 1998, pp.2203-05.

<sup>41</sup> Devaki Jain, "Domestic Work: Its Implication for Enumeration on Women's Work and Employment" K. Saradamoni (ed), *Women, Work and Society*, Indian Statistical Institute, Calcutta, 1995, pp. 79-82.

<sup>42</sup> *Ibid*, p. 81.

great extent were agriculture and household industry. The two decades of discussion and debates contributed to generating a greater awareness of the need to make women's work more visible in the macro data, particularly in agriculture.<sup>43</sup>

The census as the primary source of historical trends was the databased at the heart of these initial discussions and it is only from the 1990's onwards that the quinquennial National Sample Survey Office (NSSO) became more central. In the 1990s there was an understandable eagerness to assess the impact of the structural shift in the policy framework towards liberalization, without having to wait for the 2001 census report. Given publication delays and the limitations of the published economic data of the 2001 census, the National Sample Survey (NSS), which is thought to be more amenable to capturing women's economic activities, has continued to be the principle data source for most of the studies and analyses of women's work and employment trends even after 2001.

A continued debate on the invisibility of women's work, including issues of definitional limitations in data sources, was in a sense circumscribed during the 1990s by a wave of discussions on the informal sector that came into its own in the 1980's. Arguably, it could be said that the new preoccupation with the informal sector shifted the focus from the classical developmental dualistic approach comprising agriculture (As the backward subsistence sector) and industry (as the modern sector) to a more diffused set of occupations and employments that could always be catalogued and categorized within the dualistic framework. While there were clear failings in the formulaic assumptions of traditional developmental approaches, which were brought out by empirical evidence on informal and unorganized sector employment, the discussions on the informal sector contributed little to the great question of agrarian social

relations. In relation to women, home-based work became a primary point of discussion that united the earlier discourses on the invisibility of women's work and the later preoccupation with the informal sector.<sup>44</sup>

Further evidence of the uncounted labour of women in economic activities came from the 1998 'time use survey' conducted by the Central Statistics Office (CSO) in some states, which showed that the Women Participation Rate Survey (WPRS) for women as per the time use data was 58.2% and 30% for rural and urban areas respectively against 25.3% and 12.8% according to current weekly status in the closest NSSO employment survey. The time use survey was used to press a case for computing a value to women's unpaid labour on the grounds of giving it visibility in official statistics and providing a base for unpaid workers to claim their due share from the state exchequer to improve their conditions. Implicit to the valuation argument was a critique of the gross domestic product (GDP) in its present form as "a limited variable to project the status of well-being in an economy."<sup>45</sup>

National Sample Survey Office's report, "Key indicator of employment and unemployment in India, 2009-10" shows that the distributing trend of a steep fall in the Female Work Participation Rate (FWPR) that began in 2007-08 has continued. With an increase of 22.3 million in the male workforce between 2004-05 and 2009-10 being virtually cancelled out by a fall of more than 21 million in the female workforce, of employment trend in India acquired a new urgency. This chapter will examine some of the explicit as well as non-explicit trends in women's employment from 1993-1994 to 2009-10 and will argue that they indicate a continuing crisis in this domain under liberalisation led growth. Trends in the distribution of male and female workers in terms

<sup>43</sup> *Ibid.*

<sup>44</sup> Government of India, *Report on the Conditions of Work and Promotion of Livelihood in the Unorganized Sector*, National Commission for

Enterprises in the Unorganised Sector , New Delhi, 2007, pp. 132-136.

<sup>45</sup> *Ibid*,

of employment status and broad industrial categories for the same period are also outlined.

### Decline of Female Work Participation Rate

There is a secular decline in Female Labour Force Participation Rate (LFPR) during the period 1983 to 2011-2012 and a similar decline in the share of women in the labour market during the same period is visible. During the period 1983 to 2011-

2012 the male labour force increased from 198.5 million to 348 million while for females the increase was from 77 million to 99 million by Usual Principal Status (UPS) criteria, reducing the share of females in the labour market from 28% to 22 % ( Table C (1) and Table C (3). The table below shows the trends of women's work participation.

**Table-C (1)**  
**Labour Force (in million) and Growth Rate (in %)**

Labour Force	Rural Male		Rural Female		Urban Male		Urban Female		Total	
	PS	PSSS	PS	PSSS	PS	PSSS	PS	PSSS	PS	PSSS
1983	150.7	154.8	66.7	90.5	47.8	48.6	10.2	12.3	275.4	306.6
1987-88	161.6	166.8	72.7	94.8	54.5	55.1	11.8	14.9	300.7	331.5
1993-94	185.5	189.6	75.3	105.1	66.6	66.7	14.5	18.2	342.0	379.6
1999-2000	198.5	201.2	82.7	106.3	77.9	78.3	16.4	19.1	375.5	404.9
2004-05	216.9	220.4	94.0	125.2	93.5	94.3	22.4	26.7	426.6	466.6
2009-10	230.4	233.7	82.8	105.5	104.8	105.3	22.2	25.4	440.2	469.9
2011-12	236.0	238.8	74.2	103.6	111.8	112.5	25.0	28.8	447.0	483.7
Compound annual growth rate 1983 to 1993-94	2.10	2.05	1.22	1.51	3.37	3.22	3.55	3.70	2.19	2.16
1993-94 to 2009-10	1.09	1.05	0.48	0.02	2.29	2.31	2.15	1.69	1.27	1.07
1993-94 to 1999-2000	1.14	0.99	1.58	0.18	2.65	0.81	0.60	0.25	1.57	1.08
1999-2000 to 2004-05	1.78	1.85	2.59	3.32	3.71	3.77	6.43	6.94	2.58	2.88
2004-05 to 2009-10	1.22	1.18	-2.50	-3.36	2.31	2.24	-0.11	-1.03	0.63	0.14
1999-2000 to 2009-10	1.50	1.51	0.01	-0.08	3.01	3.00	3.11	2.88	1.60	1.50
1993-94 to 2011-12	1.34	1.29	-0.08	-0.08	2.91	2.94	3.06	2.57	1.49	1.35

Source: Government of India, Estimated LFPR reported in various NSS reports on employment and unemployment 38<sup>th</sup>, 43<sup>rd</sup>, 50<sup>th</sup>, 57<sup>th</sup>, 61<sup>st</sup>, 66<sup>th</sup>, and 68<sup>th</sup> rounds NSSO, Central Statistical Organization, also see, Government of India, Census of India, 1991, 2001, 2011, Office of the Registrar General & Census Commissioner, Ministry of Home Affairs, New Delhi.

**Table- C (2)**  
**Labour Force Participation Rates (%)**

	Rural Male		Rural Female		Urban Male		Urban Female	
	PS	PSSS	PS	PSSS	PS	PSSS	PS	PSSS
1972-73	55.2		32		52.6		14.3	
1977-78	54.9	55.9	26.2	33.8	53.2	53.7	15	17.8
1983	54	55.5	25.2	34.2	53.1	54	12.9	15.9
1987-88	53.2	54.9	25.4	33.1	52.8	53.4	12.9	16.2
1993-94	54.9	56.1	23.7	33.1	54.2	54.3	13.2	16.5
1999-2000	53.3	54	23.5	30.2	53.9	54.2	12.6	14.7
2004-05	54.6	55.5	25	33.3	56.6	57.1	14.9	17.8
2009-10	54.8	55.6	20.8	26.5	55.6	55.9	12.8	14.6
2011-12	54.7	55.3	18.1	25.3	56.0	56.3	13.4	15.5

Source: Government of India, NSS Reports on Employment and Unemployment in India, 38<sup>th</sup>, 43<sup>rd</sup>, 50<sup>th</sup>, 61<sup>st</sup>, 66<sup>th</sup> and 68<sup>th</sup> Round NSSO, Central Statistical Organisation, New Delhi.

**Table- C (3)**  
**Female Labour Force as a Percentage of Total Labour Force**

	Rural		Urban		Total	
	PS	PSSS	PS	PSSS	PS	PSSS
1972-73	35.48		18.9		32.68	
1977-78	31.20	36.48	19.6	22.5	28.94	33.84
1983	30.68	36.89	17.6	20.6	27.92	33.63
1987-88	31.03	36.24	17.8	21.3	28.13	33.06
1993-94	28.87	35.66	17.9	21.4	26.26	32.48
1999-2000	29.41	34.57	17.4	19.6	26.38	30.97
2004-05	30.23	36.23	19.3	22.1	27.26	32.55
2009-10	26.44	31.10	17.5	19.4	23.85	27.85
2011-12	23.92	30.25	18.3	20.4	22.19	27.37

Source: *Ibid*

During the same period LFPR of rural females declined from 25.2% to 18.1% and for the urban females it was stagnant at around 13% (table C (2)). In fact, the de-feminisation is visible from 1972-73 itself. The share of females in the labour force declined from 32.6% to 27.9% during the period 1972-73 to 1983. The declining share of female participation can be divided into two phases. In the first phase (1983-84 to 1993-94), the number of both male and female members in the labour force increased but at different rates but the share of females in the labour force deteriorated from 31% to 26% in rural areas and

from 19.6% to 18% in urban areas. In the second phase (1993-94 to 2011-12) the growth rate of female LFPR was almost completely stagnant, at 0.55% per annum while the male LFPR grew nearly at more than triple the rate at 1.8% per annum. The growth rate of rural female labour force was 0.08% and for urban females it was 3.06%,<sup>46</sup> compared to 1.34% and 2.91%, respectively, for males. This resulted in the share of females in the rural labour force declining from 28.8% to 23.9%, when in the urban areas it increased marginally from 18% to 18.3%. Overall the share of females declined from 26.2% to 22.2% during this period. (Table-C (3)).

<sup>46</sup> Himanshu, "Employment Trends in India: A Re-examination", *Economic & Political Weekly*,

vol. XXXXVI, no. 37, September, 2011, pp.43-59.

Noticeably, stagnation in growth of female labour force had occurred when the female population growth was marginally higher than males.<sup>47</sup> The rural female labour force participation rate (LFPR) declined from 23.7% to 18.1% and the urban female LFPR remained at 13% during the period. The first dimension of defeminisation of labour market, namely the declining the female labour force participation rate indicates that women are withdrawing from the labour force and entering other activities. The second dimension, declining share of women in the labour market, probably points to women being competed out by male labour. The stagnation in female labour force during the second phase may be viewed as the accentuation of the process of

defeminization, marked by the decline in female LFPR and share of females in the labour force during the first phase.<sup>48</sup>

### Women's Participation in Unpaid Domestic Activities

With the decline in the labour force participation a commensurate rise is in their participation is noted in the education and unpaid domestic activities by women. But the prominent activity that the largest share of women is seen to engage in domestic activities including allied activities. Moreover, its prominence is rising at a very fast pace throughout the period.

**Table.-C (4)**  
**Total Female Activity Status Distribution (UPS)**

Activity Status	Rural						
	1983	1987-1988	1993-1994	1999-2000	2004-2005	2009-2010	2011-2012
Self-Employed unpaid family work	21	22	18.5	11.4	13.6	10.2	9.4
Regular Wage work	1.6	2.1	1.3	0.9	1.2	1.1	1.3
Casual Wage work	18	17	17	11	9	9	6.8
Unemployed	0.6	1.4	0.5	0	0.8	0.5	0.5
Education	7.6	7.2	11.7	18.4	21.3	23.8	25.1
All Domestic (a+b)	29.8	27.3	34.4	36.3	35.5	39.9	42.2
(a) Domestic Activities only	15.9	15.1	15.7	20.3	17.5	22	18.5
(b) Domestic+allied work	13.9	12.2	18.7	16	18	17.9	23.7
Others	21.4	23.1	16.2	22.4	18.4	15.6	14.7
Total	100	100	100	100	100	100	100
	Urban						
	1983	1987-1988	1993-1994	1999-2000	2004-2005	2009-2010	2011-2012
Self-Employed/Unpaid Family Work	8.3	8.5	7.9	4.5	5.4	4.2	4.6
Regular Wage work	8.4	9	7.8	4.6	5.7	5.3	6.1
Casual Wage work	7	6	6	3	2	2.4	1.8
Unemployed	1.5	1.9	1.8	0.9	1.4	0.9	0.9
Education	18.2	18.4	21.8	25.1	25.1	25.6	26

<sup>47</sup> K.P. Kannan and G. Reveendren, "Counting and Profiling the Missing Labour Force", *Economic & Political Weekly*, vol. XXXXVII, no. 6, October, 2012, pp.88-89.

<sup>48</sup> Himahshu, n.90, pp. 47.

All Domestic (a+b)	38.5	38.1	40.2	45.4	45.7	48.2	48
(a) Domestic Activities only	30.8	29.5	30.5	38.4	35	39.9	36.4
(b) Domestic and allied work	7.7	8.6	9.7	7	10.7	8.3	11.6
Others	18.1	17.9	14.1	16.9	14.5	13.4	12.6
Total	100	100	100	100	100	100	100

Source: Government of India, NSS reports on Employment and Unemployment in India, 38<sup>th</sup>, 43<sup>rd</sup>, 50<sup>th</sup>, 61<sup>st</sup>, 66<sup>th</sup> and 68<sup>th</sup>, rounds, NSSO, Central Statistical Organisation.

The unpaid domestic activities accounted for 30% of the women in 1983 but by 2011-2012 their number increased to 42% among the rural women and for urban women, from 38.5% to 48%. The share of females attending educational institutions increased from 7.6% in 1983 to 25% in 2011-12 for the rural areas and for urban areas it increased from 18.2% to 26% during the same period (Table-C (4)).

### Level of Income and Domestication of Women

The relation between household income level and women's participation in domestic activity seems to be more robust. There is a positive relation between level of income and participation in domestic activities. A large number of women seem to enter domestic participation related with income levels visible in all years, both for urban and rural areas. Though in the initial years there was tendency of decline in domestic work participation of urban women in the high income groups, this trend has been reversed in the recent years.

According to the life cycle hypothesis, gender relations may throw more light on the understanding the declining labour participation and increasing unpaid domestic activity among women. The declining labour participation across all adult age-groups, with rising income levels may be a strategy to reduce the "double burden" of paid and unpaid work among women. In the historical process patriarchal societies have encouraged gender specific roles wherein most unpaid domestic activities are assigned to

women. A typical patriarchal set up of the society approves such roles through the social mechanism of valorising domestic activities and stigmatising paid work among women so that social mobility is linked to the gender roles played out. Rising income levels apparently provides women an option between paid and unpaid work.<sup>49</sup> Yet, even after considering the opportunity costs of wages and probability of finding a job, the household decision may be for women to withdraw from the labour force responding to the incentive of improving social status. Women thus engaged in status production for the household more intensely by withdrawing from paid labour and expand more on domestic activities which encourage status oriented roles such as child care, healthcare, religious activities etc. This enhances the status for the household and in turn ensures economic security for women.

Disaggregation of the domestic activities provides with further evidence that could probably link the rise in domestic activities among females with double burden and social stigma. Within the domestic activities an important feature is that over the period 1983 to 2009-10 there has been a tendency for urban female activity to get concentrated in pure domestic activities, instead of domestic and allied activities. As per NSS definition, domestic activities consists of "Engaging in the free collection of goods (vegetables, firewood, cattle feed, etc), sewing, tailoring, weaving, etc, for household use". These allied activities add a third dimension to the burden of women's work. In the urban areas the share of women with domestic

<sup>49</sup> Kannan and Raveendran, n. 91, p. 89.

and allied (D & A) activities had remained between 7% and 11% throughout the period 1983 to 2009-10, while pure domestic activities increased from 31% to 40%. The relatively low level of participation in Domestic & Allied activities among urban women may be due to the expanding service delivery and amenities such as cooking gas, tap water, etc thus providing them some relief from the double burden. However, the relief from the drudgery of domestic & allied activities in urban areas does not encourage women to redirect their time to the labour market. Rather their participation is focused on pure domestic activities, which is shown in the rising participation rate in the category throughout the period.

For the rural areas the domestic & allied activities have been higher than urban areas fluctuating in the range of 12% to 19%, while pure domestic activities remained between 15% and 22%. Though women are withdrawing from work in rural areas too, they do not seem to withdraw from domestic & allied activities but get involved in pure domestic activity and domestic & allied activities in equal share. The low level of monetization of economic transaction and the need for high levels of social transactions for subsistence may require rural women to engage with the world outside the domestic activities frequently. The richest segment of the population, both in the rural and urban areas entering only pure domestic activities and not the labour market, which probably points towards stigma associated with paid work. With the rise in income levels the stigma imposed by the society seems to be more stringently followed. The receding preference for domestic & allied activities, apart from reduction of double burden and stigma, may also be indicative of

another gender norm, i.e., relative invisibility in public places. Unlike pure domestic activities, other activities such as domestic & allied activities, unpaid family labour and paid labour require greater interaction with the local world outside the household. It is this type of an engagement with the outside their place of residence that is losing preference among urban women and rural women in the higher income groups.<sup>50</sup>

### **Participation in Education and Level of Income**

In general, as expected the low income groups have lower participation while higher income groups have higher participation in education. Moreover, both in the rural areas and urban areas the participation in education has risen considerably during the last 30 years. However, while participation in education seems to increase with income levels during 1983, the income-based differences are being phased out gradually. By 2009-10, the gap between the lowest income group and highest income group in all age group of rural and urban areas has declined and has become more or less uniform. This implies that women's education is becoming universal in nature, and independent of their income levels. The young girl's are attending schools across all section of Indian society and the participation of the girl child in education is encouraged through the state-driven Sarva Shiksha Abhiyan and the other programmes of universal child education. The other determinant of the economic upliftment of women is related to education and employment. The table below explains the impact of education on the LFPR.

<sup>50</sup> Vinod Abraham, "Missing Labour or Consistent "Defeminization" , *Economic &*

*Political Weekly*, vol. XVIII, no. 31, August, 2013, pp.103-104.

**Table-C (5)**  
**Level of Education Attainment and LFPR of Women Excluding those Undergoing Education**

	1983	1987-1988	1993-1994	1999-2000	2004-2005	2009-2010
Rural						
Not Literate	44.8	46.5	43.1	28.7	30.8	25.8
Literate but less than primary	44.7	35.6	44.0	28.6	33.2	30.0
Primary	43.0	45.3	41.9	30.8	33.2	30.6
Middle	37.5	41.8	36.2	25.5	32.2	28.7
Secondary	50.2	53.8	40.3	26.2	32.0	24.9
Graduate and above	56.7	63.0	61.2	46.2	41.9	32.4
Total	44.6	45.7	42.8	28.6	31.7	27.2
Urban						
Not Literate	29.3	28.7	28.1	15.6	17.4	13.8
Literate But less than primary	29.3	27.4	28.5	15.0	19.2	16.6
Primary	26.0	26.9	27.1	14.4	19.6	17.6
Middle	22.4	25.1	23.8	13.5	15.3	16.0
Secondary	42.8	40.6	34.6	16.8	15.1	12.5
Graduate and above	61.1	61.6	57.2	33.7	32.3	26.0
Total	30.9	31.4	30.6	16.8	19.8	17.3

Source: Government of India estimated from NSS unit Level data, 38<sup>th</sup>, 43<sup>th</sup>, 50<sup>th</sup>, 55<sup>th</sup>, 61<sup>st</sup> and 66<sup>th</sup>, NSSO, Central Statistical Organisation, New Delhi.

Education is widely regarded as one of the key tools of empowerment of women that enhances their autonomy. The change in preference among the female children and young adult females towards education should essentially prepare females for entry into the labour market equipped with more years of education and skills than in case of their counterparts in preceding generations.

Now, to get a clearer picture of the role of education on enhancement of women's activity status if looked at the labour participation patterns at different levels of educational attainment. (Table-C (5)). A new dimension to calculate the LFPR is added here to exclude those who are undergoing education as they are potential entrants to the current labour market though they may enter it in future. From the above table it can be inferred that the incentive for the educated women to join the labour force had been declining throughout the period given in

the above table. During the period 1987 to 2009-10 the LFPR for the highest educated, graduates and above, declined from 63% to 32.4% in the rural areas while it declined from 61.6% to a mere 26% in the urban areas. The decline in the LFPR of educated women has been such that currently there is hardly any difference between the less educated and more educated in their LFPR. The only consistent pattern is that across all levels of education, even among the non-literate, women are withdrawing from the labour market.

The above analysis throws up an apparently paradoxical situation. On the one hand, female education up to school level seems to be valued as expressed though high participation rate in school education, while on the other, the LFPR trends suggest that higher education seems as an incentive to women for withdrawing from the labour market, which can be observed from the above Table also. As it become evident from the table, the female

educational attainment and participation in domestic activities move in the same direction. Whatever the level of education the share of women engaged in domestic activities seems, by and large, to have increased throughout the period 1983 to 2009-10. This probably points out that education, which is arguably a liberating process, makes the income level of women engaged in education increase. The second important factor for the improvement of female education is the state driven agenda of universal education with special focus on the girl child.

Three lines of argument support this trend. First, studies do point out that education among women does not necessarily increase their “autonomy” in substantive internalisation of patriarchal norms.<sup>51</sup> Secondly, the withdrawal of women from the labour market across all levels of education, especially the most conspicuous withdrawal of women with educational attainment of graduation and above, probably points out towards discouraging worker effect owing to various forms of discriminations within the labour market including occupational segregation, wage discrimination and social stigma towards women’s work. Third, it may also be due to the gender-based patterns of parental investment in education. Women are encouraged to enter arts and science education, which have much lower labour demand compared to technical and professional education. But technical and professional education also incurs substantial costs compared to arts and science education and therefore may be preferentially allocated to male children in the society.<sup>52</sup> Moreover, education for women in patriarchal

societies may be aimed at enhancing the women’s status in relation to their reproduction capacity and hence may not require technical and professional education.

### **Paid Work Participation Rates**

Unfortunately the most of the studies on women’s work and employment based on the NSS data have hitherto failed to incorporate the structural importance of women’s unpaid work in their analysis. These studies are based on UPS or UPSS figures. The words “Workforce” and “employment” are used interchangeably without distinguishing between unpaid and paid work of women. As a result, the number and proportion used for analysis give a somewhat skewed picture of women’s employment in the country. It is to note that confusion over the paid or unpaid work of women by the NSSO happens in the case of women. However, the data of the male workforce is collected on the other scale. Unlike in the case of most men, women’s unpaid labor in productive activities is deeply rooted in the patriarchal nature of their house hold or families activities. It is, therefore, a material articulation of their lack of freedom and independence in the economy and society as a whole. In the case of men, the independent relationship represented by unpaid labour is likely to be of a temporary nature in relation to parental or family property or a family activity that will either be inherited or broken free of at some stage in their lives. In the case of women, it is more likely to be of a durable nature, extending from their dependence on natal kin to dependence on their husband and his kin.

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<sup>51</sup> A.M. Basu, “Why Does Education Lead to Lower Fertility? A Critical Review of Some of

the Possibilities”, *World Development*, vol. XXX, no.10, 2002, pp. 1780-89.

<sup>52</sup> *Ibid.*

**Table- C (6)**  
**Usual (PS+SS) Paid Work Participation Rates PWPRs Excluding Unpaid Workers**

	Female PWPR		Male PWPR	
	Rural	Urban	Rural	Urban
1993-1994	18.8	12.3	45.7	47.8
1999-2000	17.3	11.0	44.9	47.8
2004-2005	17.1	12.7	45.6	50.2
2007-2008	16.3	11.3	46.7	51.3

Source- Government of India, Employment and Unemployment Report Various rounds, 50<sup>th</sup>, 57<sup>th</sup>, 61<sup>st</sup> and 64<sup>th</sup> NSSO Central Statistical Organisation, New Delhi.

**Table-C (7)**  
**Usual (PS+SS) Work Participation Rate WPRs Including Unpaid Workers**

	WPRS including		Unpaid workers	
	Rural Female	Urban Female	Rural Male	Urban Male
1993-1994	32.8	15.5	55.3	52.1
1999-2000	29.9	13.9	53.1	51.8
2004-2005	32.7	16.6	54.6	54.9
2007-2008	28.9	13.8	54.8	55.4

Source: Government of India, Employment and Unemployment Report Various rounds, 50<sup>th</sup>, 57<sup>th</sup>, 61<sup>st</sup> and 64<sup>th</sup> NSSO Central Statistical Organisation, New Delhi.

Table-C (6) Presents the WPRs after excluding unpaid workers among women and men in rural and urban areas in the four survey rounds from 1993-94 to 2007-08. For easy comparison, table-C (7) presents the commonly used standard WPRS in the same rounds, i.e., without excluding unpaid labour. Sharper differences are seen between rural and urban areas in case of women as well as men when as the paid worker participation rate (PWPR) and the standard WPR are compared. The high incidence of unpaid labour of both women and men in the rural economy is largely explained by the family labour aspect of peasant farming. However, the expanding gender differentiation in paid work since 1999-2000 and 2007-08, is consistent with the trend in the standard mode WPR. This suggests that rural women are either more severely constrained from taking up paid work or are facing more direct discrimination in the paid job market. Either way, greater attention needs to be paid to the socially regressive trend of declining rates of paid employment for rural women.

NSSO Survey 2009-2010 shows a marginal drop in the standard male WPR (Principal Status and Subsidiary Status) for rural India between 2007-08 and 2009-10 from 54% to 54.7% though no such drop is visible across the unpunctuated quinquennium from 2004-05. For rural women, the drop in the standard WPR is of greater magnitude from 28.9% in 2007-08 to 26% in 2009-10 and is more sharp across the quinquennium from 2004-05. In urban India, the gap between men and women in both paid work participation as well as the usual WPR between 1999-2000 and 2007-08, although surprisingly, the proportion of unpaid male workers appears to be relatively higher than among women. The picture of urban females, however, shows a continuation of very low levels of work participation by both measures. But the proportion of unpaid women workers is substantially lower in rural areas. The 2007-08 survey shows a worrisome fall in both the PWPR and the usual WPR for urban women, underlining that the most distinctive period of corporate led high growth in the country has fielded negative

results even for urban women's employment.<sup>53</sup> (The Link between the nature of such high growth and falling rates of employment for both rural and urban women needs to be explored further). It is surprising that if one considers only paid work, the wide gap between the FWPRs in rural and urban areas narrows down. Nevertheless, it remains that while the urbanization process has afforded increasing employment opportunities for men, the same does not appear to hold true for women.

The slowing down of the economy between 2007-08 and 2009-10 seems to have led to a reduction in the usual urban male WPRs (PS+PS) by 1.1% (from 55.4 % in 2007-08 to 54.3% in 2009-10), although the reduction across the quinquennial in case of urban women appears to have been impervious to the fall in GDP growth between 2007-08 and 2009-10 with the

usual WPR remaining the same in both the survey rounds. It is more than likely that the decline in the PWPR among urban females seen in the 2007-08 survey is also reflected in 2009-10.

### Industrial Distribution of Workforce

Against this backdrop of withdrawal of women from the labour market with rising income and education, the residual that lie within the labour market do so, under various conditions of force. About 75% of total rural women who were working were engaged largely in the agricultural sector in 2011-12. During the period 1983 to 2011-12 the relative pace of shift from agriculture to non-agriculture sector had been very slow for females experienced a 10 % decline, while males experienced 18 % decline during the same period (NSSO-2011-2012)

Table-C (8)  
Industrial Classification of Women Workers (UPS) as Percentage Share

Industry	Agriculture	Mining and Quarrying	Manufacturing	Electricity gas and water	Construction	Trade and hotel and restaurant	Transport storage and communication	Other services	Total
<b>Rural</b>									
1983	86.2	0.4	6.5	-	0.9	2.2	0.1	3.1	100
1987-88	82.5	0.5	7.5	-	3.2	2.4	0.1	3.7	100
1993-94	84.7	0.5	7.5	-	1.1	2.2	0.1	4	100
1999-2000	84.1	0.4	7.7	-	1.2	2.3	0.1	4.3	100
2004-05	81.4	0.4	8.7	0	1.7	2.8	0.2	4.6	100
2009-10	78.9	0.3	7.6	0	4.2	3.1	0.3	5.7	100
2011-12	74.5	0.3	9.5	1	5.1	3.6	0.1	5.9	100
<b>Urban</b>									
1983	25.5	0.8	26	0.2	3.7	9.9	1.7	31.4	100
1987-88	21.8	0.9	26.9	0.3	4.3	10.9	1.2	33.6	100
1993-94	19.3	0.7	23.6	0.3	4.9	10.7	1.5	38.8	100
1999-2000	14.6	0.4	23.2	0.2	5.5	16.4	2	37.8	100
2004-05	14.7	0.2	25.4	0.2	4.5	13.1	1.6	40.2	100
2009-10	11.8	0.3	25.8	0.4	5.1	12.4	1.5	42.7	100
2011-12	8.7	0.3	26.6	1.1	4.6	13.0	2.7	43.3	100

Source: Government of India, Estimated from NSS unit Level data, 38<sup>th</sup>, 43<sup>th</sup>, 50<sup>th</sup>, 55<sup>th</sup>, 61<sup>st</sup> and 66<sup>th</sup>, NSSO, Central Statistical Organisation, New Delhi.

<sup>53</sup> Indrani Mazumdar, "Women Unpaid Labour in Neo-Liberal India", *Indian Historical Review*, vol. XXXV, no.2, January, 2009, pp.137-139.

It is probably the case that women from households who suffer from multiple and overlapping modes of marginalization through caste, class, physical disabilities and other forms of exclusion enter the workforce in non-traditional sector and occupations as low-paid vulnerable workers in sectors such as “Construction” and “Other services”. However, their share of employment has been rising in the manufacturing sector during the recent period.

The process of entry of this vulnerable segment of women into the labour market is, by and large, through the transition from feudal

agrarian economy to the capitalised agricultural projects. The share of households with no land for cultivation or marginal landholders had been increasing since 1982-83 from 51% to 66.5% in 2008-09 while the share of all larger classes had been declining (GOI 2011). Along with the rise in the number of the landless and of marginalised landholders there had been a widening of inequality in rural land holdings.<sup>54</sup> With consolidation of landholding by the capitalist farmers on the one hand, land alienation and land fragmentation on the other, peasants and households enter into monetized labour relations.

**Table- C (9)**  
**Distribution of Estimated Female Population, Labour Participation Rates, Types of Work and Land Size (in %)**

	Landless	<.4 Hectares	.4 to 1	1 to 2	2 to 4	>4 Hectares	Total
<b>Distribution of estimated female population</b>							
1983	29.7	15.2	18.0	15.8	11.9	9.4	100
1987-88	30.1	34.2	21.0	8.8	4.2	1.7	100
1993-94	33.5	34.1	20.4	7.7	3.1	1.2	100
1999-2000	35.6	38.5	16.9	5.8	2.4	0.8	100
2004-05	37.3	17.4	20.5	12.8	7.8	4.2	100
2009-10	40.4	19.0	19.3	10.8	7.3	3.3	100
<b>LFPR of Females</b>							
1983	43.4	38.6	40.8	38.1	39.8	40.5	40.7
1987-88	42.1	40.9	40.4	39.4	42.1	39.3	41
1993-94	39.3	37.1	35.8	35	35.4	33	37.3
1999-2000	23.4	21.6	25	23.8	23.1	20.3	23
2004-05	23.3	19	21.7	24	24.2	27.2	24.2
2009-10	20.1	16.3	21.6	23.3	22.2	22.9	20.2
<b>Share of Wage Labour in all Employment</b>							
1983	80	64	42	23	12	4	47
1987-88	77	47	26	13	9	5	47
1993-94	81	49	24	8	3	2	50
1999-2000	79	49	20	5	3	1	50
2004-05	75	59	48	40	27	12	43
2009-10	78	52	36	19	6	5	50

Source: Government of India, Estimated from NSS unit Level data, 38<sup>th</sup>, 43<sup>th</sup>, 50<sup>th</sup>, 55<sup>th</sup>, 61<sup>st</sup> and 66<sup>th</sup>, NSSO, Central Statistical Organisation, New Delhi.

<sup>54</sup> Vikas Rawal, “Ownership Holdings of Land in Rural India: Putting the Record Straight”,

*Economic and Political Weekly*, vol. XXXXIII, no. 10, March, 2008, p.87

The dominant trend is that both among the landed and the landless there is an increasing tendency to withdraw female labour force with the passage of time. Between 1983-2009-10 the participation rate of women declined from 40.7% to 20.2%. But the share of women in the population of the landless increased from 29.7% to 40.4% during the same period. This would mean that even if the female FLPR of the landless households declined substantially, the number of women actually participating in the labour market among the landless may not have reduced substantially. While for women in landed households, especially larger households, the number actually participating in labour was shrinking and given that nearly 80% of the women who remained in the labour market among the landless and nearly 60% among the marginal land cultivators are wage workers, essentially casual wage workers, the trends show the rising monetization of women's work among poor, vulnerable agricultural households.

### Women in Organised and Unorganised Sector: An Analysis

Workers in organised sector are distinguished by regular salaried jobs with well-defined terms and conditions of employment, clear-cut rights and obligations and a comprehensive social security. The unorganized sector on the other hand has no

such clear-cut employer- employee relationship and lacks social protection. Having no fixed employer, these workers are casual, contractual, migrant, name-based, own-account workers who attempt to earn a living from whatever meager assets and skills they possess. National Commission on labour has defined unorganized labour as those who have not been able to organize themselves in pursuit of common objectives on account of constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments and position of power enjoyed by employers because of the nature of industry.

According to national sample survey organization (2010), of the total number of women workers in India around 96% are in the unorganized sector, where as merely 8 % are in the organized sector.

### Women in Organised Sector

Women's share in organized sector has shown an increasing trend (Table- C (10)) from 2.8 Million (12.2%) in 1981 to 4.8 Million (17.2%) in 1999. Between 1991 and 1999, rise in the percentage points of women was 3.1; in contrast the share of men has been declining. However, women's participation in the organized sector is still very low, as compared to men.

**Table- C (10)**  
**WRPS in Organised Sector (Millions)**

Year	Women	Men	Total
1981	2.8	20.1	22.9
1991	3.8	23.0	26.7
2001	4.8	23.3	28.1
2002	4.93	22.8	27.7
2003	4.96	22.2	27.1
2004	4.93	22.1	27.0
2005	5.01	21.4	26.4
2006	5.12	21.3	26.4
2007	5.31	21.6	26.9
2008	5.51	21.7	27.2
2009	5.58	22.5	28.0
2010	5.85	22.9	28.7

Source: Government of India, Ministry of Labour, New Delhi

It may be observed from the above table that women's employment in the organised sector has risen up from 4.2 million in 1999-2000 to 5.58 million in 2009-09. The number of women employed in the public and private sector has increased to 49.34 lac in 2004 from 47.74 lac in 1998, while the number of men employed has fallen to 215.09 lac from 233.92 lac during the

same period. As provided in the table below the private sector has been hiring women much more aggressively than the public sector. The number of men employed in the public sector has risen to 4.6 and 28.9 lac in 2004 from 27.63 lac in 1998 while women staff in the private sector has grown from 1.64 % to 20.44 lac.

Table- C (11)

**Employment of Women Workers in Public and Private Sector in Indian (in Lac)**

Year	Public Sector	Private Sector	Total
1990	22.50	13.93	36.43
1994	25.64	15.89	41.53
2001	28.10	20.18	48.29
2004	29.90	20.44	49.34
2008	30.40	24.72	55.12
2009	30.91	24.89	55.80
2010	31.96	26.63	58.59

Source: Government of India, Ministry of Labour, New Delhi.

There were 30.40 lac in the public sector and the remaining 24.72 lac in the private sector in 2008. Women's employment in public sector and private sector registered an increase of 1.56% and 1.91% respectively during the period 2008-2010.

**Branch Wise and Size Wise Composition of Women Employment**

The distribution of women's employment by different branches of public sector and by size of establishments in the private sector is presented in table 12 below.

Table-C (12)

**Women Employment in Different Branches of Public Sector and in the Larger and Smaller Establishments in Private Sector. (in lac)**

Sr. No.	Sector	2008	2009	2010	2009/2008	2010/2009
1.	Public Sector	30.40	30.41	31.38	0.04	3.20
	Central Govt.	2.38	2.34	2.30	-1.80	-1.64
	State Govt.	15.88	15.71	16.09	-1.07	2.38
	Central Govt. (Quasi)	3.84	3.86	4.08	0.35	5.76
	State Govt. (Quasi)	2.56	2.58	2.78	0.72	7.60
	Local Bodies	5.71	5.90	6.12	3.35	3.68
2.	Private Sector	24.72	24.85	27.01	0.52	8.68
	Larger Estt	22.29	22.43	23.57	0.60	5.11
	Smaller Estt	2.43	2.42	3.43	0.21	41.69
	Grand Total	55.12	55.27	58.40	0.27	5.66

Sources: Government of India, Ministry of Labour, New Delhi Due to Non availability of data as per NIC-1998 information in respect of J & K Manipur and Mizoram, Daman & Diu and Pondicherry not included in Total in 2010.

The branch-wise distribution of women's employment shows an overall increase in employment of women in public sector (3.20%) in all constituents of public sectors except central government and state government which recorded negative growth of women employment. The highest increase was recorded in state Government Quasi (7.60%) followed by central government Quasi (5.76%) local bodies

(3.68%) and state government (2.38). Whereas, central government recorded a negative growth of (1.64%) in women's employment. There was an overall increase of 8.68% in women's employment in the private sector. The women employment recorded a growth of 5.11% in larger establishment and 41.69% in smaller establishments during the period under review.

**Table- C (13)**

**The Distribution of Women's Employment by Major Industries from 2003 to 2010 is given below  
(in Thousands)**

Industry Division	2003	2004	2008	2009	2010	% Change 2010/ 2007	% Change 2008- 2009
Agriculture Hunting & Forestry and Fishing	446.5	458.7	510.25	468.43	476.85	1.80	-8.20
Mining & Quarrying	60.9	73.3	84.13	82.75	110.56	33.60	-1.6
Manufacturing	1009.8	949.3	1010.41	989.63	1030.14	4.09	-2.06
Electricity, Gas and Water	47.7	52.1	49.92	54.10	61.01	12.77	8.37
Construction	64.1	66	64.87	66.35	74.80	12.74	2.28
Hotels	44.5	46	63.21	67.77	73.42	8.34	7.21
Transport, Storage & Communications	189	189.4	199.72	207.10	214.74	3.69	3.70
Services	274.3	287.3	476.68	541.75	597.82	10.35	13.65
Community Social & Personal Services	2811.6	2812.3	2979.74	3049.39	3200.92	4.94	2.34
Total	4968.4	4934.4	5438.92	5527.26	5840.25	5.66	1.62

*Sources: Government of India, Ministry of Labour, Due to Non- availability of data as per NIC-1998, information in respect of J & K Manipur and Mizoram is not included in Total in 2009.*

During the year 2004 (table- C (13)), in public and private sector maximum number of women 2812.3 lac were employed in community, social and personal services, followed by manufacturing (949.3 lac) and agriculture, hunting and fishing (458.7 lac). An Analysis of data of 2008-09

on women's employment contained in (table- C (13)) reveals that there was a decrease in agriculture, hunting, forestry and fishing by (8.20%), followed by manufacturing (2.06%) and mining and quarrying (1.6%) whereas there was an increase in women's employment in other

industry divisions which were financing, insurance, real estate and business services (13.65%) following by electricity, gas & water (8.37%), whole sale and retail, trade and restaurant, hotels (7.12%) transport storage and communication (3.70%) and community, social & personal services (2.34%) and construction (2.28%). In 2009-10 there was an overall increase in women employment industries, mining & quarrying recorded highest increase of (33.60%) followed by electricity, gas & water (12.77%). Construction (12.74%), financing, Insurance, real & state and business services (10.35%), whole sale and retail trade and restaurant and hotels (8.34%), community, social & personal services (4.94%) manufacturing (4.09%), transport storage and communication (3.69%) and agriculture, hunting, forestry and fishing accorded (1.80%).

### Women in Unorganised Sector

Unorganised sector of economy is considered as the most vulnerable as no social security is provided in this sector. Unfortunately in India the absolute majority of women labour, which is about 94% at present, is engaged in the unorganized sector of Indian economy. There is no clear law on the hire and fire policy of labour in the unorganised sector. Looking into the vulnerability of women working in the unorganised sector the Government of India has formulated some acts and programmes for women workers in the unorganized sector.

Domestic Workers and Social Security Act, 2010: women and child are more vulnerable to exploitation, so the government has formulated this act for providing them better working conditions including registration.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): MGNREGA has played a remarkable role in employment of women workers in the

unorganized sector. It has created better working conditions and ensured equal wages to men and women.

Unorganised Sector Worker's Act 2008: The workers' felicitation centre. (WFC) is responsible for implementing the act. Under this act, following schemes have been launched Janani Suraksha Yojna, National Family Benefit Scheme, Rastriya Swashtya Bima Yojna, etc.

Cooperative intervention- Cooperatives provide employment opportunities to women workers for earning income. Cooperatives try to strike a balance between individual need and community need by empowering women. The employment in the organized sector requires minimum qualification and most of these educated women workers are drawn from middle class and richer section of society, very few women from lower classes would get a chance to secure jobs in the organized sector. The national commission on labour enlists some characteristics and constrains of the unorganized sector, namely; casual nature of employment, ignorance and illiteracy and superior strength of the employers operating singly and in groups.

Almost 400 million people (more than 85% of the working population in India) work in unorganized sector and of these about 120 million are women. According to an estimate, by the National Commission on Self-employed Women (1988), of the total number of women workers in India, about 94 percent are in the informal or unorganized sector whereas just 6 percent are in the organized or in the formal sector. Thus there is no exaggeration in saying that the unorganized sector in India is the women's sector.<sup>55</sup> The proportion of employment in the organised sector for males was 10.43% in 1971, and has declined to 8.29% in 2001; with regard to females the proportion of employment in the organized sector has declined from 6% to 4% in 1971 to 2001.<sup>56</sup>

On an average, unorganised sector

<sup>55</sup> Neha Mittal, "Women Workers in Unorganized Sector: Socio-Economic Perspective", *Asian Journal of Multidimensional Research*, vol. 1, no.3, August, 2012, p.184.

<sup>56</sup> Government of India, *Census*, 1971, 1981, 1991 and 2001, Office of the Registrar General & Census Commissioner, Ministry of Home Affairs, New Delhi.

workers earn one fourth the wage of organized sector workers, often doing similar jobs. It is estimated that 118 million workers or 96 % of the female work force are involved in agriculture sector. Still agriculture is the main employer of women as informal workers, 75 % the total female work force and 85 % of rural women are employed in agriculture as wage workers or workers on own/ contracted household farms. As men migrate to non-farm jobs, there has been an increasing feminization of agriculture. But ever as the face of the farmer became increasing female; few women have direct access to agricultural land affecting their ability to optimize agricultural productivity.

The non-agricultural segment of the informal sector engages 27 million workers or 23% of the female work force. It is estimated that more than half the 31 million construction workers in India (90 % of them informal) are women. The seasonality of work and the lack of alternate avenues lead to their exploitation and ensure that these women remain the poorest and most vulnerable.

In the organised sector employment of women has increased nearly four times between 1971 and 2001, registering a total increase in female employment from 31.3 million to 127 million. Even more significant is the fact that the rapid increase in female employment has taken place during 1981-91. The trend remained the same for the period 1991-2001 in terms of increase in female employment. The fact of the male dominance in the labour force in the organized sector has remained true that men share 82.2% of the employment against women during this period has been more in the unorganized sector than in the organised sector.

The most important feature of women labour in India is that they are employed in the unorganised sector as contract labourers. Studies conducted in several parts of the country indicate the awful conditions of the women workers in this sector. They continue to face discrimination and

ignorance & traditional attitudes, illiteracy, lack of skills, seasonal nature of employment, heavy physical work of different types lack of job security, lack of a comprehensive legislation to cover these workers in the unorganised sector and their salaries are arbitrarily fixed, without regard to the minimum wages legislations, which adversely affect the income of the wage workers in general, and women workers in particular. In the unorganized sector wage workers constituted 36% and the remaining 64% were self employed.<sup>57</sup> The higher level of unemployment and under-employment among women has led the researcher to conclude that their proportion below the poverty line is likely to be higher than that of men. Women who are drawn from rural areas are unskilled labourers. The life of the unorganised sector workers is very tough and they are exploited in many ways. The exploitation is not only done on the class lines but also on the lines of male domination over females. Sexual harassment is common but unreported due to fear of loss of employment. Despite the advances women have made in many societies, women's concerns are still given second priority almost everywhere. Their contribution is not given due credit. Women workers in the unorganised sector lag behind the males in terms of level and quality of their employment. There are still cases where women workers are deprived of the benefits and amenities like equal remuneration vis-à-vis their male counterparts, maternity benefits, proper child care services and indifferent attitude of the employers towards women workers.<sup>58</sup> After analysing the government policies, programmes and legislation on the economic development and empowerment of women and their actual participation in the world of work and economy, some of the basic problems for economic backwardness of women from independence to the globalised India can be identified.

It can be said that the vicious circle of poverty is continuing in India and the women face the worst of poverty, they lack access to the

<sup>57</sup> Neha Mittal, "Women Workers in Unorganized Sector: Socio-Economic Perspective", *Asian Journal of*

*Multidimensional Research*, vol. 1, no.3, August, 2012, p.184.

<sup>58</sup> *Ibid.*

resources, education as well as access to the mainstream labour market. Unfortunately the women labour-force is still working under the social conservatism and their economic contribution to the family income is still considered as secondary. The immediate increase of women work participation after the globalisation has decreased within the small span of a decade. The government attempt to improve the women's skill through education has also met with its worst as the women work participation showed the decreasing trends with the rise of female education in India.

The indicators like workforce participation rate shift in the pattern of employment in different sectors, employment status, unemployment rates and increased numbers of women in the unorganized sector point towards the marginalization of women labour in India. The condition and position of women work participation in the unorganised sector of the Indian economy also shows the reverse. The government efforts and claims to improve the work participation are proving contradictory. The defeminisation of the labour market and the use of the capital intensive techniques has forced the unskilled women labour to leave their traditional work to join the domestic and allied domestic work.

No doubt there are laws to protect women and prevent exploitation of women in the inside and outside the home, but these laws are not strictly implemented. The very vastness of the country, the scattered nature of women workers, the lack of education and legal literacy and the indifferent attitude of the government, bureaucracy and the general status of women in society cause vulnerability to women. The need of the hour reveals that only unanimous efforts and co-ordination of the both, the government and non-governmental organisations should be started at the social, economic and political levels to improve the economic condition of women in India. The trade unions and voluntary organizations can play a vital role in making them conscious of health and education and above all their right to be provided through education and training. Therefore, a credible employment

strategy needs to focus on enhancing educational level of the workers, social status of workers including women, specific industries that can absorb a higher proportion of women labour and create quality jobs.

So there has been a rise in the work participation rate among women, or in other words, that the number of women as workers has been recorded as being more in recent years. However, in reality the employment opportunities for women continue to be unsatisfactory. Due to structural reforms, women are working under hazardous conditions with a lot of insecurity and low wages.

### Conclusion

Although the reach of global media and telecommunication along with the global free flow of knowledge has changed the old-set up India society, but is only limited a few metropolitan cities. It can be observed from the statistics of work participation of women in the globalised India that the level of income of the family and the education has reverse impact on the employment of women in India. Although the improvement in the income –level and education of women can create more opportunity for women to work outside the house, however, the social conservatism and the subsidiary economic role of the women to which they are playing from centuries still become a hurdle in women employment. The first and only instrument of women development and empowerment is their participation in economy and working force of the country and world. The economic independence of women can give them an opportunity to raise their voice against the patriarchal set-up of the society. The social conservatism and the lack of social and political initiatives for the work participation of women in India are creating problems in the way of development and empowerment of women.

The economic development of the country and the rise in the education level of women has been not converting into the social change and the empowerment of India as such desired by the policy makers and the democratic governance under the liberalised, privatised and

globalised India. Women development and empowerment is one of the important goals of the Millennium Development Goals, but India is lacking behind the world in this goal due to the lack awareness, scientific thinking and social conservatism. The need of the hour is the gender sensitization of the people of India across all ages and groups and the proper implementation of gender –budgeting and the national and international policies for development and empowerment of women along with zero-tolerance to crime against women.

# STANDARDIZATION OF GRINDING AND COOKING PARAMETERS FOR KAJUKATLI PRODUCTION

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## Abstract

The effect of water addition (20-32%) while grinding, time of grinding (6-12 min) and cooking temperature (70-100°C) on sensory and textural attributes of *Kajukatli* were evaluated. Factorial design was followed for these three variables at four levels to study the effect and standardization. *Kajukatli* prepared with 28% water addition, grinding for 12 min and cooking at 100°C had highest overall acceptability (8.9), lower hardness (362.9 g) and yield point (336.15 g) than commercially available (control) samples.

**Keywords:** Cashewnut splits, Grinding, Paste, Particle Size, Cooking, Kajukatli

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## Introduction

Traditional Indian sweets, such as *burfi*, *kalakand*, *peda*, *thabdi*, *halwasan*, *kajukatli*, etc are not known only for their unique sensory attributes but also the traditional technology that has been associated with them. The products have very large consumer base both in India and abroad. The total Indian sweet market is estimated at \$8 billion (IANS, 2014). If traditional sweet preparations are proposed to be mechanised, it becomes imperative that suitable process technology be developed. A number of variables influence the final product quality

such as particle size of raw material and moisture content before cooking, mixing with sugar, cooking temperature and time and cooling rate etc. Parmar and Sharma (2016) standardized the recipe and preparation process of *Kajukatli* based on market survey and sensory analysis. Preparation process involves grinding of soaked cashewnut splits, mixing with sugar, cooking, cooling, rolling and sheeting. From the preliminary trials, it was observed that unit operations such as grinding and cooking play very important role in deciding the product quality. Designed experiments were conducted to study the effect of grinding and cooking on sensory and

textural attributes of *Kajukatli*. The parameters considered were: water addition (WA) before grinding (20-32%), grinding time (6-12 min) and cooking temperature (70-100°C) and storability.

## Materials and methods

### Materials

Cashewnut splits, locally known as *kaju fada* (2 pieces), off white in color, without stalks, free from rancid off flavour and white crystalline sugar, free from dirt, was obtained from Sardarganj local market, Anand, Gujarat.

### Methods

Soaked cashewnut splits 250 g was ground for 1 min using a laboratory mixture grinder (Make: Sumeet, 4 blades, 400 watts), then water was added at desired level (20, 24, 28 and 32% of weight of soaked cashew splits). The sample was then further ground for total desired grinding period of 6, 8, 10 and 12 min. After that the cashewnut paste was transferred into thick bottom S.S. top and sugar was added and mixed manually with help of a hand scraper. The S.S. top was then placed in a hot water bath for desired temperature of 70, 80, 90 and 100°C. The mixture was stirred manually with help of scraper until it starts leaving the surface of the vessel. The cooked mixture was then cooled in another vessel up to 45°C with continuous stirring for about 7-8 min. The cooked and tempered mass was then rolled using hand roller (*bellan*) to the thickness of 5 mm and cut by knife in the diamond shape having size of 3×3 cm. Preparation steps with fixed and varied variable parameters are shown in the Fig 1.

Factorial design was used to study the effect of the three variables (water addition(WA), grinding time (GT) and

cooking temperature(CT)) at four levels. The paste obtained was analysed for average particle size (Biovis Particle Size Analyser, Motic DMB1 with Biovis Image plus software V4.56) and moisture (AOAC 1984), and cooked samples were analysed for sensory attributes: colour and appearance (CA), flavour (F), body and texture (BT), overall acceptability (OA) and textural attributes (hardness and yield point) using TA-HDi Texture Analyser (Stable micro system fitted with Warner Bratzler blade probe (HDP/BS) and 5kg load cell; Setting parameters: pre-test speed=3mm/s, test speed=1mm/s, Post test speed=5mm/s and distance= 15mm) following standard methods (Ranganna 1986, Parmar and Sharma 2016). Data were analysed using Minitab (trial version: 15.1.30.0) and Design Expert (trial version: 8.7.0.1) to develop response functions.

Optimization/standardization of the process parameters for acceptable level of responses of the multivariate system was calculated by partially differentiating respective response surface models with respect to each parameter, equating to zero and simultaneously solving the resulting functions (Sharma et al. 2005).

## Results and discussion

Average particle size of the ground cashewnut splits and moisture content, sensory and textural attributes of *kajukatli* are given in Table 1.

### Effect on average particle size of the ground cashewnut splits

Moisture content of the paste, i.e. ground cashewnut splits, was observed to be  $49.68 \pm 1.34$ ,  $55.56 \pm 3.04$ ,  $60.02 \pm 1.74$  and  $66.53 \pm 2.09\%$  (d.b.) after water addition during grinding at the rate of 20, 24, 28 and

32%, respectively. Average particle size of cashew paste prepared under different treatment combinations were ranged from 2.32 to 12.86  $\mu\text{m}$ . Both, water added during grinding and grinding time had significant effect ( $p < 0.01$ ). The influence of water addition and grinding time on the average particle size of cashew nut paste is shown in Fig. 2. Paste, so prepared, mixed with desired sugar during cooking. Cooking period was ranged from 32 to 60 minutes for  $250 \pm 1\text{g}$  samples. However effect on moisture content of cooked kajukatti (8.6-17.9% d.b.) was not significant.

### Effect on sensory attributes

Sensory scores of *Kajukatti* samples in terms of colour and appearance, flavour, body and texture and overall acceptability were found in the range of 7.3-9.0, 8.0-9.0, 7.0-8.9 and 7.5-8.9, respectively. All sensory attributes, except flavour, were significantly ( $p < 0.01$ ) affected by water added while grinding, grinding time and cooking temperature. Whereas, water added while grinding had no significant effect on flavour score of kajukatti samples. The higher scores for the attributes may be due to lower average particle size of the paste (2.7-4.0  $\mu\text{m}$ ), therefore, better mixing with sugar while cooking resulted in characteristic development of appearance, flavour, body and texture. Overall acceptability was also better than the commercially available and popular sample (Table 1). Commercially available market samples (control) reported to have higher sugar which give harder body and texture, lower characteristic flavour and colour and

very shiny appearance (Parmar and Sharma 2016).

### Effect on textural attributes

Hardness, refers to the peak force that resulted from the Texture Profile Analysis of the samples under compression, value was ranged from 142.45 g (14.54 N) to 606.6 g (61.9 N). Grinding time and cooking temperature had higher significant ( $p < 0.001$ ) effects on hardness. Fig. 3 shows the influence of water addition and grinding time on hardness of kajukatti. The variation may be attributed to the cohesive effect of ground cashewnut splits, moisture and sugar mixing during cooking. The ground mass mixture first had crystal raw sugar which, during cooking process, melt and mixed, and therefore, give body and texture of final product. Yield point, refers to minimum force that causes first significant breakage in the sample, was ranged from 138.67 g (14.2 N) to 491.17 g (50.12 N). Control sample was having higher hardness (633.00 g) and yield point (573.91 g). It can be concluded that the product had higher sensory scores then control sample and textural attributes values were below then control sample. Therefore, optimize / standardize condition, for maximization of body and texture and overall acceptability scores and minimization of final moisture content keeping other response values within the range, was observed to be 32% water addition during grinding, grinding time for about 12 min and cooking temperature close to  $100^{\circ}\text{C}$  resulted best then control sample.

Table 1 Responses at different experimental combinations for the Kajukatli preparations

Run	Factors			Responses								
	WA (%)	GT (min)	CT (°C)	PS (µm)	MC (% d.b.)	CA	F	BT	OA	H (g)	YP (g)	t (min)
T1	20	6	70	9.7	11.15	7.3	8.3	7.2	7.6	145.49	141.63	45
T2	24	6	70	9.5	10.10	7.4	8.1	7.7	7.7	254.36	189.45	52
T3	28	6	70	9.1	11.34	8.0	8.0	7.0	7.7	241.00	209.77	60
T4	32	6	70	7.9	10.32	7.9	8.3	8.2	8.1	328.79	205.70	70
T5	20	8	70	7.2	11.86	7.5	8.4	7.2	7.7	159.13	154.31	45
T6	24	8	70	7.9	10.34	7.9	8.2	7.4	7.8	305.46	246.32	52
T7	28	8	70	5.8	11.49	8.1	8.3	7.9	8.1	347.05	222.00	60
T8	32	8	70	6.4	11.37	8.1	8.3	8.0	8.1	193.06	149.48	70
T9	20	10	70	5.5	11.23	7.8	8.5	7.6	8.0	243.28	157.05	45
T10	24	10	70	6.5	12.02	7.9	8.4	7.9	8.1	281.95	274.31	52
T11	28	10	70	3.5	9.41	7.9	8.3	7.8	8.0	219.75	210.77	60
T12	32	10	70	3.2	13.49	8.2	8.4	8.1	8.2	219.75	196.11	70
T13	20	12	70	3.8	11.48	8.5	8.2	7.8	8.2	142.45	138.67	45
T14	24	12	70	2.3	10.00	8.0	8.1	7.2	7.8	210.69	203.70	52
T15	28	12	70	3.2	9.30	8.6	8.6	8.2	8.5	251.03	209.77	60
T16	32	12	70	4.3	10.34	8.8	8.8	8.3	8.6	205.70	194.78	70
T17	20	6	80	12.9	9.96	7.9	8.5	7.7	8.0	194.39	183.70	40
T18	24	6	80	9.5	9.93	8.0	8.4	7.4	7.9	256.71	197.29	47
T19	28	6	80	8.8	10.72	7.6	8.6	7.4	7.9	282.02	216.78	52
T20	32	6	80	6.4	12.95	8.4	8.5	7.8	8.2	356.95	278.80	60
T21	20	8	80	6.7	11.52	8.0	8.3	8.0	8.1	257.80	166.10	40
T22	24	8	80	8.8	13.23	8.0	8.4	8.2	8.2	313.98	249.48	47
T23	28	8	80	6.9	10.73	8.4	8.5	8.1	8.3	354.98	245.65	52
T24	32	8	80	4.9	9.26	8.4	8.4	8.0	8.3	294.80	272.42	60
T25	20	10	80	5.5	11.66	8.0	8.6	7.7	8.1	266.77	237.60	40
T26	24	10	80	6.9	12.72	8.1	8.5	7.6	8.1	286.46	265.26	47
T27	28	10	80	3.8	12.29	8.6	8.6	7.6	8.3	230.71	226.30	52
T28	32	10	80	3.9	11.48	8.6	8.6	7.9	8.4	293.79	260.67	60
T29	20	12	80	3.3	11.62	8.5	8.5	7.9	8.3	198.15	187.45	40
T30	24	12	80	3.5	17.88	8.0	8.6	7.0	7.9	260.18	252.77	47
T31	28	12	80	3.5	8.58	8.6	8.6	8.4	8.5	284.88	261.32	52
T32	32	12	80	3.8	10.07	8.7	8.7	8.3	8.6	284.34	257.45	60
T33	20	6	90	9.7	13.18	8.2	8.7	7.4	8.1	496.53	198.67	35
T34	24	6	90	8.6	11.24	7.7	8.8	7.8	8.1	468.00	270.29	40

T35	28	6	90	9.9	12.09	8.5	8.5	7.9	8.3	499.47	280.88	45
T36	32	6	90	7.9	11.51	8.2	8.7	7.9	8.3	435.76	357.45	48
T37	20	8	90	7.9	14.49	8.5	8.6	7.9	8.3	285.25	183.50	35
T38	24	8	90	8.5	10.66	8.5	8.5	7.4	8.1	392.64	256.31	40
T39	28	8	90	7.5	10.06	8.1	8.8	8.3	8.4	381.38	261.51	45
T40	32	8	90	7.5	10.54	8.6	8.7	8.3	8.5	295.52	262.42	48
T41	20	10	90	6.5	11.51	8.6	8.6	8.5	8.6	278.85	256.30	35
T42	24	10	90	6.9	10.53	7.8	8.6	8.3	8.3	354.69	330.68	40
T43	28	10	90	3.6	11.99	8.4	8.8	8.7	8.6	288.39	274.57	45
T44	32	10	90	2.9	10.15	8.6	9.0	8.7	8.7	311.69	283.20	48
T45	20	12	90	2.5	9.90	8.9	8.9	7.7	8.5	217.80	209.30	35
T46	24	12	90	2.8	10.68	8.5	8.6	8.5	8.5	287.71	284.14	40
T47	28	12	90	2.7	13.29	9.0	8.5	8.6	8.7	306.80	297.12	45
T48	32	12	90	2.6	12.44	8.6	8.6	7.7	8.3	381.33	367.23	48
T49	20	6	100	7.8	11.39	7.9	8.6	7.8	8.1	538.20	219.78	32
T50	24	6	100	7.3	12.48	7.7	8.7	7.4	7.9	581.46	271.70	36
T51	28	6	100	10.1	11.37	7.6	8.0	7.0	7.5	606.60	306.36	40
T52	32	6	100	6.5	12.63	8.4	8.4	7.9	8.2	485.79	364.40	45
T53	20	8	100	7.8	12.71	8.4	8.8	8.2	8.5	309.41	226.30	32
T54	24	8	100	5.7	11.54	7.6	8.7	8.5	8.3	394.96	314.31	36
T55	28	8	100	6.9	12.50	8.6	8.6	8.2	8.5	498.96	305.30	40
T56	32	8	100	4.2	13.23	8.4	9.0	8.7	8.7	386.09	370.68	45
T57	20	10	100	5.9	10.11	8.5	8.8	7.6	8.3	299.05	289.44	32
T58	24	10	100	4.4	11.93	8.3	8.8	8.9	8.7	419.73	401.54	36
T59	28	10	100	3.2	10.33	8.5	8.6	8.6	8.6	581.20	491.17	40
T60	32	10	100	4.0	11.06	9.0	8.7	8.7	8.8	401.34	343.80	45
T61	20	12	100	3.8	9.69	8.8	8.8	8.2	8.6	278.31	250.96	32
T62	24	12	100	2.7	12.45	8.6	8.9	8.2	8.6	315.46	307.11	36
T63	28	12	100	2.5	10.43	8.9	9.0	8.9	8.9	354.98	344.49	40
T64	32	12	100	2.7	11.58	8.7	8.7	8.4	8.6	423.47	396.69	45
Control				-	8.1	8.0	5.5	6.8	6.8	633.00	573.91	-

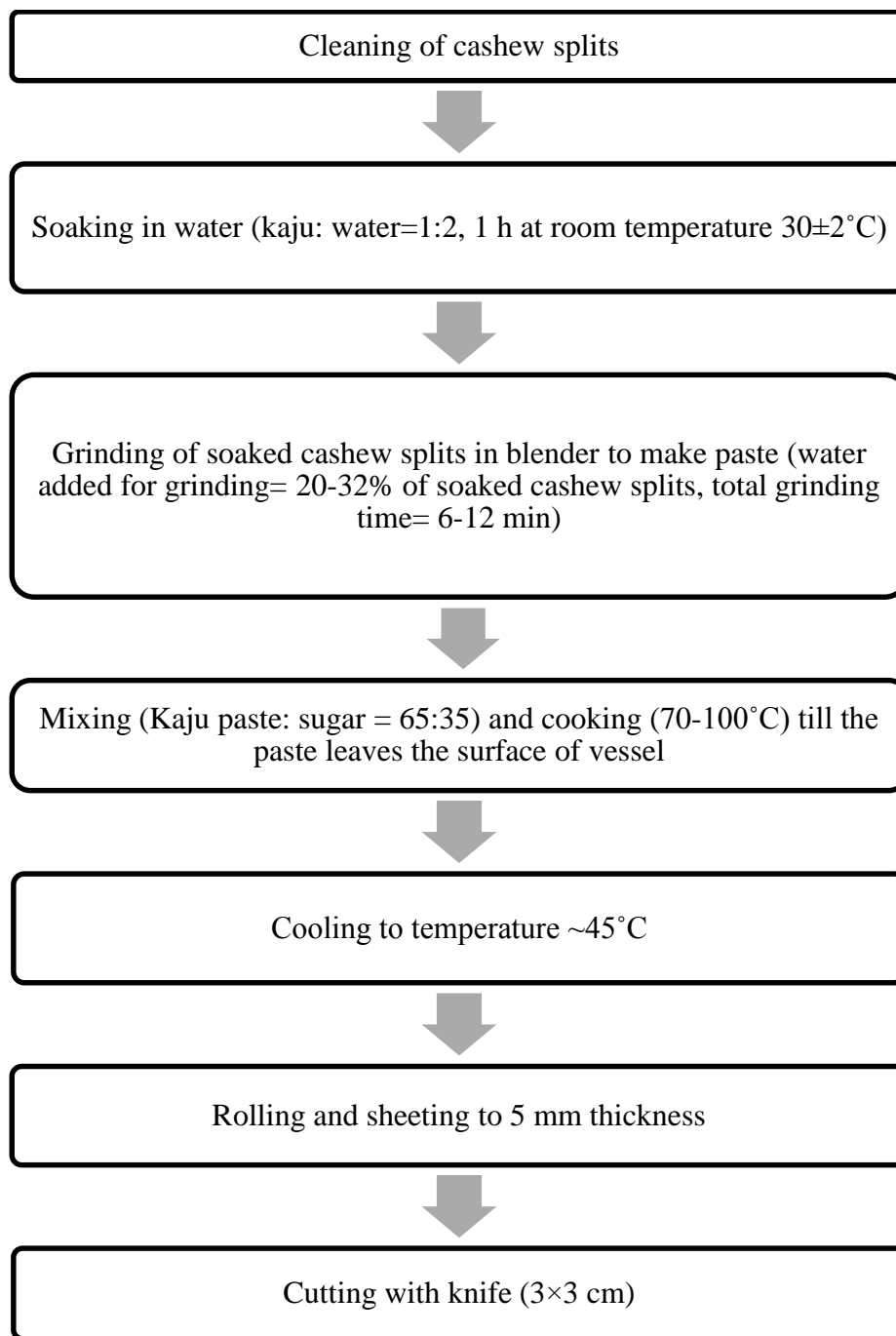
**Fig. 1 Flow chart for preparation of kajukatli**

Fig. 2 Surface plot showing the effect of water added and grinding time on average particle size of cashewnut paste

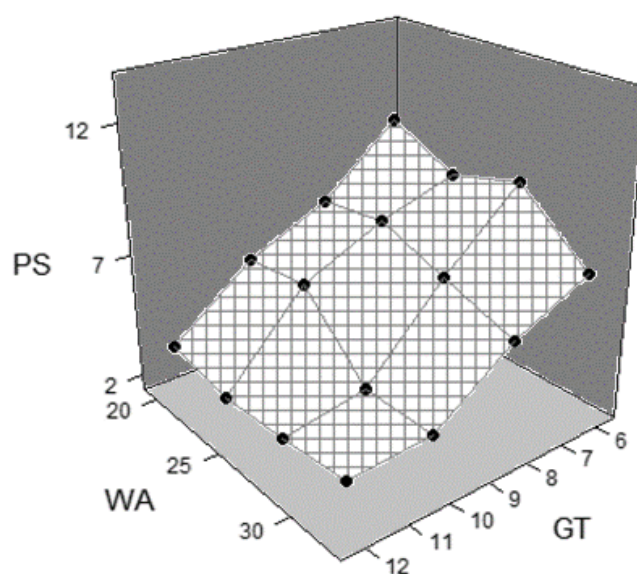
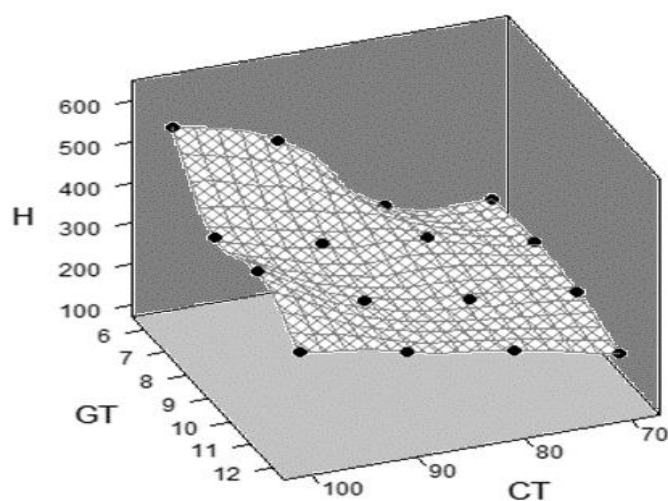


Fig. 3 Surface plot showing the effect of grinding time and cooking temperature on hardness of kajukatli.



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# THE IMPORTANCE OF HUMAN RESOURCE SYSTEM TO AN ORGANIZATION

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## Abstract:

Expansion in accordance with the market demand on one side, keeping up with the technological advances on another side, employee morale on another side, present day HR Professionals have to have up-to-date knowledge on Human Resource Management System to meet the challenges in the globally competitive environment. The concept of Human Resource System and Human Resource Management System have been in use synonymously. This present paper outlines the study of Human Resource System, Human Resources System and Human Resources Management System and the importance of HRS to an organization in HR perspective. The paradigm shift in present Human Resources Management System is the outcome of Technological changes and other influences arising due to competition in the global environment on the implementation of HRMS in small, medium and big organizations.

**Keywords:** Human Resource Management System, HRIS, HCM, HRMS, Workforce Effectiveness, Globalization, Human Capital, Return on Investment, HR Effectiveness.

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## Introduction

The role of Human Resource System is very vital in the success story of any organization as it is linked to all other systems. Top executives of many organizations are giving renewed attention and according status to Human Resources functions and specialists and developing HR systems based on the organizational strategy to stay in the race of globally competitive environment. This profound change is due to the realization of the importance of human assets and increased

emphasis on creativity and autonomy. In the past, people working in organizations were given attention depending on the conditions of work and the concept of Personnel Management was merely based on motivation with an assumption that the employees are an asset with unlimited potential is the core concept of Human Resource System. Investment in Human Capital is another underlying concept of this system.

### Implications of Human Resource System:

- It consists of several dimensions or components which are inter-related.
- These inter-related components form a network.
- The network is a subset of entire organizational system and interacts with other systems.
- It is a unique system with its own rules, procedures and operation.

Expansion in accordance with the market demand on one side, keeping up with the technological advances on another side, employee morale on another side, present day HR Professionals have to have up-to-date knowledge on Human Resource Management System to meet the challenges in the globally competitive environment. The concept of Human Resource System and Human Resource Management System have been in use synonymously. The paradigm shift in present Human Resources Management System is the outcome of Technological changes and other influences on the implementation of HRMS in small, medium and big organizations in all sectors.

### Objectives:

- a. To review the literature pertaining to Human Resource System.
- b. To understand the Importance of a Human Resource System to an Organization from HR Perspective.

### Methodology:

The conceptual study is categorized as Human Resource System survey research and is based on the secondary data that is collected from books, journals, data collected

and tabulated by other researchers. The absence of primary data opens a door for further research to study empirically to conclude on how the human resource system will regard job challenges and creativity and opportunities for development as the main motivating forces and how HRS emphasizes developing the organization and its people and their competencies.

### Literature review

**Human Resource System:** (Pareek & Rao, 2009) The concept of Human Resource System (HRS) assumes that Human beings are a great asset to the organization, it is a sub-system of a larger system of Organization, with all the parts inter-linked. The main task of HRS is to develop enabling capabilities (proactive role) and the responsibilities of HRS is to relate HRS, people and the process of the total organization. The main emphasis of HRS is on developing people and their competencies and people are primarily motivated by challenges and opportunities.

**Human Resources (HR) systems:** In the present globally competitive business environment, and according to National Institutes of Health, Human Resources (HR) systems are the electronic tools used to access HR-related information and perform HR-related functions. HR Systems fall into the following 2 categories: HR Core Systems and HR Talent Management Systems.

**A Human Resources Management System (HRMS)** is a software application that combines many human resources functions, including benefits administration, payroll, recruiting and training, and performance analysis and review into one package. It merges HRM as a discipline and, in particular, its basic HR activities and processes with the information technology

field, whereas the programming of data processing systems evolved into standardized routines and packages of enterprise resource planning (ERP) software. Currently human resource management systems encompass: Retaining, Hiring administration, managing, HR planning, Recruiting/Learning management, Performance record, Employee self-service, Scheduling, Absence

management, Analytics, Employee Reassign module, Grievance handling by following precedents.

According to HRM Solutions, Human Resource Information System (HRIS) is the subset of Human Capital Management (HCM) and HCM is in turn is the subset of HRMS.

HRIS	HCM	HRMS
Recruiting / ATS	HRIS	HCM
Core HR	Onboarding	Payroll
Benefit Admin / OE	Performance	Time & Labor
Absence Management	Position Control	
Compensation	Succession	
Training	Salary Planning	
Workflow	Global	
Self-Service	Analytics	
Reporting		

Source: <http://www.hrmsolutions.com/resources/blog/types-of-hris-systems/>

In the Research Study of Human Resource Systems and Sustained Competitive Advantage, Lado & Wilson(1994) , drew on the theoretical insights from the resource-based view of strategic management. They explored the potential of human resource systems to facilitate or inhibit the development and utilization of organizational competencies. These competencies — managerial, input-based, transformational, and output-based—are presumed to yield sustained competitive advantage for a firm by focusing attention on the HR activities, functions, and processes that enhance or impede competency accumulation and exploitation, complements the behavioral perspective (Schuler & Jackson, 1987) and, thus, potentially enhanced the understanding of strategic human resource management. (Belous,1989) Moreover Human Resource Systems adjust to the shift towards contingent workers. (Arthur,1994) There are two types of Human Resource Systems

namely , control and commitment systems. It is identified that the commitment systems had higher productivity, lower scrap rates, and lower employee turnover than those with control systems. In addition, human resource system moderated the relationship between turnover and manufacturing performance. The study on the Impact of Human Resource Management Practices on Turnover, Productivity and Corporate Financial Performance, comprehensively evaluated the links between systems of High Performance Work Practices and firm performance. Based on a national sample of nearly one thousand firms indicate results that these practices have an economically and statistically significant impact on both intermediate employee outcomes (turnover and productivity) and short- and long-term measures of corporate financial performance. Support for predictions that the impact of High Performance Work Practices on firm performance is in part contingent on their

interrelationships and links with competitive strategy was limited(Huselid,1995). Wilkins (1984) opined that how informally told stories and human resource systems help create strong company cultures which can support a corporate strategy. It explains why stories are so powerful in creating company culture. It also suggests how managers can deal with negative stories and encourage the telling of positive stories both through their personal behaviour and through the human resource systems they manage. The relationship between the customer and front-line service provider is a central feature that distinguishes production-level service activities from manufacturing. In particular, through strategic segmentation, firms are able to segment customers by their demand characteristics and to match the complexity and potential revenue stream of the customer to the skills of employees and the human resource system that shapes the customer–employee interface. Unlike manufacturing, where high involvement systems have emerged in a wide variety of product markets, therefore, service organizations are likely to use high involvement systems only to serve higher value-added customers because of the high costs of these systems and the labor-intensive nature of services(Batt,2011).

### **5. The Importance of a Human Resource Management System to an Organization : HR Perspective**

Modern business practice requires an integrated human resource system to replace manual processes for the operational control of employee relations. This has resulted in reduced labor requirements and administrative processes. The corresponding increase in productivity due to centralized computing streamlines operations and assists managers to focus on more mission critical

aspects of human resource management. Although paperwork hasn't been totally reduced, human resource managers can now spend more time on core business objectives as opposed to attending to minor administration tasks. One area where a computerized human resource system is fully utilized is in the screening, tracking and reporting on application processes associated with filling vacancies. With internet integration, job posting, the tracking of open positions and the ability to store resumes electronically, human resource managers can fulfill recruitment, screening and conduct all operations from a centralized computer terminal. The ability to performing searches and track jobs and applications greatly expedites processes that would otherwise be very time consuming to execute. The financial management module of human resource systems permits managers to conduct payroll operations seamlessly. With software to control salary and wage rates, superannuation contributions, employee performance details, sick leave and annual leave entitlements and incidents, there is no longer any need for a huge payroll division to organize company payments. The automatic reporting functionally essentially means that once the manager setups and structures employee details, the system can operate without manual processing and minimal labor oversee.

The operational requirements of employee management entail tracking, archiving and staying on top of rules, regulations and compliance, health and safety issues. A centralized human resource system minimizes the administration associated with maintaining operating requirements. New government regulations and legislation can be tracked over the internet for system integration. The HR system is necessary for companies of all sizes, whether they operate

locally or globally. Keeping track of labor, forecasting labor requirements, facilitating day to day employee management and providing financial reporting to the accounting department are essential components to company operations. With the ability to cut costs, save time and increase productivity, an hr system is an investment that companies will long reap benefit from. The HR function is a staff function that which supports and integrates all the departments of an organization to collaborate and achieve the organizational goals. The importance of HR function is increasing rapidly. The HR personnel became business partners of every business by basing on all these changes and signs; there is no doubt to say that HR function playing the crucial role in an industry. The global competition has been increasing from the last two decades, it is most important area is to find the right talent to generate the worthy and qualitative products, for suitable growth and rapid development in the business; after becoming as a strategic planner of Organizational policies the HR function became critical in every business unit, to plan the present future Manpower needs of the business unit and execute the plan of action. In planning the HR program the manager should approach the decision making process in a systematic and objective manner by calculating comparing the probabilities, costs, risks and benefits. Specific policies, procedures and standards will have to be established. In controlling the personnel unit the manager must identify the strategic control points that can be monitored on an exception basis. Periodically and a systematic, comprehensive audit of HR activities and practices can be undertaken to assure that the program is accomplished as planned. The review process would start once execution of plan part done.

The Human Resource function handles the most variable component of the Organization that is Human Resources; it's very typical to handle Human Resources in an Organization. There are several roles for the HR person to play likewise Advisory Role, Mediator Role, Counselor role, Representative Role, Welfare Role, Legal Role, Decision Making and problem solver role, Change agent role and conscience Role. In all these said roles it's very important to ensure HR system to an organization. Most of the people don't understand how important HR function is in overall organizational success. Most of the employees of the different departments are really don't know the many responsibilities of HR department. Recruitment / Talent Acquisition is the most important initial step to find the right talent to fulfill desired organizational requirements. The HR function creates value to Human Capital.

The orientation and on boarding of the employees are the second foremost step that which reduces the employee fear about new environment to adjust. Skill enhancement plays a crucial role in any business industry, here the HR department scale the current skill set of employees likewise presentation skills, communication and leadership. Conflict resolution is a major part the organizations invites constructive conflicts for the betterment in procedures, GR department minimizes the destructive conflicts, here the key focus of the HR is smooth functioning of operations/ Industrial harmony and peace. Employee satisfaction is the most important component to retain best talent, for achieving the employee satisfaction HR department identify the key motivating factors of the employees, addressing the needs of the talent, conducting surveys, meetings, generating reports will keep the employees motivated and satisfied.

The HR function conducts different employee engagement practice for making employees to get out of boredom, work pressure/frustration, and improve the professional relationships and employee belongingness. The HR department plan and organize all these events, parties to create excitement and transformation of attitude to positive sign about organization. Succession planning is the most important variable to sustain a business for a long run, coz in the case of employee separation the HR function should plan and ensure for the succession to handle the roles and responsibilities of the resigned/ retired/ dismissed employee for smooth functioning within the department.

The performance review will be conducted by the HR function in any organization for analyzing the key performance and Key result areas of each employee for creating optimized satisfaction for the efforts they rend to the organizational effectiveness. Here the HR function maintains equity in distributing the satisfactory hikes by basing on the employee level of reaching organizational expectations. Cost saving and budget saving are under supervision of HR function in any organization. For cutting the budget blockages of the organization and trimming /firing workforce management costs in an organization is only way to come out of the potential threats of the company profitability. Choosing the necessary alternatives like identifying the external sources to decrease the cost burden on the company, enhances the profit making. And cutting the cost of new/replaced workforce which includes the cost burden of Learning and development aspects to train the new blood of the organization is under the scope of HR function to subject the right alternative to minimize the cost of company. Time office management, pay salary administration and

employee benefits planning under the scope of HR function for the effective use of financial resources of an organization. The HR function plan for the suitable pay structure for the benefit of both employee and employer. Benefits planning is in addition to the wage/salary administration, which monitor by the HR function according to the economical, social, cultural and technological changes. The HR function plan and implements.

Creation of corporate image under the scope of HR function, the employer receive image by basing on the way they treat their employees, the best example for creating corporate image M/s. Google has made several recommendations and altered policies for the welfare of their employees. It has received best employer award for the same, these are the practices of HR to create corporate image in the world of business. The HR department creates/alters policies and procedures by basing on the circumstance, it plays a critical role in this area of creating corporate image. The HR function creates stead fast principles ensures and implements by basing on the company/ business principles. Creating cohesive/ transparent work environment to make workforce effectively is major aspect in HR function, the workforce effective makes the business effectiveness. In this regard the HR functional services importance is very vital; we can't imagine success of any business without an efficient HR function. The LPG policy made drastic changes in the business environment and legislations were altered by basing on the recommendation and global workforce impact is very high in the market. To sustain the business in this competitive era, the HR function's scope and importance are increasing day by day, to create belongingness in HR individuals several

employers making their efficient HR personnel as the business partners.

## 6. Conclusion & Suggestions:

Employee Engagement and Human Resource System are very important and the HR function has a critical role to play in this endeavor. The frame work of the workforce effectiveness only possible with the HR System and HR function for creating wealth to an organization, no other function can substitute to give optimized outputs to the business industry. Being an HR person we really required to world to create drastic changes in the society to create corporate philosophy, sustainability and growth to an organization.

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# ROLE OF EDUCATION IN ECONOMIC DEVELOPMENT & SKILL FORMATION

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## Abstract

Education is not only acquiring the Knowledge or information but is a process of learning during the whole course of the life. It involves physical, mental, social, emotional, economic, cultural and spiritual aspect of the life. One of the most important objectives of education is economic efficiency. Economic Efficiency is total of different economic abilities such-ability to understand the requirement and opportunities for various jobs, ability to select occupation, ability to succeed in chosen vocation and consumer judgments etc. Economic efficiency is essential for economic development of the country. After independence the Government of India accepted education as a great tool for the economic development of the Country. Committees and Commission on education, [University Commission (1948-49), Secondary Education Commission (1952-53), Education Commission (1964-66), New Education Policy (1986)] have focused on quality education and skill development programme, but we have not succeeded in this direction yet. Along with Education System there are many others factors that influence skill formation and employability. This paper is presented to examine the global nation and local factors and challenges that influence educational outcome and skill formation. It also focuses on the role of education in skill formation.

**Key word- Education, Global, Skill formation, economic development, entrepreneurship.**

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## Introduction

Human Capital was considered one of the most important sources of economic development. Many empirical studies found positive association between education and economic growth. Economic efficiency is essential for economic growth. Thus, one of the most important function of education is skill formation. "Skill formation described as the social capacity for learning and innovation". This means that the theory emphasis the societal factor that the influence acquisition and application for skills.

## Theory and Assumption of skill formation:

The concept of skill formation has its roots in economic sociology and the new Institutionalism. The theory pre-supposes that skill formation and economic performance are socially constructed and experienced within social institution such as school, offices and industries. The implication is

that skill formation like any other social system could be seen to comprise the interplay of individuals and institutions of agency and societal interpretation of economic skills, institution structures and the organization at work places, where skills are applied which could shape the demand for and supply of skills.

The theory thus, illuminates the social, political and economic factors that influence development and application of skills in the economy. It provides a theoretical underpinning that could provide a platform for reflection that would enable people, individually and collectively understand their economic needs.

From this understanding, the theory of skill formation could be said to be based on several assumption that need to be considered when planning programme that would empower people with skills for economic development. One primary assumption of the theory is that like all human activities, the meaning of being skilled and how the skills are used in the economy is

shaped by the social ruler. People will value certain skills and apply them in day to day activities based on the in-built assumptions of the wider set of social rules. For example, in communities where the society values music as professional duty that can earn one a living, many people may learn and apply such skills. However, in communities where music is not valued as an economic activity, people who are talented in such skill may fail to develop them. Another key assumption of skill formation is that skill development and application has political dimension. It is those in power positions that can support a solid education system to foster a skill formation programme. In addition, the skills espoused by dominant groups as they comprise broader discourses linked to power and privilege can be used to influence the groups with less power in the society. For example at a global level, the powerful nation through the Agency of Multinationals Corporation such as World Bank and International Monetary Fund (IMF) influence developing countries to emphasis certain skills. For example ICT as an internationally recognized skill for the contemporary economic development is emphasized in developing countries. At a national level, curriculum policy is prepared by those in power position. The selection of the curriculum content though underpinned by the societal needs is often an ideological construct mediated by the understanding of those in authority. They also define what is knowledge, how accessibly to different groups any Knowledge is and the accepted relationship between different Knowledge areas and those who possess them. Accordingly, though different policies initiated by those in power, knowledge could be stratified in two aspects: pure and applied, or academic and vocational. Similarly, though the use of different mechanisms such as user fees or examination, the government determines those who have access to 'what' education hence what skill. Those in authority may also influence skill formation subtly through different ways such as regulation of the economy.

A third assumption of skill formation is that variation in contextual factors both within

and among nations lead to varied skill needs. Different economic activities are undertaken in different localities depending on factor such as climate, status of the location (whether urban or rural) or level of technological development and available resources. Issues of income distribution, opportunity and democratic participation and the ways people come together in pursuit of their individual interests and collective goals are seen to have decisive impact on national skill formation strategy. Varied economic needs make it difficult for any standard way of resolving the problematic of skill formation. The implication is that there is need for dialogical approach in both planning and implementation of programmes that foster skill formation. Consensus on issues of skill development is highly emphasized.

In general, to align the educational institution outcome to economic needs of the country is dependent on many factors. Many students fail to realize economic expectation from schools not only because the schools fail to offer technical skill for economic development, but because of social, cultural, political and economic factors (Abramowitz & Giroux, 1985). It would therefore be reasonable to assume that skill formation as a social activity ought to be approached from a combination rather than separate factors to be able to see things from a practical perspective.

However, many of the surveys of the role of education in economic development focus on particular aspects of the education system even if they provide an overall picture that is clear and consistent. The researchers who scrutinize the student performance for example, detect behaviors which are not in conformity with skill development. Whether, they are concerned with behavior of the students, work or their role in the society, they keep returning to the relative unexpected outcomes in the school system. That these remains detected (unexpected outcomes) but rarely pursued is partly because of the consistent application of theories that do not address the social political factors that influence education and partly because of approaching the study of education as a separate entity from the

rest of the society. Education is embedded in the society and much of what goes on in the society be corruption, bad policies or cultural practices affect the outcomes. Schooling should therefore be pictured as an element of the larger society (Abramowitz & Giroux, 1985) the society needs educated people to spearhead economic development.

### **Impact of Globalization & Social, Political issues in skill formation.**

**Globalization:** There are many changes taking place in the world of work as result of global integration that have significant effect on skill formation. Globalization has brought about many opportunities through export trade, thus rising demand for skill in different areas. Global competition motivate people to acquire high skill to improve the quality of their products to be able to compete effectively.

Although the competitive nature of global market present opportunities for improving quality, neo liberal policy of the free market economy presents a challenge that affects skill formation.

**Social, Political issues:** Historical inequalities and unequal power on access to employment and other social goods affects development and application of the skill. A further negative effect on skill formation was seen in the application of skill Education is supposed to enhance practical application of skill at work. However, it was perceived that the education system does not encourage practical work. If practical work was not encouraged that is unlikely that high productivity is valued. To this end recruitment of employees in not based on merit. This leaves room for other criteria to be used in employment that do not encourage skill formation

**Challenges for skill formation :** The task of skill development and entrepreneurship has many challenges.

- Limited mobility between skill and higher education programme.

- Traditional and cultural bias against nonwhite collar occupations.
- Lack of robust mechanism for monitoring and measuring outcomes.
- Disharmony in various skill development programmers.
- Very low coverage and poorly designed apprenticeship programs.
- Narrow and often obsolete skill curricula.

### **Role of education in skill development:**

Education is an important means for creating positive attitude for vocational education. It plays a major role in shaping skill development. Following points describe the role of education in this context.

- Changing the negative perception associated with vocational education.
- Mobilization of youth for vocational education.
- Rising awareness among target group about the benefits of skill development.
- Creating interest for vocational education.
- Coordination and integration of skilling effort. (Central and state Government, training providers, assessment agencies, industry).
- Focusing on both employment and employability.
- Improving the capacity and quality of training.
- International equivalence and mobility of skilled manpower.
- Creating opportunities for all to acquire skill throughout life.
- Creating equal opportunities of skill development especially for youth, women and disadvantage group.
- Reduce division such as male/female, rural/urban, organized/unorganized employment

and traditional/contemporary work place.

- Develop a high quality skilled work force /entrepreneur relevant to current and emerging employment market needs.

### Conclusion:

A continuous and joint effort is needed to shape skill formation. The social, political and economic factors need to be addressed and economic policies reformed alongside change in education to influence positive outcome. Education policy maker need to work collaboratively with all stakeholders to succeed in providing education with economic need of the country.

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# THE NEED FOR HUMAN RESOURCE DEVELOPMENT PRACTICES IN MICRO, SMALL, AND MEDIUM ENTERPRISES

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## Abstract

**The paper presented here briefly explains the needs of HRD practices in MSMEs.**

On Business environment all over the world is changing rapidly on account of socio-economic and technological changes. Over the last two decades organization all over the world have increasingly become aware of the HRD practices. This awareness is very critical for their organizational growth and effectiveness. Organizations will find themselves very difficult to achieve their predetermined goals unless their manpower are complementary to their operations. In India MSME sectors requires significant changes in philosophy and approach to be able to develop and deliver a new wave eco-system which facilitates their development and seize the emerging domestic and global opportunities. The MSME segment is expected to play a significant role in the emergence of the Indian economy. The development of this segment is extremely critical to meet the national imperatives of financial inclusion and generation of significant level of employment across Urban, Rurban and Rural areas across the country. MSME segment ones the backbone of Indian economy have also undergone substantial changes in their structure and operation for the existing and future challenges and growth. HRD play a vital role in MSME sector in Indian economy. Because most of the employees in MSME sectors are divided into three categories skilled, semi-skilled, and unskilled. The main objectives of HRD practices of an organization is oriented towards socializing employees into the organizations, providing the required skill and knowledge, helping the individual and group to become more effective in the present job and developing them to handle future jobs in an equally efficient manner. HRD practices is equally important that the MSME segments develops in all areas of agriculture, manufacturing and services sector because each of this sector will continue to be very relevant to the overall GDP growth as well as employment generation.

**Key Words: MSMEs, HRD, UNDP Report 2014, Deficiency of Skilled Labour Force.**

## Introduction

As per the latest UNDP report (2014) India is ranked 130 among 188 countries in 2014. The Human Development Report 2015 released is released by the United Nations Development Programme (UNDP). India's HDI value for 2014 is 0.609, which puts the country in the medium human development category, positioning it at 130 out of 188 countries and territories. According to the report between 1980 and 2014,

India's HDI value increased from 0.362 to 0.609, an increase of 68.1 per cent or an average annual increase of about 1.54 per cent. Norway topped followed by Australia and Switzerland. As per the report, the HDI rank of Bangladesh and Pakistan was 142 and 147, respectively. Among the BRICS nations, India was ranked lowest. It is an indicator of poor supply of skilled labor supply for the MSME's. Following table gives a picture of India's position in BRICS countries in terms of HDI.

Table 1: Bricks Ranking: HDI (Human Development Index)2014

## BRICS RANKINGS

A point of concern for India, despite satisfactory growth trends, is the perceptible rise in inequality in access to education, health and living standards.

HDI RANK					Human Development Index (HDI)
2013	2014				
74	75	↓		Brazil	0.755
50	50	↔		Russia	0.798
131	130	↑		India	0.609
93	90	↑		China	0.727
117	116	↑		South Africa	0.666

Source: UNDP report

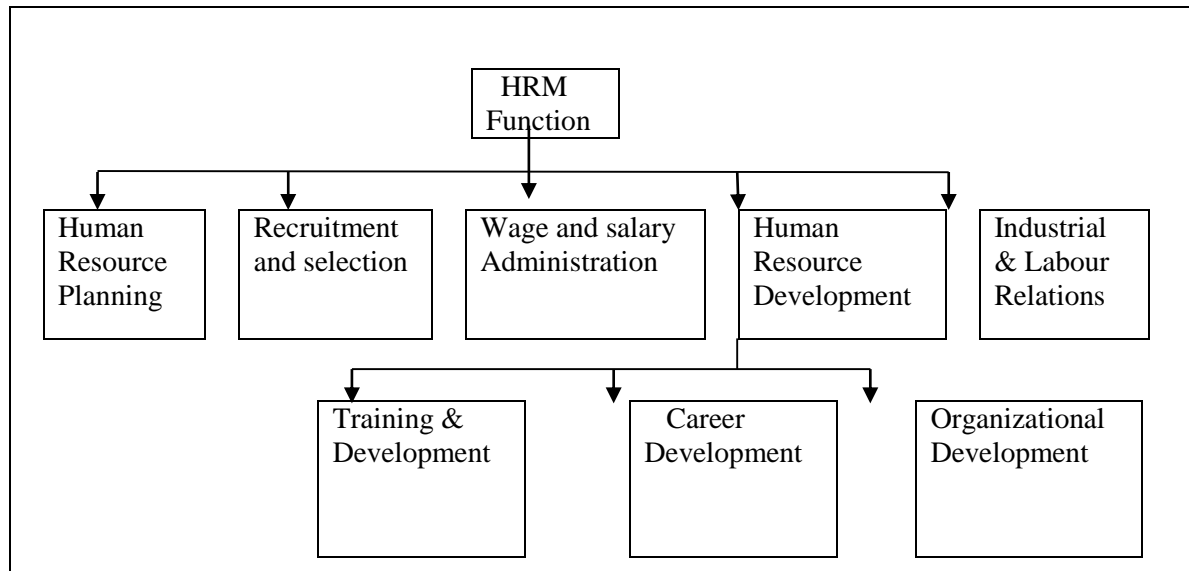
Several government programs and Ministries of the Government of India have been focusing on improving the skilled manpower base in India for MSMEs. While the previous UPA government in India had set an ambitious target to create 500 Million skilled workforce by 2022 the current NDA government has taken a step forward by creating a separate ministry to ensure that this key priority gets due attention as desired.

The approximate students passing out from 11,964 Industrial Training Institutes or ITIs (Government run and private) are more than 1 Million. The sheer number of students who are passing out from these institutes across country is so huge that industries in India can't absorb all of them. However, if one checks with industry their concern is the non-availability of skilled manpower in the market; and this problem becomes more acute when we speak with micro, small and medium enterprises (MSME). One hand, the industry has been facing acute shortage of plumbers, electricians, masons and people with

similar skills. On the other hand large number of unemployed ITI and engineering graduates are wandering here and there in search of Job. It means that there is a huge gap between education and training students get in engineering colleges & ITI centers and need of the MSME's. In other words-creation of industry led skilling programs will help MSMEs deal with skill storage

### How to deal with the shortage of skilled workforce in MSMEs?

There are two options available. First- to customize engineering and ITI centers to produce skilled workforce suitable for specific MSME's needs. And, second, MSME's develop their Human resource development system to meet their skilled workforce needs. In this situation HRD department or system is vital for the growth and development for the MSMEs.

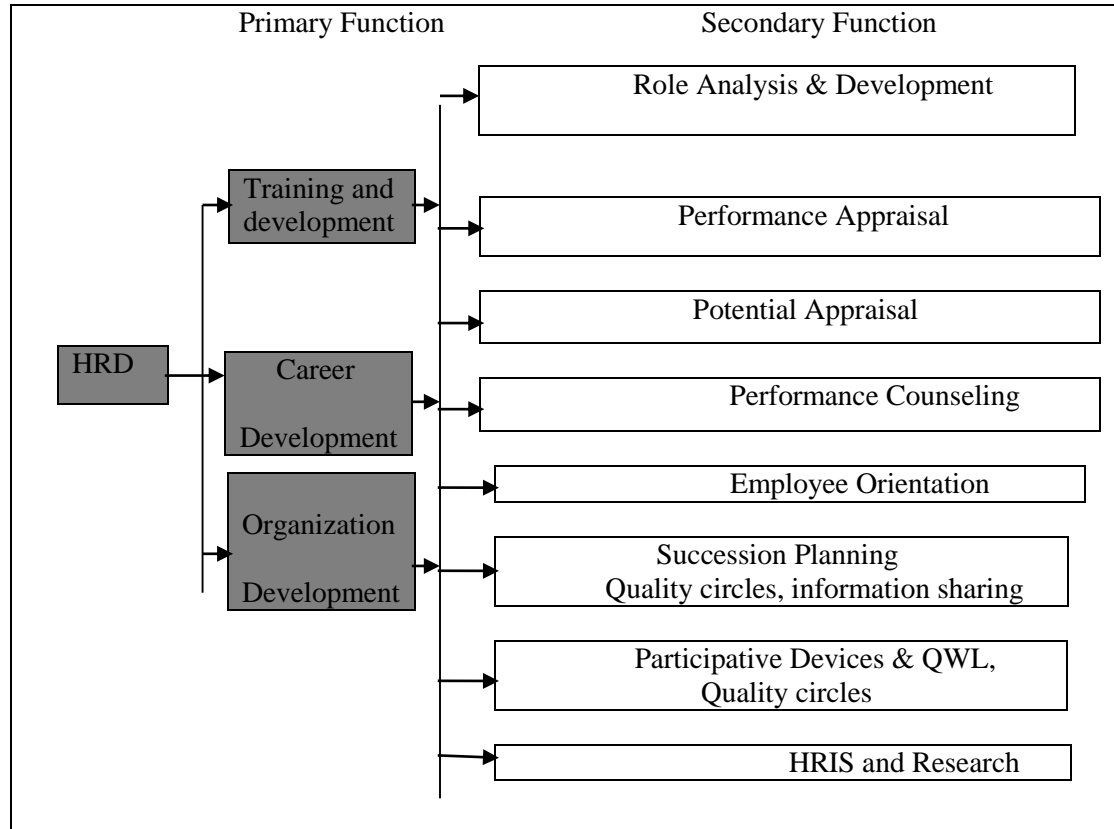
**Table 2: Functions of HRM**

Source: R .Krishnaveni, (2010) in his book “HRD a researcher perspective” page no. 2

Sustainable growth and financial performance leads to success of an organization. This depends on how will the organizations critical resources are being utilized by its managers. The three main critical areas for any organization to successes are: Financial Resources – Money and securities, Physical Resources – Tools and facilities, equipments Human Resources – people to do the work . Udai pareek and T.v Rao 1992 explain “ HRD is primarily concerned with developing employee though training ,feedback and counseling by the senior officers and other developments efforts” HRD in the organizational context has been defined ( Rao T.V, el at 2002) as a process by which employee of an organization are continuously helped in a planned way

- (1) To acquire capabilities (Knowledge, perceptive, attitudes, values and skills) required to perform tasks or functions, associated with their present or future expectations.
- (2) To develop their general enabling capabilities as individual so that they are able to discover and utilize their own inner potential for their own or organizational development purpose. The aim of HRD activities of an organization is oriented towards, socializing the new employees into the organization, providing the required skill and knowledge ,helping the individual and group to become more effective in the present job and developing them to handle future jobs in an equally efficient manner.

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**Table 3: The Model of HRD functions -based on their primary and secondary function**

Source: R.Krishnaveni,(2010) in his book “HRD a researcher perspective” page no. 11

### Models of HRD function in MSME

Micro, Small & Medium Enterprises-Development Institute (MSME-DI), Ministry of MSME, Govt. of India, has been playing a key role for development of MSME through counseling, consultancy and training. Established in 1960 as Small Industries Service Institute Extension Centre and thereafter upgraded as Small Industries Service Institute in 1975, the Institute has made significant contributions for promotion and development of Micro, Small and Medium Enterprises in Jharkhand. The Institute strives to achieve its avowed objective through a gamut of operations ranging from training, consultancy, buyer-seller meet, vendor development program as well as various awareness and modernization, programs. The

role of small & medium enterprises (SME'S) in developing countries (in India, they are called 'micro, small and medium Enterprises') is often argued in terms of their well-known contribution such as employment and balanced required development. However in the modern world sustainability of these enterprises is a more crucial concern.

### Forms of MSME and investment level

In accordance with the provisions of Micro ,small ,and medium Enterprises Development (MSMED) ACT 2006 The Micro, small, and Medium enterprises (MSME) are classified into two classes: -

### Manufacturing Sector

- **Micro Enterprises:** Does not exceed twenty five lakh rupees
- **Small Enterprises:** More than twenty five lakh rupees but does not exceed five crore rupees
- **Medium Enterprises :** More than five crore rupees but does not exceed ten crore rupees

### Service Sector

- **Micro Enterprises:** Does not exceed ten lakh rupees
- **Small Enterprises :** More than ten lakh rupees but does not exceed two crore rupees
- **Medium Enterprises:** More than two crore rupees but does not exceed five crore rupees

### Key highlights of the MSME Sector in India:

- MSMEs account for about 45% of India's manufacturing output.
- MSMEs account for about 40% of India's total exports.
- The sector is projected to employ about 73 mn people in more than 31 mn units spread across the country.
- MSMEs manufacture more than 6,000 products ranging from traditional to high tech items.
- For FY11, total production coming from MSME sector was projected at ` 10,957.6 bn, an increase of more than 11% over the previous year.

### Major initiatives undertaken by the government in FY12 to revitalize the MSME sector:

- BSE and NSE got the approval for SME platforms from SEBI and have been operational. This will serve as an opportunity for Indian SMEs to raise funds from capital markets.
- To achieve the overall target set by the Prime Minister's National Council on

Skill Development, Ministry of MSME and the agencies conducted the skill development programs for 478,000 persons during FY12. During FY13, the Ministry aims to provide training to 572,000 people through its various programs for development of self-employment opportunities as well as wage employment opportunities in the country.

- To improve the productivity, competitiveness and capacity building of MSMEs, the Government of India has adopted a cluster-based approach. During Apr-Jan 2012, the government has taken 8 new clusters for diagnostic study, 5 for soft interventions, and 4 for setting up of common facility centre. Till Jan 2012, the government has taken total 477 clusters for diagnostic study, soft interventions and hard interventions and 134 infrastructure development projects. (Source: Economic Survey 2011-12)

### Conclusion

It is more than evident that human resource development is crucial for MSMEs and economic development for the countries like India. Furthermore, this paper confirms the argument that SMEs in India have enormous potential for organizational development and larger social improvements. The figures and facts presented in this paper point out the potential of additional growth in MSME sector through human resources development. Though, the paper also reviles the fact that SMEs in India are not exploiting their human resource purposefully and consistently and management pay no attention to organization's most valued assets, that is, the its employees. SMEs are facing many obstacles and are not achieving their maximum, dues to incompetency in applying contemporary and substantiated HR practices due to the lack of experience and low level of awareness pertaining to HR development. Therefore, significant initiatives have to be implemented in order to improve the foundations of organizational

efficiencies to attain the maximization of MSME performance. MSMEs in India face a number of problems - absence of adequate and timely banking finance, non-availability of suitable

technology, ineffective marketing due to limited resources and non-availability of skilled manpower.

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# AN EMPIRICAL STUDY ON STRATEGIC HUMAN RESOURCE DEVELOPMENT PRACTICES IN NON-GOVERNMENT ORGANISATIONS IN WEST BENGAL

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## Abstract

Non-Governmental Organizations (NGOs) in India have developed quite consistently over the years while addressing the gaps which were neither considered nor paid attention to by the state and the local civic bodies. NGOs have been known as non-Governmental, voluntary, service/development oriented systems working for the benefit of the sections of the population and also for the members of such organizations. A larger percentage of staff includes those who work on the spirit of volunteerism and altruism. These organizations enjoy a number of advantages which make them potentially effective change agents. While the organizations engage themselves in Social empowerment project management, NGOs have been critiqued for their over-concern for the development of the needy than for their concern for the development of their employees. Today, many organisations claim “our people are our most important asset”, and the human resource management function is increasingly significant to NGO strategy and success. Activities such as recruitment & selection, training & career development, performance appraisal, compensation & benefits are important to the effectiveness of organizations wherever they are located. However, a significant number of them are graduating to a higher level of professionalism. They are not only realizing the need for institutionalizing processes and systems, but also making remarkable stride in their institutional development and management process. Thus, this paper attempts to explore through a plight study to what extent the selected NGOs working in Bengal paid attention to Strategic Human Resource Development principles and SHRD practices are manifested into NGOs. It also examines the managerial problems of NGOs and proposes a SHRD Model for NGOs as well as its functions as key to educate and empower the employees of NGOs who could be efficient and effective in their service delivery. Furthermore, this paper aims to reflect on the implications of SHRD functions in NGOs in West Bengal Scenario.

**Key words: Non-Governmental Organizations, Human Resource Development, Strategic Human Resource Development, Mission & Innovation.**

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## 1. Introduction

Non-Governmental Organizations (NGOs) in India have developed quite consistently over the years while addressing the gaps which were neither considered nor paid attention to by the state and the local civic bodies. NGOs have been known as non-Governmental, voluntary, service/development oriented systems working for the benefit of the sections of the population and also for the members of such organizations. A larger percentage of staff includes those who work on the spirit of volunteerism and altruism. These organizations enjoy a number of

advantages which make them potentially effective change agents. We need to understand the concept of NGO and its development.

### 1.1 Non-Governmental Organizations (NGOs) concepts

The world of NGOs contains a bewildering variety of labels. While the term “NGO” is widely used, there are also many other overlapping terms used such as “non-profit,” “voluntary,” and “civil society” organizations (Lewis, 2010).

### 1.1.1 The “Non” in nongovernmental Organization

It has been stated that “the NGOs are non-governmental, non-profit-making, not-uninational” (Lador-Lederer, 1963). It has further been argued that NGOs are “any non-profit-making, non-violent, organized group of people who are not seeking governmental office” (Willetts, 1996).

### 1.1.2 The “Governmental” in nongovernmental Organization

The term “governments or governmental” components are excluded from the definition of NGOs. NGOs are generally understood as being organizations that do not include governmental representatives. NGOs are made up of individuals or national groups (which contain only individuals) and not official representatives of national governments (Russett, Starr, & Kinsella, 2005).

### The “Organization” in ongovernmental Organization

The criterion of an “organization” distinguishes NGOs from spontaneous forces or movements (Merle, 1988). In particular, NGOs are distinct from other forms of collective action with less permanent organizational structure. The organizational attribute characterizes NGOs as having at least a basic organizational structure, such as permanent members, offices, or financial income. NGOs are thus formal institutions with self-governing constitutional arrangements (Uvin and Weiss, 1998, & Weiss, 1996).

### Defining “Non-Governmental Organizations”

Researchers enumerated that there are no precise definitions of Non-Governmental Organizations. Precise definitions vary as to what constitutes an NGO, and the challenge of analysing the phenomenon of NGOs remains surprisingly difficult. NGOs are a diverse group of organizations that defy generalization, ranging from small informal groups to large formal agencies (Lewis, 2010). The World Bank defines NGOs as “private organisations that pursue activities to relieve suffering, promote the

interests of the poor, protect the environment, provides basic social services, or undertake community development”. Others viewed that NGOs include an array of groups and institutions that are entirely or largely independent of government and characterised primarily by humanitarian or cooperative, rather than commercial objectives”(Rao & JAIN, 2012). According to Turner and Hulme “NGOs are generally registered organizations, community groups, professional, associations, trade unions, cooperate charity organizations whose aim is to improve the well Being of their members and of those areas in which they Exists”(Turner & Hulme, 1997) Finally, Vakil (1997), proposed a concise definition that NGOs are “self-governing, private, not-for-profit organizations that are geared to improving the quality of life for disadvantaged people.”

## 1.2 Nongovernmental Organizational components

### 1.1.1. Mission

The total organization with its significant subparts, and successful individuals work towards goals designed to carry out a **vital mission**. A high performing organization’s mission is understandable and brief. It is broad enough to endure minor changes, yet specific enough to provide a basis for developing goals and objectives (Knauff, Berger, and Gray 1991). In addition, the mission is realistic and operational (Knauff, Berger, and Gray 1991).

### 1.1.2. Effective Governing Board

Effective Governing Boards determine a clear mission and purpose for the organization and review it regularly and contribute to the organization’s effectiveness. An effective board’s policy framework is comprehensive. Governing Boards facilitate the development of clear organizational infrastructure and effectively communicate this through the mission and programs(Heuer, 1999). Effective Governing Boards set policies and strategies for the NGO, in line with the agreed purposes, principles and scope of the NGO. It also sets operational guidelines, work plans and budgets for the NGO

and policy and program support. Many times, it is also called on to make funding decisions.

### 1.1.3. Synergy Leader

A successful Non Governmental Organization has a leader who believes in and is passionate about the mission and vision and can convey that excitement to others (Knauff, Berger, and Gray 1991, Powell 1987, Picker 1994). A good leader provides ongoing support, motivation, and does performance evaluations to ensure the success of any NGO(Heuer, 1999).

### 1.1.4. Commitmmted volunteers and staff

An NGO success would depend on its volunteers and staff who are devoted to the mission and work towards explicit goals. An effective organization provides its volunteers and staff with meaningful work and ensures that volunteers feel a sense of ownership and inclusion. Continual feedback, assistance, motivation, and regular evaluation are provided to maintain staff commitment, satisfaction, and high performance(Heuer, 1999).

### 1.1.5. Effective Leadership functions

The Governing Body entrusts the fuller resposnibility to the Chief functionary the power to lead the organization and managege the projects. He also has the power to hire, train and devlop the staff with employee orientation, to enagage donors with the Project Management and sustain organizational reputation among stakeholders and agencies(Parthasarathy, 2012).

## 1.3 NGO Functions

NGOs have special functions to excute to maximize the output of their services and reach their targets. Simmons (1998) described NGO's functions in the following four ways:

- a. **Setting Agenda:** NGOs have long played a key role in forcing leaders and policymakers to pay attention to launch the issues to be solved and development is to be brought forth.
- b. **Negotiating Outcomes:** NGOs can be essential in designin multilateral treaties that work. They fix the outcome of each and every project intervention.

- c. **Conferring Legitimacy:** NGOs judgements can be decisive in promoting or withholding public and political support.
- d. **Implementing Solutions:** NGOs on the ground often make the impossible possible by doing what governments can not or will not.

## 1.4 NGO engagement in India

India has a long history of civil society engaging in daana (giving) and seva (service). The prime focus is to help the poor and the needy. In the same view, Non-Governmental organizations are voluntary in spirit and without profit-making objectives. NGOs or Voluntary Organizations are not a new phenomenon and the concept of voluntary action is very ancient. Inamdar (1987) showed in his research that during ancient and medieval times, Voluntarism operated freely and exclusively in the fields of education, medicine, cultural promotion and even acted as succour in crises like droughts, floods and epidemics.

Indian NGOs have a deep-seated ethical basis for altruism (Baxi 1997; Viswanath 1993). Because of the altruistic motivation, Indian NGOs:

- Tend to be relatively conservative and service-oriented;
- Are incrementalist (that is, they seek small improvements in people's lives);
- Promote non-violence; and
- Generally avoid party political processes, and discourage party affiliations.

We could trace back the history of NGO activity and they are found to be active in promotion of cultural, education, health, and natural disaster relief as early as the medieval era. Social historians Misra and Rajeeb, (2008) have well-furnished the development of NGOs with division of voluntary organizations in India since the 19th century. The phases have been enumerated into the following eight phases. a) First phase (1800-1850): Misra and Rajeeb, (2008) emphasised this period as a period of witnessing social reform movements as a result of ideas that were introduced from the West, as well as the activities of Christian missionaries who combined social uplift with Christian missionary activity. These shaped the growth of voluntary organizations to cater the needs of the people and

help them. b) Second phase (1850-1900): Misra and Rajeeb, (2008) argued that this period was characterized by the spread of nationalism, popularity of English education and setting up of communication links, all of which influenced growth of the voluntary sector in these areas. They proliferated during British rule, working to improve social welfare and literacy and pursuing relief projects. During the second half of the 19th century, nationalist consciousness spread across India and self-help emerged as the primary focus of socio-political movements. Numerous organizations were established during this period, including the **Friend-in-Need Society** (1858), **Prathana Samaj** (1864), **Satya Shodhan Samaj** (1873), **Arya Samaj** (1875), the **National Council for Women in India** (1875), and the **Indian National Conference** (1887).

c) Third phase (1900-1947): Misra and Rajeeb, (2008) viewed that the channelling of voluntary spirit for political action, mass mobilization and Gandhi's initiation of constructive work in rural areas and among "Harijans" have led to the growth of the voluntary sector. Mahatma Gandhi's program of rural development, which employed volunteers in rural areas for the improvement of education, health and employment, set a new operating model for voluntary and charitable initiatives. d) Fourth Phase (After Independence to the mid-sixties): Misra and Rajeeb, (2008) has indicated that there was a progress of growing economy that paved way to development during this period. The Government felt the urgent need of an agency from outside who could help the Government to run the welfare programs effectively. NGOs were approached by the government to implement welfare programs and to strengthen the support of the local community. The emergence of a mixed economy or co-existence of both private and public sectors and the launch of the Community Development Program with the policy of people's participation were key developments during this period, which had an impact on the voluntary movement.

An eminent anthropological scientist gave a new direction to the understanding of Anthropological Aspects of Voluntary

Associations noted that the Voluntary Associations become more common and significant as societies advance in technology, complexity and scale (Michael Banton 1957). e) Fifth phase (Mid-sixties –early seventies): Misra and Rajeeb, (2008) has seen this phase witnessing the recognition of the limitations of the government's development model and the contrasting potential of voluntary organizations. With the emergency of Marxist ideology, this provoked the rejection of the development model followed by the government, since they felt that it did not address the root cause of poverty and its impact. Thus the roles of NGOs in the form of social action groups were introduced to the mass. Around this period, the political scientists, Gabriel Almond and Sidney Verba (1963) suggested that differences in the political culture and socialization experiences of the citizens account for differences in the amount, kind and effects of voluntary participation in nations which are equally urban in character. f) Sixth phase (Early seventies–1979): Misra and Rajeeb, (2008) helped to understand that during this period, the trend was to look for constructive ways to channelize energies and resources for building a better society. Disillusionment with the government and the idea of people's participation contributed to the growth of voluntary action. A number of social action groups supported by liberal foreign funding began to mushroom during this phase. g) Seventh phase (1980s – During the mid-1980s): Misra and Rajeeb, (2008) explained that there was an attempt to bring the fragmented development models gave way to a more integrated development model. There were two different types of grassroots NGOs emerged at this period namely i) Development NGOs that were involved in activities such as agriculture, environment, health and literacy and used participatory and innovative approaches and ii) Empowerment NGOs which set up organizations for the poor in rural areas and helped them to articulate their concerns. These NGOs co-existed along with the welfare NGOs and social action groups. Shalini Mehta (1980) has made an attempt to analyse achievements and failures of the Government and

Voluntary Agencies (VAs) in the villages of Mandla District of Madhya Pradesh in the spheres of health and education. It was found that the Voluntary Organization Banwasi Sewa Ashram is working more effectively in the field of education rather than the Government department. Research by Alliband Terry (1983) has indicated in his work (the study of voluntary agencies) that the rural development agents focused on the most widely known successful experiments by voluntary agencies such as Martandam and Sriniketan. h) Eighth phase (1990s) Misra and Rajeeb, (2008) emphasised that the voluntary organizations in this phase began to make their presence felt at the global level for example, at UN sponsored meetings such as the UN Conference on Environment & Development. The value of development NGOs in certain areas was recognized and they were approached by international aid agencies and the government to supplement the latter's efforts in micro-level poverty reduction.

Thus NGO management in India has historical nature and has developed over the years. The point of departure

## 2. SHRD principles in NGO Management: Case analysis

The review of literature has paved a way to understand the relationship between Strategic HRD and NGO practices in the local context. It is evident from existing literature that there is a growing interest among development NGOs in striving to improve management practices both within their agencies, in terms of their programmes and projects, and in the relationships which they pursue with other development actors. There are both internal and external factors which are now influencing this process. Having brought NGOs more fully into the mainstream development policy processes, pressures of accountability then led some aid donors and policy makers to examine more closely whether NGOs are properly equipped to play these new high-profile roles. Rao (1996) maintained that there is a great scope as well as need for

systematic research on HRD sub-systems. Although there is no comprehensive survey on applications of HRD principles and practices in the NGO context, the following are the case studies which show the practice and relevance of HRD principles, theories, models which are applied in various community and social development contexts through Non-Governmental Organizations. This is done to develop a strategic approach, planning and a model that help the NGOs be effective and efficient in their work. The following case studies reveal the application of SHRD principles in management of NGOS. The need of clubbing of management practices in NGOs' paradigm has researched. **McLean and Arney (1990)** in their article have explained that the Organizational Development (OD) components were used as mechanisms to animate a group of Pakistani consultants from social development agencies, non-governmental agencies (NGOs). The primary focus was to help these consultants to develop their organization development (OD) consulting competencies. **Kluvers and Tippet (2009)** found in their study that intrinsic rewards given to employees including opportunity for growth, opportunity for achievement, advancements and challenging tasks and duties in any organization help to increase the motivation level of employees and motivated employees are a sign of prosperity for Nongovernmental organizations. **Budhwani and McLean (2005)** described an extensive case study done in the villages of northern Pakistan that the OD action research model as well as HRD tools were used to enhance the role of local community based organizations and development NGO representatives to improve their health care, reduce poverty through capacity building and building entrepreneurship.

**Bamberger (2011)** noted that employee empowerment also enhances individual employee task performance. Empowered employees are able to choose which tasks to handle. This environment provides functional change in the work process and yields better performance outcomes. It also tends to increase an employee's self drive. **Asankanov (2004)** in

his case study in Kyrgyzstan reveals that the use of the HRD principles and practices namely: Stage of start-up, need assessment and feedback, collaborative action planning, implementation, extensive evaluation, institutionalization, and finally, separation, have enabled the organizations to create an atmosphere of development and growth within the organizations. **Lekorwe (2007)** argues that Some NGOs in Botswana are moving towards SHRD interventions in reforming their structures and roles in order to ensure that they have a clear direction and strategy of how to get to where they want to be in the next few years. although some NGOs have capacity problems, they still aim to have their aspirations and long term strategic goals spelt out in order to indicate the directions they would take now and in the future, thus promoting visionary leadership.

**Molomo and Somolekae (1999)** noted that Most NGOs in Africa and Botswana in particular, lack clearly defined structures in terms of organizational charts, buildings, facilities, equipment and human resources. At the same time there are NGOs in Botswana who use HRD principles like Ditshwanelo is one of the most well established and longest surviving NGOs (12 years) and it has an organizational structure that links various programs and activities to the centre, and also supports human resource requirements. Thus all the cases reveal a paradigm shift in NGOs' their approach and project management.

### 3. Research Design and Data Analysis

#### 3.1 Research Gap finding

The above Research suggests that NGOs that are engaged in capacity development have been no more successful than other external actors. Research on NGO employees and their work experiences are quite sparse and are fragmented if existing. The cases studies further lead a way to explore the SHRD aspects of NGOs covering issues like **empowerment** (Chandra Sekhar and Anjaiah, 2002), **organizational commitment** (Chandra Sekhar and Ajaiah, 2002). It is stated

that the NGOs are obsessively involved in the human development of the larger populations ignoring the employees who deliver such development related services. Thus, **development of human resources** within NGOS is a must. According to Ahmad (2006), "upward accountability to donors has skewed NGO activities towards donor-driven agendas for development rather than to indigenous priorities".

#### 3.2 Research Objectives

1. To examine the extent to which the stakeholders of NGOs are aware of SHRD.
2. To identify the important Strategic Human Resource Development practices that are followed in NGOs and to measure their effectiveness.
3. To suggest some best practices in SHRD relevant in Indian context.
4. To suggest an ideal environment and structure of NGOs for effective implementation of Best SHRD practices.
5. To help the NGO workers to align their personal goals with Organizational Developmental Goals.

#### 3.3 Research Hypotheses

In the light of the above objectives and identified research gaps:

1. It is hypothesized that *Nonprofit Organizations* would increase their employee's engagement, service orientation and efficiency of project management by following Strategic Human Resource Development models and paradigms.
2. The research work hypothesizes that Strategic Human Resource Development practices are relevant to *Nonprofit Organizations*.
3. Additionally, it is also hypothesized that *Nonprofit Organizations* with excellent performance follow some common set of Strategic Human Resource Development practices.

### 3.4 Method of the Study

It was proposed to use the survey method for studying the problem. The investigator wants to find out the real condition which is prevailing among the prospective teachers. So the adoption of survey method would be more relevant and desirable. Research in organizational studies suggests organizational climate as a descriptive variable since the responses collected from the participants are merely descriptive rather than evaluative. In this study, the descriptive-analytical research design is adapted with the primary intention to describe the SHRD climate in various types of NGOs.

### 3.5 Sample Design for the Study

Many research studies point to the fact that organizationally relevant variables differs from organization to organization according to their nature of functions, type of ownership, organizational practices and their respective structures and processes (Van de Ven et.al, 1980). With this preview, by stratified random sampling technique, a sample of 20 NGOs have selected for the data collection. The stratification has been done on the basis of three categories namely: 1) research and training organizations, 2) funding organizations and 3) action-development organizations for the Study. Though the sample size is small in data collection, it has given a new orientation.

### 3.6 SHRD climate Scale questionnaire

A separate SHRD climate questionnaire will be prepared keeping the NGOs in mind. As it is

known that the structural and functional attributes of NGOs are quite different from that of other organizations. Therefore, this specially designed scale to assess the perceived HRD climate has been based on the SHRD needs of the NGOs. This scale has been developed in view of the suggestions by Pareek and Rao (1987). The questionnaire will be consisted of seven dimensions which are modified into SHRD practices namely, i) Top management belief in SHRD, ii) Supervisory-subordinate relationships, iii) Staff policies, iv) Supportive and encouraging climate, v) Employee development orientation, vi) Training, vii) Encouragement of employee initiative so that we could explore the existing relationship among the staff and the management.

### 3.6 Data Analysis

#### 3.6.1 Training and HR development

Training is a major component of the SHRD practices in any organization. NGOs have imbibed the concept of training to develop the Human resource of the organizations. The table 1 below shows the positive correlation between training impacting HR development in NGOs. The research has found that the increasing awareness of training among the NGOs and this has led the NGOs to develop their human resources with new insights. Developing human resources in NGOs would enhance the employee line of orientation to perform their tasks and evaluate their efficiency of completion of their project interventions.

**Table 1: Training and HR development**

Correlations: Training And HR development			
Variable		Training	HR development
Training	Pearson Correlation	1	.684**
	Sig. (1-tailed)		.000
	N	20	20
HR development	Pearson Correlation	.684**	1
	Sig. (1-tailed)	.000	
	N	20	20
**. Correlation is significant at the 0.01 level (1-tailed). <i>(Plight research data computation, Mourlin.K, 2017)</i>			

**Table 2: Staff Policy and Feedback**

<b>Correlations: Staff Policy and Feedback</b>			
<b>Variable</b>		<b>Staff policy</b>	<b>Feedback</b>
Staff policy	Pearson Correlation	1	-.791**
	Sig. (1-tailed)		.000
	N	20	20
Feedback	Pearson Correlation	-.791**	1
	Sig. (1-tailed)	.000	
	N	20	20
**. Correlation is significant at the 0.01 level (1-tailed). ( <i>Plight research data computation, Mourlin.K, 2017</i> )			

### 3.6.2 Staff policies and Feedback

Communicating staff policies to employees are very essential for the employees in NGO sector. Since Employees in NGOs are different from Manufacturing and service sectors. This is to help them to be aware of organizational commitment to employees' welfare. Once it is communicated, the NGOs can develop the blue print of their engagements and interventions. The NGO also could demand and ask them to be the decision makers. The table 2 below indicates that there is a positive relation between staff policy and Feedback. Genuine feedback would enable the employees to work for the organization with commitment and dedication, when the policy has space to have mutual benefit of feedback sharing.

### 3.6.3.Supportive and encouraging climate

Supportive and encouraging climate in NGOs had mixed responses of the employees. The table below indicated that nearly 80 % of the employees of NGOs in Bengal feel that they are discouraged to take initiatives. The responded have revealed that the new initiatives will have financial burden on the top management. Since the responded agreed that employers are driven by fund, the employees are advised to use minimum resources to maximize the project efficiency.

**Table 3: Supportive and encouraging climate**

<b>Correlation between two variables</b>		<b>Employee initiative</b>		
		<b>Encouraged</b>	<b>Not encouraged</b>	<b>Delayed</b>
		<b>Count</b>	<b>Count</b>	<b>Count</b>
Supportive climate	Exists	2	5	0
	No existence	0	6	0
	indifferent	4	0	3
( <i>Plight research data computation, Mourlin.K, 2017</i> )				

### 3.6.3 Employee development orientation

The responded of the NGOs have expressed that the staff members typically receive lower pay than in the commercial private sector. It found to be that the Employees are not highly committed to the aims and principles of the organization and purely altruistic. It is also found professional work nature does not have place for emotional deal or moral deal of involvement. Nearly 95 % of responded also felt that the organizations of their choice is minimum, NGOs must strive to attract, develop and retain qualified and enthusiastic employees as they are the key to the success of one's business. The employees further agreed that HR in an NGO is no different to HR in any other sector and the problems that HR professionals face within the NGOs are quite unique in dealing with development of human resources, talent acquisition and retention.

### 3.6.4 Project management

The responded expressed that there is an increasing awareness that management techniques are crucial to project success in their organizations. Employees also felt that they too follow certain project implementation and evaluation mechanisms without framing to fit into purely on Management techniques. Around 95 % of the responded also indicated that the project management orientations are given by funding agencies as the projects differ from one group to another.

### 3.6.5 Support of the Top Management and its commitment in SHRD

The research has revealed that the Support of the Top Management and its belief in HRD of SHRD is nil. Further, it is found that there is no study on clear implementation of HRD/SHRD policy by the top management. One such strategy is HRD that is needed by NGOs to recognize their human potentials. This enables the supervisory staff to use the capabilities of the employees to the best possible extent to meet organization goals. Thus, there is need to have good climate of HRD/SHRD which is a pre-requisite for developing the employees' skills, knowledge and attitudes have been observed.

## 4 Conclusion

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The above research has indicated that the NGO human resource development needs skills, motivation and opportunities for the employees to make contributions to their organizations. The study recommends that the employees of NGOs should be enhanced to develop their skills, relationship strategies and project management mechanisms. Thus the enhancement of employees would help them to apply SHRD components like: strategic planning, Training and development of leadership of the employees. The employees are assets of the organizations and they are to be groomed and shaped to exhibit their skills and talents to take the NGOs in a new direction.

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# PHILOSOPHY AND PEACE. EXTERNAL AND INTERNAL

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## Introduction

The Philosophy never cut off from the facts. Though being rational in nature, it paid due attention to observation and experimentation of the way for natural sciences. Therefore, gradually the traditional problems of Metaphysics moved to the realms of Physics, Psychology and Philosophy, no doubt, is a forerunner of science or as the common saying goes, mother of science itself. This, however, does not mean that Philosophy has exhausted its role and purpose. Today the role of Philosophy is certainly not to explore the facts, rather to concentrate on values. Since facts had been and, are being explored more competently by the science. In the contemporary world, the real field of Philosophy is Axiology, that is, shaping and reshaping of rediscovery of lost values and reconstruction of wrecked values. Philosophy today should aim at providing the mankind a rights based world. In a world infested with hatred and violence, to live with all the rights assigned by UN Declaration of 1948 just appears a distant and far fetched dream. Philosophy to rebuild the broken man by offering him internal peace and the devastated society by restoring and promoting external peace. The pursuit of peace is the first and foremost duty of Philosophy. In the very sense it may become the medicine for the soul. This is the best mission, it may select for itself and the best role it ought to perform.

Let us have an idea of peace. Amongst so many definitions of peace offered by various luminaries, perhaps the finest till date is that of Spinoza. "Peace is not an absence of war it is a virtue, a state of mind, a disposition of benevolence, trust and justice". The relationship of Philosophy with peace, however, is as old as Philosophy itself. Internal peace has always remained the first and foremost aim of Philosophy. It has desperately struggled to

overcome inner turmoil, disquiet, anxiety and unrest which existence entails necessarily.

All the Upanishads end on the wise mantra, which is known as "Peace Mantra" or "Shanti Mantra". Almost all the Upanishad end on the same "OM Shanti Shanti Shanti", that is, God Peace, Peace, and Peace. These words are repeated thrice in order to overcome the upheavals in the three realms of being, that is, "External" or Adhi Bhautika, "Internal" or Adhyaatmika and "Divine" or Adhi Daivika. So comprehensive and all embracing this wish is. It indicates that tranquility is one of the perennial longings of man, which had always perhaps remained a rare commodity.

Buddha is perhaps the greatest icons of both Philosophy and peace rather peace is the pivotal point around which his whole thought revolves. Hence it will be most pertinent to have some enlightening views from him.

To have personal harmony and quiet is a cherished ideal for an Asian sage. He seeks peace in seclusion and solitude. The philosophies of this part of the world are subjective and individual oriented. West on the other hand is extrovert, objective and socially inclined. Western Thought looks for peace amongst the community of people and fraternity of nations. It is more interested in the external harmony, accord and synchronization amongst citizens, institutions and the countries.

They have offered various interpretations of peace. Saint Augustine in his famous City of God defined peace as the tranquility of order. Noteworthy philosophers have always remained very much alive to the political situation of their age. Immanuel Kant wrote a treatise on Perpetual Peace in 1795, at the age of 71. It is such a well written work that Bertrand Russell has

acknowledged the freshness and vigor of his mind in old age. In this work he has advocated a federation of Free States, bound together by a covenant forbidding war. According to Kant, reason utterly condemns war, which may be prevented only through international government. The civil constitution of the component states should be 'republican'. Kant defines the word "republican" as meaning that executive and legislative are separated. This shows not only his originality of thought but also his commitment to peace.

He became so after watching Prof. Whitehead in an intense pain at her Cambridge home in 1901. He writes in his Autobiography. Having been an imperialist, I became during those five minutes a pro Boer and a Pacifist. Having for years cared only for exactness and analysis, I found myself, filled with semi mystical feelings about beauty, with an intense interest in children and with a desire almost as profound as that of the Buddha to find some philosophy which should make human life endurable".

Russell remained an ardent adherent of peace throughout his life. On the occasion of his 90<sup>th</sup> birthday, that is, 18<sup>th</sup> May, 1962, he described his philosophy of life in so simple and easy words. "I have a very simple creed. that life and joy and beauty are better than dusty death, and I think when we listen to such music as we heard today we must all of us feel that the capacity to produce such music, and the capacity to hear such music, is a thing worth preserving and should not be thrown away in foolish squabbles. You must say it's a simple creed, but I think everything important is very simple indeed". However, Russell's grand and noble dream has not yet come true, even after the lapse of half a century the world is in the grip of violence, hatred, terror and bloodshed. The current conflict of ideologies (which has been named by Samuel Huntington as clash of civilizations) has become the greatest threat for the survival of human race.

The peace must therefore be founded, if it is not to fail, upon the intellectual and moral solidarity of mankind". The common and most familiar name of this "intellectual and moral solidarity of mankind" is no other but philosophy. Reason and intellect are the strongest bond which may unite mankind this is not a paradox, but the

saying of Spinoza with whose definition of peace we started this exposition. Spinoza in his Ethics asserted that the most powerful tie between the human beings is intellectual. And this bond or tie is established by Philosophy and Philosophy alone.

### Conclusion.

Only a philosopher may express such amazement on a behavior which is so common, usual and ordinary for millions of other rational animals. In the light of the above discussion it is more than evident that. Relationship of peace and Philosophy is eternal, everlasting and interminable. Philosophy has the capacity and profundity to identify and heal the inner and outer chaos faced by the individual and the society. It may offer feasible solutions to overcome or at least subdue the intensity of hatred and extremism. Only Philosophy may look into present day issues from an impartial, objective, fair and dispassionate angle. It may promote peace through a rational and unbiased analysis. However, if Philosophy could only ensure interfaith harmony and eliminate or at least reduce double standards as discussed above this is going to be its greatest contribution to offer wretched humanity both internal and external peace. This is definitely its greatest service of soul. It may prove that it may practically heal the wounds inflicted on the body and soul of the man by hatred, wars, and bloody conflicts.

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# **BENEFITS OF TRAINING IN EMPLOYEES PERFORMANCE IN TELECOM INDUSTRY IN JHARKHAND-A COMPERATIVE CASE STUDY OF PUBLIC SECTOR AND PRIVATE SECTOR ORGANISATION, JHARKHAND**

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## **Abstract**

In any Organization employees are major assets of any organization. The role of they play towards achieving the organizational goal cannot be underestimated. As a result, equipping these unique assets through effective training becomes imperative in order to maximize the job performance. Also trained them to take on challenges of today's competitive world. Effective Training is the investment in human resource of an organization, with both immediate and long-range return. The purpose of this article was to evaluate the benefits of training on employees' performance, using the telecommunication industry in Jharkhand as case study. In order to understand the study aim, four goals were developed and these focused particularly on identifying the training programs' existing in the industry, the objective of the training offered, the methods employed and finally the benefits of training Programme on employees performance. The study was based on three case studies of the biggest telecommunication companies in public and private sector operating in Jharkhand. A qualitative research approach of the data collection was adopted using a questionnaire comprising of 10 questions distributed to 100 respondents of BSNL, Ranchi and Reliance Communication Pvt. Ltd, Ranchi. Based on this sample the results obtained indicate that training have a clear effect on the performance of employees. The findings can prove useful to Human resource managers, Human resource policy decision makers, as well as government and academic institutions. The study provides suitable suggestions to evolve relevant and effective training programmes that match the job profiles of various categories of employees of the organization so that the organization improves its efficiency and effectiveness in order to meet the requirements of the Nation and International.

**Keywords:-Training Programme, Organisation, Effective Training, Employee, Effectiveness, Questionnaire, Case study, Evaluate, Job Performance.**

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## **Introduction**

Indian Industries are facing lost of challenges thrown in by market economy. To survive in this highly competitive business climate we need trained and competent personnel to improve the quality and increase the productivity of any organization. The collective effort of the employee and employer is relevance in this

context. And in this human resource management play an important roles. The telecom services have been recognized the world-over as an important tool for socio-economic development of a nation. It is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. India is the world's second-largest telecommunications market, n resources. Amongst various reasons

cited by different researchers for low motivation and satisfaction of the employees such as: job content, financial rewards, social atmosphere, work life balance, personal characteristics. one of the much unexplored reasons is the lack of developmental opportunities. Moreover there is a dearth of study with respect to the employee development practices in the public sector telecom companies in India. Due to that reason, the present study was designed to have an insight into the implementation of Employee development practices in the public sector units of the telecom industry and to find the lacunae. It sheds light on desirable employee Training practices that human capital practitioners could develop to create competitive advantage through their human capital assets by determining what, where, and how improvements may be effected in the overall interest of the companies concerned.

1.1 Indian telecom industry Indian telecom sector is more than 160 years old. It started when the East India Company had introduced telegraph services in India, beginning with commissioning of the first telegraph line between Kolkata and Diamond Harbor in 1839. In 1948, India had only 0.1 million telephone connections with a telephone density of about 0.02 telephones per hundred population. Since then, India has come a long way. According to TRAI report 2014[1], total number of mobile phone subscribers reached 1015 million at the end of Dec 2016. The mobile tele-density had increased to 74.02% in December 2013. Telecom services in India can be basically divided into two major segments: a) Telephones, Wireline and wireless b) Internet services. Private manufacturing of equipment for customers' use was allowed in 1984 and the Centre for Development of Telemetric (C-DOT) was established for the development of indigenous technologies. Two large corporate entities were spun off from DoT, viz, the Mahanagar Telephone Nigam Limited (MTNL) in February 1986 for Delhi and Mumbai and the Videsh Sanchar Nigam Limited (VSNL) in March 1986 for all international services. As a part of the continuing process of telecom reforms and in pursuance of the New Telecom Policy 1999 (NTP-99), the Department of Telecom

Services (DTS) and the Department of Telecom Operations (DTO) were carved out from DoT in October 1999 for providing telecommunication services in the country. DTS and DTO were finally corporatized into a wholly owned Government Company, namely, the Bharat Sanchar Nigam Limited (BSNL) incorporated on 15 September 2000 and their business was transferred to this Company with effect from 1 October, 2000. The creation of BSNL was expected to provide a level playing field in all areas of telecom services, between government operators and private operators. The entry of private service providers brought with it the inevitable need for independent regulation. The Telecom Regulatory Authority of India (TRAI) was, thus, established with effect from 20th February, 1997 by an Act of Parliament, called the Telecom Regulatory Authority of India Act, 1997, to regulate telecom services, including fixation/revision of tariffs for telecom services.

**Bharat Sanchar Nigam Ltd. (BSNL)** Bharat Sanchar Nigam Limited is a state-owned telecommunications company headquartered in New Delhi, India. BSNL is one of the largest Indian cellular service providers, with over 83.6 million subscribers as of January 2011, and the largest land line telephone provider in India. BSNL, then known as the Department of Telecommunications, had been a near monopoly during the socialist period of the Indian economy. During this period, BSNL was the only telecom service provider in the country. RCOM was present only in Mumbai and New Delhi. During this period BSNL operated as a typical state-run organization, inefficient, slow, bureaucratic, and heavily unionized. As a result subscribers had to wait for as long as five years to get a telephone connection. The corporation tasted competition for the first time after the liberalization of Indian economy in 1991. Faced with stiff competition from the private telecom service providers, BSNL has subsequently tried to increase its efficiency.. The corporation (then DoT), however, failed to achieve the egalitarian growth and India languished among the most poorly connected countries in the world. BSNL was born

in 2000 after the corporatization of DoT. The corporatization of BSNL was undertaken by an external international consulting team consisting of a consortium of A.F.Ferguson and Co, JB Dadachanji and NM Rothschild - and was probably the most complex corporatization exercise of its kind ever attempted anywhere because of the quantum of assets (said to be worth USD 50 billion in terms of breakup value) and over half a million directly and indirectly employed staff. Satish Mehta, who led the team, later confessed that one big mistake made by the consortium was to recommend the continuation of the state and circle based geographical units which may have killed the synergies across regions and may have actually made the organization less efficient than had it been a seamless national organization [4]. Vinod Vaish, then Chairman of the Telecom Commission, made a very bold decision to promote younger talent from within the organization to take up a leadership role and promoted the older leaders to a role in licensing rather than in managing the operations of BSNL. The efficiency of the company has since improved, however, the performance level is nowhere near the private players [4]. In order to sustain the continuous growth and market share of the public sector of the Indian telecom industry, the need for trained professionals is bound to rise and so is the training need. Thus employee management and development evolved as the significant key success factors.

### Definition of key concepts

Human resource management is the way organizations manage their staff and help them to develop (McCourt & Eldridge 2003, 2) in order to be able to execute organizations' missions and goals successfully. Human resource development is the integration of individual, career and organization development roles in order to achieve maximum productivity, quality, opportunity and fulfillment of organizations members as they work to accomplish the goals of the organization (Pace, Smith & Mills 1991, 6).

Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon 1992). Development is a broad ongoing multi-faceted set of activities (training activities among them) aimed at bringing someone or an organization up to another threshold of performance, often to perform some job or a new role in the future (McNamara 2008). Employee performance is defined as the outcome or contribution of employees to make them attain goals (Herbert, John & Lee 2000) while performance may be used to define what an organization has accomplished with respect to the process, results, relevance and success Uganda National Development Program (1995). Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

### Statement of the Problem

Management training is aimed at developing the employees skill and work competence for professional growth and organizational growth. The motives of this study is to understand and learn the impact of training programmes on the employees of telecom Industry. Training cannot be measured directly but change in attitude and behavior that occurs a result of training. So, employees assessment should be done after training session by management, to know the effectiveness of training given to the employee.

### Objectives of the Study

- a) To study the various training programme organized by the public sector and private sector telecom sector organization.
- b) To know the expectation of the employees towards training programme.

- c) To evaluate the change in attitude and behavior that occurs after Training programme in both sector organization..
- d) To know and evaluate the skill and potential of employees to perform his and her task.
- e) To know the financial expectation of the employees after training.

## Literature Review

In a study, a comparison of firms that are committed, against firms that are non-committed to training and development was done and the results yielded showed that training and development not only positively impacted job performance but also aided in improving employee ability to manage stress at work

Similarly in another study on Spanish companies found organizational learning to be a mediator in high performance of human resource and business performance Learning and development is an important factor increasing a sense of progression and purpose that leads to organizational commitment. It was found that training positively impacts productivity, which results in higher level of customer and employee satisfaction thus increasing brand value [1997].

Aligned with the aforementioned researchers' findings Michael and Combs in their study, revealed that training can reduce probability of failure as training affects performance, enlarges the skill base and develops the level of competence. It helps in developing climate for learning which not only aids in training to nourish but also supports self-managed learning practices. As a matter of fact employee development needs to be an integral part of the corporate objectives and its role is to help employees meet organizational goals through the achievement of their personal goals (1991). According to the survey carried out by HOST in 2006 the most popular reason for introducing an employee development system is to encourage learning in the work environment and create a learning culture. The second motive for introducing employee development is to enhance

the skills to provide professional and personal development and the third purpose is to inculcate a sense of commitment and loyalty. Six studies examined the telecommunication industry which has been transformed by the twin forces of technological change and deregulation (including privatization) since 1984. Five of these are empirical studies, while one of them provides a summary of empirical studies examining four telecom privatizations. These studies generally indicate that deregulation and liberalization of telecom services are associated with significant growth in tele-density and operating efficiency, and significant improvements in the quality and reduced price of telecom services. This scenario suggests that eventually the public sector will have a shortage of young skilled employees. Research has revealed that the public and private sectors are distinct in terms of vision, ownership, markets, values, performance expectations or strategic constraints These differences have shaped the environmental context of both sectors. In particular, the public sector environment is characterised by an absence of competitive pressures, an open systems character, and the predominant control by political forces instead of market forces [2009].

## Research Methodology

This presents a description of the methodology that is employed in the study. It spells out the techniques and methods of sampling, data collection, processing, analysis, and the area in which the study is carried out. The present study was conducted for some specific purpose with the help of structured questionnaire and personal interviews to gather primary data than most appropriate research design for the study is descriptive.

### Research design:

The methods include: Qualitative research Design, Quantitative research Design,

**Data Collection:-** This would involve data collection from the primary as well as secondary sources.

- a. Primary sources of data:-A list of questionnaire was served to all employees asking their opinion about training.
- b. Personal Interview:- Face to face talk carried out with the employees where I asked several employees about their feelings and opinions on various aspects of their jobs and organization.
- c. Secondary Sources of data collection would be from Articles, Journals, Company Literature, and Internet. Company data and report certain reports from HRD, Department provided the information as to the total no. of employees schedule of training programme, number of person attending it.

### Sampling Plan

- a. Sampling Frame:- The respondents are the employees of the Public sector- BSNL, Ranchi.
- b. Sampling Unit:- It is an individual employees of all the functional areas and different levels of organization.
- c. Area of Research:- Bharat Sanchar Nigam Limited, Ranchi and Reliance communication Pvt. Ltd, Ranchi
- d. Sample Size :- Sample of 100 employees of different functional areas and different levels of organization in Bharat Sanchar Nigam Limited, Ranchi and Reliance communication Pvt. Ltd, Ranchi

### Scope of the Study

- a. This study will help the organization:-
- b. To know the best training and development programmes in telecom sector globally.
- c. To know the present condition of training and development programme
- d. To Know the expectations of the employees towards Training and Development programme.
- e. To know the willingness of the employees towards training and development.

### Hypothesis

**H01:** There is no difference in the perception of the employees towards the existing employee development practices in the selected units of the public sector of the telecom Industry.

### Data Analysis

This study shows the present employee development practices followed in public sector organization and private sector organization of the telecom Industry. Researcher has collected data from BSNL, Ranchi and Reliance communication Pvt Ltd, Ranchi for research purpose. There are 100 sample collected by researcher through primary data collection method. Excellent questionnaire designed and framed to complete this research paper. The respondents were presented with the list of Eight training and development practices and asked to give their views of each in terms of their perception of the implementation for these training activities in the organization.

**Table 1**  
**Implementation of employees training programme and their benefits on the employees performance in public sector telecom Industry, BSNL, Ranchi.**

S.no	Training Programme	Current Condition	Expectation Level fulfill	Change In Attitude After Training
1	Apprenticeship	Most frequently used	26%	Excellent
2	Cross culture Training	Average frequently used	15%	Good
3	Behavioral training	Average frequently used	13%	Good
4	Career planning	Least frequently used	10%	Average
5	Job Rotation	Average	12%	Good
6	Leadership Training	Least frequently used	8%	Average
7	Stress Training	Least frequently used	8%	Average
8.	E-Learning	Most Frequently Used	12%	Average

**Table 2**  
**Implementation of employees training programme and their benefits on the employees performance in Private sector telecom Industry, RCOM, Ranchi.**

S.no	Training Programme	Current Condition	Expectation Level fulfill	Change In Attitude After Training
1	Apprenticeship	Least frequently used	12%	Good
2	Cross culture Training	Average frequently used	15%	Excellent
3	Behavioral training	Average frequently used	10%	Good
4	Career planning	Least frequently used	15%	Excellent
5	Job Rotation	Average	15%	Excellent
6	Leadership Training	Least frequently used	10%	Average
7	Stress Training	Least frequently used	13%	Good
8.	E-Learning	Most Frequently Used	20%	Average

### RESULT & INTERPRETATION:-

The results of above mention ((Table1 & Table 1.1) for the implementation of the eight employee development practices in the public sector and private sector of the telecom industry in India shows Apprenticeship is the most frequently used practice amongst all the practices in the public sector and E-Learning private sector of the telecom industry. This is followed by Behavioral

training and Job Rotation and Cross culture Training. Leadership Training and Career planning occupied the 4th rank.. This is Employee Development Practices in Telecom Industry in India - A case study of Public Sector and private sector. Thus from the above results it is implied that in the public sector the selected employee development practices are on an average being implemented once in more than 24 months. Accordingly the frequency of the

employee development practices in the public sector is found to be rare. From the table (Table 1 and Table 1.1) of the two selected companies of the public sector and private sector it is found that the HRD practices for the employee development and their up gradation in RCOM is frequently as compared to BSNL. And the practices for Apprenticeship are found to be higher in case of BSNL than RCOM, means the public sector enterprises they focus on vocational training. This result shows that except Apprenticeship and E-learning which are more often used in BSNL the rest of 6 development practices are more frequently used in RCOM as compared to BSNL in telecom industry. The expectation level of Apprenticeship in BSNL is higher than the RCOM so that the change in attitude after Training is excellent in BSNL than the RCOM. In Public sector organization cross culture training, Job rotation, and E-training is expectation is less than the Private sector organization and change in attitude is excellent in RCOM and good in BSNL. The private sector organization they focused on career planning training and stress management training in their employees so that they can professionally grow.

### **Comparative Analysis of Implementation of Employee Development Practices in the Public Sector Unit and public sector unit of the Telecom Industry**

Above table shown the Comparative analyses of implementation of employee development practices in both public sector company and private sector company of the Telecom Industry which explained that, the variations in the use of various practices like Apprenticeship, Cross-cultural training, Development appraisal, Career planning, Succession planning, Job rotation, Behavioural training, Leadership training, E-learning, Stress management, public sector companies have been insignificant. This implies that the above practices do not act as differentiator for their frequency of implementation between RCOM and BSNL. The difference in the usage of these practices occurs by chance. On the other hand Job Sharing in the

private sector seems to be higher in frequency in RCOM. In BSNL although below average, it is the most frequently used practice when compared with other practices. The public sector faces challenges in implementing succession planning and career planning and leadership training. The difference between the implementation of two practices in BSNL and RCOM are found to be statistically significant. The two practices are Job sharing and Stress training. The most probable reason for this is, that the number of employees in RCOM is far less than BSNL. Thus there would be expected sharing of work amongst the employees of RCOM. Hence there is difference between the level of implementation in the two companies. Another reason is the pay scale disparity. The RCOM employees are getting one scale above from the BSNL employees. RCOM executives' pay scale starts from E-2 scale whereas BSNL executives' pay scales started from E-1A which is an intermediate lower scale. Obviously with the more pay scale the RCOM employees are expected to share a lot of work. Since the work pressure is more in RCOM the employees are more prone to stress. Hence the more use of Stress Training.

### **Findings of the study**

A considerable amount of literature supports the contention that public firms are more rule oriented, more hierarchical and more bureaucratic than are private firms [22]. Also it was opined in studies that the public sector employees are characterized of having a reputation for being lazy and lethargic. This explains the below average implementation of all the selected practices in the companies of the public sector. This means that the employers are not making the required effort for the development of the employees. Even the employees are not self-motivated to participate or put up the requirement for training. According to one of the senior officials at BSNL, "BSNL provides need based training. For instance if an employee has to be promoted to the higher post, he is provided training. In other case, if any new software is introduced in the system e.g. ERP

then training is provided to learn about the software."The independent test comes out to be statistically insignificant for almost all the selected practices. This shows how the environment and culture followed in the two companies of the public sector and private sector are similar and overlapping. Apart from this, the public sector faces challenges in implementing career planning and leadership training. The long tenures of the employee service in this sector on the same position gives them almost a permanent status. In RCOM the employees have experienced 5 years of servicing at the same position but in BSNL, the employees have experienced 15 years of servicing at the same position. The prolonged stay in public sector hampering the development of an employee, has also been mentioned by different researchers. Various challenges in implementing career planning in the public sector include the nature of tenure and political leadership in the public sector, personnel system rules, lack of resources and lack of focus. This is supported by a study on public sector employees, who work in the public sector, are today in the pinnacle of their career, but this generation is experiencing bans on promotions, extreme competition for top positions, and a freeze of wages. Public employees, who were supposed to be in their highest fertility years, are now doomed for a career gridlock and plateauing promotions. The reason for this finding is that most public sector organizations continue to place great emphasis on technical expertise across all of the organization's operations, ranging from position descriptions and trainings to advancement and leadership opportunities, while providing little or leadership training in comparison to private sector. The sector shows a low implementation of development programmes like stretch

assignments, self directed learning. It has also been mentioned clearly in a study that the type of business is one of the variables affecting self-directed learning efforts. The results of the study showed that positive organizational climate enhanced self-directed learning. Public sector organizations emphasized the negative influence of the organizational process and the structure of self-directed learning. From the work context point of view, a research found that public employees are first and foremost motivated by job security and stability. In a 2007 study, it was reaffirmed and concluded that "public sector workers are strongly motivated by the desire to work in a supportive working environment". These simply support that public sector employees do not want to come out of their comfort zone of work and opt for stress assignments. The difference between the implementation of two practices in RCOM and BSNL are found to be statistically significant. The two practices are Job sharing and Stress training. The most probable reason for this is, that the number of employees in RCOM is far less than BSNL. Thus there would be expected sharing of work amongst the employees of RCOM. Hence there is difference between the level of implementation in the two companies. Another reason is the pay scale disparity. The RCOM employees are getting one scale above from the BSNL employees. RCOM executives' pay scale starts from E-2 scale whereas BSNL executives' pay scales started from E-1A which is an intermediate lower scale. Obviously with the more pay scales the RCOM employees are expected to share a lot of work. Since the work pressure is more in RCOM the employees are more prone to stress. Hence the more use of Stress Training.

Table 3

**REVENUE RECOGNITION ACCORDING TO ACCOUNTING STANDARED****(Data of revenue generated by BSNL and RCOM )**

S.NO	Financial year	BSNL Rs. in Cr.	RCOM Rs. in Cr.
1	Financial year 2012-13	27127.89	21778
2	Financial year 2013-14	27996.35	22321
3	Financial year 2014-15	28645.20	22098
4	Financial year 2015-16	32918.70	22113

**Interpretation**

The above mentioned table shown that in revenue generated by BSNL was increasing order. We can see that from financial year 2012-16 the income generated by BSNL was increasing. In RCOM we can see that in financial year 2012-14 it was in increasing order but in financial year 2014-16 is was in decreasing order. The result shows that there are lots of other strong competitor in private sector telecom industries i.e Bharti Airtel , Idea Cellular, Vodafone etc. For increasing growth it is very important for the organization that they have a skilled and trained workforce. It is important for the organization that they have to introduce different types of training programme and HRD practices which is the demand of the current scenario. In this table we found that the revenue generate by BSNL was increasing order by investing high capital in comparison to RCOM. Capital investment of BSNL was high than RCOM and outcome of RCOM is higher than BSNL. This difference is due the HRD practices introduced by private sector organization like RCOM is on regular basis in comparison to public sector organization like BSNL. The employees of RCOM are more upgraded than the BSNL employees. So the performance level of private organization is much better than the public sector Telecom Industries.

**Conclusions and Recommendations**

The results of this research contribute to knowledge about Employee Development Practices specifically to the public sector and

private sector Company of the Telecom Industry. A rare implementation of employee development practices has been found in the sector. The paper has contributed in providing a close examination of the difference in the implementation of the different Employee development practices in the two companies of the public sector and private sector. It was found that that except Apprentices, and E-learning which are more often used in BSNL, rest development practices are more frequently used in RCOM as compared to BSNL in public sector of the telecom industry. The results also showed that difference in the level of implementation of Job rotation, Leadership training, and E-Learning, have been statistically insignificant at 5% significance level in terms of the perception of the employees towards the existing practices. This implies that the above practices do not act as differentiator between RCOM and BSNL, the two public sector companies under study. The difference in these practices occurs by chance. This accepts the underlying null hypothesis for these three practices. For Apprenticeship, Cross-cultural training, Development appraisal, Career planning, the null hypothesis is accepted.

The employees working in the public sector of the telecom industry agree that development practice in the public sector companies should not be a one-time affair, but it should be continuous. According to the respondents there is lack of retraining. This eventually reduces the frequency of the development practices. Development programmes are not systematically planned. They are according to the need of the situation .The

public sector companies need to step up their outlay on employee development and training. The number of hours devoted should be gradually increased. With the Government of India extending hands to bring the loss making units on their feet, the public sector units and private sector will be getting a massive investment over the next five years. The management should seek benefits of this step in improving the

implementation of employee development plans. These recommendations if implemented properly will go a long way to help the management of public sector telecom companies in India in the smooth working of the organization.

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# SOCIO-ECONOMIC IMPACT OF DEFORESTATION IN JHARKHAND

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## Abstract

Jharkhand means “land of forests” and the Tribals are the original inhabitants of Jharkhand. They are natural citizens of the state, son of soil and original settlers. The tribals of the region are closely associated with the nature. It is a fact that forest has played important role in shaping the economic, cultural, religious, social, and political systems of tribals. The tribals living in and around the forest begin their daily routine from the forest and collect edible fruits, roots, flowers, mushroom, tubers, wild vegetables, honey, birds, animals, fuel wood etc for their daily use. They also depend upon forest for the medicines to cure different diseases with the help of medicinal herbs, fruits, grasses, leaves etc. The sarna a sacred grove of the tribal is also preserved within or near the forest. They worship their ‘Singbonga’, the Supreme Being at Sarna. The tribals pay great respect to trees, flowers, animals, birds etc. They have been worst hit by the large scale exploitation of the natural resources of the region. Through the development of industries, mines and commercial exploitation of forests, the majority of the tribals live in a state of semi starvation throughout the year. Its valuable forest resources have been ruthlessly depleted by illegal greedy contractors and other agencies without considering the implications of forest cover on environmental degradation and soil erosion in the region.

**Keywords: Tribals, Deforestation, Natural resources, Environmental degradation, Forest resources**

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## Introduction

“Jharkhand” means land of forests. So Jharkhand and forests are closely associated and being a tribe dominated state; nature has been given utmost importance in every sphere of life & culture. Branches of sacred trees are brought and ceremonially planted in the courtyards. Devotees then worship these tree parts associated with gods/goddesses. Karma puja, Jitia Puja, Sarhul are a few examples.

Tribal's in Jharkhand face unlimited problems due to their low socio-economic conditions, poverty, lack of job opportunities, lack of awareness, unemployment, etc. For the projects i.e. deforestation, industrial growth, mining activities etc is denying the basic right of livelihood to the tribal's. Historically the disadvantaged communities were the Scheduled Tribes, Scheduled Castes and other backward people i.e. OBCs are heavily represented in migration. A new concept was followed i.e. the women's are migrated for their self dependency. Before the migration was only been done for the males of the urban areas. Tribal migrants now getting jobs in factories, working as porters, domestic servants, bus cleaner, rickshaw pullers, construction workers and domestic workers etc. But the wages are too low to make a living.

## Materials and Methods

The forest cover has declined by 0.5% to 0.79% in Jharkhand's five districts — Ranchi, Dumka, Giridih, Pakur and West Singhbhum — between 2013 and 2015 and it has increased by only 5 square kilometer in the state during the period, according to the Jharkhand Economic Survey (2015-16). The state's overall forest growth was 496 sq km between 2011 and 2013. The area of

moderately dense forests has declined by 4 sq km since 2013 mainly due to rising mining activities. Very dense forests have registered an increase of 1 sq km and open forests have grown by 8 sq km, the survey says quoting the India's Forest Survey Report (IFSR), 2015.

Jharkhand's total forest cover increased from 23,473 sq km to 23,478 sq km — 29.48% of the state's total area — in the last two years. Open forests account for 14.08% of the state's forest cover, very dense forests 3.26% and moderately dense forests 12.12%. At a time when forest survey reports are claiming increase in green cover, people of Jharkhand are paying hefty price for fast development. More than 30,000 trees face threat of being axed because of the four-laning of the 165km Ranchi-Jamshedpur National Highway 33. In Ranchi and Khunti divisions, 16,000 trees are likely to be felled while in Jamshedpur division, 14,000 trees will be felled. Environmentalists have cried foul and sought the attention of the Centre. They say massive tree felling exercise would disturb the ecological balance and affect the lives of tribals who are hugely dependent upon good ecology for life. A senior official of Jharkhand State Forest Development Corporation (JSFDC) has received markings of 11,400 trees in Ranchi and Khunti divisions for felling, of which 75% have already been axed. Around 5,000 more trees are to be marked soon. In Jamshedpur division, 7,177 trees have been marked for felling. Trees in two major forest ranges, Chakulia and Ghatshila, are yet to be totally marked. At least 7,000 more trees will be marked in the two ranges. A large number of small trees that would also be cleared for the project are axed without marking. The trees which have been axed include Amaltaas, Gulmohar, Kachnar, Sal and Eucalyptus. It does not end there. The recently completed Ranchi-

Hazaribag highway expansion project cost a huge swathe of green cover in the state including a part of the Hazaribag National Park. Sources in the forest department said 28,000 trees were felled for the four-laning of Ranchi-Hazaribag highway. The expansion of 60km Ranchi-Ramgarh highway via Patratu had cost around 6,000 trees to the state.

**Results and Discussions-** According to India Forest Survey Report (IFSR) 2015, the total forest cover of Jharkhand is 23,478 sq km with an additional tree cover of 2783 square kilometer. The per capita forest and tree cover is 0.08 hectares and covers about 32.94 percent of state's geographical area. The table 1 below shows the trends in forest coverage since the creation of the state. The total forest cover as a percentage of the total geographical area has been almost unchanged over the years but the category wise variation has been large excluding the VDF category which has not experienced any change. The years 2003-04 and 2011-12 experienced major changes as is reflected in the IFSR 2005 and IFSR 2013. While 2003-04 experienced a commendable change with an increase of 816 square kilometers in moderately dense forest and a corresponding decrease of 714 square kilometers in open forest area. On the other hand, in the period 2011-12 the moderately dense cover shrunk by 250 square kilometers while the open forest cover increased by 749 square kilometers which was the reason for the dramatic increase in the total forest cover in this reference period.

**Table 1 : Changing trends in Forest Coverage and Composition (area in square km)**

Year	Forest Cover				Percentage of geographical area	Increase in forest coverage			
	VDF	MDF	OF	Total		VDF	MDF	OF	Total
2001	11681		22531		28.26				
2003	2544	9076	10949	22569	28.31	-61		99	38
2005	2595	9892	10235	22722	28.5	51	816	-714	153
2009	2590	9899	10405	22896	28.72	-5	7	170	172
2011	2590	9917	10470	22977	28.82	0	18	65	83
2013	2587	9667	11219	23473	29.45	-3	-250	749	496
2015	2588	9663	11227	23478	29.48	1	-4	8	5

VDF=Very dense forest; MDF=moderately dense forest; OF= Open forest Source: India State of Forest Report (ISFR) 2005, 2009, 2011, 2013 and 2015

### Conclusions

Deforestation has affected the people of Jharkhand in number of ways. The socio-economic impact of Deforestation has been mentioned here in brief.

### Social Impacts

- a) **Poverty-** Poverty in Jharkhand is generally associated with inaccessibility,

and the lack of basic facilities and economic opportunities. With the start of any development project, a large number of tribal villagers are often displaced from their locations. Poverty is relatively low in industrially developed districts such as Ranchi, Bokaro and Dhanbad, but how did it reach this low level? Was it by raising the level of living of the poor

- or displacing the poor from their traditional locations?
- b) Deforestation has adversely affected the poor as they are neither left with land for agriculture nor food nor fuel in the form of wood and even cattle rearing is not possible for want of grass. The rate of Poverty has increased.
  - c) **Low Water Level-** Due to deforestation Transpiration process of plants is stopped which results in less rainfall. Over-exploitation of ground water has depleted its level in the state.
  - d) Due to the topography of the state, 80 per cent of rain water runs off and need inter-linking of rivers in the State. Inhabitants of Ranchi city are facing acute water crisis. Most of the dug wells and deep wells and the corporation taps of this populated area have run dry forcing people to consume polluted surface water. Extensive deforestation, urbanization and industrialization have led to uneven spread of rainfall, on which the water supply from the dams to the city area is depended. Even the ground water table has been affected due to uneven rainfall. From last few years rainfall due to western disturbances during winter season has shown decline trend.
  - e) **Less rainfall-** Trees help in attracting rain clouds which bring Rainfall. Due to massive deforestation for several purposes the clouds are not formed and are not able to bring required amount of Rainfall.
  - f) Forests do not seem to influence cyclonic or orographic types of rainfall, they seem to influence convectional rainfall as shown by the study by Nicholson (cf. Ranganathan, 1949) for the Chota Nagpur plateau of Jharkhand. It may be added that the convectional rainfall could be generated by the forests at some distance and not locally. It may not be the absolute decline in monsoon rainfall that affects agriculture, flora and fauna, and water supply, but rather the lack of rains at critical stages. However marginal may be the increase in rainfall due to forest cover, it makes a difference in sustaining agricultural crops and maintaining ecosystems.
  - g) **Rise in temperature-** Forest reserves played major role in absorbing excess carbon dioxide and balancing the temperature difference. Unfortunately, unchecked deforestation increase the carbon dioxide level in the atmosphere many-fold.
  - h) It encourages Global warming.
  - i) **Pollution-** Trees convert Carbon-Dioxide into oxygen and due to Deforestation quantity of Carbon-dioxide is increasing and hence air pollution is increasing day by day, Land is degraded causing Land pollution.
  - j) **Vii) Loss of species-** The destruction of habitats is the primary reason for the loss biodiversity. When people cut down trees, fill a wetland, plough grassland or burn a forest, the natural habitat of a species is changed or destroyed. These changes can kill or force out many plants, animals, and microorganisms, as well as disrupt complex interactions among the species. A forest patch surrounded by croplands, orchards, plantations, or urban areas is an example of fragmented habitats. With the fragmentation of a large forest tract, species occupying deeper parts of forests are the first to disappear. Overexploitation of a particular species reduces the size of its population to an extent that it becomes vulnerable to extinction.
  - k) **Loss of traditional life style-** The social consequences of deforestation are many, often with devastating long-term impacts. For indigenous communities, the arrival of "civilization" usually means the destruction of their traditional life-style and the breakdown of their social institutions. Individual and collective rights to the forest resource have been

frequently ignored and indigenous peoples and local communities have typically been excluded from the decisions that directly impact upon their lives. The intrusion of outsiders destroys traditional life styles, customs, and religious beliefs.

- l) Out of 32 tribes in Jharkhand, nine are endangered. *Sabar* is also one of the most primitive and languishing tribes in the country.
- m) **Urbanization-** Urbanization results in construction of a large number of buildings, more roads factories, parking places, etc. for all these, land is secured either by diverting agricultural land or by cutting forests.
- n) **Animals in human colonies-** Due to squeezing of forest area, wild animals are losing their habitat. The animals are facing food and water scarcity due to massive deforestation. Hence many times wild animals come out of forest areas and enter human habitats in search of food and water.
- o) Experts also pointed out decreasing and erratic rainfall in the region in the recent years, direct fallout of massive deforestation, leading to dams and water bodies in and around the forests drying up, forcing animals to flee forests.
- p) **Fall in naxal activities-** Jharkhand is a hotbed of Naxalism, which is a cause as well as an effect of persisting poverty in the state. The well-known Naxal war zones of Jharkhand—Palamu, Chatra, Latehar, Gumla and Lohardaga—are home to almost a fifth of the state's poor population. The Naxal movement started with deprivation and a demand for justice and dignity. However, the violent nature of the movement compelled the Naxalites to move towards thick forest-covered areas for protection. These forest areas are inaccessible due to the lack of transportation services. Basic needs such as education and medical services do not

reach these places. Naxalities are found it difficult to hide in absence of dense forests which used to be an essential for their secrecy and hiding.

### Economic Impact

- a. **Agriculture-** Agriculture plays an important role in life of the people; it is a source of livelihood. Forests have been cleared for farming. In the last ten years agricultural production has more than doubled in Jharkhand. Deforestation puts Favourable impact on agriculture.
- b. **Tourism-** The main reason we fly overseas is to look at the beautiful sceneries and to be part of the nature. If the trees are all cut down and all that is left is barren land no would want to visit that place. 100% of the people surveyed supported this statement.
- c. The soaring mercury and accompanying heat wave in Jharkhand is drying up the water sources, including waterfalls, in many parts of the state. Not only humans but animals too are withering under the sun's intense heat. Two waterfalls, Johna and Sita, situated 60 km from Ranchi, have dried up this summer. The Gautam Dhara river flowing under the Johna waterfall has also dried up. The river, named after Lord Buddha who is said to have meditated here for a long period, would offer refreshing relief to tourists.
- d. **Industry-** The progress of a state is to a great extent measured by its industrial development. Although agriculture has its own importance and provides the basic necessities of life, but it alone cannot take a state forward. Even to modernize and improve agriculture, industrialization is necessary. With Make in India progressing at a fast pace, Jharkhand has also followed its footsteps and launched Make in Jharkhand, which can also boost the industrial sector of the state.

- e. **Business & Employment-** We can see the positive impact of deforestation on employment and business. Industries are being established removing the forests existed earlier. Moreover timber Industries, Furniture shops are doing good business due to rising demand for furniture. Carpenters and skilled and unskilled labourers are in great demand.

Urban growth and its haphazard nature can be seen while traveling on the streets of Ranchi. Areas are being converted for urban use without any systematic development plan and without a corresponding investment in infrastructure. Poor land management has resulted in urban areas with inadequate services and infrastructure and a corresponding lack of accessibility, that may prove very costly to resolve in future.

### Suggestions

- 1) Government should encourage local people to preserve forests. Nature trips, workshops should be conducted to create awareness about the importance, essence and dependence of economy on forests.
- 2) There should be Afforestation programme on the occasion of birthdays, anniversaries, Festivals, special occasions etc. People should be motivated to give plants as gifts on such events.
- 3) Overexploitation of forest resources may be discouraged by creating employment opportunities in afforestation programme, eco-tourism, fire prevention, forest guarding etc.
- 4) Dependence as fuel wood can be reduced by efficient Chullahs or improved ovens.

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# **RIISING PATH OF NEW HIGHER EDUCATION POLICY-2015 IN INDIA**

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## **Abstract:**

Education plays dominant role in the development of human resources, human capital, human character, human personality, human mind and finally leading to optimum utilization of available resources. The Government of India is formulated new education policy-2015. During 2015 the Ministry of Human Resource Development (MHRD) realizes that several changes have taken place in Second National Education Policy to meet the changing dynamics of population requirement. The main objective of New Education Policy -2015 is to frame the New Education Policy and sprit is that later it is implemented. The study highlights the themes of New Education Policy 2015 and to concentrate some rising issues of this policy. The study concludes that the style and tempo of implementation of New Education Policy -2015 are obviously insufficient given the size and difficulty of the problems in the field. So, decisive conclusion of the New Education Policy .2015 will come to olive daylight after a few years.

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## **Section -I. Introduction**

Education plays dominant role in the development of human resources, human capital, human character, human personality, human mind and finally leading to optimum utilization of available resources. The Government of India is formulated new education policy-2015. In 1968 the First New Education Policy was framed on the recommendation Kothari Commission (1964-1968). This National Education Commission highlight on ancient Sanskrit, three language formula and universilisation of primary education. In 1986 the Second New Education Policy was formulated which highlight on Universilisation of Primary Education, Vocational Education of Higher Secondary Education and Specialization of Higher Education. In 1982 Second National Education Policy was modified and revised called Programme of Action (POA). During 2015 the Ministry of Human Resource Development (MHRD) realizes that several changes have taken place in Second National Education Policy to meet the changing dynamics of population requirement.

## **Section -II. Objective of the Study**

The main objective of the study to highlight the aims of New Education Policy -2015 as well as its themes and some emerging issues

## **Section -III. New Education Policy -2015**

The main objectives of New Education Policy -2015 are as follows:-

- i) To frame the New Education Policy and sprit is that later it is implemented.
- ii) To set up develop educational institution through out the country from which people accesses easy qualitative education,
- iii) To forfeit special attention to disadvantages groups such as poor, women and minorities.

- iv) To serve loan, scholarship etc. as financial help to worthy students from underprivileged segment of the society.
- v) To working closely with UNESCO and foreign Government as well as University to encouraging international co-operation in the field of education in the country.

#### Section –IV. Themes of New Education Policy -2015

- ✚ To supremacy reforms for quality.
- ✚ To accreditations and grade of institutions.
- ✚ To get better the quality of set of laws.
- ✚ To speed up the tempo setting roles of central institutions.
- ✚ To enlarge state public universities.
- ✚ In higher education to assimilate skill development.
- ✚ To encourage open and distance learning including online course.
- ✚ To generate opportunities for technology enabled learning.
- ✚ To deal with provincial disparities.
- ✚ To bridge between gender and communal gaps.
- ✚ To link between society and higher education.
- ✚ To develop the best teachers.
- ✚ To maintain student support system.
- ✚ To encourage cultural assimilation through language.
- ✚ To implement significant partnership with the private sector.
- ✚ To funding in higher education.
- ✚ To increase employment encouraging link between industry and education.
- ✚ To promote research and innovation.
- ✚ To internationalize higher education.
- ✚ To instill latest knowledge.

#### Section –V. Rising Issues

Following are the several growing issues which needed concentration are as under:

➤ **Encouraging Cultural Assimilation**

Its promote synchronization and patience towards each others culture and lifestyle etc. Youth Exchange Programmes and Strong Interaction Programmes will promote by Universities with committed members working here.

➤ **Encouraging Research and Innovation**

MRP (both minor and major ) are being promoted by the Government but the practical challenges are that most of the colleges , Universities and other Institute of Higher Learning do not support and promote research work

➤ **Education –Industry Partnership**

For easy serve of employment engagement with industry to link education. All class room talks are theoretical but student needs to visit industry and field on the job location to get better opportunity.

➤ **New Knowledge**

New Higher Education Policy tress the “New Knowledge” area which leads to supports Entrepreneurship and Employment Friendly avenues.

➤ **.Financing Higher Education**

“Gujarat Model” of Fees Waiver for girls is exemplary and should be practiced across the country. Scholarships in vast numbers and Research Grants for all the research candidates should be mandatory. Its massive challenge that students are unable to pay for the huge costs concerned in research and laboratories.

➤ **Internationalization of Higher Education**

This absolutely poses a gigantic challenge as distractions are copiously. Teachers needed to be very paying attention and self-sacrificing too but they also need to be kept very well too. It will work both ways. The teachers if paid well and devoid of any struggles will be able to focus completely only on work and growth of the students.

➤ **Developing the Best Teacher**

This policy leads on to the requirements of capacity building and development of teachers through the training of the teacher educators which leads to quality of teaching

## **Section –VI. Conclusion of the Study**

The real fact is that new education policy has been characterized by the gap between the theory and practice. This aim was of Education Policy, 1986 but in New Education Policy 2015 have been serious efforts for implementing. However the style and tempo of implementation are obviously insufficient given the size and difficulty of the problems in the field. However, 1986 Education Policy lets us wait and see what will happen to the sprit of the New Education Policy .2015. Therefore, it may not bring good for teachers and fee ramble for students and also not for good impression of privatization. So, decisive conclusion of the study regarding New Education Policy .2015 is that its outcome will to olive daylight after a few years.

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# DEMONETIZATION AND ITS IMPACT ON INDIAN ECONOMY

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## Abstract

Demonetization is the act of scrapping a currency unit of its status as legal tender. Demonetization is necessary whenever there is a change of national currency. The old unit of currency must be retired and replaced with a new currency unit.<sup>i</sup> On 8 November 2016, the Govt of India announced the demonetization of all ₹500 and ₹1,000 banknotes of the Mahatma Gandhi series. The government claimed that the action would curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity and terrorism. The sudden nature of the announcement—and the prolonged cash shortages in the weeks that followed—created significant disruption throughout the economy, threatening economic output. The move was heavily criticized as poorly planned and unfair, and was met with protests, litigation, and strikes. Before this announcement in many parts of the world respective governments had demonitised their currency notes fully or partially. The paper presented here analyses the impact of the demonetization on Indian economy. Analysis is based on research reports of various agencies and public opinion. A survey was also conducted in Daltonganj city of Jharkhand to study the peoples' opinion. The study was conducted in the last week January 2017. The paper also gives a brief account of previous demonetization drives in other parts of the world and India and impact/ result of the effort.

**Key Words:** Demonetization, History of Demonetization, Impact on Indian economy, agriculture, MSMEs

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## Introduction:

On 8 November 2016, the Govt of India announced the demonetization of all ₹500 and ₹1,000 banknotes of the Mahatma Gandhi series. The government claimed that the action would curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity and terrorism. The

sudden nature of the announcement—and the prolonged cash shortages in the weeks that followed—created significant disruption throughout the economy, threatening economic output. The move was heavily criticized as poorly planned and unfair, and was met with protests, litigation, and strikes. Before this announcement in many parts of the world respective governments had demonitised their currency notes fully or partially.

**Table 1 History of Demonetization in World <sup>ii</sup>**

<b>Country</b>	<b>Description</b>
<b>Ghana</b>	In 1982, Ghana rolled out the decision to demonetise their 50 cedi currency notes in order to monitor money laundering and corruption. The change was not welcomed warmly, creating chaos across the country and finally resulted in a move back to physical assets and foreign currency.
<b>Nigeria</b>	Nigeria's economy collapsed after the 1984 demonetisation move that did not go as planned. The military government of then President Muhammadu Buhari introduced different coloured notes to invalidate their old currency in order to fight black money.
<b>Myanmar</b>	Around 80% of Myanmar's currency was demonetised in 1987 by the military to curb black money, but the move resulted in a lot of protests and the country witnessed several killings.
<b>Soviet Union</b>	Under the governance of Mikhail Gorbachev in 1991, the then Soviet Union demonetised the higher denominations of ruble bills, the 50s and 100s. The move did not go well and resulted in takeover of Mikhail's leadership within eight months of the plan.
<b>North Korea</b>	North Korea faced demonetisation of their currency in 2010, which led to major economy breakdown with people left to starve for basics.
<b>Zimbabwe</b>	Zimbabwe once had hundred trillion dollar note, which was demonetised and was exchanged in a mocking way dropping trillion dollars to \$0.5 dollar.

### **History of demonetization in India:**

India demonetized its currency first time on 12 Jan 1946. On 16 Jan 1978 second time and on 8th November 2016 India, demonitised its economy for the third time. In the first time, the measure failed, as out of a total issue of Rs. 143.97 crores of the high denomination notes, notes of the value of Rs. 134.9 crores were exchanged. Thus, notes worth only Rs. 9.07 crores were probably 'demonetized', not having been presented. **In the second time**, The Finance Minister H.M. Patel in his budget speech on 28 Feb 1978 remarked: "The demonetization of high denomination bank notes was a step primarily aimed at controlling illegal transactions. It is a part of a series of measures which Government has taken and is determined to take against anti-social elements." But the second time also the demonetization drive failed to create any significant impact on the Indian economy.

In the first decade of 21 century, the term 'Black Money' became a political tool for opposition parties. During the Anna Hazare movement, Black money was a major issues.

During the 14th Lok Sabha elections, BJP raised the issue of Black Money to twiddle the ruling UPA government and promised to take extraordinary steps to bring back Indian Money deposited in foreign banks in a form of Black Money. When Modi government came into power it was under tremendous pressure to take a very strong step against the Black money and their masters.

On November 8, Indian prime minister announced that currency notes of Rs 500 and Rs. 1000 would not be the legal tenders anymore. Most of the economists claimed that this step would not make any significant impact on the treasure of black money in the country. Their assumptions were based on the historical experiences. In 2012, the Central Board of Direct Taxes had recommended against demonetization, saying in a report that "demonetization may not be a solution for tackling black money or economy, which is largely held in the form of Benami properties, bullion and jewelry".<sup>iii</sup>

According to an RBI report, in October 2016 the total banknotes in India in circulation

was ₹17.77 lakh crore (US\$260 billion). And 1000 and 500 rupee notes in circulation were almost 86 of this. Although RBI has not disclosed the final figures of 500 and 1000 rupees' notes returned to the Reserve Bank of India till 31 December 2016- the last date for note exchange yet speculations are there that also most 85 percent notes have been replaced with new ones till 31 December 2016. But it may be too early to undertake that amount of black money in the country was much smaller than the government estimates. Actually many co-operative banks and private banks played villain's role in demonetization episode Infarct demonetization drive has disclosed the weaknesses and loopholes of Indian banking system and also that -there are large number of black ships in this industry.

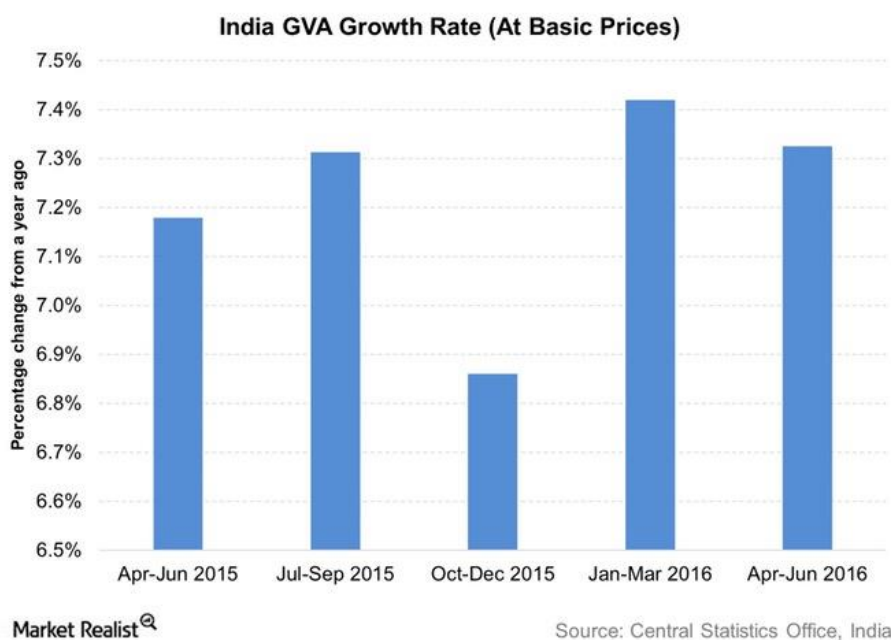
On 8 November 2016, PM Narendra Modi called his declaration of demonetisation a 8'Mahayagna'. The government and its agencies promoted the note ban as a war on black money, fake currency and terror funding and later as a project to create a cashless economy. Not only the government but also the political rivals lauded his intention behind note ban — cleansing the economy from illegal cash and fake currency and make each rupee floating in the banking system accountable to tax scrutiny. But in the same breath criticized the way the government and Reserve Bank of India (RBI) handled the implementation.

There were three reasons:

- the government mints failed churn out enough new notes to meet the demand because it was beyond their capacity even after working in three shifts;

- the fresh lot of new currencies that arrived were mostly Rs 2,000 notes; there were not enough change to go around;
- people who managed to draw money started hoarding it as curbs on cash withdrawals created panic.

After 70 days, the cash situation has improved for sure in urban areas and ATM queues are now shorter. But, in rural areas the situation hasn't improved much. As this *Indian Express* ground report states<sup>iv</sup>: "since most farmers maintained accounts in cooperative banks, they continue to be in a spot. The informal economy, which offers employment to millions of workers, has been shattered. It will take a long time before small entrepreneurs recover from the shock. The cooperative banking sector, which plays a prominent role in rural India, is struggling to survive." I observed that after 60 days of announcement of demonetisation, problem of cash crunch is reduced. Queues in fronts of ATM machines is now quite short. Most of the ATM machines are filled with new currency notes of Rs 2000. People are using Debit cards and other modes of digital payments more often than not. But at the same, small notes are still dear to the market. But market reports say that in last quarter of 2016, growth rate of industrial sector was sluggish. Last 60-70 days were not good for the farmers and unorganized sector labours also. Right from the beginning there was a general perception that demonetisation will negatively hit the industry in early few months but situation will improve in long run. There is a general perception that GDP rate of the country will be slowed down in the current fiscal

**Table 1: India GVA Growth rate (At basic price)<sup>v</sup>**

Growth in the Indian economy remained solid in the quarter from April to June 2016 (the latest available). In India, a financial year begins in April and ends in March of the following year. The previously mentioned quarter is the first quarter of fiscal 2016–2017. During that period, the GDP (gross domestic product) rose 7.1%, while the GVA (gross value added) rose 7.3%. The relationship between the GDP and GVA is:

**GDP = GVA + taxes on products – subsidies on products**

(The base year for calculating the GVA is 2011–2012.)

The fall in economic activity due to demonetisation could last from two to three quarters. As a result, GDP and GVA growth in the quarters from September to December 2016 and January to March 2017 could be significantly lower than previous years. Some bounce back should be seen in the first quarter of fiscal 2017–

2018. In the medium term, the Indian economy can grow considerably after curbing the debilitation caused by counterfeit money and an increase in economic activity.

The demonetisation of Rs 500 and Rs 1,000 notes will hurt agriculture, informal sector workers — about 482 million people who earn cash incomes — and disrupt India's consumption patterns for at least the next quarter, according to an assessment released last week by Deloitte, an international consulting firm. (Deloitte, 2017). According to the report impact will be positive in E-commerce and Fintech. Following are the areas where impact of demonetisation will be positive

- 1) Payment gateways
- 2) Cards
- 3) Mobile wallets

- 4) Online retail
- 5) Net and payment banks
- 6) e-marketplace

**But at the same time, demonetisation might hit the following areas very badly.**

- Agriculture
  - Luxury goods
  - Real Estate
  - Commodities
  - Traditional Retail
- 1) Consumer durables
  - 2) Consumer non-durables

According to Anish Charkarbarty (Chakrabarty, 2017), this essentially represents a change in regime for the real and financial economy. Domestically, there could be some turmoil as the effect will be disproportionately felt by the lower and upper income classes. Internationally, the government is likely to get a thumbs up for the move and more countries could potentially see this as a viable option to curb black money and stem illegal financial activity. Though this move by the government may not be a first (having been tried by earlier governments as a tool to fight corruption), such an action achieves larger significance for a globally connected India as it shows boldness in tackling an issue which has remained a thorn in the growth success story of this generation. According to a study by the India Development Foundation, SME sector witnessed slowdown post demonetisation, resulting in fall in production, wages and employment (Foundation, 2017). In the study, India Development Foundation (IDF) assessed the impact of demonetisation on agriculture and the informal sector that rely

heavily on cash transactions and also provide employment to majority of population. The analysis shows that demonetisation on agricultural prices and quantities in the immediate aftermath. According to the study long term impact on agriculture, which was measured through the quantities of various inputs applied, is mixed. Unlike the agriculture sector, the SME sector seems to have suffered a negative impact of demonetisation. Production activity is reported to have fallen in the last quarter of 2016 compared to the last quarter of 2015. This has been accompanied by fall in employment and wages and job losses in the two months after demonetisation. The study was based on secondary sources of data and a perception survey in 48 districts across nine states. Over 250 respondents took part in the survey.

Over 74 per cent of the respondents said that production activity in SME sector has fallen, while 71 per cent said that labour employed during this period declined. Nearly 40 per cent of the respondents were of the view that wages paid to labour have decreased. On job losses, 20 per cent said that "not many" employees have been fired in the last two months. As much as 54 per cent said "some" employees have been fired, while 26 per cent said "quite a few". But it is also true that both investments demand and consumption demand were already slowed down before demonetisation. So, it is difficult to attribute that the entire impact is due to demonetisation. Putting back these statistical figures when we take glimpses of common people's opinion we find that general perception of common man is not negative for demonetisation. More or less crowd in front of ATM has disappeared. There is no crunch of currency in day today transactions at least in urban areas. I personally surveyed 200 people in my city Dalton Ganj of Jharkhand. Findings were quite appreciative in favor of demonetisation.

**Table No2: Impact of demonetisation: Survey report**

Areas	Responses (Yes)	Remarks
Hit the Black Money	77%	It is said that in Indian economy there is around of Rs.3 Lakh Crore black money injected and the fact is that total amount circulating in Indian economy is Rs.17 Lakh Crore. This single action of demonetisation will either take that black money into bank accounts or it will destroy it.
End of Fake currency	86%	As per the ISI (Indian Statistical institute), the circulation of fake currency in Indian economy is Rs.400 Crores at every point of time. it was also stated that the Rs.70 Crores fake currency also being injected every year to Indian economy. Demonetisation will also put an end to it as machines will be able to reject fake notes and also people now will not be able to circulate old previous notes.
More bank deposits for public projects	91%	According to the announcement by RBI they have collected over 5.2 trillion of money till 18th November. This deposit made in banks can boost Indian GDP to 0.5% - 1.5%. Largest public sector bank of India which is SBI has received Rs.1.27 trillion cash deposits.
Low Interest rates for business	78%	Due to low funds in banks, financial institutions are not able to cut down the money lending rates. As huge amount being deposited in banks will cut down money lending rates in banks and other financial institutions. It is expected that banks will cut down their interest rates by ~125 bps before May, 2017.
Low property prices	67%	Many people are saying from a long time that Real Estate industry is built over black money. Circulation of black money in this section is really very huge. As per a report it is studied that 40% of transactions in Real Estate industry is done in black money. Demonetisation will make the black money a waste in this section too and also it ends black money transaction. Properties almost everywhere are back at circle rate of that area.
Halt over Hawala Transactions	56%	Hawala rackets got badly affected by this demonetisation of money done in India. Hawala is a method by which people transfers money from one place to other without actual money movement. Hawala methods are majorly used for easy money laundering and terror financing. Hawala rackets met an complete halt to their operations after this demonetisation of 500 and 1000 notes in country.
Financial inclusion	71%	Huge inflow of money due to demonetisation into banks enable them to provide subsidized loans and other services at low cost to holders of jan dhan accounts. The contribution of jan dhan accounts so far in banking system is under 1%. Due to Demonetisation, denominated notes are coming back into the banking system which might propel cash deposits in Jan Dhan accounts.
Less fiscal Deficit	78%	The money which was not so far counted in income tax system will come under a formal way now. Demonetisation will raise income tax collection and government will be able to reduce fiscal deficit in fiscal

		year 2017. This recent move regarding black money will shift economy of India to Organized sector from unorganized sector.
Demand for government bonds in the market	67%	Ban on notes will increase demand of government bonds in market. As we all know that cash deposits will be increased due to demonetisation will lead to higher Solid Liquidity Ratio (SLR) demand.
Rest of terror funding in Kasamir & North -East	87%	Kashmir is the place where demonetisation has shown it effect earlier. The riots in Kashmir which was running from a long time in Kashmir came to a stop due to lack of money supply to the people who was doing it on orders of others. Hawala method was used to transfer money for riots in Kashmir and demonetisation has blocked it completely. Naxalies in India was living all because of black money. Now, they don't have funds to do recruitment, have shelter, and buy foods and other activities. On an estimate their annual turnover was around Rs.500 Crores which they does through terror funding, NGOs, forgery, extortions and local taxes. So, No valid money means no bad activities

**Primary Data: Based on random sampling survey (Sample Size 200)**

**Conclusion:** My study shows that demonetisation has both positive as well as negative impacts on the Indian economy. In short term Indian citizens, farmers, small businessmen and entire business community faced huge problems raised mostly due to cash crunch and resulted demand crash. But industry is hopeful that in long term demonetisation will be beneficial for the people of the country. Historical evidenced of show that demonetisation policies mostly failed to achieve their targets. Problem of Cash Crunch is somewhat reduced in urban areas, but rural areas are still facing the problem of cash. 2000 Rs notes are available in banks but those who want to draw less amounts are under tremendous trouble, particularly in rural areas. Farmers and small entrepreneurs have also faced huge cash problem in last 70 days. We hope that by the end of March problem of Cash will be shorted out. But, how long it will take the Indian MSMEs' to recover from the losses incurred in last three months, is a question everyone has in his mind. In India many politicians and economists argue that the demonetisation worth

nothing to the country and indeed it will damage the economic prospects of the country in long run. But it is too early to draw such negative conclusions. In highly turbulent business environment what exactly will happen is not easy to determine at the moment. Impact of demonetisation will largely be dependent upon the implementation mechanism, government's commitment level and supporting forces, particularly the public and the business community. At present banks are have plenty of money, black money in the country is also reduced, insurgents groups and terrorist outfits are undergoing serious currency crunch and usage of digital transaction is on increase. But how long all this will prevail is a matter of concern. Demonetisations is only a step towards cleaning Indian economy from black money and other illegal practices. We need continuous and not stop steps in this direction.

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<sup>i</sup> <http://www.investopedia.com/terms/d/demonetization.asp>

<sup>ii</sup> <http://mumbaimirror.indiatimes.com/news/india/History-of-demonetisation-in-the-world/articleshow/55622670.cms>

<sup>iii</sup> <http://www.ucnews.in/news/201-2039887319461722/a-change-in-indian-history-demonetization.html>

<sup>iv</sup> <http://www.newindianexpress.com/business/demonetisation/2016/dec/29/lucknow-raises-some-pain-some-gain-1554310.html>

<sup>v</sup> <http://marketrealist.com/2016/11/can-demonetization-impact-indian-economy/>

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