found that there are no flaws as such in the grievance handling procedure of the organization but the only problem is with the awareness of the employees regarding the present grievance handling procedure in CPP. Many of the unskilled workers are not aware about how to redress their grievances and due to this ignorance only they are not satisfied with the redressal committee.

Thus at last it can be concluded that the facilities being provided to the workers in CPP fall under the provisions of various laws and management tries to provide all the facilities to its workers but the workers specially the contract workers, who are the whole sole responsibility of their contractor are the only channel from where the workers get all the benefits being provided by the company. So it is possible that due to this channel only the unskilled or the contract workers are not getting their rights.
BIBLIOGRAPHY


46. Section 2(a) of the Industrial Disputes Act, 1947.

47. Section 2(h) of the Trade Unions Act, 1926.

48. Section 2(i) of the Industrial Disputes Act, 1947.


64. http://www.valuebasedmanagement.net/methods_alderfer_erg_theory.htm


69. http://www.labour.nic.in/content/division/social-security.php


ANNEXURE 1

PRODUCTS AND TYPES OF PRODUCTS PRODUCED IN CENTURY PULP & PAPER MILL (CPP)
(Source: Century Pulp & Paper Mill, Lalkuan)

WOOD BASED

- Cream Wove (HB)
- Cream Wove (NB)
- Azure-laid wove paper
- Colored wove paper
- Duplicating full size
- Maplitho SS
- Maplitho SS (HB)
- MICR cheque paper
- Maplitho
- Maplitho CARSP
- Maplitho Colored
- Maplitho Deluxe
- Maplitho Superwhite
- Offset printing paper
- Century Bond
- Century Parchment
- Century Super PTG
- Duplicating Cut size
- Dyeline base paper
- Century Copier (cut size) SIS
- Maplitho Deluxe (CG)
- Maplitho base paper
- Chairman bond paper
- Special printing paper
• Account book paper (Yellow)
• Account book paper (white)
• Continuous stationary (HB)
• Wood free printing paper
• Railway bond paper
• Super white cartridge
• Opaline base paper
• Alabaster printing
• White printing paper
ORGANIZATIONAL HIERARCHY OF CENTURY PULP & PAPER MILL
(Designation Wise)
Hierarchical Structure of Century Pulp & Paper Mill

- Superintendent (S)
  - Officer (S)
    - Graded Staff

**Hierarchy Personnel & Administration of Century Pulp & Paper Mill (Designation Wise)**

- Vice President
- G.M. (Medical)
- D.G.M. (P & IR)
- Sr. Manager
- Manager(S)
- Dy. Manager (S)
- Sr. Superintendent
- Superintendent
- Officer
### ANNEXURE 3

**Qualification and experience for each position in CPP**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Position/Title</th>
<th>Minimum Qualification</th>
<th>Years of Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Officer</td>
<td>Graduate Engineer</td>
<td>2 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>4 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Instt./Mech./Elect./Civil</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Polytechnic Diploma</td>
<td>6 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>M.S.W.</td>
<td>2 Years</td>
</tr>
<tr>
<td>2</td>
<td>Supdt.</td>
<td>CA / MBA</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate Engineer</td>
<td>8 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>10 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Instt./Mech./Elect./Civil</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Polytechnic Diploma</td>
<td>12 Years</td>
</tr>
<tr>
<td>3</td>
<td>Sr. Supdt.</td>
<td>CA</td>
<td>3 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate Engineer</td>
<td>10 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>12 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Instt./Mech./Elect./Civil</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Polytechnic Diploma</td>
<td>15 Years</td>
</tr>
<tr>
<td>4</td>
<td>Dy. Manager</td>
<td>CA</td>
<td>5 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate Engineer</td>
<td>12 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>14 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Instt./Mech./Elect./Civil</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>MBA/M.S.W./PG Diploma in Personnel Management/HRM</td>
<td>8-10 Years</td>
</tr>
<tr>
<td>5</td>
<td>Manager</td>
<td>CA</td>
<td>7 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate Engineer</td>
<td>12-14 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>14-16 Years</td>
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<td></td>
<td></td>
<td>Instt./Mech./Elect./Civil</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>MBA/M.S.W./PG Diploma in Personnel Management/HRM</td>
<td>10-12 Years</td>
</tr>
<tr>
<td>Role</td>
<td>Qualification</td>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>Dy. General Manager</td>
<td>CA</td>
<td>9 Years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Graduate Engineer</td>
<td>14-16 Years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>16-18 Years</td>
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<td></td>
<td>Instt./Mech./Elect./Civil</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>MBA/M.S.W./PG Diploma in Personnel Management/HRM</td>
<td>14-16 Years</td>
<td></td>
</tr>
<tr>
<td>GM/ Sr. GM/ VP/ Sr. VP</td>
<td>CA</td>
<td>15 Years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Graduate Engineer</td>
<td>16-18 Years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University Diploma in Pulp &amp; Paper Technology/Process</td>
<td>18-20 Years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Instt./Mech./Elect./Civil</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MBA/M.S.W./PG Diploma in Personnel Management/HRM</td>
<td>18-20 Years</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Century Pulp & Paper Mill, Lalkuan)
### Annexure 4

The sample of the final identification list in CPP

<table>
<thead>
<tr>
<th>E. Code</th>
<th>Name of Employee</th>
<th>Qualification</th>
<th>Exp. (Prior to CPP)</th>
<th>Skill Level</th>
<th>Training Type</th>
<th>Training Code &amp; Name</th>
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<tbody>
<tr>
<td>$S1222$</td>
<td>Mithilesh Kumar</td>
<td></td>
<td>0</td>
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<td>BEHEVI</td>
<td>BOOI BEHAVIOURAL SKILL</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>F &amp; S</td>
<td>F004 UNSAFE CONDITIONS &amp; ACTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>F &amp; S</td>
<td>F007 SAFETY RELATED RULES &amp; ACTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>TECHNI</td>
<td>FCO1 EVAPORATOR OPERATION AND ROLE OF PUMPS</td>
</tr>
<tr>
<td>$S1296$</td>
<td>Rajender Kumar</td>
<td>Dip. Chem. Engg. Sp. in Pulp &amp; Paper</td>
<td>0</td>
<td>3</td>
<td>BEHEVI</td>
<td>BOOI BEHAVIOURAL SKILL</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>F &amp; S</td>
<td>F007 SAFETY RELATED RULES &amp; ACTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>OTHERS</td>
<td>0004 ACCIDENT &amp; FIRST AID</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>TECHNI</td>
<td>PC02 CHEMICAL RECOVERY BOILER OPERATION</td>
</tr>
</tbody>
</table>

(Source: Century Pulp & Paper Mill, Lalkuan)
### Annexure 5

Sample of analyses of training need in CPP

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Department</th>
<th>Staff</th>
<th>Worker</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RGP Process</td>
<td>4</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>RGP Maintenance</td>
<td>2</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>WPP Process</td>
<td>5</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>WPP Maintenance</td>
<td>3</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>5</td>
<td>Recovery Process</td>
<td>6</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td>6</td>
<td>Recovery Maintenance</td>
<td>2</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>7</td>
<td>Power House</td>
<td>4</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>26</td>
<td>131</td>
<td>137</td>
</tr>
</tbody>
</table>

(Source: Century Pulp & Paper Mill, Lalkuan)
## Annexure 6

### Specimen of Annual Calendar in CPP

(Here joint indicates staff and workers both.)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Topic</th>
<th>Participants</th>
<th>Duration</th>
<th>No. of Prog.</th>
<th>Trainer</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>226</td>
<td>JAGENBERG REWINDER: INSTT OVERVIEW</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>227</td>
<td>THL QCS</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>228</td>
<td>ELECTRICAL SAFETY</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>229</td>
<td>TPM AWARENESS</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>230</td>
<td>UNSAFE CONDITIONS &amp; ACT</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>231</td>
<td>USES &amp; DEMONSTRATATION OF FIRE FIGHTING EQUIPMENT</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>232</td>
<td>ON SITE EMERGENCY PLAN</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>233</td>
<td>SAFE HANDLING OF HAZARDOUS CHEMICALS</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>234</td>
<td>ELECTRICAL SAFETY</td>
<td>Workers</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>235</td>
<td>NOISE POLLUTION</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>236</td>
<td>HOUSE KEEPING</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>237</td>
<td>5-S &amp; KAIZEN</td>
<td>Joint</td>
<td>2</td>
<td>2</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>238</td>
<td>BEHAVIORAL SKILLS</td>
<td>Joint</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>239</td>
<td>HEALTH RELATED PROGRAM</td>
<td>Workers</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
<tr>
<td>240</td>
<td>PAPER MAKING IN BAGASSE</td>
<td>Workers</td>
<td>2</td>
<td>1</td>
<td>Internal</td>
<td>Jan-06</td>
</tr>
</tbody>
</table>

(Source: Century Pulp & Paper Mill, Lalkuan)
### Annexure 7

**HUMAN RESOURCE DEVELOPMENT DEPARTMENT**

**ATTENDANCE LIST OF PARTICIPANTS**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Course Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACULTY:</td>
<td>Venue:</td>
</tr>
<tr>
<td>DATE:</td>
<td>Timings: from In</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S. NO.</th>
<th>Token/Code No.</th>
<th>Name</th>
<th>Designation</th>
<th>Department</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Century Pulp & Paper Mill, Lalkuan)
Annexure 8

For Sectional Head & HOD:

EFFECTIVENESS OF TRAINING

<table>
<thead>
<tr>
<th>RATING</th>
<th>OBSERVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Understood concept and can very well explain as well as show practically.</td>
</tr>
<tr>
<td></td>
<td>Has the ability of being a good trainer.</td>
</tr>
<tr>
<td>3</td>
<td>Understood concept and can show practically.</td>
</tr>
<tr>
<td>2</td>
<td>Understood concept and can very well explain.</td>
</tr>
<tr>
<td>1</td>
<td>Understood concept but is not in a position to explain.</td>
</tr>
<tr>
<td>0</td>
<td>Did not understood at all.</td>
</tr>
</tbody>
</table>

TO: HRD DEPTT.

<table>
<thead>
<tr>
<th>E.C.NO./T.No.</th>
<th>Name</th>
<th>Previous Skill Level</th>
<th>HODs Rating (0,1,2,3,4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

(Signature of concerned Sectional Head)  (Signature of HOD)

DOC.NO. TRG-F13, Issue NO. 02

(Source: Century Pulp & Paper Mill, Lalkuan)
Annexure 9

CENTURY PULP AND PAPER MILL, LALKUAN
HUMAN RESOURCE DEVELOPMENT DEPARTMENT
FACULTY FEEDBACK FORM

TO: HUMAN RESOURCE DEVELOPMENT DEPARTMENT
FACULTY CODE:

FROM:

EMPLOYEE CODE:

COURSE CODE:

--------------------------------------------------------------------------------------------------

PROGRAMME DETAILS

COURSE TITLE:
DATE:    FROM:   TO:
DURATION:

--------------------------------------------------------------------------------------------------

KINDLY GIVE YOUR COMMENTS ON THE FOLLOWING:

a) EXISTING COURSE CONTENTS:

b) NUMBER OF PARTICIPANTS:

c) INVOLVEMENT OF PARTICIPANTS:

d) INTELLECTUAL LEVEL OF THE GROUP:

e) REFLECTION OF THE WORK CULTURE:

f) PHYSICAL ARRANGEMENTS:

g) WOULD YOU BE INTERESTED IN TAKING : (YES/NO)

THE SAME COURSE IN FUTURE

h) WOULD YOU BE INTERESTED IN TAKING : (YES/NO)

ANY OTHER COURSE IN FUTURE

--------------------------------------------------------------------------------------------------

COMMENTS & SUGGESTIONS ON ANY OTHER ASPECTS OF THE COURSE:
DOC NO. TRG-F-10, ISSUE NO.03

CENTURY PULP AND PAPER MILL, LALKUAN
HUMAN RESOURCE DEVELOPMENT DEPARTMENT
OUTSIDE TRAINING

DATE: __________

NAME ___________________ E.CODE/T.No. __________

DESIGNATION _____________ DEPTT. _________

1. TRAINING SUBJECT

2. IMPARTED BY / ORGANISED BY

3. VENUE

4. DURATION OF THE PROGRAMME

5. COST TO COMPANY
   
   a. Course Fees
   b. Other Expenses
      (T.A., D.A. Conveyance etc.)

6. THE MAIN POINTS/CONTENTS OF THE TRAINING PROGRAMME

(Please Specify)

7. WHAT ALL YOU ACTUALLY LEARNED FROM THIS TRAINING PROGRAMME?
8. HOW WILL YOU APPLY THE KNOWLEDGE GAINED? (ACTION PLAN)

9. DO YOU RECOMMEND THIS PROGRAMME FOR OTHERS? WHY?

10. HAVE YOU SUBMITTED HANDOUTS/STUDY MATERIALS PROVIDED DURING TRAINING PROGRAMME TO HRD DEPARTMENT FOR INCULSION IN HRD LIBRARY?

(SIGNATURE OF PARTICIPANT)       (SIGNATURE OF DEPPT. HEAD)
DOC.NO. TRG-F-08, ISSUE NO.02

(Source: Century Pulp & Paper Mill, Lalkuan)

Name:   Age:    Gender:

Designation:      Work tenure in CPP:

1. Are the organizational objectives clear to you?
   a) Very true   b) True   c) Partly true   d) Not true.

2. Are you clear about the tasks to be carried out to achieve organizational goal?
   a) Very true   b) True   c) Partly true   d) Not true

3. Is the HR department’s performances interlinked with other departments?
   a) Very true   b) True   c) Partly true   d) Not true

4. Is the HR department well organized and properly staffed with qualified professionals?
   a) Very true   b) True   c) Partly true   d) Not true

5. Is the need for manpower identified before recruitment process in your organization?
   a) Very true   b) True   c) Partly true   d) Not true

6. Is the HR department able to attract qualified employees?
   a) Very true   b) True   c) Partly true   d) Not true

7. Is the same recruitment procedure followed for all levels of the organization?
   a) Very true   b) True   c) Partly true   d) Not true

8. Which method for recruitment is carried out in your company?
   a) Internal    b) External   c) Both.

9. Do the company take any technological support for recruitment process like telephone, video conferencing etc.
   a) Very true   b) True   c) Partly true   d) Not true

10. Is there a well structured questionnaire for the interview process?
    a) Very true   b) True   c) Partly true   d) Not true

11. Is interviewer given training in interviewing and other techniques before interview?
    a) Very true   b) True   c) Partly true   d) Not true

12. Are the tests and interviews non-biased?
    a) Very true   b) True   c) Partly true   d) Not true
13. Are the questions asked by the interviewer well enough to judge a candidate’s knowledge and skill?
   a) Very true   b) True   c) Partly true   d) Not true

14. Is the induction program well planned and important for the organization?
   a) Very true   b) True   c) Partly true   d) Not true

15. Does the HR department spend time with the new employee during his induction period?
   a) Very true   b) True   c) Partly true   d) Not true

16. Are the training needs regularly assessed by the company?
   a) Very true   b) True   c) Partly true   d) Not true

17. Are the training techniques used, up to mark?
   a) Very true   b) True   c) Partly true   d) Not true

18. Is there any feedback procedure adopted after the training session by the HR department?
   a) Very true   b) True   c) Partly true   d) Not true

19. Do you think your department makes necessary efforts to retain qualified employees?
   a) Very true   b) True   c) Partly true   d) Not true

20. How would you rate employee’s motivation of CPP?
    a) Unsatisfactory   b) Below Average
    c) Average   d) Outstanding.

21. Is the company having any policy to assist employees on personnel issues that may affect their performance at work?
    a) Very true   b) True   c) Partly true   d) Not true

22. Is the communication procedure of the HR department effective?
    a) Very true   b) True   c) Partly true   d) Not true

23. How often you face grievance in your company?
    a) Very true   b) True   c) Partly true   d) Not true

24. Is there any formal channel to redress grievance in the company?
    a) Very true   b) True   c) Partly true   d) Not true

25. Most of the grievance are related to:
    a) Work group   b) Work environment
    c) Salary   d) Supervision

26. Is there a proper procedure to record maintenance on each grievance?
    a) Very true   b) True   c) Partly true   d) Not true
Questionnaire for the Unskilled Employees of Century Pulp & Paper Mill (CPP).

Name:   Age:    Gender:

Work tenure in CPP:

1. Are the organizational objectives clear to you?
   a) Very true    b) True    c) Partly true    d) Not true

2. Is the HR department working effectively for the welfare of employees?
   a) Very true    b) True    c) Partly true    d) Not true

3. Are the services provided by HR department effectively and easily accessible to all the employees?
   a) Very true    b) True    c) Partly true    d) Not true

4. Are the internal applicants given equal opportunity by the HR department for recruitment and selection?
   a) Very true    b) True    c) Partly true    d) Not true

5. Are the tests and interview techniques non-biased?
   a) Very true    b) True    c) Partly true    d) Not true

6. Is the time provided for induction program sufficient and useful for new employees?
   a) Very true    b) True    c) Partly true    d) Not true.

7. Is the job of new employees explained to him clearly during his induction?
   a) Very true    b) True    c) Partly true    d) Not true

8. Are you well informed in advance about the training schedules and topics by the HR department?
   a) Very true    b) True    c) Partly true    d) Not true

9. Is the place where training is conducted comfortable?
   a) Very true    b) True    c) Partly true    d) Not true

10. Is the mode of teaching effective during training session?
    a) Very true    b) True    c) Partly true    d) Not true

11. Do you think that training enhances your skills and hence improves the quality of your work?
    a) Very true    b) True    c) Partly true    d) Not true
12. Are you satisfied with the incentives provided by the company?
   a) Very true  b) True  c) Partly true  d) Not true

13. Do you enjoy going to work daily and performing at your best?
   a) Very true  b) True  c) Partly true  d) Not true

14. Are you provided with the opportunities to express your ideas to upper management?
   a) Very true  b) True  c) Partly true  d) Not true

15. Does your superior listens to your concerns and support your suggestions?
   a) Very true  b) True  c) Partly true  d) Not true

16. Do you think that you work in a safe, healthy and comfortable environment?
   a) Very true  b) True  c) Partly true  d) Not true

17. What factor motivates you the most:
   a) Monetary  b) Non-Monetary  c) Both.

18. How would you rate employee motivation in CPP?
   a) Very true  b) True  c) Partly true  d) Not true

19. Are you satisfied with your recent appraisals?
   a) Very true  b) True  c) Partly true  d) Not true

20. Are you aware of the committees in your organization that redress grievance?
   a) Very true  b) True  c) Partly true  d) Not true

21. Most of your grievance are related to:
   a) Work group  b) Work environment  c) Salary  d) Supervision

22. Are you satisfied with the current grievance settlement system of CPP?
   a) Very true  b) True  c) Partly true  d) Not true

23. Towards which area, HR and organizational needs to work on according to you? (Answer in 30 words)
   a) Salary/Wages  b) Employees Work  c) Housing Facilities  
   d) Social Security  e) Medical Facilities  f) Labour Welfare  
   g) Working Conditions
Questionnaire for the Skilled Employees of Century Pulp & Paper Mill (CPP).

Name:   Age:    Gender:    

Work tenure in CPP:

1. Are the organizational objectives clear to you?
   a) Very true  b) True  c) Partly true  d) Not true

2. Is the HR department working effectively for the welfare of employees?
   a) Very true  b) True  c) Partly true  d) Not true

3. Are the services provided by HR department effectively and easily accessible to all the employees?
   a) Very true  b) True  c) Partly true  d) Not true

4. Are the internal applicants given equal opportunity by the HR department for recruitment and selection?
   a) Very true  b) True  c) Partly true  d) Not true

5. Are the tests and interview techniques non-biased?
   a) Very true  b) True  c) Partly true  d) Not true

6. Is the time provided for induction program sufficient and useful for new employees?
   a) Very true  b) True  c) Partly true  d) Not true

7. Is the job of new employees explained to him clearly during his induction?
   a) Very true  b) True  c) Partly true  d) Not true

8. Are you well informed in advance about the training schedules and topics by the HR department?
   a) Very true  b) True  c) Partly true  d) Not true

9. Is the place where training is conducted comfortable?
   a) Very true  b) True  c) Partly true  d) Not true

10. Is the mode of teaching effective during training session?
    a) Very true  b) True  c) Partly true  d) Not true

11. Do you think that training enhances your skills and hence improves the quality of your work?
12. Are you satisfied with the incentives provided by the company?
   a) Very true b) True c) Partly true d) Not true

13. Do you enjoy going to work daily and performing at your best?
   a) Very true b) True c) Partly true d) Not true

14. Are you provided with the opportunities to express your ideas to upper management?
   a) Very true b) True c) Partly true d) Not true

15. Does your superior listens to your concerns and support your suggestions?
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16. Do you think that you work in a safe, healthy and comfortable environment?
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17. What factor motivates you the most:
   a) Monetary b) Non-Monetary c) Both.

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23. Towards which area, HR and organizational needs to work on according to you? (Answer in 30 words)
   a) Salary/Wages b) Employees Work c) Housing Facilities d) Social Security e) Medical Facilities f) Labour Welfare g) Working Conditions
To,

Megha Bhatt
Research Scholar
Department of Commerce
Kumaon University, Nainital

Ref:- Acceptance for Publication in Research Journal.

Megha Ji,

I am happy to inform you that your Research Article "GRIEVANCE & GRIEVANCE HANDLING PROCEDURE - A CASE STUDY OF CENTURY PULP & PAPER MILL LALKUAN (NAINITAL)" has been accepted for publication in the issue of Samaj Vigyan Shodh Patrika, Vol. 1 (Part I) No. XXXII (April To September 2015). We appreciate your effort.

It is a peer reviewed refereed & registered National Research Journal with ISSN 0973-7626.

With Thanks,

Your's Sincerely

Dr. A.K. Rustagi
Managing Editor
SAMAJ VIGYANSODH PATRIKA
Aryawart Bhawan, Moradabad Gate
AMROHA (U.P.)
GRIEVANCE & GRIEVANCE HANDLING PROCEDURE – A CASE STUDY OF CENTURY PULP & PAPER MILL LALKUAN (NAINITAL)

Megha Bhatt, Research Scholar, Department of Commerce, Kumaon University, Nainital.

Dr. B. C. Malkani, Principal, M.B.P.G. College, Haldwani, Nainital.

INTRODUCTION

Grievance refers to any dissatisfaction or sense of injustice among employees working in an organization regarding their pay, working conditions, leave, or any other aspect of employment. In simpler words we can say that “a grievance is any dissatisfaction that adversely affects organizational relations and productivity.”

There are various causes of grievances which may be concerned to working conditions, management policy & practices, rules & regulations, personal traits etc. Forms of grievance can also differ from one another as some grievances are due to legitimate or genuine reason while some are imaginary in nature due to wrong perception, attitude and information of the employee. Some grievances can be disguised also i.e. due to pressure on the employee from other directions like family, friends, neighbors etc. These grievances are sometimes expressed or sometimes not but in case the grievance is not attended properly can lead to frustration, low productivity, feeling of discontent or increase in absenteeism among the employees. In order to avoid grievances to rise in an organization they must be handled carefully and for that an effective grievance procedure must be followed by every organization. The Model Grievance Procedure has provided the following definition of grievance: “Complaints affecting one or more individual workers in respect of their wage payments, leave, transfer, promotions, seniority, work assignment and discharge would constitute grievance. Where the points at dispute are of general applicability or considerable magnitude, they will fall outside the scope of this procedure.”

Industrial relation is a relationship between the management and the employees concerned with the organization and to avoid grievances in an organization Industrial Relation also play a significant role. As sound industrial relation helps in uninterrupted productivity, promotes industrial democracy, reduces industrial conflicts and facilitates change. While in case of poor industrial relations, industrial disputes may take place within the organization in the form of strikes, lockout, gherao, picketing, boycott etc. If in case employers and employees fail to sort out
their differences themselves in such case Industrial Disputes Act, 1947 provides a legalistic machinery to settle such dispute.

**STATEMENT OF THE PROBLEM**

Century Pulp & Paper Mill Lalkuan (Nainital), abbreviated as CPP, is a member of B.K. Birla group of companies, leading in the integrated Pulp & Paper plants. Mr. Basant Kumarji Birla is the chairman of the company. The company was established in the year 1984 in Lalkuan on the Bareilly Nainital highway, is pioneer in bagasse based paper throughout the country having total workforce of 2919 employees including approx 3000 as temporary or unskilled workers. In this research, researcher tries to focus on the grievance and grievance handling procedure in Century Pulp & Paper Mill Lalkuan (Nainital).

**OBJECTIVES OF THE STUDY**

The purpose of this paper is to study the grievance and grievance handling procedure being adopted by the Mill in order to avoid any industrial dispute to arise within the organization. And if, all the employees working in the mill are getting benefited by such redressal committee or not?

**RESEARCH DESIGN**

1. All the research related to the study will be conducted on the employees working in Century Pulp & Paper Mill Lalkuan (Nainital).

2. These employees will be skilled as well as unskilled.

**METHODOLOGY USED**

Methodology used for this research is based on primary as well as secondary data. Secondary data is obtained from the Human Resource Department of CPP while for primary data both skilled as well as unskilled employees of the mill were questioned through the questionnaire cum schedule method. Sample size taken for the collection of primary data is as:

No. of Executives questioned in CPP – 10
No. of Skilled Employees questioned in CPP – 100

No. of Unskilled Employees questioned in CPP – 100

Then the data thus collected is changed into percentile form to draw the conclusion.

*Percentage taken for the answers are as-*

1. Very True 76% - 100%
2. True 51% - 75%
3. Partly True 26% - 50%
4. Not True 0% - 25%

**LITERATURE REVIEW**

Till now various works have been done in the study of Grievance & Grievance handling procedure but no such work is been done on this field in Century Pulp & Paper Mill, Lalkuan. Here I would like to present literature of some of the relevant studies being done by the different researchers in this area and the related aspects.

Lawrence Nurse, Dwayne Devenish, (2007)³ in his working paper entitled “Grievance Management and its Links to Workplace Justice” The purpose of this paper is to explore the influence of workers’ demographic characteristics on their perceptions of procedural justice from grievance management. A related aim is to determine whether procedural justice perceptions have an impact on perceptions of distributive justice.

Dr. V. Mohana Sundaram, N. Saranya, (2013)⁴ in his article “Employee Grievance” Organizations are made up of people and functions through people without people organization cannot exist. The resource of men, money, materials and machinery are collected, coordinated and utilized through people in the organization. It is through the combined efforts of people that materials and monetary resources are effectively utilized for the attainment of common objectives and goals without united human efforts no organization can achieve its goals.

“The handling of special grievances may involve special steps as well as, or in place of, skipping certain steps within normal grievance channels”, by Petterfer, J. C., *Effective Grievance Arbitration* in California Management Review. 1970.⁵

Khurshid Khurana⁶ carried out a study on “Human Resource Development Practices in Large Scale Industries in the Pune Metropolitan Region”. His findings reveal that
large scale industries in Pune do follow certain logical procedures for human resource practices.

CONSTRAINTS

1. Executives and skilled as well as unskilled workers were not ready to give the answers of questions being asked to them. They were not so cooperative.

2. Some of the unskilled workers were not aware of the questions being asked to them and were feeling shy to give the answers.

GRIEVANCE & GRIEVANCE HANDLING PROCEDURE IN CPP MILL LALKUAN (NAINITAL)

If an employee in CPP Lalkuan faces any type of grievance he will get it solved through a proper channel. He’ll first go to his supervisor with his grievance and if possible the supervisor will try to solve his problem but in the other case, if problem is not solved, the supervisor will send the problem to his superior and through superior it will be transferred to the HOD. If again, the problem remains unsolved, HOD will transfer the grievance to the Personnel Department.

Once, the grievance reaches to the personnel department, both the representatives of the trade union and employers are called together to settle down the grievance. But if the grievance is not settled again, it is taken to the Deputy Labour Commissioner by the trade union. The commissioner takes written statement of both the parties and goes for domestic enquiry for taking certain legal actions. At last the Counsellation Officer takes the grievance to Labour Court for settlement, and the grievance changes into a dispute between employees and company.

The last major dispute that took place in CPP due to reduction in bonus percentage due to the economic crisis faced by the management at that time was in the year 1998. The mill remained under lockout for 65 days. During this period meetings, discussions & negotiations at different levels took place and finally it was agreed to start the mill under the jurisdiction of the court in this matter. The workmen were given 8.33% bonus and one month salary/wages as an advance to meet out their burning problems. Since, 1998 till now no such Industrial dispute has arose in CPP.

After getting the feedback on the questions asked by the researcher based on
Grievance & grievance handling procedure of CPP, following tables were obtained by the researcher:

**Feedback of Skilled Employees on Grievance & Grievance Handling in CPP**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Very True</th>
<th>True</th>
<th>Partly True</th>
<th>Not True</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with Recent Appraisals</td>
<td>14%</td>
<td>51%</td>
<td>33%</td>
<td>2%</td>
</tr>
<tr>
<td>Awareness of Grievance Redressal Committee</td>
<td>44%</td>
<td>37%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Causes of Grievance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Group</td>
<td>Work Environment</td>
<td>Salary</td>
<td>Supervision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13%</td>
<td>17%</td>
<td>56%</td>
<td>14%</td>
</tr>
<tr>
<td>Satisfaction with Grievance Redressal System</td>
<td>28%</td>
<td>48%</td>
<td>20%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Feedback of Unskilled Employees on Grievance & Grievance Handling in CPP**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Very True</th>
<th>True</th>
<th>Partly True</th>
<th>Not True</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with Recent Appraisals</td>
<td>6%</td>
<td>74%</td>
<td>20%</td>
<td>Nil</td>
</tr>
<tr>
<td>Awareness of Grievance Redressal Committee</td>
<td>25%</td>
<td>48%</td>
<td>26%</td>
<td>1%</td>
</tr>
<tr>
<td>Causes of Grievance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Group</td>
<td>Work Environment</td>
<td>Salary</td>
<td>Supervision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>7%</td>
<td>58%</td>
<td>24%</td>
</tr>
<tr>
<td>Satisfaction with Grievance Redressal System</td>
<td>12%</td>
<td>53%</td>
<td>35%</td>
<td>Nil</td>
</tr>
</tbody>
</table>

After going through the tables above it was seen that Workers when asked about their satisfaction with the recent appraisal, 14% of skilled workers gave answer as
very true, 51% true, 33% partly true while 2% gave answer as not true. On the other hand only 6% of the unskilled workers gave answer as very true, 74% as true and 20% as partly true. Workers when enquired whether they were aware of the grievance redressal committee in CPP 44% of skilled workers gave answer as very true while only 25% of the unskilled workers gave answer as very true. Workers then were asked about the causes of their grievances 13% of the skilled workers gave the cause as work group, 17% as work environment, 56% as salary and 14% as supervision. While the causes for unskilled workers were as 11% work related to work group, 7% work environment, 58% as salary and 24% as supervision. Then the workers were asked whether they are satisfied with the grievance redressal system or not 28% of skilled workers gave answer as very true, 48% as true, 20% as partly true and 4% as not true. On the other hand unskilled workers gave answer as 12% very true, 53% true and 35% as partly true.

**CONCLUSION**

When skilled as well as unskilled employees in CPP were asked about the grievance and grievance redressal system of CPP, through the feedback researcher concluded that CPP is having a set grievance handling procedure within its organization but many unskilled workers in comparison to the skilled workers working in the mill are not very much aware of the redressal committee present in CPP, how it works or how it is helpful to them and due to their such ignorance only they are not very much satisfied with the redressal committee.
REFERENCES


11. Section 2(a) of the Industrial Disputes Act, 1947.


16. Section 2(h) of the Trade Unions Act, 1926.
To,
Megha Bhatt,
Research Scholar,
Department of Commerce,
M.B.Govt. PG College,
Haldwani (Nainital)

Ref: Acceptance of your research article for publication in edited book.

Dear Megha,

I am happy to inform you that your research article “FOREIGN DIRECT INVESTMENT AND DEVELOPING WORLD: IN CONTEXT TO INDIA”, has been accepted for publication in the edited book of selected papers contributed for the UGC sponsored national seminar on “foreign Direct Investment in India: Opportunities and Challenges” to be organized by the Department of Economics, Government PG College, Ramnagar on 26-27 February, 2015.

I appreciate your effort.

(Dr. Sangeeta Gupta)
 Associate Prof. & HOD Economics,
Organizing Secretary, National Seminar.
Government PG College, Ramnagar.
FOREIGN DIRECT INVESTMENT AND DEVELOPING WORLD: IN CONTEXT TO INDIA.


Dr. B. C. Malkani, Principal, M.B.G.P.G. College, Haldwan, Nainital.

ABSTRACT
Foreign Direct Investment (FDI) plays significant role in the development of any nation. Its importance increases in case of any developing or under developed country. FDI in India is governed by the FDI policy announced by the Government of India and the provision of the Foreign Exchange Management Act (FEMA) 1999. The credit of liberalized economy in India goes to then Prime Minister Dr. Manmohan Singh, who gave India the gift of New Economic Policy, 1991, having the three elements as LPG (Liberalization, Privatization and Globalization). FDI in today’s global world has become an important source of private external finance for the developing countries as FDI not only adds to invested resources and capital formation but more significantly it is also a means of transferring production technologies, skill, innovative techniques, and managerial practices between different countries. It also helps in accessing international marketing networks. In India, FDI is considered be a development tool, which helps India to achieve self reliance in various sectors and hence in the overall development of the economy. The paper analysis the impact of FDI in developing world with the special attention provided here to the economy of India. The paper also tries to find out whether the FDI flow has positive or negative effect in the country’s economy and whether the local people and investors are getting benefitted by the FDI floe in into the country or not? Identifying the impact of FDI on the Indian economy and local investors and people researcher has also tried to give suggestive measures to strengthen the FDI flow in the developing countries like India.

INTRODUCTION
Foreign Direct Investment (abbreviated as FDI) means “cross border investment made by a resident in one economy in an enterprise in any economy, with the objective of establishing a lasting interest in the investee economy.”¹ In simpler words we can say that FDI is controlling ownership of a business enterprise in one country by the entity based in another country.
Foreign investment in India is governed by the FDI policy announced by the Government of India and the provision of the Foreign Exchange Management Act (FEMA) 1999. The Reserve Bank of India (RBI) in this regard has issued a notification, which contains the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations 2000. This notification has been amended from time to time. The Ministry of Commerce and Industry, Government of India is the nodal agency for monitoring and reviewing the FDI policy on continued basis and changes in sectoral policy/ sectoral equity cap. The FDI policy is notified through Press Notes by the Secretariat for Industrial Assistance (SIA), Development of Industrial Policy and Promotion (DIPP).²

The foreign investors can invest in India freely, except few sectors or activities where prior approval from the RBI or Foreign Investment Promotion Board (FIPB) is required.

STATEMENT OF PROBLEM
The specified research paper tries to cover the term FDI i.e. Foreign Direct Investment, its meaning, its various characteristics along with is impact in the different countries of the world. The special attention is made on one of the developing country i.e. India.

OBJECTIVES OF THE STUDY
The main objectives of this paper are:
1. To study the term FDI.
2. To evaluate the impact of FDI on developing countries basically India and
3. To find out how FDI can be helpful in overall growth of the nation while keeping the interests of the local investors and people intact.

HYPOTHESIS
1. FDI has a positive impact on economic growth of the country.
2. FDI helps in keeping the interest of the local investors and people intact.

METHODOLOGY USED
The above study is based on secondary data for which the data is collected from various sources such as World Investment Reports, various bulletins of Reserve Bank of India, Secretariat of Industrial Assistance etc. Various websites of World Bank, WTO, IMF, EXIM Bank, UNCTAD etc. were surfed. Once the data was collected it was analysed by the researcher in order to draw different conclusions.
LITERATURE REVIEW

Balasubramanyam. V. N. and Vidya Mahambre (2003) concluded that FDI is a very good means for the transfer of technology and knowhow to the developing countries.  

Laura Alfaro (2003) finds that FDI flows into the different sectors of the economy (namely primary, manufacturing, and services) exert different effects on economic growth. FDI inflows into the primary sector tend to have a negative effect on growth, whereas FDI inflows in the manufacturing sector a positive one. Evidence from the foreign investments in the service sector is the ambiguous.

Iyare Sunday O, Bhaumik Pradip K, Banik Arindam (2004), in their work “Explaining FDI Inflows to India, China and the Caribbean: An Extended Neighborhood Approach” find out that FDI flows are generally believed to be influenced by economic indicators like market size, export intensity, institutions etc, irrespective of the source and destination countries. This paper looks at FDI inflows in an alternative approach based on the concepts of neighborhood and extended neighborhood. The study shows that the neighborhood concepts are widely applicable in different contexts particularly for China and India, and partly in the case of the Caribbean. There are significant common factors in explaining FDI inflows in select regions.

Singh (2009) stated in their study that foreign direct investment (FDI) policies play a major role in the economic growth of developing countries around the world. Attracting FDI inflows with conductive policies has therefore become a key battleground in the emerging markets. The paper highlighted the trend of FDI in India after the sector wise economic reforms.

Devajit (2012) conducted the study to find out the impact of foreign direct investments on Indian economy and concluded that Foreign Direct investment (FDI) as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries, short and long term project in the field of healthcare, education, research and development.

Comparative Study in Egypt, India, South Africa and Vietnam” show considerable variations of the characteristics of FDI across the four countries, all have had restrictive policy regimes, and have gone through liberalization in the early 1990. Yet the effects of this liberalization policy on characteristics of inward investment vary across countries. Hence, the causality between the institutional framework, including informal institutions, and entry strategies merits further investigation. This analysis has to find appropriate ways to control for the determinants of mode choice, when analyzing its consequences. The study concludes that the policy makers need to understand how institutional arrangements may generate favourable outcomes for both the home company and the host economy. Hence, we need to better understand how the mode choice and the subsequent dynamics affect corporate performance and how it influences externalities generated in favour of the local economy.

CONSTRAINTS
1. It is not only FDI which affects the growth of economy on any country while there are other factors too such as monetary policy, government policy, fiscal policy etc.
2. Time limitation.
3. FDI data keeps on changing from time to time.

EVOLUTION OF FDI IN INDIA
Evolution of FDI in India may be seen from post independence era. However due to lack of abundant and authentic data, researchers could not present the complete history of FDI inflow in India. Before independence maximum of FDI inflow in India was from Britain. After Second World War Japanese companies started entering into Indian market and thus enhanced their trade with India yet U.K. was the dominant investor in India. After independence also the policy makers were inclined towards the issues related to foreign capital in India, therefore, the FDI policies were so designed with the aim of acquiring advanced technology and mobilizing foreign exchange resources in the country.
Jawaharlal Nehru, the first Prime Minister of India considered foreign investment as necessary which not only supplements domestic capital but also secures scientific, technical, industrial knowledge and capital equipments. Jawaharlal Nehru with statistician Prasanta Chandra Mahalanobis formulated and oversaw economic policies during his governance.

With time and as per economic & political regimes there have been the changes in FDI policy too. The industrial policy of 1965, allowed MNCs to venture through technical collaboration in India. However, the country faced two severe crisis in the form of foreign exchange and financial resource mobilization during the second five
year plan (1956-61). Therefore, the government adopted a liberal attitude by allowing more frequent equity participation to foreign enterprises, and to accept equity capital in technical collaborations. The government also provides many incentives such as tax concessions, simplification of licensing procedures and de-reserving some industries such as drugs, aluminium, heavy electrical equipments, fertilizers, etc in order to further boost the FDI inflows in the country. This liberal attitude of government towards foreign capital lures investors from other advanced countries like USA, Japan, and Germany, etc but due to significant outflow of foreign reserves in the form of remittances of dividends, profits, royalties etc, the government has to adopt stringent foreign policy in 1970s. During this period, the Government led by Morarji Desai eased restrictions on capacity expansion for incumbent companies, removed price controls, reduced corporate taxes and promoted the creation of small scale industries in large numbers. However, the subsequent government policy of Fabian Socialism hampered the benefits of the economy, leading to high fiscal deficits and a worsening current account. The collapse of the Soviet Union, which was India’s major trading partner, and the Gulf War, which caused a spike in oil prices, resulted in a major balance of payments crisis for India, which found itself facing the prospect of defaulting on its loan. India asked for a $1.8 billion bailout loan from the International Monetary fund (IMF), which returned demanded de-regulation.

To get out from this situation then Prime Minister Narasimha Rao along with his Finance Minister Dr. Manmohan Singh initiated the economic liberation reform in 1991 which is considered to be one of the milestones in Indian Economic Reform as it helped our country in changing its market and financial scenario. Under this program FDI was encouraged, public monopolized were stopped and tertiary sector was developed. This liberation reform of year 1991 is popularly known as New Economic Policy 1991. The major elements of New Economic Policy 1991 were as:

1. **Liberalization** - refers to an end of license, quota and other such restrictions which were put on various industries before this policy. Companies got liberalization in many ways as now no restriction was put on any company for further expansion or contraction of business activities, liberalization in import and export, easy and simple procedure to attract foreign capital etc.

2. **Privatization** - refers to reducing role of public sector by giving greater role to private sector. Under this Board of Industrial and Financial Reconstruction (BIFR) was set up to revive sick units in public sector.

3. **Globalization** - refers to integration of different economies of the world. For this government removed various restrictions from import of capital gods. Foreign exchange Regulation Act (FERA) was replaced by Foreign Exchange Management Act (FEMA). Export duties were abolished and Import duties were reduced.
These three elements of New Economic Policy are also known as LPG. Due to the introduction of LPG physical and political boundaries remained no barrier for business enterprises and the whole world became a global village.

**FDI AND GLOBAL DEVELOPING ECONOMY**

FDI in today’s global world has become an important source of private external finance for the developing countries. As FDI represents investment in production facilities but its importance for developing countries is much greater. FDI not only adds to invested resources and capital formation but more significantly it is also a means of transferring production technologies, skill, innovative techniques, and managerial practices between different countries. It also helps in accessing international marketing networks. Here, the challenges for developing countries are to develop and arrange a well calibrated and unique combination of factors that determine the FDI location and thus match those factors with corporations’ strategies. FDI policies are intended to strengthen the national innovation pattern and thus encourage the spread of technology as this will increase the nations’ ability to create assets.

Global trends show that FDI has splayed a relatively minor role in the aggregate capital flows of developing countries, so greater attention to FDI policies is required by them. This situation is seen after the onset of debt crisis in the early 1980s, along with the debt crisis FDI also simultaneously got adversely affected. The ASEAN countries, owing to their large growth potential, on the other hand, have attracted a large volume of FDI, though there have been large inter country variations in the FDI-GDP ratios within the ASEAN. Private, including foreign, investment now accounts for over two thirds of total investment in Indonesia, compared with about 50 percent in the early 1980s’ and is estimated to account for about three quarters of Indonesia’s overall economic growth since 1983. However, despite these trends, FDI is still concentrated in developed countries. Table below shows this position:

### GLOBAL FOREIGN DIRECT INVESTMENT FLOWS

**(1981-1993)**

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<td>232</td>
<td>192</td>
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<tr>
<td>Industrialized Countries</td>
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<td>163</td>
<td>222</td>
<td>185</td>
<td>162</td>
<td>181</td>
</tr>
<tr>
<td>Developing Countries</td>
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<td>6</td>
<td>10</td>
<td>7</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Former USSR and Eastern Europe</td>
<td>0.004</td>
<td>0.02</td>
<td>0.04</td>
<td>0.01</td>
<td>0.03</td>
<td>n.a.</td>
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</table>
Notes:
1. “Industrialized Countries” include the members of the OECD, Israel and South Africa.
2. Figures for 1981-85 and 1986-90 are averages for years covered. Figures for 1993 are early reports.
3. “Developing Countries” exclude Hong Kong.
(Source: UNCTAD, World Investment report 1994, Geneva.)

Further, if we move after the year 1993 and see the FDI inflows from 1995 up to 2016 we may find the position as given in graph below:

FDI INFLOWS, GLOBAL AND BY GROUP OF ECONOMIES
(BILLIONS OF DOLLARS)


Here, from the above graph it may be concluded that after 1995 FDI in developed economies was growing at an increasing speed up till year 2000 then there was a drastic downfall in the years 2001 and 2008. And up to the projected year 2016 the FDI inflow is uneven whereas in case of developing and transition economies there is a constant increase in almost every year except in the year 2008-2009.

FOREIGN DIRECT INVESTMENT IN INDIA
Starting from a baseline of less than $1 billion in 1990, a recent UNCTAD survey projected India as the second most important FDI destination (after China) for
transnational corporations during 2010-2012. As per the data, the sectors which attracted higher inflows were services, telecommunication, construction activities and computer software and hardware. Mauritius, Singapore, the US and the UK were among the leading sources of FDI. FDI in 2010 was $24.2 billion, a significant decrease from both 2008 and 2009. Foreign Direct Investment in August 2010 dipped by about 60% to approx $34 billion, the lowest in 2010 fiscal, industry department data released showed. In the first two months of 2010-11 fiscal, FDI inflow into India was at an all time-high of $7.78 billion up 77% from $4.4 billion during the corresponding period in the previous year. The world’s largest retailer WalMart has termed India’s decision to allow 51% FDI in multi-brand retail as a “first important step” and said it will study the finer details of the new policy to determine the impact on its ability to do business in India.\(^{12}\)

FOREIGN DIRECT INVESTMENT AND INDIAN ECONOMY

FDI plays a significant role in the long term development of any country. Developing countries, in particular consider FDI as the most safest type of external finance as FDI not only acts as a source of capital in any country rather it also enhances competitiveness of the domestic economy through transfer of technological knowhow, innovative techniques and managerial skills. It helps in strengthening infrastructure by raising productivity and generating new employment opportunities. India emerges as the fifth largest recipient of foreign direct investment across the globe and second largest among all other developing countries (World Investment Report 2010). Sound economic policy, huge market size, abundant and diversified natural resources, availability of highly skilled human capital are few factors which enables India to attract FDI. However, it was found that though there was increased flow of FDI into the country during the post liberalization period but then also the global share of FDI in India was very less when compared to other developing countries. The reason behind this low FDI in India are due to lack of adequate infrastructure, corruption, instable government and political environment, high corporate taxes, stringent labour laws etc. To overcome these shortcomings the Government of India should revise the sectoral cap, and should allow more investment into the country under automatic routes. Education sector should be opened for FDI and R&D should be strengthened in the country. India should also sign agreement of double taxation treaties with other countries for increasing its bilateral trades. Indian Government also needs to have innovative policies and good corporate governance policies having international standards, to attract more and more foreign capital in various sectors of the economy in order to make India a developed economy.

Since the debt crisis in the 1980’s and the recent turmoil in emerging markets in the late1980s, developing countries have changed their attitude towards FDI as it is believed that FDI can contribute to the development efforts of a country. In general, if a firm decides to invest in another country it is because of lower costs and higher
efficiency. But the host country can benefit not only from the better use of its resources, but also from the introduction of new processes to the domestic market, learning-by-observing, networks, training of the labour force, and other spillovers and externalities. Because of the “growth-development” benefits FDI seems to convey, different countries and regions have pursued active policies to attract FDI. Most countries, including both developed and emerging nations have established investment agencies with the objective to attract foreign companies. Policies include both fiscal and financial incentives to attract FDI as well as others that seek to improve the local regulatory environment and the “cost of doing business” (see UNCTAD 1999). In simpler words we can say that local people and investors of the host country have mixed effects from FDI. FDI is said to be positive for the local investors and people as FDI helps in employment generation, enhancement of human capital through training and on the job learning, as well as it gives domestic producers a chance to become more efficient.

FDI can be negative as it may slightly increase the inflation rate, uncompetitive firms may suffer and if a lot of FDI is into single industry only then there are chances that the country may become too dependent on it.

CONCLUSION
In today’s world FDI has become an instrument of international economic integration. India is the seventh largest and second most populated country of South Asia is known for the diversity of its culture, people and geographical conditions. In the present era India has become the global resource for industry in manufacturing and services. Its abundance in technical skills, its plenty of English speaking population with an increasing disposable income and its rapidly increasing market has all enabled India to emerge as a viable partner to global industries. Recently investment opportunities in India can be seek at its peak point.

FDI is seen as an engine of market access in developing and less developed countries, as it helps them in their technological progress and in maintaining their economic growth and development. Developing nations think FDI as a source of filling the foreign reserves, savings, trade deficit etc. FDI is considered to be an instrument of international economic integration as FDI not only acts as a source of capital in any country rather it also enhances competitiveness of the domestic economy through transfer of technological knowhow, innovative techniques and managerial skills. Impact of FDI depends largely on the domestic as well as foreign policy of the country, therefore, as a result FDI has a wide range of impact on country’s economic policy. And recognizing this impact of FDI on country’s economy, all governments want to attract it. The global market for FDI is highly competitive, so developing countries in particular seek such investments to increase their development efforts. Now a days, governments are paying more attentions to measures that can actively facilitate FDI.
Transnational countries make frequent choices regarding the potential host countries where they have to locate their production facilities. So, the prospectus for increase in FDI flow to India in future can get affected due to the favourable changes in the trade and FDI policies of the other host country. Hence, India needs to introduce substantial reforms in its trade policy to boost its FDI. An ideal trade policy in India can also help in keeping the interest of local people and investors intact.

So, at last researcher can conclude that unless India and its economic policies are marketed strongly, the expected fallouts liberalization policy will remain dissatisfactory. The only way to create better image of India as a host location is to reform and introduce stability in the system.

SUGGESTIONS

Thus it is found that FDI is needed by India for its sustained economic growth and development. FDI is necessary for creation of jobs, capital formation, expansion and development of existing manufacturing industries. So, the researcher from the study recommends following suggestions to strengthen FDI in developing countries like India so as it may be helpful for keeping the interests of local people and investors intact too:

1. The policy makers should focus on attracting diverse types of FDI in the country.
2. Equitable distribution of FDI should be ensured by the Government among different states so that they can attract FDI at their own level. Even additional incentives should be provided to the foreign investors by the government to invest in states having low rate of FDI.
3. India has pool of working population which needs reforms in primary and higher education so government should encourage FDI in this sector too.
4. Government should also look forward to invest more in improvement of health, R&D activities, infrastructure sector, human capital, technological advancement to attract more of FDI.
5. FDI should be guided to establish deeper linkages with the economy in order to stabilize the economy and provide the investors a sound and reliable macroeconomic environment.
6. India is basically an agricultural country so there is plenty of scope in food processing and agricultural services thus FDI should be encouraged in this field too.
7. Finally, policy makers must ensure that the optimum utilization of funds and timely implementation of projects is being done and for this while pursuing judicious policies government should exercise strict control over inefficient
bureaucracy, red-tapism and rampant corruption in order to maintain investors’ confidence in attracting more FDI inflows into the country.

REFERENCES:


