CHAPTER THREE

METHODOLOGY OF RESEARCH

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METHODOLOGY OF RESEARCH

The various aspects related to the methodology of research for the purposes of the present study are discussed in this chapter. In order to justify the need for research, the chapter begins with a review of contemporary literature. Later, research problem has been stated, the scope of study defined, and operational definitions have been highlighted. The formulation of research propositions, research design, sample design, methods of data collection and their accompanying problems are stated next. Finally, the pattern adopted for qualitative analysis and interpretation, and the limitations of the present study have been outlined.

3.1 REVIEW OF LITERATURE

The growth and development of Indian business and industry have always been characterised by the Governmental policy of 'managing by controls'. The adoption of the concept of 'socialistic pattern of society' was considered as a desirable strategy for the development of an egalitarian society which in turn led to an increase of controls on the industrial sector. It was, however, realised that the plethora of controls and regulations were not only an obstacle in achieving the envisaged goals but also proved counter-productive in many cases. Consequently, the Government introduced infinitesimally small changes in the control mechanism between 1975 and 1984. The strategic responses of business and industry, however, failed to
elicit the performance that was expected of them. Indian industries maintained a status quo also probably due to the initial hesitancy on the part of the Government and the lack of political will.

However, the 'inward-looking' economy witnessed visible changes in industrial regulations when the process of liberalisation was initiated in January, 1985. The changes that were introduced led to a polemical debate on the merits and demerits of loosening the controls. The liberalisation process later slowed down due to numerous reasons.

The coming to power of the Narasimha Rao Government in June 1991 brought with it extensive changes in the industrial regulations. The Government’s Statement on Industrial Policy altered the industrial scenario in India. The new policy consisted of several fundamental departures from the past. However, the changes were caught between the proponents and detractors of liberalisation process which is clear from the series of articles and studies that have appeared thereafter.

In order to identify the research gaps, the researcher conducted a review of existing literature in the subject. The review was not confined only to subjects like business management/administration or economics, but also extended to the disciplines of commerce and public administration. The
various aspects covered in the review includes the industrial liberalisation policy and its accompanying issues. In presenting the review of literature, a chronological order as been followed except few deviations.

From a preliminary survey of literature, it seems that it is the liberalisation of industrial policy that has attracted the maximum number of people towards it which cut across professional boundaries and includes economists, managers, industrialists, academics, policy makers, sociologists, politicians, journalists, and several others.

K. V. Iyer has explained the liberalisation measures undertaken during 1973-80 but his discussion lacks any in-depth analysis. The same task has been done more exhaustively by the Centre for Monitoring Indian Economy (CMIE). In its review of the liberalisation process, CMIE has given details regarding the evolution of industrial policy and the changes brought about till 1985. Later, in 1990, CMIE came out with another issue on the same pattern which is, however, an updated version of its previous work.

Isher J. Ahluwalia has analysed industrial growth in independent India and has suggested measures to remove the anomalies in industrial development policy. Pradip Bose is of the view that the Government should proceed for 'selective liberalisation' as there still exists disparities among India's populace. According to Prabhat Patnaik, the
growth strategy being pursued by the Government does not promise any great achievements, apart from its other economic, social and political consequences. Yoginder K. Alagh\textsuperscript{7} proposes the adoption of vigorous policies in order to bring about a structural transformation of the economy. On the other hand, H. K. Paranjape\textsuperscript{8} is critical of the Government's liberalisation policy and contends that the changes would not mean much if the MRTP Act is not suitably amended. Sharad M. Marathe\textsuperscript{9} advocates the abolition of all controls and proposes the enunciation of a coherent policy in this regard.

Amiya Kumar Bagchi\textsuperscript{10} is suspicious about the success of restructuring the industrial policy while elaborating on the major policies of the Government. Contrarily, S. S. Nadkarni\textsuperscript{11} enumerates the policy changes brought about by the Government and shows optimism about their success.

The specific point that Praful Bidwai\textsuperscript{12} sets out to prove is that the "policy orientation has failed to deliver growth it had promised", and that nowhere is this failure more glaring than in the area of "Indian industry [which] remains trapped in a low-growth orbit". While Fredie A. Mehta\textsuperscript{13} is of the view that the response of Indian industry to the policies of liberalisation has been so overwhelming that, in industry after industry, there has been so much extra investment, over-crowding, and excess capacity as to cause severe demand recession.

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H. K. Paranjape, in another article, emphasises that the economy needs liberalisation from the vice-like grip of parasitic 'rent seeking behaviour' of the politicians and bureaucrats. The author takes a retrospective look at the development of economic policy, in particular industrial licensing and monopolies legislation, and practices over the last two decades.

In a case study, Padmini Swaminathan emphasises that liberalisation of import of technology has enabled the TVS group of companies to dominate the market for automotive ancillaries and components; liberalisation of licensing policy has enabled the Group to expand its hold over the market; and liberal import of technology has substituted for local R & D. C. P. Chandrasekhar has studied some major aspects of growth and structural change in Indian industry over the last four decades. S.S.M. Desai has traced the history of industrial sector and enumerated the changes made in 1985 and thereafter. P. D. Malgavkar has made an attempt to analyse the prospects of industrial development by the turn of this century.

Arvind N. Das is critical of Indian industry for not being able to earn adequate foreign exchange and contends that liberalisation will start pinching Indian industry. While on the other hand, Dileep Padgaonkar advocates the cause of liberalisation and suggests that its focus has to undergo a
change. K. S. Ramachandran\textsuperscript{21} is of the view that promotion of a competitive environment -- the ultimate goal of various liberalisation measures -- will remain elusive as long as there is no control over the wage bill of the manufacturing sector. C. T. Kurien\textsuperscript{22}, in his paper, seeks to arrive at some inferences about the manner in which the economy has been responding to the liberalisation measures and enumerates the shape of things to come.

Ashok Guha's\textsuperscript{23} partial compilation of papers, presented at a seminar on liberalisation and its impact on the Indian economy, deals with a broad cross-section of the issues and the debate on liberalisation with considerable empirical analysis of liberalisation of international trade and capital movements. A study conducted by B.S. Goldar and V.S. Ranganathan\textsuperscript{24} for National Institute of Public Finance and Policy (NIPFP) found no evidence of accelerated growth in sub-sectors of industry where licensing restrictions had been relaxed. M. S. Patwardhan\textsuperscript{25} is of the view that higher industrial productivity and competitiveness require a package of economic reforms and goes on to emphasise that "ideally there should be no industrial licensing at all".

Ajit Mozoomdar\textsuperscript{26}, while criticising liberalisation, is of the view that the net impact of liberalisation was negative. M.N. Panini\textsuperscript{27} says that given the social infrastructure of the economy and the political state in the country,
liberalisation cannot be affected overnight. It is likely that efforts to liberalise the economy will result in unanticipated social and political tensions. Amit Mitra argues that the Green Revolution was successful because it was private and Government only provided infrastructure, know-how, and market information. He suggests that this approach could have been adopted in non-agricultural sector as well. J. Rao, too, advocates a non-interventionist state policy as in agriculture.

Isher J. Ahluwalia, while enumerating the development of liberalisation, points out that policy reforms have been conspicuous by their absence in two areas -- the exit policy for non-viable units and reforms of the public sector which is bogged down in a high-cost, low-quality trap. Vinay Bharat-Ram enumerates how quasi-commercial PSUs should shed equity to public. In an insightful analysis of the economic policy in the eighties, I.G. Patel states that although stability and social justice are important but they are inevitably linked with efficiency and growth. He proposes a safety net for the poor section of the society. Manjul Bajaj advocates opening of the economy in a manner that can integrate India with the global economy.

Vijay L. Kelkar proposes the creation of an internationally competitive industrial structure for future industrial growth strategy. A. Vaidyanathan is of the view that there are serious systemic problems in the Indian
economy for which there is no single panacea such as liberalisation. Deena Khatkhate argues a case for substantially curtailing the domain of Planning Commission before liberalising the economy so as to remove the philosophical dualism. In a brief but argumentative article, Swaminathan S. Anklesaria Aiyar draws a line between policies that eliminate the most inefficient firms in each industry and policies that eliminate entire industries. Pulin B. Nayak states that liberalisation is not geared to address the fundamental problems of the country.

T.C.A. Srinivasa-Raghavan, while citing the examples of other liberalising economies, concludes that liberalisation works only as an exception and much depends on the phasing and sequencing. R. Srinivasan doubts the survival of small scale units in the wake of liberalisation. Shyam Malhotra points out that reforms can change the industry only when there is stability, infrastructure and assured returns. R. Ramachandran suggests for a close look at the type of Government-industry interface prevalent in Japan. He also suggests that India should learn from Japanese experience which regulated its programme of liberalisation.

J.R.D. Tata traces the evolution of the liberalisation process and is of the view that the new policies carry great challenges, both moral and economic, and also some sacrifices for Indian industry itself. Ramkrishna Bajaj
contends that the most important gain of liberalisation process is that it has been accepted in principle that it is the consumer and not Government which will henceforth regulate our economic activity. T.T. Ram Mohan says that the new economic policy may reduce red tape but it may not automatically guarantee faster growth. According to Rajiv Desai, the process of liberalisation is bound to fail unless the role of Government is curbed. D.H. Pai Panandiker compares the pace of liberalisation process with other countries which have liberalised and advocates a faster pace for the process of liberalisation.

According to Ashok Guha, despite some substantive changes, the old policy regime remains intact. To Murad Ali Baig, the key to success of liberalisation is the rural sector. Fredie A. Mehta is of the view that the success of liberalisation process will involve transitional costs which the nation must be prepared to pay. C.P. Shah cautions that care should be taken to regulate the foreign banks which are making their presence felt due to the process of liberalisation.

Gurcharan Das is of the view that reforms in industrial sector should not stop at the policy level and efforts should be made to remove red tape from the procedures of customs, excise, sales tax, electricity boards, etc. Rajesh Kalra argues that the large dose of liberalisation is not palliative enough as it comes in the form of "technical and
legal pills". According to S.D. Naik, liberalisation has thrown up new challenges before Indian exporters and the success of reforms will depend to a great extent on our ability to meet these challenges. On the other hand, the liberalisation of the economy cannot be smooth and trouble-free if it is loaded against the workers, says Balraj Mehta.

According to V.L. Rao, out of the two approaches towards liberalisation, the sequence and timing of the pattern of liberalisation is important than speed and breadth of liberalisation. Kamal Nayan Kabra says that the problem of India is its weak and inconsistent Government interventions. He cautions that the simultaneous introduction of stabilisation and liberalisation measures with a cosmetic human face will not lead us to the envisaged objectives.

Pradip N. Khandwalla comments on the liberalisation process by stating that unless policy management improves, the new policies will also get discredited -- not because the policies are bad but because their implementation is poor. In a similar vein, Prem Shankar Jha says that liberalisation will remain a chimera so long as bureaucrats continue to arbitrate. T. Thomas highlights the various issues Indian business will face in a liberalised environment and predicts that there will be a shakedown through mergers and acquisitions. Sanjivan Sahni suggests
that the Government must reduce its direct and indirect holdings in the private sector and interfere less, and should delegate power to professional managers at all levels to restructure and remedy sick units.

Ravi Virmani is of the view that human resource development will face enormous challenges in a liberalised India and predicts that human resource will be the backbone of organisational success in near future. According to Raghu Krishnamoorthy, the human resource scenario in India during the 1990s is going to face paradigm shifts. To Deena Khatkhate, Government regulatory bodies hold the key to success of liberalisation. Hurad Ali Baig contends that for economic reform to succeed, the management and motivation of the workforce in industry and in Government will have to undergo a sea-change. In a brief article, Manoj Pant discusses the political economy of liberalisation.

3.2 RESEARCH GAPS

The review of relevant literature makes it quite clear that no study has yet been conducted with the objective of assessing the impact of liberalisation on business policies of private sector companies. In fact, the process of industrial liberalisation has not received the attention of researchers. As a result, practically no research work has been undertaken with regard to liberalisation except for the study conducted by NIPFP and one case study that deals with
the impact of technology import on a particular business house. Therefore, all other literature deals with liberalisation in a generalised manner or are simply journalistic in nature. It is worth mentioning that out of more than 250 articles reviewed by the researcher, a majority of them are repetitive and do not go beyond the confines of rhetoric.

While identifying research gaps, the researcher also surveyed the bibliography of doctoral dissertations published by the Association of Indian Universities (AIU), social science research abstracts, ICSSR (Indian Council for Social Science Research) survey of research in management, and 'University News'. These publications do not mention of any doctoral work either in progress or already submitted on the subject of the present study. Moreover, Government policies have been an area of concern to chief executives and general managers but the various dimensions of business environment have not been a focus of research. The present study may bridge this research gap.

3.3 NEED FOR STUDY

Indian companies have operated in a regulatory environment since the commencement of the plan era in the country. It was, however, realised that the regulatory policies and state control over business served no real purpose due to the presence of rigid licensing procedures, and control on
expansion and modernisation of enterprises. It was the Rajiv Gandhi-led Congress Government that brought some changes in the regulatory mechanism in January 1985. Such policy changes were largely due to the recommendations of a number of committees set up earlier and the growing realisation that while "some controls had become an antithesis to Governmental intervention, many others became self-defeating and archival".

Later, major industrial policy changes -- described as liberalisation measures -- were introduced by the Narasimha Rao Government, with the aim of accelerating the pace of growth of the industrial sector. It has been more than eight years that the process of liberalisation has been in operation. Still, little research has been done on the impact of Government's policies on organisations' policies and performance. It is, therefore, an opportune time to study the impact of liberalisation on business policies of companies. Besides, research on the relationship between national policy and corporate policies, and also between corporate policy and functional policies would provide insights into the policy-making process and identify variables which are relevant in the Indian context.

Business Policy focusses on chief executives and general managers, and how they shape the objectives and policies of organisations and achieve their distinctiveness, efficiency and effectiveness through uncertain and changing
environments. However, research in this area is meagre. Despite the fact that regulatory and other environments faced by chief executives in the different sectors are changing, there is practically no study on how different general managers have responded to their environments and whether the Government policies have had the desired impact on the alternatives considered by the chief executives.

The present study is, therefore, an attempt towards fulfilling this need.

3.4 FORMULATION OF RESEARCH PROBLEM

The identification of research gaps and the motivation to attempt at fulfilling an emerging need in the subject of study helped in formulating the research problem. The researcher’s previous study during the pre-doctoral course (M. Phil.) also helped in this regard.

Later, the proposed topic of research was checked for usability by taking adequate safeguards like necessary subject background, availability of some degree of information and feasibility of completing the study within the specified time. In the next stage, the aim was to limit the topic to a manageable level. As the researcher had already studied the ‘Impact of Liberalisation Measures on Selected Industries’ as a part of the M. Phil. degree, the topic of research was decided upon as:

"Liberalisation and its Impact on Business Policies of Selected Private Sector Companies in India".
The selection of liberalisation measures is primarily guided by the findings of the researcher's preliminary study at the pre-doctoral level. During the course of preliminary study, it was found that the liberalisation measures chosen have had an impact, though with varying degree, on automobile fertilizer and petrochemicals industries. These findings also injected the inquisitiveness to study the impact of same measures on the business policies of private sector companies. As a result, the following major liberalisation measures have been chosen for the present study:

(1) Delicensing
(2) Minimum Economic Capacity
(3) Capacity Re-endorsement
(4) Broad Banding
(5) Procedures for Industrial Approvals & Foreign Collaborations
(6) Procedures for MRTP and FERA Companies.

The above measures were also part of the liberalisation policies announced by the Government in January, 1985. Moreover, as the measures chosen are in the direction of liberalising the industrial sector, they form the basis of the present study.

3.4.1 The Conceptual Framework

The theory-building process is manifest in the general objectives of the study envisioned and relies on a few
general constructs that subsume a mountain of particulars. The researcher has therefore constructed a conceptual framework which graphically explains the main dimensions to be studied -- the key factors or variables -- and the presumed relationship among them. Doing such an exercise also forces the researcher to be selective -- to decide which dimensions are more important, which relationships are likely to be most meaningful and as a consequence, what information should be collected and analysed.

Exhibit 3.1: A Conceptual Framework

LIBERALISATION MEASURES

* Delicensing
* Minimum Economic Capacity
* Capacity Reendorsement
* Broad Banding
* Industrial App. & Foreign Coll.
* MRTP & FERA Rules

BUSINESS POLICY VARIABLES

* Organisation Structure & Management
* Size & Growth
* Capital Acquisition & Finance
* Marketing
* Production & Operations
* Human Resources

As is evident from Exhibit 3.1, the framework seeks to specify that the study is attempting to know the impact of policy measures on business policy areas of selected companies and, therefore, is striving to collect data on specifically six factors of a company. The framework also assumes some relationship between policy factors and impact areas as indicated by arrows. These presumed relationships
are purely logical which may lead to more conceptual specificity as the study progresses. Any deviation from the above will only show the dynamism of theory-building process. It must also be mentioned that frameworks are only focussing and bounding devices that need not work as blinders or straitjackets.

3.5 SCOPE OF THE STUDY

The process of liberalisation initiated by the Government offers scope for formulation of new or alternative business strategies to chief executives of Indian companies. The polemics of liberalisation notwithstanding, the business environment today is different from that existing a decade ago. It is thus imperative to study the impact of liberalisation on business policies of companies and skillfully draw lessons for chief executives and general managers who are facing newer challenges in managing their business.

Although the scope of research covers a wide horizon, the present study is limited by the following facts:

(1) The scope of the present study is limited to only four private sector companies. The choice of companies is constrained by time and nature of the study.

(2) The present study is confined to companies belonging to a single industry, that is automobile industry.
(3) The scope of the study is restricted only to the main profiles of the four companies. Other subsidiary, dependent or related business of the companies have been excluded from the purview of the study. For instance, manufacturing of machine tools or excavators by a company have not been dealt with. Similarly, financial subsidiary of a company has not been included in the study, though appropriate references have been made to such related activities.

(4) While studying the impact of liberalisation on business policies of private sector companies, only major liberalisation measures related to the industrial sector have been chosen. Liberalisation measures related to foreign trade, capital market, monetary and fiscal policies have not been included in the study in order to avoid any empirical distortion.

(5) The period covered in the study dates from January, 1985 till date. As a result, data relevant for analysing the impact of liberalisation have been collected for the said period. In the case of company profiles, data for earlier period have also been collected in order to make comparisons wherever necessary.

(6) In analysing the impact of liberalisation measures, the study lays emphasis on the significantly relevant
factors and functional areas of companies which includes organisation structure and management, size and growth of the company, capital acquisition and finance, marketing policies, production and operations policies, and management of human resources.

3.6 OPERATIONAL DEFINITIONS

It is imperative that important terms of research topic are defined in a manner that they are not interpreted in a way other than what the researcher wishes to convey. Therefore, the words used in the topic of research are defined below as they will carry their own significance as the research progresses.

(1) The term 'liberalisation' refers to opening up of any industry to competitive pressures. In its wider sense, it relates to the moves towards market-oriented economies in terms of greater integration into the world economy. Further, it is a process of change intended to make government policies, regulations and institutions responsive to the market forces and requirements.

(2) The basic meaning of 'impact' is the initial force exerted by one policy on another variable. It, therefore, means influence or effect. Here a distinction must be made between immediate impact and their final incidence. 'Impact' primarily means the
first place where a policy or decision is imposed while incidence means the final resting place of a burden.76

(3) As a field in business administration, 'Business Policy' is the study of the functions and responsibilities of general management and the problems which affect the character and success of the total enterprise. In Business Policy, the problems considered and the point of view assumed in analysing and dealing with them are those of the chief executive or general manager, whose primary responsibility is the enterprise as a whole77. Moreover, the problems of policy in business have to do with the choice of purposes, the moulding of organisational character, the definition of what needs to be done, and the mobilisation of resources for the attainment of goals in the face of competition or adverse circumstance78.

(4) The 'private sector' is defined as that part of a nation's economy that is not controlled either by Government or by nationalised or publicly owned undertakings79. Private sector is therefore a private enterprise owned individually or by groups of individuals and corporations with numerous shareholders.

(5) In common parlance, the word 'company' is applied to any form of business. For the purpose of this study,
the term 'company' can also be defined as any group of people voluntarily united for performing jointly any activity, business or commercial enterprise. The word company is synonymous with firms.

3.7 RESEARCH PROPOSITIONS

On the basis of review of literature and the need for research, a set of general propositions has been framed for the purposes of the present study.

(1) Liberalisation has had a varying impact on different policy variables.
(2) Liberalisation has had a varying impact on different private sector companies.
(3) Liberalisation has had an impact on business policies of private sector companies.

3.8 RESEARCH DESIGN

The nature of the present study is not so much directed towards the objective of interpreting or advancing a theory or a set of theories. Rather, the aim of this research study is to understand the practical significance of the idea of liberalisation. Therefore, stressing methodological aspects of research cannot take precedence over the evolving of a pragmatic approach to understand the phenomenon of liberalisation and its impact on business policies of private sector companies.
In view of the nature of research, exploratory research design has been selected for the present study. This selection is also guided by the reasoning that the research design appropriate for exploratory studies must be flexible enough to provide opportunity for considering different aspects of the problem under study. Moreover, while quantitative research is useful, all research in management cannot rely on quantitative techniques.

3.9 Sample Design

The present study has chosen six major liberalisation measures for evaluating their impact on business policies of selected private sector companies. Further, only private sector companies in the automobile industry have been selected because: (1) automobile industry was among the first set of industries for which liberal incentives were announced in January, 1985, and (2) in the preliminary study undertaken by the researcher, it was found that the automobile industry had benefitted relatively more from the liberalisation process.

In the selection of private sector automobile companies, choice have been made as research on a topical subject, like the present one, has to be undertaken in an arbitrary boundary. It must also be realised that one cannot study everything related to a problem due to constraints of time.
Therefore, fixing a workable limit is essential prior to the collection of data. The fixation of a limited number of companies was also done to prevent empirical anarchy.

The selection of companies was primarily made on the basis of market share. In 1991, when the researcher started this study, the following companies were the leaders in their respective categories: TELCO (Heavy, Medium and Light Commercial Vehicles), Premier Automobiles Ltd (Cars and Jeeps), Bajaj Auto (Scooters and Three-wheeler), Escorts and Hero Honda Motors (Motorcycles), TVS Suzuki and Kinetic Engineering (Mopeds).

The above companies were then checked for their ranking in "The Business India's Most Outstanding 100 Private Sector Companies" and the The Economic Times' "Private Sector Giants". It was found that among motorcycle manufacturers, Escorts had a much better ranking than Hero Honda in both the studies. Moreover, none of the two moped manufacturers figured in the lists. Thus by reasons of simple logic, only companies which were market leaders in their respective categories, and also figured in both Business India and The Economic Times rating, were selected. This selection criteria is shown in Exhibit 3.2.

Besides these, the selection of companies can also be justified on grounds other than stated above. No company manufacturing mopeds was included in the study also because
of the fact that Bajaj Auto Ltd, too, manufactures mopeds though presently it is not the market leader. Therefore, the moped segment was not going unrepresented. Similarly, Escorts Ltd was given precedence over Hero Honda Motors also because it is a fairly diversified company and its policy response to Governmental changes may lead to newer insights from the viewpoint of chief executives and general managers. In the same way, the sole private sector jeep manufacturer Mahindra & Mahindra could have been included within the purview of the study. But, among the four-wheeled passenger vehicles, cars constitute 72 per cent of the segment which is fairly representative of the category.

Exhibit 3.2 : Selection of Companies in 1991

<table>
<thead>
<tr>
<th>CATEGORY OF VEHICLES</th>
<th>LEADER IN MARKET SHARE (%)</th>
<th>BUSINESS INDIA RANKING</th>
<th>ECONOMIC TIMES RANKING</th>
<th>WHETHER SELECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>M &amp; HCVs</td>
<td>TELCO (72)</td>
<td>2</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>LCVs</td>
<td>TELCO (44)</td>
<td>2</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>Cars/Jeeps</td>
<td>Premier (50)</td>
<td>63</td>
<td>37</td>
<td>Yes</td>
</tr>
<tr>
<td>Scooters</td>
<td>Bajaj Auto (63)</td>
<td>10</td>
<td>15</td>
<td>Yes</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>Escorts (29)</td>
<td>18</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Hero Honda (29)</td>
<td>87</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Three-Wheelers</td>
<td>Bajaj Auto (89)</td>
<td>10</td>
<td>15</td>
<td>Yes</td>
</tr>
<tr>
<td>Mopeds</td>
<td>TVS Suzuki (32)</td>
<td>-</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Kinetic Engg. (32)</td>
<td>-</td>
<td>-</td>
<td>No</td>
</tr>
</tbody>
</table>
Considering the above points, the selection can be justified on the grounds that the companies represent all the segments of automobile industry. Further, market leadership was given priority over other parameters like assets, turnover, profit, etc. because market share, as a basis, is comparative while financial parameters deal with just one company in isolation. This, however, does not imply that financial parameters have been ignored altogether. Both, *Business India* and *The Economic Times*, have ranked the companies on the basis of sales, net profit, market capitalisation, net fixed assets, etc.

It must also be mentioned that due to the lack of a perfect indicator of performance to content with, the selection of sample is researcher-specific.

3.10 DATA COLLECTION METHODS AND PROCEDURES

For the collection of qualitative information and quantitative data, the researcher has relied completely on the use of secondary data, that is, data that are already available -- though for other purposes. However, before using the secondary data, the reliability, suitability and adequacy of data were looked into as a matter of precaution.

In view of the framework of research plan and taking into consideration the objectives of the study, qualitative
information relating to historical background of liberalisation process and present status have been collected from several Government documents and publications of the Centre for Monitoring Indian Economy (CMIE).

Data required for updating and restructuring, wherever necessary, the industry profile were collected from Government documents as also from publications of Association of Indian Automobile Manufacturers (AIAM) and Automobile Component Manufacturers Association of India (ACMA). Wherever gaps persisted, private publications were consulted as well.

The researcher also consulted the libraries of American Center, Delhi School of Economics, Federation of Indian Chambers of Commerce and Industry (FICCI), Institute of Economic Growth, PHD Chamber of Commerce and Industry (PHDCCI), and others, apart from the institutional and central libraries of Aligarh Muslim University. All libraries, except for the last one are located in Delhi and are rich in collection. The researcher also contacted the Ministry of Industry in order to procure latest information on automobile industry and industrial policy.

Data needed for preparing company profiles were obtained from the following sources/agencies:

(1) Department of Industrial Development, Ministry of Industry, Government of India.
As Management is, inherently and historically, an interdisciplinary area of study, management problems are by and large multi-dimensional and require inputs from various disciplines. Therefore, contributions of scholars and practitioners from diversified disciplines and backgrounds such as economics, sociology, public administration, etc. have also been consulted.

Data collected from different sources have been presented according to the requirements of the present study as secondary data is mostly not available in the form the researcher needs it to be. As a result, invariably available data has been rearranged, aggregated or teased out albeit without distorting the originality. At most times, suitable calculations have been done while on other occasions available data have been so quantified so as to maintain a symmetry for all company profiles.
3.10.1 Problems in Data Collection

Use of only secondary data was not a part of the original plan of study. Taking into consideration the objectives of the study and its research design, the researcher had planned to administer mail questionnaire to chief executives and general managers of selected companies. Consequently, a structured questionnaire was thrice mailed but the effort proved futile. Later, availing the opportunity of coming in close personal contact with senior industrialists and top executives of chambers of commerce, the researcher tried to cull out information from the selected companies but again to no avail.

The researcher was surprised by the fact that even befriending executives of selected companies was of no help as all they could provide was the companies’ annual reports. An executive of a large company even went to the extent of stating that the company has no organisation structure and therefore, the details cannot be furnished. This researcher has come to the conclusion that “until a researcher in India receives an opportunity for an open-ended exploratory research, research in management will continue to use several methodologies” and rely on secondary data. In other words, there was neither a disincentive to engage into research nor a specific incentive built into the institutional frame.
The adoption of use of secondary data, too, was not devoid of its pitfalls which at times gives rise to unanticipated difficulties in the process of research. The experience of the researcher proves that the information base in the country is weak and there exists an information barrier. At times, there is very little information to work on. Finally, the researcher had to rely on press clippings and rudimentary data.

The researcher also faced problems in gaining access to certain in-house reference and research departments belonging to the Government as well as to the private corporate sector. The researcher also encountered the problem of utilising data supplied through Government publications, as in many cases they have considerable time lag. In using secondary data, problems also arise due to:

* Absence of uniformity of data supplied by Government and by industry associations
* Absence of details
* Incomplete information
* Poor and often changing categorisation of products of a particular industry.

Within the limits of these constraints, the researcher made every possible effort in collecting a large amount of data relating to selected companies. Those who have worked on raw data would readily appreciate that some inexactness inevitably creeps in any aggregation or rearrangement of
data. Fortunately, such fuzziness does not vitiate the basic authenticity of company profiles.

Selection of themes and methodologies of research in management need to be governed by the basic consideration that management research should be relevant to management problems in India. Research in business policy must, therefore, strive to generate knowledge which will help Indian organisations develop their capability to cope with the rapid changes in the coming years. However, non-cooperation of top management seems to be the major reason responsible for lack of research in this area.

3.11 ANALYSES AND INTERPRETATION

Guided by the need for research and the research propositions, the researcher has analysed the impact of liberalisation on business policies of selected companies in broadly two ways. At the first instance, the impact of liberalisation on business policy variables has been analysed and interpreted separately for each of the four selected private sector companies. The emerging business policy directions in each company has been shown in the form of an exhibit. Later, the results emerging out of the company-wise analyses have been consolidated and qualitatively described. The analytical framework of the study is shown in Exhibit 3.3.
Exhibit 3.3: The Analytical Framework

The basis of analyses is the company profiles of the selected companies. In analysing the impact of liberalisation, the researcher has laid emphasis on six business policy variables which is guided by the conceptual framework of the study as well as its scope. It is worth mentioning here that although frameworks for analysing companies exist, yet the researcher has innovated the structure of company profiles to suit the requirements of the present study. Moreover, the company profile structure used in the study proved to be effective as, in retrospect, it proved to be quite appropriate.

The company profiles have been analysed in such a manner that their respective business policy variables are easily identified. The analyses is primarily qualitative in nature as well as dynamic in approach. The emerging trends in business policies of companies have been appropriately dealt with.
The impact of liberalisation policies on business policies of the companies have been summarised in the form of an exhibit which shows pre-liberalisation status and post-liberalisation changes. The extent of impact has been qualitatively assessed in a separate section. A note of caution here: no single liberalisation measure, on a set of measures, must be seen as the only factor(s) responsible for gauging the impact of liberalisation on business policies of companies as there are several other external and internal imponderables that affect change in, and performance of, enterprises.

The summarised findings and conclusions, and the directions for future research have been briefly dealt with in a separate chapter.

3.12 LIMITATIONS OF THE STUDY

The present study has the following major limitations.

1. Limited to six major liberalisation measures: Due to constraints of time, only six major liberalisation measures related to the industrial sector have been chosen for the present study.

2. Limited to six Business Policy variables: The six variables which have been selected for analyses, in the opinion of researcher, capture the essence fo Business Policy. As the area of Business Policy is concerned
with integration of different functions at the level of chief executive and general manager, the policy variables includes different functional areas such as finance, marketing, production and personnel.

(3) **Limited to four companies**: Because the duration of course is time-bound, the present research study has been restricted to a manageable limit. Therefore, only four private sector companies have been covered. The companies selected are, however, representative of the industry to which they belong.

(4) **Limited to one industry**: Only private sector companies in the automobile industry have been chosen in order to confine the study to a workable limit.

(5) **Relies on secondary data**: The study relies on secondary data due to the constraints of time and money, and the problems encountered in collecting primary data.

(6) **Time bound**: The duration of the course has a time limit and the researcher is expected to complete the study within the prescribed time. This has led to putting an arbitrary limit on the scope of the study.

(7) **Cost limitations**: Research has increasingly become cost-intensive which puts numerous constraints on the study.
Had these limitations not been there, further efforts could have been made for improving the research study. However, these constraints are common to any research study.

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