Chapter VI
CHAPTER VI

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

The managerial and benefit analysis on telecommunication sector with a case study in Kanyakumari District is carried with the objective of knowing the factors limiting and supporting the beneficiaries of the sector in enjoying the services of telecom sector. The first chapter dealt with the introduction and design of the study. The telecom sector in Kanyakumari district is discussed in the second chapter. To deal with the first objective of the study, the financial practices of DoT are analyzed in the third chapter. To analyze the financial practices, the administrative procedure for handing the fund, its accounting and reporting system are discussed. Financial analysis is carried to study its financial performance. The fourth chapter dealt with the second objective of the study. The managerial practices with regard to the human resource who are the acting force of DoT is evaluated in the fourth chapter to reveal the extent to which the employees are efficiently managed for achieving its organizational goals. The fifth chapter dealt with the third objective of the study. The services of DoT are analyzed to reveal the extent to which the telecom services are reachable to the society. The final objective is dealt in the present chapter.

This chapter gives a brief summary on the major findings of the study. It presents the existing managerial pattern of the telecom sector. It depicts the
factors that limits and supports the individuals, society and the nation from enjoying the benefits of the telecommunication sector. Much effort has been taken by the researcher to avoid the personal bias while drawing the conclusion. The conclusion gives a clear-cut picture on the bottleneck in the growth of the telecom sector.

6.1 Findings

The summary of the major findings of the study is given below:

As on March 31, 2001, telecom sector in Kanyakumari district is operating with 33 exchanges having 79,300 working connections. It is divided into two SDCAs, namely, Nagercoil SDCA and Kuzhithurai SDCA for facilitating inter-dialing arrangements. It provides the services with 760 staff. For thousand people, the tele-density in Kanyakumari district is 38.77. The local call success rate and STD call success rate are 55.4 and 46.2% respectively. The average rate of fault is 8.2%. The sector owns only 8 buildings out of 76 buildings.

The study on the financial practices of telecom sector in the district shows that,

- The sector is entirely financed by the Central Government through Union Budget and no other source of finance is permitted. The sectoral allotment in the national plan outlay in the year 2000 is 19.11%. The revenue realized from all Circles is pooled with the national income of the country. Each Circle office allocates fund to each SSA according to their requirements projected in the budget submitted to the Circle office. Inter-Circle transfer of fund is allowed. Each SAU should remit the net revenue in the bank account every day after meeting the working expenditure.
The accounting system of telecom sector is carried at three levels, first at SAU level, then at Circle office and finally at Central office in such a way to get incorporated in the Public Accounts of India. It is based on the principles of double entry bookkeeping.

Each SAU prepares Cash Current Account and a Trial Balance every month and reports to the Circle office. Each head of account is supported with ledgers and registers. Transactions are entered in the books of account on the basis of cash system of accounting.

No fixed asset register is maintained at SAU. Provision for depreciation and doubtful debts are provided by the Circle office and not at SAU level.

The centralized purchasing system of equipment is followed. The Circle office values the inventories by weighted average method. Each SAU maintains the Stock Register for the inventory management.

SAU keeps up pay roll accounting and necessary registers are maintained.

The financial analysis shows that the contribution of revenue of Nagercoil SSA, during the period of the study, towards the Central telecom is increased to 0.41% in the year 2001. Its contribution towards the Circle level of income is increased to 2.91% in the year 2000 and is decreased to 2.69% in the year 2001. There is an increasing trend in the total revenue of the firm even though the capital expenditure and working expenditure are increasing every year. But there is a downward trend in the average revenue per DEL per month during the period of the study. The average operating ratio during the period of the study ranges from 22% to 35.07%, which is reasonable for the
capital-intensive sector. The average collection efficiency in the first month is 70% and is 98.5% in the third month.

The study on the human resource management shows that,

- The organizational structure is very large but clearly defined. Each SSA has administration, commercial, planning, operation, maintenance, finance and vigilance. Employees have clearly defined jobs, duties and responsibilities with properly delegated authority. The human resource planning is done largely at Circle level.

- The jobs of regular Mazdoor and Telecom Office Assistants are unskilled in nature. Engineers, Junior Telecom officers, and Account Officers are involved in skilled jobs. Telecom technical assistants, Telecom Mechanic, Telecom Operators, Section Supervisors and Cerea are involved in semiskilled nature of work.

- Employees are satisfied with recruitment and selection policy of DoT.

- Pay and benefits are not up to the expectation of the majority of the employees, which may affect motivation to work. Only 2.25% of the respondents are fully satisfied with the pay and benefits provided to them. Qualification does not fetch any additional increment.

- Only 16.85% of the respondents have graded that the training programme imparted to them is excellent. Deputation for the training programmes is impartial only for 31.46% of the employees. The material supplied in training programme, audiovisual equipments, and presentation and training technique, its relevancy to the job and experienced faculties are not adequate. It lacks effective feedback system.
The promotional policy is based on the seniority as well as on merit. 78.66% of the respondents are not satisfied with the promotional procedure. The promotional opportunities are very few. Only 41% of the respondents expect promotion before their retirement. No demotion has been made so far.

Employees are satisfied with the performance appraisal system of DoT. But they are not satisfied with the transfer policy.

The rate of occupational accidents is very low. The chances for occupational hazards and accidents are higher when the grade becomes lower. The common health hazards to the workforce in the sector are poor eye-vision, headache, back pain and spondoleysis.

Only 6.18% of the employees are satisfied with the welfare services extended. The overall satisfaction with regard to welfare services is average.

There is no Staff Grievance Cell in the SSA. 53.33% of the employees are aggrieved about the absence of canteen facilities. The commonly prevailing grievances are related to the working conditions, absence of material and tools at the time of requirement, incentive system and the delay in getting the needed benefits. The overall satisfaction with regard to the grievances handling procedure is low.

The rate of disciplinary action towards the employees is very low. Only 12.36% of the respondents are aggrieved with the disciplinary action and procedure. No resignation and dismissal from the job is prevailing in the organization.
• Only 3.93% of the employee respondents agree that the collective bargaining system is excellent. The overall satisfaction on collective bargaining is average.

• Consultative leadership is prevailing in grades A and B. Benevolent leadership is prevailing in grades C and D.

• To study the motivational level of the employees in the sector, job related factors of nature of work, pay, economic security, job security, reputation of the firm, peer relations, appreciation, integration, training programmes, promotion and potential appraisal are studied. The study shows that the overall motivational status of the employees is average. Only 2.25% of the respondents are having high level of motivation. Chi-square test of significance and correlation are used to support the relationship between these factors and motivation. The study shows that there is a positive correlation between motivation and these motivational factors. It shows that pay, economic security, peer relation, reputation of the firm, integrity, appreciation, nature of work, promotion and potential appraisal influence the motivation. But training and job security have no impact on motivation. It may be due to the ineffective training programmes and also the recruitment by the Central Government. Keeping in view of the domestic factors; gender, age, size of the family and educational background of employees are studied to know its influence on motivation. But it is proved that age is the only factor having impact on motivation.

• Only 8.82% of employees have improved their qualification after their appointment in DoT.
By evaluating the services of DoT, the study shows that,

- 71.25% of the respondents utilize the telecom services for less than Rs.1,200 bimonthly. Only 9.25% of them are utilizing the services for more than Rs.2,400 bimonthly.

- The satisfaction has an impact on the utilization of services. It is observed that utilization of services decreases when the level of satisfaction becomes lower. No subscriber is having high level of satisfaction. 80.5% of the respondent subscribers are at average level of satisfaction while 19.5% at lower level.

- The rectification of fault, billing, metering of calls and arrangement for sending and realizing bills gained an average level of satisfaction of the subscribers. The frequency of the fault in the instrument, cable and technique are low. The average time taken to rectify the fault ranges from one day to five days.

- Only 7% and 5% of the respondents have graded the billing and call metering procedures respectively as excellent.

- The satisfaction regarding the instrument provided, telephone directory and facility of reconnection after disconnection is low. None of the respondents have graded the instrument provided and the facility of reconnection as excellent.

- The satisfaction on the investigation made on annoyance calls is 'good'. 80.61% of the disturbed respondents never informed the department for investigation. Only 17.5 % of them are free from the annoyance calls.
• The procedure for registration and allotment of new connection followed in the sector has created an average level of satisfaction in the minds of the subscribers. Only 5% of them have graded it excellent.

• Only 1% of the respondents have graded the grievance handling procedures as excellent. There is an average level of satisfaction in handling the grievance of the subscribers.

• Only the complaints that have not been attended for more than six months can only be entertained in Adalat. The number of cases filed in each Adalat is very few. 69.5% of the respondents are not aware of the existence of Adalat programme. 5% of the respondents have approached Adalat for their grievance. But all the people who approached the Adalat are very much satisfied with its functioning.

• 28% of the respondents have shifted their telephones within their SSA. Their satisfaction with regard to the arrangements for shifting of telephone is 'low'.

• Behaviour of the staff has gained an average level of satisfaction.

• Awareness influences the utilization of services. There is no respondent having high level of awareness. 83% of the respondents are at low level of awareness. This necessitated analyzing the factors influencing the level of awareness of the subscribers. The educational background and residential area of the respondents do not influence awareness. But there is a significant relationship between the awareness and the period of owning the facility. Thus, longer the period one owns the facility, higher the probability to be aware of the services available.
• The non-organizational factors of family income, size of the family, period of owning the facility and purpose of utilization influence the utilization of the services. When the size of the family increases, the communication need gets increased which in turn brings higher utilization of services. Longer the period of owning a telephone, more the probability to be aware of the services that motivates utilization of the services. Commercial users are consuming more than the non-commercial user.

• The commonly used modes of communication by most of the commercial and non-commercial non-subscribers are Public Telephones (PTs) and postal communication respectively.

• For 60.32% of the non-commercial non-subscribers and 54.55% of commercial non-subscribers, the reason for not owning the telephone facility is the financial constraints. Only 9.09% of commercial and 21.43% of non-commercial non-subscribers feel that telecom is not necessary for their lifestyle.

• 82.95% of commercial and 68.25% of non-commercial non-subscribers are willing to subscribe.

• Only 36.36% of commercial and 14.28% of non-commercial non-subscribers uses the PTs very often. 2.27% of commercial and 27.78% of non-commercial non-subscribers never used PTs.

• 80.82% of commercial and 73.81% of non-commercial non-subscribers say that PTs are too far away from their place. 90.91% of commercial and 85.71% of non-commercial non-subscribers feel that there is no privacy in using the
PTs. 3.17% of the noncommercial non-subscribers does not know how to use the PTs.

- 43.18% of commercial and 60.32% of non-commercial (non-subscriber) respondents feel that using public telephone is above their financial status. The other reason for not using the PTs cited is the noise pollution.
- Liberalization in installation of PTs, the rapid increase in the Cell phone users and the direct dialing arrangement within 200 kms. hamper the profitability of the PTs.
- The operators of PTs face no notable problems with the public.
- The cost of installation of each PT met by the operators is Rs. 32,000 and the average return on investment per month is 20% of the collection made. While the collection is to be remitted twice in a month, the commission of 20% is given on monthly basis. The average monthly collection per month, on the basis of survey comes about Rs. 4,000.

6.2 Conclusions

Telecommunication sector in Kanyakumari district survives with low tele-density and a very poor call success rate. Rent payable on the building and poor collection efficiency would increase the operational cost of the network. The study on the financial practices reveals its centralized pattern of financial management. Even though the fund requirements are anticipated and controlled properly, the telecom sector lacks proper accounting system. The accounting system is arranged in multi-level with the foremost objective of clubbing its revenue with the national income rather than the sector-oriented one. It keeps up
the double entry system of book keeping only to a certain extent at SSA level. The present cash system of accounting lacks information on outstanding liabilities and incomes. The provisions for depreciation and outstanding revenue are made only at the Circle level. So, it is not possible to know the net result of the operation of each SSA. Non-maintenance of fixed asset register at SSA level makes it difficult to know the net worth of the SSA. The present accounting system does not reveal the return on investment made at each SSA. Hence, the accounting system at SSA level must be restructured to keep up complete set of bookkeeping. The centralized system of inventory purchasing and control system are not commercially viable. The operating ratio indicates the sector as a highly revenue generative one. The declining trend in the revenue per DEL indicates the declining trend in the utilization of services also. Thus, the reasons for the declining trend in the revenue per DEL must be thoroughly examined.

The study on human resource management in telecom sector in Kanyakumari district reveals the existing managerial style of the organization. Even though its organizational structure is very large, duties, responsibilities and delegation of authority are clearly defined. Human resource planning is done at Circle level. Since the rate of retirement is getting doubled from the year 2001, the manpower requirement keeping in view of technical upgradation should be done properly to man the sector at the right time. Unsatisfactory pay and benefits, very few promotional opportunities, ineffective training programmes, unsatisfactory welfare services, absence of Staff Grievance Cell at SSA level, absence of canteen facilities, inadequacy of material and tools at the time of requirements and the delay in getting the needy benefits reveal the inefficiency of
the management in meeting the personal needs of the employees who are working for the organization.

Prevailing level of motivation shows the dissatisfaction of employees on the job and on the organization. Hence, the factors responsible for such dissatisfaction should be thoroughly examined. Further, the study on the motivational factors reveals that the domestic affairs of the employees do not affect the motivation of the employees. So, it is the duty of the organization to create an environment to motivate them to work for the organization. But the overall satisfaction on the motivational factors indicates the failure on the part of the organization to create motivation. The prevalence of consultative and benevolent leadership and the absence of participatory leadership style indicate poor participation of employees in the management. Collective bargaining should be improved. The style of leadership behaviour should be changed enough to induce the employees to work towards the organizational goal. Thus, the study on human resource management proves that its present managerial pattern is archaic, monolithic, and power-centered. Its bureaucracy ignores the needs of the employees. Its failure to create a good working environment and absence of belongingness in the minds of the employees affects the productivity of the employees and gives poor service to the society. The main cause for this state of affairs is its centralized human resource planning and management.

Being a service sector, DoT is responsible for meeting the needs and expectations of the society. But the study reveals the failure on the part of the organization to win the satisfaction of the users. The demands of the users are not fulfilled by the organization up to their expectation. It is mainly due to the red-
tapism because of cumbersome procedures. The attitudes of the employees are not cooperative with the users when they are approached. It reveals the operational inefficiency of the firm. Besides the satisfaction and awareness on services, utilization depends on the family income, size of the family and the purpose for which it is utilized. Owning the facility for a longer opens the way to be aware of the services and the utilization of services. No personal factors influence the level of awareness. Awareness is either preceded or succeeded with a need. Thus, it is understood that the creation of satisfaction and awareness in the task of the service-provider, but DoT failed to bring the satisfaction and awareness on the services.

The study on the non-subscribers reveals the failure of the organization to achieve its mission of “Better communication to all and within the reach of all”. It shows the poor utilization of PTs by the non-subscribers. The major limiting factor in utilizing the telecom services is the non-affordability. The uneven distribution of public telephones, lack of privacy in communication in PT and noise pollution affect the utilization of PTs. Growth of cell and mobile telephones affect the growth of the PTs. The low return on investment from the PT may not encourage the operators to improve the infrastructure of the PT. Thus, the even distribution of PTs in rural and urban areas, protecting privacy and noise pollution in communication and education on the use of PTs would not only revitalize the growth of PTs, but also bring social transformation and cultural growth in the society.
To conclude, the managerial and benefit analysis on telecom sector depict the outcome of its centralized managerial practices. The declining trend in the utilization of services, dissatisfied employees and the inability of DoT to satisfy the communication needs of the society reveal the failure on the part of the organization to coordinate the needs of the society with the organizational goal. It also depicts the operational and managerial inefficiency of the organization. The main cause for such state of affairs is its centralized administration with limited authority. Hence, the telecom sector in the infancy stage of corporatisation, should take steps to change the organizational policy to revitalize the growth of the telecom sector. But the only measure for the corporate sector to grow is the adaptation of decentralization with ploughing back of profit at Circle level, which is not allowed in the present public sector management. The major limiting factor for the utilization of services and subscription of the facilities is non-affordability. Their non-affordability and the operating ratio indicates that the sector is highly revenue oriented and ignores the affordability of the users. Thus, the corporate sector living with the people having low per capita income should provide services at reasonable and affordable rate without ignoring the interest of all the personnel involved. Failure to do so would not only affect the personnel involved, but also would affect the development of the economy of the nation which is purely depending on the communication network of telecom.
6.3 Suggestions

Besides being a basic requirement of an effective communication, it plays the role of developer of the economy, society and the individuals. Thus, to withstand the global competition, the telecom sector should be given special attention for its development. The researcher suggests the following to overcome the bottlenecks in the growth of the telecom sector.

For an efficient financial practices, it is suggested that,

- Management should pay attention to increase the success rate of local and STD call, which are the major source of revenue to the corporation. The cause of the lower success call rate may be due to the technical or administrative, which should be thoroughly examined.

- The present Cash system of Accounting must be replaced with the Mercantile system of Accounting to reap the benefits of double entry bookkeeping. Keeping up of complete set of double entry book keeping in each SSA is very essential to know its net worth and return on the investment made.

- Decentralization of administration at Circle level is very essential for the growth of the sector. If it is decentralized at Circle-wise, it may be able to give due attention to the concerned SSA where it is utmost needed. It may lead to effective human resource planning and efficient financial management.

- Permitting internal source of finance and thereby introducing the ploughing back of profit within the budgetary limit at Circle level may be more profitable for the sector.
To improve its human resource practices, it is suggested that,

- Assessing the need for training programme at SSA level may facilitate to conduct the programmes necessary for their existing environment.

- Due consideration for the additional qualification of the employees in pay and benefits should be given which may improve the personal and organizational growth.

- Each SSA can have a well-established library.

- The promotion procedure should be restructured. Due weightage can be given for the additional education qualification possessed by the employees.

- A separate departmental canteen can be provided.

- An effective grievance Cell at SSA level should be established. Immediate settlement of grievance would increase the productivity of the employees. Proper reconciliation machinery should be established to protect the interest of employees and superiors.

- The participative leadership style, which is both, job and employee-centered should be encouraged.

- A human resource planning and audit at SSA level may be carried on. A separate Human Resource Cell for looking after the issues related with the human resource at each SSA is very essential.

To achieve its mission of 'better communication to all, within the reach of all', it is suggested that,

- Satisfaction is the psychological element, which should be handled tactfully. The smaller deviation from the expectation will create dissatisfaction, which impels anti-behaviour. But it is the task of the top management and the
employees to create and maintain satisfaction by providing the utility expected by the users. The present management has brought dissatisfaction in the service, which may be due to the poor quality of service or the poor performance of the workforce. The factors creating such environment should be properly analyzed and the responsibility should be fixed for such event.

- The procedural and administrative red-tapism in the service should be avoided.
- Centralized purchasing and payment system of stores and equipment should be withdrawn and each SSA should be given power to purchase stores and equipment, which would avoid red-tapism in services.
- The quality of the telephone directory should be improved by using the high quality of printing papers. The clarity in the printing is very essential.
- Since the subscribers are not at all satisfied with the instrument provided by the organization, it can allow the subscribers to purchase and own the telephone at their discretion.
- The call list along with the bill should be sent to all the subscribers to avoid dissatisfaction in metering the calls.
- The Adalat entertains the complaints that have not been attended by the organization for more than six months. Such time limit can be relaxed for the benefit of the subscribers.
- Creation of awareness is the task of the service-provider. Efforts to educate the people about the usage of telephones, the service available, Adalat and the like must be taken. Advertising through mass media communication can be effective in creating awareness.
• Affordability is a major limiting factor for the consumption of services. The top
management should reduce the tariff to provide the service at an affordable
cost to the people at all level. Otherwise, the target of universal access will go
in vain.

• The frequent tariff revision should be avoided. Present tariff structure should
be replaced with a new one facilitating the higher consumption at lower cost.

• The subscribers should be encouraged to put their grievances to the
management of remedial action. To know their grievance, an Opinion
Schedule can be sent along with the bill periodically, which can be collected at
the time of bill payment.

• The subscribers should be encouraged to pay in the first month of the due
date, prolonging of which increases the operational cost of the firm.

For the growth of PTs, it is suggested that,

• Pooling of PTs at busy places alone brings regional imbalance. Management
should select the place for the PTs giving two or three options to the
applicants. It may increase the usage and develop the undeveloped rural
areas.

• Provision for maintaining privacy in communication in PTs should be made
mandatory.

• It may be recommended to give the commission at time of remittance, that is,
twice in a month, instead of monthly basis, which may reduce the
administrative difficulties on the part of the organization.