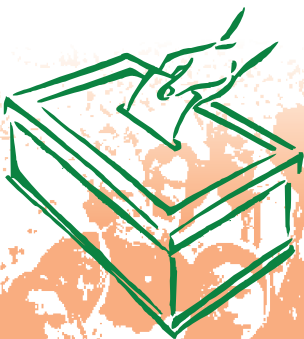




# JOURNAL OF **GOVERNANCE & PUBLIC POLICY**

Volume 12, No 1, January-June 2022

ISSN 2231-0924



CSR and Its Social Implication — Evidence  
from Maharatna Company in India

Examining the Idea of Smartness in  
the Concept of Smart City: A Study of  
Ahmedabad Smart City Project and Lessons  
for Other Smart Cities

A Literature Review: Self-help Group Bank  
Linkage Programme

Contract Management in Local Governments:  
Making it Work

Political Participation of Tribal Gujjars and  
Bakarwals in Recently Held Election of  
District Development Council:  
A Study of Poonch District, J&K

The Impact of Training and Development on  
Staff Performance: A Study of People's Bank  
of Zanzibar, Tanzania

## BOOK REVIEW

Creating, Building and Sustaining an  
Institution — A Momentous Journey of  
Institute of Public Enterprise








**INSTITUTE OF PUBLIC ENTERPRISE**

(Under the aegis of ICSSR, MoE, GoI)

## Aims and Scope

**Journal of Governance & Public Policy** is a bi-annual refereed journal published by the Institute of Public Enterprise to provide a forum for discussion and exchange of ideas on Governance (local to global) and Public Policy (including foreign policy and international relations) by policy makers, practitioners and academicians.

### Indexed in:

- Ebsco
- ProQuest
- Ulrichsweb
- ICI
- International Institute of Organized Research (I2OR) 
- International Services For Impact Factor and Indexing 
- International Impact Factor Services 
- Research Bible 
- Journals Directory.com 
- J-Gate 
- InfoBase Index

The publication of Journal of Governance & Public Policy is supported by the grant received from Indian Council of Social Science Research (ICSSR), Ministry of Education, Government of India, New Delhi.

---

© 2022. All rights reserved. No part of this publication may be reproduced or copied in any form by any means without prior written permission of the publisher

The views expressed in this publication are purely personal judgements of the authors and do not reflect the views of the Institute of Public Enterprise.

The views expressed by outside contributors are their personal views and not necessarily those of the organisations they belong to.

All efforts are made to ensure that the published information is correct. Institute of Public Enterprise is not responsible for any errors caused due to oversight or otherwise.

---

**Published by:** Satyam N Kandula on behalf of Institute of Public Enterprise

**Owned by:** Institute of Public Enterprise

**Printed by:** Satyam N Kandula on behalf of Institute of Public Enterprise

**Printed at:** Wide Reach Advertising Pvt Ltd, 21, Surya Enclave, Trimulgherry, Hyderabad - 500015.

**Place of Publication:** Institute of Public Enterprise, OU Campus, Hyderabad - 500007.

# Journal of Governance & Public Policy

Volume 12 No 1 January-June 2022 ISSN 2231-0924

---

## Contents

From the Editors' Desk	ii
CSR and Its Social Implication – Evidence from Maharatna Company in India <i>Zakir H. Molla and Sarbani Mitra</i>	I
Examining the Idea of Smartness in the Concept of Smart City: A Study of Ahmedabad Smart City Project and Lessons for Other Smart Cities <i>Sanhita Rahul Joshi</i>	33
Contract Management in Local Governments: Making it Work <i>Deepak Sharma</i>	45
Political Participation of Tribal Gujjars and Bakarwals in Recently Held Election of District Development Council: A Study of Poonch District, J&K <i>Fazal Hussain</i>	56
The Impact of Training and Development on Staff Performance: A Study of People's Bank of Zanzibar, Tanzania <i>Wilfred Uronu Lameck</i>	68
BOOK REVIEW	
Creating, Building and Sustaining an Institution – A Momentous Journey of Institute of Public Enterprise <i>Reviewer: Anand Akundy</i>	86

## Editorial Board

### Editor-in-Chief

**S Sreenivasa Murthy**

*Professor & Director, Institute of Public Enterprise,  
Hyderabad*

### Editors

**Geeta Potaraju**, Assistant Professor,  
*Institute of Public Enterprise, Hyderabad*

**A Sridhar Raj**, Associate Professor,  
*Institute of Public Enterprise, Hyderabad*

### Members

**Jack Czaputowicz**, Minister of Foreign Affairs  
of Poland (2018-2020), Professor at the Faculty of  
International Relations of the University of Warsaw,  
Poland

**Wolfgang Drechsler**, Professor,  
Ragnar Nurkse Department of Innovation and  
Governance, Tallinn University of Technology, Estonia

**Harold Gould**, Visiting Scholar in Center for  
South Asian Studies, University of Virginia, Florida

**John Halligan**, Emeritus Professor of Public  
Administration and Governance,  
University of Canberra, Australia

**HJ Kroukamp**, Dean,  
Economic & Management Sciences,  
Professor of Public Management,  
University of the Free State, South Africa

**Bhanoji Rao**, Visiting Professor,  
Lee Kuan Yew School of Public Policy, Singapore

**Purushottama Sivanarain Reddy**,  
Professor, Public Governance,  
University of KwaZulu-Natal, South Africa

**Allan Rosenbaum**, Professor,  
Public Administration Director, Institute for Public  
Management and Community Service and Center for  
Democracy and Good Governance Florida International  
University (FIU), Florida

**Reto Steiner**, Scholar of Public Management and  
Dean at the ZHAW School of Management and Law in  
Winterthur / Zurich, Switzerland

**Blue E. Wooldridge**, Professor, Douglas Wilder  
School of Government and Public Affairs,  
Virginia Commonwealth University, Virginia

**Eugenia Vanina**, Chief Researcher,  
Institute of Oriental Studies, Russian Academy of  
Sciences, Centre for Indian Studies

**Alexander Lukin**, Professor, Department Head,  
Faculty of World Economy and International Affairs,  
School of International Affairs, National Research  
University Higher School of Economics;  
Director, Center for East Asian and Shanghai  
Cooperation Organization, Moscow State Institute of  
International Relations

**Tatiana Shaumyan**  
Head, Centre for Indian Studies,  
Institute of Oriental Studies, Moscow, Russia

**Geert Bouckaert**  
Professor at the Faculty of Social Sciences,  
KU Leuven Public Governance Institute, Belgium

**Pratap Bhanu Mehta**, Former President and  
Chief Executive, Centre for Policy Research

**Jerry O Kuye**, Former Professor at the School of  
Public Management and Administration,  
at the University of Pretoria

**Henry Wissink**, Dean and Head of School of  
Management, IT and Governance,  
University of KwaZulu-Natal, Durban, South Africa

**Daniel (DF) Meyer**  
Professor, University of Johannesburg

### Editorial Support

**AV Bala Krishna**, Institute of Public Enterprise,  
Hyderabad

## From the Editors' Desk



As countries around the world are resetting after the alarming disruption caused by COVID-19, the most critical question that we need to ask ourselves is what kind of societies do we want to create for ourselves? Both the developing and the developed countries have been exposed to their vulnerabilities with the existing levels of social and economic inequality which has become untenable, especially with the current pandemic only reinforcing these inequalities. The need to address issues of health, education, welfare, law and order, empowering local governments and issues related directly to citizen's welfare calls for urgent attention.

At this point in time there is a compelling reason to reassess the strategy to be pursued by nations, when there is a growing concern to the fact that people who are the most valuable resources, who give their valuable time and energy in serving the public and private organizations have been hard hit by the pandemic and without whom there would be no production, manufacturing, services and so on. These primary stakeholders need to be included in governmental planning and decision-making process apart from involving the capital investors. Thus the democratic process will be strengthened and provide voice to the citizenry who will be better equipped to pursue their ambitions and contribute to national interests.

India has recognized the need to reboot its local economies which has been badly affected due to the pandemic and it's aftereffects. India's response to the current crisis has been through putting in place the idea of Aatmanirbhar Bharat Abhiyan. The idea of Aatmanirbhar Bharat Abhiyan was shared with the nation by the Hon'ble Prime Minister of India Sri Narendra Modi Ji on May 12, 2020. The scope of Atmanirbhar Bharat has been expanded to a large extent which subsumes every sectoral policy and implementation thereof.

To build a strong foundation of a magnificent self-reliant India, the focus is to bring in quantum jump in economy and not aim at marginal progress by developing world-class infrastructure, streamlining supply chain process for improving efficiency and bringing in technology-based solutions in all sectors. Thus, the contours earmarked within the Aatmanirbhar Bharat policy has become the guiding light and a blue print for growth and development in the country.

**Geeta Potaraju**  
**A Sridhar Raj**

# CSR and Its Social Implication – Evidence from Maharatna Company in India

Zakir H. Molla<sup>1</sup>  
Sarbani Mitra<sup>2</sup>

## Abstract

The aim of this paper is to review the status of corporate CSR practices in a large Maharatna Company in India by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules and consequent impacts. The study also focuses on the geographic spread of the social investments over period of time. Finally, the study explored the extent of social implication due to such CSR initiatives. For the purpose, we selected IOCL, the oil and gas major and the largest corporate identity in India in terms of turnover. The findings showed that through its social development activities, besides major CSR projects undertaken by IOCL, its CSR initiatives have touched millions of lives by providing various infrastructure and grass root development activities in the focus areas identified in the CSR policy of the company. Provision of water facilities; infrastructure at hospitals, schools, colleges, skill development institutes / industrial training institutes; setting up sports facilities were made across the country. Environment related initiatives like providing LPG connection to disadvantaged section of society, improving sanitation, health and livelihood and providing livelihood generation skill stand tall among various initiatives undertaken. However, the investments are concentrated in and around the operating area as per policy in synchronization with prevailing act thereby creating spatial inequality.

**Keywords:** Companies Act, Corporate Social Responsibility, CSR Initiatives, CSR Investment, Social Issues, Sustainable Development

---

1 Center for Environment and Development, Kolkata, West Bengal and can be reached at zakirmolla@gmail.com

2 Professor, Department of Environment Management and Head, Department of Executive Management, Indian Institute of Social Welfare and Business Management,, Kolkata and can be reached at sarbani\_iiswbm@yahoo.co.in

## **Introduction**

It is the fact that industries play a major role behind environmental degradation as well as emission of carbon leading to global warming and climate change. The popular perception regarding large-scale business ventures is that they are driven solely and unfailingly by profit. It is this mistrust about the corporates that led to the concept of business leaders making a continuing commitment. This commitment is to integrate ethical behaviour in all activities leading to economic development to improve quality of life not only for the work force and their families, but also for the host community and larger section of the society. Here, comes the role of Corporate Social Responsibility (CSR).

The World Business Council for Sustainable Development (WBCSD, 2000) defines CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life.” CSR may also be defined as the duty of the organisation to respect individuals’ rights and promote human welfare in its operations (Manakkalathil and Rudolf, 1995; Oppewal *et al.*, 2006). Corporate social responsibility can also bring more awareness among communities as well as with business leaders to reduce stress on natural resources, bio-capacity, greenhouse gases, global warming, and unethical practices, human rights, labour, corruption which are all major causes of concern for our planet and people. In view of this concept, MNCs are increasingly making community development (CD) investment to demonstrate their commitment to society (Idemudia, 2009).

Now, whether a firm visualises these issues as a trivial concern or as a challenge (to cure social and environmental ills) or as a business opportunity can be contested. Buldybayeva (2014) argues that CSR in oil and gas industry poses certain questions of delicate nature since this industry is synonymous with scandals which hide bad CSR solution. Most important is the contention by Frynas (2012) that CSR is being adopted in the face of such disaster either forcefully due to mandatory government regulation or voluntarily through initiatives under CSR. According to him, government regulation played a significant part in these improvements rather than CSR in these improvements. Frynas (2009) observed that CSR is usually justified as either as risk management strategy to protect firms from external threats or through involvement with NGOs or other developmental agencies for developing new product services to benefit from external opportunities. Some of the Oil and Gas corporations have put out their priority areas for social investment or community development projects. Some others are doing it based on what the local governments require of them. Some work directly with the community to manage stakeholder concerns while

others work with the governments as a mediator between community and corporations. Such diversity in practices lacks a unified approach and it is observed that none of the companies have a specified budget for the CSR.

Interestingly, another approach to the CSR debate was fuelled when India mandated a specific set of companies to spend at least 2% of the average net profit of the preceding three years towards activities that would qualify as CSR as per schedule VII of the Companies Act 2013. With this enactment the Union of India became the first country to mandate spending towards CSR activities and also specified activities that would qualify as CSR activities. In this paper we have attempted to review the status of corporate CSR practices in the Maharatna Company in India by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules. The study also focuses on the geographic spread of the social investments over period of time. Finally, the study explored the social implication due to such CSR initiatives.

It is observed that a good number of researches (Bowen, 1953; Votaw, 1972; Carroll, 1999; Van Marrewijk, 2003; Ite, 2004; Garriga and Mele, 2004; Fisher 2004; Godfrey and Hatch, 2007; Beurden and Gossling, 2008; Spector, 2008; Dahlsrud, 2008; Okoye, 2009; Carroll and Shabana, 2010; Rahman, 2011; Sheehy, 2015; Ghobadian *et al.*, 2015; Danilovic *et al.*, 2015) have been undertaken on CSR practices in the economic and organizational contexts of Europe and the United States of America.

The studies in Indian context are again very limited and those available (Singh and Ahuja, 1983; Maheswari, 1993; Batra, 1996; Hyde *et al.*, 1997; Banerjee, 2001; Paul and Pal, 2001; Pramanik *et al.*, 2007) focused on a few aspects of the same. Only a few studies tried to look into the entirety of CSR but limited themselves to a few industrial setups. There is lack of case study-based research focusing on expenditure towards CSR activities and making year wise comparative judgement of the same and evaluating social implication in the context of listed companies in India. The aim of this paper is to report the findings of our study that sought to assess how far any proactive company can upgrade its social structure, if it incurs expenditure towards various CSR activities and year wise how the implication on social issues is getting strengthened.

The paper is structured as follows. Subsequent section provides details about data and methodology adopted followed by a discussion of the findings relating to the CSR initiatives by corporate and its social impact. Finally, it sums up and gives concluding remarks.

## **Data, Sample and Methodology**

This section describes the research design of the study including sample description and data collection.



### ***Sample Study***

As per the report compiled by the NGO Global Justice Now, 69, out of top 100 economies (based on revenue) in the year 2015, were corporations (Global Justice Now, 2016). Of these 100 top economies including 69 corporations, there are eight corporations from the Oil & Gas sector (World Bank, 2011). If we combine the wealth owned by these 69 companies in the upstream and downstream companies in these Petroleum Oil / Gas sector we get amazingly vast amount of resources controlled by these corporations. Accordingly, oil sector has been identified as the research study, as it has significant impact on the world economy.

Secondly, more practical part is the fact that the oil and gas industry in the past has recorded conspicuous negative environmental effects such as oil-spills, rig explosions, refinery explosion, environmental degradation. These have led to antagonism public outcry and activism by the civil society groups and local communities. This has led the oil and gas industry to do something more for the local communities and to mitigate the harmful effects it creates and to build the reputation to be perceived as a preferred corporate neighbour by the local community.

Now most of the companies in the oil sectors across the globe are found to be engaged in various social issues, some of which may be common across geographical locations across the segment. The state-owned oil companies across the world have shown different system of engaging in CSR activity, more in sync with government imperatives and programs.

Indian Oil Corporation Limited (IOCL) ranked first in terms of revenue in 2016 out of 10 largest companies in India. Secondly, In India, there are currently 13 oil and gas sector CPSEs under administrative control of Ministry of Petroleum and Natural Gas. IOCL had highest turnover i.e., 37.71% (INR 4,76,627.4 Cr.), out of total turnover (INR 12,63,859.1 Cr.) of these 13 oil and gas CPSEs. Accordingly, the study here concentrated to review the status of corporate CSR practices of IOCL by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules. The study also focuses on the geographic spread of the social investments over period of time. Finally, the study explored the extent of social implication due to expenditure towards IOCL's CSR activities.

### ***Data and Methodology for the Study***

The data for this research is secondary in nature and the research method used Content Analysis. CSR related items were handpicked from all the previous research on the topic primarily those related to CSR of IOCL, Annual Reports of the sample Company for the relevant years, specific reports on CSR, data submitted and published by various bodies pertaining to CSR of the sample company, data published by Government Bodies etc.,



after a thorough examination of the contents of the same. Literature survey was used for reviewing the related CSR activities over the years.

The research approach used for this study is Case Study Method following Yin (2009), Tellis (1997), Zainal (2007), who mentioned that case study method is recognized as a tool in many social science studies more prominent when deals with issues related with regard to sociology (Grassel and Schirmer, 2006), education (Gulsecen and Kubat, 2006), and community based problems (Johnson, 2006), such as poverty, unemployment, drug addiction, illiteracy, etc.

### ***Sample Description***

To review the status of corporate CSR practices of IOCL by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules in a systematic manner, sample description was considered necessary. Indian Refineries Ltd. (Established 1958) and Indian Oil Company (Established 1959) were merged to incorporate Indian Oil Corporation Limited (IOCL) on 01.09.1964 with registered office in Mumbai India. Thereafter, Assam Oil Company Ltd was also merged with IOCL in 1981. IOCL, the oil and gas major, is the largest corporate identity in India in terms of turnover. IOCL has 68.57% shareholding of Central Government. During the year 2013, IOCL was ranked at 96<sup>th</sup> in Global Fortune 500 list, the highest for any Indian Corporate. As on 31.03.2014, it has 33,793 regular employees (Executives 15,407 and Non-Executives 18,386). IOCL, being a Maharatna Company, is having the highest turnover among all the companies in India. Its presence is there in all areas of hydrocarbon business – starting from exploration, storage transportation, refining, marketing of Petroleum products. It is also present in the petrochemical segment. Since its foundation in the year 1964, it has been dutifully supporting various social welfare and community development initiatives as claimed through various communication and annual reports placed in public domain.

### ***Analysis & Findings***

To critically assess item wise detail of CSR activities undertaken by IOCL and to quantify expenditure towards CSR activities, detail study on allocation of budget; identification of thrust areas for CSR and activity wise investment in CSR activities were considered necessary.

#### ***CSR Budget***

IOCL has committed to allocate 2% of the average net profit of last three years towards CSR budget that will be non-lapsable as stated in its latest Sustainability and CSR policy. Every year IOCL provides INR 10 Cr. of its CSR fund to the corpus of Indian Oil Foundation. Balance CSR fund

of the year as well as the carry forward fund of earlier years is utilized for undertaking various CSR activities through its local offices all over India as well as corporate office. As mentioned between 1991 and 2009 it was allocating 0.5% of the net profit of previous year for CSR which was increased to 2% of the previous year's retained profit thereafter. After implementation of Companies Act, 2013 and Company (CSR Policy) Rules 2014 from 2014-15 it is allocating 2% of the average net profit of the preceding three years towards various CSR activities.

### *Focus / Thrust Areas*

IOCL CSR policy (Indian Oil Corporation Limited, 2018) enshrines following CSR thrust areas, as presented in Table-1.

**Table-1:** Focus Areas for CSR Activities

<b>S. No.</b>	<b>Focus Areas</b>
1	Safe drinking water
2	Healthcare and Sanitation
3	Empowering women and socially & economically backward groups
4	Education and employment-enhancing vocational skills
5	Environment sustainability
6	Protection of national heritage and promotion

These were further detailed in the prevailing Sustainability and CSR policy with addition of focus area in the area of sustainability such as:

- Efficiency in operations and process
- Safe and healthy environment in and around the workplace
- Promotion of responsible business practice (conduct business with transparent integrity and accountability)
- Tourist friendly facilities at monuments of national importance
- Environmental sustainability as reflecting in the CSR policy that has been detailed with focus on clean energy options, rainwater harvesting, limiting emission of green house gases, reduce-reuse-recycle of resources / wastes

### *Major CSR Activities During 2015-16*

Driven by its Policy during the financial year IOCL had allocated 2% of its average net profit of previous 3 years amounting to INR 141.50 Cr. as CSR Budget. There was a carry forward amount of INR 19.61 Cr. from previous year making the total CSR budget of the year INR 161.11 Cr. Out of this during the year IOCL has invested INR 156.67 Cr. at various activities within its focus areas as well as within schedule VII of the Companies Act 2013. These activities were carried out through outside agency as well as through in-house efforts of IOCL. A small amount of INR 4.43 Cr. was unspent during the year which was carried forwarded.

Some of the major CSR activities undertaken during the financial year as recorded in annual report (Indian Oil Corporation Limited, 2017), website, flyers, coffee table book available in public domain are given in Table-2.

**Table-2: IOCL: Major CSR Activities During FY 2015-16**

<b>CSR Budget</b>	During the year an amount of INR 141.50 (2.0% of the average net profit of the last 3 years INR 7075.00) was allocated. Unspent CSR Budget of earlier year amounting to INR 19.61 was added to current year's allocation taking the total CSR Budget allocation for the year to Rs 161.11 Cr. During the year INR 156.67 Cr. was spent, leaving a balance of INR 4.43 Cr. Thus, about 97% of allocated Budget was spent during the year.
<b>IOCL Support to Government Initiatives</b>	
<b>LPG Scheme for BPL Families</b>	This scheme has been launched at the guidance of MoPNG (w.e.f. Jan 2010) where 20% of CSR fund (2% of profit) of six CPSE Oil companies namely ONGC / OIL / GAIL / IOCL / BPCL / HPCL are utilized for providing free of cost Liquefied Petroleum Gas (LPG or cooking gas) connection to people below poverty line (BPL). Security deposit for basic equipment is provided from the common CSR fund. During 2015-16, IOCL had provided INR 28.3 Cr. for providing 22.8 Lakhs free connection. Since inception 32.4 Lakhs connections have been released by IOCL to BPL beneficiaries.
<b>Swachh Bharat Abhiyan / Swachh Vidyalaya</b>	Government of India initiated Swachh Vidyalaya Abhiyan (SVA) under Swachh Bharat Abhiyan (SBA) (since 2014), the largest cleanliness drive ever taken. SVA aims to provide separate toilets for girls and boys in each of the government school in the country. IOCL had joined SVA / SBA involving all stake holders including employees to sensitize about the cause and undertaken more than 3600 activities. Under Swachh Vidyalaya Abhiyan scheme it has constructed about 2855 toilets in 16 states at a cost of INR 44.87 Cr. in partnership with state governments.
<b>Health Care Initiatives</b>	<p><i>Indian Oil Assam Oil Division hospital Digboi Assam</i> IOCL operates a modernized 200 bed hospital at Digboi. This was set up in 1906 to take care of the need of local poor populace. During 2015-16 about 16423 people were provided treatment in this Hospital.</p> <p><i>Swarna Jayanti Samudayik Hospital Mathura UP</i> A 50 bedded hospital is operated by IOCL at Mathura. It also operates free mobile medical unit there. The treatment is free for destitute and subsidized for others. During the year 52660 people (other than employees) were treated. More than 8 Lakhs people have benefited since inception</p> <p><i>Sarve Santu Niramaya (SSN) Digboi, Assam</i> This developmental initiative was undertaken by IOCL in the year 2012 to provide free medical treatment to the poor people living in and around Digboi as well as the livestock they own. During the year about 2500 people and 12200 live stocks were treated (since inception 5400 patients and 57000 live stocks took benefit of the project)</p> <p><i>Indian Oil Muskaan</i> IOCL has initiated this programme to address the problem of people affected with cleft lips or palates. During the year 2015-16 corrective surgeries were carried out on 204 persons (90 girls) from 26 districts of Assam.</p>

Skill Development Livelihood Generation	<p><i>Assam Oil School of Nursing / College of Nursing Digboi Assam</i> IOCL have been operating a nursing school free of cost at Digboi with an intake of 20 candidates for very long time. This is an all-expense paid training where boarding lodging and education is free and the students are given stipend during the period of studies. In the year 2014 College of Nursing was started with intake of 30 students. During 2015-16, 16 students completed General nursing and midwifery programme. 391 students have completed the course with 100% placement records since it started in 1986.</p> <p><i>Indian Oil Multi Skill Development institute Digboi, Assam</i> The institute was started in the year 2014. This provided job-oriented skill development programme. 271 beneficiaries received the skill training during the year on various courses such as welding, hospitality, fitter, retail, auto repair etc. Since inception 388 benefited of the scheme.</p> <p><i>Indian Oil Industrial Training Centre, Digboi, Assam</i> This programme started in 1975 under the aegis of NCVT. It provides 3-year industrial trade courses with a capacity of 68 intakes. During the year 61 candidates were trained up (since 1975 about 1238 people have benefited).</p> <p><i>Shikshak Dakshta Vikar Abhiyan, Digboi, Assam</i> In coordination with District Education department this programme was started in 2012 to train up teachers on various soft skills. During the year 81 teachers were trained up. The total since inception is 355 covering 42 villages in and around Digboi</p>
Scholarships (Educational)	<p><i>Indian Oil Academic Scholarship Scheme</i> IOCL provide scholarship to 10+ students who are in ITI / Engineering / MBBS / MBA course. 49.5% of the scholarships are reserved for SC / ST / OBC. It also has reservation for women candidate and people with disability. During the year 3137 students availed of these benefits. Since inception more than 15000 students have availed this facility.</p>
Scholarships (Sports)	<p><i>Indian Oil Sports Scholarship Scheme</i> Started in 2006-07 IOCL provide sorts of scholarship to young sportsman representing states / nation. About 150 scholarships are given every year in about 20 games to the people belonging to 14-19 years of age. The scholarship is given for three years in addition to providing sports kits.</p>

Source: IOCL (2015-16)

Apart from above major CSR initiatives undertaken, numerous CSR activities have been undertaken based on the needs of local community to enhance quality of life by supporting health care, education, livelihood generation skill development and also in the area of cleanliness and environmental sustainability and clean water. IOCL has also collaborated with government, local administration and various independent agency at numerous places to support worthwhile activities within its focus areas. These include, but are not limited to, providing infrastructure support to government hospitals and dispensaries, government schools and colleges, supplementing government schemes including ICDS etc.

It is also observed that some of the long-term major projects as mentioned above have been ongoing for quite some time, and a few are over a very long time too.

Based on the data available in the public domain (Indian Oil Corporation Limited, 2015-16), IOCL has undertaken about 472 activities in the financial year. A Critical review of these activities shows that four of these activities namely Indian Oil Education Scholarship (INR 4.13 Cr.), Indian Oil Sports Scholarship (INR 1.05 Cr.), free LPG connection to BPL candidates (INR 30.11 Cr.) were undertaken on all India basis. Toilets in Government Schools were constructed in 16 States (INR 42.74 Cr.). The latter two activities valued at INR 72.85 Cr. were driven by Government initiatives which is about 46.5% of total spent. Adding other government initiatives, such as setting up of Skill development institute at initial investment of INR 4.5 Cr. the total investment and Swachh Bharat Abhiyan related initiatives the CSR investments during the year for government driven projects was INR 91.02 Cr. out of total investment of INR 156.67 Cr. which works out to be 58.1%.

Review of state wise expenditure shows Odisha (37 activities INR 20.47 Cr.), Assam (97 activities INR 15.28 Cr.), Uttar Pradesh (45 activities INR 12.20 Cr.), Haryana (57 activities INR 2.67 Cr.) and Bihar (11 Activities INR 2.67 Cr.) topped the list (Table-3), whereas the smallest fund flow was in the states of Jammu & Kashmir (2 activities INR 2.3 Lakhs), Chandigarh (5 activities INR 9.23 Lakhs), Himachal Pradesh (5 activities INR 11.20 Lakhs), Tripura (1 activity INR 11.66 Lakhs) and Chhattisgarh (1 activity INR 11.80 Lakhs).

**Table-3:** IOCL CSR Investment: Top / Bottom Five States FY 2015-16

(INR Cr.)

Top Five States	2015-16	% of Total	Bottom Five State	2015-16	% of Total
Odisha	20.47	13.07	Chhattisgarh	0.12	0.08
Assam	15.28	9.75	Tripura	0.12	0.07
Uttar Pradesh	12.20	7.79	Himachal Pradesh	0.11	0.07
Haryana	2.67	1.71	Chandigarh	0.09	0.06
Bihar	2.67	1.70	J & K	0.02	0.01
Total	156.67	100.00	Total	156.67	100.00

Eight states and union territory namely Dadra & Nagar Haveli, Daman & Diu, Goa, Lakshadweep, Manipur, Meghalaya, Nagaland and Sikkim did not receive any CSR investment during the year.

Table-4 presents Schedule VII item wise CSR spent by IOCL during the financial year 2015-16. In terms of Schedule VII alignment it is observed that out of 472 activities 281 activities valued at INR 75.50 Cr. were undertaken in item (i) of Schedule VII of the Companies Act 2013, that is "...to eradicate hunger, poverty and malnutrition, promote preventive health care and sanitation and making available safe drinking water". The second largest investment was in the area of item (iv) of schedule VII of the Companies Act 2013 that is "...to ensuring environmental sustainability". About 17 activities at INR 40.21 Cr. were undertaken towards this.

While substantial investment was made in item (ii) of Promoting education. No investment has been made in item no. (vi), (viii), (ix), (xi) that is in the area of "...benefit of armed forces veterans, contribution to the Prime Minister's National Relief fund, contributions to technology incubation projects and slum area development project".

A detailed analysis of item no. (i) of Schedule VII of Companies Act, 2013 shows that out of 281 activities undertaken at an approximate cost of INR 75.50 Cr., about 200 activities valued at INR 56.4 Cr. was undertaken under item (i) "...promoting sanitation & making available safe drinking water" in schools, villages and communities. Balance about 81 activities (INR 19.10 Cr.) were undertaken purely in "...promoting health care including preventive health care".

A detailed analysis of item no. (ii) of Schedule VII shows that out of 124 activities undertaken at an approximate cost of INR 28.80 Cr., about 110 activities for an amount of INR 21.22 Cr. is exclusively towards promotion of education by providing scholarships, school infrastructure such as construction of classrooms, library, amphitheatre, supply of school furniture, equipment, computers, laboratory equipment. The balance of 14 activities amounting to about INR 7.60 Cr. was spent towards job-oriented Skill Development and vocational training, out of which INR 4.5 Cr. was exclusively for setting up skill development institute as directed by Government of India.

Out of these 472 activities valued at INR 156.68 Cr., IOCL has undertaken 276 activities valued at INR 136.5 Cr. Balance 196 activities (INR 20.25 Cr.) were invested through outside agencies like non-profit Organisation, foundation Cooperatives, Trust etc. This amounts to be only about 13% of total investment showing greater control on CSR invested. This has increased over years from about 47% in 2013-14.

**Table-4:** Schedule VII item wise CSR spent by IOCL: FY 2015-16

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Eradicating hunger</b> , poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	(i)	281	59.53	7552.53	48.20
<b>Promoting education</b> , including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	(ii)	124	26.27	2883.17	18.40

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Promoting gender equality</b> , empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	(iii)	16	3.39	74.00	0.47
<b>Ensuring environmental sustainability</b> , ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	(iv)	17	3.60	4020.78	25.66
<b>Protection of national heritage</b> , art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	(v)	2	0.42	53.59	0.34
<b>Training to promote rural sports</b> , nationally recognized sports and Olympic sports	(vii)	6	1.27	145.88	0.93
Rural development projects	(x)	24	5.08	190.44	1.22
Administrative overheads	-	2	0.42	747.28	4.77
<b>Grand Total</b>		<b>472</b>	<b>100.00</b>	<b>15667.67</b>	<b>100.00</b>

### Major CSR Activities During 2014-15

IOCL had allocated 2% of its average net profit valued at INR 112.95 Cr. There was a carry forward amount of INR 20.45 Cr. from previous year making the total CSR budget of the year as INR 133.40 Cr. Out of this amount during the year IOCL has invested INR 113.79 Cr. at various activities within its focus area as well as within schedule VII of the Companies Act 2013. These activities were carried out in partnership of outside agency as well as through in-house efforts of IOCL.

Some of the major CSR activities undertaken during the year as reported in the 56<sup>th</sup> Annual Report of the Company (Indian Oil Corporation Limited, 2017) are detailed in Table-5.

**Table-5:** IOCL: Major CSR Activities During FY 2014-15

CSR Budget	During the year an amount of INR 12.95 Cr. (2.0% of the average net profit of the last three years INR 5647.50 Cr.) was allocated. Unspent CSR Budget of earlier year amounting to INR 20.45 Cr. was added to current year's allocation taking the total CSR Budget allocation for the year to INR 133.40 Cr. During the year INR 113.79 Cr. was spent leaving a balance of INR 19.61 Cr. Thus about 85.3 % of allocated Budget was spent during the year.
------------	--



---

## IOCL Support to Government Initiatives – Recent

LPG Scheme for BPL families

**LPG Scheme for BPL:** This is a scheme launched at the guidance of MoPNG where 20% of CSR funds of 6 CPSE Oil companies namely ONGC / OIL / GAIL / IOCL / BPCL / HPCL are utilized for providing Cooking Gas connection to people under BPL free of cost towards. Security deposit for basic equipment is provided from the common CSR fund. During 2014-15, IOCL contributed INR 28.08 Cr towards this from its CSR budget.

Swachh Bharat Abhiyan / Swachh Vidyalaya:

**Swachh Bharat Abhiyan / Swachh Vidyalaya:** Under this state driven initiative IOCL had participated and involved their stake holders to sensitize about the cause. Under Swachh Vidyalaya scheme it has proposed to construct about 2700 toilets in 16 states which was in progress.

Health Care Initiatives

*Indian Oil Sachal Swasthya Seva AP, Telengana UP*  
In January 2012 IOCL launched the scheme to operate 52 MMU; these are linked to IOCL small retail fuel outlet Kisan Seva Kendra. A four-member team comprising of MBBS doctor provides free health check-up and free medicine to inaccessible areas. During 2014-15 about 14.44 Lakh patients were treated. In last 3 years about 40 Lakhs patients were treated. The project has completed its tenure and the Mobile medical units are being handed over to state governments.  
*Indian Oil Assam Oil Division hospital Digboi Assam*  
IOCL operates a modernized 200 bed hospital at Digboi. This was set up in 1906 to take care of the local poor populace.  
*Swarna Jayanti Samudayik Hospital Mathura UP*  
A 50 bedded hospital is operated by IOCL at Mathura. It also operates free mobile medical unit there. The treatment is free for destitute and subsidized for others.

*Sarve Santu Niramaya (SSN) Digboi, Assam*

This initiative was initiated by IOCL in 2012 to provide free medical treatment to the poor people living in and around Digboi as well as the livestock they own. During the year about 1500 people and 16000 live stocks were treated. (Since inception 2900 patients and 45000 live stocks took benefit of the project)

*Indian Oil Muskaan*

IOCL has initiated this programme to address the problem of people affected with cleft lips or palates.

Skill Development  
Employment Generation  
Skills

**Assam Oil School of nursing / College of Nursing**

**Digboi Assam:** IOCL have been operating a nursing school free of cost at Digboi with an intake of 20 candidates for very long time. This is an all-expense paid training where boarding lodging and education is free and the students are given stipend during the period of studies. In Nov. 2014 College of Nursing was started with an intake of 30 students for B SC (Nursing). Since inception more than 350 students have completed the nursing and midwifery course with 100% placement records.

*Indian Oil Multi Skill Development Institute Digboi, Assam*

The institute became operational in the year 2014. This provided job-oriented skill development programme. First batch of more than 80 students joined the course in August 2014.

---

Scholarships (Education)	<p><i>Indian Oil Industrial Training Centre, Digboi, Assam</i> This programme started in 1975 under the aegis of NCVT. It provides 3-year industrial trade courses with a capacity of 68 intakes under 8 disciplines. Since 1975 about 1200 people have benefitted.</p> <p><i>Shikshak Dakshta Vikar Abhiyan, Digboi, Assam</i> In coordination with District Education department this programme was started in 2012 to train up teachers on various soft skills. So far 248 teachers have been trained covering many villages in and around Digboi.</p> <p><i>Indian Oil Academic Scholarship Scheme</i> IOCL provide scholarship to 10+ students who are in ITI / Engineering / MBBS / MBA course. 49.5% of the scholarships are reserved for SC / ST / OBC. It also has reservation for women candidate and people with disability. During the year 53000 applications were received for 2600 scholarship.</p>
Initiatives by Indian Oil Foundation	<p><i>The Indian Oil Foundation (IOF)</i> IOF, a non-profit trust along with ASI and NCF is undertaken to improve &amp; facilitate tourist friendly amenities at various national monuments of archaeological and historical importance. Such as Sun Temple at Konark, Odisha; Khajuraho at MP; Vaishali, Bihar; Kanheri Caves; Maharashtra, Bhoga Nadeswar Temple, Karnataka. During 2014-15, it undertook new projects at Hampi, Karnataka, Golconda Fort, Telangana, Rani Ki Vav Gujarat, Chittorgarh Fort Rajasthan. Brihadeswara Temple Tamil Nadu</p>

Source: IOCL (2014-15)

Besides the above major activities, the organization has been supporting other government driven initiatives through its CSR budget over the years. These include, but are not limited to, providing infrastructure support to government hospitals and dispensaries, government schools and colleges, supplementing government schemes including ICDS etc.

Based on the data available in the public domain (Indian Oil Corporation Limited, 2014-15) IOCL has undertaken about 217 activities by investing INR 113.79 Cr. during the year. Out of these activities four activities were undertaken on all India basis. These are free LPG scheme for BPL families at INR 29.48 Cr., Construction / repair of toilets in Schools under Swachh Vidyalaya Abhiyan INR 7.66 Cr., Indian Oil Academic Scholarship Scheme at INR. 10.78 Cr., Indian Oil Sports Scholarship INR 0.49 Cr.

Total amount invested towards government driven initiatives was INR 40.97 Cr. which is about 36% of total investment of INR 113.79 Cr.

A Critical review of the activities and expenditure shows that following five states achieved highest CSR investment - West Bengal (7 activities INR 21.60 Cr.), Odisha (21 activities INR 12.26 Cr.), Assam (49 activities INR 8.83 Cr.), Uttar Pradesh (19 activities INR 6.86 Cr.) and Bihar (3 activities INR 3.23 Cr.) (Table-6). The five states got less CSR investment are Punjab (2 activities INR 0.65 Lakhs), Chandigarh (2 activities INR 2.2

Lakhs), Arunachal Pradesh (1 activity INR 6.6 Lakhs), Himachal Pradesh (3 activities INR 8.08 Cr.) and Andhra Pradesh (3 activities INR 8 Lakhs).

**Table-6:** IOCL CSR Investment: Top / Bottom Five States FY 2014-15

(INR Cr)					
Top Five State	2014-15	% of Total	Bottom Five State	2014-15	% of Total
West Bengal	21.60	18.98	Andhra Pradesh	0.08	0.07
Odisha	12.26	10.77	Himachal Pradesh	0.08	0.07
Assam	8.83	7.76	Arunachal Pradesh	0.07	0.06
Uttar Pradesh	6.86	6.03	Chandigarh	0.02	0.02
Bihar	3.23	2.84	Punjab	0.01	0.01
Total	113.79	100.00	Total	113.79	100.00

A total of fifteen states and union territories did not receive any CSR investment during the year. These are Andaman and Nicobar Island, Chhattisgarh, Dadra & Nagar Haveli, Daman & Diu, Goa, Jammu & Kashmir, Jharkhand, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim and Tripura.

In terms of Schedule VII alignment, it is observed that out 217 activities amounting to INR 113.79 100 activities valued at INR 55.84 Cr. were undertaken in item no. (i) of Schedule VII of the Companies Act 2013, "...Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water" (Table-7). The second largest investment was in the area of item (iv) i.e. "...ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry conservation of natural resources and maintaining quality of soil, air and water", undertaking 10 activities at INR 30.00 Cr. While substantial investment was made in the other two areas such as items (ii) "...promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects" and item no. (v) "...protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts". There has not been any expenditure in item no. (vi), (viii) and (ix).

A detailed analysis of item no. (i) shows that out of 100 activities undertaken at an approximate cost of INR 55.84 Cr., about 54 activities valued at INR 11.50 Cr. was undertaken in the area of promotion of sanitation and making available safe drinking water in school villages and communities. Balance of about 46 activities (INR 44.34 Cr.) were undertaken purely in the area of promotion of healthcare including preventive health care.

A detailed analysis of item no. (iv) shows that out of 10 activities undertaken at an approximate cost of INR 30.00 Cr, an amount of INR 29.48 was spent on providing free LPG connection to people below poverty line as per government initiatives.

In item no. (ii) Schedule VII of Companies Act 2013 an amount of INR 24.40 Cr. was invested through 68 activities. With the exclusive purpose of promoting education by providing scholarships, school infrastructure such as construction of Classrooms, library, amphitheatre, supply of school furniture, equipment, computers, laboratory equipment, a total of 56 activities were undertaken at an amount of INR 22.92 Cr. The balance of 12 activities amounting to about INR 1.48 Cr. was spent towards job-oriented Skill Development and Vocational Training

Overall basis out of these 217 activities valued at INR 113.79 Cr, IOCL has undertaken 128 activities valued at INR 50.18 Cr. Balance 89 activities (INR 63.61 Cr.) were invested through outside agencies like non-profit Organisation, foundation Cooperatives, Trust etc. This amounts to about 56 % of total investment showing high dependence on external agencies.

**Table-7:** Schedule VII item wise CSR Spent by IOCL: FY 2014-15

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Eradicating hunger</b> , poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	(i)	100	46.08	5584.38	49.08
<b>Promoting education</b> , including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	(ii)	68	31.34	2439.72	21.44
<b>Promoting gender equality</b> , empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	(iii)	5	2.30	16.55	0.15

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Ensuring environmental sustainability</b> , ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	(iv)	10	4.61	3004.56	26.40
<b>Protection of national heritage</b> , art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	(v)	3	1.38	206.37	1.81
<b>Training to promote rural sports</b> , nationally recognized sports and Olympic sports	(vii)	5	2.30	62.54	0.55
Rural development projects	(x)	8	3.69	49.21	0.43
Slum Area Development	(xi)	1	0.46	0.99	0.01
Administrative overheads	-	17	7.83	14.81	0.13
<b>Grand Total</b>		<b>217</b>	<b>100.00</b>	<b>11379.13</b>	<b>100.00</b>

### Major CSR Activities During 2013-14

IOCL had allocated INR 64.88 Cr. as CSR budget for the year 2013-14. There was a carry forward amount of INR 37.48 Cr. from previous year making the total CSR budget of the year as INR 102.36 Cr. Out of this amount during the year IOCL has invested INR 81.91 Cr. at various activities within its focus area as well as within schedule VII. These activities were carried through outside agency as well as through in-house efforts of IOCL (Table-8). The unspent CSR budget was INR 20.02 Cr. which is about 24% of CSR investment during the year or about 31% of the budget of the year (Indian Oil Corporation Limited, 2017).

**Table-8:** IOCL: Major CSR Activities During FY 2013-14

IOCL Support to Government Initiatives – Recent	
<b>LPG Scheme for BPL families</b>	<b>LPG Scheme for BPL:</b> This is a scheme launched at the guidance of MoPNG where 20% of CSR fund of six CPSE Oil companies namely ONGC / OIL / GAIL / IOCL / BPCL / HPCL are utilized for providing Cooking Gas connection to people under BPL free of cost towards. Security deposit for basic equipment is provided from the common CSR fund. During 2013-14, IOCL contributed 20% of its CSR budget amounting to INR 20.02 Cr towards this. About 2.4 Lakhs BPL connections were released.

<b>Health Care Initiatives</b>	<p><i>Indian Oil Sachal Swasthya Seva AP, Telengana UP</i> In January 2012 IOCL launched the scheme to operate 52 MMU: these are linked to IOCL small retail fuel outlet Kisan Seva Kendra. A four-member team comprising of MBBS doctor provides free health check-up and free medicine to inaccessible areas. These MMU are based at the strategic KSK to render the service to the neediest. During 2013-14 about 14.76 Lakhs patients were treated in 681 villages across 13 districts of 3 states. On cumulative basis more than 26 Lakhs patients were treated.</p> <p><i>Indian Oil Assam Oil Division Hospital Digboi Assam</i> IOCL operates a modernized 200 bed hospital at Digboi. This was set up in 1906 to take care of the local poor populace.</p> <p><i>Swarna Jayanti Samudayik Hospital Mathura UP</i> A 50 bedded hospital is operated by IOCL at Mathura. It also operates two free mobile medical units there. It offers free treatment to destitute and subsidized treatment to other section of society. During 2013-14 about 49514 have been treated at the hospital. This facility was commissioned around 2000 and since then about 7 Lakhs patients have been treated.</p> <p><i>Sarve Santu Niramaya (SSN) Digboi, Assam</i> This CSR initiative was started by IOCL in 2012 to provide free medical treatment to the poor people living in and around Digboi as well as the livestock they own. During the year about 2035 poor patients and 25274 live stocks were treated.</p> <p>To support the underprivileged section with cancer prevention diagnosis therapy rehabilitation and palliative support Indian Oil has signed MOU with Tata Medical Centre Trust &amp; Tata Eastern Medical Trust to set up a 250 bed hospital in the premises of Tata Medical Centre Kolkata to be known as Indian Oil Tata Care Centre.</p> <p><i>Indian Oil Muskaan</i> IOCL has initiated this programme to address the problem of people affected with cleft lips or palates.</p>
Skill Development Employment Generation scheme	<p><i>Assam Oil School of nursing / College of Nursing Digboi Assam</i> IOCL have been operating a nursing school free of cost at Digboi with an intake of 20 candidates since 1986. This is an all-expense paid 4-year training on general nursing and midwifery. In addition to boarding lodging and free education the students are given stipend during the period of studies. In 2013-14 a total of 20 students joined and 18 passed out. Since inception 334 students have completed the nursing and midwifery course with 100% placement records.</p> <p><i>Shikshak Dakshta Vikar Abhiyan, Digboi, Assam</i> In coordination with District Education department this programme was started in 2012 to train up teachers on various soft skills. During 2013-14, 121 teachers were trained up. So far, more than 180 teachers have been trained covering many villages in and around Digboi.</p>
<b>Scholarship (Academic)</b>	<p><i>Indian Oil Academic Scholarship Scheme</i> IOCL provide scholarship to 10+ students who are in ITI / Engineering / MBBS / MBA course. 49.5% of the scholarships are reserved for SC / ST / OBC. It also has reservation for women candidate and people with disability. During the year around 53000 applications were received for a total of 2600 scholarship.</p>

<b>Scholarships (Sports)</b>	<i>Indian Oil Sports Scholarship Scheme</i> Started in 2006-07 IOCL provide sorts scholarship to young sportsman representing states / nation.About 150 scholarships are given every year in about 19 games to the people belonging to 14-19 years of age.The scholarship is given for three years in addition to providing sports kits.
<b>Initiatives by Indian Oil Foundation</b>	<i>The Indian Oil Foundation</i> IOF, a non-profit trust along with ASI and NCF is undertaken to develop facilities for tourist at various national monuments of archaeological and historical importance. Such as Sun Temple at Konark Odisha, Khajuraho at MP, Vaishali, Bihar, Kanheri Caves, Maharashtra, Bhoga Nadeswar Temple, Karnataka.Various tourist friendly facilities are being sent up at Konark and Khajuraho.
<b>Previsions of Drinking Water Facilities</b>	<b>Drinking Water Facility at Guwahati:</b> IOCL has provided 20 standalone community drinking water around Guwahati for 1211 subscribing household.
<b>Donation to Chief minister's Relief Fund</b>	During the year IOCL contributed INR 2 Cr. to the Uttara hand Chief Ministers fund and 1 Cr. to Odisha Chief Ministers Relief fund for cyclone affected people

Source: IOCL (2013-14)

Besides the above major activities, the organization has been supporting other government driven initiatives through its CSR budget over the years. These include, but are not limited to, providing infrastructure support to government hospitals and dispensaries, government schools and colleges, supplementing government schemes including ICDS etc.

It is also observed that some of the long-term major projects as mentioned above have been ongoing for quite some time, and a few are over a very long time too.

Based on the data available in the public domain (Indian Oil Corporation Limited, 2013-14), IOCL has undertaken about 617 activities by investing INR 81.91 Cr. during the year 2013-14.

Out of these activities four activities were undertaken on all India basis. These are free LPG scheme for BPL families at INR 20.02 Cr., Indian Oil Academic Scholarship Scheme at INR. 11.19 Cr., Indian Oil Sports Scholarship INR 0.64 Cr. and investments in preservation of art and culture, contribution towards organizing classical music and dance programs in various school INR 0.10 Cr.

Out of these, free LPG connection was driven by government initiatives which constitutes about 24.44 % of the total CSR spent of the year.

A Critical review of the activities and expenditure shows that following five states achieved highest CSR investment. West Bengal (70 activities INR 11.17 Cr.), Uttar Pradesh (37 activities INR 6.16 Cr.), Andhra Pradesh (24 activities INR 5.99 Cr), Assam (146 activities INR 4.98 Cr.) and Odisha (33 activities INR 4.53 Cr.) (Table-9). Whereas the following states got least investment Puducherry (1 activity INR 0.9 Lakhs), Meghalaya (1 activity INR 0.94 Lakhs), Manipur (1 activity INR 0.99 Lakhs),



Arunachal Pradesh (3 activities INR 3.24 Lakhs) and Himachal Pradesh (3 activities INR 4.42 Lakhs).

**Table-9:** IOCL CSR Investment: Top / Bottom Five States FY 2013-14

(INR Cr.)

Top Five States	2013-14	% of Total	Bottom Five States	2013-14	% of Total
West Bengal	11.17	13.63	Himachal Pradesh	0.04	0.05
Uttar Pradesh	6.16	7.52	Arunachal Pradesh	0.03	0.04
Andhra Pradesh	5.99	7.31	Manipur	0.01	0.01
Assam	4.98	6.09	Meghalaya	0.01	0.01
Odisha	4.53	5.53	Puducherry	0.01	0.01
Total	81.91	100.00	Total	81.91	100.00

The following 12 states and union territories did not receive any CSR investment during the year. They are Andaman and Nicobar Island, Chandigarh, Chhattisgarh, Dadra & Nagar Haveli, Daman & Diu, Goa, Jammu & Kashmir, Lakshadweep, Mizoram, Nagaland, Sikkim and Tripura.

In terms of Schedule VII alignment, it is observed that out of overall 617 activities amounting to INR 81.91 Cr. a total of 243 activities valued at INR 30.40 Cr. were undertaken in item no. (i) of schedule VII of the Companies Act 2013, that is to “...Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water” (Table-10). The second largest investment was in the area of item (iv) that is “..ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water” undertaking 14 activities at INR 23.47 Cr. While substantial investment was made in the other two areas such as items (ii) “...promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects” and item no. (x) “...Rural Development activities”. There has not been any expenditure in item no. (vi), (viii) and (ix).

A detailed analysis of item no. (i) shows that out of 243 activities undertaken at an approximate cost of INR 30.40 Cr. about 146 activities valued at INR 7.65 Cr. was undertaken in the area of “...promoting sanitation and making available safe drinking water in schools villages and communities”. Balance about 97 activities (INR 22.75 Cr.) were undertaken purely in the area of “...promoting health care including preventive health care”.

A detailed analysis of item no. (iv) of Schedule VII of Companies Act 2013 shows that out of 14 activities undertaken at an approximate cost of INR 23.47 Cr. an amount of INR 20.02 Cr. was spent on providing free LPG connection to people below poverty line as per government initiatives.

In item no. (ii) Schedule VII of Companies Act 2013 an amount of INR

22.06 Cr. was invested through 222 activities. With the exclusive purpose of promoting education by providing scholarships, school infrastructure such as construction of Classrooms, library, amphitheatre, supply of school furniture, equipment, computers, laboratory equipment a total of 175 activities were undertaken at an amount of INR 20.95 Cr. The balance of 47 activities amounting to about INR 1.10 Cr. was spent towards job-oriented Skill Development and vocational training.

Overall basis out of these 617 activities valued at INR 81.91 Cr., IOCL has undertaken 289 activities valued at INR 34.73 Cr. Balance 328 activities (INR 47.18 Cr.) were invested through outside agencies like non-profit Organisation, foundation Cooperatives, Trust etc. This amounts to about 57.6 % of total investment showing high dependence on external agencies.

**Table-10:** Schedule VII item wise CSR Spent by IOCL: FY 2013-14

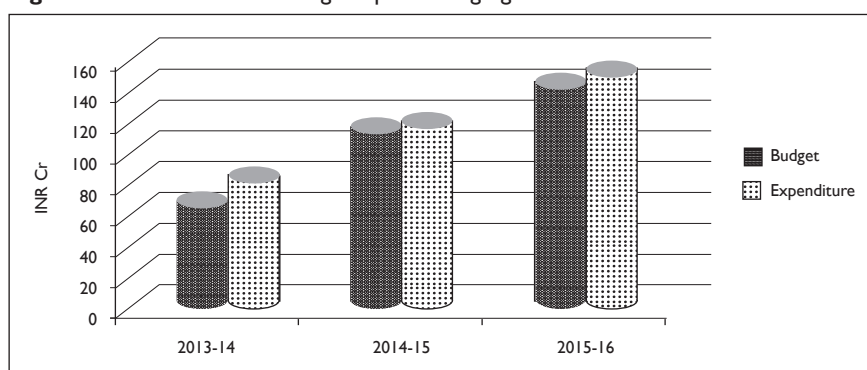
Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Eradicating hunger</b> , poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	(i)	243	39.38	3039.71	37.11
<b>Promoting education</b> , including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	(ii)	222	35.98	2205.72	26.93
<b>Promoting gender equality</b> , empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	(iii)	19	3.08	50.33	0.61
<b>Ensuring environmental sustainability</b> , ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	(iv)	14	2.27	2347.19	28.66

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Protection of national heritage</b> , art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	(v)	6	0.97	33.24	0.41
<b>Training to promote rural sports</b> , nationally recognized sports and Olympic sports	(vii)	5	0.81	77.95	0.95
Rural development projects	(x)	41	6.65	300.81	3.67
Slum Area Development	(xi)	1	0.16	15.00	0.18
Administrative overheads	-	66	10.70	121.25	1.48
<b>Grand Total</b>		<b>617</b>	<b>100.00</b>	<b>8191.2</b>	<b>100.00</b>

### Comparison and Review of IOCL CSR Activities

It is observed that IOCL has allocated 2% of (PAT/ Avg. net profit of preceding 3 years) as CSR Budget. However, in all the three years there have been unspent CSR Budget which has been carried forward to the next year. There seem to have been concerted effort that has led to progressive decrease in the unspent amount in terms of percentage of total CSR investment during the year. In 2013-14 same was 31.52% which has reduced to 17% and 3% to subsequent years showing greater focus and action in place to spend the CSR Budget during the year (Figure-1).

**Figure-1:** IOCL Activities through Implementing Agencies



### CSR Driven by Government Initiatives

The investment in the areas driven by government initiatives such as Pradhan Mantri Ujjwala Yojana, Swachh Vidyalaya Abhiyan, Swachh Bharat Abhiyan, Skill Development initiatives etc. have steadily increased over times as derived from the Table-11.

**Table-I I:** IOCL: Expenditure Towards Government Initiatives Driven CSR

Particulars	(INR Cr.)		
	2013-14	2014-15	2015-16
CSR Investment under Government Initiatives like Swachh Bharat Abhiyan, PMUY / LPG Connection for BPL Families, Skill Development Institutes, Swachh Vidyalaya Abhiyan	20.02	40.97	91.02
Total CSR Investment	81.91	113.79	156.67
% of Total CSR Investment	24.44	36.00	58.10

### IOCL Schedule VII Item Wise Investment in Three Years

Sector wise investment made by IOCL in the last three years shows a concentration of activities and investments in the item no. (i) and item (ii) of Schedule VII of Companies Act 2013. The other areas that received sizeable investment are Skill Development, Environmental sustainability and Rural Development projects.

Figure-2 reveals that the expenditure towards item no. (i) in 2015-16 is not in sync with other two years as there was major investment towards building school toilets. Similarly, the investment towards item (iv) in 2015-16 was higher than earlier years as the two years' contribution towards providing LPG connection to BPL family was accounted in this year.

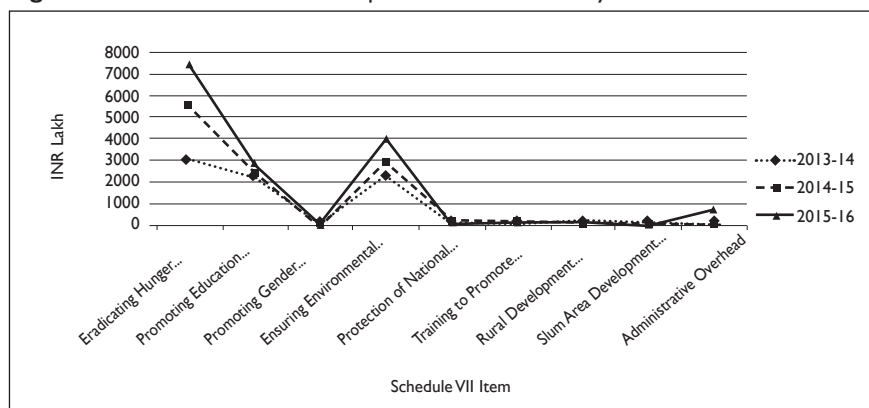
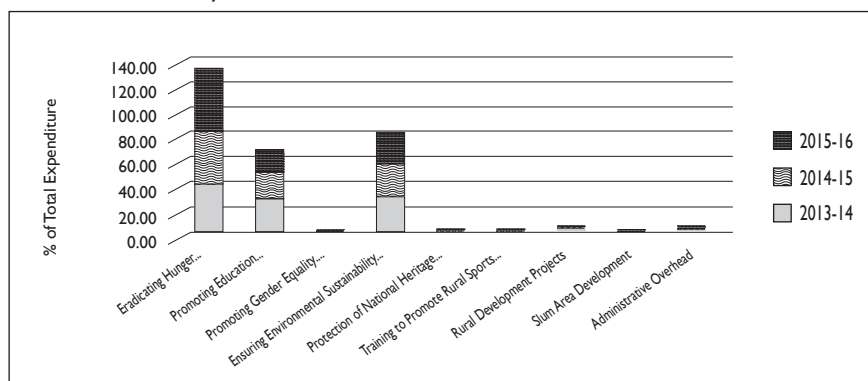
**Figure-2:** Schedule VII Item-Wise Expenditure Towards CSR by IOCL

Figure-3 presents that throughout the three years maximum focus was given towards item no. (i) eradicating hunger (in 2013-14, 37.11%; in 2014-15, 49.08%; in 2015-16, 48.20%), followed by item no. (iv) Ensuring environmental sustainability (in 2013-14, 28.66%; in 2014-15, 26.40%; in 2015-16, 25.66%) and item no. (ii) Promoting education (in 2013-14, 26.93%; in 2014-15, 21.44%; in 2015-16, 18.40%). The cumulative picture reveals that since 2013-14 to 2015-16, least priority has been given on item no. (xi) Slum Area Development (0.05%) and item no. (iii) Promoting gender equality (0.40%).

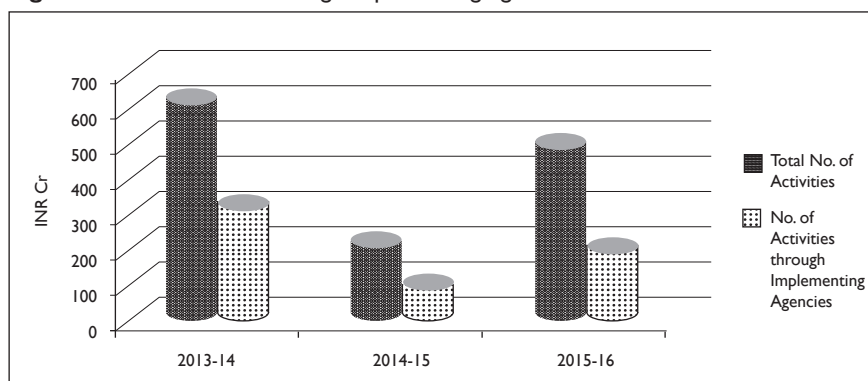
**Figure-3:** Yearwise Percentage Distribution of Expenditure Towards CSR of Each Item Under Schedule VII by IOCL



### Dependence on External Implementing Agency

IOCL has been undertaking its CSR activities directly through its locations across the country. It is also undertaking various activities through external agency (Figure-4). It is observed that over the years the dependence on external agency has reduced and as such more activities are undertaken directly by IOCL. As a result, amount spent for external agencies has been reduced from INR 328 Cr. in 2013-14 to INR 196 Cr. in 2015-16.

**Figure-4:** IOCL Activities through Implementing Agencies



### Spatial Inequality

Being Oil Marketing company IOCL has undertaken activities in wide areas. However, 12 / 15 / 8 states did not receive any CSR investments during 2013-14, 2014-15 and 2015-16 respectively (Figure-5). The five states that received highest amount of investments and least amount of investment excluding the states where no investments are made are shown in Table-12 and 13.

**Table-12:** IOCL CSR Investment: Top Five States

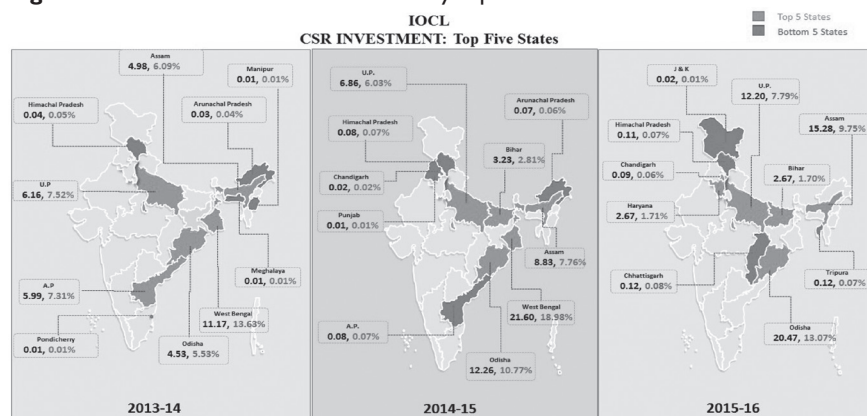
(INR Cr)

Top Five States	2013-14	% of Total	Top Five States	2014-15	% of Total	Top Five States	2015-16	% of Total
West Bengal	11.17	13.63	West Bengal	21.60	18.98	Odisha	20.47	13.07
Uttar Pradesh	6.16	7.52	Odisha	12.26	10.77	Assam	15.28	9.75
Andhra Pradesh	5.99	7.31	Assam	8.83	7.76	Uttar Pradesh	12.20	7.79
Assam	4.98	6.09	Uttar Pradesh	6.86	6.03	Haryana	2.67	1.71
Odisha	4.53	5.53	Bihar	3.23	2.84	Bihar	2.67	1.70
Total	81.91	100.00	Total	113.79	100.00	Total	156.67	100.00

**Table-13:** IOCL CSR Investment: Bottom Five States

(INR Cr)

Bottom Five States	2013-14	% of Total	Bottom Five States	2014-15	% of Total	Bottom Five States	2015-16	% of Total
Himachal Pradesh	0.04	0.05	Andhra Pradesh	0.08	0.07	Chhattisgarh	0.12	0.08
Arunachal Pradesh	0.03	0.04	Himachal Pradesh	0.08	0.07	Tripura	0.12	0.07
Manipur	0.01	0.01	Arunachal Pradesh	0.07	0.06	Himachal Pradesh	0.11	0.07
Meghalaya	0.01	0.01	Chandigarh	0.02	0.02	Chandigarh	0.09	0.06
Puducherry	0.01	0.01	Punjab	0.01	0.01	J & K	0.02	0.01
Total	81.91	100.00	Total	113.79	100.00	Total	156.67	100.00

**Figure-5:** IOCL: Status of CSR Investment by Top / Bottom Five States

### Social Implication

Table-14 shows number of beneficiaries who have been identified against above major CSR projects undertaken by IOCL. In addition to above, IOCL CSR initiatives have touched millions of lives by providing various infrastructure and grass root development activities in the focus areas identified in the CSR policy of the company. Provision of water facilities; infrastructure at hospitals, schools, colleges, skill development institutes / industrial training institutes; setting up sports facilities were

made across the country. Environment related initiatives like providing LPG connection to disadvantaged section of society, improving sanitation, health and livelihood and providing livelihood generation skill stand tall among various initiatives undertaken. Some of the activities spanning out over decades are serving the basic health care and livelihood needs of the community at large. To bring awareness, comradesries with the aim towards societal good, IOCL has promoted music and cultural programmes among college students. The company through a robust process have been reaching out to the disadvantaged section of the society even before the Companies Act 2013. However, the reporting and disclosure in the public domain has transformed post Companies Act.

The Impact of CSR activities of IOCL can be understood from the fact that it has invested its CSR budget in activities that are more permanent and add to the national developmental efforts. IOCL has established several hospitals and skill development institutes / industrial training institutes that are catering to society. Numerous health care initiatives of IOCL have helped in strengthening the health care infrastructure in the country and provided primary, secondary as well as tertiary health care facilities to the people in various parts of the country. These specific initiatives have provided a permanent support to the health care system in India and particularly to the marginalized sections of the society. Initiatives like Indian Oil Assam Oil Division Hospital Digboi Assam; Swarna Jayanti Samudayik Hospital Mathura UP; Sarve Santu Niramaya (SSN) Digboi, Assam; and Assam Oil School of nursing / College of Nursing Digboi Assam are few of the examples that has provided immense support to community.

Similarly, in the field of skill development, IOCL has established Indian Oil Multi Skill Development Institute Digboi, Assam; Indian Oil Industrial Training Centre, Digboi, Assam; and has launched Shikshak Dakshta Vikash Abhiyan, Digboi, Assam; Indian Oil Academic Scholarship Scheme that has skilled thousands of youngsters every year and will provide meaningful scope for development of the country. IOCL has not limited itself to the investment in prominent sectors like education, health care and skill development but has promoted sports through various Scholarship Schemes.

However, from the data available it can be observed that IOCL has not taken any project in organized manner and long-term basis for protection of environment other than providing LPG connection to people below the poverty line. Further, there are fewer details on infrastructure development activities by IOCL under CSR in this area. This may be because of the fact that environment related initiatives might have been taken separately under sustainability development which is not accounted from CSR budget and dealt with separately.



Table-14 presents some of the major CSR initiatives of IOCL and their inception period and socio-economic impact of these initiatives.

**Table-14: IOCL : Socio-Economic Impact of CSR Activities**

Description	Since
<b>Indian Oil Assam Oil Division hospital Digboi Assam:</b> Around its refinery in Digboi IOCL operates a 200 bed hospital. This was set up in 1906 with the aim to provide free of cost health care services to marginalized and economically weaker section of local populace. It provides medical services to a population of around 2 Lakh people in its catchment and neighbouring states.	1906 Caters to over two Lakhs population
<b>Swarna Jayanti Samudayik Hospital Mathura, UP:</b> This 50 bedded hospital was setup in 1999 and is operated by IOCL in Mathura, UP. It also operates free mobile medical unit there. The treatment is free for economically weaker sections, destitute and totally subsidized for others.	1999 Benefited more than 8 Lakh people
<b>Sarve Santu Niramaya (SSN) Digboi, Assam:</b> This unique initiative was taken up in the year 2012, IOCL aims to provide free medical treatment to the economically weaker section of local community around Digboi refinery as well as for the livestock that these community members own.	2012 Benefited more than 5400 patients and 57000 livestock
<b>Indian Oil Sachal Swasthya Seva:</b> In January 2012, IOCL launched a primary mobile healthcare scheme for running 52 mobile medical units (MMU) in Andhra Pradesh, Telangana and Uttar Pradesh. The MMUs travel to the villages with a 4-member team lead by a MBBS doctor to provide free primary healthcare facilities and free medicines. This facility has ended in the year 2014-15 and no reference is made in 2015-16 annual report.	2012 Has impacted more than 4 million patients
To support the underprivileged section with cancer prevention diagnosis therapy rehabilitation and palliative support which is otherwise inaccessible due to high cost of treatment Indian Oil has signed an MOU with Tata Medical Centre Trust (TMCT) and Tata Eastern Medical Trust (TEMT) to set up a 250 bed hospital.	2013-14
<b>Indian Oil Muskaan:</b> IOCL has initiated this unique programme to address the problem of often neglected people affected with cleft lips or palates. During the year 2015-16 corrective surgeries were carried out on 204 persons (including 90 girls) from 26 districts of Assam.	2013-14
<b>IOCL's Ongoing Education and Skill Development Related CSR Projects</b>	<b>Since</b>
<b>Indian Oil Industrial Training Centre, Digboi, Assam:</b> This old initiative of IOCL started in 1975 under the aegis of NCVT. It provides 3-year industrial trade courses with a capacity of 68 intakes under 8 disciplines.	1975 a total of 1238 youth have been trained
<b>Indian Oil Scholarship Schemes:</b> Since 1984-85, IOCL has been operating a Scholarship Scheme for the poor and deserving students. Indian Oil awarded around 2600 Scholarships on merit-cum-means basis to students pursuing full-time courses in 10+2 / ITI, Engineering, Medical and Business Administration to nurture and support talent among students with belonging to families with less than INR 1 Lakh gross joint annual income. 50% scholarships are reserved for students from backward communities, 25% for girl students and 10% to Persons with Disabilities.	1984-85 More than 15000 students benefited

Description	Since
<b>College of Nursing Digboi Assam:</b> IOCL have been operating a nursing school free of cost at Digboi with an intake of 20 candidates since 1986. This is an all-expense paid 4-year training on general nursing and midwifery. In addition to boarding, lodging and free education, the students are given stipend during the period of studies. In 2013-14 a total of 20 students joined and 18 passed out. Till 2015-16, more than 350 students have completed the nursing course and mid-wifery course with 100% placement records.	1986 More than 350 beneficiaries
<b>Indian Oil Sports Scholarship Scheme:</b> Started in 2006-07 IOCL provide sports scholarship to young sportsman representing states / nation. About 150 scholarships are given every year in about 19 games to the people belonging to 14-19 years of age. The scholarship is given for three years in addition to providing sports kits.	2006-07 More than 1600 beneficiaries
<b>Shikshak Dakshta Vikash Abhiyan, Digboi, Assam:</b> To address the burning issue of competencies of teachers particularly in the area of soft skills IOCL in coordination with District Education department started this programme in 2012 to train up teachers. So far (2014-15), 248 teachers have been trained covering many villages in and around Digboi.	2012 Beneficiaries about 250 teachers
<b>Indian Oil Multi Skill Development Institute Digboi, Assam:</b> Keeping in view the increased flow of working age population and poor employability IOCL started Multi skill development Institute Digboi during 2014 for making the marginalized youth self-dependent. This provided job-oriented skill development programme. First batch of more than 80 trainees have joined the course in August 2014	2014

Source: IOCL (2015-16)

Approximate beneficiaries have been identified against above major CSR projects undertaken by IOCL. In addition to above IOCL CSR initiatives have touched millions of lives by way of providing water facilities, developing infrastructure at hospitals, schools, colleges, setting up sports facilities, environment related initiatives. LPG connection to millions of people below poverty lines. By developing the heritage site, it has enhanced the sanitation cleanliness and overall impact on health and livelihood of many people. To bring awareness, comraderies with the aim towards societal good IOCL has promoted music and cultural programmes among college students.

The Impact of CSR activities of IOCL can be understood from the fact that it has invested its CSR budget in activities that are more permanent and add to the national developmental efforts. IOCL has established several hospitals and skill development institutes / industrial training institutes that are catering to society. Numerous health care initiatives of IOCL have helped in strengthening the health care infrastructure in the country and provided primary, secondary as well as tertiary health care facilities to the people in various parts of the country. These specific initiatives have provided a permanent support to the health care system in India and particularly to the marginalized sections of the society. Initiatives like

Indian Oil Assam Oil Division hospital Digboi Assam; Swarna Jayanti Samudayik Hospital Mathura UP; Sarve Santu Niramaya (SSN) Digboi, Assam; and Assam Oil School of nursing / College of Nursing Digboi Assam are few of the examples that has provide immense support to community.

Similarly, in the field of skill development IOCL has established Indian Oil Multi Skill Development Institute Digboi, Assam; Indian Oil Industrial Training Centre, Digboi, Assam; and has launched Shikshak Dakshata Vikash Abhiyan, Digboi, Assam; Indian Oil Academic Scholarship Scheme that has skilled thousands of youngsters every year and will provide meaningful scope for development of the country. IOCL has not limited itself to the investment in prominent sectors like education, health care and skill development but has promoted sports through various Scholarship Schemes.

However, from the data available it can be observed that IOCL has not taken any project in organized manner and long-term basis for protection of environment. Further, there are fewer details on infrastructure development activities by IOCL under CSR. This may be because of the fact that environment related initiatives might have been taken separately under sustainability which is not accounted from CSR budget and dealt with separately.

## **Summary and Conclusion**

On an overall basis, it is suggested that a huge gap exists in the academic discourses on CSR. There are limited studies on CSR globally and even the existing studies are focused on few regions of the world. CSR is a diverse issue and studies available do not touch upon CSR of different geographies and societies. The studies in Indian context are again very limited. Only a few studies tried to look into the entirety of CSR but limited themselves to a few industrial setups. A further deeper analysis suggests that globally there are a lot of discussions on CSR of Oil and Gas sector companies due to their resourcefulness as well as nature of their business. However, the same is not available in Indian context despite the fact that Oil and Gas sector companies of India are among the largest companies of the world with significant impact on economic health of the nation as well as long list of stakeholders.

Further, this paper has tried to review the status of corporate CSR practices in a large Maharatna Company in India by critically appraising the resource application in the spectrum of focus areas, schedule VII of the

CSR rules. The study also focuses on the geographic spread of the social investments over period of time. Finally, the study explored the extent of social implication due to such CSR initiatives.

Besides major CSR projects undertaken by IOCL, its CSR initiatives have touched millions of lives by providing various infrastructure and grass root development activities in the focus areas identified in the CSR policy of the company. Provision of water facilities; infrastructure at hospitals, schools, colleges, skill development institutes / industrial training institutes; setting up sports facilities were made across the country. Environment related initiatives like providing LPG connection to disadvantaged section of society, improving sanitation, health and livelihood and providing livelihood generation skill stand tall among various initiatives undertaken. Some of the activities spanning out over decades are serving the basic health care and livelihood needs of the community at large.

As with all empirical work in this area, our results are subject to certain limitations. First, our sample study covers only one enterprise and the results we document may not adequately capture the historical trend of socio-economic gain due to expenditure towards CSR initiatives. Second, we do not take primary data for the analysis through discussion into consideration. Despite these potential shortcomings, we believe that our findings contribute evidence on the recent trend of oil and gas sector CPSEs.

There is need for continuing more exploratory and empirical research on different aspects of corporate social responsibility. Instead of focusing only one Oil & Gas sector CPSE, comparison could be made among all 13 Oil & Gas sector CPSEs on the issue. Apart from comparing year wise extent of CSR investment and evaluating extent of social upgradation only, future research may analyze brand value, investor pressure, litigation, regulation / legislation, innovation and quality control, productivity and cost savings, research and development, expenditure on social overheads, industrial safety, quality assurance and consumer protection, employees participation in management, corporate governance parameters etc. on corporate social responsibility practice. Even, future research may be conducted to identify the driving forces for taking CSR initiatives in the Indian context in a more detailed way. A comparative study may also be undertaken on CSR initiatives in developing countries. It is generally assumed that identification of CSR thrust area in more systematic manner along with logical investment towards CSR initiatives would promote socially responsible behaviour.

## References

- Banerjee, B. (2001). Corporate Financial Reporting Practices in India. *Indian Journal of Accounting*, 33, Dec. 1-17.
- Batra, G. S. (1996). *Dynamics of Social Auditing in Corporate Enterprises: A Study of the Indian Corporate Sector*. *Managerial Auditing Journal*, 11(2): 36-45.
- Beurden, P. and Gossling, T. (2008). The Worth of Values: A Literature Review on the Relation Between Corporate Social and Financial Performance, *Journal of Business Ethics*, 82(407).
- Buldybayeva, G. (2014). Both Sides of CSR Practice: A Case from Oil and Gas Industry in Kazakhstan. *Acta Polytechnica Hungarica*. 11(2): 229-248.
- Bowen, H. R. (1953). *Social Responsibilities of the Businessman*. New York. Harper and Row.
- Carroll, A. (1999). Corporate Social Responsibility: Evolutional of a Definitional Construct. *Business and Society*. 38(3): 268-295.
- Carroll, A. and Shabana, K. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*, 12(1): 85-105.
- Dahlsrud (2008). How Corporate Social Responsibility is defined: An Analysis of 37 Definitions. *Corporate Social Responsibility and Environmental Management*. 15(1): 1-13.
- Danilovic, M., Hensbergen, M., Hoveskog, M. and Zadayannaya, L. (2015). Exploring Diffusion and Dynamics of Corporate Social Responsibility: Corporate Social Responsibility and Environmental Management. 22(3): 129-141.
- Fisher, J. (2004). Social Responsibility and Ethics: Clarifying the Concepts. *Journal of Business Ethics*, 52(4): 391-400.
- Frynas, J. G. (2009). Corporate Social Responsibility in Oil & Gas Sector. *The Journal of World Energy Law and Business*.
- Frynas, J. (2012). Corporate Social Responsibility or Government Regulation? Evidence on Oil Spill Prevention. *Ecology and Society*. 17(4).
- Garriga, E. and Mele, D. (2004). Corporate Social Responsibility Theories: Mapping the Territories. *Journal of Business Ethics*, 53(1-2): 51-71.
- Ghobadian, A., Money, K. and Hillenband, C. (2015). Corporate Responsibility Research: Past-Present-Future. *Group & Organization Management*. 40(3): 271-294.
- Global Justice Now (2016). 10 Biggest Coroporaations Make More Money Than Most Countries in the World Combined. Retrieved from globaljustice.org.uk: [http://www.global\\_justice.org.uk/sites/default/files/files/resources/corporations\\_vs\\_governments\\_final.pdf](http://www.global_justice.org.uk/sites/default/files/files/resources/corporations_vs_governments_final.pdf).

- Godfrey, P. C. and Hatch, N. W. (2007). Regarding Corporate Social Responsibility: An Agenda for the 21<sup>st</sup> Century. *Journal of Business Ethics*, 70(1): 87-98.
- Grassel, E. and Schirmer, B. (2006). The Use of Volunteers to Support Family Careers of Dementia Patients: Results of Prospective Longitudinal Study Investigating Exceptions Towards and Experience With Training and Professional Support. *Zeitschrift Fur Gerontologie Und Geriatrie*. 39(3): 217-226.
- Gulsecen, A. and Kubat, A. (2006). Teaching ICT to Teach Candidates Using PBL: A Qualitative and Quantitative Evaluation. *Education, Technology and Society*. 9(2): 96-106.
- Hyde, K. A. L., Ocitti, J. P., Bua, V. E. and Abagi, O. (1997). Complementary Opportunity for Primary Education Programme Interim Review: Final Report. UNICEF/Kampala and Ministry of Education, Kampala.
- Idemudia, U. (2009). Oil Extraction and Poverty Reduction in the Niger Delta: A Critical Examination of Partnership Initiatives. *Journal of Business Ethics*. 90(1): 91-116.
- Indian Oil Corporation Limited (2018). Corporate Social Responsibility. Retrieved from iocl.com: [https://www.iocl.com/AboutUs/IOC\\_S&CSR\\_Policy.pdf](https://www.iocl.com/AboutUs/IOC_S&CSR_Policy.pdf).
- Indian Oil Corporation Limited (2017). Financial Performance, Retrieved from iocl.com: <https://www.iocl.com/AboutUs/AnnualReports/AnnualReport201516.pdf>.
- Indian Oil Corporation Limited (2015-16). CSR Project wise Details, Retrieved from iocl.com: <https://www.iocl.com/download/Projectwise%20CSR%20expenditure%20FY%202015-16.pdf>.
- Indian Oil Corporation Limited (2014-15). CSR Project wise Details, Retrieved from iocl.com: <https://www.iocl.com/download/Projectwise%20CSR%20expenditure%20FY%202014-15.pdf>.
- Indian Oil Corporation Limited (2013-14). CSR Project wise Details, Retrieved from iocl.com: <https://www.iocl.com/download/Projectwise%20CSR%20expenditure%20FY%202013-14.pdf>.
- Ite, U. E. (2004). Multinational and Corporate Social Responsibility in Developing Countries: A Case Study of Nigeria. 11(1): 1-11.
- Johnson, M. P. (2006). Decision Models for the Location of Community Correction Centers. *Environment and Planning*. 33(3).
- Maheshwari, G. C. (1993). Corporate Characteristics & Social Responsibility Reporting. *Asian Review of Accounting*. 1(1): 31-42.
- Manakkalathil, J. and Rudolf, E. (1995). Corporate Social Responsibility in a Globalizing Market. *SAM Advanced Management Journal*. 47: 29-32.

- Okoye (2009). Theorising Corporate Social Responsibility As An Essentially Contested Concept: Is a Definition Necessary? *Journal of Business Ethics*, 89(4): 613-627.
- Oppewal, H., Alexander, A. and Sullivan, P. (2006). Consumer Perceptions of Corporate Social Responsibility in Town Shopping Centres and their Influence on Shopping Evaluations. *Journal of Retailing and Consumer Services*, 13: 261-274.
- Paul, K. C. and Pal, B. (2001). Corporate Environmental Reporting in India. *Indian Accounting Review*. December. 27-45.
- Pramanik, Alok K., Shil, Nikhil C. and Das, B. (2007). Environmental Accounting and Reporting with Special Reference to India. Munich Personal RePEc Archive. 7712: 1-26.
- Rahman, S. (2011). Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility. *World Review of Business Research*. 1(1): 166-176.
- Sheehy, B. (2015). Defining CSR: Problems and Solutions. *Journal of Business Ethics*, 131(3): 625-648.
- Singh, D. R. and Ahuja, J. M. (1983). Corporate Social Reporting in India. *International Journal of Accounting*, 18(2): 151-170.
- Spector, B. (2008). Business Responsibilities in a Divided World, The Cold War Roots of the Corporate Social Responsibility Movement. *Enterprise and Society*. 9(2): 314-336.
- Tellis, W. (1997). Introduction to Case Study. *The Qualitative Report*. 3(2): 1-14.
- Van Marrewijk, M. (2003). Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion. *Journal of Business Ethics*, 44(2-3): 95-105.
- Votaw, D. (1972). Genius Became Rare: A Comment on the Doctrine of Social Responsibility. *California Management Review*. 15(2): 25-31.
- World Bank (2011). *The Changing Wealth of Nations: Measuring Sustainable Development in the New Millennium*. Washington, DC: World Bank.
- World Business Council for Sustainable Development (WBCSD) (2000). *Corporate Social Responsibility: Making Good Business Sense*. Retrieved from [www.wbcsd.org](http://www.wbcsd.org):[www.wbcsd.org](http://www.wbcsd.org).
- Yin, R. K. (2009). *Case Study Research: Design and Methods*. Thousand Oaks CA: Sage.
- Zainal, Z. (2007). Case Study as a Research Method. *Jurnal Kemanusiaan*. 9: 1-6.





# Examining the Idea of Smartness in the Concept of Smart City: A Study of Ahmedabad Smart City Project and Lessons for Other Smart Cities

**Sanhita Rahul Joshi\***

## **Abstract**

Technology-enabled solutions for civic issues have enveloped the idea of contemporary version of smart city concept globally but such a technocratic idea needs to be carefully applied in a country like India which has to also deal with socio-economic challenges associated with it. This project aimed to study Ahmedabad Smart City Mission from the lenses of not only its smartness and humaneness. It focused on Explicating comprehensively specific initiatives undertaken by AMC to make the city smart city and also discusses issues like role of the private sector, macro vs. micro development and right to the city. The researcher studied the impact of smart city programme on urban governance and how this also affected the issues of equity and sustainability within the urban space in Ahmedabad. For this purpose, field visits were conducted particularly in the Wadaj Slum Redevelopment Site. Personal interviews and group discussions with locals affected by the Wadaj Slum Redevelopment programme enabled the researcher to unearth the questions, contestation and challenges associated with it. Interviews were also conducted with few office bearers of Ahmedabad Municipal Corporation at Paladi Office, a faculty member from CEPT University and local social activists from SAATH organization. Ahmedabad Smart city programme is definitely one of the most ambitious, carefully designed and promising smart city mission in India. Nonetheless discussions with the project affected people of the Wadaj Slum Redevelopment programme expose the fault lines in this gigantic mission. The present research discusses these socio-economic costs of the smart city mission and try to contextualize it within the debates around Right to the City, questions of equity and inclusiveness. Thus, this study enables us to bridge the disconnect that exists between the idea of smartness (technological) and humaneness (social) of the cities.

**Keywords:** Ahmedabad, Smart City Mission, Urban Governance

---

\* Assistant Professor, Dept of Civics & Politics, University of Mumbai, Vidyanagari Campus, Mumbai, India and can be reached at joshisanhita@gmail.com

## **Introduction**

Increasing urbanisation is the hallmark of the 21<sup>st</sup> century. This urban turn needs to be taken seriously. It is being widely acknowledged today that by 2050 about 70 per cent of the world's population probably will be residing in our cities, and India also will have to brace herself for this phenomenon. The growth of the world's population in the coming years will lead to a period of extreme global urbanization. According to the United Nations Population Fund, 2008 marked the year when more than 50 percent of all people, 3.3 billion, lived in urban areas, a figure expected to rise to 70 percent by 2050. In Europe, 75 percent of the population already lives in urban areas and the number is expected to reach 80 percent by 2020. Over half of the global population resides in urban areas, a proportion projected to reach 66 percent by 2050 (UN DESA, 2014). Cities tender a bagful of opportunities ranging from diverse jobs to better access to services as well as more efficient resource use. The importance of urban areas as a global phenomenon is confirmed by the diffusion of mega cities of more than 20 million people in Asia, Latin America, and Africa. As a result, nowadays most resources are consumed in cities worldwide, contributing to their economic importance, but also to their poor environmental performance. The MIT's City Science suggests that cities will account for 90% of global population growth, 80% of total wealth creation and 60% of total energy consumption. This rapid city space formation is an opportunity as well as a challenge for governance anywhere and everywhere in the world today. Endangered wellbeing, increasing congestion and growing strain on existing public services are some of the depressing implications of unplanned urban growth. Additionally, the costs and benefits of urban growth are not equitably distributed, and poor people end up facing the severest brunt of this quagmire. (Hildebrand et al., 2013; Mathur, 2013). The diabolical impact of unequal and exclusive cities was most experienced when the nationwide lockdown was announced to fight corona pandemic in India. The images of flight on the foot of thousands of migrant workers are the haunting and bitter truth of plight of the poor in our growing urban system. They were rendered immediately jobless, money less and were forced to flee the city.

## **Statement of the Problem, Research Questions and Research Method**

In the backdrop of express urbanization, creation of robust and sustainable cities has been a lingering challenge for policy makers and administrators. The concept of smart cities has therefore justifiably gained momentum not only worldwide but also in India. Globally the concept of Smart City has today emerged as the combination of Smart growth and intelligent cities.

In the last two decades, the concept of “smart city” has become more and more popular. Dirks and Keeling (2009) stress the importance of the organic integration of a city’s various systems (transportation, energy, education, health care, buildings, physical infrastructure, food, water, and public safety) in creating a smart city. Some of the green field development in the name of sustainable and smart cities have also been conceptualised and developed in India as such as Lavasa, Gift City (Ahmedabad), Kochi Smart City, Nano City besides some other like Dholera. But they are far from satisfactory in terms of numbers and scale to meet the pace of urbanization and demand in the country and is an urgent need of brown field development in this regard (Jawaid: 2015). On the other hand, scholars like Bintisinh and Manoj Parmar (2019) in their work are skeptical to define clearly what smart city means in Indian context and raise questions around three pivotal themes such as whether smart city is a paradigm or a laboratory of urban reforms or it is a new trajectory? It is important to state India will need at least five hundred smart cities if it wants to be a global power to reckon with. In 2014, the Ministry of Urban Development, Government of India, announced Smart City mission programme. This ambitious centrally funded programme intends to promote adoption of smart solutions for efficient use of available assets, resources and infrastructure. This entire design focuses on developing rudimentary infrastructure, robust IT connectivity, e-governance and citizen participation, safety and security of citizens. In case of India’s smart city programme this will be done through mainly three proposed strategies, i.e., redevelopment, retrofitting and green field development. It is claimed that the smart city programme will transform the existing cities and will make them into urban spaces which can attract investment and generate better employment opportunities. This will in a way, also pave way for nourishing the cities’ decaying physical as well as social infrastructure. The intension is to promote adoption of technologically enabled smart solutions for problems faced by urban areas in our country. The present research is a detailed study of the Ahmedabad Smart City Mission with a focus on specific aspects of smart city programme. Smart city as an idea and as a development strategy of urban areas has today grabbed the attention of policy makers, politicians and also people. However, whether these smart cities are inclusive and equitable is a matter of deep concern. This project aims to bridge this gap in the idea of smartness and humaneness of the city by making a detailed study of Ahmedabad Smart City Mission. The critique and conclusions of this project helps us to refine and revisit the idea of smart city and at the same time attempts to offer perspectives based on field work done in some parts of Ahmedabad city. The researcher used descriptive analytical framework coupled with research tools such as interviews, group discussions with

stakeholders and participant observation method to answer the following questions:

- To ascertain different perspectives and programmes on smart city project of the city of Ahmadabad.
- Explore and examine the idea of smartness.
- Explore whether smart city concept leads to polycentric governance.
- Identify the agencies (Public/Private) that are involved in designing and implementing it.
- Study implications on urban local governance and citizens.
- Locate right to city in the idea of smart city and how it enables cities to become more equitable, livable and sustainable.

### **Urban Makeover through the Smart City Mission 2014**

Smart City Mission in India along with many other programmes (See Table-1) that are converged with it is mainly an urban rejuvenation programme. The mission aims to revamp the selected urban spaces (Area Based Development) within a city through three strategies namely city improvement (retrofitting), city renewal (redevelopment) and city extension (Greenfield development) Ministry of Urban Development (2014). Additionally, the mission also offers pan-city solutions which primarily are envisioned to be technologically enabled for larger areas of a chosen city. The government of India dismissed the one size fits for all approach to recognize the regional variations, competitiveness of select areas and potential these cities have for transformation. Therefore, nominated cities prepare a plan and participate in a nationwide competition for financial assistance from the national government.

**Table-I:** List of Schemes that are Converged with Smart City Mission 2014

<b>Scheme</b>	<b>Year</b>
AMRUT	2015
Swachha Bharat Mission	2014
HRIDAY	2015
National Urban Transport Policy	2006
National Eastern Region Urban Development Program	2009
Scheme of Satellite Towns around Seven Mega Cities	2009
Pradhan Mantri AwasYojana	2015
Make in India	2014
Digital India	2014

Source: Compiled by the researcher

### **Institutional Framework of Smart City Mission**

A Special Purpose Vehicle (SPV) is created for the purpose of effective implementation of the smart city mission. This para-statal body is

responsible for various aspects of the mission such as planning, approval, release of funds, implementation, monitoring and evaluation of the smart city development projects. A SPV is headed by a full time Chief Executive Officer and also includes nominees of Central Government, State Government and ULB on its Board. It is the duty of the states / ULBs to ensure that an uninterrupted revenue stream is provided to SPV so that it remains self-sustainable and also is able to raise additional resources from the market. Government's financial contribution for Smart City is to be used only to create infrastructure that has public benefit outcomes. As far as the execution of projects is concerned it can be done through joint ventures, subsidiaries, public-private partnership (PPP), turnkey contracts, etc. In a nutshell SPV is supposed to act as a nodal agency in the execution of Smart city program. Each smart city will also have a smart city centre which will mainly act as an integrated command and control centre (SCC). This kind of centre is expected to play a much larger role in India's urban spaces. It will act as the nervous system of city with centralized control, monitoring and decision making. With the use of Internet of Things, GPS, real time monitoring, the smart city system will be in a position to deliver services effectively and efficiently at the same time it will expedite response management system in times of disasters or an ordeal.

### **A Heritage City Aiming to be a Smart City – Ahmedabad City Profile**

Gujarat's urban population is now 42.6 per cent, or 2.57 crore of the state's total, according to the 2011 census figures. The eight municipal corporations – Ahmedabad, Surat, Vadodra Rajkot, Jamnagar, Junagadh, Bhavnagar and Gandhinagar – constitute about 75 per cent – or 1.47 crore – of the total urban population. Ahmedabad the largest city in the state of Gujarat is the seventh largest metropolitan area in India and is located in the western part of India. It is also an important economic and industrial hub in the state. Ahmedabad is the seventh largest metropolitan area in India and the largest in the state. The city is known as the commercial capital of the state and also known as the textile capital of India. It is one of the fastest growing cities of the decade in various rankings. Some of the most important industries such as textile, pharmaceuticals and automobile are based in and around Ahmedabad. Also, IT sector is seeing a boom in the city due to the emergence of many prestigious higher-education institutes in the city which continue to attract a large pool of highly skilled young IT professionals. Ahmedabad was amongst the first slot of cities to be selected for the Smart Cities Mission. Ranked at number six, the city was behind Pune, Bhubaneswar, Jaipur, Kochi and Surat, however, the recent tag of becoming India's first heritage city has boosted the enthusiasm of

city officials who are trying their best to maintain the status of India's first heritage city and at the same time transform it into a smart city.

### **Institutional Structure of Urban Governance in Ahmedabad**

The city of Ahmedabad is governed by Ahmedabad Municipal Corporation (AMC), the area of approximately 466.35 km<sup>2</sup> and Greater Ahmedabad is under the jurisdiction of the Ahmedabad Urban Development Authority (AUDA). The municipal area is under the jurisdiction of the Ahmedabad Municipal Corporation (AMC), whose limits were last extended in 2010 to cover an area of 466 sq.km. The previous extension of the AMC limits was in 1986. Hence, the city limits have been extended from time to time once the peripheral areas develop, generally on their own. The Ahmedabad Urban Agglomeration (AUA) includes four towns and 103 villages besides the municipal area and covers a total area of 1,866 sq.km. There is one more entity in the governance structure of the city and that is Ahmedabad Urban Development Authority (AUDA), which is a planning authority and largely covers the AUA area and more (AUDA 2013). The AUA area is defined by population census office and is not an administrative unit and is larger than the AMC area (for role of the AMC and AUDA in urban governance, see Mahadevia 2014). Apart from AMC and AUDA, Ahmedabad Municipal Transport System (AMTS), Sabarmati Riverfront Development Corporation Limited (SRFDCL) and Ahmedabad Janmarg Ltd. (AJL) are also involved in marinating important civic issues in the city. After Ahmedabad was selected as one of smart city, Smart city Special Purpose Vehicle was also constituted to plan, implement and appraise the smart city development projects in the city.

### **Key Social Development Indicators: Some Fault Lines**

The state has been ranked first amongst 20 major Indian states in terms of fixed capital investments and fourth in terms of total number of factories, but it ranks poor in the Human Development Index (HDI). The Gujarat Human Development report, 2004 points that since 1980s, the state has seen high urban-rural inequality and the state lags behind in human and gender development (it was ranked 6<sup>th</sup> among the 15 largest Indian states then). Subsequently, the situation has not improved. The Raghuram Rajan Committee Report on Evolving a Composite Development Index of States puts Gujarat's overall, economic as well as social development at 10<sup>th</sup> rank among 21 large states in India, indicating that 9 states performed better than the state in the development index. Gujarat's growth has been private sector driven in which the government has handed the powers and functions of key sectors like roads, power and ports to corporate, more so since 2000.

The result is that ordinary people have paid a heavy price for its economic growth. (Hensman, 2014).

### **Smart City Plan and Actual Implementation in Ahmedabad**

Ahmedabad Smart City has been working on various key projects like Integrated Command & Control Centre which has been rolled out for the better of citizens while the Intelligent Traffic Management System (ITMS) & Janmitra App have also been launched. The vision Statement for the Smart City Mission is “providing efficient, affordable, equitable and customized governance for the citizens of Ahmedabad”. In line with the strategic principles of compact development and inclusive development, the area chosen (for Area Based Development) is a contiguous 590-acre area situated in Wadaj region near the Gandhi Ashram - an icon of the City of Ahmedabad. The project comprises of two major components - Retrofitting of 515 acres of transit-oriented zone in Wadaj and redevelopment of 75 acres of Wadaj slum. All these initiatives appear to be highly attractive, but one needs to examine whether they really cater to the needs of the larger masses. Ahmedabad Municipal Corporation (AMC) plays the role of a governing body which is responsible for the provision of civic infrastructure and administration in the city of Ahmedabad. A Special Purpose Vehicle (SPV), Smart City Ahmedabad Development Limited (SCADL) are also instituted for the execution of diverse smart city projects. Common card payment system (CCPS) i.e., Janmitra is one such popular project. The corporation has initiated this smart card with an aim to offer citizens of Ahmedabad a common platform for all types of payments. This smart card has enabled citizens to pay electronically property tax, multiple AMC bills, electricity bills, restaurants bills, city transport etc and thus has brought ease of governance for both urban local body and the citizens. It is based on public private partnership model which involves SCADL and ICICI bank which also bears the entire implementation cost in lieu of very miniscule revenue percentage. It also needs to be noted that a lot of private sector agencies other than mentioned above have been beneficiary of the whole smart city experiment. The researcher passionately feels that this compromises the powers of constitutionally elected governments at the local level and leverages the position of non-elected agencies. This creates a fear of loss of not only powers of local government agencies but also loss of rights that legitimately are entitled to people.

### **Redevelopment and Concerns of neglected Wadaj Slum Dwellers**

The researcher conducted field visits in the month of November 2019 and January 2020 to a place called Wadaj in Ahmedabad. This place has been



shortlisted under the Ahmedabad smart city plan for redevelopment. The redevelopment is particularly going to take place in sector 5 namely Rama Pir no Tekro. The city of Ahmedabad has in operation a separate slum redevelopment policy since 2009 which was also amended in 2013. There is a provision of local representative committee whenever there is a plan for slum redevelopment in any part of the city. Wadaj area is divided into total six sectors and comprises of mainly socially marginalized population (approximately 70 to 80 % SC & OBC population). As per the government record the slum is only ten years old but the residents claim that they have inhabited this place since last fifty years. In fact, they claim that they have made the place inhabitable and livable hence they have a legitimate claim on the land. The locals also claim that as per definitions in the slum redevelopment policy of state this place cannot be called a slum hence is technically not fit for any redevelopment. Out of 591 acres of land in Wadaj area seventy five acres have been identified to be redeveloped under the smart city plan of Ahmedabad city. The discrepancy in the census data by the government, and by the locals about the number of households residing in this place raises doubts about the whole process of redevelopment. According to census data there are only 7235 households in this area and locals claim that there are fifteen thousand household. All these households therefore need to be eligible for the benefits under the slum redevelopment plan. Thousands of slum dwellers particularly in the area of 'Ramapir No Tekro' are objecting to this proposal and have mobilized themselves against this issue. Their basic contention is that the government has never taken the local residence into confidence or given them a chance to participate in the process of redevelopment. There was no social or environmental audit also done before the project was launched. A Bust Rapid Transit System bus depot has already been constructed on one side of this slum area. The slum dwellers most of them who belong to scheduled castes and tribes such Rabari and Lohars are being evacuated by offering them meager compensation. The government is evacuating these people on the ground that they have been illegally living here since last ten years while the slum dwellers claim that they have lived here since last fifty years. They also claim that their efforts only have made this place inhabitable and now the government in the name of smart cities is hijacking our rights. Wadaj slum dwellers also claim that actually their area dose not even come under the definition of slums. The private builders are using their money and muscle power with impunity to evacuate the slum dwellers. The government has not even taken care to prepare a proper list of beneficiaries. This complete absence of concern for the urban citizenry needs to be criticized and critically analyzed through the lens of questions of equity, inclusiveness and rights of people.

## **Smart City, Questions of Right to the City and Case of Ahmedabad**

It is pertinent to note here that galloping urbanisation and challenges associated with it requires thoughtful policy response, effective implementation of the proposed policy and its continuous evaluation. An aspiring global city like Ahmedabad has developed its own smart solutions. To be able to do this in an effective, efficient and systematic manner, it has also made a golden handshake with neo-liberal ideology. However, it is necessary to understand some critical issues and challenges that flow from this kind of urbanism and urban growth. Following discussion is an attempt to bring forth such critical points.

### ***Role of Private Players***

In an increasingly complex globalization and Glurbanising world, the enhanced role of private sector has made it an important player in the urban domain. Hence, even in most the Smart city programmes the role of the private players is significant highlighting the need of private investments and thus calls for enlarged role of the private sector in civic management. This has led to rigorous urban governance reforms with the participation of the private sector especially in the public private mode of governance. In fact, most of the smart city programmes has the presence and significance of private sector involvement. On the one hand, it has also raised concerns over issues of accountability and responsibility.

### ***Micro Vs. Macro Development***

Globalization is not just a homogenous process but has led to all forms of local responses. It must be admitted that it has also led to forms and features of localization calling for not only macro reforms but also micro level solutions and alternatives. Smart city plans in Mumbai and in many other cities of India target sector based and highly localized civic solutions at the cost of widespread civic concerns in their respective cities. For instance, AMC's smart city proposal selectively aimed to develop certain local areas in the city as already mentioned earlier. So only some select areas of the city will get the infrastructure developed to first world specifications. Such specific and micro-development strategies may lead to land monetisation and its highly inequitable use. This proposal therefore purports to study how area specific local developments have been undertaken without resulting in uneven growth.

### ***Right to City and Smart City***

French philosopher Henri Lefebvre introduced to the world an innovative term called "right to the city". The term Right to the City has its origin in his writings of 1968 book *Le Droit à la ville*. It prioritizes collective right over the individual right to urban space. It gives every inhabitant,

and not just the legal citizens, the right to not just occupy a pre-existing urban space but also to produce spaces according to their needs. Right to the City gives every occupant, irrespective of their legality, a claim over the city. It requires the State to act on the principles of social justice and provide equal services to each and every resident. But this right seems to be unimportant or even irrelevant to the goals and visions outlined in the smart city programme. In fact, it is pertinent to note here that India has opposed the inclusion of 'Right to the City' in the draft New Urban Agenda formulated at the Habitat III summit. This is done on the ground that its admission would mean that the country would have to adhere to the principle of social justice for all urban inhabitants and not merely the legally recognized citizens. The Right to the City (RTC) recognizes equal access to urban life as a basic human right for all including migrants, slum dwellers and the homeless. This all-inclusive definition is contradicting with the newly proposed smart city programme and hence this denial. One cannot repudiate the benefits of technology enabled smart cities and their contribution to economic growth and development. But smart cities should not end up creating many more dual cities which may encourage the state to smartly abdicate their social responsibility and completely overlook equity issues. It is necessary to contemplate on the fact that we don't need only smart cities but more equitable and humane cities.

The above mentioned issue of Right to the City has become one of the most contentious issues in many cities of the developing as well as developed countries around the world. State, civil society and the market response to this critical concern would be of great interest and relevance not only to this research but smart city solutions for urban transformation. In Right to city – The goal is to encourage urban policies that promote justice, sustainability, and inclusion in cities. Lefebvre does not see the right to the city as an incremental addition to existing liberal-democratic rights. He sees it as an essential element of a wider political struggle for revolution. One of the earliest initiatives for the right to the city emerged in Brazil, where organizations among the urban poor, especially in the favelas of the large cities, began to advocate for a right to the city for slum dwellers. Their work helped bring about and shape a federal law commonly known as the City Statute, which comprehensively regulates urban development. When we examine the Ahmedabad Smart city programmes, schemes and initiatives it smacks of language of services & not rights. This fundamentally raises concerns of Urban Citizenship. Thus, it invariably excludes those who do not have It thus raises concerns of a consumer culture which oscillates between the debates around Urban Citizen or Urban

Consumer (Customer). If smart cities have to be successful, then they also need to have rural transformation programmes. It is also important to see that smart cities do not turn into social apartheid cities which are captured and remote controlled by the powerful corporate giants. This also can be detrimental to the powers and position of local laws and governments. Smart cities are like “special enclaves” which use unreasonable prices and unsympathetic policing that prevents the poor citizens from enjoying the privileges of smart and great infrastructure. Smart cities are nothing but a new avatar of dubious Special Economic Zones (SEZs) which favors a neo-liberal approach. Increasing privatization and decreasing powers of democratically elected local governments because of smart city mission are making cities more and more exclusionary in nature. (Shruti R, 2015)

The biggest pitfall of the smart city programme is that it fails to recognize the language of rights and entitlements of urban citizens. It rather speaks the language of services or service provision. It completely overlooks the notion of citizenship and subsequent responsibility incumbent upon the state. This gives no guarantee that each and every urban dweller or rather urban citizen will be a beneficiary of the services provided especially in the context of more and more private sector participation. In this connection Sudha Mohan (2017) rightly points out that States are more engaged in nation branding than nation building treating citizens as clients, customers and consumers, but not as citizens with rights. The notion of divided citizenship thus has become unimportant to state today. This entails the marketization, commodification and privatization of the entity called citizen itself into a mere client or customer. This necessarily means, many people may simply be kept out just by their inability to pay the cost of a given or provided services by the smart actors involved in governing the cities. The gradual marginalization of the so called ‘unsmart citizens’ (read socially and economically weaker citizens) is matter of deep concern and needs intervention at all levels.

## **Conclusion**

Smart city programme fails to recognize the language of rights and entitlements of city dwellers. It speaks the language of services or service provision which gives no guarantee that each and every urban dweller or rather urban citizen will be its beneficiary especially in the context of more and more private sector participation. Many people may simply be kept out by their inability to pay the cost of the provided services. Smart cities should not end up creating many more dual cities which may smartly abdicate their social responsibility and completely overlook equity issues.

## References

- Dirks, S., & Keeling, M. (2009). A vision of smarter cities: How cities can lead the way into a prosperous and sustainable future. IBM Institute for business Value, 8.
- Hensman, R. (2014). The Gujarat Model of Development: What Would It Do to the Indian Economy?. *Economic and Political Weekly*, 49(11), 61-65.
- Hildebrand, M., Kanaley, T., & Roberts, B. (2013). Sustainable and Inclusive Urbanization in Asia. Strategy Paper.
- Jawaid, M. F., & Khan, S. A. (2015). Evaluating the need for smart cities in India. *International Journal of Advance Research in Science and Engineering IJARSE*, (Vol. No. 4, Special Issue (01).
- Mahadevia, D., Desai, R., & Vyas, S. (2014). City Profile: Ahmedabad. CUE working paper; 26.
- Mathur, O. P. (2013). Urban poverty in Asia. Asian Development Bank, Metro Manila, Philippines, 1-122.
- MoUD, G. (2014). Draft concept note on smart city scheme. New Delhi: Ministry of Urban Development, Government of India.
- Mohan, S. (2017). State of the state: politics of power shifts and shifting power of the state in India. *Current opinion in environmental sustainability*, 24, 42-46.
- Ravindran, S. (2015). Is India's 100 smart cities project a recipe for social apartheid. *The Guardian*, 7.
- Singh, B., & Parmar, M. (2019). Smart City in India: Urban Laboratory, Paradigm Or Trajectory?. Taylor & Francis.
- UN, D. (2014). World urbanization prospects: The 2014 revision. United Nations Department of Economics and Social Affairs, Population Division: New York, NY, USA, 41.



# Contract Management in Local Governments: Making it Work

Deepak Sharma\*

## Abstract

The wave of New Public Management has brought massive changes in governance, which embarked a journey of Downsizing, Decentralization, De-bureaucratization and Privatization. Although, the concept of Privatization is vast and fuzzy with its several forms. The most prevalent and positive act of privatization is delegation. However, the contracting out is one of the common practices being adopted by various governments in order to provide basic civic services. The idea behind contracting out is to enhance the quality of services in cost effective manner. This paper specifically evaluates the contracting out process and discusses the role of contract management in effective performance of contracting out. Further, study identifies crucial conditions required for effective contracting and provides suggestions for overcoming impediments in process of contracting out.

**Keywords:** Contracting Out, Local Government, NPM, Privatization, Public-Private Partnership

---

## Introduction

The rapid growth of economic development led to rise in urbanization. Last two decades signifies high growth of urban population in Asia. Despite the growth in development the quality of living of urban areas remained poor. Urban areas suffered from problems like traffic congestion, slums and poor provision of civic amenities. It is duty of local government to manage the growing urban areas and provision of basic services to residents of urban areas. The governance of urban cities has assumed greater importance as the capacity of nation to pursue its economic goals is dependent on the urban areas. It is due to contribution to urban centers to national income. The decentralization of government is most notable feature of developing countries as they aim at achieving high economic growth rates, integrating

---

\* Assistant Professor, ICDEOL-Himachal Pradesh University and can be reached at [deepaksharma49@yahoo.co.in](mailto:deepaksharma49@yahoo.co.in)

the national economy, and increasing economic efficiency through greater competition.

### **State to Market: Government Failure**

In the beginning of 20<sup>th</sup> century, the detrimental effect of various forms of governments intervention have been clear. There was loss of confidence in the ability of government intervention. The public sector seemed to be inferior in contrast with dynamic private sector. The service of government's failure leads to attention and stimulated in counter revolution. In the earlier part of market failure in the Paretian framework ignored the problems which were likely to emerge in government interference with imperfect market. Delivery of goods and services through bureaucratic organizations are regarded as large, hierarchical, inefficient and inflexible. Provision of goods and services over the last three decades has been disappointing and that had led to economic inefficiency, ineffectiveness in provision of goods and services and rapid growth of public expenditure. These problems have led many governments to reevaluate the possibilities of shifting publicly managed activities into private sector. Poor performance of public sector has been realized in both developed and developing countries. In the wake of government failure, it led to shift from state to market (Pillai 2003).

Public choice theorist and principal agent theorist depicts that state involvement is ineffective in cost control. As it led to encouragement to waste, over production of unwanted services, increasing monopoly and budget, therefore new right school of thought advocated privatization (Ghuman 2001).

Public choice theorist such as Muller, Tulluck and Buchanan advocates the state failure. The blame against public sector is that it is inefficient and fails to control cost. Main reason of government organizations failure can be attributed to vested interest of politicians, failure of bureaucrats to do the meaningful as desired (Walsh 1997).

### **Forces Influencing Privatization**

The major forces that have instigated the privatization movement include pragmatic forces which calls for better government and cost effective. Economic forces also played a significant role in propelling privatization movement which is in favor of less dependence on government by making them more respective to privatization. Philosophical forces also contributed a lot for less government as they perceived threat to democracy.

Commercial and populist forces also ignited the spark in movement of privatization which aims at more business opportunities and better society (Savas 2002).

Making them more respective to privatization. Philosophical forces also contributed a lot for less government as they perceived threat to democracy.



Commercial and populist forces also ignited the spark in movement of privatization which aims at more business opportunities and better society.

**Table-I: Factors Promoting Privatization**

Influence	Results	Reasons
Pragmatic	Better government	Prudent privatization leads to more cost-effective public services.
Economic	Less dependence on government	Growing affluence allows more people to provide for their own needs, making them more receptive to privatization.
Ideological	Less government	Danger to democracy, less trustworthy decisions, privatization reduces government role.
Commercial	More business opportunities	Large spending by government should be directed to private firms.
Populist	Better society	Sense of better community by relying less on bureaucratic structure, more on family, neighborhood, voluntary associations.

Privatization can be defined as any process which reduces the involvement of the state in economic activities of a nation. Privatization in broad sense include green field privatization in which any measure of economic policy which permits the entry of private sector in areas exclusive reserved to public sector, the closure or liquidation of public enterprise, restricting the expansion or diversification of the activity of any public enterprise, employing private contractors for supplying various goods and services needed any public enterprise, leasing of public enterprise to private sector, cold privatization, franchise financing ,managerial privatization or by sale of share.

Privatization can be carried out in different ways and techniques which broadly include delegation, divestment and displacement. Delegation is positive act by government; it is also known as partial privatization. In delegation the production activity gets transferred to private sector, but it requires active involvement by government for proper monitoring. Delegation is carried out by contract, franchise, subsidy or mandate. Divestment literally means shedding an enterprise, function or asset. Generally, divestment is taken up in one go. Broadly divestment can be carried out through sales and free transfer. Displacement is passive or indirect process that leads to government being displaced. It has also been called privatization by attrition or stealth. Displacement generally takes place by default when government production of goods and services fails to satisfy the public demand. The second form of displacement is by withdrawal whereas default is unintended or inadvertent; government can engage in deliberate withdrawal or load shedding. Contracting out can be defined as hiring of private sector firms or nonprofit organization to

provide a goods or services for government. The government remains the financier and has management and keeps policy control over the type and the quality of service to be provided.

### **Rationale for Contracting Out**

Contracting out is an arrangement most commonly preferred to when talking about privatizing public services. The rationale for contracting out delineates that contracting out is more effective and efficient service provider as it harnesses competitive forces, permits better management. The process of contracting out offers specialized skills that are lacking in obsolete workforce. It also allows flexibility in adjusting size of program; it avoids large capital outlays and permits economies of scales regardless of size of the government entity. It offers yard stick for comparing costs and fosters competitions, management which ultimately reduces dependence on single supplier that is government monopoly. It also limits the sizes of the government in terms of number of employees and provides society with innovative approach for fulfillment of desired needs.

Due to great burden on urban local bodies and key prominence on infrastructural development and growing population the role of state has changed from producer of infrastructure to the facilitator and regulator. The expansion of private players has come due to ineffective performance of public sector, financial crunch and outdated mechanisms to cope up the changing state (Dhameja and Gupta 2008).

In India, local service delivery governs the scope for urban governance as per the functions provided to 74<sup>th</sup> Constitutional Amendment Act, 1992. Despite the recognition of urban service delivery as a vital component of urban development, there are significant pitfalls in service delivery. To fill the lacunas there are various methods which are being adopted, out of which Privatization/contracting out is one of them. The following table depicts the trend of local public services in terms of privatization across India.

**Table-2:** Public Private Partnership / Privatization for the Provision of Basic Public Services

	<b>City</b>
Sanitation and Public Health	Ahmedabad, Aurangabad, Bangalore, Chandigarh, Delhi, Dharwad, Faridabad, Guwahati, Jaipur, Jodhpur, Kalyan, Kochi, Ludhiana, Navi Mumbai, Surat, Tiruppur
Municipal Solid Waste Management	Agra, Ahmedabad, Asansol, Amritsar, Bangalore, Baroda, Bombay, Chennai, Coimbatore, Guhawti, Hyderabad, Indore, Jabalpur, Jalandhar, Jamshedpur, Kalyan, Kochi, Kolkata, Ludhiana, Madurai, Meerut, Nagpur, Nasik, New Delhi, Patna, Pune, Rajkot, Surat, Varanasi

	City
Maintenance of Roads and Streets	Ahmedabad, Bangalore, Faridabad, Jaipur, Jodhpur, Kochi, Navi Mumbai, New Delhi, Pali, Rajkot, Ranchi, S.A.S. Nagar, Surat, Tiruppur
Water Supply	Ahmedabad, Navi Mumbai, Nagpur, Pune, Sangli, Surat Thane, Tiruppur
Tax Collection	Guwahti, Mumbai, Pune
Maintenance of Parks and Gardens	Amritsar, Aurangabad, Bangalore, Baroda, Bombay, Faridabad, Hubi-Dharwad, Jalandhar, Jaipur, Kalyan, Kochi, Ludhiana, Pune, Rajkot, Ranchi
Parking Services, Land Development Maintenance, Maintenance of Vehicles	Ahmedabad, Chandigarh, Chennai, Delhi, Faridabad, Kalyan, Kochi, Nagpur, New Delhi, Pune, Rajkot, Sangli, Thane

Source: Ghuman and Mehta, 2010

## **Pitfalls of Contracting Out**

There are various instances where contracting out proved fatal and sacrificed public interest also. Contracting out also have its critics, at times contracting proves to be a costly affair as compared to in house delivery due to corruption. It is also criticized by society as it leads to retrenchment of work force. At various occasions contracting out meets with lack of qualified service provider leading to lack of competition and quality work. The cost of overseeing, managing and monitoring contractor performance could become prohibitive, erasing any efficiency gains. In contracting the margins are kept quite high which lead to financial crunch to the organization. Due to lack of competition in particular area or arena the government is subject to the whims of contractors. A critic of privatization charge that it squeezes the morale of effected work force deprives government of needed in house skills which ultimately leads to degradation of the capabilities of the government. Contracting out diminishes the adaptability of government in emergent state of affairs has become dependent on contractors, it leads to undesirable reliance on the later leaving the pubic susceptible to work stoppages caused by strikes and bankruptcy of the firm handling the contracts. Contracting out is charged with dependence on written agreements or contracts which are impracticable resulting in loss of accountability and control at the governmental level. It reduces the opportunities for the government to achieve economies of scale. The bidders who win the contracts for delivery of services increase their political power at the government expense and can therefore cause for increased government spending. Contracting leads to a disproportionate loss in jobs for minorities most of whom are government employees. Contracting out threatens public interest and has negative tendencies like low balling, cartelization, privatizing without comparative cost analysis, monitoring and ignoring social values and costs (Villanueva 2000).

The practice of contracting out is considered as panacea and hour of need in meeting the requirements and attaining desired objectives. But the above cited problems depict that the process of contracting out has negative impact and the ultimate aim and goal is being displaced while privatizing in the hands of private sector. The literature review delineates the steps which shall be followed in order to achieve maximum output in cost effective manner and without putting public interest on stake.

It is in this backdrop the present study aims to review the existing literature on contracting out and provides a way forward for effective contracting.

### **Framework for Contracting Out**

The theory of contracting brings forth many aspects of the process and its outcomes, like the make or buy decision (Cooper 2003; Hirsch 1991; Chamberlin and Jackson 1987; Nemec 2002; Prager 1994), problems allied with agency relationships (Arrow 1985; More 1984; Pratt and Zeckhauser 1986) and the theory of operational costs (Ferris and Graddy 1996; Prager 1994; Hirsch 1991). The literature on contracting models (Kettner and Lawrence 1990; T. Kolderie 1986) personifies information that gives a conceptual basis for two ideal approaches to service contracting. The literature on measuring performance (Engelbeck 2004; P.D. Epstein 1984) is significant because it provides general insight on how local governments evaluate characteristics of service delivery and how performance of particular services might be measured. The literature on effects of contracting on service delivery (Shettely 1998; Engelbeck 2004) deals with research that has inspected the determinants of contractor performance. Contracting public services with private for-profit and non-profit firms is one of the most prevalent types of privatization, mainly at the local government level. Under this scheme, the “government retains responsibility for provision of the service but hires private firms to produce the service” (Nemec 2002).

Contracting can also be explained as a binding agreement in which a public institution hires a private firm or non-profit organization to supply a particular level and quality of public service. According to Savas (1987), since the provision function is retained by the government, contracting represents a traditional approach in terms of an increasing role for the private sector.

The basic concept of contracting rest upon basic decision pertaining to produce or purchase a good or service, which lies with the organization (Prager 1994). It is pertinent for Public organizations to decide whether to produce goods and services internally or to acquire them from external source – contract out public service. Contracting out should be incorporated with the comprehensive policy of the organisation. It requires

the active leadership of top management. The ownership and oversight of the contracting out exercise should therefore rest with the very top of the organisation. Contracting out should not involve a mechanistic consideration rather it should be used as an prospect to assert and asses both the rationale for existing tasks, is these cautions are not taken into consideration, the whole process of contracting out can lead to tensions and resistance within organisations. Consensus of top management and leaders is crucial in preventing, or resolving, these internal impediments to successful contracting out (Puma Policy Brief 1997).

To contract out the public good (mostly public service) is the opposite of internalizing the production of a public good, which is very often used in the public sector of transitional countries. To put contracting out in perspective, it is necessary to consider pros and cons of internal and external forms of delivery. Concerning the positive prospects of contracting, the appropriate literature delineates that contracting out may or may not, improve quality of service in a cost-effectiveness manner (Raguseo 2010).

The motive of Privatization of local public services is to reduce cost in quality effective manner, and the intend at performance-based contracting is to hire a private body on the basis of outcomes and performance rather than the procedures or techniques used to deliver goods and services (FCS Group, 2005, Amagoh, 2009) and it has deep roots. Contracting out of local services was firstly suggested by Peter Drucker, the Austrian born management professor and it is considered as pervasive form of privatization (Miranda and Andersen, 1994; Martin, 1999). The wave started in 1980 in Great Britain. Privatization of government activities in the world reached a witnessed record high of \$89 billion by 1996 which further rose to \$160 billion in 1997(Paul, Hakim).

In general eminent scholars (Savas, 1987, 2000; Siegel, 1999; Greene, 2002; Dilger, Moffett, and Struyk, 1997; Van Slyke and Hammonds, 2003;Brown and Potoski, 2003a, 2006;) have held that the acquisition of publicly provided services through the market is less costly than if the same services are produced by the government bureaucracy. The foundation for this conclusion is formed by government-failure bureaucratic model and the apparent pragmatic support for prediction of this theoretical model (Nelson, 1997, Huque, 2005). This evidence suggests that the government could understand cost saving by switching from in-house public services production to alternative service delivery arrangement in term of public services privatization. Thus, contracting out has been considered as solution (Kettl, 1993), in light of this contracting out is professed as the best possible means of creating a new, effective, and more efficient means of service delivery (Ferris and Grady 1986, Savas 2000, 70). Further scholars opine that contracting out at its best, “promotes competence by inspiring private cost saving incentives (Shields 1988, 70) and another reason

that favours contracting out are the effortless of measuring contractor's performance. The easier it is to measure performance, the lesser the danger of the contractors dodging their task.

Scholars are of the opinion that contracting will give way to improved results if there is competition among potential bidders. This has been cited as one of the key rationalization for contracting out (Hodge, 1999; Huque, 2005; Johnston & Seidenstat, 2007; Dijkgraaf & Gradus, 2003). The exercise of contracting out is expected to lower costs of service provision through the discipline of the market and open competition.

While the proponents on the other hand argued about the weak points of contracting, critics are of the view that with cautious attention to keep a vigil eye on contracting as local government experience has not always been fruitful (Adler, 1999; Sclar, 2000). Local government practice has always implicated a blend of public provision and government contracting (Sonenblum, Kirlin, & Reis 1977). It can enhance quality of service delivery or it can be a counterproductive, depending on the underlying market conditions and operational effectiveness (Brown et al., 2006). Scholar's regard contracting out can lead to proliferation in corruption and other malpractices (Greene 2002; Fredrickson 2005) and (Moe, 1987), opines that awarding contracts in the absence of competitive bidding can result in spectre of corruption. Another issue of contracting out is viewed as a method of evasion responsibility issues (Gilmour and Jensen 1998, 248). Dicke and Boonyarak feels that (2005, 185), "Downsizing, Devolution, Diffusion, and Empowerment," all give way to attrition in answerability. These four factors work to wear away the hierarchical, legal, professional, political, moral, and ethical dimensions of accountability (Dicke and Boonyarak 2005, 187-188)(Sharma 2013). Shetterly (1998), holds the view that an imperative element of contracting is involved in the process while setting up and maintaining a legal contractual bond with a private firm, he cautions that this process occurs in three phases; pre-solicitation, contractor selection and contract management, the most common problems occur when the action and information of the private partner are not directly noticeable by the public partner. So moral hazard occurs because the behaviour of the private partner is imperfectly controlled. When behaviour is imperfectly controlled, it creates a condition where either avoiding in performance of duties or inapt actions by the private players unfavourably diverts the goal of the public agency. (Arrow 1985). More wields, "The principal must weave these interrelated components into a contractual framework that, in lessening the gap of informational asymmetries and stimulates the agent to perform as the principal himself would under any conditions that prevails" (More 1984). Further problems associated with agency relationships; the theory of contracting solves the problem of

transaction costs. The transaction costs related with contracting out and the relationship of these costs should be included in the involvedness of the contracting relationship. When contracting for services, governments pay for contracting costs which are totally or clearly part of the make or buy decision. The two types of transaction cost “those associated with the contract formation stage and those associated with the contract performance stage” (Hirsch 1991). From all above, it is apparent that contracting may, but need not, improve the performance of the public sector. The final yield depends on viabilities of local area and conditions, including the capacity of the implementing agency to carry out the process of contracting out.

(Public Management Service, 1997) indicates that service necessities should be precise in terms of outcomes or outputs, not inputs. This means specifying what the activity is, not how the activity is to be performed. It emphasises that contract design is critical step in the contracting out process. It should be clear, thorough and precise specifications, so that both the parties understand and resolve to work while entering a contract, an inadequately designed contract will result misunderstandings at the implementation stage, and most importantly effective vendor monitoring tends to reduce contractor “shirking”, increase service quality, reduce costs, and consequently improve the returns on contracting (Dean & Kiu, 2002; Paroush & Praeger, 1999; Taylor, 2005; Sclar, 2000). During designing the contract over specification must be avoided for promoting competition as competitive markets are the best way of achieving the benefits of contracting out; once the choice has been made to contract out a service, the organization must then prepare to publicize a request for qualifications, as it helps to ensure that bids that are unrealistic can be thrown out by the governmental entity as invalid if the contractors do not meet qualifications of the agency, for the publicizing government should promote competitive markets by recognizing the importance for development of markets for various segments. Savas highlighted the role of public relations department in harnessing the campaigns for attracting the bidders to making the process of contracting out lucrative for public organizations.

After all proposals have been received, the organization must impartially and rightfully grade bids according to the predefined assessment criteria. Once a contract has been granted, it's open for negotiation. Within the literature the contract negotiation stage has been believed the most important feature of the entire contracting out process. It is at this stage that the organization will negotiate a contract with the selected proposal (Dovolina 2006). After the contract has been awarded it is significant to adequately review contract compliance and service performance. This may include monthly or quarterly reports by contractors, surprise checks of the files, and financial documentation pertaining to costs. Other monitoring



machineries include culture of dialogue with citizens and executing inducement programs (Kelman, 2002; Brown et al., 2003; Huque, 2005). The strategic role in procurement is also of crucial importance as most procurement functions are carried out without considering them as partners (Ampumuza 2021) David, 2004; is of view that enhancing competency levels of officials is of utmost importance in making the process goal oriented. The officials must have sound ability to use knowledge to situations like monitoring techniques such as inspections, interim reviews, testing and auditing (Fourie 2004). The trend of hybrid governance has lot of potential despite its limitations. There is need to urgently address its issues ranging from design, award, monitoring and contract management (Bruce, Sharma, Kong 2014)

## **Conclusions**

The decision of contracting out as a performance tool requires careful deliberations at leadership level. In theory, contracting seems to be quite effective as it improves focuses on cost effective delivery of services in quality manner; but contrary to expectations, literature suggests that efficiency outputs are lost in many cases. Effective contracting out requires policy conduciveness, including careful consideration of the services, objectives, and contracting modalities. In order to be yield fruitful results, contracting requires many prerequisites conditions to be met before venturing in.

## **References**

- Best Practice Guidelines for Contracting Out Government Services, 1997, Puma Policy Brief No.2, Public Management Service, February.
- Bruce S, Sharma D. Kong E(2014) Hybrid Governance in India, A Research Review and Agenda, Asia Pacific Journal of Public Administration, Vol.36-4, pp: 313-323.
- David Fourie 2004 “Capacity Building of Officials in Administering and Building Management of Government Contracts”, University of Pretoria, South Africa.
- Dhमेja N., Gupta R 2008, “Infrastructure Financing” Nagarlok, Vol 39, No.2, April-June, pp: 1-11.
- E.S Savas 2002, Privatization and Public Private Partnership, New Delhi: East West Private Limited.
- Ghuman B.S. 2001. “New Public Management: Theory and Practice” *Indian Journal of Public Administration*, Vol. 57, No.4, pp: 771.

- Improving Procurement Contract Management Effectiveness in Uganda Local 2021, Government retrieved from [https://www.researchgate.net/publication/355809213\\_Improving\\_Procurement\\_Contract\\_Management\\_Effectiveness\\_in\\_Uganda\\_Local\\_Government](https://www.researchgate.net/publication/355809213_Improving_Procurement_Contract_Management_Effectiveness_in_Uganda_Local_Government)
- Jan Sebo, Beata Merickova, DomeNico Raguseo (2010), Performance in Contracting Services in Local Government – Case of Slovakia retrieved on from [http://www.nispa.org/files/conferences/2010/papers/201004092118150.Sebo-Merickova-Raguseo\\_article.pdf](http://www.nispa.org/files/conferences/2010/papers/201004092118150.Sebo-Merickova-Raguseo_article.pdf)
- Jessica Dovalina, 2006, Assessing the Ethical Issues Found in the Contracting Out Process, Applied Research Projects, Texas University, Retrieved from <http://ecommons.txstate.edu/arp/108> on 12th June 2010.
- Paul Andrisani and Simon Hakim, Center for Competitive Government, Richard J.Fox School of business and management, Temple University, Retrieved from [astro.temple.edu/~shakim/documents/introprivatization.doc](http://astro.temple.edu/~shakim/documents/introprivatization.doc)
- Pillai, C.Karunakaran 1993,” Public sector and Privatization” Privatization-Bane or Panacea, New Delhi : Pragati Publications.
- Sharma D. 2013, “An Assessment of Contracted Out Parking Services: A Case Study”, *Journal of Administration and Governance*, Vol. 8, No.1, pp: 67-78.
- Villanueva A.B. 2000 “Contracting Out of Public Services”, *The Indian Journal of Public Administration*, April-June, Vol. 17, pp: 189-198.
- Walsh K.1997, *Public Services and Market Mechanism: Competition, Contracting and New Management*, Hampshire: Macmillan.



# Political Participation of Tribal Gujjars and Bakarwals in Recently Held Election of District Development Council: A Study of Poonch District, J&K

Fazal Hussain\*

## Abstract

First time in the history of Union Territory of Jammu and Kashmir that the elections for District Development Council (DDC) have been held here. The political process of the tribes of Poonch District has commonly up and down in every election. Sometime their political participation has based on religion politics and sometime based on caste-politics. For the knowing their political procedure Researcher select a border District Poonch of Jammu and Kashmir because the highest population of the tribe Gujjars and Bakarwals in Jammu and Kashmir found in this District. The main objective of this Research paper is to show the process of the tribal Gujjars and Bakarwals political participation especially their interest in the elections of (DDC) 2020-21 and find out the challenges and problems which they faced during (DDC) election in Poonch District of Jammu and Kashmir.

**Keywords:** District Development Council, Election, Gujjars and Bakarwals, Jammu and Kashmir, Poonch, Problems and Challenges, Tribal

---

## Introduction

This is the first time in the history of Union Territory of Jammu and Kashmir that elections for District Development Council (DDC) have been held here. Even though the state of Jammu and Kashmir had enacted Panchayati Raj act 1989 for the Panchayati Raj system at three levels, but the elections were never held on the three pillars of the panchayat. Only one tire was working through Panchayati Raj Act 1989. As far as the State of Jammu and Kashmir got the status of Union Territory, many central government laws were directly enacted included 73<sup>rd</sup> Constitutional Amendment Act 1992

---

\* Research Scholar, Department of Public Administration, MANUU, Hyderabad and can be reached at [fazalfirdosch@gmail.com](mailto:fazalfirdosch@gmail.com)

in the Jammu and Kashmir. Through 73<sup>rd</sup> Constitutional Amendment Act 1989 this is the first time in Jammu and Kashmir that elections have been held on three phases of the Panchayat. (Early Times Newspaper Jammu Kashmir. 2021) In the political turmoil of Jammu and Kashmir, many parties opposed it and many parties showed great interest in contesting this election. In Jammu and Kashmir Panchayati Raj Act 1989 and Panchayati rule 1996 declared that the third pillar of Jammu and Kashmir Panchayati Raj institution will be district development board or district planning board (Administration, 2020). But in reorganization Act of the Jammu and Kashmir 3<sup>rd</sup> pillar of the panchayat in Jammu and Kashmir changed. In the 3<sup>rd</sup> tier of the panchayat election there are 14 members for District Development Council (DDC) from 20 districts of UT Jammu and Kashmir have been elected and total seats of DDC in Jammu and Kashmir were 280 and this election contest after the 73<sup>rd</sup> Constitutional Amendment Act implemented in UT Jammu and Kashmir. According to the new Act 2019 these elected members will elect chairperson and vice chairperson in every District. This council will meet in four times in year it will call “general meeting”. In district planning and development board the DC prepared a plan but in new rule of the DDC has been amplified by the additions of the planning process being handed over directly to the elected representatives of District council. (Rural Development Department, 2001) Due to the implementation 73<sup>rd</sup> constitutional amendment act 1989 in Jammu and Kashmir it is first time in the history of the Jammu and Kashmir that the third pillar of panchayat election have completed. (Hakeem Irfan Rashid, 2020) Finally in October 2020 the Jammu and Kashmir adapted the Reorganization Act 2019 and amendment of Jammu and Kashmir Panchayati Raj act 1989. Now through this new amendment Act every district in Jammu and Kashmir will have district development council (DDC) having the jurisdiction over the entire district excluding municipal area and every district will have 14 directly elected members (Reorganisation Bill.) central government amend the Jammu and Kashmir Panchayati Raj Act 1989, through Jammu and Kashmir Reorganization Act 2019 and replace district development board council by district developmental election in 20 districts of the UT Jammu and Kashmir. October 2020 ministry of home affairs announced that the district development council election will be held in Jammu and Kashmir, and this election will be direct. The main function of DDC will be to supervise and prepare in five fields like Health, Welfare, Finance, Education, Public works and community development of representing district. In Jammu and Kashmir DDC election were held on 28 November 2020 in eight phases election has done at the 280 DDC Constituencies (Reorganisation Bill).

## **Main Functions of DDC Members**

- To approve a plan for respective Districts.
- To organize general meeting after every three months.
- To supervise the activities of the gram panchayat, block development council and village panchayat in its own Districts.
- To utilize the development aids or governmental funds for the development of each District.
- To implement the central sponsored schemes of India.
- To receive the district development plan by the block development council. (Early Times Newspaper Jammu Kashmir,” 2021)

## **Objectives of Research Paper**

- To show the interest of the tribal Gujjars and Bakarwals in politics especially in the elections of (DDC) 2020.
- To find out the challenges and problems which they faced during DDC election in Poonch District of Jammu and Kashmir.

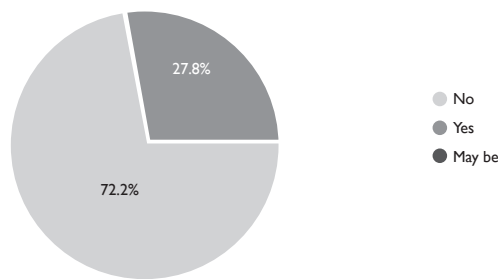
## **Research Method**

This Research paper is based on both Primary and Secondary data. Secondary has been taken from Published Research paper, and different internet sources. For the Primary data, Researcher select Poonch District based on majority Tribal Gujjars and Bakarwals Population in Jammu and Kashmir for survey. The District Poonch of Jammu and Kashmir is located near LOC, with almost 40% tribal population living in this district. Whereas Researcher studied that most of the tribe are illiterate or have no qualifications, then it was very difficult for the Researcher to use any other method for sample selection. When Researcher meet some Gujjars and Bakarwals prominent personalities they suggest to me that you just need to meet purposive people who will tell you better as compared to common Gujjars and Bakarwals respondents. So after that Researcher used a purposive method for sample selection and select some educated, socially aware, politicians, some youth, and social activists ‘from tribal Gujjars and Bakarwals communities for field survey in District Poonch and circulate Google form questionnaire through e-mail, and WhatsApp. In District Poonch, there is a total of 11 Blocks from each Block Researcher selected 6 respondents, and the total respondent was 66 by the purposive method. The questionnaire was also based on Likert & Dichotomous scale. Mendeley Software has been used for use the referencing in APA style.

Response from Respondent

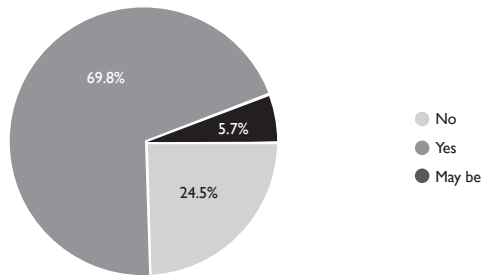
Researcher asked 19 questions about the district development council election in Poonch District of the Jammu and Kashmir and the interest of tribal Gujjars and Bakarwals in this election and obtained responses from 66 respondents through Google form questionnaire, and got responses. Researcher explains one by one question with the response which had been received from the respondent.

Figure-1: Which Tribe Do You Belong? - 54 Responses



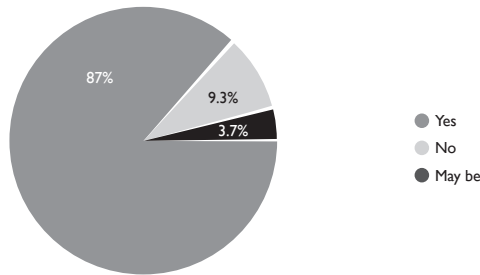
For the first question which showed in above Figure-1. Indicate that 72.2% were Gujjars tribe and 27.8% were Bakarwals tribe respectively respondent. This figure also indicates that the Gujjars population is height as compared to the Bakarwals tribe in the Poonch District.

Figure-2: Do You Know What is Panchayat? - 53 Responses



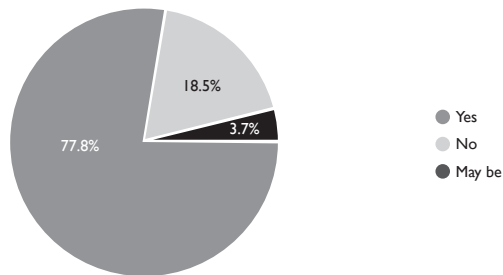
For the second question, 53/66 respondents give the response. Through Figure-2, Researcher it has been analyzed that most of the tribal population of the Poonch district of Jammu and Kashmir know about the panchayat system. But near about 25% tribe population of the Poonch district don't know what Panchayats are? Behind this the main two factors were responsible, 1) Illiteracy and 2) Weak Economic conditions.

**Figure-3:** Do You Heard About Panchayat? - 54 Responses



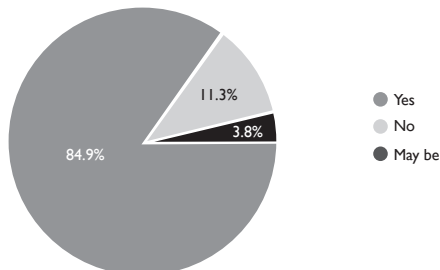
The Researcher analyzed from the above Figure-3, which had a clear statement for the above mention questions in a pie chart shown in Figure-3 in which 87% of Tribals of the Poonch district heard about the panchayat and 9.3% don't hear about the panchayat election and 4% may be heard about the panchayat.

**Figure-4:** Do You Know About Panchayat Election? - 54 Responses



In 2021 the panchayat election in Jammu and Kashmir was very interesting because after the abrogation of Article 370 first time 73<sup>rd</sup> constitutional amendment act was implemented in Jammu and Kashmir and through Reorganization Act 2019 first time election held on the third pillar of panchayat system of the Jammu and Kashmir. For the above mentioned questions in figure it clearly has shown that 77.8 % said we knew about the panchayat election 18.5% said that we did not know about the panchayat election.

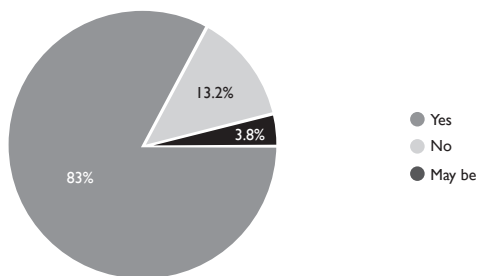
**Figure-5:** Do You Heard About DDC Election? - 53 Responses





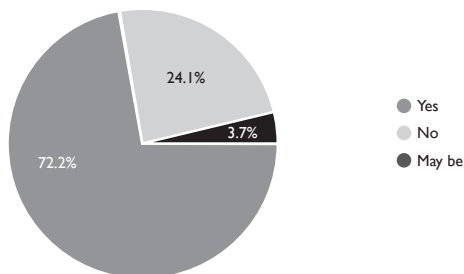
First time in the history of the Jammu and Kashmir the DDC elections were held and they were held after the amendment in Panchayati Raj Act of Jammu and Kashmir 1989. Through Reorganization Amendment Act 2019 the District Development Board had been replaced by District Development Council. For this question researcher analyzed that 84.9% tribal population of Poonch District heard about the DDC election 11.3% not heard about DDC election and it meant these tribals have access to good amount of information from Mobile, Radio, TV and from society.

**Figure-6:** Do You Heard the Name of Voter List and Polling Station? - 53 Responses



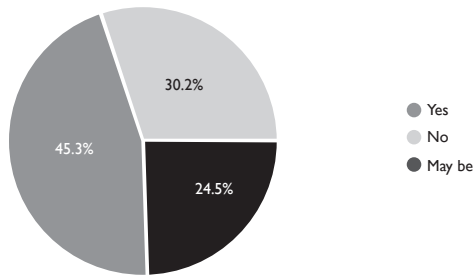
For the above mentioned questions which were shown in the above given Figure-6, 83% respondents said that they heard the name of voter list and polling station, 13.2% said they did not hear the name of voter list and polling station. Through this question researcher analyzed that maximum tribal population of poonch district were aware of the panchayat procedure.

**Figure-7:** Do You Cast Your Vote for DDC Candidate? - 54 Responses



Most relevant questions to the objective of this research paper which are shown above as given in Figure-7. On the basis of above mentioned data in Figure-7, Researcher assumed that 72.2% of tribal Gujjars and Bakarwals of the Poonch district casted their votes in DDC election and 24.1% of Tribal Population did not cast their votes in DDC election 2019 in Poonch district of the Jammu and Kashmir.

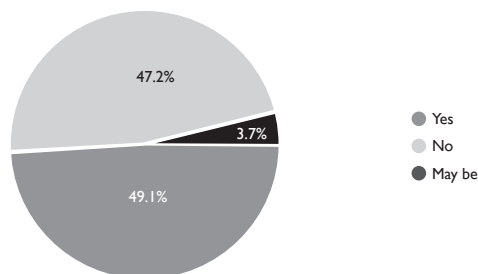
**Figure-8:** Has There been Any Development Work in Your Village through Panchayat? - 53 Responses



Through this question researcher wants to analyse the panchayats development procedure in tribal population of the Poonch district through panchayat system. In above mentioned questions no 8 clearly describe through the pie chart diagram in which 45.3% of the tribal population indicate that there has been some development in our village through panchayat, 24.5% population said there has not been development in our village through panchayat and 30.2% said may be there has been a development in our village through panchayat. From the above chart it clearly shown that in the development procedure the panchayat institution is lagging behind.

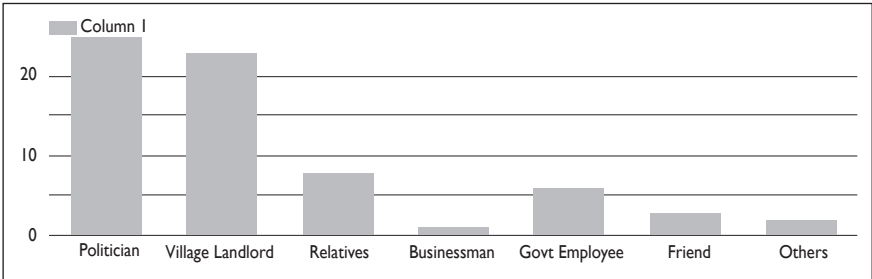
For the question No 9 (Do you feel any problem during DDC election in your Block?) Researcher got 46/66 responses and they said that we have faced a lot of problems during DDC election which Researcher wrote in the following paragraph: Away of the polling station, delay in election, pressure of opposition polling agents at polling stations, Candidates who have contesting election were trying to show their, money power, political party loyalty. The candidates did not contest election on the basis of public issues they always go through their powers of the families, and the power of their wealth. In every election candidates make a lot of promises to the public but after winning the election they forget that all promises. Some respondents clearly responded that local people pressurized them for casting vote in the favour of their own Candidate. If they do not cast their vote in that way they will socially boycott them, threaded by form landlord's businessmen and political leaders.

**Figure-9:** Have You Found any Pressure Regarding Vote Cast? - 53 Responses



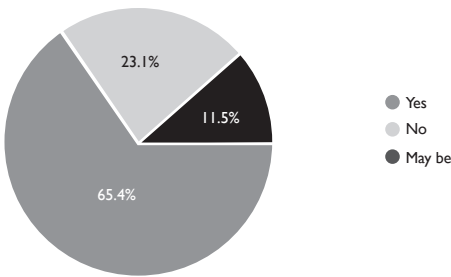
For this question which description is shown in above Figure-9 clearly indicates that 49.1% of the tribal population of Poonch district found pressure regarding casting votes. A total of 47.2% tribal population of Poonch district did not find any pressure regarding casting votes. Researcher analysed that the tribal population of the Poonch district are not totally free to cast their votes Maximum tribal population of the Poonch district had been dominated by different factors.

Figure-10: If Yes, Who Pressured You?



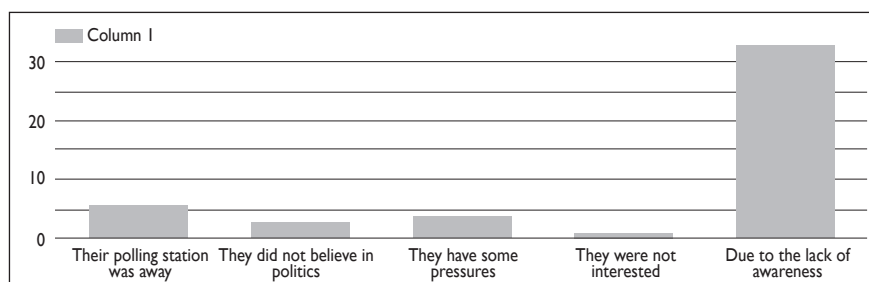
For this question which description is shown in above Figure-10 clearly indicates that 49.1% of the tribal population of Poonch district found pressure regarding casting votes. A total of 47.2% tribal population of Poonch district did not find any pressure regarding casting votes. Researcher analyzed that the tribal population of the Poonch district are not totally free to cast their votes Maximum tribal population of the Poonch district had been dominated by different factors.

Figure-11: Who Pressured You in DDC election for Vote?



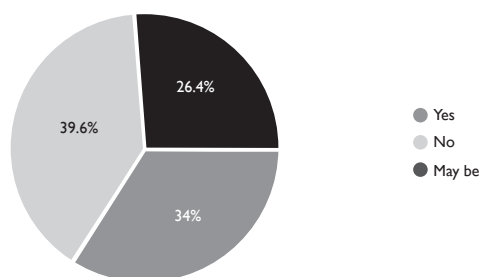
Through 11 questions which have been shown in the above given Figure-10 Researcher wants to know the main factor that dominate tribal population of Poonch district in DDC election. On the basis of above diagram explanation researcher analyzed that in this figure the politician dominant system clearly shown and after that Village landlord, Relatives, govt. employees, friends, businessmen, pressurized respectively for casting vote.

**Figure-12:** If Yes, What was the Reason Behind That?



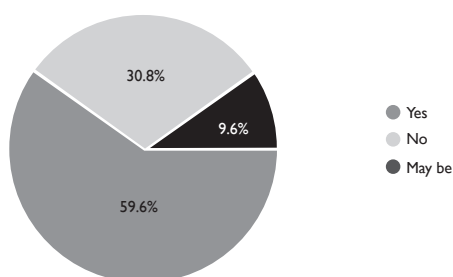
Again researcher tried to know the cause behind their low political participations. For question no 12, which is shown above (as given in Figure-12), it clearly designates that the tribal Gujjars and Bakarwals almost unaware about the DDC election because majority of their population is illiterate.

**Figure-13:** Are the Elected Representatives of the Panchayat Doing Good for Local People? - 53 Responses



For question no.13 which is shown above (as given in Figure-13) in which 53/66 respondents gave responses out of which 34% said yes, they are doing good, 39.6% said no, they are not doing good, and 26.4%% said may be, they are doing good for local people.

**Figure-14:** Do You Feel that Gujjars and Bakarwals Women are not Totally Free to Cast their Vote on their Will? - 52 Responses



For the above given in Figure-14 the researcher analyzed that 59.6% Gujjars and Bakarwals tribal women are not totally free to cast their votes on their own will. That is a big challenge of the tribal Gujjars and Bakarwals women in Jammu and Kashmir.

**Figure-15:** If Yes, Who Cast their Vote in the Favours of any Candidate?



In the above Figure-15 in the response to question which is mentioned in diagram it clearly indicates that the tribal women's votes are cast by the will of the head of family, family members and husband.

When the Researcher asked the last question, which type of challenges and problems faced by Gujjars and Bakarwals tribe during election? and analysed the data for this question it is indicated that the threat of life, threat from opposition, pressure from opposition political agents, threat from road blocks, Casteism, lack of awareness, corruption by politicians, Threat from politicians, threat from landlords, threat for close your ways, are common threats found in tribal Gujjars and Bakarwals in Poonch district of Jammu and Kashmir. The "mukkadam" System disease is still surviving in the local level bodies; Some powerful people harassed the tribal people, to cast their vote in favour of that a particular Politician and a particular religious faith. Some other common challenges are away polling stations, seasonal migration, threat from other communities.

## Findings

- Almost all the tribal Gujjars and Bakarwals heard about the panchayat system, panchayat election, DDC election, but most of them didn't know who could participate in panchayat election.
- Tribal Gujjars and Bakarwals of Poonch district are interested in local government or every panchayat election but they are unaware of the process of panchayat election, the main reason behind it is that they are illiterate and that is why they are unaware.

- In DDC election most of the tribal Gujjars and Bakarwals did not cast their vote, and those who cast their vote they caste it on the community based politics.
- Almost all the Tribal Gujjars and Bakarwals are living below the poverty line, they do not have no any good schemes for their development in every field provided by the center or the state government.
- During the DDC election they faced a lot of challenges and problems such as: Politicians pressure, relative pressure, found threat from opposition parties and from their workers, did not find name in voter list, away of the polling stations, corruption, threat of road, water, electricity closure etc.
- Tribal Gujjars and Bakarwals faced a common problem during every election in the Poonch district and that is they didn't know whom should they cast their vote in the ballot box.

## **Recommendations**

- For the improvement of Gujjars and Bakarwals political participation in Poonch district the Center and State governments should establish an educational institution in every tribal village and provide them residential Tribals hostels with each and every facility.
- Government should create an awareness campaign in every panchayat regarding every panchayat scheme including panchayat election.
- District administration should be arranged for fair election.
- There should be an established parliamentary ST committee at block level for upliftment of the Gujjar and Bakarwals.
- Should be implementing all central government schemes in Jammu and Kashmir for the economic, political, educational and social upliftment of Gujjars and Bakarwals tribals in Jammu and Kashmir.
- Make them aware about their rights and must ensure for the people a smooth and healthy politics.
- The local government should setup a tribal development council with financial powers for development and welfare of Gujjar and Bakarwals at the each and every block level.

## **Conclusion**

On the basis of field survey the Researcher has analyzed that maximum Gujjars and Bakarwals are interested in every panchayat election but they are illiterate and unaware about panchayat election. They faced a lot of problems during the panchayat election such as: Threat of life, threat from opposition, pressure from opposition political agent, threat

of road closure, water closure from other communities, Casteism, lack of awareness, corruption by politicians, pressure from non-ST people, threat from politicians, from landlords etc. Still they are under their leadership, they are not free for taking their own decisions, even they are not able to cast their votes on their own will. The “mukkadams” system disease is still surviving in the local level bodies. Religious superstition, away polling stations, seasonal migration, threats from other communities and lack of awareness. Gujjar Bakarwals mostly live in mountainous areas are more in worst conditions due to lack of roads connectivity. They did not fully aware about elections; they are used as vote bank by political parties, political leaders. Finally concluded that Gujjars and Bakarwals of the Poonch district are less aware about political as well as in election process, till now they are divided in religion and caste politics.

## References

- Administration, D. (2020). Election Department, District Poonch | District Poonch, Government of Jammu and Kashmir | India. Retrieved December 19, 2020, from <https://poonch.nic.in/election/>
- Early Times Newspaper Jammu Kashmir (2021). Powers, functions of ‘DDC’ in JK UT. Early Time, p. 2. Retrieved from <http://www.earlytimes.in/newsdet.aspx?q=305744>
- Hakeem Irfan Rashid (2020). Development Council polls in Jammu and Kashmir. Retrieved December 19, 2020, from <https://economictimes.indiatimes.com/news/politics-and-nation/et-in-the-classroom-all-about-jks-district-development-council-polls/articleshow/79219923.cms>
- Ministry of law and justice (2019). New delhi, friday, august 9, 2019/shravana 18, 1941(saka) <https://egazette.nic.in/writereaddata/2019/210407.pdf>
- Secretary chief of J&K (2001). Government of Jammu and Kashmir, Report of the Committee on Devolution of Powers to the Panchayats. Jammu.





# The Impact of Training and Development on Staff Performance: A Study of People's Bank of Zanzibar, Tanzania

Wilfred Uronu Lameck\*

## Abstract

The rapid growth of banking sector has been a global concern. As one of the competitive sectors, its successful growth depends on staff training and development which is considered as a steppingstone to survive in competitive business environment. Like other sectors, commercial banks need well trained and performing staff to accommodate the current business challenges. Despite this recognition, the banking sector particularly commercial banks in Tanzania lack enough and well trained staff. Therefore, the objective of this article was to assess the impact of training and development on staff performance with specific reference to People's Bank of Zanzibar (Banki ya watu wa Zanzibar). In doing that, the article used a sample of eighty eight staff which was selected through stratified simple random sampling method. The data from the respondents were collected through survey and analyzed through correlation and regression analysis. The results indicate that Training Needs Analysis, Training Design, Implementation and Evaluation of training had positive significant relationship with staff performance of the People's Bank of Zanzibar.

**Keywords:** Banking Sector, Staff Performance, Tanzania, Training and Development, Zanzibar

## Introduction

Employee training and development entails the human capital strategy of giving employees new skills, information, and opportunities for professional and career development. Due to stiff and competitive environment in business, employee training and development is becoming an essential engine of human resource development to compete and survive in a volatile market (Jehanzeb and Bashir 2013). Employee training is not

---

\* Senior Lecturer, School of Public Administration and Management, Mzumbe University and can be reached at: [wlameck@mzumbe.ac.tz](mailto:wlameck@mzumbe.ac.tz).

only intellectually and mentally essential but also physically and socially crucial because it imparts development on the overall performance of employees and organizations (Imran and Tanveer, 2015). The development of employees increases their competency which aids them to perform assigned tasks and finally attain the organizational goals and objectives (Bataineh 2014). The concept of training has been defined in different ways by different scholars. Some authors perceive it a learning process and imperative piece of human asset development which is crucial for lives of employee through which they acquire transferrable skills for the rest of their life. According to them training is a learning activity coordinated towards the acquisition of explicit knowledge and skills with the end goal of an occupation or assignment. The focal point of training is a job. For instance, the need for proficiency and wellbeing in the activity of specific machines or gear, or the requirement for a successful deals power to make reference to yet a couple (Hafeez and Akba 2015).

Furthermore, others perceive it as one of the ways for increasing the expertise and skills that an individual requires to perform his or her duties better. It, therefore, expands the abilities of employees' compelling route by persuading them and changing them into well sort out and respectful, that eventually influences the performance of organization (Hafeez and Akba 2015). While others like Laing (2009) perceive it as a marker to improve unrivaled skills, knowledge, capabilities and standpoint of the employees that outcomes in successful performance of the specialists but also it broadens the generation of the organization. It intends to improve the employees' performance which at last prompts organizational performance and effectiveness (Grobler et al, 2002).

Overall, the essence of training in any organization is to improve the workforce performance with a view to gaining a competitive advantage and it is basic for the organization to build up the performance of the employees and the organization in line with its objectives and missions. Finally, the training improves the skills relating to a specific task while development extended over the development and self-improvement of the employees (Grund and Martin 2012). Although there is lot of literature showing the impact of employee training on performance, little is known about how different component of systematic training and development affect the performance of staff particularly in the banking sector in Zanzibar.

## **The Theory of Training**

The mainstream literature on employee training provides two prominent theories which are used to explain the effects of training program on employee performance. One of the theories used regularly is the human capital theory which assumes that training is a primary dimension for inducing knowledge, skills, and capabilities to the employee at work

place which subsequently assist the organization to achieve the intended goal (Fitzsimons, 2017; Gillies, 2017). The theory provides the general guidelines for the employer on how to develop the training programs which yield the intended goal in organization (Booth and Bryan, 2005). Nevertheless, the theory pays little attention on the behavior of employees. It does not provide adequate insight on how employees learn and the determinants of learning.

The second theory is social learning theory which focus on the evaluation of the extent to which training program achieve the intended goal. The theory describes human behavior in the light of reciprocal interaction in three areas: cognitive, behavioral and environmental determinants which perceive learning based on operant learning or social interaction with other peoples (Sulsky and Kline, 2007, Illeris, 2011). According to this theory organizational managers must act as a role model and in turn inculcate their behavior to subordinates (Ashton, 2004). This theory provides the four important principles which organizations must follow to ensure the effectiveness of training. The first is presentation of models demonstrating the preferred behaviors. The second is practicing the preferred behavior. The third is emphasizing on the adoption of the preferred behavior and the fourth is transferring learning to the work practices (Chowdhury, 2006).

The four principles highlighted above are echoed in the systematic training and development model which is summarized by Sehgal (2006) and Bataineh, 2014; Gidey, (2016) in the four phases of systematic training and development. The first phase is training needs analysis which involves an in-depth analysis organizational staff to identify the skills and knowledge gap existing in the organization. The needs analysis includes in-depth analysis of the organization objectives, resources utilization, organization climate, environment scanning, task or roles and the available employees to determine the human resource capacity of the organization. Therefore, understanding the training needs and addressing them is a precondition to achieve the desired level of organizational performance. The second step is the design of the training program which involves linking the training objective with the time required for training, the venues, the trainer's particulars and the costs. Third step is the implementation which can be on job or off job training. The implementation involves translating into action the training program. Finally is evaluation which involves the assessment of the reaction of employees through their participation in the training programs, the level of knowledge and expertise the trainees gained, the behavioral change in the workplace, the individual performance and the organization performance.

The empirical literature shows largely the positive association between training of employee and their performance. For example a study by Al-

Mughairi (2018) concerning evaluation of training and development of employees using the case of a national oil and gas industry in gulf countries in lens of Kirkpatrick's four levels model found that different training and development dimensions including training environment (i.e., physical training and training facilities) and training methods (on-job training and off-job training) are the key determinants for assessing the effectiveness of the training and development programs in an organization and hence found a strong positive relationship between training and development with employee performance and organizational performance.

While a study by Manuel (2014) concerning the link between training and development with the focus on employee engagement in relation to employee performance and organizational performance using the case study of North America found that there is a positive relationship between the different elements of training and development and employee engagement and employee performance. Also, he concluded that employee engagement and employee performance are vital determinants for assessing the effectiveness of training to organization performance. The researcher also recommended a similar variable to be used in the African context and tested to see if it leads to the same results.

On the other hand, a study by Kunene (2017) in South Africa concerning the evaluation of training and development for effective service delivery in the Kwazulu-Natal department of social development found out that the implemented training programs have improved service at Kwazulu natal, but some constraints like inadequacy of financial, human and physical resources hinder the adequate provision of training and development for effective service delivery in a public organization.

Furthermore, the studies in Tanzania have also concluded the same. For example a study by Balozi and Aman (2014) who examine the effect of training and development and employee relations on job satisfaction using a case study of Tanzania Public Service College using a sample of 100 respondents Tanzania Public Service College found that there is a positive relationship between training and development with job satisfaction in the public organization in Tanzania. This indicates that training and development are the antecedents of job satisfaction. In other words, the employees are more satisfied based on the training and development they get from their employers.

While a study by Karia et al. (2016) concerning the importance of training and development on the performance of public water utilities in Tanzania with sample of 417 employees in the water utility offices concludes that Training and development is a pillar of human resources management performance for any organization that intentionally intends to improve operational performance. This is to say, the organization's performance is dependent on training and development.

Finally is a study by Habi (2013) concerning the effectiveness of training programs in public organizations in Tanzania using a case of Morogoro municipal council found that Morogoro Municipality faced several challenges in implementing training programs including an inadequate fund for training, lack of organization training policy, lack of management support, lack of willingness of employees on attending training offered in house, and insignificant effort to identify training needs as the pre-requisite for budget approval. Also, the researcher identified some complaints of corruption and favoritism on employees selected for attending specialized training.

With respect to the banking sector, the importance of training and development of staff is compounded by the intense pressure of the commercial banks to perform in today's volatile market. The empirical literature on human resource training shows an evidence of the positive association between training and development and staff performance. The literature shows that effective training of employees enhances the performance of such employees not only by making employees competent but also improves their knowledge, skills, abilities and attitudes as well as behaviors necessary for the future job, and this consequently contributes to organizational performance (Harrison, 2000). Therefore, the improvement in all these aspects (including competencies) on part of employees enables them to perform their work effectively and efficiently with resultant increase not only in their performance but also in achievement of the organizational goal in a competitive environment. This consequently put organizations in a better position to face competition and to always stay at the top of their rivals in the market.

In Tanzania, like other developing countries the banking sector is one of the fastest growing and competitive sectors (Simpasa - 2011). Due to the dynamic nature of the industry and competitive business environment, the commercial banks in Tanzania need a strategic transformation in training and development programs to survive a stiff environment. Although staff training intends to create competence of individual employees to assist organizations to achieve the desired outcomes, the organizations in developing countries have continually suffered from the ineffectiveness of the existing training and development programs (Jhawar, 2013). Most of the training and development programs are too broad, theoretical and non-responsive to the needs of the employees which failed to achieved the targeted goals (Bataineh, 2014; Gidey, 2016). In line with this, the People's Bank of Zanzibar known as (Benki ya watu wa Zanzibar in Swahili) is one among the oldest commercial banks in Tanzania owned by the Government which serve the cosmopolitan population of more than one million peoples in Zanzibar. Although these banks are owned by government and

have formulated training and development policy implemented over the years, the performance of staff is still unsatisfactory. This brings us to the following hypothesis:

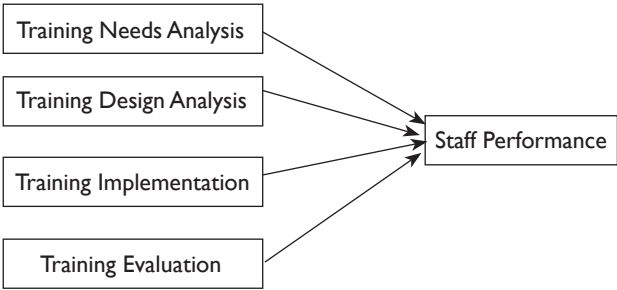
H1: There is a positive relationship between the training need analysis and staff performance organization.

H2: There is a positive relationship between the training design analysis and staff performance organization

H3: There is a positive relationship between the training implementation and staff performance organization.

H4: There is a positive relationship between the training evaluation and staff performance organization.

**Figure- I:** Theoretical model of Systematic Training and Development



**Methodology**

To test the proposed hypothesis, the research took a survey design of People’s Bank of Zanzibar Including PBZ convention and Islamic. The target population was 120 which comprise the staff of PBZ from which a sample of 88 respondents was drawn randomly.

**Table- I:** Sample Characteristics

Characteristics	Number (%)
Gender	
Male	55(62.5%)
Female	33(37.5%)
Age (years)	
<30 years	12(13.6%)
31 - 40 years	42(47.7%)
41-50 years	34(38.6%)
Education	
Certificate and Diploma	18(20.5%)
Bachelor	24(27.3%)
Master	30(34.1%)
Other	16(18.2%)
Work Experience	

Characteristics	Number (%)
0-5 years	16(18.2%)
6-10 years	42(47.7%)
11-15 years	22(25%)
16-20 years	8(9.1%)

The work location of the respondents is divided into four categories. The location represents a PBZ work location available in Zanzibar municipal only. The 59.1% of the respondents were taken from PBZ Islamic while 40.9% were taken from PBZ conventional. The largest percentage of respondents was taken from fieldwork branched represent 55.7% while the remaining percentage of 44.3% were taken from head office. The results are shown in the Table-2 below.

**Table-2:** The Working Location of Respondents

Bank Location	Frequency	Percent	Valid Percent
PBZ head quarter - Conventional	17	19.3	19.3
PBZ branch – Conventional	19	21.6	21.6
PBZ head quarter – Islamic	22	25.0	25.0
PBZ branch – Islamic	30	34.1	34.1
Total	88	100.0	100.0

## Data Collection Tool

The data were collected through questionnaire which was designed in conjecture with past literature using a Likert scale of 1-5 format (1 stand for strongly disagree, two stands for disagree, three stands for neither disagree nor agree, 4 - strongly agree, and five - stands for strongly agree) was used. For the sake of increasing reliability and validity a pilot study was conducted to assess the content of the questionnaires and remove the unambiguous questions, or any miss lead questions that would affect the validity and Reliability of the information collected. Ten (10) human resources manager was involved in the pilot study to get their view on the questionnaire.

## The Findings

### *Training Needs Analysis and the Employee Performance*

With respect to the training needs analysis, the measurement of scale was used. For sake of ensuring reliability and validity, the article used Narasimhan and Jayaram (1998) guideline. The Cronbach's alpha ( $\alpha$ ), composite reliability (CR) and factor loading was calculated to determine the reliability of each item. Table-3 shows the results of FA, Cronbach's alpha and composite reliability. The items used for measurement had higher loading more than 0.5. All constructs used in this study had value of CR and



$\alpha$  above the required cut off stipulated in study of Lance, Butts & Michels, (2006). The value of AVE indicated in Table-3 implies that convergent validity is adhered in this study. Table-3 shows the measurement of scale with reliability and validity.

**Table-3:** Measurement of Factor Loading, Cronbach Alpha, Composite Reliability and Kaiser-Meyer-Olkin (KMO)

Measurements	Factor Loading	$\alpha$	AVE	CR	KMO
<b>Training Need Analysis (TNA)</b>		0.898	0.714	0.926	0.728
TNA1: All employees in our organization are involved in early stage of TNA.	0.823				
TNA2: The training needs are proactively determined in each financial year.	0.883				
TNA3: All training programme are conducted based on training needs and organization target.	0.907				
TNA4: All training programme are conducted based on training needs and organization target	0.794				
TNA5: All training programme are elaborated in TNA	0.813				
<b>Training Design Analysis (TDA)</b>		0.669	0.450	0.799	0.599
TDA1: The training programme are designed in comfortable physical training environment.	0.819				
TDA2: The training programme are designed in familiar language of the participants.	0.661				
TDA3: The training programme are designed in a flexible way to allow different methods to be used.	0.515				
TDA4: In our organization, the training needs are defined according to job requirements of each employee.	0.756				
TDA5: All training programme are elaborated in TNA	0.554				
<b>Training Implementation (TRI)</b>		0.917	0.805	0.943	0.755
TRI1: The training programme in our organization are implemented in accordance with training plans.	0.822				
TRI2: The training programme are implemented in accordance with just in time and just in need.	0.953				
TRI3: The training programme are implemented in accordance with the schedule agreed by the participants.	0.841				
TRI4: The training programme in our organization is implemented in designated time frame.	0.964				

Measurements	Factor Loading	$\alpha$	AVE	CR	KMO
<b>Training Evaluation (TRE)</b>		0.817	0.592	0.876	0.687
TRE1: Our organization evaluate the reaction of the participants to the training frequently.	0.925				
TRE2: Our organization ideally evaluate on what we learned and what was not learned in training.	0.817				
TRE3: Our organization evaluate the behaviors of participants before and after the training.	0.753				
TRE4: Our organization evaluate the outcomes of the training to individual employees.	0.760				
TRE5: Our organization evaluates the outcomes of the training in Correlation with organization performance.	0.541				
<b>Staff Performance (STP)</b>		0.938	0.810	0.955	0.742
SP1: The training provided at our organization is highly effective.	0.917				
SP2: The task and exercise provided in training are compatible with my routine works.	0.970				
SP3: I often acquire new knowledge and skills in the training conducted by my organization.	0.753				
SP4: The training conducted enable me to impart new techniques and approaches to my working place.	0.926				
SP5: I'm satisfied with the training methods and approach used during the training period.	0.917				

## Correlation Matrix

The correlation analysis results in Table-4 revealed that there was a positive and a strong significant association between Training and staff performance as supported by  $r_{tna} = 0.39$ ,  $r_{tda} = 0.51$ ,  $r_{tri} = 0.46$ ,  $r_{tre} = 0.45$ , both as  $p < 0.001$ . This implied that both variables of systematic training and development and staff performance have positive relationship and change in the same direction.

**Table-4:** Correlation Matrix and Descriptive Statistics

Variables	TNA	TDA	TRI	TRE	SP
Training need analysis (TNA)	I				
Training need analysis (TDA)	0.74**	I			
Training Implementation (TRI)	0.73**	0.72**	I		
Training Evaluation (TRE)	0.50**	0.57**	0.58**	I	

Variables	TNA	TDA	TRI	TRE	SP
Staff performance (SP)	0.39**	0.51**	0.46**	0.45**	1
<b>Mean (M)</b>	2.973	2.546	2.932	2.755	3.616
<b>Standard Deviation (S.D)</b>	1.1850	0.8147	1.2021	0.8500	0.4825

Note: \*\*p<0.01

Furthermore, to determine the causal relations concerning impact of training and development on staff performance, the study used regression analysis. Table-4 summarizes the regression results between the dependent and independent variable in the model. The findings show that the regression coefficient of the model is  $\beta = 4.443$  at  $p = 0.000$  and t-value of 17.612. As the p-value of the general model is less than the cutoff of 0.05, it indicates that the model was excellent and statistically significant. Moreover, the estimate revealed that all four parameters are statistically significant concerning the staff performance in banking sector in Tanzania. TNA had a positive effect on the staff performance with standardizing beta coefficient  $\beta$  of 0.136, t-value of 2.066 and p-value of 0.042. TDA has a positive effect on the staff performance with standardizing beta coefficient  $\beta$  of 0.214, t-value of 2.852 and p-value of 0.005. TRI has a positive effect on staff performance with standardizing beta coefficient  $\beta$  of 0.169, t-value of 2.134 and p-value of 0.036. TRE has also a positive effect on the staff performance with standardizing beta coefficient  $\beta$  of 0.429, t-value of 4.898 and p-value of .000. Based on the results, a systematic training and development model is a strong significant predictor of the staff performance in an organization.

**Table-5:** Regression Results on Training and Staff Performance

Dependent Variable	Independent Variables	Beta Coefficient	SE	T-value	sig
Staff performance	(Constant)	4.443	0.252	17.612	0.000
	Training need analysis (X1)	0.136	0.066	2.066	0.042
	Training design analysis (X2)	0.214	0.075	2.852	0.005
	Training implementation (X3)	0.169	0.079	2.134	0.036
	Training evaluation (X4)	0.429	0.088	4.898	0.000
	R <sup>2</sup>	0.237			
	Adjusted R <sup>2</sup>	0.200			
	F-Statistics	6.431***			

## Impact of Systematic Training and Development on Staff Performance

This section intended to determine the impact of systematic training and development model on staff performance. The regression analysis was used to assess the impact of different systematic training and development model

components, including training need analysis, training design analysis, training implementation and training evaluation on performance of the people's Bank of Zanzibar. The overall results are shown in Table-6. Both components of training need analysis, training design analysis, training implementation and training evaluation were found having a statistically significant impact on staff performance at Peoples bank of Zanzibar.

The overall estimation results are supported by the value of the R square value of is 23.7%. This implies that all four factors of training need analysis, training design analysis, training implementation and training evaluation explain about 23.7% of the variance to the dependent variable, which is staff performance. Furthermore, the R-value, which represents correlation, is 0.4, which indicated a positive relationship between the dependent and independent variables. This implies that the model results in this study fit the data used in the analysis to a large extent.

**Table-6:** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.486a	0.237	0.200	0.43165

The table below presents the results of the ANOVA test with F-statistics of 6.431 at a p-value of 0.000, whereas the sum of squares is 4.793 at 3 degrees of freedom. In general, the results indicate that the model is statistically significant because the p-value statistics is less than the threshold of 0.05. This study finding revealed that the model results fit the data, and all four predictors of training need analysis, training design analysis, training implementation and training evaluation are significant to the staff performance of The Peoples's Bank of Zanzibar Ltd.

**Table-7:** Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	4.793	4	1.198	6.431	0.000b
Residual	15.465	83	.186		
Total	20.258	87			

## Model Estimate

Table-8 provides the summary of the regression coefficient between the dependent and independent variable in the model. The findings show that the regression coefficient of the model is  $\beta = 4.443$  at  $p = 0.000$  and t-value of 17.612. As the p-value of the general model is less than the cutoff of 0.05, it indicates that the model was excellent and statistically significant. Furthermore, the estimate revealed that all four parameters are statistically significant concerning the staff performance in organizations. Training need analysis has a positive effect on the staff performance with standardizing beta coefficient  $\beta$  of 0.136, t-value of 2.066 and p-value

of 0.042. Training design analysis has a positive effect on the staff performance with standardizing beta coefficient  $\beta$  of 0.214, t-value of 2.852 and p-value of 0.005. Training implementation has a positive effect on staff performance with standardizing beta coefficient  $\beta$  of 0.169, t-value of 2.134 and p-value of .036. Training evaluation has also a positive effect on the staff performance with standardizing beta coefficient  $\beta$  of 0.429, t-value of 4.898 and p-value of .000. Based on the results, a systematic training and development model is a strong significant predictor to the staff performance in an organization.

**Table-8:** Summary of Regression Results

Dependent Variable	Independent Variables	Beta Coefficient	SE	t-value	sig
Staff performance Training design analysis 0.214 0.075 2.852 0.005	(Constant)	4.443	0.252	17.612	0.000
	Training need analysis	0.136	0.066	2.066	0.042
	Training implementation	0.169	0.079	2.134	0.036
	Training evaluation	0.429	0.088	4.898	0.000

Source: Survey of People’s Bank of Zanzibar 2021

Therefore, the overall regression results indicate that there is a significant and positive relationship between training and development and staff performance. The estimated regression model can now be presented as follows:  $Y = \text{Staff performance}$  where;  $X_1$  is Training need analysis,  $X_2$  is Training design analysis,  $X_3$  is Training implementation and  $X_4$  is training evaluation. These findings are also consistent with findings from other authors. For example a significant positive influence of TNA on the employee’s performance concurred with the study of Mahmud et al. (2019) who conducted a study on the impact of training needs assessment on the performance of employees and revealed that TNA a crucial facet of systematic training and development component which play significant role in improving the employee’s performance in a working environment but also the study of Khan and Masrek (2017), who concluded that TNA is an important step and aspect during the training plan and development process in the organization.

Furthermore, the positive relationship between TDA and the employee’s performance in the organization is supported by study by Alias et al. (2019) who conducted a study to establish the relationship between training design factors and staff performance in a public service organization. The results concluded that design of the training in public organization is inevitable as the design of the training determines the effectiveness of training program

in organization and satisfaction of employees in a training program but also Bhatti and Kaur (2010) who found that TDA is an important aspect in ensuring the employee's performance in a public organization.

Moreover the research found a significant positive influence of the implementation of training program on employee's performance which is consistent with previous literature. For instance, Burkard et al. (2012), proclaimed in his study that TRI play a significant role in the training process. Design is one step, but implementation is another step towards complete training and development programs. The impact of training and development depends on the implementation stage. The manager should be cautious in implementing what was a design and required by the employees in the organization. In most of the public organization, training implementation is not achieved as per the training planning, which leads to failure to achieve the training targets.

Finally, the study findings indicate that training evaluation has a significant positive influence on the employee's performance in the organization as supported by the regression results. According to Wang and Wilcox (2006), training program evaluation is pivotal and culminating stage of systematic training and development model. The importance of TRE is well hailed in assessing the goals of the training have been achieved. In short, the TRE positive related to the performance of employees in the organization.

### **Impact of Training Need Analysis**

In the previous chapter, the findings show that training need analysis has a significant positive influence on the employee's performance. The regression results support the results as the t-statistics is above the threshold of 1.96 and a corresponding p-value of less than 5% (0.05). This study finding concurred with the study of Mahmud et al. (2019) who conducted a study on the impact of training needs assessment on the performance of employees which revealed that a TNA is a crucial factor of systematic training and development component which play significant role in improving the employee's performance in a working environment. He added that in a competitive environment where organization have limited training resources, TNA helps organization in determining the training timeliness, a number of staff to be trained and enhance to assess the available resource that would lead to effectiveness in the organization.

Furthermore, the findings of this study are in line with the study of Khan and Masrek (2017), who concluded that TNA is an important step and aspect during the training plan and development process in the organization. TNA as the strategic tool it facilitates the organization to assess the human capital goals, competencies of the organization and identify the gaps in human capital development. As a useful tool, TNA enables manager in designing the training properly using the actual need of the employees

in training programs. In a nutshell, the TNA helps the manager to know when, where, how, and what kind of training programme should be given to employees in the organization (Carlisle et al., 2011).

### **Impact of Training Design Analysis (TDA)**

The regression results in chapter four show that training need design has a significant positive influence on the employee's performance in the organization. Besides, the regression results support the results as the t-statistics is above the threshold of 1.96 and a corresponding p-value of less than 5% (0.05). This finding concurred with the study of Alias et al. (2019) who conducted a study to establish the relationship between training design factors and staff performance in a public service organization. The results concluded that design of the training in public organization is inevitable as the design of the training determines the effectiveness of training program in organization and satisfaction of employees in a training program. They further added that in design the training the organization need to consider training method and approached to be used, the trainer competency, and training content.

In addition to the finding of the study are divulged in the study of Bhatti and Kaur (2010). They found that training development analysis as the important aspect in ensuring the employee's performance in public organization. According to Bhatti and Kaur (2010), the training design enables the manager to determine the appropriate training programme, methods, delivery approach, and environment to attain the objectives. To enhance effective training and development in the organization, the manager should design the training in a manner that gives the employee's skills and ability to transfer learning, reinforces the employee's beliefs in the transfer of the training, ensure that training content is adequate and appropriate, and provide feedback to the employees regarding their performance in their working environment (Velada et al., 2007).

### **Impact of Training Implementation**

In a previous chapter, the finding revealed that training implementation has a significant positive influence on the employee's performance in the organization. Besides, the regression results support the results as the t-statistics in above the threshold of 1.96 and a corresponding p-value of less than 5% (0.05). Similar findings have been presented in previous literature. For instance, Burkard et al. (2012), proclaimed in his study that training implementation play a significant role in the training process. Design is one step, but implementation is another step towards complete training and development programs. The effectiveness of training and development depends much on the implementation stage. The manager should be cautious in implementing what was a design and required by the



employees in the organization. In most of the public organization, training implementation is not achieved as per the training planning, which leads to failure to achieve the training targets.

### **Impact of Training Evaluation**

The study findings in the previous chapter indicate that training evaluation has a significant positive influence on the employee's performance in the organization as supported by the regression results. In contrast, the t-statistics is above the threshold of 1.96 and a corresponding p-value of less than 5% (0.05). According to Wang and Wilcox (2006), training program evaluation is pivotal and culminating stage of systematic training and development model. The importance of training evaluation is well hailed in assessing the goals of the training have been achieved. In short, the training evaluation positive related to the performance of employees in the organization. The organization can use formative and summative evaluation to enhance it archived the training goals. The aim of conducting formative evaluation is when the organization intends to identify weakness the training process and help the organization having the productive training programs in future. In contrast, summative evaluation is an evaluation conducted after the training has delivered to assess the outcomes of the training programs.

### **Conclusions and Recommendations**

In conclusion, this study concurred with the on-going debate concerning human capital development in banking sector in developing countries. The debate of human capital development has dominated over the past decades where majority of studies focused on training and development like training methods, this study provides the dimensions on the impact of training and development on staff performance using evidence from Tanzania banking sector. The study underpins the importance of different policy makers like ministry of trade and marketing, ministry of employment to invest on human capital development specifically in banking sector as one of the growing sectors in Tanzania. This study provides quantitative evidence about the impact of training and development on staff performance. For instance, the study indicates the importance of training need analysis (TNA) on improving the staff performance in baking sector in Tanzania. Another important dimension of training and development model is training design analysis, our study indicate the direct impact of TDA on staff performance. This is solid evidence that appropriate design lead to performance in organization and vice versa is true. Furthermore, in our study we evaluate the impact of training implementation on staff performance. The findings provide clear indication that organization with effective implementation strategies are in good position to influence the

performance of their staff. It was further reviewed in previous studies that majority of public organizations in developing countries design numerous training but implementation is big challenge. Finally, the model determines the impact of training evaluation on the impact of staff performance in banking sector in Tanzania. As in previous variables, our study indicates a positive influence of training evaluation (ex-ante and post-ante) on staff performance.

### **Recommendations**

It is paramount important that management of organization understands the rapid change of knowledge and skills in specialized areas. This should go hand in hand with necessary skills, knowledge, and abilities of employees to carry out their duties. The study discovered the impact of different dimension of training and development model on staff performance. It is obvious that the human resources of banking sector must expand the program to improve skills, competencies, confidence, and knowledge. This will improve the overall performance of the bank and employees. The training department needs to focus on all components of training and development to foster staff performance and overall performance of the commercial banks in Tanzania.

### **References**

- Alias, S. A., Ong, M. H. A., Rahim, A. R. A., and Hassan, R. (2019), "The Role of Training Design Factors in Influencing Training Effectiveness among Public Service Employees", *International Journal of Academic Research in Business and Social Sciences*, Vol. 9 No.5.
- Al-Mughairi, A. M. (2018) The evaluation of training and development of employees: The case of a national oil and gas industry. Brunel University London.
- Ashton, D. N. (2004) "The impact of organisational structure and practices on learning in the workplace", *International Journal of Training and Development*, Vol. 8 No.1, pp. 43-53.
- Balozi, M. A., and Aman, K. D. (2014). "The Effect of Training and Development and Employee Relations on Job Satisfaction: A case study of Tanzania Public Service College", *Asian Journal of Research in Business Economics and Management*, Vol. 4 No.4, pp. 153-161.
- Bataineh, K. A. A. (2014), "Impacts of employee training on the performance of commercial banks in Jordan", *European Journal of Business and Management*, Vol. 6 No.27, pp. 192-196.
- Bhatti, M. A., and Kaur, S. (2010), "The role of individual and training design factors on training transfer", *Journal of European Industrial Training*, Vol. 34(7) 656-672.

- Blanchard, P. N. (2006). "Effective Training, Systems, Strategies, and Practices, 4/e", Pearson Education, India.
- Booth, A. L., and Bryan, M. L. (2005), "Testing some predictions of human capital theory: New training evidence from Britain", *Review of Economics and Statistics*, Vol. 87 No.2, pp. 391-394.
- Brooks, K., and Muyia Nafukho, F. (2006), "Human resource development, social capital, emotional intelligence: any link to productivity?", *Journal of European Industrial Training*, Vol. 30 No.2, pp. 117-128.
- Burkard, A. W., Gillen, M., Martinez, M. J., and Skytte, S. (2012), "Implementation challenges and training needs for comprehensive school counseling programs in Wisconsin high schools", *Professional School Counseling*, (16) No.2
- Chowdhury, M. S. (2006), "Human behavior in the context of training: An overview of the role of learning theories as applied to training and development", *Journal of Knowledge Management Practice*, Vol. 7 No.2, pp. 1-11
- Fitzsimons, P. (2017), "Human capital theory and education", *Encyclopedia of educational philosophy and theory*, Vol., pp. 1050-1053.
- Gidey, A. (2016). *The effect of training and development on employees performance: the case of commercial bank of Ethiopia*. Addis Ababa University.
- Gillies, D. (2017), "Human capital theory in education", *Encyclopedia of educational philosophy and theory*, Vol., pp. 1-5.
- Grobler, P.A., Warnich, S. Carrel, M.R., Elbert N. and Hatfield, R.D. (2002). *Human Resource Management in South Africa*, London: Thomson Learning.
- C Grund, J Martin. J (2012) Determinants of evidence for Germany, *The International Journal of Human Resource Management*, 23(17), 3536-3558.
- Habi, L. (2013). *Effectiveness of training programs in public organizations in Tanzania A case of Morogoro municipal council*.
- Hafeez, U. and Akba, W.(2015). Impact of Training on Employee Performance: Evidence from Pharmaceuticals Companies in Karachi Pakistan, *Journal of Business Management and Strategy*, Vol. 6, No.1, pp. 49-64.
- Imran, M., and Tanveer, A. (2015). "Impact of training & development on employees' performance in banks of Pakistan", *European Journal of Training and Development Studies*, Vol. 3 No.1, pp. 22-44.
- Jehanzeb, K., and Bashir, N. A. (2013). "Training and development program and its benefits to employee and organization: A conceptual study", *European Journal of Business and Management*, Vol. 5 No.2.

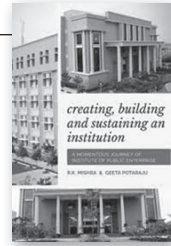
- Jerez Gómez, P., Céspedes Lorente, J. J., and Valle Cabrera, R. (2004). "Training practices and organisational learning capability: Relationship and implications", *Journal of European Industrial Training*, Vol. 28 No.2/3/4, pp. 234-256.
- Karia, A. O., Omari, S., Mwanaongoro, S., and Kimori, Y. (2016), "Importance of Training and Development on Performance of Public Water Utilities in Tanzania", *African J. Educ. Hum. Dev*, Vol. 2 No.2, pp. 10-18
- Khan, A., and Masrek, M. N. (2017). "Training needs analysis based on mismatch between the acquired and required levels of collection management skills of academic librarians", *Collection Building*, Vol.
- Kunene, C. M. (2017). Evaluation of training and development for effective service delivery in the Kwazulu-Natal department of social development. North-West University (South Africa), Vaal Triangle Campus.
- Mahmud, K. T., Saira Wahid, I., Arif, I., and Belso-Martinez, J. (2019). "Impact of training needs assessment on the performance of employees: Evidence from Bangladesh", *Cogent Social Sciences*, Vol. 5 No.1, pp. 1705627
- Manuel, F. D. (2014). The effect of training & development and employee engagement on perceived business performance. University of Pretoria. Prestige Institute of Management and Research, Masters thesis.
- Simpasa, A. M. (2011), "Competitive conditions in the Tanzanian commercial banking industry", *African Development Review*, Vol. 23 No.1, pp. 88-98.
- Sulsky, L. M., and Kline, T. J. (2007). "Understanding frame-of-reference training success: a social learning theory perspective", *International Journal of Training and Development*, Vol. 11 No.2, pp. 121-131.
- Wang, G. G., and Wilcox, D. (2006). "Training evaluation: knowing more than is practiced", *Advances in Developing Human Resources*, Vol. 8 No.4, pp. 528-539.
- Velada, R., Caetano, A., Michel, J. W., Lyons, B. D., and Kavanagh, M. J. (2007). "The effects of training design, individual characteristics and work environment on transfer of training", *International Journal of Training and Development*, Vol. 11 No.4, pp. 282-294



BOOK REVIEW

## **Creating, Building and Sustaining an Institution – A Momentous Journey of Institute of Public Enterprise**

***By Prof R K Mishra and  
Dr Geeta Potaraju***



Academic Foundation  
New Delhi/Manesar

Pages: 189

Price: 1,295

ISBN 978-93-327-0561-6

*Reviewed by*

**Dr. Anand Akundy**

Faculty Member

Institute of Public Enterprise, Hyderabad.

E-mail: [anand@ipeindia.org](mailto:anand@ipeindia.org)

‘Creating, Building and Sustaining and Institution’, a book authored by Prof. R.K. Mishra and Dr. P. Geeta have brought out important facets of the birth and evolution of the Institute of Public Enterprise situated in Hyderabad. Established in 1964 the Institute celebrated its Golden Jubilee a few years ago, an important milestone during the directorship of Prof. R.K. Mishra, author and former director of the Institute. The momentous journey began with modest beginnings as articulated by its founder Chairman Shri S.S. Khera, he said, “The Institute has a clear objective, namely, to aid in the nation’s efforts in providing quality and content of management at the top and middle levels essential for obtaining the optimum outputs in terms of economic and social benefits from the vast public investments committed to the charge of management in the public as well as in the private sectors throughout the country.”

In 1976 when ICSSR (Indian Council of Social Science Research) came forward and recognized IPE as a Centre of Excellence in Research IPE’s strengths in combining and institutionalizing social science and management research could be showcased. IPE through its pioneering work demonstrated how public sector enterprises are an important arm of the government and society and how capacity building and research activity at IPE could contribute to the growth of the enterprises in the

country at crucial economic junctures. This is evident as early as 1979 when the Institute shifted its focus on research and consulting activities at the state level apart from its participation at the national and international levels.

Notable among humongous activities that IPE undertook are the programs for Indian Civil Service Officers. Under the tutelage of its former Director, Shri T.L. Shankar, I.A.S, IPE trained more than 1600 civil servants who later occupied ranks and files of many government institutions and have made significant contributions in several sectors. When IPE entered its Silver Jubilee year in 1988-89 it was involved in promoting Asian Conference with the Asian and Pacific Development Administration Centre (APDAC), a UN body on restructuring financial policies and strategies for public enterprises in Asia. The Prime Minister's office and the Planning Commission along with IPE conducted the conference, which event stood out as a great milestone in the history of IPE.

In the year 1995, when Shri N. Bhanu Prasad took over as the President of the IPE Board of Governors, IPE took a big stride and recorded significant growth. He was the former Chairman of ONGC and the first Secretary of the Ministry of Power, GoI from 1978 to 80. He was a visionary and firmly believed in inclusive management, it was during his tenure as Director of IPE that Prof. R.K. Mishra was invited by the DFID, Govt of UK, and the University of Liverpool for developing institutions for rural development in South Africa. The model that was developed in building rural development institutions contributed immensely to the upliftment of rural sectors.

IPE was mired with infrastructure inadequacies at a time when the policy environment was rapidly changing which also is when IPE went through a transformation phase. An internationally renowned metallurgist with a Ph.D. from BHU, Dr. P. Rama Rao took over as President of IPE. He was Vice-Chancellor of the University of Hyderabad and former Secretary, Department of Science and Technology, GoI. During this period Prof. R.K. Mishra took over as Director of IPE, he was also inducted into many committees of Government. Some of the prominent ones included – membership in the Task Force of GoI for revamping public sector enterprises in India. This period also was marked by the expansion of IPE. The number of Management programs increased from one general PGDM course in 1995 to five programs. IPE saw rapid strides during this period and firmly consolidated its position as a teaching, training, consulting, and researching organization in the space of social sciences and management in India.

A new building in a sprawling campus in Shamirpet was ready for operations in 2014 and a large part of IPE's operations, mainly relating to the PGDM was moved to this new facility. It was during this period

Shri K. Madhava Rao, I.A.S, former Chief Secretary of Government of Andhra Pradesh took over as the President of the Institution. His major focus has been to strengthen the overall governance, set the focus on performance and enhance the capabilities of faculty, and create an environment of inclusiveness and diversity. Improving facilities for students is a constant initiative that has been taken up by the Institute under his able leadership. The first convocation at the Institute was held in 2019 under his able guidance. He strengthened the Institution in terms of activities and programs, infrastructure, planning, monitoring and review, and bringing a clear focus on stakeholder consultations.

Research has been a leading academic activity at IPE all along, its conviction that research is the vanguard and torchbearer of academic activities like teaching and training became evident through its practice of research-driven teaching and training programs. Further commitment to research is demonstrated by establishing a documentation center much before the IPE building itself was ready in the 1970s and a major portion of the initial collection to the IPE library was made available by the founding members.

Thus, the phenomenal growth of the institution discerned that there is a direct correlation between culture and knowledge, IPE is a personification of this correlation and stood in this spirit to this day and it continues to be a role model for many institutions in the country through its teaching, training and research activities. The book, *Creating, Building and Sustaining an Institution – A Momentous Journey of Institute of Public Enterprise* by Prof. R. K. Mishra and Dr. P. Geeta has captured holistically the various phases of the growth and evolution of IPE. The book presents IPE in retrospect quite appropriately.





# **National Programme for Training of Scientists / Technologists / Faculty Members sponsored by the Department of Science and Technology, Government of India**

Title of the Programme

## **ENHANCING ACCOUNTABILITY & RESPONSIVENESS IN SCIENTIFIC ORGANIZATIONS**

**Dates: 3-7 January, 2023**

### **Programme Overview**

#### **Institute of Public Enterprise, Osmania University Campus, Hyderabad**

The Institute of Public Enterprise (IPE) is an autonomous non-profit society established in 1964, devoted to research, training, management education and consultancy. IPE has been recognized as a 'Centre of Excellence' in social science research by Indian Council of Social Science Research (ICSSR), Ministry of Human Resource Development, GoI. IPE faculty have a strong research background with global exposure, which is one of the main strengths of the institute.

IPE is pleased to announce a one-week online national programme for scientists and technologists on, 'Enhancing Accountability & Responsiveness in Scientific Organizations' sponsored by Department of Science and Technology (DST), GoI, from 3-7 January 2023. The programme assumes significance during recent times, when the scientific institutions are emerging as key drivers for the development of the nation and its progress. There is also a thrust on bringing in their focus on issues of transparency, accountability and responsiveness and integrating these principles as a fundamental building block for planning and strategy development.

### **Programme Objectives**

The programme focuses on issues of transparency, accountability and responsiveness in scientific organizations and the need to integrate these principles as a fundamental building block for planning and strategy development for these organizations.

### **Broad Programme Content**

1. Conceptualizing accountability and responsiveness in scientific organizations

2. Evolving strategies for enhancing autonomy and accountability in organizations
3. Stakeholder engagement and the challenges
4. Professional ethics and integrity
5. Performance management (organizational and individual)
6. Incentives and motivation

### **Who is Eligible?**

Scientists / technologists holding scientific posts/working in scientific Ministries / Departments of GoI and State Governments, Autonomous Institutions / PSUs of Central / State Governments, R&D Institutions / Research Laboratories of Central / State Governments, Central / State Universities, State Science & Technology Councils are eligible to attend the programme. There is no participation fee for the programme.

### **Fee**

There is no participation fee for the programme.

### **Selection**

Selection of the participants will be based on eligibility and on first-cum-first-serve basis. The organizations may avail this opportunity and depute one or two senior scientists who are holding M.Tech/PhD degrees and actively involved in research and development for the programme. The nominations along with filled in bio-data forms and nomination forms of the participants duly signed by the forwarding authority to the Programme Director, Dr Geeta Potaraju, Assistant Professor, Institute of Public Enterprise, Osmania University Campus, Telangana State, Hyderabad - 500007, or send through Email to: [pgeeta@ipeindia.org](mailto:pgeeta@ipeindia.org) [Mobile -9493401690]



सत्यमेव जयते  
Government Of India

**MINISTRY OF SCIENCE & TECHNOLOGY**  
**DEPARTMENT OF SCIENCE & TECHNOLOGY**

Technology Bhawan, New Mehrauli Road, New Delhi – 110 016  
Tel No. 011-26590349, 011-26590340

**NOMINATION FORM**

Training Programme, Institute & Date of Training	
---	--

Name: Prof / Dr / Mr / Ms			
Designation		Organisation	
Date of Birth		Date of Entry in Govt. Service (As Group 'A')	
Sex (M/F)		Present Pay and Pay Level	
Category (Gen/SC/ST/OBC)			
Complete Address / Contact Numbers / E-Mail			

**Educational / Professional Qualifications (Graduation Onwards)**

Sl. No.	Year	Degree	University / Institute

**Research Experience**

Sl. No.	Year	Topic of Research	Sponsoring Agency

Experience / Postings from Level Scientist 'B' Onwards (In Group 'A')				
Sl. No.	Name of the Organisation	Post Held	From	To

Training(s) Attended				
Sl. No.	Year	Name of the Training Programme	Name of the Institute	Duration
Specific Area In Which Skill Upgradation Desired		1.		
		2.		
		3.		

Signature of the Candidate

Recommendation by the Controlling Officer

(Signature of the Recommendation Officer)  
Name & Designation with Seal

BIO DATA

Name Prof / Dr / Mr / Ms																	
Designation																	
Organisation																	
Date of Entry in Govt. Service (As Group 'A')																	
Category (General/SC/ST/OBC)																	
Date of Birth													Sex (M/F)				
Present Pay										Pay Level							
Complete Address (Office)																	
Complete Address (Residence)																	

Contact Details	Phone (O)	Phone ( R )	Mobile No.	Email

Educational / Professional Qualifications (Graduation Onwards)					
Sl. No.	Examination / Degree	University / Institute	Year	Subject	Division / Percentage of Marks

Experience / Postings (In Group 'A') (From The Level of Scientist-'B' Onwards)					
Sl. No.	Name of the Organisation	Designation	From	To	Duty Performed

Training(s) Attended				
Sl. No.	Year	Name of the Training Programme	Name of the Institute	Duration

Research Experience				
Sl. No.	Year	Topic of Research	Sponsoring Agency	Gist of Research

Paper Published / Patent Filed / Obtained				
Sl. No.	Year	Topic of Paper / Book	Gist of Paper	Name of Journal / Magazine / Publisher

Briefly give details of significant contribution made by you in the field of Science & Technology during your Service career (200 words).

Date :

(Signature)

## **COMMON SUBSCRIPTION FORM**

To  
The Publications Division,  
Institute of Public Enterprise,  
OU Campus, Hyderabad - 500 007  
Telangana, India.

Dear Sir / Madam,

I / We wish to subscribe for the following Journal(s) for \_\_\_\_\_ year(s) from \_\_\_\_\_ to \_\_\_\_\_.

S. No.	Journal Title	Annual Subscription Rates				Put a Tick (✓) for Selection
		For India			For other countries	
		Indi-viduals ₹	Academic Libraries ₹	Corpo-rates ₹	Foreign Subscribers (US\$)	
1	The Journal of Institute of Public Enterprise	1500/-	2000/-	3000/-	200	
2	Journal of Economic Policy & Research	1500/-	2000/-	3000/-	200	
3	Journal of International Economics	1500/-	2000/-	3000/-	200	
4	Journal of Marketing Vistas	1500/-	2000/-	3000/-	200	
5	IPE Journal of Management	1500/-	2000/-	3000/-	200	
6	Journal of Governance & Public Policy	1500/-	2000/-	3000/-	200	

Please find enclosed herewith a Demand Draft / Cheque, bearing No. \_\_\_\_\_ drawn on Bank \_\_\_\_\_ dated \_\_\_\_\_ for Rs/US\$. \_\_\_\_\_ (In words) \_\_\_\_\_ drawn in favour of '**Institute of Public Enterprise**', payable at Hyderabad. Please effect the subscription from next issue onwards.

### **Names of the Journals for which subscription is sent:**

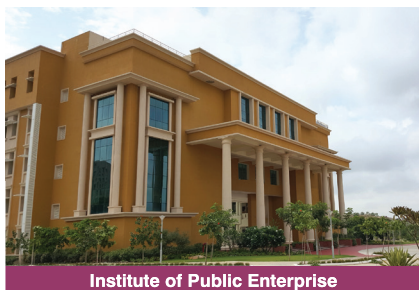
- |          |          |
|----------|----------|
| 1. _____ | 2. _____ |
| 3. _____ | 4. _____ |
| 5. _____ | 6. _____ |

### **Journal Dispatch Address:**

Name of the Individual / Organization \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Pin \_\_\_\_\_ Country \_\_\_\_\_  
Ph. No. \_\_\_\_\_ Mobile No. \_\_\_\_\_  
E-mail Address \_\_\_\_\_

**Signature:**

**Office Seal:**



**The Institute of Public Enterprise (IPE)** was established in 1964 as an autonomous non-profit society. IPE is a premier AICTE approved management Institute focusing on transforming students into leaders of tomorrow in organizations and society. IPE's key objectives include management education, research, consultancy, and training. In 1995, the Institute launched its first two year full-time Post Graduate Diploma in Management (PGDM)

programme to provide skilled human resources to meet the requirements of industry.

Keeping in view the market demand, the Institute also launched sector-specific PGDM programs in the areas of Marketing, Banking Insurance and Financial Services, International Business and Human Resource Management. IPE's engagement with long-term management education has received wide appreciation from the industry, government and social sector enterprises. The Institute continuously endeavors to update the content and teaching methodology of its courses based on feedback from the end-users, ensuring the quality, relevance and utility of all its programs and courses.

IPE is consistently ranked among the leading B-Schools in India in most well-known ranking surveys. IPE has also been awarded a premium accreditation label of the SAARC region, 'The South Asian Quality Assurance System' (SAQS). Over the years IPE has won several awards and honors for its academic & research excellence.

IPE has a very successful track record of running MDPs over a long period of time. IPE also has a strong Research and Consultancy division, which provides consulting services and undertakes research projects for various national organizations. The Institute has been recognized as a 'Center of Excellence' by the Indian Council of Social Science Research (ICSSR), Ministry of Education, and Government of India.

The Governance of the Institute is overseen through a Board of Governors composed of eminent policy makers, academicians, and CEOs of public and private sector enterprises.

Apart from Journal of Governance & Public Policy, IPE also publishes six other journals titled:

- The Journal of Institute of Public Enterprise
- Journal of Economic Policy and Research
- Indian Journal of Corporate Governance
- Journal of International Economics
- IPE Journal of Management
- Journal of Marketing Vistas

The publication of Journal of Governance & Public Policy is supported by the grant received from Indian Council of Social Science Research (ICSSR), Ministry of Education, Government of India, New Delhi.



**INSTITUTE OF PUBLIC ENTERPRISE**

(Under the aegis of ICSSR, MoE, GoI)

Shamirpet Campus, Hyderabad - 500101.

Phone: +91-40-234 90 900 Fax: +91-40-234 90 999

E-mail: [editorgpp@ipeindia.org](mailto:editorgpp@ipeindia.org) Website: [www.ipeindia.org](http://www.ipeindia.org)

Registered with the Registrar of Newspapers in India under Serial No. APENG/2011/45385





# INSTITUTE OF PUBLIC ENTERPRISE

SHAMIRPET, HYDERABAD

**TRANSFORMING STUDENTS INTO  
GLOBAL BUSINESS LEADERS**

## PGDM ADMISSIONS OPEN



### Why Join IPE?

- All programmes approved by AICTE, MoE-Gol
- Excellent Placements & Internships assistance
- 100+ Companies visited 450+ Jobs offered
- Strong Complement of Multi-disciplinary Faculty
- Leading Recruiters include Deloitte, PwC, Mondelēz, ANZ Bank, HUL, HDFC Group, TCS, Accenture, Tech Mahindra, Federal Bank, Genpact, Xiaomi



**1<sup>st</sup> Rank**  
in South India  
(Chronicle 2022)

**5<sup>th</sup> Rank**  
Top Govt B-Schools of India  
(CSR - GHRDC 2021)

**11<sup>th</sup> Rank**  
Top B-Schools in South India  
(Business Today 2021)

**19<sup>th</sup> Rank**  
All India Best B-Schools  
(Times B-School 2021)

### Applications are invited for

1. PGDM\*<sup>\$</sup>
2. PGDM – Marketing\*
3. PGDM – Banking Insurance and Financial Service\*<sup>\$</sup>
4. PGDM – International Business\*<sup>\$</sup>
5. PGDM – Human Resource Management



<sup>\$</sup>NBA Accreditation and MBA equivalence by AIU, \*Program with additional quota for Foreign Nationals, PIO, OCI, Children of Indian Workers in Gulf Countries (CIWG).

**Unlimited & Generous Scholarships**  
**Qualifying Exams CAT / XAT / GMAT / MAT / CMAT / ATMA**

For details visit [www.ipeindia.org](http://www.ipeindia.org) Contact: 9391932129 / 9154709139  
Toll free: 1800-120-4473 Email: [admissions@ipeindia.org](mailto:admissions@ipeindia.org)



South Asian Quality  
Assurance System



Member of EUROPEAN  
FOUNDATION  
FOR MANAGEMENT  
DEVELOPMENT



Institute of Public Enterprise,  
State of Art Shamirpet  
Campus - Awarded 'Five  
Star' rating by GRHA



Institute under the  
aegis of ICSSR, MoE-Gol