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## The System of Performance Management in Central Public Sector Enterprises through Memorandum of Understanding: A Background\*

R. K. Mishra<sup>1</sup> and Geeta Potaraju<sup>2</sup>

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*The Public Sector in India was an initiative by the policy makers after the attainment of India's Independence in 1947. The basic philosophy and ethos of Public Sector highlighted the need for creating a comprehensive network of infrastructure facilities to promote speedy industrialization and rapid economic development in the country. At the same time it was the aim of the policy makers to make available all essential services to public. The philosophy stressed the need for rectifying regional imbalances and promoting balanced regional development throughout the country. A significant feature of the basic philosophy and ethos of public sector in India was to take up these developmental activities irrespective of the risk involved namely heavy investment, low returns, and long gestation periods. The need of the hour was that the public enterprises should take up the initiative of providing social justice through equal employment opportunity to all. The intention was not to make profits out of these enterprises, though they were not started with an intention to incur losses either. The aim was to generate resources through public sector for financing other developmental programs initiated by the Government. In order to make public sector organizations more competitive and to bring in a culture of professionalism in the working of these enterprises several initiatives were taken by Government of India. One such initiative is the introduction of a system of performance management in public sector enterprises which is called the MoU (Memorandum of Understanding) system. This paper narrates the evolution and growth of the system of MoU in central public sector enterprises in India.*

**Keywords:** Public Sector, Government of India, Performance Management, Memorandum of Understanding, System of MoU

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1. Director, IPE and can be reached at [rkmishra@ipeindia.org](mailto:rkmishra@ipeindia.org)

2. Asst. Professor & Head – Centre for Governance & Public Policy, IPE and can be reached at [pgeeta@ipeindia.org](mailto:pgeeta@ipeindia.org)

\* This paper is a reprint from the book 'Memorandum of understanding in India' by RK Mishra & Geeta Potaraju. Academic Foundation, New Delhi, (2016)

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## **On a few Strategies for a Sustainable Turnaround of the Indian Railways**

*Bodhibrata Nag<sup>1</sup> and Ashok Banerjee<sup>2</sup>*

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*The paper focuses on evaluation of the few turn around strategies available with the Indian Railways to improve its operating ratio. The strategies examined are (a) choice of electric traction and the pace of electrification (b) improvement of utilization of network capacity (c) bench marking of maintenance expenses (d) benchmarking staff deployment and (e) inflation indexed tariff. The paper demonstrates that judicious application of these strategies can have substantial impact on the profit margin of the Indian Railways.*

**Keywords:** Indian Railways, Electric Traction, Network Capacity, Benchmarking

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### **Background**

Indian Railways (IR) is the world's third largest railroad network under a single administration. It is the world's second largest railway passenger transport organization, carrying 8 billion passengers annually. It is also the world's fourth largest railway freight transport organization, carrying nearly one billion tons annually (Ministry of Railways, 2011).

IR being a part of the Government of India, is regulated by the Indian Parliament. No expenditure can be

incurred by the Indian Railways until it is approved by the Parliament. For this purpose, the Minister of Railways presents the Railway Budget to the Lok Sabha every year, containing details of expenditure incurred during the last financial year, estimates of expenditure for the next financial year along with proposals to meet the expenditure in the form of Demand for Grants. The Budget is discussed in the Lok Sabha and the Lok Sabha Standing Committee on Railways, followed by voting.

1. *Professor, Operations Management Group, Indian Institute of Management Calcutta, Kolkata and can be reached at [bnag@iimcal.ac.in](mailto:bnag@iimcal.ac.in).*
2. *Professor, Finance & Control Group, Indian Institute of Management Calcutta, Kolkata and can be reached at [ashok@iimcal.ac.in](mailto:ashok@iimcal.ac.in)*

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## Impact of Liberalization Policy on Telecom Sector Growth in India

Kawaljeet Kaur<sup>1</sup> and Neena<sup>2</sup>

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*The telecom sector in India has witnessed a series of fundamental structural and institutional reforms over the past decade. Open and transparent regulatory regime has helped the sector to grow leaps and bounds. In this paper, an attempt has been made to review the major policies of telecom sector in India, their implementation status and impact on the growth and performance of telecom sector. Analysis indicates that National Telecaom Policy (NTP)-1994 could not succeed in all aspects due to lack of resources as target of rural telephony remain unachieved. NTP-1999 is considered as an important milestone and instrument of telecom reforms in India because it laid down a clear roadmap for future reforms and contemplated opening up of all segments of telecom sector for private sector participation. Further, Universal Service Obligation Policy is playing a significant role in establishing Village Public Telephones and broadband connectivity in rural and remote areas. Recent policy initiatives i.e., NTP-2011 and NTP-2012 aim at making available affordable, reliable and secure telecommunication and broadband services across the entire country. The study also focuses on the approach of Five Year Plans for development of telecom sector. The study implies that the share of telecommunications in total Plan outlay has increased from 2.27 per cent to 7.09 per cent during the whole Plan period of 1951-2012.*

**Keywords:** Telecommunications Policies, Liberalization, Regulation, Growth

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### Introduction

The government of India recognizes that provision of world class telecommunications infrastructure and information is key to rapid economic and social development

of the country. The development of telecom infrastructure depends on four key factors: rollout, competition, price, safety and aesthetic concerns. The rollout of services by operators takes place only on the back of robust

1. Assistant Professor, Khalsa College, Amritsar, Punjab and can be reached at [kawaljeet1314@gmail.com](mailto:kawaljeet1314@gmail.com)
2. Associate Professor, Punjab School of Economics, Guru Nanak Dev University, Amritsar, Punjab and can be reached at [malhotradrneena@gmail.com](mailto:malhotradrneena@gmail.com)

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# A Study on the Level of Quality of Work Life Experienced by the Employees of Public Sector Units in Kerala

Jnaneswar K.<sup>1</sup>

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*Quality of Work Life is a dynamic multidimensional construct that includes such concepts as job security, reward systems, training and career advancement opportunities, and participation in decision making. Quality of work life is considered necessary for the sustainable HRD practices in any organization. The present study attempts to find out the level of quality of work life among the employees of public sector units in Kerala. Data analysis is collected from the employees of Public sector units of Government of Kerala using structured questionnaire. Results reveal that the level of quality of work life is moderate in public sector units in Kerala. The study also finds that male and female employees are experiencing the same level of Quality of work life. Similarly married and unmarried employees as well as executive and non executive employees also experience the same level of quality of work life. A significant difference was found between age group, experience and education and quality of work life. The present study throws light into the lacunae of the present system which is prevailing in the PSUs and the recommends suggestions to improve the same for the sustainable human resource development.*

**Keywords:** Quality of Work Life, Public Sector Units, Human Resource Development

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## Introduction

The capability of an organization to recruit, motivate, and retain its workforce will determine its success. Current environmental turbulence calls

for more sustainable human resource development practices that ensure employee's efficiency and effectiveness without compromising their happiness and satisfaction. Quality of Work

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1. Associate Professor, TKM Institute of Management, Kollam, Kerala and can be reached at [jnaneswar@gmail.com](mailto:jnaneswar@gmail.com)

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## Strategic HRM Practices – Public Sector Perspective

Sumit Sahoo <sup>1</sup>

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*Post LPG era witnessed expansion of all the sectors of the economy facilitating MNCs setting up their manufacturing and R&D organizations in India. These MNCs brought with them the best of strategies, the state of the art technology, global HR practices, Compensation & Benefit, Career Development, and Performance based work culture, initiatives on Employee Engagement etc. These phenomenons brought in radical changes in strategies and in particular rethinking of HRD Strategies and threat especially to Government Organizations and PSUs at large.*

*In developing countries, applying the models of HR strategy is not given a due consideration. Few studies have focused and examined the importance of the strategic HRM and its impact on the overall organizational success in India. The main reasons are the newly emerged SHRM relevant knowledge, lack of maturation of strategic dialogue in this area, lack of resources and references in native languages, lack of attention to the localization of successful and innovative international models.*

*As a consequence to the above, the thrust of business success for the PSUs would be identifying key HR areas where strategies can be implemented in the long run to improve the overall employee motivation and productivity.*

*This paper brings out various challenges faced by CPSEs, practices of strategic HRM and a study in one of the Public Sector Undertakings.*

**Keywords:** HRD Strategies, Strategic HRM, CPSEs, Public Sector Undertakings, Globalisation

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### Introduction

Business organisations face serious challenges emanating from the rapid rate of obsolescence in machine, technology, changes in financial and

market domains and surmountable HR challenges. R. Collins State that “*Improvement in the strategic management of people also requires a commitment to sustained long-term*

1. *Manager-HR and Executive Assistant to Director (HR), BEML Limited, Bangalore and can be reached at [sumitshoohrd@gmail.com](mailto:sumitshoohrd@gmail.com)*

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## HRD Systems and Organizational Performance: A Qualitative Review of Research

Ravindra Jain<sup>1</sup> and Sanjay Gulati<sup>2</sup>

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*In this article, an attempt has been made to review of a wide array of previous research studies on HRD and its impact on organizational performance as well as to synthesize the review results. Our review indicates that HRD system as a whole and its process mechanisms, viz., training & development, employee empowerment, job enrichment, and organizational climate in particular are positively associated with different outcomes of organizational performance that range from very proximal (i.e. better job performance of the employees) to more distal (i.e. increments in productivity of the organization). HRD system and processes contribute positively to increments in competencies, operational performance, productivity, job satisfaction and commitment of the employees on one side and on the other such system and processes have positive impact on the organization's productivity, adaptability, flexibility, competitiveness, change in organizational climate, incremental improvements in quality of products / services, retention of valued employees, reduction of employee turnover, reduction in operating costs, and also in shaping customer and shareholder satisfaction and thus as a whole organization's overall performance is improved on incremental basis. However, the mechanisms linking HRD and outcomes of organizational performance appear as fragmented. Implications of the study have also been discussed.*

**Keywords:** HRD, HRD and Organizational Performance, Training, Employee Empowerment, Job Enrichment, Organizational Climate, Human Resource Development, Training and Development, Organizational Performance.

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1. Professor in Business Management & Dean, Faculty of Management Studies, Vikram University, Ujjain, Madhya Pradesh and can be reached at [jainravindrak@rediffmail.com](mailto:jainravindrak@rediffmail.com).
2. Dy. Director, Institute of Open and Distance Education (IODE), Barkatullah University, Bhopal, Madhya Pradesh and can be reached at [sanjay.s.gulati@gmail.com](mailto:sanjay.s.gulati@gmail.com)