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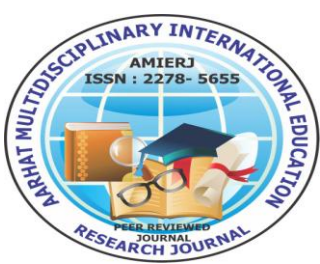
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STEPS TAKEN TOWARDS THE TRANSFORMATION OF INDIA POST – A REVIEW

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Abstract:

India post facing a twin challenges one from private courier services in urban areas and also financial institutions like bank and insurance companies and other from advances in communication technology, specially in Mobile Telephone and increasing use of Internet. One of the major problem faced by India post under Information Technology Modernization project that total 2,69,000 Gramin Dak Sewaks with minimum qualification of matriculate or below and without having any technical knowledge. In addition to this, many senior officials don't know the fundamentals of computer. This paper gives an overview of steps taken by the India Post towards transformation.

Keywords: *Department of Post, All India Postal Employees Union, Globalisation, Transformation, Challenges*

I. INTRODUCTION

Indian postal service is one of the largest postal network in the world having 1,54,979 post offices all over the country. Initially India Post having 23,344 post offices opened in urban areas prior to independence serving to needs of 15,038 persons and covering 53 square miles area to 1,54,979 post offices, out of which 1,39,182 i.e. 89.81% in rural and 15,797 i.e. 10.19% in urban areas having 4,75,000 employees, out of which 2,06,000 Departmental and 2,69,000 Gramin Dak Sewak as an 30.03.2010, serving 7,176 people in average i.e. 5682 in rural and 20,346 in urban area covering an area of 21.2 sq. kms. India post provide a range of services going beyond parcel and mail distribution to a well established post office saving bank which operate more than 240 million saving account as on 31.03.2010.

II. OBJECTIVE

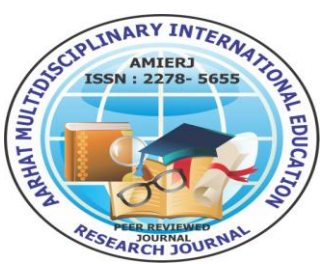
1. To study the steps taken by the India Post to face the challenges and competitions.
2. To analyze the processes adopted by India Post to meet the challenges.

III. REVIEW OF LITERATURE

a) **Future of India Post** written by Bruhaspati Samal, Divisional Secretary, All India Postal Employees Union (AIPEU), Gr.-C, Bhubaneswar (Odisha) awarded 1st Prize in 29th All India Conference of AIPEU for his article published in Bhartiya Post. He put forward the thought that due to vast use of electronic media, more demanding customers, presence of Organised / Unorganised courier for mail service, Financial Institutions like banks and Insurance companies and above all the challenges of globalization, corporatization and liberalization, post should take the proper steps for his survival. He highlighted many points that taken by the India Post.

1. Business Development: India post introduce several new products and services viz. Speed Post, Express Parcel Post, Business Post, Media Post, Retail Post, Direct Post, Bill Post, Bill Mail Service, Logistic Post, ePost, iMO, ePayment, World Net Express etc. which cater to the need of every citizen.

- 1.1. To cater the needs of NRI dependent families in India, The department in collaboration with the Western Union Financial Services, USA operates International Money Transfer Service through the post office in India, which enables instantaneous remittance of money from 185 countries to India.
- 1.2. In January 2006 an online web-based domestic money transmission service called iMO was launched. Which enables customer to receive money in minutes from any of 2175 identified post offices.
- 1.3. The electronic money order i.e. eMO which has been launched in October 2008 facilitates transmission of ordinary money orders from all the computerized post offices through electronic media with out any extra charge.



- 1.4. International co-operation Agreement with Money Gram Payment System, USA to offer to the public the Money gram International Money transfer service through selected post offices in India on 29th September 2011.
- 1.5. e-Payment is a Many-to-one service which helps customers to pay bills and taxes in 14000 post office.
- 1.6. ECS scheme on 9th August 2003 which facilitate depositors to get MIS interest automatically transferred and credited into their Saving Bank account on the due dates at the designed Bank of their choice.

2. IT Modernization: Project Arrow concept under “Look and Feel Good” concept introduced in April 2008. Initially 45 post offices were computerised. Computer hardware was upgraded in 1847 post offices and 500 post offices were modernized under Project Arrow. During 2009-10, 2920 post offices were computerised, computer hardware was upgraded in 92 post offices and 500 post offices were modernized under Project Arrow. As on 31.03.2010 out of 25,563 departmental post offices, 14,415 post offices including those in the rural areas have been computerised. 1304 post offices have been networked through leased line so far with the national Data Center. Further 5170 post offices have been networked through broad band. The XIth plan proposal includes computerization and networking of remaining 10841 department post offices and all the 1,29,416 branch offices.

Being largest and oldest banking institution operate 240 million saving accounts and the outstanding balance under all eight national saving schemes SB, FD, RD, MIS, SCSS, PPF, NSC and KVP is Rs. 5828329.6 million as on 31.03.2010.

3. Potencial Service Provider:

- 3.1. Ministry of Statistics and Program Implementation (MOSP) has entrusted the job of collecting statistics for ascertaining the Rural Price Index from 1183 post offices across the country with effect from October 2009.
- 3.2. Railway Ministry and the Department of Post have signed a memorandum of understanding for providing railway ticket booking services at the post offices.

3.3. Department of Post is discharging the responsibility to disburse the wages to National Rural Employment Guarantee Scheme (NREGS) beneficiaries through post office saving bank account.

3.4. The Department of Post in collaboration with NABARD providing facility of micro credit to Self-Help Groups (SHGs) through identified post offices.

3.5. Department of post has signed an agreement on 17.09.2008 with ICICI Prudential Life Insurance Company Pvt. Ltd. to retail their pension products.

3.6. India Post introduced a new international air express service known as World Net Express as on 26.11.2008. The service is available at selected post office for more than 220 countries.

3.7. India Post has tied up with State Bank of India to sell its assets and liability products.

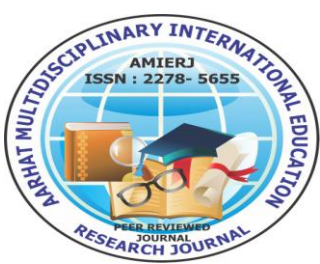
3.8. Old Age Pension is being paid through post office saving bank account and through money order.

3.9. As a tie-up with Reliance Money Limited, Sale of Gold coin has been launched on 15th October 2008 as part of retail post in selected post office.

3.10. Under partnership with Deutsche Post, Money Order Videsh was launched by India Post on 24.10.2009 to facilitate remittances to foreign countries and receiving of remittance from foreign countries through post office. (Samal, 2013)

b) India Post: The past, present and future written by rediff business standard summarised the growth of India Post. They want postal network had to reinvent itself in the face of liberalisation, facing competition from private courier services in urban areas and other financial intermediaries. India post started sale of insurance, pension and investment schemes has begun in 20 of the 22 postal circles and in partnership with UTI Mutual Funds. Finally concluded with a network that already reaches every household in the country, India Post is now set to become a major partner in meeting the objectives of financial inclusion. (Rediff.com, 2010).

- c) **Globalisation of Indian Postal Service – A study** by Ms. Sonia Riyat concluded in his paper that Indian Postal Service needs technological, social, cultural and economic change. With a little bit change, it can create a monopoly in the market. (Riyat, 2008)
- d) **Post office savings and its relevance in rural areas** by Mrs. K. Parimala Kanthi summarised that India post customers having various investment opportunities for his savings and he can choose the appropriate investment schemes, which suit his needs. The different types of investments are provided by many financial institutions like commercial banks, co-operative banks, post office saving banks, life insurance corporations, public limited companies amongst them Post Office Saving Bank play vital role. in his study it is found that majority of the investors are aware of all the post office saving schemes, preferred post office saving account, the main objectives of the investors are regular return, Children education and marriage are the main purpose, and only a very few investors are dissatisfied with post office saving schemes. (Kumar, Jan 2013)
- e) **Identifying Factors influencing preference towards Post office Saving Schemes** by Ritika Aggarwal discloses that Post Office Savings Bank in India differentiates its offer by building a unique bundle of competitive advantage. It has positioned its postal saving products as differentiating on the important attributes of safety, security and risk free factor. POSBs are still preferred by investors as it is fully backed by government and functioning for long. The trust is high in investors where safety of the deposit money is more important issue than the returns on investments. The only problem lies is that it is not taking strong steps to deliver and communicate the desired position to target customers. One of the important challenges towards Indian Post Office is the revolution in IT (Computerization, networking, automation, process reengineering), which has provided automation technology similar to the banks and other financial institutions. (Aggarwal, December 2012)
- f) **Role of Technology for Postal Systems and Challenges for India** by Mr. Sanjaay Mirchandani, Regional Vice President, Microsoft Asia, described ways to manage the postal sector business by using information technology as a key enabler. There are four pillars of



strategic change and development for a postal system: empower the customers, employees, and partners through great services and solutions; broaden the use of the post office and transform it into a gateway for value added services; measure operational costs, productivity, and customer value; and improve the productivity of service delivery and employees. Information technology supports all four of these pillars.

Both the United States and New Zealand have successfully used information technology platforms to integrate their postal networks. The U.S. Postal Service built a strong information technology infrastructure to support electronic postmarks and cost-effective delivery of services. In addition, New Zealand Post introduced an e-government platform for delivering customized services. (Mirchandani, 2005)

g) Transformation of Indian Bank into a Profit-Making, Customer Focused Business

by Ms. Ranjana Kumar, Chairperson, National Bank for Agriculture and Rural Development; former Chairperson and Managing Director, Indian Bank,

Ms. Kumar discussed a case study on the restructuring of Indian Bank, a public sector organization. Unlike India Post, Indian Bank needed immediate restructuring because of a serious financial crisis. This crisis resulted from two structural issues: weak business performance and a flawed human resource policy. A first attempt at reenergizing the bank failed in the late 1990s, costing the government significant resources to recapitalize the bank. In a second attempt a management advisory group was created. This group identified several critical problems: mismanagement, neglect of market opportunities, and a total lack of accountability. Indian Bank focused on completely reforming its top management and brought in a dynamic team of professionals. That introduced great flexibility in the bank's decision-making. The management advisory group prepared a restructuring plan for 2000-03 that was so successful that after a decade of losses the bank earned a net profit in just two years.

Business performance and human resource management were the two important areas of improvement for Indian Bank. The government allowed a two-tranche recapitalization, and more than 3,000 staff left under the voluntary retirement scheme. The bank improved human resources by upgrading skills through training, improving promotion and transfer policies, and giving

managers the freedom to make important decisions. It also defined key indicators for regularly measuring performance.

This example demonstrates that strategic reform is possible in the public sector and that it can transform organizations with complex financial and operational issues into vibrant institutions. For India Post the case study offers critical lessons on the importance of addressing employee motivation, establishing a dynamic management team, and pursuing a more aggressive marketing strategy in order to thrive in the market.

The international example and especially the restructuring of Deutsche Post-demonstrate that postal sector reform is a long-term process. They also show that reforms, to have a chance of success, must be based on clear consensus and support from the government. (Kumar M. R., 2005)

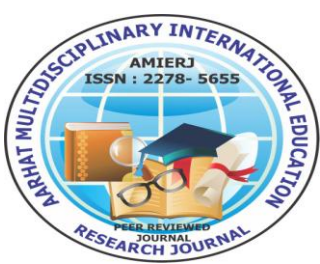
h) Investors' Attitude towards Savings in Post Office by Dr. K.Senthilkumar concluded in his research paper that necessary postal investments can be made available if the postal investments intermediaries perform their work efficiently and effectively. Banks, non-banking finance companies, post office and share markets are the major intermediaries. These organizations help the retail and rural investors to save and invest their money for a specific purpose. Among the above, India post offices perform their work efficiently and effectively with reference to rural investments. Hence, the postal investments and rural savings have a dual role to play. Primarily they undertake the responsibility of savings of India postal investors and secondly they help the nation to generate the necessary funds resulting in the society's getting overall benefits. (Kannaiah, 2014)

IV. SUGGESTIONS

The Indian post office network, a central government service, has been fairly well spread out across all the states. As mail services became more competitive, volumes declined and profits began to fall, causing postal players to seek new lines of business and markets and attempt to control costs to stem the tide of revenue lost from traditional mail. (Buhler, 2013)

Some suggestions noticed during review of literature, which are required to be taken care of to meet the challenges and to secure the future of India Post.

1. Mass scale Closure/Merger/Relocation can not be accepted when all other private couriers are competing to canvass customer of India Post by opening more and more outlets in urban areas for extending their services to the door steps of such customers.
2. India post has to undertake and end to end IT Modernisation project to equip itself with requisite modern tools and technologies.
3. Need of basic infrastructure and queue management system.
4. Instead of promoting products and services of outside agencies i.e. ICICI, UTI, Reliance etc. More revenue will be earned if India Post does directly any business instead of doing through intermediaries.
5. The Department does not find any financial autonomy and commercial flexibility to respond to market forces quickly and efficiently since it is functioning as a corporate agent of the Ministry of Finance. Full autonomy for operationalization of all Post Office Saving Bank (POSB) schemes needs to be retained with India Post.
6. India post aims at providing new and better services on par with global industry standards by computerizing and networking of all post offices using Client Server System.
7. Need of technologically and Management qualified personnel required.
8. Increase morale, productivity of its personnel.
9. To increase the post office employee's productivity, they should follow job rotation policy because similar nature of work makes an employee less productive and irritate.
10. Softskill training is provided to the employees but the implementation should be done from the Top-level management because they are the leaders. If a leader comes late in the office, the follower will also come late.



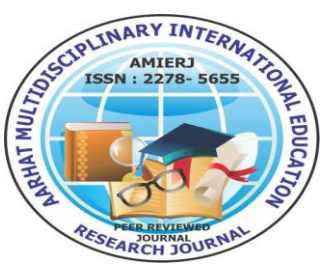
11. Employees satisfaction carries a greater value. A true and fair feedback system should be their where each employees can put their words without any fear.
12. Ask the suggestions from the employees.
13. A dress code should be there to form uniformity among employees and colour of the uniform should be in a light shade because it makes the working environment cool.
14. No employee should be allowed to work overtime.
15. An attractive infrastructure attracts the customers. Therefore attention should be given towards this side.
16. There shall not be a long queue in any counter
17. Postal saving bank should also provide higher rate of interest on deposit similar to bank.
18. Post should promot them through advertisement in newspaper, tv etc

V. CONCLUSION

Indian postal service is undergoing a transformation. India post is started to explore the new ways to increase mail volumes and retain the customers they have. To stay in the competition, post must continually modernize across all areas of their operations. They must rethink and reinvent the services they offer and keep the customer satisfied. Some of the keys during transformation are employee motivation, team management, more aggressive marketing strategy, attractive infrastructure, Dynamic queue management, Softskills traing to employees, Dress code, fixed hours of working and full autonomy for operationalization. The next steps is to collect the feedback from customers and postal employee and will be evaluated through hypothesis test and questionnaire survey.

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