

Managerial Issues of Organized Service Sector: A Case study on Gelatin Factory

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1.1 Definitions of Formal Sector

“An organization is formal when the activities are coordinated towards a common objective”. For many tasks within modern societies, people require groups they can deliberately create for the achievement of specific goals. The present paper mainly deals with the standardization of organization operation & personnel behavior regarding the organization.

The formal organization is basically goal-oriented entity that exist to accurate the efforts of individuals and it refers to the structure of jobs and positions with clearly defined functions, responsibilities and authorities. “Formal organization is a group that restricts membership and makes use of officially designated positions and roles, formal rules and regulations, and a bureaucratic structure.” This notion deals with the organization with a distinctive rules & organization regulations regarding the structure [1].

1.2 Objectives of Formal Organization

1. To facilitate the accomplishment of the goals of the organization.
2. To facilitate the co-ordination of various activities.
3. To aid the establishment of logical authority relationship.
4. To aid the establishment of division of labor.
5. Create group cohesiveness.

1.3 Characteristics of Formal Organization:

A formal organization has the following characteristics:

1. Well defined rules and regulation.
2. Arbitrary structure.
3. Determined objectives and policies.
4. Limitation on the activities of the individual.
5. Strict observance of the principle of co-ordination.
6. Messages are communicated through vertical chain.
7. Status symbol.

1.4 Growing Prominence of Organized Sector Vs Unorganized Sector in India

The growth of formal employment in the country has always been less than that of total employment, indicating a faster growth of employment in the formal sector.

Temporal data suggests that within the formal sector also the proportion of informal/unorganized workers is on the increase.

For instance, by providing a comparison of the NSSO Employment Data for 55th and 61st Rounds (for 1999-2000 and 2004-2005 respectively) the NCEUS (2007) explains that the country is currently in a state of ‘informalisation of the formal sector’, where the entire increase in the employment in the organized sector over this period has been informal in nature (NCEUS, 2007) [2].

Growth of organized and unorganized sectors NDP can be described by annual growth rate and annual average growth rate (AAGR). Graph shows the trends of annual growth rates of organized and unorganized sectors NDP during 1971-72 to 2005-06.

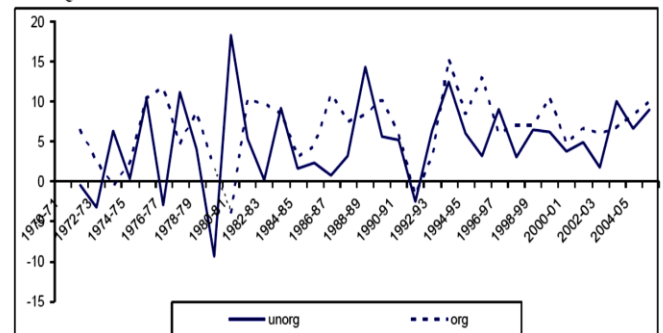


Figure 1.1 Graph depicting the comparison between growth rate of NDP in organized and unorganized sectors

It is worth mentioning here that unorganized agricultural jobs had the 99.9 percent share of the total agricultural jobs and unorganized manufacturing, 87.7 per cent of the total manufacturing jobs respectively. That means agriculture and manufacturing together had about 98.2 percent jobs in the unorganized sector (NSC REPORT 2012) [3].

II. OBJECTIVES OF THE STUDY

- a. To understand the difficulties and problems faced by the formal sector workers.
- b. To analyze the obstacles and opportunities involved in organizing the organized sector workers with help of the SAP-LAP

- c. To analyze the obstacles and opportunities involved in organizing the organized sector workers with help of the Interpretive Structural Modeling (ISM) Techniques [4].

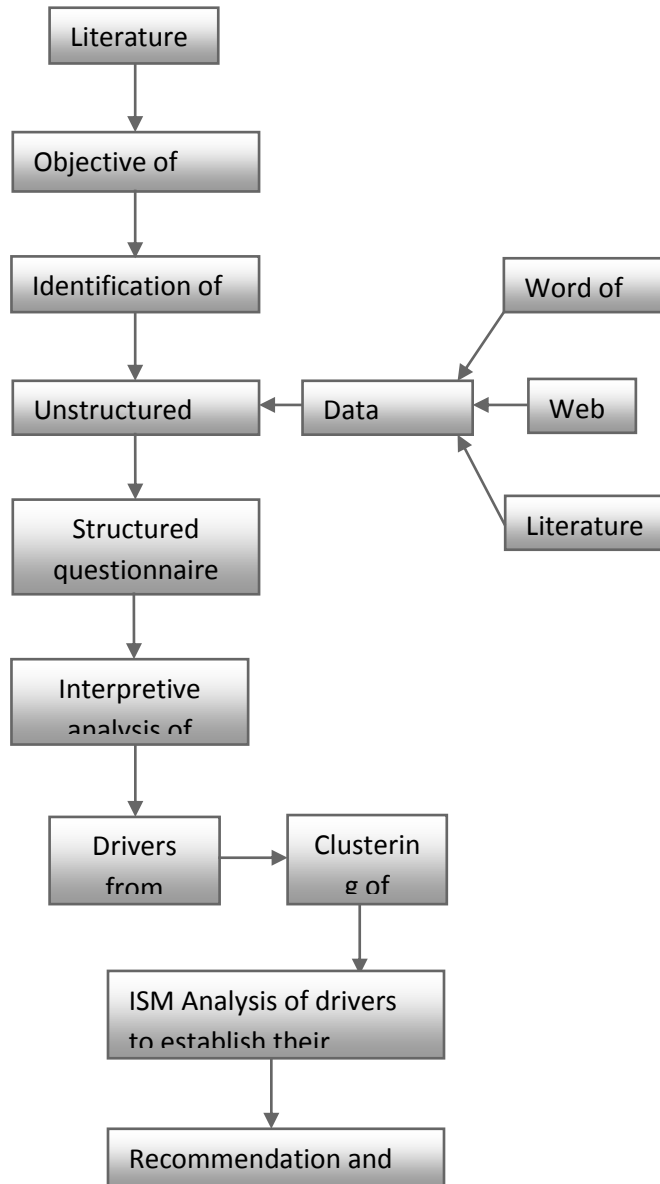


Figure 3.1 Road Map of Research

III. METHODOLOGY

We have divided the methodology of this study into two parts.

- 3.1 SAP-LAP Model
- 3.2 Interpretative Structure Modeling (ISM)

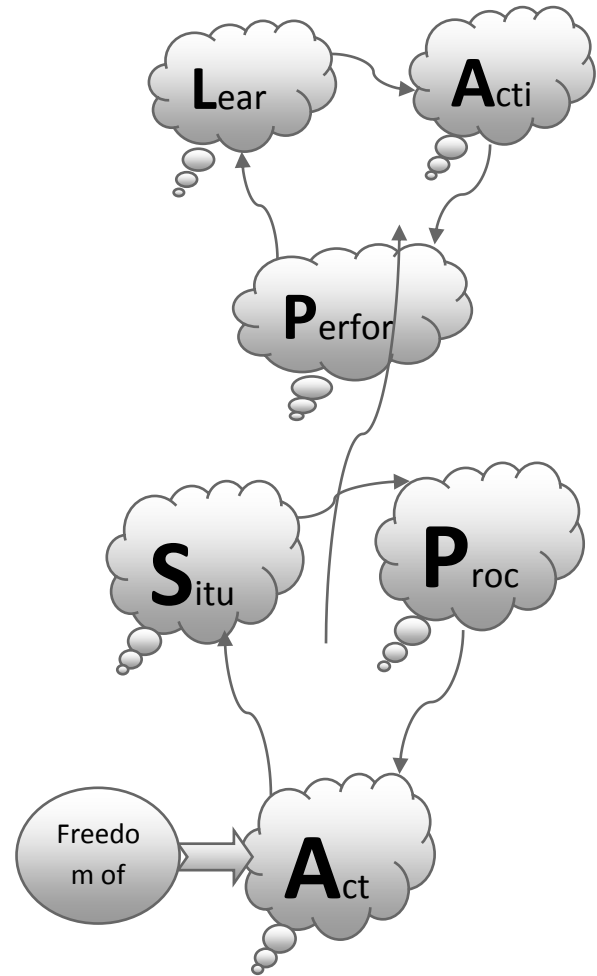


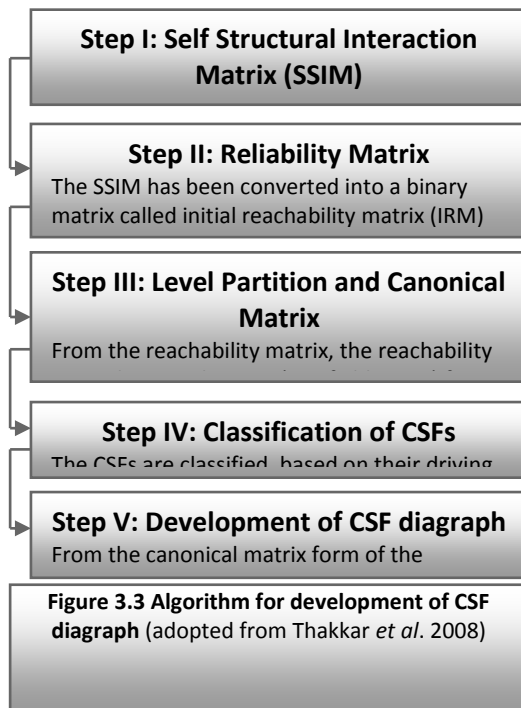
Figure 3.2 SAP-LAP Model

3.1 SAP-LAP is an integrative framework comprising of six basic components:

- i. The '**situation**' to be dealt with, which can be external or internal to the organization.
- ii. The '**actor(s)**' dealing with the situation, which can be 'internal' or 'external' with reference to the organization under study.

- iii. The '**process(es)**' dealing with the situation, which can again be 'internal' or 'external' to the organization.
- iv. The key '**learning**' issues, in terms of the achievement of objectives or problem areas.
- v. The '**action(s)**' to be taken based on learning, affecting the performance areas or objectives.
- vi. The '**performance**' areas in terms of 'objectives' to be achieved or key result areas (KRAs).

3.2 ISM is a process that helps groups of people in structuring their collective knowledge. The term ISM refers to the systematic application of graph theory in such a way that theoretical, conceptual, and computational leverage is exploited to efficiently construct a directed graph, or network representation, of the complex pattern of a contextual relationship among a set of elements



IV. PROCESS

➤ Production

Gelatine is extracted after acidulation, Maturation & Washing. It is extracted in stages. The initial extracts are obtained at low temperatures and have the highest gel strengths. Subsequent extracts are made in stages of higher temperatures [5].

The process technology perfected by the company ensures complete and total extraction of the gelatine.

➤ Purification

The Gelatine solution obtained from the extraction process is subjected to intense filtration and ion exchange. This ensures effective removal of physical and chemical impurities.

➤ Evaporation

With effective usage of energy, water is removed from the purified solution and the Gelatine is gently concentrated to a honey like consistency. This highly viscous solution is once again passed through polishing filters capable of removing even the finest suspended particle and is simultaneously sterilised.



Evaporation process in factory

➤ Drying

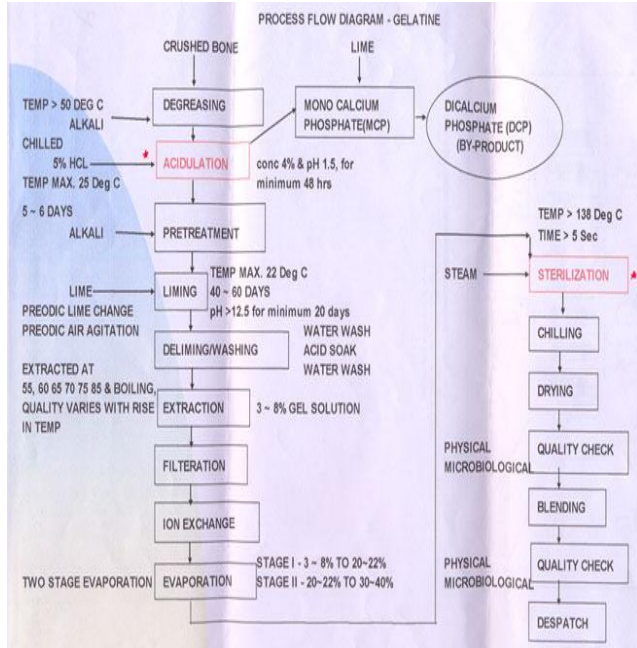
The concentrated gelatine solution is solidified and a continuous flow of jelly noodles are produced. These noodles are evenly spread on a continuous band drier.

➤ Grinding- Sifting & Mixing

Depending upon the end use requirement and specification the dry gelatines are transformed into consistent despatchable material. Various high speed mills and large capacity blenders are used depending on specific requirements at this stage.



Grinding- Sifting & Mixing process in factory



Process Flow Diagram of factory

V. CONCLUSION

The overall effort put into the present work can be broadly categorized into the three levels.

1. Literature survey and its analysis in formal and non formal context .which include definition, classification and analyses growth and determinants of employment in organized manufacturing sector in India. There is no doubt that the formal sector workers face a number of difficulties . They have less time for social involvement [6].
2. The proposed generic framework of SAP-LAP linkages can be applied in multiple ways to facilitate analysis of various managerial contexts. It is based on the three key entities, viz. situation, actor and process and takes the learning centered synthesis in terms of learning, action and performance. The proposed SAP-LAP linkages incorporate only those relationships which might be of use in a variety of situations.

However, some new cross-interaction matrices can also be developed if required in a particular context. For example, Actor x Action matrix giving relationship of actors for various actions would be useful. This matrix is indirectly represented in the current framework in terms of assessment matrix for 'action' for fixation of responsibility with various actors, and thus, not proposed as a separate cross-interaction matrix. The utility of the framework would be enhanced by way of application in various practical situations with adaptation and innovation. It is expected that a richer analysis would be possible to generate new insights into managerial contexts for effective problem solving, strategic planning and organizational analysis [7]. Since the proposed framework already has interpretive relationships in various matrices, subsequently Interpretive Structural Models (Warfield 1974, 2003) can be developed to interpret the hierarchies of elements under SAP-LAP framework.

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