

Comparative analysis of the operating performance of BSNL with other operators

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Abstract

This study can provide all essential information about the operating performance of BSNL. Many issues are present in BSNL that can decrease the operational efficiency of this telecom organization. Revenue growth-related problems are also increased rapidly due to these issues. These all issues are analyzed successfully in this study. This study can provide information about services of BSNL such as broadband, wireless services, cellular services and telephone services. Personalization of telecom services related problems is also increased in Bharat Sanchar Nigam Limited. Improper plan and charges directly have an impact on the development of these telecom services.

Keywords: Operational efficiency, BSNL, wireless services, cellular services, and telecom services.

Introduction

Background

This study can explain the comparison between Bharat Sanchar Nigam Limited and other telecom services of India. The operational functional d financial efficiency of BSNL are also analyzed successfully in this study. BSNL was a leading telecom organization of India; however, various limitations can decrease the effectiveness of this telecom organization (Naveena, et al. 32). Operational profit and total profit of this organization are decreased rapidly, which is also included in this study. Employee development elated factors of this organization is also analyzed successfully in this study.

Aim and objectives

Aim

The main aim of this study is to collect proper and effective information about the comparison between the operational efficiency of Bharat Sanchar Nigam Limited and other telecom services of India. Analyzing the proper reason between profit and loss of BSNL is also treated as an effective aim of this study.

Objective

- To identify the operational efficiency of BSNL and its prospects
- To analyse the comparison between BSNL and other telecom organisations of India

- To identify the proper and effective reason behind the continuous financial loss of BSNL and its impact on their development.

Literature review

Operating performance refers to measuring the performance of a firm against standard indicators such as operating profit, total profit as well as profit before tax. The main operational income of BSNL is generated from basic operations of sales of its telecom services like telephone other than cellular, broadband services, Wireless in Local loop and leased income from Interconnection usage charges from other telecom service providers, passive infrastructure, third party sales of telecom factories and construction contracts.

Kiran states that Bharat Sanchar Nigam Limited has extra financial liabilities rather than other telecom operators such as Airtel or Vodafone because it includes corporate tax, license fees and dividend payment from the third parties that are not present on other telecom services (637). Performance of appraisal system plays an important role in increasing organizations effectiveness by increasing the level of performance, identifying employee's potentiality as well as determining the need for employee's development. These all activities help the BSNL organization helps to develop its strategic orientation and improve effectiveness. However, in the private sector successful performance is measured by the amount of profit. On the other side, in public agencies there is no such performance measuring indicator however, performance is determined against the goals of the organization and its business whether that described the results and outcomes of the organization. A comparative study of telecommunication service providers of Airtel and BSNL stated wireless services provided by Airtel is better than BSNL. However, in the case of wire line broadband services both Airtel and BSNL provide the same performance but BSNL requires improving its wireless services.

According to Kennedy BSNL calculated its net profit ratio, return on equity, return on asset ratio, cash profit ratio and earning power ratio (347). From the year 2018-2019 concluded that profitability ratio shows fluctuates in the last two years as well as shows negative values except for cash profit ratio. The Research Article on the Telecommunication sector concluded that the telecom industry witnessed phenomenal and rapid growth in recent years. Personalized telecom access has become a necessity in people's lives and plays important role in the development of people. Telecom sector such as BSNL enables the potential talking of the peoples and it can be expected that in the future it will play more roles. In every country, private as well as public firms are vigorous increasing their technologies and taking the telecom industry into higher development. Based on the article of the BSNL Appraisal system study there is no appraisal on the organization. It can be used as an effective tool continuously but in the absence of continuity, it becomes a redundant exercise for the organization. However, performance appraisal can be used as a marketing aspect by the organization and the BSNL authority decide to apply this aspect to their organization.

In India, among the telecom sectors, BSNL telecom is large and older rather than other telecom service providers and it contributes a large amount of revenue to the government of India rather than other service providers. In socio-economic development, the role telecom industry is also

large although Jio provides a large sum of amount for the welfare of people of india BSNL also has a contribution to socio-economic development. Rajani, and Reshma started that telecom service is one of the reasons behind the growth of the nation because it provides data services and offer voice and enables the customers from distinct regions to communicate (47). In many rural areas where the network of other telecom operators is not available where the network of BSNL is available and it helps to connect the people of both rural and urban areas and it enables the growth of both people as well as the telecom industry.

The telecommunication financial performance evolution article stated that BSNL follows an aggressive policy in maintaining its liquidity on the other side the organization has effective liquidity assets to meet its short term liabilities. After analyzing the five years balance sheet of BSNL it is shown that BSNL is facing capital issues because the financial position of BSNL is affected. The financial position of BSNL was good up to 2012 after that financial position of BSNL is become down. Because BSNL failed to maintain its working process as well as it takes a long time, the working process of BSNL has become slow and not able to progress. The earned profit of the BSNL in 2008 was large after that it was decreased over the years and the profit becomes downwards. BSNL mainly used the Z score model to analyze its financial soundness and the other telecom services providers are normally used five financial ratios that provide are resultant score. The Z score model reveals that although the company is suffering from financial stress if the organization has modernized its technology then it will have become a superior telecom service provider of India and no organization will be able to compete with BSNL. Maintaining high liquidity has also become important for BSNL and the authority of the organization start taking initiatives to maintain its liquidity as well as on the development of technology (Shukla and Roopa, 146).

Methodology

Research approach

Two types of reach approach mainly used in research studies such as inductive research approach and deductive research approach. In this study deductive research approach has been chosen because it greater advantage rather than the inductive research approach. The deductive research approach helps to deduct unnecessary information from the study and it includes previous existing research information that helps to provide better results of the study.

Research philosophy

Research philosophy is generally a belief that determines which data should be collected, analyzed and used in the study. Mainly four types of research philosophy are used in research studies as Positivism, Realism, Interpretivism and Pragmatism. In this study positivism, philosophy has been selected. The reason behind the selection of this philosophy is analyses the quantitative data more deeply and provides error-free results and shows patterns and trends of data helps researchers to get the proper outcome of the research study (Mohajan and Haradhan, 28).

Data Collection

In research studies two types of the data collection process have been used by the researchers one is Secondary collection and another is Primary. Mainly Primary data collection method is used in research studies and this study also primary data collection method has been selected. The reason behind the selection of primary data collection is in this method information are gathered directly from authentic sources and its information are realizable. Another important benefit of primary data collection provides up to date information not exist that helps the researcher to get accurate results of the study.

Data Analysis

Data analysis is a technique of evaluating data that helps to utilize effective information from the gathered data. Two types of data analysis techniques are mostly used by the researchers as Quantitative and Qualitative data analysis. In this study Quantitative data analysis has been chosen because it provides more flexibility rather than qualitative technique. Another important reason for choosing this technique is it supports numerical values and statistical data that make the outcome of the result more effective and efficient. Along with this technique is put more focused specific information and analyze that data more quickly (Basias, and Yannis, 100).

Result

4.1 revenue and sales services of BSNL

Different types of categories are present in maintaining revenue and sales services of BSNL such as Telephone services, Cellular services, wireless and local loop, interconnection usage charges from other operators, Broadband services and leased line services. The operating and financial performance of BSNL depends on these few categories. Along with this, it is also noticed that income from passive infrastructure is as treated as an effective category of financial revenue of BSNL. The below table can provide all essential information about the revenue generation of BSNL through various services from 2007-08 and 2016-17 (Agrawal and Agrawal 41).

year	Telephones	Cellular	Wireless	Bradband	Leased lines	Interconnection usage charges	others	Income from passive infrastructure	Total	Growth Rate
2007-08	39.18	32.71	1.93	2.83	2.34	17.49	3.52	0	100	-
2008-09	32.59	34.92	2.26	6.23	3.40	15.30	5.28	0	100	12.94
2009-10	32.83	38.76	2.28	9.87	4.23	11.83	0.20	0	100	10.54
2010-11	27.78	35.76	2.05	13.44	7.40	13.48	0.20	0	100	-2.23
2011-12	23.20	39.98	1.36	14.65	7.40	13.04	0.18	0.19	100	-1.03

2012 -13	20.32	41.57	0.91	16.33	7.38	13.07	0.11	0.31	100	-0.08
2013 - 2014	19.45	41.37	0.70	18.08	8.08	11.75	0.12	0.45	100	5.87
2014 -15	18.85	42.22	0.65	19.09	7.94	10.43	0.09	0.73	100	1.57
2015 -16	17.76	42.85	0.43	20.25	9.05	8.65	0.05	0.96	100	0.64
2016 -2- 17	15.83	42.50	0.26	20.24	10.3 8	8.93	0	1.86	100	1.43

Based on this table it is easy to state that the growth rate of BSNL is decreased much time in these ten years. Along with this revenue generation of this organization is also impacted by this problem. The number of a user is also decreased rapidly due to charges and other issues of BSNL. Delay in problem-solving is treated as an effect e reason behind this revenue downfall of BSNL. In 2007-08 high telephone sell is noticed in BSNL, however, this percentage is decreased day by day. This highest percentage is reached 15.83 in 2016-17 (Baghel 6.01). With the help of this analysis, it is easy to state that the growth and development of BSNL are paused. In addition, it is also noticed that and use of cellular phones directly has an impact on the telephone services of BSNL. In the fiscal year 2007-08, the revenue earned from the sale of cellular services was Rs.10, 57,889 lakhs, with a contribution of 32.72 per cent. After that, there was a significant increase from year to year, reaching Rs.11, 36,330 lakhs with a 42.51 per cent increase in 2016-17. It may be inferred that there was a clear upward tendency during the period under consideration. Based on these pieces of information it is easy to state that a proper and effective infrastructure and development plan is required to increase the development of growth of BSNL (Pavithra et al. 1478).

Improper growth and revenue generation related issues are noticed in BSNL, which can increase the risk of loss. Along with this, it is also noticed that consistency of financial loss is also noticed in BSNL, which is illustrated below table. With the help of this provided table, it is easy to state that almost Rs 4,793 crore serious financial loss is posted by BSNL in the fiscal year 2016-17. Proper and effective analysis can help to learn about this financial loss. Along with this, a huge loss of 7,993 crores is noticed in the financial year 2017-18. In 2018-19, BSNL posited almost 14,202 crore loss. Based on this information it is easy to collect information about the finances of BSNL. According to Sahathe disaster of such as legendary firm is noticed by observing its financial crisis (67). BSNL needs to implement resistance to change strategy that can help to learn about the important factors that are involved in maintaining the growth and development of this organisation.

Financial year	Figure in loss (in INR)
2015-16	4,859 cr
2016-17	4,793 cr
2017-18	7,993 cr
2018-19	14,202 cr

Comparison between the operating performance of BSNL and Other telecom companies

Effective customer care comparison is also present between Airtel and BSNL, which is also analysed successfully in this study. Information about performance efficiency is analysed properly with the help of this customer care comparison. Issues and queries of BSNL and Airtel are identified successfully with the involvement of customer care executive. Lack of proper and effective customer care executive of BSNL directly has an impact on customer satisfaction related aspects. Speed related and service related problems are also involved in BSNL Company. Delay in issue solving is also treated as an effective problem of BSNL. On the other hand, Airtel can maintain their issue solving ability. With the help of this ability, Airtel can able to maintain customer satisfaction properly. Along with this, the facility of research is also decreasing the effectiveness of BSNL. The stability of this organization is also impacted poorly by this improper plan of recharge, on the other hand, modification of recharge plan is noticed in Airtel. Due to these factors differences are noticed in the revenue growth of these telecom companies (Thoti29).

Conclusion

Based on this study it is concluded that improper facilities and customer satisfaction directly has an impact on the financial loss of BSNL. Due to these factors, continuous financial loss is noticed in this organisation. Based on this analysis it is easy to state that a loss of 14,202 cr is faced by BSNL in the fiscal year 2018-19. This financial loss was highlighted from the fiscal year 2015-16, which is also concluded in this study. Lack of proper and effective employee management can create an effective problem in BSNL in comparison with Airtel, Vodafone and other telecom services, which is also concluded in this study. A comparative analysis of Bharat Sanchar Nigam Limited is concluded in this study. Along with this, various services of this organization are analysed properly in this study, which is treated as an effective efficiency of this paper.

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