

CONFLUENCE OF IT AND MANAGEMENT FOR BEST BUSINESS DECISION

Dr. M.A.Lahori*.

*Director, Anekant Institute of Management Studies (AIMS) Baramati- Pune 413102 Email: drmalahori@yahoo.com

ABSTRACT

Management is an ancient science and it never grows old rather becomes latest and intellectual. Management has distinctive permutations and combinations of various variables like Technological Factors (IT impact in the decisions), Economic Factors, Cultural Factors, and Environmental Issues and most important is the Time Element (effective services) to drive the very suitable decision. Modern Management has applied research and different approaches in taking the business on a distinguished position. Peter Drucker a very influential Management Thinker, perhaps the Father of Management and a prolific author particularly in the management area stated that, *'the only valid purpose for the existence of business: to create a customer, who pays and decides what is important'*. Further he has set objectives and performance measurements namely; market standing, innovation, productivity, physical and financial resources, profitability, manager's performance and development, worker's performance and attitude, and public responsibility. To be precise the wholesome of management is a *'tool for development and accomplishment'*. On the other hand 'Information Technology is playing a vital role' in the nation's development. It has transformed India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs. The IT sector in India is generating 2.5 million direct employments. India is now one of the biggest IT capitals of the modern world. The simple definition of IT stand for 'set of tools, process of coding and decoding, and anything related to computing technology, such as networking, hardware, software, the internet, or the people that work with these technologies. Since we live in the 'Information Age', information technology has become a part of our everyday lives.

Key Words: ancient science, different horizon, time element, computing technology, information age and everyday lives.

Introduction:

The revolution of IT in the human life goes back to the 'form of communication and introduction of alphabet, pen and paper for writings of language for communication purpose', may be perhaps in the pre-mechanical period 3000 BC-1450 AD. Now we are a part and parcel of the electronic age and era. The new age-era can be considered from 1940 onwards till date.

The ENIAC was the first high-speed, digital computer capable of being reprogrammed to solve a full range of computing problems. This computer was designed to be used by the U.S. Army for artillery firing tables. This machine was even bigger than the Mark 1 taking up 680 square feet and weighing 30 tons - HUGE. It mainly used vacuum tubes to do its calculations. In the year 1965 United Nations had its first mainframe computer of IBM 7044/1401 and thereupon the development of technology made the things more effective, simple, slimmer and multifunctional. IT has become an integral and essential part of business for so many reasons. The basic strength is being quick, efficient with accuracy and information on finger click. The use of IT is very much common and essential in all the aspects of business, and of late the use of IT has been started in service sector too, like hospitals, tourism, education etc.

Basically Management is an art of managing manpower, resources with the concept of right person (resource) at right place and right time for optimum productivity. Frederick W. Taylor (1856-1915) in his book titled 'The Principles of Scientific Management,' published in 1911, has defined management as; the art of knowing what you want to do and seeing that it is done in the best and cheapest way.

In classical management Henri Fayol (1841-1925) contributed by writing on 'Administration Industrielle et Generale' published in 1916. He focused on the middle and upper management activities in multi-unit organizations and classified FIVE FUNCTIONS OF MANAGEMENT - Planning, Organizing, Commanding, Coordinating and Controlling, along-with other 14 'Principles' of effective management.

The human relations approach was popular during the 1940s and 1950s. This approach to management grew out of eight years of studies by MIT Professors Dickson, Roethlisberger and Mayo. The studies culminated in the publication of 'Management and the Worker' in 1939. The studies took place at the Hawthorne plant of the Western Electric Company near Chicago. It found that workers perform better when they know they are given special attention.

REVIEW:

The literacy and investment are two important faces to optimize the IT and Management science. The Indian scenario revealed that, the literacy rate was 64.84 percent in the year 2001, but of late it is around 84 percent more particularly in the urban India now. As far as the world's investment expenditure, China had 27 percent, US 13 percent, India 7 percent followed by Japan and Indonesia 4 and 3 percent respectively.

New Era of marketing commence from the premise that any business activity aims to meet the actual, potential desire of consumers. Strong consumer orientation requires knowledge of consumer characteristics, needs, beneficiary of some services and purchasing behavior. In

today's scenario the consumer faces daily challenges like fluctuations in prices, fake products in market, after-sales-service, product utility information etc. All these attributes, affects the consumer's attitude in the consumption and purchasing process, and ultimately on the business opportunities.

The mantra of new era of management is to influence the actual, potential and perennial consumers. In today's scenario to woo the consumer is a great challenge because everything is on the scale of fluctuations. Further the customers' literacy, media explosion, customers buying capacity, product information etc., are affecting the consumer's defection and attitude.

Indian economy and market has opened up aftermath 1991. It registered dramatic and windfall growth. Especially 15 years after 1991, when CII launched a major, high profile, high-visibility presentation in Davos called "India Everywhere," this platform made India as the talk of the world. The interesting statistic between 1991 and 2011 reveals that, the passenger car sales increased by 16 times, air flying increased by six fold and telephone subscribers grew by 1,724 times. Amazing is the use of plastic money, which grew double to Rs. 63,000/- crores between 2006 and 2010 and consumption of FMCG products is mind-blowing.

Thus Indian Economy is leading and had indications of better and developing economy. As per the 'World Bank' latest data released, India has overtaken Japan to emerge as the third largest economy in purchasing power parity (PPP). As per previous version in the year 2005 India ranked 10th. Further it said that, six of the world's 12 largest economies were in the middle-income category. It accounted for two-third of the world economy and 59 percent of the population. The six largest middle-income economies are China, India, Russia, Brazil, Indonesia and Mexico which account for 32.30 percent of the world GDP and other six largest high-income economies account for 32.90 percent world's GDP namely, US, Japan, Germany, France, UK and Italy.

However as per the above review, the Indian Economy is leading and progressing economy, the business always essentially require the confluence of IT and Management to arrive for sound decision.

Objectives of the Study:

The core objectives of the study are mentioned herein,

- 1) To study the co-relation of IT and Management for taking business decisions.
- 2) To analyze the Impact of IT on Management.
- 3) To study role of IT in business decisions.
- 4) To examine the balance of IT and Management in business decisions.
- 5) To find out the influence of IT on modern business functionalities.

As a matter of fact every activity is related to satisfy some kind of need, desire and want of either own or others. In this process of satisfying, requires some sort of decision and that decision is always taken based on the required and relevant information. The accuracy and timely information produce sound decision, which may lead the business to a new horizon. It is nicely said 'a right

decision taken may be wrong if it is not taken on time'. Hence for sound decision, information is required well in time to make the decision right.

Research Methodology:

This is exploratory study driven and crafted based on the experience, realistic and pragmatic in-puts particularly from the today's 'Business Scenario'. Paper presenter and the author of this paper has undergone an extensive study of literature and enlightened with the functioning of the 'Business House' pertaining to their 'Situational Decision Process,' more particularly in the competitive market, where world is one village.

To make this study more fruitful and applied, a field survey was taken into consideration and simple statistical tools have been used wherever required. The secondary data and basic primary data were collected from proper sources and judiciously applied to arrive at meaningful and fruitful findings and inferences. The researcher has adopted random convenient sample for a mobile service branch of Reliance at Baramati. The source of sample had two groups namely,

- a) Formal Groups - foot-fall at Reliance Baramati branch, who are the customers of Reliance mobiles. The size of respondents is 72, majority of respondents are male.
- b) Informal Groups - all kinds of mobile users (providers), it is mixed respondents basket of Idea, Docomo, Reliance and Airtel. The size of the respondents is 22 and all are male.

The limitations are, the study is confined to Baramati and only for the users of mobile services in this segment. The duration of study was 30 days and the sample was 72 and 22 viz 94 respondents for both the groups as mentioned above.

Statement of the Problem:

Due to information technology, the user (customer) has all the relevant information on their finger tip, based on that customer decides about their purchases. Though the information is handy, the major lacuna is the speed, accuracy, correctness of the fact reaching to the customers. Most of the time, most of the information is half, incomplete and only good things are highlighted. But the management's analytical tool makes the crux simpler for decision to the customers.

Modern decision is based on the information. The evaluation, analysis would go wrong if the information is either incomplete or not in time. Hence this study is carried out to make a confluence of information and management as a tool for decision.

Discussion and Interpretation:

It is hub of the paper and hence plays a significant role. The sample has been taken randomly and conveniently from the 'Formal Groups (foot-fall at the branch) and Informal Groups. (all kind of mobile users). The total sample of 94 respondents, 72 and 22 formal and informal groups respectively is classified gender wise as follows,

Chart No. 1:

GENDER WISE CLASSIFICATION OF RESPONDENTS

| Gender | Formal Respondents | Informal Respondents | TOTAL |
|--------|--------------------|----------------------|-------|
| Men | 58 | 22 | 80 |
| Women | 14 | 0 | 14 |
| TOTAL | 72 | 22 | 94 |

Source: Primary Survey

The above table indicates gender wise classification of the respondents. Out of 94 respondents' 80 are men and 14 are women respondents, representing 85 percent and 15 percent. Hence men respondents are more significant than women in the study. The age factor of respondents is apparently above 30 years, who are engaged in the usage of the mobile services.

Following table focuses on the expectations of respondents / customers from the mobile service providers; the parameters are listed in the table to assess the expectation of the customers' (respondents).

Chart No. 2:

RESPONDENTS' EXPECTATIONS FROM SERVICE PROVIDERS

| Sr. No. | Parameters | Formal Respondents | Preference | Percent | Informal Respondents | Percent | Preference |
|---------|---------------------------|--------------------|------------|---------|----------------------|---------|------------|
| 1 | Call rate (seconds based) | 31 | 1 | 43% | 11 | 52% | 1 |
| 2 | Range | 28 | 2 | 39% | 5 | 24% | 2 |
| 3 | SMS Facility | 5 | 4 | 7% | 3 | 14% | 3 |
| 4 | Data Facility | 8 | 3 | 11% | 2 | 10% | 4 |
| 5 | TOTAL | 72 | | 100% | 21 | 100% | |

Source: Primary survey

In the table the 'expectations of the respondents' have been assessed on four parameters, namely Call Rates, Range (connectivity), SMS and Data Facility. The respondents' expectations have been recorded by instrument like closely held/ended questionnaire. The first and foremost choice of the respondents is the call rates in both categories viz Formal and Informal respondents, 43 percent and 52 percent respectively. The other parameters like range has also

been significant that stands as second preference as 39 percent and 24 percent in formal and informal groups respectively and followed by other parameters like SMS and Data facility, which is not significant in the study.

The discussion with the respondents' unearthed that, range / connectivity is very important to suffice the very purpose and need of the mobile phone, hence it is vital and significant as far as this study is concerned.

Based on the fact of 'Connectivity or Range' the use of IT has made to gather / collect the constructive and non-constructive information to device the 'Business Decision' for the 'Service Providers'. The major services providers in the study area are:

- a) Idea
- b) Docomo
- c) Reliance and
- d) Airtel

The respondents' experience on the 'Range and Connectivity' of the above service providers is depicted herein,

Chart No. 3:

**RESPONDENTS' CHOICE ON SERVICE PROVIDERS
RANGE & CONNECTIVITY BASIS**

| Sr. No. | Service Provider | Formal Respondents | Choice | Percent | Informal Respondents | Percent | Choice |
|---------|------------------|--------------------|--------|---------|----------------------|---------|--------|
| 1 | Reliance | 10 | 3 | 14% | 3 | 14% | 3 |
| 2 | Idea | 31 | 1 | 43% | 10 | 45% | 1 |
| 3 | Docomo | 24 | 2 | 33% | 7 | 32% | 2 |
| 4 | Airtel | 7 | 4 | 10% | 2 | 9% | 4 |
| 5 | TOTAL | 72 | | 100% | 22 | 100% | |

Source: Primary Survey

In mobile phone sector the most important and essential part is the 'Range / Connectivity.' Even though call rates are little on higher side customer doesn't mind, but they need very strong connectivity means without any voice breaking and more voice clarity, all the time. The respondents' of both categories have vouched for Idea and Docomo for its strong connectivity / range in the study area. 43 percent and 45 percent Formal and Informal respondents respectively have vouched for Idea, and stands as their 1st choice. It is even noted that 33% and 32 % , Formal and Informal respondents respectively have vouched for Docomo, which stands as their 2nd choice. Whereas Reliance and Airtel have some problems in their Range / Connectivity and customers are not happy.

Though study is carried out at Reliance outlet but respondents are not happy with the 'Range / Connectivity,' even call rates are lesser than others. Study reveals that the advertisement of Reliance has impacted on masses but the respondents are not vouching it. Hence in real sense the connectivity plays a significant role as far as the mobile sector is concerned.

Impact of IT and Management:

It is revealed that, IT tools are to collect the accurate, relevant and timely information of a products from the market which may be instrumental to frame the most suitable decision by using management tools like analytical interpretation and looking / doing the things in different horizon / angle based on the competition. The information about the fleet of clientele and segmentation thereto may be important inputs to management science to draw more appropriate and winning decision.

In this polemic issue Reliance may have good number of clients, but as per the above table no.3 the range is poor, whereas the Idea and Docomo have very effective range. Now the prime duty of Reliance is to collect the information across the study area with the help of IT tools. The gross information needs to be collected is:

- Number of clients as on date, its potential scope to widen the market, comparison of call rates and cost effectiveness.
- Find out the range problem, whether really towers are required, if so, the cost thereto.
- On the above information the management science needs to use the tools and strategies to overcome the competition and find out suitable optimum way out.
- Some of the options are, virtual organization, tie-up, MoU etc., otherwise if economically feasible then owning the towers and entire infrastructures, which may generate more results and better performance.

Such amalgamation process of 'IT and Management' certainly produces very sound business decision to have better edge over competitors.

Findings:

The major findings of the study titled 'Confluence of IT and Management for Best Business Decision' for the mobile service providers are listed herein,

- a) In the study area men are commonly using mobiles viz 85 percent of the respondents as shown in the table No. 1 and women 15 percent.
- b) Respondents and general users always look for the call rate as well as the strong range of the connectivity. In the table No. 2 above, 43 percent and 52 percent respectively vouch for call rates in both the kind of respondents.
- c) Range being more significant, stands as second preference 39 percent and 24 percent respectively and followed by other parameters like SMS and Data facility, which is not significant in the study.

- d) Among 'Service Providers' the strong Range and Connectivity is of Idea and Docomo. The respondents' of the both categories have vouched for Idea and Docomo for its strong range in the study area by 43 percent and 45 percent in the table No. 3. Whereas Reliance and Airtel have some problem in their Range and customers are not happy.
- e) In nutshell Reliance need to collect market information as stated in the above heading 'Impact of IT and Management' to increase its business portfolio in the study area.

Conclusion:

The study of 'Confluence of IT and Management for Best Business Decision' pertaining to the mobile sector has been undertaken and found that besides call rate, range and connectivity plays a very significant role. Hence while restructuring the network system as a whole, some relevant information has to be collected and has to be filtered in management process for suitable and opt decision.

In precise, in competitive and matured business environment, information tools (IT) and application of Management science may circumvent the bottleneck and take best decision as per the need and requirement.

Recommendations:

Undoubtedly Reliance has good advertisement impact and impulse customer pull. But making huge investment and expanding network always call for collection of relevant and correct information of the study area such as,

- i. Its potential scope to widen the market, comparison of call rates and its range / connectivity issue. Competitors' stronghold points such as customers, towers utility and segmentation.
- ii. Practicing Management science by demographic segmentation and niche marketing tools. Doing something different to woo the customers at large.

Hence these are the recommendations for Reliance to carry out in the study area to take business decisions.

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