

Strength And Weaknesses of BSNL

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Abstract

BSNL (Bharat Sanchar Nigam Limited) is the world's seventh largest Telecommunication company providing comprehensive range of telecom services in India. Being a government department of India BSNL has installed quality Telecom Network in the country and fiber based cable network act as a backbone to transmit data. The company has vast experience in planning, installation and also has a world class ISO 9000 certified Telecom Institute. But inspite of all these strengths company is facing problems associated with outdated technologies, political interferences decreasing market share and due to poor service steps must be taken by company to improve its image.

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Introduction

BSNL (Old DoT) is the first telecom services provider in India and seventh large one in the world. Though it is having huge infrastructure, experience man power, large penetration in land line it is showing continuous loss from 2009-2010 onwards.

When BSNL was formed in 1st October 2000 by changing DoT a surplus reserve of forty thousand crores was there. BSNL entered in mobile service five years after the private operations flourished their services. BSNL captured 45% of the market share within five years. But at present it having about 12% share only in mobile market.

The surplus reserve of BSNL taken back by Government by telling cost of spectrum charge, license fees etc. For acquiring the market position. It adopted some marketing strategies. They are Technology strategy, Customer orientation strategy, Restructuring of organisation on business type and pricing strategy.

While the formation of BSNL, Government of India had give some promise like: fixed fees from other operators for using BSNL networks, returning of license fees and spectrum charge, loss occurring to BSNL for providing rural services etc. All this promise were maintained only for 3-4 years. Later Govt. cancelled all this promises.

Though BSNL have a share of 65% in landline connection is going in heavy loss. The main reason behind it are lakhs and lakhs of landline connections are closing in every year, unable to provide broad band connection to all the customers. BSNL under ground cables were damaging by PWD/water authority/local body authority etc. unable to take a strong decision against this destruction by the BSNL management .

The ITS officers of the Top management is still in deemed deputation in BSNL. Because of this an effective management is not available in BSNL. In order to make BSNL a profitable company, Sam Pitroda Committee forwarded some proposal in few years before. The proposal was not implemented due to heavy opposition from their staff unions. Unlike the private companies, the Government owned BSNL could not implement the strategies so easily because they have a lot of protocols to be followed. This delay make many good things from reaching people. There are also situation even after the completion of all the protocols successfully, they may fail to implement. The plan because of opposition from the employees unions.

Govt. is going ahead with for privatizing BSNL in several way like selling share, infrastructure sharing and forming separate company etc. The telecom policy of

2012 is aimed to help private operators and destroy the PSU.

OBJECTIVES OF THE STUDY

- 1) To study the strength of BSNL.
- 2) To study the weaknesses of BSNL.
- 3) To understand the extent to which BSNL has capitalized upon its strength.
- 4) To study the planning of BSNL to overcome the weaknesses.

RESEARCH METHODOLOGY

BSNL is a big telecom company operating all over India. To collect data, two states (Haryana and Punjab) and Northern Telecom Region were selected and desired information has been collected from office of CGM Haryana Telecom circle (AmbalaCantt), office of CGM Punjab Telecom circle (Chandigarh) and BSNL Telecom Exchange (Rajpura). Survey method has been used for collection of primary data. The questioning was prepared for the purpose of collecting required information. Certain multiple-choice questions were incorporated. The Likert scale was used for the choice given to the respondents for many of the questions. The respondents were required to choose the most appropriate response. Out of 265 employees only 100 employees were contacted. A total of 71 questionnaires were got filled through personal interviews. This number constitutes 27% of the questions are on five points scales (Very High, High, Medium, Low, Very Low) a score of 5 for 'Very high', 4 for 'High', 3 for 'Median', 2 for 'Low' and 1 for 'Very low' were assigned. The study also makes use of annual reports of Department of Telecommunication, Broadband Policy 2004, Telecom Policy 1999, National Telecom Policy 1994, and Indian Telecommunication statistics of various years.

STRENGTHS OF BSNL

BSNL has inherent strengths which have enabled it to perform better

1. BSNL has huge infrastructure as it has got fixed assets valuing more than Rs. 62,862 crore (US \$ 14.29 billion), which are in the form of Land, Buildings, Cables, Apparatus and Plants etc.
2. BSNL has installed quality Telecom Network in the country and now focusing on improving it, expanding the network, introducing new telecom services with ICT application and villages and winning customer's confidence.
3. BSNL has a strong network throughout India, i.e., more than 3 Lac kilometers of Optical Fiber Cable as well as Copper Cables. It also has microwave media for covering difficult terrain areas.
4. BSNL has a huge customer base of landline telephones, limited mobility wireless telephones (WLL), mobile telephones (GSM), broadband customers, and

leased line customer in the corporate sectors like Banking, Information Technology and General Industry.

5. BSNL has a strong base of experience staff and highly efficient HRD departments in corporate office as well as circle level (state wise).

6. It has brand equity as a public caring company with the slogan “**Connecting India**” The “**Cellone**” and “**Excel**” mobile services of BSNL have great equity.

7. BSNL is also getting some government support as a public sector undertaking.

8. BSNL has a great infrastructure in the shape of its training centers spread over the country for providing latest training to the staff. The ALTTC Ghaziabad and BRBRAITT Jabalpur are the advance level training centers comparable to the international telecom training centers.

WEAKNESSES OF BSNL

This is to identify certain weaknesses in this sector, which have been stumbling blocks in the realization of its full potential and need to be urgently redressed.

1. BSNL is lagging behind in marketing strategies as compared to the other players in this sector.

2. Although BSNL have 62,000 tower and wireless networks stretched to 6,86,644Rkm of OFC, 50,430 Rkm of microwave network connecting 623 districts they are not able to optimized the network capabilities.

3. There is a delay in decision-making processes of BSNL.

4. Extra burden of covering non-profitable area of India for their services as a public sector undertaking.

5. Corruption in the company at every level.

6. Internal conflicts between the different associations representing the different categories of the employees.

7. Less educated lower staff of BSNL.

STRATEGIES OF BSNL TO OVERCOME THE WEAKNESSES Problems Faced By BSNL

Table 1

Nature of response Variables	Very Low		Low		Medium		High		Very High		Cumulative Percentage	
	N	%	N	%	N	%	N	%	N	%	(x)	(y)
Time Involved	5	7.1	6	8.5	14	19.7	17	23.9	29	40.8	64.7(1)	35.3
Cost Involved	10	14.1	15	21.1	19	26.8	22	31.0	05	7.0	38.0(3)	62.0
Political Barriers	14	19.7	12	16.9	08	11.3	11	15.5	26	36.6	52.1(2)	47.9
Employees do not have the skill to absorb new technical changes	13	18.3	13	18.3	32	45.1	01	1.4	12	16.9	18.3(6)	81.7
Rigid organizational values	15	21.1	08	11.3	30	42.3	14	19.7	04	5.6	25.3(5)	74.7
Salary structure based on qualification	31	43.7	13	18.3	07	9.9	04	5.6	16	22.5	28.1(4)	71.9

N : 71
X : High and Very High responses
Y : Very Low, Low and Medium responses
Note : Figure in parenthesis indicates rank

The above table shows that 64.7 percent respondents have identified that Time Involved is a major problem. This problem is rated from low to high (23.9 percent respondents have rated this problem as high and 40.8 percent respondents have raked this as very high). The second major problem faced by department is 'Political Barrier' (36.6 percent respondents rating this barrier as very high and 15.5 percent rating this as high). The third rank has been given to 'Cost Involved' (7 percent respondents have given it as very high and 31 percent have given it as high). 'Salary Structure based on qualification' has given fourth rank (22.5 percent respondents have rated it very high and 5.6 respondents have rated high). 'Rigid organizational values' has given fifth rank (25.3 percent). The last rank has given to 'employees do not have the skill to absorb new technical changes' (18.6 percent), respondents felt that this problem is not a big problem faced by departments. Following strategies are implemented by BSNL for its development as revoke from its crises.

1. Sam Pitroda committee observed that about 50% of BSNL income is utilizing for employees salary. To reduce the VRS (Voluntary Retirement Scheme) to be implemented for one lac employees.
2. Customer orientation strategies are formulated to retain existing customers and attract new customers.
3. Marketing strategy is formulated so that services to be provide at door step.
4. Creating a service oriented culture within the organization by linking incentive satisfaction.
5. Business diversification to be launched for the survival of the organization. In training centers engineering courses to be started.

Conclusion and Suggestions

After having analyzed the data it is observed that the customers are aware of the services offered by BSNL and they are satisfied with the services offered by BSNL to some extent. There are many weaknesses in the department. BSNL needs to bring in large amount of changes in organization. There are few suggestions for the healthy growth of the organization.

1. In an era of intense competition, it is very important for any service company to understand that merely acquiring customers is not sufficient because there is a direct link between customer retention over time, profitability and growth. Customer retention to a great extent, depends on service quality and customer satisfaction.
2. There should be more decentralization and empowerment of personnel down the line.

3. The outsourcing of certain function can help reduce cost and increase specialization.
4. Organizations need to develop their personnel for key positions to ensure continuity and to face contingencies effectively,
5. The company needs to become more receptive to changes and accept the changes on constantly occurring phenomenon.
6. Constant environment scanning is a must for the company to become productive towards change.
7. More and more emphasis should put on research and development and creativity in work.

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