



Globalization and Excellence in Indian Companies

Dr. Chandrashekhar Aronkar

Associate Professor & Head Department of Economics National Defence Academy Khadakwasla, Pune

ABSTRACT

This paper highlights the impact of Globalization on Indian companies. New economic policies helped Indian companies to be more competitive, apply most updated technologies, maintaining quality product and focuses on research & development. These all changes are paving the way for Indian companies to be Multi National and achieve excellence.

KEYWORDS

Globalization, Indian Companies, Excellence and quality

Introduction:

Indian companies today have achieved high standards in their performance and product delivery. This changed status of Indian companies can be contributed to the new business environment in the country.

Advent of Globalization in India in 1991 with the introduction of economic reforms has influenced the business environment of the country. Today companies are more competitive with global perspective.

Globalization in India:

Globalization has opened up the gates of Indian economy for Multinational corporations and for FDI. It has also facilitated technology transfer, partnership of Indian and foreign companies and various agreements for Research & Development, product development, investment in Indian market and various issues which helped Indian economy at a great extent. Indian companies are becoming multinationals. Indian exports have increased. Today we are comparable to developed countries in technology standards, quality of product, quality of life, per capita income and in other economic indicators.

1. Most Updated Technology application:

Today companies are using most modern and updated technologies. There was a time that Indian companies were known for using obsolete technologies. But today ICT sector, electronics, construction, power and other sectors are known for their best technology use. Software companies have established new bench marks in the world. Example of Infosys confirms the technology standards in the country.

(www.busesstoday.intoday.in) Country's second-largest software services firm Infosys has inked a strategic engineering services partnership with DreamWorks Animation. The two companies intend to work together to further develop DreamWorks' technologies to bring them to wider use, Infosys said in a statement. "Infosys has a market-leading record of delivering critical engineering services to the most innovative technology companies worldwide, to amplify and accelerate their existing efforts."

2. Creation of Competitive Environment:

Globalization has created competitive spirit amongst companies. Today Indian companies not only have improved their standards domestically, but also they are contributing to exports. There are fields where in Indian companies are considered to be the best. Even agriculture sector has got advantage of the process, Indian fruits, flowers and other primary sector products are in demand worldwide. This is all the result of new competitiveness companies has developed and that result-

ed in quality products.

(<http://articles.economicstimes.indiatimes.com/>) Maruti Suzuki is aiming to overtake Hyundai in exports; the Korean carmaker has been India's top car exporter for over a decade now. By 2020, Maruti is expected to invest Rs 18,000 crore in new factories, which will double its manufacturing capacity to about 30 lakh cars. Experts expect it to export at least 10 lakh cars by 2020.

3. Attracted Foreign Direct Investment:

Foreign Direct Investment has benefited Indian economy in achieving new standards and contributing in the world economy. India has become a favorite destination for FDI for world's leading companies. Globalization has paved the way for FDI in India and has contributed development process of the country, created employment and has also indirectly helped many domestic industries to grow.

(www.tradingeconomics.com) Foreign Direct Investment in India increased to 3577 USD Million in September of 2014 from 2514 USD Million in August of 2014. Foreign Direct Investment in India averaged 1009.21 USD Million from 1995 until 2014, reaching an all time high of 5670 USD Million in February of 2008 and a record low of -60 USD Million in February of 2014.

4. Multinationals arrived in India:

Globalization has brought India many Multinational companies. These companies have started their operations in India. Almost all sectors have attracted Multinational corporations. Today India is a favourite destination for MNCs as they find great market here. This has improved competitiveness amongst Indian companies. Following examples express the MNCs interest in Indian economy.

(www.economicstimes.indiatimes.com) London-listed GlaxoSmithKline PLC, announced an open offer which, if successful, will raise its stake in its Indian unit, GlaxoSmithKline (GSK) Pharmaceuticals from 50.7% to 75% - the maximum limit as per the Sebi norms.

5. Expansion of Information & Communication Technology:

The effect of new economic policies has been very effective because of Information and Communication Technology revolution in India. Capital market, financial sector, media and entertainment, railways, education, and many other sectors have achieved excellent growth because of ICT. Today Government and private organizations have good use of ICT. This has helped policy implementations effective and information

is reaching people fast and effectively. ICT has really changed the entire country positively. Following expresses the importance of IT sector in India.

(www.oifc.in) The Indian IT infrastructure market (comprising servers, storage and networking equipments) is projected to grow to US\$ 2.1 billion in 2013, an increase of 9.7 per cent as compared to 2012, according to Gartner.

6. Better Opportunity for Exports:

Globalization has helped Indian companies to grow and contribute in exports of the country. Globalization has also created opportunities of new business and therefore small scale industries are contributing in Indian exports significantly. Today Indian entrepreneurs are known throughout the world for their products. Also Indian Human Resources and outsourcing services are highly in demand across the world.

(www.imf.org) Indian economy was known as a closed economy, now an open and a fast growing economy today. While India's manufacturing sector grew quickly after the early 1990s, the standout growth was seen in services, as India's large population of well-trained English-speaking engineers were able to adapt western business models to a lower-cost environment. Services exports rose from 2 percent to 7¾ percent of GDP between 1994 and 2011.

Even Indian agriculture sector has got boost for exports and it has got tremendous success also.

(www.fas.usda.gov) In the past decade, India has emerged as a major agricultural exporter, with exports climbing from just over \$5 billion in 2003 to a record of more than \$39 billion in 2013. India became the world's seventh-largest exporter of agricultural products in 2013.

7. Creating Customer centric Policies:

One of the important change occurred in Indian markets is that today companies are customer oriented and they are offering best products suitable to customers variety of needs and also offering them best prices as well as assurance of post sale services. Regular customer feedback is a new development which has happened only after Globalization. All the leading companies have their customer care centers. Following example confirms the importance of customer service and satisfaction.

(<http://www.financialexpress.com/>) While large players like Samsung and Nokia have extensive network penetrating in almost all districts, what helps smaller players get this reach across the country are entities like HCL Care, which calls itself the only completely integrated after-market company. Along with running customer support for almost all top brands including Xiaomi and Lenovo, HCL Care has also set up new walk-in service centers called Touch catering to multiple brands.

8. Increased Quality Consciousness:

MNCs have brought latest technologies and also a new culture. Companies are very much quality conscious. They have quality assurance cell/department in their companies. They follow various global standards in operations, distribution and sales. Also companies could develop awareness amongst customers about quality. This change has created a new environment in the country where MNCs and domestic companies are very much quality conscious and it has benefited to customers as well as has contributed in increasing India's export. Tata group is leading Indian industry group. They are known for their quality, they started Tata Quality Management Services (TQMS) in the year 1994.

(www.tata.in) Dr. J.J. Irani former Managing Director of Tata Steel said, I cannot claim that I made any great changes, but Tata Steel was always looked upon as the father of the quality movement in the group. I did one important thing in Tata Steel, though. I felt we needed to show our commitment to

quality and not just talk about it; we needed people dedicated to the cause. So we formed a team in the office of the managing director and people were given proper training; their only job was to drive quality and business excellence in the organisation.

9. Focus on Advertising & Communication:

Globalization brought positive changes in communication and advertisement. Today media and communication has become a very important aspect in our life. Today Television, internet, websites, digital TV, cable, computers, social networking websites and other sources of media are well connected with people. These mediums are influencing people in their day to day life decisions. Advertisement has become so important tool for the success of a company, that companies are spending huge money on this and also making various innovations to reach customers. New e-commerce websites are not only communicates the messages of their products to customers, but they are even making their products available at the door steps of customers.

(www.economictimes.indiatimes.com) Top e-commerce companies in India, which on an average spent a measly 10 lakh each on advertising in 2010-2011, have increased it to anywhere between Rs 25-75 crore, said a top official at one of India's leading media buying and planning agencies.

10.Importance to Research & Development:

In today's competitive world the most important thing is research and development. Companies who invest in R&D get benefit. Therefore companies are understanding the importance and spending on R&D. Product design, operations, new product development, material used, inputs, packaging, marketing etc are having scope for research and development. Companies are also encouraging innovation. Companies are doing tie-ups with other companies, academic institutions and research laboratories for new product development and other innovations. Following example of Indian companies gives idea of importance of Research &Development.

(www.ibef.org) Tech Mahindra has inked a pact with US-based Wichita State University and will collaborate with its National Institute for Aviation Research (NIAR), the largest academic aviation R&D institution in the US, on multiple areas of engineering including composites, advanced materials and structural testing.

Research and development (R&D) spend in India has grown steadily to approximately \$40 billion, representing around 0.9 per cent of gross domestic product (GDP). This is still short of the Indian government's target of 2 per cent of GDP that was set in 2010 and reaffirmed in 2012.

11.Importance to Human Resource:

Globalization has changed not only productivity, but it has also changed the factor pricing. Today the most important factor of production is human resource (labour). Human resources are considered the most important value creator and are also a contributor in the companies' wealth generation. This changed attitude towards human resource is getting reward in form of high salary packages to the persons and they are now very important in the organizations. Infosys example is good to understand the importance of Human Resource.

Infosys (INFY) is one of the leading Indian companies when it comes to hiring. It adds 25,000 new employees per year and is operating the world's largest training center to get those new hires up to speed.

Companies are giving incentives and rewards to their employees so retain best talent with them. Following are the examples of growing importance of human resources in India today.

(<http://articles.economictimes.indiatimes.com/>) Around 130 of the top performers of HCL can either drive home a Mercedes or take their family and friends on an all-expenses-paid inter-

national or domestic holiday as a reward for their contribution to the company.

Conclusion:

Globalization process in India has created a new economic environment. Indian economy has improved its growth rate. India is considered today as fast growing economy. Indian economy has potential to be a developed nation in coming years. All these changes in Indian economy have reflected in performance of various companies and their products. Today Indian companies are also becoming MNCs and they are also producing quality products.

REFERENCES

1 www.ibef.org | 2 www.businessday.intoday.in | 3 www.economictimes.indiatimes.com | 4 www.tata.in | 5 www.financialexpress.com | 6 www.oifc.in | 7. www.tradingeconomics.com | 8. www.forbes.com/ | 9. www.trak.in |