

Problems and prospects of employees in the wake of Demonetization with Special Reference to the Postal Department, Calicut Division

¹K. I. Sivaprasad & ²P. T. Raveendran (Dr)

¹Research Scholar, Department of Management Studies, Thalasseri campus, Kannur University, Kannur (India)

²Professor, Kannur University, Kannur (India)

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Corresponding Author

Email: ki.shiva.prasad[at]gmail.com

ABSTRACT

Demonetization for us means that Reserve Bank of India has withdrawn the old Rs five hundred and Rs thousand currencies as an official mode of payment. This move was expected to purify the formal economic structure and dispose of black money from the system. Public addressed demonetization with a mixed response but it accelerates the workload and stress-related issues of employees, including women workforce endured the hardship of extended work hours and customer anger. This study is based on a search, how a women employee in the post office perceives Demonetization move in the light of current value system and commitment aspects. This is a descriptive study which aims to identify demographic dimensions which make influences among women employees in a few aspects with regard to their perceptual differences, values and also the commitment towards the nation. Data collected from women employees from the Postal Department, Calicut Division through the primary survey using questionnaire. The simple random method is adopted for choosing samples and the total number of samples is 100. Analysis has done with the help of using tools like ANOVA and Descriptive statistics. The majority were agreed that the action against black money and corruption is a need of the hour but they take a dubious stand on deciding whether this is the right time to implement. They (Employees) were extremely happy to get an opportunity to serve our country by catering the needs of the public at the time of Demonetization and also they are very proud on their institution to be a part of demonetization move. The conclusion is that only progressive and determined society can think about changes and it will be a litmus test for a leader to prove his capability through realizing the expectations of a common man who lives in the bottom of the society.

1. Introduction

It is hard up to draw up a balance sheet on demonetization, especially when nothing comparable –wherein 86 percent of the currency in circulation is pulled out at one attempt called Demonetization. Many termed it is as a financial tsunami, major economic structure with plenty of laudable goals, placed before the public to justify that to clean up the moral fabric of the society, better tax compliances, An assault on black money, to tackle counterfeit notes and terrorism and to encourage lesser use of cash and digital payments. It can be seen a mixed picture of its effect but in most of the situations, long-run effects are positive indicating that GDP would improve and stabilize. The general opinion of experts is that demonetization will incur cost's than the benefit in short-term, the country has to tolerate some subsequent impact such as Fall in GDP growth, Income cuts, Sentiment hurt, job cuts, production falls, demand fall and cash crunch. The government assumption is that the short run costs may be minimized and long-run benefits may be maximized with the help of a number of follow up actions like further tax reforms, fast Re-monetization, demand driven economy, bringing land and real estate into GST, Reducing tax rates and stamp duties etc.

Since the Indian economy is largely dominated by the informal economy, payment of wages, buying and selling products and services are made by cash. Hardly they will be recorded and registered for the sake of tax payment, rest of the transactions continue to be out of the formal economic system.

Demonetization is led to a significant change in 'Labor market dynamics' which increased uncertainty regarding employment, most of the migrant labors were returned to their respective homeland. In some sectors like Film, Real estate, and Gold industries, transactions are made in such a way that the payment will be made in cash partially for escaping from the tax radar system. Consequently, it results in the buildup of black money. It is alleged that a portion of the black money is used to fund criminal activities or terrorism and the problem of counterfeit currency would aggravate the issue. It is not a cakewalk for the Government to implement Demonetization in a highly populated country like India.

Apart from the public, the employees too suffered a lot in this act by the government, the financial institutions including post offices were assigned the task of retrieving the old notes and distribute the new one among the public. Its sudden announcement made confusion and chaos among the employees. In some cases, staffs worked up to 14 hours at a stretch and their leaves were cancelled as the system struggled to deal with unprecedented chaos. This study is an attempt to investigate the hardships faced by the employees during demonetization and assessing the impacts and perceptual differences among women employees in the postal department.

2. Demonetization

Demonetization was the most trending topic of yesteryears, which refers to the 'process of stripping currency

notes of its legal tender statuses'. It triggers country wide rush as millions ended up in banks to exchange their notes for legal tender. The prime reason for demonetization can be referred to the promise made by the NDA led the central government to control black money and corruption. In Indian scenario, it has been adulterated in its depth that needed to be divulged out for the benefit of the economy and the people. During the tenure of this government, a number of efforts were made to mitigate the level of unauthorized money. As a primary step, the government had requested the people to deposit their money in JANDHAN account and requested to do their transactions via proper banking procedure only or spare in a frugal manner. Another important thing is to mention is 'Benami Transaction Act 2016', 'creation of the Special Investigative Team (SIT)' in 2016 ; The 'Black Money and Imposition of Tax Act, 2015'; modify in the tax treaties with nations like Singapore, Mauritius and Cyprus,; and the 'Income Disclosure Scheme etc. However, Government found all those actions and results are not enough to be satisfied or effective against the black money. Subsequently, in the eye of the government, the larger share of black money has been accumulated in the form of cash; so demonetization erupted out to be a solution to penalize the illegal activities which help to cut the taproot of black money. The resultant impact was suddenly in an overnight, people found themselves armless for basic cash related necessities for meeting their routine requirements. Retail businesses, agriculture-related activities, real estate, Automobile business, Small and medium scale industries are suffered it's pungent to taste, by and large, came to a standstill because people put aside a small amount of money as they had to meet their living hood and other necessary items. The intense discussion has triggered by many on searching for the logic why they take these bizarre decisions when the Indian economy is stable and performing.

The overall impact of demonetization gives a mixed picture but in most of the predictions that centered in sharing the optimism that long-run effects will be positive indicating that the GDP will improve and stabilize. The expected benefits of Demonetization are formalizing the informal economy (Claims that there is 56% of growth in rate of digital payments in India), curbing black money supply, eliminate fake currency notes, curbing the terrorism financing and promoting a cashless society. Assault on black money also sharply reduces the tax evasions and more revenue in the hands of the government .Authorities of central government said that more than 3 crore people started to pay their income tax as fresh after demonetization, which is resulted in 3.64 lakh crores surge in income tax revenue (According to Subhash Chandra Garg, Secretary ,Economic affairs). More economic freedom to the government embraces a large possibility of availability of more services to the public. Also government claims that the country exhibit a consistent growth in GDP rate in last few quarters shows the success of reformation measures taken by the NDA government including Demonetization.

Year /Quarter	2017 Quarter I	2017 Quarter II	2017 Quarter III	2017 Quarter IV	2018 Quarter I
GDP Rate in %	5.6	6.3	7	7.7	8.2

Source:www.economicstimes.indiatimes.com

3. Demonetization and its impact on Employment

As per ILO statistics 2017, the total strength of the Indian workforce crossed the 520 Million, as we placed as one of the largest workforces in the world. (Exact Number is 52, 01, and 99,018). 60 percentage of the total workforce living in rural India and only 8 % of the total workforce belong to the category of organized workforce whereas Urban unorganized or informal structure which represents the 32% of the workforce. Two-thirds of India's workforce is employed in agriculture and rural industries. One-third of rural households are agricultural labor households, subsisting on wage employment. Only about 9 percent of the total workforce is in the organized sector; the remaining 91 percent are in the unorganized sector, self-employed, or employed as casual wage laborers. The labor force in the year 2006 has grown up to 509.3 million out of which 60% are in agriculture, 12% are employed in industries and the residual 28% are in services. (Source: <http://www.naukrihub.com>).

Immediately after the sudden blast of Demonetization bomb, everybody is in the tremor; again it would take long days to mitigate its effect indeed. Many termed as it is a financial emergency. Many people believe including opposition political wing propagate powerful fusillade against the ruling party in the center that this is only a politically motivated move, hence is unlikely to fetch any kind of declared result claimed by the center except causing miseries to thousands of people by making them stand in a line full of the day. Its impact on employment is important, particularly in a situation when the majority of wage payments are made in cash form. Nearly 1.5 million jobs were lost between January and April 2017. The total employment estimated to have been generated during the period was 405 million compared to 406.5 million during the preceding four months i.e., September to December 2016. These estimated are based on consecutive waves of CMIE's consumer pyramid Household Surveys, mapping the organized, unorganized, and agricultural and non-agricultural sectors. Hiring is slow after the job losses that followed demonetization. Given the nature of huge informal employment, more than 95 percent of total transactions in India are in cash form (Live Mint, January 01, 2017). Newspaper, electronic media or social media are flooded with the news on 'reverse migration', i.e. millions of people are forced to flee the industrialized state such as Punjab, Haryana, Maharashtra, Gujarat etc., to their place of origin. Informal employment, which constitutes as high as 95 percent of all employment is backed with no (or least) social security such as health, education or provident fund benefits. Workers are subject to be fired (or lay-off) at any point of time during the production (or distribution) process. Since the majority of wage payment is made in cash form; they are thus the ones to face misery caused by the recent announcement of 'demonetization'.

Now coming to the informal sector, according to a Report by ASI (2010-11), roughly a fifth of the almost 32 million people employed in the textile and garment sector, are daily wage earners. Hence, any policy change impacting the decline in output growth makes these people be affected more. Further, according to NCEUS, 2009 Report, since the majority of people (78.7 percent) belonging to the informal sector are poor, or constituting 90 percent of casual workers and 75 percent of

self-employed people. So, these are the ones who bear the major substance of the decision of 'demonetization'. Many disquieting features have appeared after demonetization which can be enumerated as fall in GDP growth, income cuts, sentiment hurt, job cuts, production falls, demand fall and cash crunch.

However, the government's assumption is that the short run costs may be minimized and the long run benefits may be maximized with the help of a number of follow-up actions. These include fast, demand-driven, re-monetization; further tax reforms, including bringing land and real estate into the GST, reducing the tax rates and stamp duties; and acting to allay anxieties about overzealous tax administration. It is hoped that these actions would overcome the problem of the decline in GDP and consequently, growth will increase. Since in some of these industries, the share of female workers is higher, wearing apparel, except fur apparel (46 percent), knitted and crocheted apparel' (36.08 percent) and other food products' (33.98 percent). Since women workers are inherently weak in bargaining power and hence are subject to more labor market uncertainties in terms of wage rate or social security. In these industries, as mentioned above, cash payment is generally the only mode of payment; they are thus will be affected more than their male counterpart by any policy change such as 'demonetization'. According to Shettiger. J, the professor at the Birla Institute of Management and Technology, Disturbance on account of reformation activities like Demonetization and goods and services taxes were purely for short-term and he added that increasing trend in the index of industrial production and GDP growth rates are the clear signal of the economy back in the truck. Employment generating sectors like construction, the worst hit by demonetization, have already started reviving, and High demand would lead to falling in the price of the product due to minimized exposure to black money. (Shettiger. J, March 23rd 2017 The Hindu).

4. Objectives

1. To study about Demonetization and Its impact on employment sector in an Indian Economy.
2. To study about the hardships encountered by different stakeholders of the society such as the public and the employees, particularly women employees.
3. Assess the perceptual difference among the women employees in the postal department regarding;
 - a) Whether they think the same was a right move or politically motivated.
 - b) Fulfillment of task-related with Demonetization will be a part of their value system.
 - c) How it seems to be, the demonetization is an opportunity to showcases their commitment towards their organization.

5. Methodology

The study is based on primary and secondary data. The Respondents are the women Employees in Postal Department, Calicut Division Kerala circle, the study was conducted during June –July Months 2017. The questionnaire has two sections – a section of questions dealing with Demographical aspects and

with related to various queries in connection with Demonetization. The area of study is limited to Kozhikode division only.

6. Results and Discussions

The main objective of the study assesses the impact among the public and to find out the perceptual differences among women employees in the postal department about de monetization on the basis of few aspects; such as belief is that Demonetization is an ethically/morally right move, value system and also organizational commitment. Data were collected from 100 respondents using the simple random sampling method. Most of the respondents are married and 27 % of the total respondents are more than 50 age group.47 % of the respondents are earning in between 3,00,000 to 5,00,000 rupees per annum. Most of them are highly educated as 55 respondents are holding the minimum qualifications of degree.53 % of participants are having minimum 10 years of experience. More than 53 % people come from an urban area whereas 59 % of people stated that they need to spend a substantial amount of time to take care of dependents including children. From the frequency analysis (Table No. 1), it is found that all the variables are having to mean score in between 3.5 to 4.5. We can, therefore, conclude that responses with regard to the De-Monetization are highly favorable and the move was more supported by the women employees in the Postal Department. Organizational commitment variable has shown 4.19 means score, which means the large majority has strongly agreed with the statement. The frequency distribution (Mean and Standard Deviation pertaining to the variables are presented in table 1.

Table 1: Statistics.

	Value	Right Move	Org Commitment
Mean	4.48	3.54	4.19
Std. Deviation	.797	1.068	.861

Source: Primary data

In general, people with better education may keep with a sheer different outlook when compared with their 'less educated' counterparts owing to various reasons. Similarly, in the case of employees comes from different income group, also may likely to raise some Perceptual difference about the same matter. It would be interesting to see that is there any difference in their opinion with regard to the issues (Value and organizational commitment) arising out of demonetization.

The one-way ANOVA compares the means between the groups you are interested in and determines whether any of those means are statistically significantly different from each other. Here it is apt to use one-way ANOVAs to compare the significance level among demographic variables and the perceptual differences among employees sorted out of demonetization. Not all the employees are the same in their perceptual process; similarly different factors (including social, political and Economical) are influencing perceptual differences between employees about Demonetization. For instance, some employees take this Demonetization is an opportunity to express their value and commitment to the

organization and nation as well. The study is also investigated whether there is any significant difference of opinion on how they are viewing this demonetization opportunity among working women employees with reference to different income group. The as per the details were shown in Table Number 2, there is no significant difference in the opinions of respondents among different qualifications when it connects the variables of the right move (.592), Value (.626) and Organizational commitment (.761) variables with regard to the Demonetization aspect. Unlike the educational qualification aspect, the opinion of respondents from different income group has shown fluctuating result those are right move (.098), Organizational commitment (.393) respectively whereas there is significant relationship exists between income group and value aspect (.024) of demonetization.

Table: 2 ANOVA; Summary

Variables	Right Move(sig.Value)	Value (sig.Value)	OC (sig.Value)
Edu. Qualification	.592 (*)	.626 (*)	.761(*)
Yearly income	.098(*)	.024(**)	.393(*)

Note: **Denotes Highly significant, whereas * shows the factor is less significant.

Table 3: Cross tab - Value * OC - Educational Qualification (Among degree holders)

Organizational Commitment							
V A L U E		SDA	DA	N	A	SA	Total
	Neutral	0	1	0	0	0	1
	Agree	1	1	5	10	6	23
	SA	0	1	1	10	19	31
	Total	1	3	6	20	25	55

Source: Primary data

Table 4 Cross tab - Value * OC - Yearly Income (Among 3, 00,000-5, 00,000 category).

Organizational commitment							
V A L U E		SDA	DA	N	A	SA	Total
	Neutral	0	0	0	2	0	2
	Agree	1	0	3	9	5	18
	SA	0	1	2	6	18	27
	Total	1	1	5	17	23	47

Source: Primary Data

Among total respondents, 55 persons are holding qualification of degree, out of these, 54 people (98%) commented that demonetization was an opportunity to show their commitment and they are proud on to be a part of it and among these 55 persons another 45 people either agree or strongly agree to the statement that it was a part of their value system and act for national interest is the duty of every Indian. Similarly, another crosstab between Value and Organizational commitment (Table Number 4) shows, how many respondents are thinking in a similar way among Income group. The highest number of respondents belongs to the less income group (47 persons), which is from the category of employees who earns 3, 00,000 – 5, 00,000 per annum. Among these 47 respondents, 40 persons (80 %) Lionel majority of people who agree or strongly agree that they were proud to a part of it and 47 persons (98 %) commented to act in accordance with the

interest of an organization or National interest is the first and foremost duty of an every employee, therefore it is a part of their value system.

7. Conclusion

Government is not in a position to provide all the jobs which are required by a nation and accelerate the policies to embrace privatization moving ahead rigorously. There are many more challenges are there addressed by employment forces in India including automation, lack of social security measures, economic crisis etc in the current scenario. Many expressed their dismay that, this is not the apt time for political experiments. When it comes to Demonetization, it should admit that demonetization was a reality and it led to the loss of thousands of employees. It has created a lot of crisis and confusion in the society and also in an economy. Fifteen months after implementing demonetization it is still too early to say anything about the specific impact of demonetization, as it might take longer to visible its various advantages. Employees particularly women workers in the postal department have had a tough time to compact with the problem. Post days after implementing demonetization were seemed to be the 'the testing time of their commitment and values of all employees including women employees in the postal department. Like a well-oiled machine, their responses raised up to the expectation, they have taken it is as an opportunity to showcase their talent and commitment towards the nation. Our country aims to spread education to all and doing all possible effort to impart literacy towards the bottom of the society and if the government empowerment programme or policies should a meaningful one, it is possible only when the benefit should be reached to less income group or deprived sections of the society.

Results of the analysis too sharing same emotions that they believe that demonetization was the right move taken by the nation at the right time as black-illegal money was a fact in the country and it should be opposed by all means. The most of the respondents are holding a degree, according to them, demonetization is an opportunity to express their values and commitment towards the organization and nation as well. They are happy to say that they utilized that opportunity in an optimum way. Income Group Wise, 'less income group' was stressed more on the value aspect; according to them, it is their duty to exert their highest contribution on an effort of demonetization. It is undisputed that the employees have envisaged unparallel hardships at the time of demonetization, but they overcome those difficulties by an excellent teamwork. The corporate world is also sharing the optimism that the economy started to recover from the low GDP rates, and it will reap benefits in the long run with more number of job opportunities along with better market stability. Overall all stakeholders are favorable to the economic reformation and they expressed their happiness on making their own contribution towards national development.

8. Limitations of study and Scope of Further Study

Limitation of the study was the reluctance on the part of some respondents to share information. The hectic work schedule of Postal employees, inadequate time, and Sample

size can also be called as other limitations of the study. The present study is limited to Calicut Division, Postal Department only. Future research studies can be done to extend the

concept to other industries to generalize the result of the study in a more precise way.

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