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**Economic Trends of logistics Network Restructuring- “An Organizational Study of Cochin Port Trust”**

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Abstract

Seaborne trade continues to expand, bringing benefits for consumer across the world through low and decreasing freight costs. Port plays a key role in the growth of seaborne trade. Without ports the entire region would remain underdeveloped and dormant. A port is a location on a coast or shore containing one or more harbors where ships can dock and transfer people or cargo to or from land. Since ports throughout history handled every kind of traffic, supports facilities vary widely, may extend for miles and dominates the local economy. Cochin Port is a major port on the Arabian Sea and Indian Ocean sea route and is one of the largest ports in India. Cochin Port Trust and it is owned by Government of India. The major items handled at the port are high value, low volume cargos such as spices, tea, coffee, cashew kernels and garments. It also deals with crude oils, fertilizers, coals etc. The major functions of the port are to provide cargo (import/Export) handling services, berthing and services to ships. The research paper intends to study the organizational structure of Cochin Port i.e. how the organization functions. It also finds out the future plans and growth prospects.

**Introduction**

Organization is the structure or mechanism (machinery) that enables living things to work together. In a static sense, an organization is a structure or machinery manned by group of individuals who are working together towards a common goal. According to Mooney and Reily, “Organization is the form of every human association for the attainment of a common purpose. All organization have a management structure that determines the relationship between functions and positions, and subdivides and delegates roles, responsibilities and authority to the carryout defined tasks. Over 90% of world trade is carried by the international shipping industry. Without shipping the import and export of goods on the scale necessary for the modern world would not be possible.

Cochin Port is the fastest growing logistics center emerging in to a major international transshipment terminal. An all-weather natural port, and located strategically close to the busiest

international sea routes. Cochin helps to handle large numbers of ships with cargo weighting in tones of millions, containers shipment and also passenger ships. The Organization study which is the part of our academic curriculum provides us with an opportunity to familiarize with real working environment. The organizational study which was conducted at Cochin Port Trust, Willington Island, Cochin for the period of 45 days, provided an overall picture about Cochin Port Trust & their functioning.

### **SCOPE OF THE STUDY**

The research throws light on the port industry, company profile, organizational structure, various departments and its functions, future plans of Cochin port .

### **OBJECTIVES OF THE STUDY**

#### **Primary objectives**

- To understand the functioning of the organization as a whole.

#### **Secondary objectives**

- To understand the history, growth profile, structure and future plans of the organization.
- To understand the hierarchical structure followed in the organization.
- To understand the major welfare measures provided to the employees.
- To observe the employees at the work place and to interact with them.

### **LITERATURE REVIEW**

Classification is an essential tool in records management. It is used to provide links between records that originate from the same activity or from related activities; to determine where a record should be placed in a larger aggregation of records; to assist users in retrieving and interpreting records; and to assign and control retention periods, access rights and security markings (Schellenberg, 1975; Smith, 2007) Because of this, classification is often discussed in records management and archival text books and guides (Smith, 2007; Williams, 2006; Shephard and Yeo, 2003; Todd, 2003; National Archives of Australia, 2003a, b, Tough, 2006, Findlay, 2008) and in professional literature (del Olmo, 2006; Morelli, 2007; Milne, 2007; Bedford and Morelli, 2006; Robinson, 1997; McKenna, 2009; Sabourin, 2001). The role of classification in information retrieval has been studied by Singh et al. (2007). Seitsonen (2009) examines the relationship between organisational structure and functional classification in her master's thesis.

A classification scheme lies at the heart of any electronic records management system since it defines the way in which electronic records are grouped together (aggregated) and linked to the business context in which they were created or transmitted. Specifications for electronic records

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management systems (Archives New Zealand, 2005; Arkistolaitos, 2008; International Council on Archives and Australasian Digital Records Initiative, 2008; DLM-Forum, 2008) and international records management standard (International Organization for Standardization, 2001) advocate functional classification as the best practice for records management. Records management metadata standard ISO 23081 notes that metadata can be inherited from a higher records aggregate to a lower one. For example, metadata about a folder can be inherited by all the items placed within the folder (International Organization for Standardization, 2006). Classification scheme is one possible source for inherited metadata. Terminology is wavering: functional classification, functions-based classification, and business classification are used as synonyms (Orr, 2005). Sabourin (2001) notes that the term “functional filing” is used even though a record series in the model may not display actual functions performed. There seems to be no full agreement on how “function”, “sub-function”, “activity”, “transaction”, “task” and “process” relate to each other and to levels of classification. Shephard and Yeo (2003) have made perhaps the most rigorous analysis of their relationship. The terminological ambiguity is not limited to records and archives management: in business re-engineering literature there is no consensus about the definition of “business process” or a formal definition of “process” that is sufficient for use by process engineers and system builders (Maddison and Darnton, 1996).

## **INDUSTRY PROFILE**

Ports connect us to the world. Goods we touch every day travel to and from one hundreds of deep draft ports that accommodate ocean- going vessels. They are located in coastal areas, as well as on the Great Lakes and on inland river systems.

Ports are busy, dynamic transportation hubs that are constantly adapting to meet the demands of global trade. Ports are the nexus of business transactions for imported and exported goods. We depend on the ports to increase international trade, to strengthen local and national economies, to provide higher paying jobs, and to increase our standards of living. Trade creates new opportunities for citizens in every country.

By virtue of their locations, ports also serve as environmental stewards of our coastlines. Ports spend millions of dollars each year to minimize the impact of the ports operations and development of their surrounding communities and natural resources.

### **Port industry**

A port is a location on a coast or shore containing one or more harbors where ships can dock and transfer people or cargo to or from land. They are usually situated at the edge of the ocean or sea,

river or lakes. Port locations are selected to optimize access to land and navigable water, for commercial demand, and shelter from wind and waves. Ports with deeper water are rarer, but can handle larger, more economical ships. Since ports throughout history handle every kind of traffic, support and storage facilities vary widely, may extend for miles, and dominate the local economy. Some ports have an important military role.

### **Port industry and Globalization**

In an era of economic globalization ports are evolving rapidly from being traditional land/sea interfaces to providers of complete logistics networks. This means that ports have had to face many challenges due to unpredictable environment changes and trends in the shipping, port and logistics industries.

Most ports in the world faced these challenges and emerging issue, such as:

- Globalization of manufacturing and outsourcing
- Global trends of logistics network restructuring and repositions of regional and/ or local distribution center
- Rapid growth in volume of world seaborne freight, especially container
- Emerging hub and spoke system in global shipping service
- Increase of transshipment cargo and competition among ports and terminal operators
- Introduction of the super mega size containership
- Increasing competition towards hubs ports
- Emerging global terminal operator and their growing market share
- One stop shopping concept and intermodal transport linking strategically between ocean, railways, road and inland waterway.
- Increasing role of the port in the global supply chain management and logistics network structure
- Increasing of productivity and efficiency in ports
- High cost and constraints for developing port facilities



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**RESEARCH METHODOLOGY****RESEARCH DESIGN**

Descriptive research was implemented for the study

**POPULATION**

For the research paper, population is selected as total number of employees in the organization i.e. 360 employees

**SAMPLE SIZE**

The sampling size of the study is 120 employees.

**SAMPLING METHOD**

In this study, cluster sampling method was used .In this method of sampling, the all population was divided into clusters, a cluster consists of members with similar characteristics. Here in this study the department of cochin port considered as clusters.

**DATA COLLECTION METHODS**

Questionnaires, Company brochure, Company website and Published data was used

**STATISTICAL TOOLS AND TECHNIQUE OF ANALYSIS**

- For collecting data questionnaire were used.
- Percentage of responds= no: of responses / total number of respondents\*100
- To analyze the collected data simple tools like percentage method, simple arithmetic mean and techniques like linear trend projection have been used pictograms like graphs and charts are also used. The formula for estimating the liner trend projection can given as

$$YC = a + b (x)$$

YC = the variable considered for predication

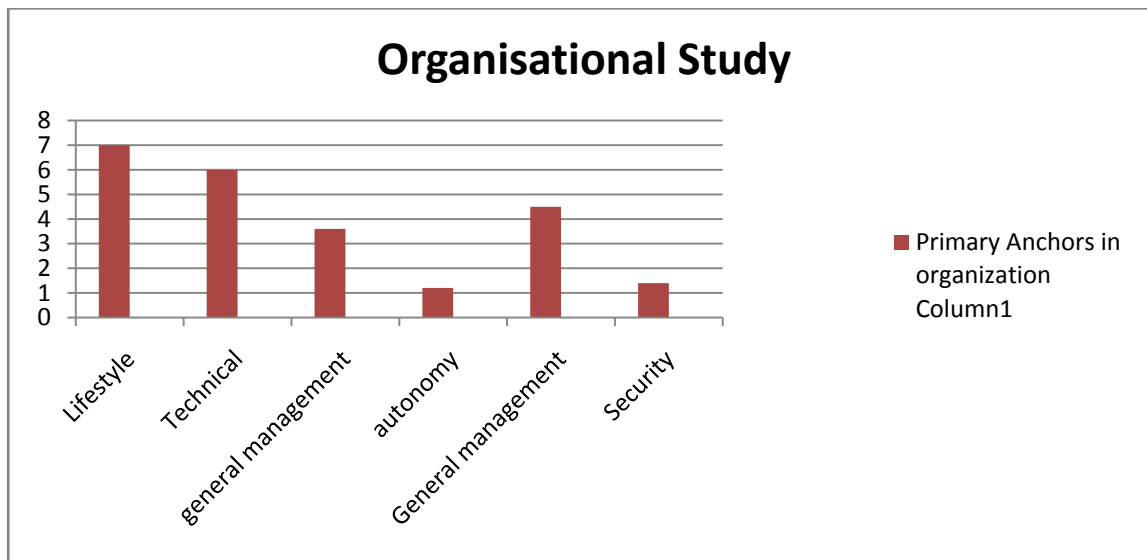
a + b = the parameters to be estimated

x = the time period

**LIMITATIONS OF STUDY**

- Interaction with the company professionals was limited due to their busy schedule.
- The finding and suggestion were drawn based on the feedback received through questionnaire.
- Information obtained from respondents may not be free from personal bias
- The inability to obtain confidential data
- Absence of enough journals.

## ANALYSIS



The findings of the research paper indicate that anchors do not differ according to gender or age, but do differ to a limited extent according to the individual's position within the organizational hierarchy. More senior employees showed a greater likelihood of having a general managerial anchor and the lowest grade showed a higher proportion of employees anchored in security and stability. This would appear to support Derr's theory (1986) that anchors can change over the course of a person's life and that as people move into different roles, different anchors emerge. The career anchor literature suggests the importance of understanding non-monetary motivators of career satisfaction, depending on the individuals motives, values and talents. It is also suggested by a number of writers (Barth, 1993; Derr, 1986) that a greater understanding of career anchors can help organizations to tailor and focus career initiatives more successfully. This research shows that cumulative career anchor information can be a good indication of the key drivers for career satisfaction and create an understanding of the overriding career culture. The distribution of the career anchors in this sample indicated that job security/stability and technical/professional values were more important to the majority of employees' careers in this particular organisation, which would suggest that these groups would relate better to a more traditional, organisationally managed, career process. Whereas organizations with high levels of autonomy/independence (e.g. consultancies) are likely to have employees with a greater interest in self-development interventions. Recent research (Giles and West, 1995) supports this and showed that people with a security/stability anchor were less likely to be proactive in career planning than employees with a general managerial anchor. By analyzing career anchor data in this way, it is possible for Cochin Port to build up a picture of the key drivers of career satisfaction in the organization, by providing a valuable insight into the career culture in existence. Furthermore, if more organizations begin to take this approach, benchmarking the success of career initiatives with other companies will have a greater relevance against this cultural backdrop.

**Findings**

- Cochin port has well defined organization structure
- In Cochin port, there is a harmonious relationship between the employees and management
- Each department is committed to do its duty with due responsibility
- Trade union are found to be more active in Cochin Port Trust
- Marine pollution is under the control of CPT including the development of the Cochin Port oil spill contingency plan and operation and maintenance of the oil spill equipment held with the port
- Bringing new development projects as and when necessary
- Efficient persons in top level management
- Operating profits of the Cochin Port has increased in 2015-2016 scenario
- Dredging and maintenance cost of Vallarpadam container terminal is the major reason for port in loss
- Traffic department, marine department and mechanical department are the key departments in Cochin Port Trust
- There is no separate HR department. HR department is only a wing of general administration department
- Computerization of operation has resulted in under utilization of existing manpower. So in order to reduce cost, port trust is adopting downsizing
- 47% of employees have an opinion that the training provided by the organization helps in improving earning capacity of employees, 28% partly agrees and 24% disagrees.
- Most of the employees have opinion that there exists good employee- employer relationship in the organization
- Most of the employees are satisfied with the ability and qualification of the trainer in the training programme.
- The majority of employees are satisfied with the attitude of trainer in the training programme.
- Employees agree that training provide by the organization helps in giving good employee feedback by 67%, partly agree by 23% and disagree by 8%
- The majority of the employees had a opinion that there exists a top management who analyze training needs of employees.
- Training provided by the organization helps in developing future personnel needs. 56% of employees agree 31% partly agrees and 12% disagree with the statement.



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**Suggestions**

- Effective cost control mechanism should be implemented in order to turn the organization into profits making one
- The employees should be more professional to their work. Then only port can achieve efficiency in performance and eliminate competition
- More private participation can be encouraged for speedy implementation of new projects.
- Efforts should be made to attract more cargo to Cochin Port which has been diverted to the neighboring ports like Tuticorin, Mangalore and Chennai.
- Computerization of operation has resulted in under utilization of existing manpower. Therefore the workers have to be redeployed according to their skills and abilities.
- Management should adopt better motivational technique to reduce increased absenteeism
- Fully Fledged personnel department is necessary for the speedy redressed of employee grievance
- Rethinking on the current tariff structure is necessary in order to compare with other major ports and private ports
- Delay in implementing new projects is to be avoided
- Before implementing any new development projects, its economic viability is to be thoroughly analyzed
- Better cooperation should be maintained between the management employees and trade union for the smooth functioning of the organization.
- Organization should adopt new technologies for training programme.
- Training medium must be checked, thus maximum number of employees had benefits.
- Training environment need to be improved.
- Training should improved to increase earning capacity of the employees.
- Better training should be provided to reducing man power obsolescence.

**Conclusion**

India's rise in recent years is a most prominent development in the world economy. India has re-emerged as one of the fastest growing economies in the world. India could unleash its full potential, provided it improves the infrastructure facilities, which are at present not sufficient to meet the growing demand of the economy. Failing to improve the country's infrastructure will slow down India's growth process. Therefore, Indian government's first priority is rising to the challenge of maintaining and managing high growth through investment in infrastructure sector like ports, Electricity, Roads and Bridges, Airport. Almost 95% by volume and 70% by value of India's global merchandise trade is carried through the sea routes.

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Cochinport contributed a lot towards the development of the country and the Kerala state and the state looking forwards the port trust for the further development of the state. The development of international container transshipment terminal at Cochin, LNG terminal at Cochin are the two main projects which are capable to contribute a lot towards the economic development of the state Kerala and India.

Cochin port is taking the lead in formulating innovative business strategies to Contribution significantly in the development process. Although the traditional role of the Indian port is restricted to handling cargos and vessels, the increasing competition that the globalization brought along, has compelled each port to look for alternative venture to sustain growth in the context of the globalised shipping scenario, the Cochin port is earnestly pursuing the idea of development to an international standard.

Cochin Port Trust basically deals with export and imports trade of cargo and goods through waterways. Cochin port has a bright future with regards to containerization. It is one of the major ports of the country which if developed properly can complete with the international ports like Dubai, Singapore, Colombo etc, the organization study conducted at CPT was an opportunity to understand the practical side of the management theories. This study helped to understand the functions performed by various departments of the Port Trust.

Reports shows central government will encourage strategic venture for the port development and related works in partnership with the center of major port or with institutions engaged in similar activities. It can therefore be hoped that Cochin Port will have better position in future.

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