India's largest reliance industries limited

Introduction about

Reliance Company

Reliance Industries Limited is India’s largest private sector conglomerate (by market value) and second largest in the world, with an annual turnover of US$ 35. 9 billion and profit of US$ 4. 85 billion for the fiscal year ending in March 2008 making it one of India’s private sector Fortune Global 500 companies, being ranked at 206th position (2008). It was founded by the Indian industrialist Dhirubhai Ambani in 1966. Ambani has been a pioneer in introducing financial instruments like fully convertible debentures to the Indian stock markets. Ambani was one of the first entrepreneurs to draw retail investors to the stock markets. Critics allege that the rise of Reliance Industries to the top slot in terms of market capitalization is largely due to Dhirubhai’s ability to manipulate the levers of a controlled economy to his advantage. Though the company’s oil-related operations form the core of its business, it has diversified its operations in recent years. After severe differences between the founder’s two sons, Mukesh Ambani and Anil Ambani, the group was divided between them in 2006. In September 2008, Reliance Industries was the only Indian firm featured in the Forbes’s list of “ world’s 100 most respected companies”

Products

Reliance Industries Limited has a wide range of products from petroleum products, petrochemicals, to garments (under the brand name of Vimal), Reliance Retail has entered into the fresh foods market as Reliance Fresh and launched a new chain called Delight Reliance Retail and NOVA Chemicals have signed a letter of intent to make energy-efficient structures.

The primary business of the company is petroleum refining and petrochemicals. It operates a 33 million tonne refinery at Jamnagar in the Indian state of Gujarat. Reliance has also completed a second refinery of 29 million tons at the same site which started operations in December 2008. The company is also involved in oil & gas exploration and production. In 2002, it struck a major find on India’s eastern coast in the Krishna Godavari basin. Production from this find is expected to start by the third quarter of 2008.

Major Subsidiaries & Associates –

1. Reliance communications
2. Reliance Petroleum
3. Reliance fresh
4. Reliance insurance
5. Reliance mutual fund

Reliance communications

Anil Dhirubhai Ambani Group, an offshoot of the Reliance Group is founded by Shri Dhirubhai H Ambani in1932-2002, ranks among India’s top three private sectors business houses in terms of net worth. The group has business interests that range from telecommunications (Reliance Communications Limited) to financial services (Reliance Capital Ltd) and the generation and distribution of power (Reliance Infrastructure Limited).

Reliance – ADA Group’s flagship company, Reliance Communications, is India’s largest private sector information and Communications Company, with over 92 million subscribers. It has established a pan-India, high-capacity, integrated, convergent (voice, data and video) digital network, to offer services spanning the entire infocomm value chain.

Reliance Petroleum-

Reliance Petroleum Limitedwas set up by Reliance Industries Limited (RIL), one of India's largest private sector companies. Currently, RPL is subsidiary of RIL. RPL also benefits from a strategic alliance with Chevron India Holdings Pvt Limited, Singapore, a wholly owned subsidiary of Chevron Corporation USA (Chevron), which currently holds a 5% equity stake in the Company.

Jamnagar Refinery-: Refining activities of Reliance Industries Limited are carried out at the Jamnagar refinery complex with refining capacity of 27 million tonnes per annum (540, 000 barrels per day).

The refinery is able to process a wide variety of crudes- from very light to very heavy (from 18 to 45 degree API) and from sweet to very heavy (with sulphur content from 0 to 4. 5%).

The refinery project is being implemented at a capital cost of Rs 270, 000 million being funded through a mix of equity and debt. This represents a capital cost of less than US $10, 000 per barrel per day and compares very favourably with the average capital cost of new refineries announced in recent years. The International Energy Agency (IEA) estimates the average capital cost of new refinery in the OECD nations to be in the region of US $15, 000 to 20, 000 per barrel per day. The low capital cost of RPL becomes even more attractive when adjusted for high complexity of the refinery.

Reliance Fresh

Reliance Freshis the convenience store format which forms part of the retail business of Reliance Industries of India which is headed by Mukesh Ambani. Reliance plans to invest in excess of Rs 25000 crores in the next 4 years in their retail division. The company already has in excess of 560 reliance fresh outlets across the country. These stores sell fresh fruits and vegetables, staples, groceries, fresh juice bars and dairy products.

Reliance General Insurance

Reliance General Insurance Company Limitedis a part of Reliance Capital Ltd. of the Reliance Anil Dhirubhai Ambani Group. Reliance Capital is one of India’s leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance General Insurance is one of India’s leading private general insurance companies with over 94 customized insurance products catering to the corporate, SME and individual customers. The Company has launched innovative products like India’s first Over-The-Counter health & home insurance policies.

Reliance General Insurance has an extended network of over 200 offices spread across 173 cities in 22 states, a wide distribution channel network, and 24×7 customer service assistance. It is also India’s first insurance company to be awarded the ISO certification across all functions, processes, products and locations pan-India.

Reliance Mutual Fund

Reliance Mutual Fund (RMF) is one of India’s leading Mutual Funds, with Average Assets Under Management (AAUM) of Rs. 1, 22, 252 CRORES and an investor base of over 72. 40 Lacs. (AAUM and investor count as of November 2009)

Reliance Mutual Fund, a part of the Reliance – Anil Dhirubhai Ambani Group, is one of the fastest growing mutual funds in the country. RMF offers investors a well-rounded portfolio of products to meet varying investor requirements and has presence in 118 cities across the country. Reliance Mutual Fund constantly endeavors to launch innovative products and customer service initiatives to increase value to investors. “ Reliance Mutual Fund schemes are managed by Reliance Capital Asset Management Limited., a subsidiary of Reliance Capital Limited, which holds 93. 37% of the paid-up capital of RCAM, the balance paid up capital being held by minority shareholders.”

Reliance Capital Ltd. is one of India’s leading and fastest growing private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance Capital Ltd. has interests in asset management, life and general insurance, private equity and proprietary investments, stock broking and other financial services.

Reliance Capital Limited Trustee: Reliance Capital Trustee Co. Limited Investment Manager: Reliance Capital Asset Management Limited Statutory Details: The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956.

Four Building Blocks of Reliance Company-

1. Division of work.

2. Departmentalization.
3. Make hierarchy.
4. Co-ordination.

1. Division of work

In division of work we divide the work in different departments. by making departments it is easy to make smart goals and it also saves the time. It is not possible to run such a large organization without division of work in different departments. Reliance Company in such a large organization that it needs departments. So the working of those main 4 departments is following-:

The 4 Main Departments of a reliance company

1. Sales department
2. Purchase department
3. Finance and accounting department
4. Operations department

There are so many aspects to running a large company that it must be divided up into smaller departments in order to operate effectively. If it is to function efficiently, then it is essential that each of these departments communicates well each other and with its suppliers and customers. ICT plays a crucial role in this communication.

Sales department-:

Every company is in business to make money. It will either be selling a product or a service. The Sales department deals with marketing and advertising the product/service and taking orders.

The advertising may be done by means of:

- newspapers or magazines
- radio or TV
- catalogues
- flyers
- CDs
- Internet etc.

The sales may be made by

- phone
- on-line
- emails
- printed order forms
- Sales reps that work for the company and offer the customer a friendly face and ready answers to any questions.

Purchasing department-:

If a product is being manufactured, then the components that go to make up this product will have to be purchased from various suppliers. These components are crucial to the product and it is essential that there are always enough of them on site for the product to be manufactured every working day.

The purchasing department must know when to re-order components and how many at a time. Too many would lead to a cash flow problem with the company having to pay out for the supplies before it can recoup the cash by selling the product. Too few would lead to the company standing idle (and therefore losing money) while it is waiting for these precious components.

Even if there are no actual components to buy (i. e. a service is being sold), there are still materials to purchase (buy or rent)- computer paper, printer ink or toner, other office supplies, cleaning supplies, company cars etc. In addition every company needs electricity, phones, computers, water, building rents, council tax rates etc.

The purchasing department will have to:

- find a supplier
- negotiate a deal (discounts for bulk etc)
- place an order
- track the order
- check that the goods received are as requested
- pay the invoice

Finance or accounting department-:

The Finance Department is responsible for all the money that comes into and goes out of the company. Records of all receipts and payments will probably be done on computer via spreadsheets. It will obviously liaise very closely with the Purchasing and Sales departments. It will set annual budgets for the company and keep a check on the performance of the company throughout the year, producing graphs and charts where necessary.

It is also responsible for calculating and paying the wages of the employees. This means it must also make deductions for Income Tax, National Insurance, and Pension fund contributions.

Operations department-:

This is the department where the actual production of the goods or services takes place. If it is a manufacturing company, then they may well be using computer aided design (CAD) and/or computer aided manufacturing (CAM) to produce the product.

If there is no actual product as such (i. e. a service) then the employees will probably be working at computers to perform their jobs. Such companies are in the majority today, as the manufacturing industry declines and are being replaced by service industries. A few obvious examples are:

- Banks/building societies
- Insurance companies
- Software companies
- Travel agents

While these are the 4 main departments in any large organization like reliance, even these are often subdivided into smaller departments, such as Personnel (Human Resources), Salaries, Project teams etc.

2. Departmentalization-

Departmentalization refers to the process of grouping activities into departments. Division creates specialists who need coordination. This coordination is facilitated by grouping specialists together in departments.

Types of departmentalization-

- Geographic departmentalization– Grouping activities on the basis of territory. If an organization’s customers are geographically dispersed, it can group jobs based on geography. For example, the organization structure of Coca-Cola has reflected the company's operation in two broad geographic areas

- Product departmentalization– Grouping activities by product line. Tasks can also be grouped according to a specific product or service, thus placing all activities related to the product or the service under one manager. Each major product area in the corporation is under the authority of a senior manager who is specialist in, and is responsible for, everything related to the product line. LA Gear is an example of company that uses product departmentalization. Its structure is based on its varied product lines which include women's footwear, children's footwear and men's' footwear.
- Customer departmentalization– Grouping activities on the basis of common customers or types of customers. Jobs may be grouped according to the type of customer served by organization. The assumption is that customers in each department have a common set of the problems and needs that can best be met by specialists. The sales activities in an office supply firm can be broken down in three departments that serve retail, wholesale and government accounts.
- Process departmentalization– Grouping activities on the basis of product or service or customer flow. Because each process requires different skills, process departmentalization allows homogenous activities to be categorized.
- Functional departmentalization– Grouping activities by functions performed. Activities can be grouped according to function (work being done) to pursue economies of scale by placing employees with shared skills and knowledge into departments for example human resources,

IT, accounting, manufacturing, logistics, marketing, and engineering. Functional departmentalization can be used in all types of organizations.

Reliance Company has geographic type of departmentalization and the detail of that type of departmentalization is following

Grouping activities on the basis of territory. If an organization’s customers are geographically dispersed, it can group jobs based on geography. For example, the organization structure of Coca-Cola has reflected the company’s operation in two broad geographic areas – the North American sector and the international sector, which includes the Pacific Rim, the European Community, Northeast Europe, Africa and Latin America groups in the same way reliance company has a very large ring its departments are also in America and India so in this way this type of organization has geographical departmentalization.

3. Make Hierarchy-:

Hierarchy

A hierarchy is an arrangement of items (objects, names, values, categories, etc.) in which the items are represented as being “ above,” “ below,” or “ at the same level as” one another and with only one “ neighbor” above and below each level. These classifications are made with regard to rank, importance, seniority, power status or authority. A hierarchy of power is called a power structure. Abstractly, a hierarchy is simply an ordered set or an acyclic graph.

Five Levels of the Hierarchy of Needs

There are five different levels in Maslow’s hierarchy of needs:

1. Physiological needs
2. these include the most basic needs that are vital to survival, such as the need for water, air, food and sleep. Maslow believed that these needs are the most basic and instinctive needs in the hierarchy because all needs become secondary until these physiological needs are met.
3. Security Needs
4. these include needs for safety and security. Security needs are important for survival, but they are not as demanding as the physiological needs. Examples of security needs include a desire for steady employment, health insurance, safe neighborhoods and shelter from the environment.
5. Social Needs
6. these include needs for belonging, love and affection. Maslow considered these needs to be less basic than physiological and security needs. Relationships such as friendships, romantic attachments and families help fulfill this need for companionship and acceptance, as does involvement in social, community or religious groups.
7. Esteem needs-:
8. after the first three needs have been satisfied, esteem needs becomes increasingly important. These include the need for things that reflect on self-esteem, personal worth, social recognition and accomplishment.
9. Self-actualizing Needs-:

10. this is the highest level of Maslow’s hierarchy of needs. Self-actualizing people are self-aware, concerned with personal growth, less concerned with the opinions of others and interested fulfilling their potential.

Reliance has Geographical type of hierarchy

The next hierarchy to consider is location. Locations can be thought of as a hierarchy starting with “ The World” (or “ Global”) as the top of the tree and splitting down further into regions, countries, counties or states, cities and streets.

At the bottom of each branch of the hierarchy will be an actual physical location usually with some company asset (an office, manufacturing plant, service centre etc) located at it.

The organization can take advantage of this information in many ways. For example a multi-location sales based organization could display a hierarchy of locations with the revenue generated at each office “ rolling up” through the hierarchy. This would allow managers to compare different offices and areas with one another and to view an overall sales figure for the organization as shown below

4. Co-ordination

Definition of co-ordination-co-ordination can be defined as ‘ synchronization of efforts from the stand-point of time and the sequence of execution’in general co-ordination means bringing together the activities and resources of organization and bringing harmony in them.

Elements of co-ordination

Integration– it refers to the unification of all unrelated interests or activities bringing together the efforts and directing them to a common direction. Integration result is better performance of the organization. In the organization employees come from different backgrounds. They have different interest different aspirations. the co-ordination function is unify ad bring together the interest of all the employs towards the interest of the organizations

Balancing– it means integrating the activities and efforts of different departments, working independently. It brings harmony in the working of whole company. Although the departments of an organization independently but there activities must relate to each other. Else there can chaos and confusing.

Timing-it means scheduling the operations in a suitable order so that there is no interruption in the operating process due to delay in one activity. Integrating the timing of different activities leads to smooth flow and smooth working of an organization.

Importance of co-ordination-

Coordination is needed to perform all the functions of management –

1. In planning co-ordination is required between main plain and supportive plains of different departments
2. I organizing co-ordination is required between different resources of an organization of an organization and also authority responsibility and accountability.

3. In staffing co-ordination is required between skills of a person and job assigned to him, between efficiency and compensation etc.
4. In directing functions co-ordination is required between superior and subordinate between orders, instructions guidelines and suggestions etc.

Coordination is required at all levels

- top level is requires co-ordination to integrate all activities of organization and lead the efforts all the individual in one common direction.
- Coordination is required at idle level to balance the activities of different departments so that these can work as a part of one organization only.
- Lower level requires coordination to integrate the activities of workers towards the achievement of organizational objectives.

Co-ordination is the most important function of an organization-

Any company which fails to co-ordinate its activities can not survive and run successfully for a long time.

Coordination in a Large, Multi-Business Firm-:

In dissertation, it examines intraorganizational social networks and their antecedents and consequences. The first paper, jointly authored with Michael Tushman, is a theoretical discussion of the role of social networks in inter-divisional coordination. Most large organizations fail to develop new businesses that combine resources from disparate parts of the firm. I define and explore a brand of corporate entrepreneurship based on interdependent innovation – the deliberate creation of interdependence between autonomous divisions of multi-business firms to create new products. I argue that interdependent innovation is difficult because the social structures that promote exploration of new possibilities are inconsistent with the social structures needed to successfully execute interdependent innovation; I suggest that senior leadership plays a crucial role in transitioning the organization between different network structures.

Empirically, there are at least two methodological hurdles to researching the complex interaction between formal structure and social structure in contributing to organizational outcomes. First, the kind and quality of data that have typically been collected to conduct network analysis are inadequate; and second, there is a paucity of research that accounts for the embeddings of the informal structure in the formal. In the second dissertation paper, I begin to resolve these two issues. I argue for data collection methods relying on electronic communication archives (e. g., e-mail) for network analysis. I also empirically develop novel measures that use this data to quantify the social structural relationships between formal divisions; in doing so, I explicitly embed informal structure within formal structure in novel ways.

The third dissertation paper, jointly authored with Toby Stuart and Michael Tushman, is an empirical study of the pattern of communications – and, by extension, the coordination that it enables – in a modern organization. We analyze a dataset with more than 100 million electronic mail messages, calendar meetings and teleconferences for a sample of more than 30, 000 employees of a single, multidivisional firm. In dyad-level models of the probability that pairs of individuals communicate, we find very large effects of spatial proximity and formal organizational structure on the rate of communication; homophily effects based on gender, organizational tenure, and salary levels are much weaker.

How to Improve Coordination in a Business Organization-

How to Improve Coordination in a Business Organization is a common question asked by organizations small and large. In order for business organizations to improve coordination they must have strong processes in place combined with the proper business management software. The software tool best suited to improving coordination in a business organization by streamlining workflow processes and improving collaboration is Web Based CRM Software. Salesboom. com has a full suite of CRM Software solutions designed to increase the productivity of your organization with coordination tools like shared calendars, instant messaging, web self service portals, shared reporting and shared tasks. These tools combined with our other powerful features like marketing automation and sales force automation will provide your business with all the answers to the question, How to improve coordination in a business organization.

New improved organizational structure of reliance company-

This is the new improved structure of reliance company in which the head office is in India and the branches are as follow. It is a global type of organizational structure.