



A STUDY ON CHANGE MANAGEMENT AT COMMERCIAL TAXES DEPARTMENT

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ABSTRACT

An organizational theory furnishes a general frame of reference for explaining and understanding behavior pattern in organization. The study is the impact of the change management at Commercial taxes Department. To study the perception of Commercial taxes Department's employees towards the Change ie Computerization. The period of the study is for the year 2008-2009. Primary data is directly collected from the respondents i.e. employees of the Commercial taxes Department through a structured formalized questionnaire. Secondary data has been collected through websites, library books & journals. The sample size is restricted to 50 only. The study and analysis are purely based on information given by the respondents i.e. employees of Commercial taxes Department, Charminar Division. The period of the study is for one year.

KEYWORDS: *Change Management, Commercial Taxes Department, Computerization, Perception of the Employees, Organization Change*

INTRODUCTION

Organizational theory is the discipline that studies the structure and design of organization. It explains how organization are actually designed and offers suggestions and how they can be constructed to improve organizational effectiveness.

An organizational theory furnishes a general frame of reference for explaining and understanding behavior pattern in organization. It also furnishes a scientific base for managerial actions for predicting , controlling and influencing behavior with a view to increase efficiency of the organization

Organizational Behavior is directly concern with the understanding, predicting and controlling of human behavior in organization. It is an area of study that investigates the impact that individuals, groups and structure have on behavior with in organizations for the purpose of applying such knowledge towards improving an organization's effectiveness.

Organizational Behavior examines individuals within organizational thoroughly and is concerned primarily with their emotional and cognitive difference within organization.

Concept of Change

In dynamic society surrounding today's organization, the question whether change will occur is no longer relevant. Instead the issue is how do managers cope with the inevitable barrage of changes

that confront them daily in attempting to keep their organization viable and current otherwise the organization will find it difficult or impossible to survive.

Meaning

Change means the alteration of status, quo or making things different . Any alteration that occurs in the over all work environments called as change.

Definition

“ When an Organizational System is disturbed by some internal or external forces changes frequently occurs.”

Needs and Importance of the study

The following are the needs and importance of the study:

- Change in any part of the organization affects the whole of the organization.
- Change will effect the various part of the organization in varying rate of speed and degree of significance.
- Changes may affect people , structure , technology, and other elements of the organizations.



- Changes creates certain responses these responses may be either positive, negative or neutral.

Objective of the study

The following are the objectives of the study.

- To study the impact of the change management at Commercial taxes Department
- To study the perception of Commercial taxes Department's employees towards the Change that is Computerization.

Period of the study

The period of the study is for the year 2008-2009.

Scope of the Study:

- The scope of the study is restricted to study the impact of the changes in Commercial Taxes Department.
- The scope of the study is restricted to present the Change management at Commercial taxes Department.

RESEARCH METHODOLOGY

The data was collected from primary and secondary sources.

Primary data is directly collected from the respondents i.e. employees of the Commercial taxes Department through a structured formalized questionnaire. Secondary data has been collected through websites, library books & journals.

Samples: The Sample size is restricted to only.

LITERATURE SURVEY

* Darren D Armstrong and Md Saeed "Change Management in Health Care Settings", The Indian Journal of Commerce, expressed in their article that "Employees engaged in the Change Management process is that, he or she should try to model himself or herself in to change leader rather than a change manager. Changes are going to offer opportunities to those organization that manage the change process well and remember that the future belongs to those who prepare for it."

* Kirk Strawser (Head of WIPRO Consultation Services), "marketing Changes", Business India (The Magazine of Corporate World), expressed in his articles that "The consulting market must undergo a step change in how we approach the business of teaming with our clients to manage cost, capital and customers. Client want industry specific and integrated solutions delivered using innovation, accelerated approaches that drive measurable improvement in critical metrics such as cash flow and returns on equity."

* Ashraf, "Changing Course Curriculum to Retain the Edge", Indian Journal of Marketing, expressed in his article that "In the content of rapidly changes global economy, Indian's Business Schools have to learn to cope up with emerging scenario. Manager should be more able to think and work internationally. Students should learn, to work in the emerging trans-geographic business environment. Further a major weakness of the Indian Management Education appears to be a wide gap between what is needed on the job and what is taught in the school. It call for changes, rather updating curriculum."

* Saravanan S "Service Marketing Strategic for the new Millennium in Banking Sector", Indian Journal of Marketing, expressed in his article that; The changes in technology in the field of communication and computerization are expected to reach new heights in the coming decades. Consequently, the banking services will also get more modernized. The computerization will save more man power which can be used in other fields as well."

* Sandhya Mehta, "Human Resource's Role As A Strategic Business partner", HRD News letter, expressed that, "Strategy for success of any organization in today's environment demand scoping with change. As a strategy business partner HR needs to play a critical role in anticipating these changes and preparing the organization to respond appropriately for continued competitiveness. In being the catalyst for change, he must engage himself in creating an atmosphere for learning and relating in the organization. It should also ensure that it facilitates through constructive feed back and coaching method."

* P Ramlal, N Surakshitha and B Mathews, "Changing Dimensions in HRM", HRD news letters, expressed in their article that, "To cope with the change in the changing scenario and to compete with the highly competitive world, one needs a change in his knowledge. This is where the need for knowledge management arises to organizations to improve the knowledge of their employees."

* Dr G Ramanaiah, "Emerging Business Scenario in the New Millennium and Challenges", expressed in his article that, "Thus the company trapped in the old mindset collapse while those with that right mindset are able to successfully handle the same paradoxes. Due to growing competition between company's worldwide, diversity in work force, borderless world and information availability in the advent of Internet, companies have to evolve strategies to effectively manager paradigm shift in organization. Organisation need to develop global vision, follow secular approach in dealing and customization in order to survive and grow in the 21st century."



* Mrs Neeraja Guda ,” E-Business Trends and Issue “, Indian Journal of marketing, expressed in her article that “ Every company must learn to implement for reaching changes with in itself to take advantages of the ways so the internet allows to perform functions. The more an organization can use the internet to tie together the corporate infrastructure, goals and technology, the more effective it will be in realizing its goals and success.

Limitations of the Study

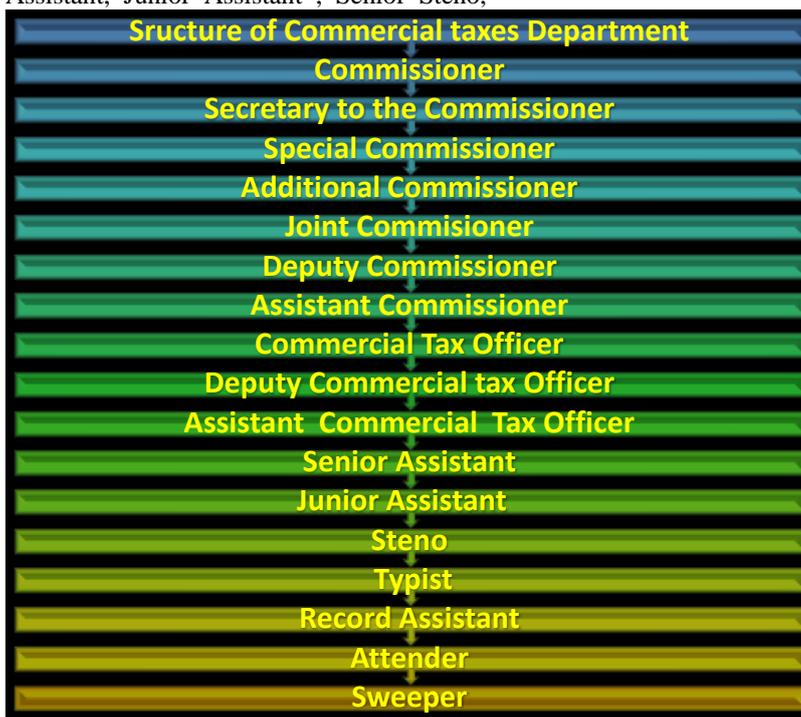
- The sample size is restricted to 50 only.
- The study and analysis is purely based on information given by the respondents (i.e. employees of Commercial taxes Department , Charminar Division)
- The data has been collected only from employees of Commercial department Charminar Division that is Commercial tax Officers, Deputy Commercial tax Officers, Assistant Commissioner Tax Officer, Senior Assistant, Junior Assistant , Senior Steno,

Typist and record Assistant ,since impact is only of these employees

- The period of the study is for one year.

PROFILE OF THE COMMERCIAL TAXES DEPARTMENT

In the Year 1986 the Andhra Pradesh General Sales taxes Amendment Act 1986 was enacted and the amendment contained there in were brought into force with effect on and from 1st April 1985.To mobilize additional resources the Andhra Pradesh Tax on Luxuries in Hotel and lodging House Act 1987, was enacted. In the year 1987 the Andhra radish tax on Profession, Calling Employment Act 1987 and the Andhra Pradesh Entry of Goods into local Area tax Act 1987 enacted. In the year 1993 the Andhra Pradesh General Sales tax Amendment Act 1993 was enacted. In the year 1996 the Andhra Pradesh Rural Development ordinance Act 1995 has been issued.



Territorial Jurisdiction

The Commercial taxes Department is organized territorially into divisions and circles. The Commercial Taxes Department has 25 Divisions.

Each division roughly coinciding with a head quarter except Hyderabad .The Hyderabad city is made of 5 Division. A division is headed by a Deputy Commissioner. Each division is sub divided into circle. Secundrabad Division is odal division with the following:

- Abids

- Charminar
- Punjagutta
- Begumpet
- Secundrabad

Each division in turn comprise of Circle headed by a Commercial Taxes Officer. Typically, there may be 7 to 9 Circles per division. There are totally 193 Circles in Andhra Pradesh. The Circles of Charminar Division are as follows:

- Afzalgunj
- Charminar



- Begum bazar
- Lord bazar
- Maharajgunj
- Malakpet
- Mehdipatnam
- Nizamshahi Road
- Osmangunj
- Large Ta Payer Unit

Check Post

All the incoming and out going of the goods ie purchases and sales of goods are monitored at the check posts. The check posts are of two types.

Integrated Check Post

Border Check Posts

1. Integrated Check Post

Integrated Check post is to monitor the incoming and out going of goods that is sales and purchases along with the other department i.e. transport, Mining and Forest department. There are 5 Integrated Check Post in Andhra Pradesh.

2. Border Check Post

Border Check post , where all the incoming and outgoing of good ie Sales and purchases from one state to another state and also within the state are monitored. These check post are located in the state for monitoring the transfer that is sales and purchases of goods. There are 13 Border Check post in Andhra Pradesh.

ACT PREVAILING IN COMMERCIAL TAXES DEPARTMENT

Central Sales Tax Act

Central Sales tax Act on interstate transactions and levied on such goods, which operate by choosing the act of sales as the criteria for attracting liability to pay the tax, sales being a central part of concept.

Andhra Pradesh Value Added Tax Act

Andhra Pradesh Value Added tax Act is general indirect tax assessed and collected on the value added to goods in each business transactions. It is levied on all commercial activities involving manufacturing and trading of goods and services.

Andhra Pradesh Professional tax Act

The Commercial Taxes Department is the nodal agency, which collected the professional tax due from professionals in the state.

Andhra Pradesh Entertainment tax Act

Andhra Pradesh Entertainment tax Act shall be levied and paid to the state government, a tax of the amount collected on actual sales of tickets for admission to every show in the respect of entertainment held in the theaters.

Entry Tax Act

This Act is providing for the levy and collection of tax on entry of certain goods into local areas in the state of Andhra Pradesh.

Luxury tax Act

The Andhra Pradesh tax on Luxuries in Hotels and Lodging Houses Act 1987 was enacted mainly to mobilize additional resources of the State.

Horse Racing & Betting Tax Act

This tax is collected on horse racing and on certain form of betting.

Rural Development Cess Act

This act is to provide for the levy and collection of cess for the rural development in the state.

COMMERCIAL TAXES DEPARTMENT

The Andhra State comprising parts of the erstwhile Madras province was constituted on October 1st 1953. The Madras General Sales Tax Act, 1939 was made applicable to the New State. The Salient Features of the said scheme were Multi point sales tax on all commodities with a minimum turn over of Rs. 10,000/-An additional single point tax on certain luxury items like motor vehicles refrigerators etc. An exclusive single point sales tax and purchase tax on selected items

Subsequently the Andhra Sales Tax Enquiry committee was appointed by the government and based on its recommendations the following changes were effected. An additional single point tax was levied on fine and super fine cloth A purchase tax was levied on raw tobacco and sales tax on manufactured tobacco The single point tax was extended to agricultural and other commodities The list of goods subjected to additional single point tax was expanded Certain commodities were added to the list of exempted commodities.

In the Andhra Pradesh Region , the Tax Structure was more or less modeled on the Madras pattern with some minor different differences and Sales Tax was levied under the Hyderabad General Sales Tax Act ,1950. After the formation of Andhra Pradesh both the regions of Andhra and Andhra Pradesh were brought under a uniform system of Sales Tax with the enhancement of Andhra Pradesh General Sales Tax Act,1957 w.e.f 15-6-1957 with 79 commodities under single point levy.

In the year 1962 the national council of applied economic research headed by Dr.P.S.Lokanatham popularly called lokanatham committee appointed by the Government reviewed the Sales Tax Structure and made several recommendations the various recommendations accepted by the government were incorporated in the APGST ACT by ACT No.16 of 1963 w.e.f. 1-8-1963 . The additional single point tax



on items listed in schedule 1 was abolished which resulted in regrouping of the schedules . After regrouping the first schedule contained 67 commodities liable to single point tax at the stage of first sale . The second schedule contained 9 commodities liable to single point purchase tax . The third schedule (incorporating Declared Goods) cts.

In the 1993 in order to mobilize additional resource the Andhra Pradesh General Sales Tax (Amendment) Act 1993 (Act no.13 of 1993) was enacted to levy and collect “ Turnover Tax” on the gross turnover in lieu of additional tax leviable on the net turnover. By introducing the turnover tax all the second and subsequent sales of dealers whose turnover is above Rs.10 lakhs per annum were subjected to turnover tax.

The procedure adopted by the commercial taxes department:

- Registration
- Returns
- Payments
- Inspection
- Assessment
- Demand Collection & Balance
- Internal Audit
- Accountant General Audits

Computerization in the above system

The Initiative was taken to computerize the department way back from 1990’s. Initially FOX PRO software was developed by the department. Next they have shifted to Oracle Software. This concept brought some sought of discipline to the mode of recording the data and safe guarding the data. This system prevailed till 31.03.2005 ie till the change of new Act APVAT Act .

Change Management

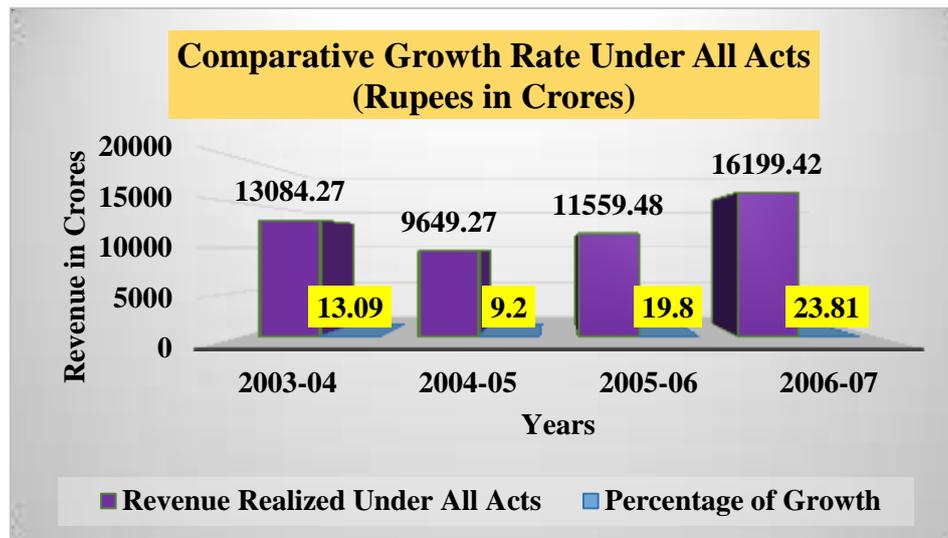
Due to change in the Act with the effect from 01.04.2005 from APGST Act to APVAT Act the entire concept of the act changed drastically. The idea of implementation of the new act with the new software Value Added Tax Information System (VATIS) has indeed shifted the outlook of the department completely to a hi-tech look. This is web-based software where a database and report server is maintained at head office and the application is available to all the circles in state.

This has given a complete change in the look of the New Act APVAT . The registration process was made easy. The return filing has become simpler. Even the dealer is given an opportunity to file his returns online through e-returns. Issue of statutory form is also made available on online to facilitate the dealer the need for the form without delay. The manual system of maintaining the ledgers, demand collection, and balance, cheques and challan register is stopped. The registrations details of the dealers are made available to the dealers as well as the department for cross verification.

The mode of assessment is also simplified as the VATIS software itself verifies and generates the assessment. Cross check reference can be issued in the system. To enable access to various services offered by the department and facilitate effective dissemination of information a dedicated portal is developed. It would provide host of customer friendly features such as e- returns, e-payments, etc. Further it would be linked to all the citizen services centers, which would facilitate payments of taxes and filing of returns at these centers. This would assist in increasing transparency and widening the outreach of government services.

After the Change in the organization that is computerization system also effected the revenue part of the organization.

Comparative Growth Rate Under All Acts (Rupees in Crores)		
Year	Revenue Realized Under All Acts	Percentage of Growth
2003-04	13084.27	13.09
2004-05	9649.27	9.20
2005-06	11559.48	19.80
2006-07	16199.42	23.81



DATA ANALYSIS

The data has been collected from the respondents who are working in Commercial Taxes Department, through the structured questionnaire. The analysis indicates that 60% of the respondents have service experience of more than 15 years. They think the change is necessary, and is due to technology impact. From the Commercial Taxes Department training was provided to all the staff through internal and external sources. 98% of the respondents were benefited with training Programme. The change in the system has increased the work for the employees, change has no impact on salary, respondents are not facing any difficulty with this change. 68% of the respondents are agreed with the improvement in technical, personnel & competency skills due to change in the working system. Respondents are satisfied with change in the Commercial taxes Department.

To conclude we can say that change may be forced on an organization or an organization in response to the environment or internal need. What ever the case change must be properly planned and members should be properly to accept these changes enthusiastically, because the real world is turbulent, requiring.

SUGGESTIONS

Now a days the information technology is very important element and need for an organization as well as for individuals. Computerization is necessary in this modern and competitive world. But proper training and maintenance of computer knowledge is important without which it is not beneficial for the department and for individual.

- The employees would be more satisfied if the training provided would be more in details, that training is beneficial for their present as well as for their future.

- It would be more beneficial if training would be provided on effective, practical and in current modernized way by external professionals.
- The whole department would be computerized that will lead to greater good impact on the Commercial Taxes Department's activities as well as the revenue.
- The full infrastructure facilities, internet facility would be provided to the division & circles of the Department & to the staff.
- Department should provide healthy and good atmosphere, monetary benefits, amenities to the staff.

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