The Process of Integration in An Organization Is A Bane or Boon

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ABSTRACT:

In this evolution of today's business World where there is vast increasing of market cap, companies control their supply chain by understanding the process of integration either it is forward or backward or vertical integration which shape the Organizations of Global Value Chains. The aim of this explorative article is to explore the pros and cons of integration in an organization private or public and its effects on the overall functioning and the profitability of the organization. To maintain steady growth in productivity and to create more employment opportunities by utilizing available human resources to accelerate the progress of country matching the level of international standards and competitiveness, the Government of India has taken many measures to encourage and improve the competitiveness of the companies across the world. Industrial Policy is the set of standards and measures set by the Government to evaluate the progress of the manufacturing sector that ultimately enhances economic growth and development of the country where as Indian economy is said to be Mixed Economy where the importance is given to may Small Scale and Cottage industries. The core objectives of integration, as described, focus on cost reduction, market power enhancement, and increased operational efficiency. Backward Integration allows companies to secure reliable and potentially lower-cost inputs, stabilize supply chains, and minimize dependency on external suppliers. Forward integration empowers organizations to strengthen customer relationships, tailor offerings more effectively, and control the final steps of product delivery, thereby improving market responsiveness and brand loyalty.

By exploring real-world examples such as Tata Industries, Reliance Industries Limited, Adani Group, Godrej, and Birlas, illustrating how leading conglomerates in India have adopted various integration strategies and conglomerate structures to gain competitive advantage. It also draws on contemporary academic research to highlight the complexities of integration, acknowledging that implementing these strategies requires robust managerial capability, strategic foresight, and well-defined industrial policies.

While the benefits of integration are profound—ranging from greater innovation potential to higher profit margins and market stabilization—the article does not overlook the inherent challenges. These include increased operational complexity, the need for substantial investment, and the necessity for constant refinement of theoretical models to fit dynamic market realities. Therefore effective integration, when thoughtfully implemented, can enhance organizational profitability and stability, aligning with broader national economic objectives. However, it also requires a careful assessment of organizational readiness and external market conditions, making it as much a challenge as an opportunity for modern enterprises.

Key Words: Backward Integration, Forward Integration, Vertical Integration, Amalgamations, Cost reduction, Supply Chain Control, Increased Market Power etc.

AIM & OBJECTIVE:

The aim of this explorative article is to explore the pros and cons of integration in an organization private or public and its effects on the overall functioning and the profitability of the organization. Based on the aim of the subject matter an indepth analysis is made in the existing literature. The outcome of Integration Private and Public and the effect of on the functional gains/losses of any Organization.

INTRODUCTION:

After independence the Industrial Policy of Government of India has taken robust change from colonial rule to Independent India. In colonial rule, instead of making India as a manufacturing hub they used to send the raw material to their own country at a cheaper rate and finished products are being sent back to us at an exuberant cost, thereby instead of gaining is to loose on both ways and the consumers are taxed heavily. To change this environment, the government has announced public and private participation In all the sectors to increase the economy and make India an industrial Hub, so as to derive the fruits. One such policy is Public and Private participation in majority of the Industries so that to tap the surplus financial resources from the Public to be invested in the manufacturing organizations to make ourselves not only a hub of Finished products from light to heavy machinery and industries like steel plants energy manufacturing equipment, mining, shipping etc. so that indigenous technical personal or give a chance to put in their hands for the development of the country.

After the Industrialization, the promoters of such organization both Private and Public have put in their efforts to augment their supplies uninterrupted to compete in the overseas market without effect in quality of the product. The idea of integration has emerged as one of the tool.

Integration whether it is backward or forward is a scientific way of amalgamation of related industries to augment the supply chain like raw materials, spares and such other products that are to embedded in a finished product and make it marketable, and these space and products that are being used in the final product which are not being manufactured the parent organization so as to make the supply chain uninterrupted to meet the market commitments, the promoters of big organization have thought of introducing the Policy of Integration (Backward and forward integration) to suit their particular Industrial Environment.

This concept of integration, a new method of bringing their product uninterrupted to the consumer has come into play and that has become a success story in the corporate sector. In this explorative article an attempt is made to explore the ways of Integration, the Government Policies thereon and the pros and cons of this integration not only in private sector but also in public sector and joint ventures make the Organizations more fruitful and thus to give the benefits not only to the promoters but also to the consumers. This kind of integration backward and forward and any other form of integration, the idea behind is to make the organization more profitable and the supplies are being made uninterrupted so that not only to stabilize the market but also to make the market viable to their products and to gain the confidence of the consumers.

Forward and Backward Integrations are,

“Vertical Integration strategies that involves a company acquiring businesses it its supply chain. Backward integration means acquiring suppliers while forward integration means acquiring businesses products to the end customers. These strategies can significantly impact on industries performance by improving efficiency, reducing costs and increasing market power.”

A Company/Organization that acquires suppliers or businesses that produce raw materials and components needed for the end product. This kind of Integration has following impacts on the parent organization namely,

Cost Reduction: meaning access to lower cost and more reliable inputs thus reducing production cost thereby the end product can be supplied to the Consumer at a competitive price than their counter parts.

Supply Chain Control: This kind of Integration reduces the dependence on external suppliers in on their mercy who are always in the habit of taking advantage of fluctuation of situation to increase the cost of components which will directly effect on the finished products and the consumer has to bear the burnt.

Increased Market Power: This kind of integration will benefit the parent Organization to reduce the cost of production and the cost of components that are being acquired outside. Thereby increase higher profit margins so that they can reduce the cost of marketable products less than the competitors to increase their market place and also to control key inputs.

For example a car manufactures who acquires a tyre company will largely benefit because without tyres the finished products is of no use. This kind of acquiring will largely benefit the car manufacturers because the tyres that are being manufactured is solely independent of the main product namely cars/trucks etc. To bring that components namely tyres in a particular fashion to their own use.

Forward Integration:

The functioning of forward integration is,

"a Company acquiring businesses that distributes or sell its products like retailers or distributors."

The pros and cons of this forward integration gives the benefit of,

a. Increased market reach thereby expanding distribution network so that to reach more potentially large customer base.

b. This kind of forward integration improves customer relations and gains direct access to customers to understand better so as to tailored their offerings.

c. This kind of forward integration gives higher profit margins by eliminating intermediary expenses and increasing profits on sales.

LITERATURE REVIEW:

There is no balanced methodical survey in this regard because it varies from one person to other person and also how they visualize the environment with respect to Integration. However, there is a common platform with respect to integration that a thoughtful Integration in a corporate circle with respect to that particular which manufactures/services/marketing but there is one uniformity about integration of a product/raw material/services/components provided that kind of integration will benefit the organization in the competitive market to slice more cake in the market of that product at the same time not increasing the price factor but the integration makes the organization more available to the needy at a price that cannot match with others. As already mentioned above backward integration will have the following benefits to the organization that advances the theory of Integration.

In an article, titled the process of Integration published in a renowned journal mentioned that,

Benefits of backward integration contains,

1. Cost Savings,

2. Quality control

3. Increased Supply Chain stability

On the other hand in a forward integration the benefits that an organization can get,

a. Increased control over sales process,

b. Improved customer relationship

c. Increased revenue

However in addition to benefits of integration, it is not that sailing smoothly but challenges are many for which any organizations that introduces integration should have the capacity to face it.

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The common route applied by many organizations to introduce integration is either merger or acquisitions. However, in this process of merger and acquisitions the parent organization has to face cultural difference between organization to organization, functional variations in addition legal formalities such as local laws, labour laws and local body restrictions/industrial policy in addition to state and central policies have to be thoroughly taken into consideration before integration.

That is why when any big organization planning to acquire or merge any organization to draw benefit from it as to carefully consider the work culture manpower training and bring the unit along with manpower both administrative and technical manpower so that there cannot be a conflict of interest or disturbance in the present system of environment takes place.

In this regard, when many of the Banks are merged recently like Allahabad Bank into Indian Bank and Andhra Bank into Union Bank of India and earlier merger of Global Trust Bank into Punjab and National Bank have faced with this type of work culture difference that took many years to neutralize the differences.

There are many luminaries who are specialized in the process of integration have drawn some of their observations such as,

a. Increased efficiency,

b. Reduced costs,

c. Enhanced market collapse

d. Innovation potential

e. Meeting the competition and

f. Reduced flexibility

The aim of integration i.e. backward or forward, strategic business policy like,

“moving up screen to control raw materials and supply sources in backward integration where as forward integration moves out market to supply chain”

In an article titled “Backward vs Forward Integration: Their key differences” published by Knowledge center, Distribution and supply chain in a website www.inboundlogistics.com

It was mentioned in the article regarding difference between Forward and Backward Integration. The main differences that are identified are,

a. Impact on Supply chain control

b. Cost implications

c. Market influence

d. Resource allocation

e. Risk Management

In another article published by Mary Mount University, they have identified five types of business integrations such as,

“a. One Corporation buys a fleet of companies but they each remain district entities.

Example: Tata Industries

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b. Three organizations join together to form a industry example, Titan these organization though they are under one roof/umbrella they have different types of businesses not related to each other but they form under the category of merger/acquisition or take over though this type of acquisitions involves many complex situations such as process difference marketing difference and unrelated manufacturing identities.

In the same article it is also mentioned that the process of integration by any corporate office or organization by purchasing one company by another is one of the common business processes by companies engage to reach their goals. The timing and form integration depends on the company's goals and the availability of other corporations."

In recent years, these acquisitions are followed by Reliance Industries though in a small way. On the other hand, the acquisitions by Adani Group lead by Gautam Adani in which no two companies are related in their business activities such as acquisition of NDTV (a media house, ACC cement, Airports, Power and Energy Sector like Adani Power etc.) that are unrelated in manufacturing, marketing but they are acquired under one group controlled by Gautam Adani.

In the same article, it was mentioned that,

"A research on the benefits of integrations shows that business integration can make significant positive difference for organizations that participate in mergers or acquisitions. With strong leadership, a strategic plan and clear communication companies can weather the early days of transition but this type of acquisitions should have a good leadership and management skills."

In the same article it was mentioned five types of business integration such as,

a. Horizantal Integration

b. Vertical Integration

c. Backward Integration

d. Forward Integration and finally

e. Conglomeration

Each integration will adopt a different process for a particular purpose but the ultimate goal is the improvement of functional capacity of an organization.

Of all these integration, the type of integration namely,

"Conglomeration, is a Corporation in which a parent company owns the majority stake of several smaller and unrelated businesses. Conglomeration tends to occur via the merger of several different companies into a larger entity or through take over's."

Conglomeration also refers to when Parent Company/Organizations acquires subsidiary. Only such companies who have enough manpower, managerial skills, well defined industrial policies are always thinking of going conglomerations. As already mentioned above, RIL, Adani Groups, Godrej, Birlas have such conglomerations under one Umbrella.

So far we have been discussing about integration of Private Organizations controlled by private entities but there is another form of integration between Public and Private Sectors that is very crucial to future growth according to Dr. Jitendra Singh.

The recent slogan advocated by under the leadership of Narendra Modi, Prime Minister, Government of India in Mahotsav, "Integration between Public and Private Sectors is crucial to future growth – AI and BharatGen: Paving the way for inclusive Digital Transformation in India", introduced and emphasizes collaborative approach to transform India's technological landscape by way of integration between public and private sectors and according to him it is a crucial part for future growth. The same gathering Dr. Jitendra Singh, Union Minister of State (Independent charge) for science and technology, Ministry of State (Independent charge) for health science, MoS PMO, Department of Atomic Energy, Department of Space, Personnel, Public Grievances and Pensions, in a pivotal session during the National Learning Week, jointly organized for all level of employees of all the Science Ministries and Departments. I have introduced this type of integration not only to improve the efficiency of public sectors like defense, oil and gas, space technology that are hitherto prohibited by private participation because of theft of technology, piracy etc. but as these sectors have grown leaps and bounds the government have taken a decision to part with to get some of the components from private sector under strict prohibitive laws. As an example, the Tanuku Sugar factor lead by (late) Mullapudi Harischandra Prasad in one of their chemical units and they are manufacturing liquid fuel for the rockets which is essential for any space program.

Integration is not a single policy but depends upon number of policies such as,

a. Industrial Policy in India,

b. Industrial Policy Resolutions, 1948

c. Industrial Policy Resolutions, 1956

d. Industrial Policy Statement, 1977

e. Industrial Policy Statement, 1980

f. New Industrial Policy, 1991

are some of the legal framework that is being introduced by amending the existing laws or introducing new laws in accordance with that particular situation and environment passed by the Parliament and other state assemblies that have become enforceable.

The Outcome of Acquisition is mainly based on the Industrial Policy advocated and introduced by the Government of India and that again relates to International Trade Barriers, Intellectual Property Rights and have to follow being a Member of WTO otherwise member countries can take action if they infringe the International Laws. For example some other defense productions namely missiles, nuclear weapons etc. are some of the products that comes under international scrutiny and we have to follow strictly the International Laws in Geneva Convention and also WTO and UNO and such other world bodies who frames rules and regulations from time to time to contain such type of nuclear weapons for world peace and such equipment should be utilized Non Military uses.

Ministry of Food Processing Industries, Government of India have introduced a scheme for creation of forward and backward linkages. The objective of this Scheme to provide an effective and seamless backward and forward integration for processed food industries by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. Under the Scheme, Financial Assistance is being provided for setting up of primary processing centers/collection centers and modern retail outlets at the front end along with connectivity through insulated/refrigerated transport. The scheme aimed to enabling linking of formers to processors and the market for ensuring remunerative prices and this scheme is being implemented by agencies/organizations such as Government/PSUs/Joint Ventures/NGOs/Cooperative houses/FPOs/Private Sector/Individual etc.

"Another way of Backward and Forward Integration along Global Venture Chains" published in Research Gate written by Davide Del Prete, Parthenope University of Naples, Armando Rungi, IMT School for Advanced Studies Lucca mentions that,

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"Backward and Forward Integrations both shape the organization of Global Value Chains, at many studies make the unrealistic assumptions that integrations decisions are binary and one directional. Companies make the integration decision only once and they can go either backward or forward but not in both directions."

The author in his concluding remarks mentioned his point of view by stating that,

"The results that obtained by him call for a refinement of existing theoretical models, according to which integration always starts from either the top or the bottom of the supply chain and only one supplier of an intermediate input is needed on the technological sequence."

This clearly shows that integration mainly depends upon the functioning of an organization i.e. supply chain, marketing and aims and objectives of the promoters. At a nutshell one cannot be taken into granted that integration can be introduced in one form or other in any organization/industry but not. Integration depends as already mentioned above on the Policy of the Organization, functional distribution pattern, Supply Chain and market viability.

In another article titled "Backward versus forward integration of firms in global value chains" in Journal of European Economic Review written by Peter H. Egger, Katharina Erhardt, Gerard Masllorens published in www.sciencedirect.com mentions that,

"They seeks to understand the forces determine the pattern of Asset Ownership in Global Value Chain. They also mentioned that a standard model of Vertical Integration routed in the property-rights theory to account for fixed integration costs and derive four channels of influence for the cross country and cross-sector patter of asset ownership; the relative investment intensity of sectors and countries; the relative density of markets; the relative reliance and importance of supplying and producing country-sectors and finally the relative importance of fixed integration costs. They also confirm the relevance of these determinants for the observed pattern of asset ownership in a large panel of worldwide directed ownership linkages ".

Firms involved in production processes are increasingly organized in International Value Chains. In this regard there are many different models implemented by many luminaries in the field are,

a. Interdependent product cycle for globally sourced intermediaries.

b. Vertical Integration and Technology

c. Internalizing global value chain, meaning a firm level analysis and finally

d. On the measurement of upstreamness and downstreamness in Global value chain.

In another article titled "Backward Integration Explained: How it works (+Examples)" written by Kison Patel, CEO and Founder of DealRoom published in DealRoom cite, the author mentions about backward integration,

"Backward Integration is the process by which companies acquire a segment or segments of their downstream Supply Chain – it acquires the companies behind it in the Supply Chain, hence the term Backward Integration for a manufacturing firm would mean acquiring a raw materials provider, for a retail chain it could mean acquiring a Distributor or Manufacturer. Backward Integration is likely to become a bigger theme in M & A in the ESI Head as Companies aim for fully sustainable Supply Chains."

As we all know there are plus points and minus points for every function and same is the case in Integration.

Following are the advantages and disadvantages of Backward Integrations. The advantages are,

Control: Backward Integration provides more control over the Supply Chain in theory enabling it to ensure it has constant access to the best raw materials.

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As there are advantages and there are equally disadvantages such as,

Lack of Flexibility: Meaning maintaining several suppliers enables a company to create competition between them which will benefit the Organization to get the supplies at a lesser value in the shortest possible time. Hence, the need to block the investment on raw materials otherwise the amounts can be utilized in other functions of the organizations for better revenues.

Lack of focus

Lack of Innovation: This theory of backward integration is being followed in industrial houses like Tatas, Godrej, Damanis, ITC, now the latest addition being Patanjali.

DISCUSSIONS AND ANALYSIS:

Integration either it is Backward or Forward in a Corporate action is nothing but the strategic management and has a direct impact on modern industrial houses. This kind of Integration in any form helps the Corporate Houses to take decisions to implement their Corporate strategies.

After the introduction of Scientific Management Theory, approximately 1920 by one Mr. Tailor, who is the first person to Introduce Scientific Management in Corporate Circle and the subsequent changes that took place in the corporate world is the implementation of integration/amalgamation has come into play and has given remarkable improvements in the strategic management of Corporate houses.

In addition to there is one more integration though not principle in nature namely Vertical Integration but it is the wholesomeness of Forward and Backward Integration.

In Vertical Integration the following acts may be introduced namely,

a. Forming partnerships,

b. founding companies,

c. buying existing companies,

d. acquiring the rights of natural resources are some of the important steps that are introduced.

This kind of Integration normally is being introduced in Private Sector but presently many countries including India are introduced the Policy of Integration in Government Organizations and also undertakings and Private and Public Parking Space also. Recently, the Government of India in their Industrial Policy introduced Policy of Integration both in Public Sector undertakings and joint ventures for an economic growth and self reliance. This kind of Integration in Government and Public Sector undertakings manifest in various forms such as,

a. Blending Government resources with Private Sector efficiency for infrastructure development and service delivery,

b. Promoting innovations and entrepreneurships thereby fostering a eco system for startups encouraging private investments and introduction of cutting edge technology for national development and well being,

c. Introduction of Digital Integration and e-governance.

Strategic Asset Monetization:

Meaning unlocking the assets of Government and Public Sectors for future development and for financing the undertakings to bring out maximum inputs. This kind of asset management’s is being vastly introduced in many government of India undertakings such BEL, BEML, HAL, SAIL, Shipping Corporations are some of the examples where in they have large chunks of land which is unproductive has brought-in in the form of

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integration for expansions, introduction of New Productive Units, sharing the land with private partners for effective implementation of the present Government of India's Policy of Make India.

As already mentioned above the advantages of integration backward, forward or vertical mainly focuses on,

a. Cost reduction

b. Quality Control

c. Supply chain stability

d. Competitive advantages etc.

In backward integration, the advantages are,

a. High Capital Expenditure,

b. Reduced Operational flexibility

c. regulatory challenges

d. Management Complexity.

Normally introduction of Backward Integration will be successful through

a. Market Research and Analysis

b. Financial Health and Business readiness evaluation

Strategic planning and good alignment but all these are successful only when the execution is proper. It is not enough that introduction of Integration in any form will not yield any results unless otherwise it is couple with proper training with concerned personnel and routing the policy of integration properly from executive level till the production line. In this the other important aspect is communication which plays an important role because the management should know the results of the implementation of the policy of integration. Recently the Government of India is planning to create an *"**Integrated Oil Company by way of ONGC taking over HPCL & BPCL**"*. If this happens this is the biggest conglomeration of oil companies under one roof and under the control of ministry of petroleum. However, the paper work is going on unless it is put into operation the effect of amalgamation will not see the light of the day. However, in the amalgamation, the main problem being BPCL is having both marketing and production in a larger way whereas HPCL having more marketing outlets than the production whereas ONGC deals not only with oil but also with the Natural Gases different entity of petroleum products derived from the crude having different usages. This amalgamation of all the oil companies is a daunting task because each company is having a different work culture, management and operational objectives. This integration of all these companies that are governed by the Government of India should be done in a methodical manner else instead of yielding better results will have negative impact and a serious consequence in the Government of India's economy because many of the organizations (production units/service sectors etc.) are mainly dependent on these products manufactured by the above companies

Finally to conclude, Policy of Integration/Amalgmation should be done in a methodical manner taking into account of all the aspects of the corporate environment of that particular industry in a scientific manner to get better results.

Legal consideration in Integration:

In India, there is a legal framework that is knitted well so that the process of integration will not take place with unruly methods thereby endangering the competitors and the Indian Economy as a whole.

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Some of the following legal considerations that are to be taken to consideration by any corporate house by introducing integration/amalgamation,

Mergers and Acquisitions:

Companies/Organizations must comply with laws and regulations of that country where these corporate actions are taken provided they are within the country. Else if they are countries other than the home country/parent country the International Laws have to be complied.

Employment Laws:

This happens when two Organizations are integrated/amalgamated having different work culture have to be careful in the integration so that both the cultures have to be synchronized for a smooth transition.

Tax Laws:

Companies must comply with Tax Laws and Regulations if the units that are scattered in the country especially in the backward areas wherein the governments both State and Central will give lot of concessions to promote industries in the backward areas. In such cases, if such units are integrated/amalgamated normally, the concession that are provided by state or centre in a particular area called backward areas such as Tribal areas, Mountain Terrains, Girijan Tandas etc. The corporate action should be careful enough to keep the special status given to that particular that are there in that particular areas should be unchanged nor this concessions/regulations cannot be removed or all the corporate actions in integration and amalgamation of such situation should be done in accordance with industrial policy of government of India that is being addressed the ministry of company affairs.

Conduct through due diligence:

Due diligence should be taken while making integrations/amalgamations.

Develop clear contracts:

Companies should develop clear comprehensive contracts that outline terms and conditions, payment terms, delivery schedules and maintain quality standards. In this regard, when Allahabad Bank merged with Indian Bank it took more than one year to amalgamate the work culture because Indian Bank mostly South Indian Bank with a South Indian Work culture whereas Allahabad Bank north based one having a different work culture. In this regard, instead of getting the benefits the customers of both the banks have to go through a lot of ordeal in their accounts and getting proper information. The stock answer given by the present amalgamated Indian Bank is it will take more time to adjust this work culture and finally the burden is put on the customers-no customer no bank.

Monitor compliance: Whenever this kind of Corporation Act namely integration/amalgamation is introduced the Parent Company should have a well prepared document of action in detail and also the remedies that may be taken when any ill effect is coming out so that the transition will be smooth.

Some of the legal drawbacks in integration and amalgamation that are being exhaustively discusses and a way-out is shown by the Hon'ble Supreme Court, the highest judiciary of the land of this country namely,

Kesvananda Bharati vs State of Kerala (1973): wherein the basic structure, doctrine of the Constitution and the limiting powers of Parliament to amend the constitution in safeguarding the rights and interests of the citizens of this country are well explained.

Maneka Gandhi v. Union of India (1978): The Hon'ble Supreme Court expanded the scope of Article 21 (Right to Life and Personal Liberty), emphasizing the importance of due process and fair, just, and reasonable procedures.

Mohammed Ahmed Khan v. Shah Bano Begum (1985): The Hon'ble Supreme Court in their exhaustive explanation clearly established clearly the religious personal laws and women's rights, and the relationship between religion and law in the Country.

Olga Tellis v. Bombay Municipal Corporation (1985): The Hon'ble Supreme Court recognized the Right to Livelihood as part of the Right to Life under Article 21, protecting pavement dwellers from eviction without due process.

State of Punjab v. Davinder Singh (2024): The Hon'ble Supreme Court allowed sub-classification of Scheduled Castes for granting separate quotas for more backward categories within SC categories in the industrial sector also.

Mineral Area Development Authority v. Steel Authority of India (2024): In a landmark judgment, the Hon'ble Apex Court ruled that royalty paid by mining operators is not a tax, and states have the power to levy cess on mining and mineral-use activities to improve the financial resources of that particular state.

Rajgopal v. State of Tamil Nadu (1994): The Hon'ble Apex Court established that the right to privacy is implicit in the right to life and liberty under Article 21.

CONCLUSION:

To conclude integration/amalgamation is going to stay in the corporate circle because many of the countries and organizations have come up with this type of corporate action to yield better results. In this process, implementation of Artificial Intelligence, Machine learning paves the way for better results thereby to increase the country's prosperity and well being of the citizens of that country.

As already mentioned above backward and forward integration shape any Organization either Public or Private to increase Global Value Chain. However, there are people and many studies make the unrealistic assumption that integration decisions are binary and one directional. Companies make the integration decision only once and they can go either backward or forward but not both the directions in a go. However, the present worldwide is integration taken place mainly in production units to increase the production thereby reducing the costs making cheaper than their competitors so that they can increase the market size.

In the concluding remarks, in the present corporate culture it discloses the integration as well as its direction (backward/upwards/downward/vertical) depends on specific characteristics and institutional environment in which the corporate houses are operating. There is no specific rule that a particular integration is to be introduced in a particular corporate house it depends upon many factors that are illustrated above.

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