

International Conference on
Strategies for Business Excellence :
Challenges and Opportunities



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Challenges and Opportunities

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**International Conference on Strategies for Business Excellence :
Challenges and Opportunities (ICSBE-2014)**

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CHAIRMAN'S MESSAGE



I believe Education is transmission of civilization. I visualize that the students of MRCET to be sound in technical knowledge as well as enterprising. MRCET has become a trend setter for MRGI. The college has continuously endeavored to groom dynamic leaders mingling with both academics and extracurricular activities. It's a matter of great pride that not only in academic but also in sports activities MRCET has become a "Force to reckon with". I am happy to know that Malla Reddy College of Engineering and Technology is Organizing the third International Conference on Strategies for Business Excellence: Challenges and Opportunities ICSBE-2014 on 26-27 December, 2014. It is indeed a very prestigious event for MRCET and I wish the conference a great success.

Sri. Ch. Malla Reddy
Hon'ble Member of Parliament
Government of India
Chairman - MRGI



MESSAGE FROM CHIEF GUEST



I am pleased to know that the Malla Reddy College of Engineering & Technology, Maisammaguda, Dhulapally, Secunderabad is organizing the third International Conference on Strategies for Business Excellence: Challenges and Opportunities ICSBE-2014 on 26-27 December, 2014. I must congratulate Sri. Ch. Malla Reddy, Hon'ble Member of Parliament, Govt. of India and founder chairman of the group who has in a very short span of 10 years brought this educational group to limelight in meeting the needs of the society by providing Quality education to the youth. I wish this Conference a great success and also the participants who contributed their valuable insights from the deliberations during the conference.

**Dr. G. Sateesh Reddy,
Scientist & Director,
Research Centre Imarat, DRDO**



MESSAGE FROM PRINCIPAL



It is a great pleasure for me to announce that Malla Reddy College of Engineering and Technology is Organizing the third International Conference on Strategies for Business Excellence: Challenges and Opportunities ICSBE-2014 on 26-27 December, 2014. It is an excellent opportunity to all Professionals, Academicians and Researchers working in business organizations and institutions to share and enrich their knowledge. I wish the conference all the success.

**Dr. VSK Reddy,
Convener,
Principal-MRCET**



MESSAGE FROM ORGANIZING SECRETARY



It is a great honour to be the organizing secretary for the third International conference on Strategies for Business Excellence: Challenges and Opportunities ICSBE-2014 on 26-27 December, 2014 focusing on the areas of Finance, Marketing HR and General Management which will enlighten for broader perspective to allow further analysis and exposure on emerging strategies of the corporates. Judging by the very enthusiastic response received for the previous two conferences, I am very hopeful and confident that the ICSBE-2014 too will be great success in providing appropriate forum for researchers, industry experts and faculty members to exchange their ideas, knowledge and expertise.

**Prof. G. Naveen Kumar,
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FOREWORD

Malla Reddy College of Engineering and Technology (MRCET), is a constituent college of Malla Reddy Group of Institutions (MRGI). The college was established in the year 2004, approved by AICTE, New Delhi and is affiliated to JNT University, Hyderabad. The College is offering B.Tech and M.Tech Programmes in the areas of Electronics & Communication Engineering, Computer Science and Engineering, Mechanical Engineering, Aeronautical Engineering, Information Technology, Mining Engineering and MBA. The college is equipped with state of the art laboratories for all the departments, full-fledged training & placement cell and an Industry Institution Partnership Cell. The college is NBA accredited and also NAAC accredited with 'A' grade. The college is an ISO 9001:2008 certified Institution.

In the global competition, quality has become the essence of the success in every walk of life. To meet the innovative standards in Management research there is a dire necessity to boost up the quality of engineering education at rapid pace to catch up with rapidly changing technology. This is a dynamic situation and we have to continuously update the expertise in various fields of specialization. Research activities of this kind will help to ignite the young brains of the institution which will lead to a meaningful and innovative research. Malla Reddy College of Engineering and Technology is organizing the third International Conference on Strategies for Business Excellence: Challenges and Opportunities ICSBE-2014 on 26-27 December, 2014. I am happy to mention that the previous two conferences met with great success in terms of both the quality and quantum of papers presented. The latest trends in Management, play a vital role in both industry and research. Creation and dissemination of knowledge is sacred mission of any technical institution and we are sure that this two-day International Conference will provide an opportunity for the Academicians, Researchers and Practicing Managers working in this area to exchange their ideas and have fruitful discussions which will provide an impetus for the rapid familiarization and advancements in the fields of specialization.

We express our sincere thanks and gratitude to our visionary Chairman Sri Ch. Malla Reddy for constant support and encouragement for organizing this International Conference. We thank all technical session chairs and both National and International experts in our Advisory committee for their valuable suggestions and guidance in organizing our conference.

**Dr.VSK Reddy,
Convener**

CONFERENCE THEME

International Conference on Strategies for Business Excellence: Challenges & Opportunities (ICSBE-14) aims at Inculcating Innovative strategies in business to face global Challenges. The pace of drastic change in business world has picked up as a result of rapid technological innovation and globalization and has induced hyper competition. The Edge in Information Technology integrated with corporate strategies conquer the present Era of Global Business.

It is imperative to start looking at the future now so that we are well prepared for next stream of wave of opportunities across the world. It would be interesting to see on how the practicing managers and academics visualize the scenario in the next decade and how they wish to prepare for the future. However talented Organizations know that this is the time for Innovation, fresh thinking, and Organizational growth to scale to new heights and shift their orbits to reach newer horizons.

The concepts, processes that emerge in the conference will help the organizations in the field of Finance, Marketing, Human Resource and Operations Management to transform & sustain their business practices and in return create value for their stakeholders. The main objective is to explore the ideas for generating the strategic human resources and modern management tools and techniques which leads to the success of the organization.

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Malcolm Baldrige Model of Business Excellence: A holistic approach and case study of Tata Group.

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&

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Abstract

Business excellence is not a destination. It is a journey. Malcolm Baldrige model is renowned for business complacency. The Baldrige model focus on organization results in the key areas of products and processes, customers, workforce, leadership and governance and finance and markets. This composite of measures of the model are called the criteria for performance excellence which ensures that business strategies are balanced that they do not inappropriately trade off among important stakeholders, objectives, or short or long-term goals. There are mainly seven criterion of Baldrige model such as leadership, strategic planning, customer focus, measurement, workforce, operations and results. The model benefits the business to improve the financial results, increase the market share, improving customer satisfaction, increasing employee satisfaction, organizational awareness and alignment and as well the consistency of the overall business approach. In India, Tata companies began using the Baldrige criteria for performance excellence in the early 1990s. Based on their success, the Tata Group formally adopted the Baldrige criteria and introduced the Tata Business Excellence Model in 1994. Since then, the conglomerate has continually adapted its use of the criteria to its strategic situation, bolstering self-assessment questions to strengthen each Tata company's strategy. This paper analyses the criteria of Baldrige model and its holistic approach as a case study of Tata Group.

Keywords – business complacency; stakeholders; business excellence; holistic approach; organization process.

I. Introduction

Business excellence¹ is about developing and strengthening the management systems and processes of an organization to improve performance and create value for stakeholders. More than 100 performance or business excellence programs exist around the globe; most use the Baldrige criteria or criteria similar to Baldrige as their performance excellence models. The Baldrige model focus on organization results in the key areas of products and

processes, customers, workforce, leadership and governance and finance and markets.² This composite of measures or criteria for performance excellence ensures that business strategies are balanced that they do not inappropriately trade off among important stakeholders, objectives, or short or long-term goals. These criteria do not prescribe how business should structure an organization. They do not say that an organization should or should not have departments for planning, ethics, quality, or other functions. They do not talk on how to manage different units of an organization in the same way, and therefore they facilitate choosing the most suitable tools (e.g., lean, six sigma, ISO 9000, a balanced scorecard) for the organizations' improvements.

Hence, the criterions of the model are non-perspective for these reasons. They focus on common needs rather than on common procedures. This focus fosters understanding communication, sharing, alignment, and integration while supporting innovative and diverse approaches. The criteria also focus on results, not procedures, tools, or organization structure. They encourages businesses to respond with creative, adaptive, and flexible approaches, fostering incremental and major (breakthrough) improvement through innovation. In general, the tools, techniques, systems and organization structure that a business selects usually depend on factors such as organization's type and size, relationships, and stage of development, as well as the capabilities and responsibilities, of your workforce and supply chain. Further, these factors differ among organizations, and they are likely to change as your needs and strategies evolve.

In precise and overall view of strategic managers, business excellence is not a destination. It is a journey. Baldrige model is renowned for business complacency. If a business or organization is doing alright and one who thinks that is good enough it is probably wrong. Too many variables in the world today prevent various businesses from accepting a strategy and getting away with it for long. There are seven main composite of measure or criterion of Baldrige model such as 1. leadership 2. strategic planning 3.

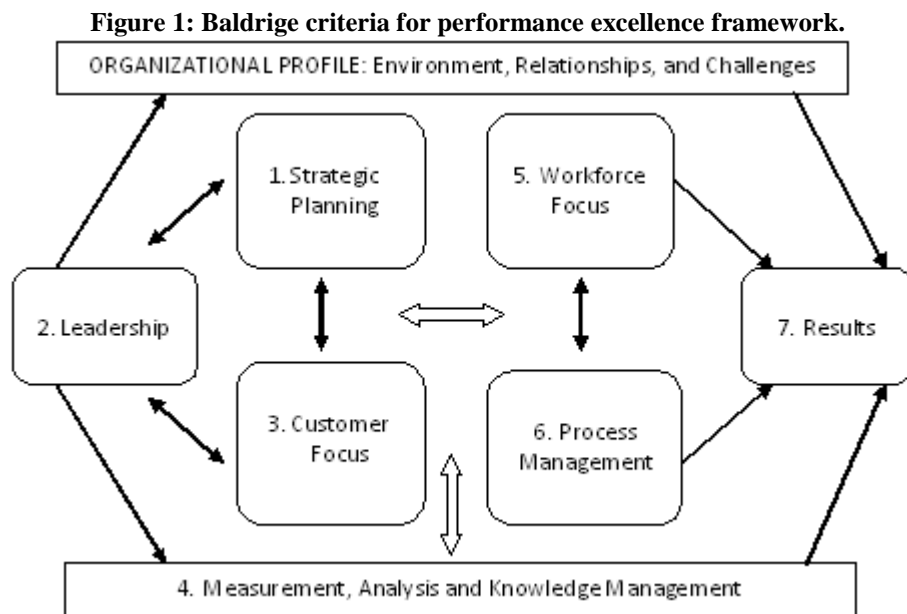
customer focus 4. measurement, analysis and knowledge management 5. workforce focus 6. operations focus and 7. results. The model benefits the business to improve the financial results, increase the market share, improving customer satisfaction, increasing employee satisfaction, organizational awareness and alignment and as well the consistency of the business approach.

In India, Tata companies began using the Baldrige criteria for performance excellence in the early 1990s.³ Based on their success, the Tata Group formally adopted the Baldrige criteria and introduced the Tata Business Excellence Model (TBEM) in 1994. Since then, the conglomerate has continually adapted its use of the criteria to its strategic situation, bolstering self-assessment questions to strengthen each Tata company’s strategy. Tata also has added emphasis on systematically focusing on innovation as it uses the criteria in its internal performance assessments. Today, the Tata group comprises of over 100 operating companies in seven business sectors viz., communication and information technology, engineering, materials, services, energy, consumer products and chemicals.⁴ The group has operations in more than 100 countries across 6 continents, and its companies’ exports products and services to 150 countries. Even, each Tata company or enterprise operates independently; all Tata-branded companies use the Baldrige systems framework.

Therefore, authors of this paper is realized the importance Baldrige model and has made an attempt to describe how the Tata Group has benefited from using the TBEM. The TBEM is based on the Baldrige criteria for performance excellence and maintains the seven categories of the criteria framework shown in figure 1 of the following section. With this introduction, the section II contains the holistic approach of Baldrige model and leading towards the business excellence. section III is a case study of how Tata Group adapted the Baldrige model followed by conclusion in section IV of this paper.

II. Holistic approach of Baldrige model

The Baldrige Criteria for Performance Excellence of businesses provide a systems perspective for understanding performance management.⁵ They reflect validated, leading-edge management practices against which an organization can measure itself. With their acceptance nationally and internationally as the model for business performance excellence, the criteria represent a common language for communication among organizations for sharing best practices. The criterion is also the basis for the Malcolm Baldrige National Quality Award⁶ process. The model is a framework (see figure 1) that any organization can use to improve overall performance leading to its excellence.



Source: “Baldrige criteria for performance excellence”, Performance excellence special interest group, American Society for Quality (ASQ), Washington, DC and Maryland Metro. Website: <http://www.asq509.org/ht/d/sp/i/35808/pid/35808>

Seven criterions examine the performance of an organization as follows:

Leadership – examines how senior executives guide the organization and how the organization addresses its responsibilities to the public and practices good citizenship.

Strategic planning – examines how the organization sets strategic directions and how it determines key action plans.

Customer and market focus – examines how the organization determines requirements and expectations of customers and markets; builds relationships with customers; and acquires, satisfies, and retains customers.

Measurement, analysis, and knowledge management – examines the management, effective use, analysis, and improvement of data and information to support key organization processes and the organization’s performance management system.

Workforce focus – examines how the organization enables its workforce to develop its full potential and how the workforce is aligned with the organization’s objectives.

Operations focus – examines aspects of how key production/delivery and support processes are designed, managed, and improved.

Results – examine the organization’s performance and improvement in its key business areas: customer satisfaction, financial and marketplace performance, human resources, supplier and partner performance, operational performance, and governance and social responsibility. The category also examines how the organization performs relative to competitors.

In holistic perspective, the criteria of Baldrige model build alignment across an organization by making connections between and reinforcing measures derived from an organization’s processes and strategy. These measures tie directly to customer and stakeholder value and to overall organization performance.⁷ When use these measure, they channel different activates in consistent directions with less need for detailed procedures, centralized decision making, or overly complex process management. The measures are therefore both a communication tool and a way to deploy consistent performance requirements. The resulting alignment ensures consistency of purpose across your organization while supporting agility, innovation, and decentralized decision making.

III. Baldrige Model: A case study of Tata Group

Founded by Jemsetji Tata in 1868, the Tata group’s early years were inspired by the spirit of nationalism. The group pioneered several industries of national importance in India such as steel, power, hospitality and airlines and its businesses are even spread across other continents. The total revenues of Tata companies, taken together, was \$96.79 billion in 2012 – 13,⁸ with 62.7 percent of this amount coming from businesses outside India. Tata companies employ over 580,000 people worldwide.

According to Tata Quality Management Services (TQMS), a Tata division that helps other companies in the conglomerate improve their performance stated that the Tata Group maintains a reputation for strong corporate governance values and practices that reflect a responsibility to society and the environment. The then chairman of TQMS in 2012, Sunil Sinha has mentioned that “we realized that a group that has global aspirations needed to be strong in Baldrige criteria and measures”.⁹ Hence, among other adaptations of the Baldrige criteria scoring system, Tata companies receive separate scores on their TBEM assessments. However, Tata companies have been using the Baldrige criteria for performance

excellence for over two decades. That’s because all to license the Tata brand, each Tata company must sign a legal agreement with the Tata Group holding company, Tata Sons, which ensures that it will follow Tata’s code of conduct and the TBEM. Tata’s internal Baldrige-based business excellence model and assessment process have created a unified system to promote performance excellence in its companies around the world. As a result of the use of the TBEM and assessment process, Tata Group has witnessed significant benefits to Tata companies around the world.

In place since the late 1990s, the TBEM methodology has helped propel Tata onto the world stage, making it a globally recognized brand. The TBEM assessment and feedback methodology is accompanied by a scoring process that has a 1,000 point scale.¹⁰ Tata companies that cross the 600-point watershed win the JRD QV Award (Table 1). Besides, according to company sources, the TBEM program is an improvement process, not an award process. The key insight that the assessment process must be part of a company’s ongoing performance excellence journey, and not a short-term focus on winning an award, led Tata to rename the model TBEM from an award program originally named for the Tata Group’s former chairman, JRD Tata. The Group has seen a lot of companies becoming more competitive, customer-oriented, and process-focused because of TBEM assessment. TBEM also serves as an umbrella framework for driving initiatives that range from governance, safety and ethics to corporate sustainability (CS), innovation and climate change.

Table 1: The 600+ club: several Tata companies have crossed the 600-point milestone (on TBEM’s 1,000-point scale) to win the JRD QV Award.

<i>JRD QV Award Winners</i>
2000: Tata Steel
2004: Tata Consultancy Services
2005: Tata Motors
2006: Titan Industries – Times Division
2007: The Tinsplate Company of India; Tata Chemicals; Tata Metalics
2008: Telcon
2009: Tata Power
2010: Tata Steel Tubes Division
2011: Rallis; Tata Steel Ferro Alloys and Minerals Division; Tata Steel Wires Division
2012: The Indian Hotels Company
2013: Tata Power Delhi Distribution

Source: Business Excellence Portal, TataQaulity.com
Note: In 1995, the JRD Quality Value Award was instituted in the memory of Mr JRD Tata – a crusader for the cause of business excellence in Tata companies. The TBEM criteria are used for recognising Tata companies

on July 29 each year that marks the birth anniversary of Mr JRD Tata.

Basically, the TBEM methodology assesses core business aspects adapted from the Baldrige model such as leadership, strategic planning, customer focus, measurement, analysis and knowledge management, workforce focus, operations management, and business results. Let us discuss these business aspects of TATA Group.

1. Leadership

Many Tata companies have achieved global leadership in their businesses.¹¹ For instance, Tata Communications is the world's largest wholesale voice carrier and Tata Motors is among the top five commercial vehicle manufacturers in the world. Tata Steel is among the top 10 best steelmakers and Tata Consultancy Services (TCS) is amongst the top 10 global Information Technology (IT) services companies. Tata Global Beverages is the second-largest player in tea in the world and Tata Chemicals is the world's second-largest manufacturer of soda ash. Going forward, Tata companies are building multinational businesses that seek to differentiate themselves through customer-centricity, innovation, entrepreneurship, trustworthiness and values-driven business operations, while balancing the interests of diverse stakeholders including shareholders, employees and civil society.

2. Strategic Planning

Salt-to-software conglomerate Tata group is focusing on design and innovation to drive growth. The Tatas, which used both the organic and inorganic route to develop into a \$97-billion giant, spent nearly Rs 13,223crore on research and development, which is about 2.5 per cent of the group's turnover, in 2012 – 13. As such exports from India were the key to the growth of Group's international business (62.7 percent of this amount coming from businesses outside India). The group had redefined growth after Ratan Tata took over as Chairman of the Tata Group in 1991. He restructured the businesses of the Tata Group and expanded the group globally. The first major instance of inorganic growth was exemplified when the group's Tata Tea (now Tata Global Beverages) division acquired UK-based Tetley in 2000. This was followed by a series of acquisitions by the group. Some of the notable acquisitions were Tata Steel acquiring Corus in 2007 and Tata Motors' acquisition of Jaguar and Land Rover in 2008.

3. Customer and market focus

Tata Group companies, in many cases, were in a seller's market, and are very successful in that sellers market. But all of that, in terms of a business framework, no longer holds true. In the two decades or so since economic reforms started in India, the Group had internal liberalization too. This has resulted in competition between

Indian companies, as also from joint ventures established in the country by foreign companies. Now, with the World Trade Organization (WTO) and the market opening up from outside, we will face competition from global players. This calls for a new approach to recognizing what the marketplace wants, and how to establish not just customer relations but customer loyalty. In today's world, what customers are looking for is products that suit their purpose best in terms of price, features, quality and appearance. They expect to be treated as kings¹² and to receive sales and service support for products like vehicles and air-conditioners. They expect to receive timely and competent attention, along with a definite solution to their problems from our service people, dealers or channel partners.

4. Measurement, Analysis and Knowledge Management

In terms of measurement, the transformation that TBEM has induced is a result of the deep focus that Tata companies have brought to bear on critical aspects of business excellence. TBEM includes a tough measurement process that gives real-world and relevant feedback to companies on the ways they can improve. From the business analysis view, TBEM set the tone and created the foundation for a critical transformational exercise in the group. 'TBEM has been the glue in binding the group together' said Cyrus Pallonji Mistry, Chairman of the Group, about the group's business excellence journey. About knowledge management, Tata Motors' Nano is an example of a knowledge based product. The innovations that have made this remarkable vehicle possible are represented by several patents and various forms of knowledge that have been generated, compiled, adapted or organized by the Engineering Research Center (ERC) of Tata Motors and its supply chain. Knowledge Management was initiated at Tata Steel way back in July 1999 with an objective to shift the basis of growth from natural resources and physical assets to intellectual capital, which has become a source of innovation, growth and value today.

5. Workforce Focus

An unlooked for but hugely positive impact that is a side effect of the TBEM journey is the cohesiveness that it has brought about among Tata companies. Managers and leaders who participated in the assessment and evaluation processes found themselves learning from other companies, sharing best practices with others and becoming a part of a growing and connected network of expert resources. Today Tata Motors taps into Tata Steel for *gyan* (knowledge) on total quality management (TQM), Tata Steel looks to Tata Global Beverages for best practices in retail distribution, and so on. When it comes to best practices, the learning is boundaryless within the group.

6. Operations Management

Running a conglomerate like Tata is hugely complex and difficult decisions need to be taken about where to allocate investment to generate the best returns. The choices Tata must make are the classic example of product or business portfolio analysis. The TBEM process has been expanded to include engagement with the company board on opportunities for business improvement. Another change is that three different levels of assessment are being offered. Apart from the standard assessment, mature companies can opt for an advanced assessment process which involves deeper engagements, longer on-site assessments, scrutiny from more senior assessors, and so on.

7. Results

At Tata, the results or outcomes of various businesses of the Group are of two-fold approach. On the one hand, annual scoring of TBEM ensures constant process improvement. The assessment triggers company-wide workouts that help strategic leaders work with their internal teams to jointly identify major risks, opportunities and innovations that can meet both sustainability and business excellence objectives. On the other hand, the corporate sustainability leadership profile guides their personality footprints to trigger a virtuous cycle of enhanced goodwill and reputation. Of the latter, the leaders assume responsibility for themselves and their leadership team, and work personally to tighten convergence between the trained corporate sustainability facilitators and their unit's business excellence goals. They lead for sustainability by example – through involvement in volunteering initiatives and through regular integration of sustainability issues in business meetings. Finally, their performance on corporate sustainability is reviewed periodically (including their ability to promote and recognize such leadership among their subordinates).

IV. Conclusion

The question arises here is why so few corporations do business the Tata way? Answer is firstly, every single employee working for Tata companies, from the Chief Executive Officer (CEO) to the most recent intern shares in the deep values of their leaders. Secondly, Tata companies have evolved a collective commitment to evolving stronger connections between their values and first- in-class business practice. Since beginning, the Group has invested in structures and processes that would gradually align its pro-social and pro-environmental values with excellence in business endeavors. Here, the Tata's approach is simple, but it is not easy. Finally, taking a comprehensive approach helps companies identify and configure the various capabilities needed to create value sustainably in their systems, people and programs.

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Analytical Study on Customer Relationship Management Through E-Banking System

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Abstract:

Globalization and technology improvements have exposed Banking sector to a situation with tough competition. In this new era Banks are focusing on managing customer relationships in order to efficiently maximize revenues retaining current customers and inducting new customers. E-CRM is a combination of IT sector but also the key strategy to electronic commerce. This is a combination of software, hardware application and management commitment. E-CRM is a concern for many organizations especially in banking sector. So E-Banking can be used to maintain a good relationship with customers. This paper aimed to examine the implementation and application of E-CRM practices in Public, Private and Foreign Banks in India.

Key Words:

Globalization and technology, e-CRM, Customer Satisfaction, e-Loyalty, IT, Service Quality

Introduction

In order to survive in the field of banking sector, every bank has to maintain a good relationship with customers. This can be achieved through providing various services, of which E-banking service is the biggest tool to satisfy, retain and maintain good relationship with bank customers. Customer relationship management (CRM) is an essential and vital function of customer oriented marketing to gather and accumulate related information about customers in order to provide effective services. CRM involves attainment analysis and use of customer's knowledge in order to sell goods and services. Reasons for CRM coming into existence are the changes and developments in marketing environment and web technology. Relationship with customers is a newly distinguished as a key point to set competitive power of an organization. With the widespread of internet, e-CRM can enhance the efficiency and effectiveness of communication and relationship management

between organizations and customers. Computers, information technology and networking are fast replacing labour-intensive business activities across industries and in government.

CRM enables the banks to understand the customers' needs and behavior better. It introduces reliable processes and procedures for interacting with customers and develops stronger relationships with them. The process helps organization in assimilating information about customers, sales marketing effectiveness, responsiveness, and market trends. Then this information is used to give insight into behavior of customers and value of retaining those customers. The whole process is designed to reduce cost and increase profitability by holding on to the customer loyalty. CRM is all about acquiring customers, keeping customers, growing customers, gaining customer insight, interacting with customers across all touch points, building lasting relationship with customers, delivering value to customers, acquiring a sustainable competitive advantage and growing business. Today, the customers have many expectations from bank such as service at reduced cost; service 'Anytime Anywhere', Personalized Service, Speedy action for complaint, quick transactions, good relationship, and update of technologies. These requirements can be fulfilled through E-Banking.

Literature Review

According to Rosen. K, (2000) E-CRM is about people, process and technology and these are key paramount to success. Dyche, (2001) described that E-CRM is combination of software, hardware, application and management commitment and different types like operational, analytical. Operational E-CRM is given importance to customer touch up points, which can have contacts with customers through telephones or letters or e-mails. Analytical CRM is a collection of data and is viewed as a continuous process. It requires technology to process customer's data. The main

intention here would be to identify and understand customers demographics pattern of purchasing etc in order to create new business opportunities giving importance to customers.

Need for the Study

Where banking operations are carried out through electronic means, it takes the form of ‘e-banking’. Online banking is a highly profitable channel for financial institutions. It provides customers convenience and flexibility and can be provided at a lower cost than traditional branch banking. Online banking has grown and flourished over the years, but is now facing major challenges due to the risks of phishing, data compromises, and other attacks. The rise of these attacks has caused a decline in the use of online banking and has negatively affected consumer confidence in the ability of a financial institution to protect them. Consumers are questioning the safety of their money and information and are looking to banks to fix the problem. The problem has grown to the extent that consumers and the government are demanding a solution. Financial institutions must take the necessary steps to protect the online accounts of their customers; the need for enhanced authentication has become evident.

Research Objectives

1. To explore the significance of customers relationship
2. To analyze and understand the customer satisfaction through application of e-CRM strategies.

Research Methodology

CRM efficiency is measured on a five likert scale through both primary and secondary data and used different statistical tools and techniques. Secondary data is collected through different journals books and periodicals. The analysis of E-CRM has been corroborated by applying ANOVA and descriptive Statistics from the responses of the customers that

is for 442, where 185 customers from SBI (Public Bank), 146 customers from ICICI (Private Bank) and 111 customers from CITI Bank (Foreign bank). Standard deviation indicates the difference of opinion about the customers of the three bank types.

Hypothesis H₁:

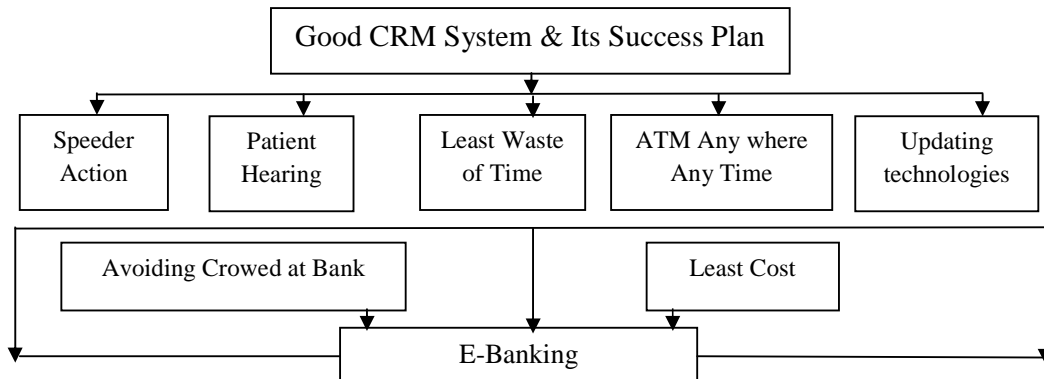
Perception of Employee attitude towards customers on e-CRM initiatives differs in bank types.

Theoretic Frame work of E-banking in India:

The Reserve Bank of India constituted a working group of E-banking. The group divided the E-Banking products in India into 3 types based on the levels of access granted. They are

1. **Information Only system:** General purpose information like interest rates, branch location, bank products and their features. Loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is normally done through e-mail. There is no interacting between the customer and banks application system.
2. **Electronic Information Transfer System:** The system provides customer specific information in the form of account transaction details, and statement of accounts.
3. **Fully Electronic Transactional System:** This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure in fracture. It comprises technology covering computerization. Networking and security, inter-bank payment gateway and legal infrastructure.

Advantages of Good CRM System:



E-banking Services**Automated Teller Machine (ATM):**

ATM is designed to perform the most important function of bank. It is operated by plastic card with its special features. The plastic card is replacing cheque personal attendance of the customer, banking hour's restriction and paper based verification.

Credit / Debit:

The credit card holder is empowered to spend wherever and whenever he wants with his credit card within the limits fixed by his bank. Credit Card is a post paid card. Debit Card, on the other hand, is a prepaid card with some stored value. Every time a person uses this, the E-Banking house gets money transferred to its account from the bank of the buyer. The buyers account is debited with the exact amount of purchases. The customers can never overspend because the system rejects any transaction which exceeds the balance in his account. The bank never faces a default because the amount spent is debited immediately from the customer's account.

Smart Cards:

Banks are adding chips to their current magnetic stripe cards to enhance security and offer new service, called smart cards. Smart cards allow thousands of times of information storable on magnetic stripe cards.

Bill Payment Services (ECS):

This is facilitate to payment of electricity and telephone bills, mobile phone credit card and insurance premium bills as each bank has tie-ups with various utility companies, service providers and insurance companies across the country. To pay bills, there is a need to complete a simple one time registration for each biller, it can also set up standing instructions online to pay recurring bills automatically, Generally, the bank does not charge to customers for online bill payment.

Fund Transfer (EFT):

Customers can transfer any amount from one account to another of the same or any another bank anywhere in India. The transfer will take place in day or so, whereas in a traditional method, it takes about three working days. ICICI bank says that online bill payment service and fund transfer facility have been their most popular online services.

Credit card and other services to customers:

With Internet banking, customers can not only pay their credit card bills online but also get a loan on their cards. Issue of Railway passes, Investing through internet banking, Recharging Prepaid/Postpaid mobile phones, shopping, WAP or Mobile banking services and SMS banking Services also provided through e-banking.

Table-1: Factors that should be consider for successful change management in e-banking

Customer's-related Factors	Technology-related Factors	Organization-related Factors
Identify the need of customers	Comprehensiveness and completeness of the technology	Having a strategy and plan for change
Lead the culture and social habits	Technology must not impose any limitation	Variety and flexibility of the services
Establishing trust and confidence	Consider a facilitator mechanism	The innovation and entrepreneurship
Good training program	Customization	Availability of electronic services
Advertising	Obey a stable standard	Inter-organizational relationship and collaboration
Reward systems	Providing fundamental infrastructures	Facilitate the transaction between banks
Perceive improvement of customers	Risk reduction, security and advanced technologies	Staff awareness

Data Analysis and Interpretation:**Table-2: Mean and Standard Deviations of SBI, ICICI and CITI Banks**

Parameter	SBI Bank (Sample 185)	ICICI Bank (Sample 146)	CITI Bank (Sample 111)	Total (Sample 442)
1. e-Loyalty: Mean	2.46490	3.07530	3.40540	2.90270
Standard Deviation	1.24242	1.15122	1.01245	1.22040
2. Customer Insight: Mean	1.80000	2.11640	2.57660	2.09950
Standard Deviation	1.02576	1.07966	1.11640	1.10823
3. Products Mean	2.14590	1.97260	2.64860	2.21490
Standard Deviation	1.40081	1.82165	1.14136	1.19767
4. Transaction Security Mean	1.97840	2.31510	2.30630	2.17190
Standard Deviation	1.21455	1.79176	1.63925	1.54225

5. Distribution	Mean	2.04860	2.10270	2.13510	2.08820
	Standard Deviation	1.49376	1.63467	1.62641	1.57183
6. Safe Website	Mean	2.41620	2.63010	2.45950	2.49770
	Standard Deviation	1.39282	1.41915	1.37367	1.39687
7. Client one to one service	Mean	2.25410	2.19860	1.95500	2.16060
	Standard Deviation	1.35346	1.33711	1.19383	1.31242
8. Software	Mean	2.10270	2.68490	2.62160	2.42530
	Standard Deviation	1.48370	1.78404	1.50788	1.61487
9. Employee Relationship	Mean	2.47570	2.49320	3.65770	2.77830
	Standard Deviation	1.00038	1.24428	1.96762	1.19169
10. Grievance	Mean	2.29190	1.84930	2.33330	2.15610
	Standard Deviation	1.34778	1.32531	1.26730	1.33523

Source: Compiled data

For comparative analysis of e-CRM initiatives among the bank types, the linear models of multi-dimensional study (ANOVA) has been portrayed in 10 different parameters in bank types at degrees of freedom taken as 2, Error is 439 and Total Sample size 442 and using 'F' Tests.

Results of 'F' Tests

1. **E-Loyalty** Mean Square is 33.934 and Error is 1.342. In this E-Loyalty analyzed that 'F' value stands 25.294 with 0.004 significance value and indicates an absolutely no difference on the opinion of customers in respect to e-loyalty across these banks. That indicates almost all the type of banks is much cautious on the aspect of maintaining customer expectations in respect to their electronic maintenance for brand loyalty.
2. **Products Designing** Mean Square is 15.167 and Error is 1.372. In this analysis, opinion on products designing through the differences in effectiveness, it is analyzed that 'F' value stands 11.056 with 0.005 significance value, which it indicates an absolutely no difference in opinion of customers on Products designing across these banks. So almost all the type of banks introduce new innovative similar type of products as their demand of customers.
3. **Employee Attitude** Mean Square is 57.323 and Error is 1.165. In the analysis of opinion on employee attitude through the differences in bank type, it is analyzed that 'F' value stands 49.186 with 0.003 significance value and hence it indicates an absolutely no difference in opinion of customers on employee attitude across these banks. Above all, these banks pay more attention on employee personality at the time of engaging them in services. Moreover, Private Banks and foreign banks pay much

more than public sector banks but to complete the present market the attitude of all the employees have been marked positive to their customers.

Testing of Hypothesis

The hypothesis is rejected as there is no such difference arises in bank type. So the employees of the entire bank type i.e. Private, Public and foreign banks maintain good relationship and show better positive attitude towards their customers as per their expectations.

Conclusion

This study concludes that E-banking is a key to maintain good relationship with customers; Further, maximizing profit, facing competition, survival, expansion and economic development are possible. So, make customers feel good, that's the key to retains them which can be done through E-Banking technologies. This study also analyzed that E-CRM banking facilities provided by the banking sector have been more user friendly for attracting new and retain the existing customer. Independently, a few internet banking services are seen as more favored by the customers from the same bank they have an account. All banks enjoy almost equivalent level of customer satisfaction for different internet banking services except a few. The high positive response of the customers indicates that the desired information is available on the website of these banks, websites are user friendly and customers are satisfied with the bill payment facilities provided by these banks and satisfaction level is almost at the same. These banks have also ensured the security of transaction. The banks are also more active in sending the internet user ID and pass ward as well as sending responses to email query to customers. There is

significant influence of different persons in the Influence in Bank Choice.

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Online Shopping in India – An Overview

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Abstract

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet without intermediary service. The global online retail industry has undergone a lot of transformation over the past two decades. The Indian retail experience has gone beyond the traditional brick-and-mortar store and E-commerce in India has been experiencing remarkable growth, successfully changing the way people transact. The present paper studies about the role and growth of E-Commerce in India. The reasons for its fast growth and the advantages of online shopping are briefly discussed. The study is made through literature survey.

Keywords: E-tailing – Types of E-commerce- Online shopping – Internet – cash on Delivery.

Introduction

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet without intermediary service. Alternative names that are used for this are Internet Shop, Web-Shop, Web-Store, E-Web-Store, E-Shop, E-Store, Online Store, Online Storefront etc. The global online retail industry has undergone a lot of transformation over the past two decades. The Indian retail experience has gone beyond the traditional brick-and-mortar store and E-commerce in India has been experiencing remarkable growth, successfully changing the way people transact. E-commerce has become very popular in the areas of computers, electronics and their accessories, apparel, arts and handicrafts, books, car rentals, matrimonial, cosmetics, financial services, gifts and novelties etc. The E-retailers are successful in maintaining the faithful relations with online consumers in the internet by being able to integrate the conventional supply chain with order management from the web.

Types of E-commerce systems

There are multiple types of E-Commerce systems namely

- **Business-to-Consumer (B2C):** Companies sell their online goods to

consumers who are the end users of their products or services.

- **Business-to-Business (B2B):** Companies sell their online goods to other companies without being engaged in sales to consumers
- **Consumer-to-Business (C2B):** Consumers usually post their products or services online on which companies can post their bids. A consumer reviews the bids and selects the company that meets his price expectations.
- **Consumer-to-Consumer (C2C):** Consumers sell their online goods to other consumers.

Of all the above, the B2C (Business to Consumer) constitutes most important part of online shopping.

Growth of E-Commerce in India

The new chapter began in the history of the online world in 1991 when e-commerce became a hot choice amongst the commercial use of the internet. IRCTC (Indian Railway Catering and Tourism Corporation), a subsidiary of the Indian Railways, is the first ever application of e-commerce in India. The government of India has made an experiment for internet based rail ticket booking through its website and from mobiles via GPRS (General Packet Radio Service and SMS (Short Message Service)). This Online Passenger Reservation System, facilitated the public to book their tickets from anywhere and at anytime in the country just with a click and through easy payment. Also, they can check the status of the ticket and availability of the train as well. This is a big achievement in the history of India in the field of E-Commerce. After the unpredicted success of the IRCTC, the online ticket booking system was followed by the several airlines such as Air Deccan, Indian Airlines, Spice jet. This online booking facility is now available with almost all transport organizations both in private and government sectors.

The success of online booking of tickets on a large scale by the Indian people motivated other business players to try this technique for their E-businesses, to expand sales volumes and thereby to gain high profits. Though online shopping has been present

since the 2000, it has gained popularity only with the introduction of deep discount model of Flipkart in 2007. After that, several other portals like Amazon, Jabong, etc. started hunting Indian consumer for the expansion of their sales. On 7 March 2014 e-tailer Flipkart claimed it has hit \$1 billion in sales, a feat it has managed to achieve before its own target of 2015.

India's e-commerce market was worth about \$3.8 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail market was worth US\$ 2.3 billion. About 70% of India's e-commerce market is travel related. India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales. According to an Associated Chambers of Commerce and Industry of India survey, the online retail market in India may grow to Rs 70 billion (over \$1.30 billion) by 2015 from Rs 20 billion in 2011 as internet access improves.

The reasons for the fast growth of Online Shopping in India

There are multiple reasons for the fast growth of e-commerce in India. The changing consumer lifestyles, supported by the younger population base of India, have given a boost to the e-commerce business. More than half of the total 1.2 billion population of India falls under the 'below 25 years of age' bracket. The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education (Palumbo and Herbig, 1998). E-Commerce was also changing with mobile payments taking shape.

Indian consumers are much more cautious about shopping online as compared to the West. They are reluctant to divulge credit card details. The cash on delivery (COD) service has helped a lot of traditional consumers turn to online shopping. It is believed that more than 50% of all online transactions in India are based on the Cash on Delivery (COD) payment methodology. The most important reason, above all, for the fast diffusion of online shopping is increasing broadband Internet and 3G penetration. India has an internet user base of about 250.2 million as of June 2014. The penetration of e-commerce is low compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants. The industry consensus is that growth is at an inflection point. The internet can provide consumers with up-to-the minute information on prices; availability, etc. (Franz 2000).

Consumers may benefit from the shopping process being faster in the market space than in the market place as a result of the rapidity of the search process and the transactions (Wigand & Benjamin 1995, Krause 1998). People today can shop literally everywhere within minutes, be it their workstations or homes, and most importantly, at any time of the day at their leisure. The online market space in the country is rapidly expanding in terms of offerings ranging from travel, movies, hotel reservations and books to the likes of matrimonial services, electronic gadgets, fashion accessories and even groceries.

The increasing number of middle class with high disposable incomes and rising standards of living is another reason for its growth. Confirmatory work shows that income and purchasing power have consistently been found to affect consumers' propensity to shift from brick-and-mortar to virtual shops (Co-mor, 2000). Another reason is - busy lifestyles, urban traffic congestion and lack of time for offline shopping. They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers (Burke, 1997).

Availability of much wider product range compared to what is available at brick and mortar retailers. By allowing consumers to shop in many places and conduct quick comparisons of offerings and prices (Hoffman et. Al. 1995, Hart et al. 2000), Internet market places have the ability to reduce search costs for price and product information (Bakos 1998, Strader & Shaw 1999, Rowley 2000, Bhatt & Emdad 2001). Lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs, Increased usage of online classified sites, with more consumer buying and selling second-hand goods multiplied its applications. The introduction of Return Policies ranging from 7–30 days, free home delivery and the "cash on delivery" model have led to a lot of momentum in Internet sales and changed people's perception towards online shopping as shoppers can now purchase without disclosing their credit/debit card details. The e-commerce sector in India is estimated to have hundreds of players. To capture a larger pie of the growing Indian e-commerce market, most of these e-tailers are constantly innovating, increasing their offerings and providing better deals. Further, the addition of discounts, coupons, offers, referral systems, 30days return guarantee, 1-7 days delivery time, etc. to the online shopping and the E-Market have added new flavors to the industry.

Conclusion

Today, the online shopping has become a trend in India and the reason behind the adoption of this

technique lies in the attractive online websites, user friendly interface, bulky online stores with new fashion, easy payment methods, no bound on quantity & quality, wide choice regarding the items based on size, color, price, etc. In spite of being a developing country, India has shown a commendable increase in the ecommerce industry in the last couple of years, thereby hitting the market with a boom. Though the Indian online market is far behind the US and the UK, it has been growing at a fast pace. Today, the booking system is not just limited to the transportation rather *hotel bookings, bus booking* etc. are being done using the websites like Makemytrip and Yatra. Overall e-commerce market is expected to reach Rs 1, 07,800 crores (US\$24 billion) by the year 2015 with both online travel and e-tailing contributing equally. Another big segment in e-commerce is mobile/DTH recharge with nearly 1 million transactions daily by operator websites. Thus, the online shopping may become a way of life in the years to come.

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Risk- Reward Relation in Stock Markets: A NBFCs Perspective

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Abstract

This study examines the relationship between stock returns and volatility among the ten Non-Banking Financial Services Companies (NBFCs) listed in National Stock Exchange's CNX 100 index for the period of one year between October 1, 2013 and September 30, 2014. To study the relationship of return and risk we consider continuous compounding return, systematic, unsystematic risk, and correlations. Consistent with earlier studies (Bekaert, G., et.al. 2000) our study reveals a negative relationship between stock market returns and stock market volatility.

Keywords:

Continuous Compounding Return, Systematic Risk, Unsystematic Risk, Beta, Growth Rate, NBFCs, Standard Deviation

Introduction

Understanding the risk-return relationship is a research topic for many researchers. It is generally known that stocks those yield higher returns are prone to higher risk and vice-versa. There is another school of thought, according to which there exist no such relationship between Risk-Return. Extensive literature is available which support both schools of thoughts. Similar arguments prevail with regard to association between systematic risk and stock return. Investors assume that broader economic conditions or mood of market will have identical influence on all the stocks (at least on all stocks in a particular industry or segment). This study empirically validates the assumptions of Risk-Return relationship and measures the mood of market and its implications.

Methodology

The data for this study were sourced from National Stock Exchange of India (NSE). The NSE provides data on various traded prices (open, close, average etc.), number of trades, quantity traded, value of trades, and percentage of deliverables on daily basis. The NSE also maintains data of its broad indices (NSE Nifty, NSE CNX 100 etc.), sectoral indices, and thematic indices. We chose Non-Banking Financial Services Companies (NBFCs) listed in NSE CNX 100 for the study. There are ten NBFCs in the list and for those ten stocks daily data were collected for a period of one year between October 1, 2013 and September 30, 2014.

First we calculated the daily returns on close price by using equation $(P_t - P_{t-1}) / P_{t-1} * 100$ and then aggregated daily returns to get the annualized return (AR). Unsystematic risk (ASD) is calculated on daily return values. Next, we calculated the Systematic Risk (Beta). For beta estimation we used NSE broad market index CNX 100 as market index. As the sample stocks are listed in CNX 100 We sourced their Weightages from NSE official website. To understand the risk-return relationship, we carried out correlation analysis between stock return and risk values. The correlations were weak and insignificant because of which we didn't run the regression analysis to test the hypotheses. Finally, to find out the relation among NBFC stocks we calculated cross order correlations.

Weightage of the sample stocks, beta estimate, number of trades, traded volumes, and traded values are considered to identify the reasons of strong / weak association and draw to conclusions. Results of the study, detailed discussions and concluding remarks are presented in following sections.

Results

Return and risk calculations are presented in Table I. Eight out of ten sample stocks reported returns higher than the benchmark index (NSE CNX 100). Of the ten stocks Power Finance Corporation (PFC) reported highest return (70.71%), highest unsystematic risk (50.77%) and systematic risk (2.34). In contrast, Bajaj Holding (BAJAJH) reported lowest unsystematic risk (23.48%) and systematic risk (0.33) with highest return (60.67%).

Mahindra & Mahindra Finance (M&MF) annualized return (12.46%) was very poor and risk was high (37.28%). Its annualized return was far below than Index return. Similarly Reliance Capital (RELCAP) also had low return (36.13%) and high unsystematic risk (43.19%) and systematic risk (1.92).

Furthermore, we didn't find any association between stock weightage and their beta values. The correlation ($r = -0.01$) between return and unsystematic risk is negative and negligible. Similar results were found with return and systematic risk ($r = 0.05$).

Table I: Scrip wise Annualized Return (AR), Annualized Risk (ASD), Beta estimation and

Weightage in CNX 100 for the period between October 1, 2013 and September 30, 2014.

S. No.	Company	AR (%)	ASD (%)	Beta	CNX 100 Weight
1	PFC	70.71	50.77	2.34	0.33
2	BAJAJF	66.23	25.02	0.65	0.20
3	BAJAJH	60.67	23.48	0.33	0.26
4	LICH	57.72	32.36	1.66	0.37
5	SRTRNS	56.58	37.96	1.45	0.53
6	IDFC	48.28	37.72	1.79	0.62
7	RELCAP	43.73	41.61	2.12	0.17
8	RECLTD	36.13	43.19	1.92	0.33
9	HDFC	32.39	24.16	1.02	5.33
10	M&MF	12.46	37.28	1.08	1.78
	CNX100	34.24	13.41	1.00	
	Correlation		-0.01	0.05	

We run a correlation analysis to enumerate the relation among various NBFCs. There was weak or no significant correlation found among the stocks. Table III illustrate the correlation results. Even though all the sample companies belong to same industry segment association among them were weak. This is an important observation in this study.

Conclusion

This study was performed to understand Risk-Return relationship among equity stocks listed in National Stock Exchange of India. We selected NBFC stocks as sample. In all there were 10 stocks in this segment. Close prices of one year period was considered. In distinction to most popular saying High Returns are associated with High Risks our study found no such relation. In addition, we found few stocks with low risk have highest returns. When we dwelled into details we identified few stocks have high returns and high risk. These stocks had witnessed large number of trades, traded

quantities and their market capitalizations were also high. Stocks those reported low risk and high returns had low market capitalization, less number of trades and traded quantities. Next, stocks those reported low returns but high risk had highest number of trades and traded quantities.

Based on the findings of the study we conclude that, large cap stocks with high traded quantities are prone to higher risk and small cap stocks with less traded quantity witnessed lower risk. Another finding of this study is that, market weightage of stocks have no impact on their beta estimation.

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Table II: Traded Quantity, Turnover, and Number of trades of sample stocks

Stock	No. of Trades			Total Traded Quantity			Turnover in Lacs		
	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg
IDFC	2,47,253	7,068	49,310	5,82,65,991	12,61,005	97,19,305	82,830	1,389	11,932
PFC	1,32,957	1,832	42,059	1,21,31,448	2,07,507	34,37,218	36,122	357	7,792
RELCAP	1,63,623	2,192	50,606	1,18,60,920	1,39,247	32,82,898	63,700	457	14,929
LICH	1,06,950	3,180	37,638	1,07,54,487	3,80,279	29,82,202	32,037	857	7,750
HDFC	1,87,377	1,444	76,658	1,07,49,759	82,662	29,05,730	99,235	696	26,301
REC	1,16,796	1,008	32,421	74,03,011	58,792	20,08,579	24,230	122	5,364
M&MF	1,37,885	2,270	25,646	1,35,02,859	1,32,322	14,99,367	32,588	380	4,004
SRIRAM	1,21,492	1,144	23,999	16,98,432	11,489	4,97,423	15,545	77	3,854
BAJAJF	9,634	382	2,340	6,08,134	5,600	49,961	6,596	40	423
BAJAJH	17,240	152	1,911	5,40,317	974	23,277	5,123	10	246

Table: III Correlation Among Listed NBFCs (October 1, 2013 to September 30, 2014)

	BAJAJF	BAJAJH	HDFC	IDFC	LICH	M&M	PFC	RELCAP	RECLTD	SRTRANS
BAJAJF	1.00									
BAJAJH	0.20	1.00								
HDFC	0.24	0.18	1.00							
IDFC	0.32	0.17	0.30	1.00						
LICH	0.34	0.20	0.34	0.54	1.00					
M&M	0.23	0.13	0.12	0.43	0.43	1.00				
PFC	0.29	0.19	0.29	0.47	0.63	0.38	1.00			
RELCAP	0.35	0.20	0.24	0.63	0.65	0.45	0.63	1.00		
RECLTD	0.32	0.22	0.28	0.46	0.60	0.38	0.84	0.62	1.00	
SRTRANS	0.15	0.09	0.22	0.37	0.46	0.36	0.44	0.45	0.41	1.00

Table: IV Company Name with Symbol

Company	Symbol
Bajaj Finserv Ltd.	BAJAJF
Bajaj Holdings & Investment Ltd.	BAJAJH
Housing Development Finance Corporation Ltd.	HDFC
IDFC Ltd.	IDFC
LIC Housing Finance Ltd.	LICH
Mahindra & Mahindra Financial Services Ltd.	M&M
Power Finance Corporation Ltd.	PFC
Reliance Capital Ltd.	RELCAP
Rural Electrification Corporation Ltd.	RECLTD
Shriram Transport Finance Co. Ltd.	SRTRANS

Changing Paradigms in E-Banking

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Abstract:

The traditional mode of delivering products and services by banks to the consumers' is through a single distribution channel. Financial services industry is changing in its pace due to the advent of internet, rapid technological evolutions, deregulation, globalization and changing competitive forces. In order to cope with the quick changes in the business scenario, banks have started to rely on distribution channels as an alternative strategy for differentiation and gaining further competitive advantage. This has served a pivotal role in changing paradigms in E-Banking. This paper aims to present the E-Banking challenges and opportunities through Real Time Gross Settlement System, National Electronic Fund Transfer, Electronic Clearing System, Automatic Teller Machine and Mobile Banking.

Keywords: E-banking, RTGS, NEFT, ECS, ATM, virtual banking, M-banking.

Introduction

E-banking is a digital system that enables customers to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. E-banking is also known as Internet banking, online banking, and virtual banking.

The Indian banking system nationalized in 1969. Banks were primarily involved in mobilizing domestic savings, lending funds to specific sectors of the economy and raising resources for financing public deficits. Technology in Indian banking has evolved from office automation to online, centralized and integrated solutions like online transactions with the help of Transmission Control Protocol and Internet Protocol. Based on the recommendations of the Committee on Financial System -Narasimham Committee, in 1991, the use of IT in the banking sector has seen a rapid growth including free entry of private sector/ foreign banks.

Literature review

^[1]At present, over 85% of the payment transactions are electronic and traditional way of doing banking at the branch level has relatively little importance to electronic banking users. Many banks, including PSU banks, would have online ATMs, phone banking, virtual banking, e-banking, Internet banking, etc. by 2020.

^[2] It is found that people in the age group of 18-45 years using e-banking most frequently. Respondents

opined that using e-banking for balance inquiry to be the most useful, closely followed by inter-account transfer of funds and they found e-banking least useful for lodging complaints. Slow transaction speed was found to be the most frequent problem faced, closely followed by non-availability of the server while using e-banking.

^[3]E-banking offers a higher level of convenience for managing one's finances even from one's bedroom. However, it continues to present challenges to the financial security and personal privacy. Customers are advised not to share personal information like PIN numbers, passwords etc with anyone, including employees of the bank; change ATM PIN and online login and transaction passwords on a regular basis; ensure that the logged in session is properly signed out.

The common E-banking features fall broadly into several categories:

A bank customer can perform non-transactional tasks through online banking, including -viewing account balances, recent transactions, downloading bank statements, periodic account statements, applications for M-banking, E-banking etc., images of paid cheques, ordering cheque books. Bank customers can transact banking tasks through online banking, including -

Funds transfers between the customer's linked accounts, Paying third parties, including bill payments and third party fund transfers, investment purchase or sale, Loan applications and transactions, such as repayments of enrollments, Credit card applications, Register utility billers and make bill payments, Financial institution administration, Management of multiple users having varying levels of authority and Transaction approval process.

The process of banking has become much faster. Some financial institutions offer unique Internet banking services. Some online banking platforms support account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other institutions.

Objectives of the Study

- To understand the functions of E-Banking in India.
- To understand the methods of E-banking.

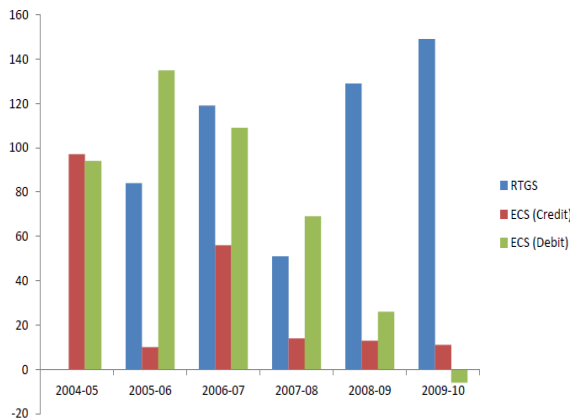
- To find the rankings of banks methods.
- To study the pros and cons of E-banking.

E-Banking Methods

1. RTGS and ECS

Real Time Gross Settlement System (RTGS) is a mechanism of transferring funds from one bank to another on a 'real time' and on 'gross' basis. Under RTGS, the minimum amount of fund transfer is Rupees Two Lakhs (3100 US \$) and there is no limit to the maximum amount

Figure 1: Growth of RTGS, ECS (Credit) and ECS (Debit) in Volumes



Source: compiled from RBI annual reports -various years

Electronic Clearing Service (ECS) is a mode of electronic fund transfer from one bank account to another bank account through the clearing houses of Reserve Bank of India. This is normally for bulk transfers from one account to many accounts or vice-versa in the form of ECS-credit and ECS-debit.

ECS (Credit) is used when an institution is required to make bulk or repetitive payments.

ECS (Debit) is used when an institution is required to collect an amount from customers.

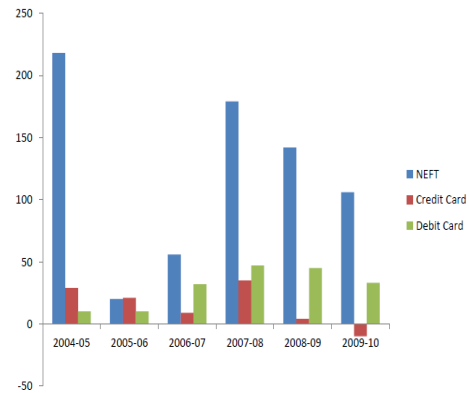
2. NEFT, Credit Card and Debit Card

National Electronic Fund Transfer (NEFT) is a nation-wide electronic payment system that uses a secure mode of transferring funds from one bank branch to another bank branch. There is no limit either minimum or maximum on the amount of funds that could be transferred using NEFT.

Credit card is a mechanism by which the card holder can make purchases without immediate cash payments.

Debit card can be used to withdraw cash from a bank like an ATM card and it can also be used at stores to pay for goods and services in place of a cheque. Debit card allows the holder to spend only what is in his account.

Figure 3: Growth Rates of NEFT, Credit and Debit cards in Volumes



Source: compiled from RBI annual reports -various years

3. Automated Teller Machine (ATM)

A major technological development, which has revolutionized the delivery channel in the banking sector, has been the Automated Teller Machines (ATMs). HSBC was the first bank to introduce ATM in India in 1987. According to a survey, the percentage of ATMs located in rural areas accounted for 32.7 per cent of the total ATMs in the country at the end of March 2010.

Table 1: Number of ATMs of Scheduled Commercial Banks in India at the End of March 2010

Bank Group	On-Site ATMs	Off-Site ATMs	Total ATMs	Off-site ATM as percentage of total ATM
Public Sector Banks	23797	16883	40680	41.5
Private Sector Banks	8603	9844	18447	53.4
Foreign Banks	279	747	1026	72.8
Total of all Banks	32679	27474	60153	45.7

Source: Report on Trend and Progress of banking in India, 2009-10

4. Mobile Banking

Mobile banking is defined as the usage of mobile telecommunication devices for carrying out banking and financial transactions. Since the penetration rate of Mobile phones in India is much higher than the penetration rate of internet, mobile phones is an excellent delivery channel to reach banking customers. When it comes to reaching the 'un-banked' and extending financial inclusion for the larger population, mobile phone is the Key (The Hindu, July 11, 2011).

Table 2: Mobile Banking Transactions in India in Volumes and Value Terms

Month / Year	Value (Rs. in thousands)	Volume
May -09	48542	52538
Oct -09	69430	111623
Mar -10	236246	271920
Oct -10	517689	556003
Feb -11	616191	707496
Average Growth rate		120

Source: Compiled from Reserve Bank of India, Mobile Banking Transactions statistics – www.rbi.org.in

Table 2 reveals that mobile banking is now emerging as a popular e-banking channel in India. Over a period of nearly 2 years, mobile banking transactions in India have increased by 13 times in volumes and value terms. This shows the growing interest of Indian customers in mobile banking.

Pros and Cons of E-banking

Pros:

- FTP or File Transfer Protocol is a mechanism to transfer a file to and from a computer. Certain ftp sites are available to validated users with an account ID and password.
- E-banking opportunities are ever-growing market both in terms of Business to Customers(B2C) and Business to Business(B2B).
- Replying to customers’ queries through e-mail, setting up (Frequently Asked Questions) FAQ pages for anticipated queries, offering interactive help online, accepting customers’ complaints online 24 hours a day and attending to the same are some of the features of e-business.
- Reserve Bank of India has taken the initiative for facilitating real time funds transfer through the Real Time Gross Settlement (RTGS) System. Under the RTGS system, transmission, processing and settlements of the instructions will be done on a continuous basis.
- The banks have extended its web interface to the software vendors of National Stock Exchange through a tie-up with NSE.IT
- WAP (Wireless Application Protocol) offers two-way connectivity. Users may surf their accounts, download items and transact a wider range of options through the cell phone screen.
- E-Banking helps to develop Indian Economy by paperless transactions.

Cons:

- TCP / IP protocol is insecure because data packets flowing through TCP / IP networks are not normally encrypted.
- Operational risk takes in the form of inaccurate processing of transactions, non enforceability of contracts, compromises in data integrity, data

privacy and confidentiality, unauthorized access / intrusion to bank’s systems and transactions.

- E-banking is public domain and there is no restriction on who can use it. This has also given rise to concerns over the security of data and information transfer and privacy.

Ranking of E-Banking Methods

Mobile Banking: Ranked No. 4
 RTGS and ECS: Ranked No. 3
 NEFT, Credit cards and Debit Cards: Ranked No. 2
 ATM (Automated Teller Machine): Ranked No. 1
 According to my survey Mobile Banking and ECS is growing rapidly and it is going to outnumber NEFT and ATM by 2016.

Findings

- E-Banking plays vital role for services such as utility payments, booking tickets online, online shopping, online transactions, etc.
- E-Banking can be carried out in various modes like RTGS, ECS, ATM, NEFT, Credit/Debit Cards and M-Banking.
- Pros dominate over the cons, hence, E-banking is widely used in India.

Suggestions

E-banking can be improvised by enhancing:

1. IT Networking
2. System Integration and Management
3. Customer Relationship Management (CRM) Applications
4. Back Office processing and Call Centres
5. Data warehousing/ Data mining

Conclusions

The banking sector reforms witnessed the changes within a short span certainly not as a one-time affair. The declining internet and mobile charges, falling prices of PCs and mobile phones, broadband with access through cable and digital subscriber lines etc. has encouraged the boom in E-banking in India. There are still some customers who are wary of using electronic channels for conducting banking transactions due to negative issues like identity theft and phishing attacks. Information technology has given a great comfort to an individual who needs to access banking in an optimum manner. It can be concluded that more introduction of IT alone will not be sufficient to bring necessary performance improvement and get the competitive edge but intelligent use of tools is required.

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E-Tailing – A Catalyst for SMEs Growth in India

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Abstract

India has a thriving Small and Medium Enterprise (SME) sector with immense export potential which if harnessed can contribute significantly to boosting the nation's GDP. As funds are a major constraint for SMEs they cannot afford expensive marketing strategies and hence need one reliable, simple and cost effective solution that helps them find customers in India and worldwide. Online marketing or E-tailing is a virtual market place which helps small businesses to save costs, time and helps them to explore new markets and diversify risk by expanding its customer base effectively. E-tailers like Amazon, Flipkart and Snapdeal are associating with SMEs to host a unique assortment of products on their online stores. They are providing specialized training, logistics, infrastructure and technology support to SMEs to enrich their product selection. Such tie-ups are helping small businesses to gain access to exclusive markets, as well as prominence and confidence among their customers.

Key Words -- SMEs, E-commerce, E-tailing/Online Retail

I. INTRODUCTION

The Micro, Small and Medium Enterprise (MSME) sector is crucial to India's economy. The MSME Annual Report 2013-14[1] indicates there are 45 million MSMEs in various industries, producing more than 6000 products ranging from traditional to high-tech items. 67% of its produce is manufactured goods and employs 101 million people. This sector accounts for 45 per cent of Indian industrial output and 40 per cent of exports. Although 94 per cent of micro, small and medium firms are unregistered, it contributes nearly 8-9% to India's GDP. It is thus evident that the Small and Medium Enterprise (SME) sector is an integral part of the Indian Economy and thus has an immense potential which, if harnessed can contribute significantly to boosting the nation's GDP.

Despite its huge potential the SME sector remains depreciated as the small and medium business owners lack investment and effective marketing strategies to take on national and international competition. E-commerce provides opportunities for small and medium sized enterprises to overcome logistical and geographical challenges in terms of

access to markets. By selling products online, the need for middlemen disappears, allowing businesses to reduce transaction costs and hence become more competitive.

II. SME DEFINED

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is as under:

Table 1: Categorization of SMEs

Description	Manufacturing Enterprise (Investment in Plant and Machinery)	Service Enterprise (Investment in Plant and Machinery)
Micro Enterprises	upto Rs.25Lakh	upto Rs.10 Lakhs
Small Enterprises	above Rs. 25 Lakh & upto Rs. 5 crore	above Rs. 10 Lakh & upto Rs. 2 Crore
Medium Enterprises	above Rs.5Crore& upto Rs.10Crore	above Rs. 2 Crore & upto Rs. 5 Crore

III. MARKETING ISSUES

- SMEs in India suffer from a number of supply chain inefficiencies. The capacity of the SMEs to store large quantities and leverage on logistics is not possible. The producer has to go through a number of middlemen and states, to sell their products in a particular market.
- Lower scale of operations, inadequate logistics and improper supply chain management has created huge problems for the smaller players. Such inefficiencies lead to escalation of the cost of product and impact the profitability of the SMEs.
- Funds are required to hold the inventory levels to offer variety to the consumers and to offer the desired credit period to the buyers.
- SMEs can concentrate only in few cities and towns as they lack the infrastructure & funds for registering themselves at national level.

- With new technologies coming up, the SMEs face the challenge to scale up to the new levels or risk the threat of elimination. With changing lifestyles and buying behavior, SMEs are exposed to new market challenges.

IV. THE POTENTIAL OF E-TAILING

E-tailing is a subset of E-commerce, which encapsulates buying and selling of products or services over the internet using secure connections and electronic payment services. The E-commerce industry has witnessed unmatched growth of 150%, increasing from \$2.5 billion in 2009 to \$ 16 billion in 2013. According to a report by technopak[2] the country’s E-commerce market is projected to reach \$200 billion by 2020, driven by rising online retail.

SME’s are pivotal to the manufacturing sector in India. They need incentives and modern technology to enable them to achieve global competitiveness. E-commerce is providing these in a cost effective way. E-commerce can provide SME’s and MSME’s with an opportunity to reach out to millions of customers across geographies. The marketplace platform helps them jumpstart their business with minimum investment. In recent years, the growth of the global E-commerce market has made cross-border transactions an intensifying force in India’s foreign trade, offering millions of enterprises, most of which are SMEs/ MSMEs, to expand beyond the domestic market. Over 30,000 sellers sell on eBay India annually to 4 million consumers in 3,311 Indian cities. Over 15,000 sellers export a variety of Indian handcrafted products to 112 million customers in over 190 countries [3].

Table 2: E-commerce segment information

B2B transactions between 2 or more firms	B2C transactions between a firm and customer
C2B transactions between customer and a firm	C2C transactions between 2 or more individuals or customers

E-tailing or Online Retailing refers to that part of E-commerce transactions conducted directly between a firm and consumers who are the end-users of its products or services. It entails the sale of product merchandise and does not include sale of services. With the use of web-space a virtual shop is created and the products are displayed through images in this space with the features and price tags. By accessing this shopping site a customer can choose his/her products into a cart. The payment for this product can be done in various modes as mentioned by the shopping site. The product would be delivered to the address specified by the customer. Thus with the use of the internet as a medium a person can buy products from a virtual store.

In India, E-tailing has the potential to grow from \$0.6 billion in 2012 to \$32 billion by 2020[4]. The country’s growing Internet-habituated consumer base, which will comprise 180 million broadband users by 2020[5], along with

a burgeoning class of mobile Internet users, will drive the E-tailing story. With the internet users spread across the country, it is an opportunity for E-tailers which can be leveraged by SMEs in India.

In terms of scope for future growth, more than 60% of India’s 73.9 million internet users visit online retail websites, spending an average of 28.4 minutes which is less than a world-wide average of 84.3 minutes. This points towards a huge scope for future growth in this segment [6].

E-tailing’s growth will spur the creation of new capabilities and human skills in the areas of logistics, packaging, and technology. Additionally, such growth will promote the rise of service entrepreneurs who will have the potential to earn \$ 7.5 billion, annually, by 2021[7]. It will open up national and international markets for the SME sector.

Many small businesses still do not have their own website, which greatly impacts their ability to reach out to a wider and bigger market. However, the third party B2B exchanges/marketplace platforms afforded by E-commerce is providing the required firepower for the growth of SMEs/MSMEs by opening a window to new markets by shortening traditional supply chains, and by reducing costs, thereby, leading to higher revenues and profit margins.

The growth of E-tailing in India will be complementary to the growth of traditional retail, and in no way be at cross-purposes. On the contrary, it will improve efficiencies and reduce transaction costs in retailing and thereby boost the productivity of manufacturers (SMEs) and service providers.

V. LEVERAGING E-TAILING FOR GROWTH

The E-tailing platform is a great opportunity for SMEs to level with big players, reach out to wide markets and build a brand. When SME’s work with online marketplaces, they are assured of payment within a specific period of time and thus help them manage their finances which is a major problem faced by them. According to a July 2013 report by Federation of Indian Chamber of Commerce and Industry (FICCI) internet use among the SMEs can lead to 32% higher revenues, 43% higher profit and a 32% increase in number of customers[8]. Another advantage of going online is SMEs can display thousands of products, which would not have been possible in a physical store. Online marketplaces take care of issues like absence of back end technology, packaging and logistic infrastructure and dearth of finances. Accordingly:

- 1) The SME retailer needs to develop a dedicated interactive website, wherein the product catalogue is showcased along with the product details, pricing etc. Next the SME must promote its website to enhance product exposure in the virtual space. It is an ideal technology for SMEs to create and later enhance their presence in the virtual space (B2C).
- 2) Alternative to developing a dedicated e-tailing website, the SME can also showcase its products through mass e-tailing websites like Flipkart, Amazon, Snapdeal etc.

The online format is very cost-effective and can provide worldwide exposure to retail SMEs in India (B2B).

However SMES have been apprehensive in adopting E-commerce technologies due to the following commonly cited factors:

- Language barriers and low levels of English Fluency.
- Lack of familiarity with E-commerce technologies & high costs.
- A cultural preference for more traditional trade practices involving face to face contact between buyer and seller.
- Continued preference for the use of cash transactions.
- Security, legal and liability issues are also a major concern.

Many SMEs find marketing on the Internet expensive. Having a Web site is not equivalent to having a well-visited Web site. One reason is that there may be no critical mass of users. Another reason is the challenge of anonymity for SMEs. Because of the presence of numerous entrepreneurs in the Internet, it seems that brand recognition matters in order to be competitive. Moreover, it is not enough that a Web site is informative and user-friendly; it should also be updated frequently. Search engines must direct queries to the Web site, and news about the site must be broadly disseminated. One solution may be to encourage several SMEs to associate themselves with online marketplaces or E-tailers (B2B).

VI. ASSOCIATING WITH E-TAILERS

Amazon, Flipkart and Snapdeal are turning to the country's 45 million small and medium enterprises (SMEs) to host a unique assortment of products on their online stores. They are providing specialized training, logistics, infrastructure and technology support to SMEs to enrich their product selection in categories like apparel, jewellery, handicrafts, fashion accessories and leather goods.

Snapdeal has introduced services like Payship and Snapdeal Plus [9] to boost logistic capabilities of SMEs, besides an exclusive mobile app. They will also help the SMEs to secure loans from banks and NBFCs.

Amazon offers services like Fulfillment and Easy Ship [10] to enhance a seller's logistic capabilities. This enables the sellers to focus on pricing and selection. Amazon has also tied up with national level institutions to identify SME clusters and to popularize the benefits of selling online.

Flipkart has tied up with Federation of Micro, Small and Medium Enterprises (FISME) to help small manufacturers and artisans. It is working with the textile ministry to provide an online marketing platform to handloom weavers across the country.

Such tie-ups are helping SMEs to gain access to an otherwise elusive market and leading to prominence and confidence among their consumers. It also helps SMEs to cut through intermediaries like wholesalers and retailers thus streamlining the payment process.

VII. CONCLUSION

Online market places are changing the lives of many small and medium enterprises that are able to reach a nationwide market at lower costs. Increasing competitors leading to price cuts, complications caused due to returns and cash-on-delivery, enhancing production capacity to keep pace with demand, cost of warehouse rentals and logistics are issues of concern. However a Pan-India market, low inventory costs, absence of showroom rental costs and advertising costs has increased business by nearly 50% [11] for suppliers using online channels in the recent past.

E-tailing companies see a huge business opportunity in associating with SMEs and are ready to invest in training them in online business models and provide the necessary infrastructure support. For them, it is important to have a unique products and services to offer, for which they have to go to SMEs who are small but unique. For SMEs it gives them a wide customer reach. It is the responsibility of the state to play a facilitating role by creating the right policy environment for the liberalization of E-commerce and its positive effects on the growth of SMEs.

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Inbound Marketing- A Contemporary Approach

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Inbound marketing is different. Inbound marketing works by earning someone's attention, rather than buying it. Inbound marketing is a highly-effective modern marketing approach that positions your brand as an authority and gives you a unique competitive advantage. This process focuses on publishing premium branded content that attracts your audience, creating an environment that drives leads and customer retention. As your brand grows and gains momentum online, this content will continue to result in sustainable lead generation and lasting ROI.

Inbound Marketing VS. Traditional Marketing

The way brands and consumers communicate with each other is changing. Marketing budgets that were once spent on traditional methods are shifting to inbound marketing channels. Inbound marketing has 61% lower cost per lead than traditional marketing. TV, radio, and billboards can be expensive, difficult to measure, and most importantly, ineffective. Consumers are turning to the Internet for information more than ever. When they do, you want to ensure they're able to find your brand.

Inbound marketing: Inbound marketing focuses on creating quality content that pulls people toward your company and product, where they naturally want to be. By aligning the content you publish with your customer's interests, you naturally attract inbound traffic that you can then convert, close, and delight over time.

The term "inbound" is relatively new. It took Vital a while to embrace the term "inbound" to describe what we were doing with our clients. In the beginning it was referred as "SEO" and "content marketing," we can read their content. We knew a term was needed for the paradigm shift we were seeing in online marketing, because SEO had fundamentally changed and digital marketing was becoming increasingly more disparate from traditional marketing. Digital distribution made analysis highly measurable and results-oriented, showing that inbound marketing was exponentially more successful than outbound marketing, when done correctly.

Outbound marketing, or traditional marketing, is the marketing we grew up with: radio, TV, newspapers, magazines, direct-mail, billboards, event sponsorships, etc. The traditional outbound strategy can even be found in such digital distribution forms as email blasts, banner ads, PPC, and SPAM. But the defining quality of outbound marketing is message.

Outbound is a world of jargon where the loudest and most obnoxious are rewarded. Back in the day, clever was rewarded, but due to the escalating costs and increased competition to reach dwindling audiences, marketers have had to dumb things down to the lowest common denominator to maximize their conversions. So we are left with advertisements that use fluorescent pink, bold print, BIG discounts, exploited women and puppy dogs. How dumb do they think we are? No wonder a paradigm shift in advertising had to take place.

1) Interruption-based vs. Permission-based

Outbound Marketing: Outbound marketing is interruption-based marketing. Its premise is to find a medium with a large following and periodically interrupt that following with disassociated ads. The hope is that with some careful planning and a study of the demographics, a small percentage of the audience will listen to the interruption in the storyline and convert in to a customer. If you can find a large enough following or an above average association, the small percentage of conversions will be worth the investment. Those opportunities are increasingly more like a needle in a haystack.

Inbound Marketing: Inbound marketing is permission-based marketing. There are two premises here:

- First, communicate via mediums in which the audience has given you permission to communicate.
- Second, answer the questions people are asking and proliferate those answers around the web in anticipation of the question.

Both of these premises are permission-based.

In the first method, the audience is smaller in numbers than mass media, but because the audience is inherently friendlier and has already raised their hand to get your messages, the audience converts at a 750% higher rate than interruption-based marketing.

Examples: subscription based email marketing, social media, blog subscribers, webinar attendees, etc.

In the second method, the numbers are virtually limitless, since your audience online is infinite. Thanks to targeting keywords, you can answer the questions prospects might be asking about your products and your industry. Since this audience is looking for the answers that you are proliferating throughout the web, the conversion rates are unparalleled.

Examples: SEO, keyword targeting, landing page strategy, content/blog strategy, etc.

An example of permission-based marketing that will put inbound into context is the Yellow Pages. Before websites, subscription-based email and blog subscriptions, the Yellow Pages was one of the few places you could advertise where prospects were actually looking for you and you weren't interrupting them. Yellow Pages were so successful that companies would name themselves AAA or ABC to be at the top of the listings. In 2001, Vital had a \$10,000 a month Yellow Pages marketing budget, buying enhanced listings (bold) and an ad in every book from Boston, MA to Portland, ME. Why? Because it worked, and there was an undoubted ROI.

Major themes:

Content Creation + Distribution- Create targeted content that answers prospects' and customers' basic questions and needs, then share that content far and wide.

Lifecycle Marketing- Promoters don't just materialize out of thin air: they start off as strangers, visitors, contacts, and customers. Specific marketing actions and tools help to transform those strangers into promoters.

Personalization- Tailor your content to the wants and needs of the people who are viewing it. As you learn more about your leads over time, you can better personalize your messages to their specific needs.

Multi-channel- Inbound marketing is multi-channel by nature because it approaches people where they are, in the channel where they want to interact with you.

Integration- Content creation, publishing and analytics tools all work together like a well-oiled machine - allowing you to focus on publishing the right content in the right place at the right time.

B. The Four Marketing Actions

1) Attract

Our ideal customers, also known as our buyer personas. Buyer personas are holistic ideals of what your customers are really like, inside and out. Personas encompass the goals, challenges, pain points, common objections to products and services, as well as personal and demographic information shared among all members of that particular customer type. Some of the most important tools to attract the right users to your site are:

- **Blogging:** Inbound marketing starts with blogging. A blog is the single best way to attract new visitors to your website. In order to get found by the right prospective customers, you must create educational content that speaks to them and answers their questions.
- **SEO:** Your customers begin their buying process online, usually by using a search engine to find something they have questions about. So, you need to make sure you're appearing prominently when and where they search. To do that, you need to carefully, analytically pick keywords, optimize your pages, create content, and build links around the terms your ideal buyers are searching for.

➤ **Pages:** Our website pages are your digital storefront. So put your best face forward! Optimize your website to appeal to your ideal buyers and transform your website into a beacon of helpful content to entice the right strangers to visit your pages.

➤ **Social Publishing:** Successful inbound strategies are all about remarkable content - and social publishing allows you to share that valuable information on the social web, engage with your prospects, and put a human face on your brand. Interact on the networks where your ideal buyers spend their time.

2) Convert

Once you've attracted website visitors, the next step is to convert those visitors into leads by gathering their contact information. At the very least, you'll need their email addresses. Contact information is the most valuable currency there is to the online marketer. So in order for your visitors to offer up that currency willingly, you need to offer them something in return! That "payment" comes in the form of content, like eBooks, whitepapers, or tip sheets - whatever information would be interesting and valuable to each of your personas.

Some of the most important tools in converting visitors to leads include:

➤ **Forms:** In order for visitors to become leads, they must fill out a form and submit their information. Optimize your form to make this step of the conversion process as easy as possible.

➤ **Calls-to-action:** Calls-to-action are buttons or links that encourage your visitors to take action, like "Download a Whitepaper" or "Attend a Webinar." If you don't have enough calls-to-action or your calls-to-action aren't enticing enough, you won't generate leads.

➤ **Landing Pages:** When a website visitor clicks on a call-to-action, they should then be sent to a landing page. A landing page is where the offer in the call-to-action is fulfilled, and where the prospect submits information that your sales team can use to begin a conversation with them. When website visitors fill out a form on a landing page for the first time, that visitor becomes a contact.

➤ **Contacts:** Keep track of the leads you're converting in a centralized marketing database. Having all your data in one place helps you make sense out of every interaction you've had with your contacts - be it through email, a landing page, social media, or otherwise - and how to optimize your future interactions to more effectively attract, convert, close, and delight your buyer personas.

3) Close

You're on the right track. You've attracted the right visitors and converted the right leads, but now you need to transform those leads into customers. How can you most effectively accomplish this feat? Certain marketing tools can

be used at this stage to make sure you're closing the right leads at the right times.

Closing tools include:

- **CRM:** Keep track of the details about all the contacts, companies, and deals in your pipeline, and easily get in touch with the right prospects at the right time. Customer Relationship Management (CRM) systems facilitate sales by making sure you have the right information at your fingertips to better engage with prospects across every channel.
- **Closed-Loop Reporting:** How do you know which marketing efforts are bringing in the best leads? Is your sales team effectively closing those best leads into customers? Integration with your CRM system allows you to analyze just how well your marketing and sales teams are playing together.
- **E-mail:** What do you do if a visitor clicks on your call-to-action, fills out a landing page, or downloads your whitepaper, but still isn't ready to become a customer? A series of emails focused on useful, relevant content can build trust with a prospect and help them become more ready to buy.
- **Marketing Automation:** This process involves creating email marketing and lead nurturing tailored to the needs and lifecycle stage of each lead. For example, if a visitor downloaded a whitepaper on a certain topic from you in the past, you might want to send that lead a series of related emails. But if they follow you on Twitter and visited certain pages on your website, you might want to change the messaging to reflect those different interests.

4) *Delight*

The Inbound way is all about providing remarkable content to our users, whether they are visitors, leads, or existing customers. Just because someone has already written you a check doesn't mean you can forget about them! Inbound companies continue to engage with, delight, and (hopefully) upsell their current customer base into happy promoters of the organizations and products they love.

Tools used to delight customers include:

- **Surveys:** The best way to figure out what your users want is by asking them. Use feedback and surveys to ensure you're providing customers with what they're looking for.
- **Smart Calls-to-Action:** These present different users with offers that change based on buyer persona and lifecycle stage.
- **Smart Text:** Provide your existing customers with remarkable content tailored to their interests and challenges. Help them achieve their own goals, as well as introduce new products and features that might be of interest to them.

- **Social Monitoring:** Keep track of the social conversations that matter to you most. Listen out for your customers' questions, comments, likes, and dislikes – and reach out to them with relevant content.

How does Inbound Marketing consulting team help you attract visitors and turn them into customers?

- they help you create valuable content
- they create or optimize web pages, blogs, e-books, videos, PR and social media accounts so that they're attractive to search crawlers
- they help promote your content through social media like Facebook, Twitter, and LinkedIn
- they provide expertise on effective lead nurturing and conversion
- they help evaluate and continuously update your website (keywords, tags, landing pages, etc.) using the analytical data provided by the HubSpot software
- they help you become an expert with inbound marketing services, using tools like HubSpot, Facebook, Twitter, LinkedIn, YouTube and other social media

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Problems and Prospects of Msmes in Telangana State

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1. Introduction:

The history of SME's in India can be traced back to the Gandhi an model of economic self reliance. After independence and with the subsequent liberalization of polices of the government starting 1991 this sector has seen significant growth.

In the era of LPG, Government of India has initiated various measures through planning commission to encour8rage the MSME sector.

Eighth, Ninth, and Tenth plans (1992-1997):

- i. Labour law rationalization
- ii. Vision the create employment for 50 million
- iii. Formulation of National competitiveness programme to support SME's.

Eleventh Plan (2007-2012):

- i. Recognizing the continuous need to facilitate the graduation of SME's to higher levels.
- ii. Stress on enhancing competitiveness of SME's.

Micro, Small, and Medium Enterprise (MSME) Sector:

The MSME is a dynamic and vibrant sector that nurtures entrepreneurial talent besides meeting social objective including that of providing employment to millions of people across the county. Some major initiative that have been taken by the government in 2011-2012 to revitalize the MSME sector are as follows:

- i. The government has recently approved the public procurement policy for goods produced and services rendered by MSEs by the central ministries/departments/public-sector undertaking (PSUs). The policy envisages the every central ministry/PSU shell set an annual goal for procurement from the MSE sector at the beginning of the year, with the objective of achieving an overall procurement goal of minimum 20 percent of total annual in a period of three years. A sub-target of 4 percent is also to

be earmarked for procurement from MSEs owned by scheduled caste/scheduled tribe (SC/ST) entrepreneurs.

- ii. The Securities and Exchange Board of India (SEBI) has permitted setting up o a stock exchange / Trading platform for SMEs by a recognized stock exchange having nationwide trading terminals and also issued guidelines and necessary amendments to the ASEBI Regulations. The Bombay stock Exchange (BSE) and National Stock Exchange (NSE) have been given final approval for launching SME platforms on 27 September 2011 and 14 October 2011 respectively. With the operationalization of SME exchanges / platforms, Indian SMEs would find an opportunity to raise funds from capital markets.
- iii. In line with the overall target set by the Prime Minister's National Council on Skill Development, the Ministry of MSME and the agencies under it will conduct skill development programmes for 4.78 lakh persons during 2011-12. Further, the Ministry aims to train 5.72 lakh persons in the year 2013-13 through its various programmes for development of self-employment opportunities as well as wage employment opportunities in the county.
- iv. The government has adopted the cluster approach as a key strategy for enhancing eh productivity and competitiveness as well as capacity building of MSMEs and their collectives in the country each cluster will have 100 units in it. During the year 2011-12 (up to 31 January 2012), 8 new clusters were taken up for diagnostic study, 5 for soft interventions, and 4 for setting up of common facility centres (CFCs). With this, a total of 477 clusters have so far been taken up for diagnostic study, soft interventions, and hard interventions. Apart from these clusters, 134 infrastructure development projects have also been undertaken.

The World Bank definition of MSME

Enterprise size	No. of Employees working	Assets worth	Annual sales
1. Micro	02-09	=USD 10,000 (=INR 5,00,000)	=USD 10,000 (=INR 5,00,000)
2. Small	10-49	=USD 3 million (= INR 1500 lakh)	=USD 3 million (=INR 1500 lakh)
3. Medium	50-249	=USD 15 million (=INR 7500 lakh)	=USD 15 million (=INR 7500 lakh)

Review of Literature

The important works on MSME sector have been presented below:

According to Daniel Goleman (2000), the competencies associated with relationship management in MSME's are:

- Influence refers To persuade others
- Inspirational leadership refers to provide a vision that motivate others
- Developing others refers to provide feedback and build skills and knowledge
- Change catalyst refers to recognize the need for change and support the process
- Conflict management to settle disputes, difference of opinion and misunderstanding
- Building bonds refers to create and maintain networks
- Teamwork and collaboration refers to build effective teams

Raju KD (2009) studied the role of MSME's as the back bone of the Indian Manufacturing Sector and has become engine of economic growth in India. It is estimate that SME's account for almost 90% of industrial units in India and 40% of value addition in the manufacturing sector. This article analyzed the growth and development of the Indian SME's from the opening of the economy in July, 1991.

S.D.Kalpande, R.C Gupta, M.D. Dandekar (2010) did a SWOT analysis of Micro Small and Medium scale Enterprise (MSMEs) playing a vital role in nations' economy. Many studies have demonstrated the positive impact of Total Quality Management (TQM) practices on Small and Medium scale enterprises. These relied on

manager's self assessment of performance in reaching the objective of the study. It is also observed that many MSMEs are ineffective and some are closed down.

Sharma Shallu (2011) examined the financing issues of Small and Medium Enterprises that (SMEs) play a catalytic role in the development process of a county. In India, the SMEs have continued to remain an important sector of the economy and the importance of the SMEs as a tool of industrial production, employment generation and for export promotion has recently been recognized.

Jayanta Kumar Bihari & Jyothi Prakash Pand (2010) studied the impact of global economic crisis of SME development. The study revealed increasing trends of financing by SIDBI to MSME sector under the schemes studied and the annual growth was found to be higher in the year 2008-09, the study concluded that the role of SIDBI in financing of MSME sector has been crucial.

Amitesh Kumar (2012) in his research, took a random sample of 200 MSMEs including hotels, retail shops, retail stores, trading agencies, small to medium manufacturing industries, factories, and hydro power projects. It was found that there are various financing options for MSMEs but access to these funds has been difficult in spite of Governmental initiatives. It was also found that most of the MSMEs raise funds from the informal sources as it is easy and flexible option.

ROLE AND IMPORTANCE OF SME's**a) Global perspective**

Micro Small and Medium Enterprise (MSMEs) also known as Small and Medium scale Industries or business are the essential part of a healthy economy. The SME sector represents over 90% of enterprises in most of the developing countries and countries 40%-60% of the total output or value added to the national economy. In recent years SME sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low cost. Worldwide, Micro, Small and Medium enterprises have been accepted as the engine to economic growth and for promoting equitable development.

b) Indian perspective

MSME's contribute a vast majority of the total enterprises in most of the economies and are credited with generating highest rate of employment growth and account for a major share of industrial production and exports. In India, the SME's play a major role in the overall Industrial development of the country. It is estimated that in terms of value the MSME's account for 39% of the manufacturing output and around 33% of the total exports of the country. As

per the available statistics, this sector employs as estimated 31 million people spread over 12.8 million enterprises and the labour intensity in the sector is almost four times higher than the large enterprises.

The Indian SME sector has developed itself in the form of clusters, gaining the benefit for economies of scale, while at the same time working in a competitive environment.

SWOT Analysis of Indian SME’s

Being different in nature than other industries, SME’s face their own kinds of problems and also get unique opportunities that large-scale enterprises do not. Here, an effort is put in to present the SWOT Analysis of SME’s in Andhra Pradesh.

STRENGTHS:	WEAKNESSES:
<ul style="list-style-type: none"> i. Self – Reliance. ii. Manufacturing flexibility. iii. Abundance of Raw material production. iv. Design expertise v. Availability of cheap labours vi. Growing economy and domestic demand vii. Progressive reforms. 	<ul style="list-style-type: none"> i. Highly fragmented ii. High dependence on cotton iii. Lower productivity iv. Declining mill segment v. Technological obsolescence vi. Non-participation in trade agreements vii. AP State bifurcation creates HR gaps.
OPPORTUNITIES:	THREATS:
<ul style="list-style-type: none"> i. End of quota regime ii. Shift in domestic market to branded ready made garments iii. Increase disposable income iv. Emerging mall culture and retail expansion v. Central & state government incentives on state bifurcation. 	<ul style="list-style-type: none"> i. Shift competition from developing countries like china, S.Kore ii. Pricing pressure iii. Locational disadvantage iv. International labour and environmental laws v. AP State bifurcation divides the resource and infra centres.

Source: Modified version of Tomorrow’s blue chips, ASSOCHAM.

Institutional frame work to support the SME’s

The great paradox of the twenty first century is that, in the age of powerful technology the biggest problems faced world over the problem of human soul. Due to this, nature of tasks in SME’s are becoming more and challenging, calling for multiple skills, higher educational qualifications, and commitment from both the employers and the employees. The institutional support to promote all these are listed below:

- i. The Small Industries Development Organization (SIDO),
- ii. Confederation of Indian Industries (CII),
- iii. Federation of Indian Chamber of Commerce and Industry (FICCI),
- iv. Associate Chamber of Commerce and Industry (ASSOCHAM),
- v. National Institute for Micro, Small and Medium Enterprises (NI-MSME), and
- vi. Small Industries Development Bank of India (SIDBI)

The institutional framework shall create conducive and investor friendly ecosystem to see the development of SME’s. Further, creation of industry centric environment shall be based on the PEST Analysis as shown below:

PEST Analysis To assess environmental influence on business			
Political/Legal	Economic	Social	Technological
Environmental regulation and protection	Economic growth	Income distribution	Government spending on research
Taxation (corporate consumer)	Monetary policy/financing policy SME fund of US\$2027 billion on operationalised	Demographics	Government and industry focus
International trade regulation	Government spending. Low investment	Labour/social mobility	Energy use costs
Competition regulation	Policy towards	Lifestyle changes/attitudes	Speed of technology

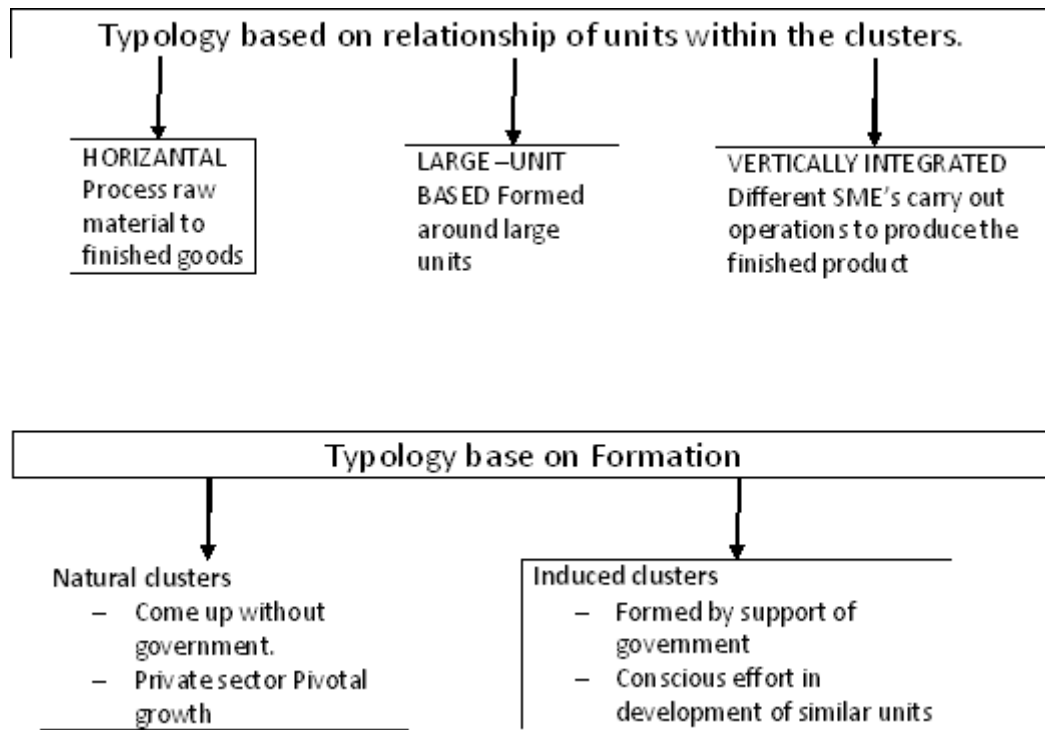
(public private partnership)	employment	to work and leisure	transfer
Employment law	taxation	Living conditions	Impact of changes in IT
Government organization/attribute	Exchange rates	Education	Internet favoring networking
Intellectual property laws	Sector growth	Fashions and fads	innovation
	State of the business cycle (effect on short-term business performance)	Health and welfare (higher pollution, lower cost pharmaceutical drugs)	
	Economic "mood", consumer confidence (more sensitive to market fluctuations)		

Factors that Lead to Cluster Development

According to UNIDO, there are several reasons that have facilitated the growth of clusters in India. While a majority of the clusters are market based, a few of them have come up due to the infrastructure provided. Development of clusters based on infrastructure is a new trend. Infrastructure clusters, mainly in the areas of electronics, software floriculture, and biotechnology, IT, Tourism and hospitality are

largely government inducted. The remaining clusters are resource – base and depend on raw material and skilled labour.

The above created cluster production may be integrated with the international trading houses in private and government sector with the south Asian countries as per the SAARC norms. For this purpose, trade integration issues may be analyzed as presented below:



Trade Integration Issues in South Asia India		
Issues	Effects	Constraints
Uneven sector and geography distribution of trade benefits due to AP bifurcation	Urban areas experience higher real living standards than rural areas some regions left behind like north-east India	Limited entrepreneurial pool and supply capacity, low connectivity and disintegration of state resources.
Limited integration with world markets and comparatively and South Asia trade integration	Some South Asia countries increase export share as percent of GDP and other are experiencing stagnating of falling shares + fall in APGD & NDP due to bifurcation	Regulatory burden and negative business environment, non-tariff barriers and high cross-border trade costs insufficient trade-related infrastructure, and Investors confidence Index will be shaken.
Divergent capacity among countries and regions to avail of growth opportunities emerging from trade	Relative marginalization of some countries or regions in global supply and value chains, and reduced ability to create lobby in global area	Difficult access to knowledge networks that are part of value chain, and distribution of the HR caliber
Vulnerable to few low value-added export products and markets	Uncertain income and growth perspectives	Constrained SME access to finance for trade capacity and technology upgrading. Also suffers from power, political uncertainty and government policies

Source: ADB Background Paper: South Asia, 2007

Problems faced by MSME's in AP:

Though MSME's are the backbone of the economy and provide employment to the livelihood to Indian middle class, specifically they face the following problems in AP

1. Much of the political will to encourage the MSME's is seen on paper only, but not in spirit.
2. Bifurcation of AP into Telangana and Andhra Pradesh will lead to the lop sided development.
3. Incentives developed for the new state will immediately attract the manufacturing and import-Export trade compares.
4. Many SME's are not in a position to offer collateral security for finances are required by the financing institutions.
5. Cost of capital of the borrowed funds by the SME's is high.
6. Growing incidence of sickness leading closure in the sector is yet another area of concern.
7. Cut throat competition from MNC's and heavy industries products is major worry for SME's.
8. Marketing programmes of SME's are not in a position to face the professionally designed strategies of MNC's.
9. Technological obsolescence in SME's is a major problem to cope up by the SME's in ensuring the product quality.
10. Lack of managerial skills and expertise with the executives and promoters of the SME's is worry some in achieving their goals.
11. It is estimated that there will be a shortage of 1500 MW power from June 2014 onwards. This

leads to the closure of around 30,000 to 35,000 SME units creating unemployment to a tune of 6,00,000 workers.

12. Increase in power tariff by the government of AP on unit base shatters the industries. In the year 2013, government of AP has increased electricity charges twice in a year. Earlier, it was Rs.1.80 per unit after increase in charges, tariff reached to Rs.3.75 per unit there by showing an increase of 108.3%. This will further hamper the prospects and fortunes of Micro and Small scale industries leading to their sickness.
13. Basically, Micro, Small and Medium Enterprises are politically sensitive sectors. Regional Imbalances within Telangana districts and seemandhra districts will create chaos among the new governments going to assume power after the elections. Government's policy making will be adversely affected due to the impossible demands made by the backward districts public representatives.
14. On Corporate Social Responsibility CSR front also, Medium range industries suffers setbacks due to disturbed organizational life cycles stages.
15. MSME's in the state are losing almost nine hours of work per day due to power cuts. SSI's do not have power back-up. Once the power supply is restored, it takes them around five hours to start the work. This result in only 15 hours of production per week in SSI's.

Marketing Strategy Analysis for SME's by SWOT Analysis using Ansoff Product Matrix							
Market Penetration				Market Development			
Strength	weakness	Opportunity	threats	strength	weakness	Opportunity	threats
Creating efficiently to the domestic needs of people	Lower economics of scale making them less competitive	Huge cost savings	Bigger players like MNC's can wrest their financial muscles, which SME's cannot do	Can cater to MNC's efficiently (at a lower cost)	Distribution problems	Growth would be driven by international markets especially with rising cost of fuel	Difficult current financial market situation
Can relate to people's problem at grassroots level	Cannot cater at a mass level due to lower cost structure and infrastructure	Less affected by downturn			Lower economics of scale making them less competitive	Favourable foreign currency exchange situation favours international market	
Product Development				Diversification			
Strength	weakness	Opportunity	threats	strength	weakness	Opportunity	threats
Innovation	Raised finances required	Can use low cost advantage to develop newer products	Raising more capital will be difficult in the current scenario	Use their innovation in Blue Ocean Strategy	Lacking in financial structure and higher infrastructure	Can collaborate MNC's to increase their market share	Difficult current financial market situation

Source: K.Rangarajan, Centre for SME Studies, IIFT Kolkata

To escape from the problems of different nature, SWOT Analysis using Ansoff product matrix may be conducted in terms of market penetration and market development.

AP is now bifurcated into AP and Telangana state. Hence a fresh relook at eh risks evaluation is essential as shown below:

Evaluation of risks related to business and assets in SME's of AP:

SMEs must evaluate and think clearly about what risks they are facing with respect to their business/assets. These could be some of the areas of concern:

Asset	Risk to be covered
Building	All Risks + Fire + Terrorism+ Life of the Asset
Office furniture, computers, refrigerator, phone	All Risks + Fire + Terrorism+ Life of the Asset
Plant and machinery use in any manufacturing activity	All Risks + Fire + Terrorism+ Life of the Asset
stock	Marine policy covers all material inward/outward import/export within India. Also stored in warehouse branches. Impact of state bifurcation to be studied.
Liability insurance	Third-party insurance damage caused to any one visiting your plan/office
Fidelity	Unethical activity done by any employee of yours
Cash in transit	Cash being brought from bank or being sent to bank
Motor vehicle	Own damage and third-party insurance + life of the asset + Impact of state

	bifurcation
Mediclaime/health insurance	Up to certain salary level covered by Employees' State Insurance Corporation (ECIS), and
	Those not covered can be covered under a group health insurance policy. Even maternity cover/pre existing disease can be covered. Family members can be covered. Even parents can be covered.
Gratuity	If the company comes under the Gratuity Act this can be taken from one of the life insurance companies + Impact of state bifurcation
Superannuation	If the company come under Superannuation Act this can be taken from one of the life insurance companies
Overseas travel	If frequently travelling for short durations then annual multi-trip policy can save you money
Key man insurance	The owner/entrepreneur/keyman can be covered under a term plan. In the even of the death of the keyman, company gets sum assured that can be used for paying loans/setting liabilities with claim amount

Conclusions and observations on SME's in AP:

1. Equity investment in MSME's is difficult not only because of legal constraints, but also because of significant operational challenges involved in managing the MSME focused funds, the most important of which is the size of investment which is usually very small when compared to corporate level investments, making it less attractive.
2. Many of the MSME's rely on open market for their business finance, as internal mobilization through informal sources makes the business more vulnerable though the socio-economic importance of MSME's the units are starve of funds, with little interest shown by institutional investors. Getting timely and adequate finance is a very difficult task for any MSME, especially for a micro enterprise.
3. Priority sector lending, venture capital financing and regional rural banks credit support are really supportive to the SME's progress.
4. The MSME sector is not homogenous, but it consists of different sub-sectors. The sub-sectors need to be catered to separately. For Micro enterprises, access to credit is priority. For small enterprises, access to credit is relatively easy though limited, and therefore remains important along with cost. For medium enterprises, access to institutional finance is easy though the cost incurred on credit is quite high. Collateral based lending offered by banks and financing institutions is normally made up of a combination of asset-based finance, contribution-based finance and factoring-based finance, using reliable debtors and guarantors.
5. There are guidelines of the RBI that banks shall provide working capital which will be a minimum of 20% of the yearly turnover. Unfortunately, all these remain in the books only

and hardly any SME's gets working capital credit as per the stated guidelines.

6. The lower segment of Micro Enterprises and the proportion of net bank credit flows to the small scale sector had been falling in recent years. Government's budgetary allocation and support is the need of the hour.
7. In modern times Islamic Banking is picking up in India, Hyderabad in AP is equally becoming a hub for it. The most prominent benefit of preferring shariah Finance institutions over conventional banking is the elevation of the risk of misuse of bank funds. The mandatory purchase and sale of assets ensures vigor in economic activity. It also shuts the doors for the possibility of using fresh financing to pay-off old stick-up non-performing loans. MSME financing is a natural fit for shariah Finance by virtue of the fact that it deals directly with real economy, creates employment, involves the productive use of resources, especially capital and finance, and contributes directly to the alleviation of poverty.
8. Creating shareholder value is the key to success in today's market place. There is increasing pressure on corporate executive to measure, manage and report the creation of shareholder value on a regular basis. In the emerging field of shareholder value analysis, medium range enterprises in various sub-sectors must focus for their survival, growth and diversification.

Suggestions:

1. Invoking of the relationship management in to the day working of SME's will bring them glory and success. Relationship management builds on the skills to communicate clearly and effectively with others. It becomes more important as one accepts more professional responsibility. Employees need skills to build bond, to inspire and influence. At the same time, there is a need to be open to change, manage conflict and

establish team work effectively and efficiently. Fulfilling such needs helps develop and sustain relationships that are productive and satisfying. Team based management system proves to be successful in managing SME's in AP.

2. Practicing the VIRAL MARKETING coined by Jeffrey pay port (1996) can be a communication and distribution spreading concept that relies on customers to transmit digital products via electronic mail to other potential customers in their social sphere and to animate these contacts to also transmit the products.
3. The unregistered sector witness relatively higher capital output ratios vis-à-vis the registered sector in spite of having lower fixed capital per enterprise. In other works, the value of output per unit of capital input (inverse of capital-output ratio) is typically low in the unregistered sector compared to the registered. This could also be a reason for the lower value addition among these enterprises. Therefore, reducing the capital-output ratios of the unregistered MSME's is also a major concern for the policy makers. The policies of the ministry of MSME such as:
 - i. Credit Linked Capital Subsidy Scheme (CLCSS) for technology up gradation through purchase of plant and machinery,
 - ii. Credit guarantee fund scheme (CGFS) for availing credit to MSME's without collateral guarantees,
 - iii. Schemes of Micro finance programme for providing Micro credit facilities to the MSME's through different Micro finance institutions, and
 - iv. The NGO's shall be allowed to play a crucial role to reducing the capital-output ratios of the unregistered enterprises.
4. The government should focus on policies of employment generation in the unregistered MSME sector. One of the important objectives of the national manufacturing policy (NMP) of the government of India is to ensure that the manufacturing sector provides a large portion of the additional employment opportunities, there by ensuring inclusive growth. In this context, a combination of policies for creating more employment opportunities along with productivity enhancement in the unregistered manufacturing MSME's, the major provides of employment in the M SME's the sector, is important.
5. The approach paper of the twelfth five year plan (2012-2017) emphasizes the importance of raw material security for the manufacturing sector. The results of the lower input-output ratios of the

unregistered MSME sector compared to the registered. This implies the value of raw materials consumption, an important component of total intermediate inputs is relatively loss for the unregistered sector. Therefore, the unregistered component of the overall MSME sector is an important source for achieving raw material security for the manufacturing sector of India. The registered sector thus needs policy attention for reduction in the intermediate input const of producing the output level.

6. Some of the important observations on MSME's functioning include:
 - i. All indices like output, fixed capital and employment measured at par enterprise level of MSME's will be much higher than those of the unregistered, whether measured at aggregate or individual unit levels.
 - ii. For the manufacturing MSME's in terms of policies relating to growth and development, the un-registered. MSME's require special policy emphasis for enhancing the productivity of the workers engaged in production process in order to increase the value added per enterprise of this sector. Since the unregistered Enterprises account for a large share in total number of enterprises and number of works of the over all MSME sector, increasing the productivity of workers of the unregistered sector will have implications for increment in workers productivity of the overall MSME sector, which in turn, will increase aggregate value added from the overall MSME sector.
7. Swanajayanti Gram Swaroggar Yojana (SGSY) was launched in the country on 1st April, 1999 by merging sis former programmes, like Integrated Rural Development Programme (IRDP),
 - i. Training of Rural Youths for Self-Employment (TRYSEM),
 - ii. Supply of Improve Toolkits for Rural Artisans (SITRA),
 - iii. Development of Women and child in Rural Areas (DWCRA)
 - iv. Ganga Kalyan Yojana (GKY), and
 - v. Million Wells Scheme (MWS).

The SGSY need to be used to strengthen the Self-Help groups through Reducing Fund Assistance (RFA), marketing support of women in SHG in product packing and delivery, Active role of NGO's, SC/ST and disabled may also be sought to assist the micro and small enterprises.

8. SME's in AP need to take a close look at their business risks and work to mitigate them, using financial planning, risk management and legal tools these organizations can focus on losses reduction.
9. Proper insurance, often a neglected area, can be a substantial lift for SME's. They have to take the professional advice from the insurance experts.
10. Globalization has integrated the world economies. The positive aspects of globalization useful to the national and, regional level need to be researched. The useful points for the bifurcated A.P State may have to be guided under the central command to boost the SME's in both the new states.

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A Study On Effectiveness Of Training And Development Practices Of It Industry

Dr.Srinivas Kumar .N

Abstract

Human resource management is the utilization of individuals to achieve organizational objectives. Consequently, managers at every level must concern themselves with HRM. Basically, all managers get things done through the efforts of others; this requires effective HRM. Individuals dealing with human resource matters face a multitude of challenges, ranging from a constantly changing workforce to ever present government regulations, a major technological revolution, and the effects of 9/11 and its aftermath. Furthermore, global competition has forced both large and small organizations to be more conscious of costs and productivity. Because of the critical nature of human resource issues, these matters must receive major attention from upper management. This paper focuses on the effectiveness of training and development in IT Industry.

Key Words:

Employees' Respect for Company Training, Comparative Organizational Performance, Job Performance and Job satisfaction.

Introduction

Training

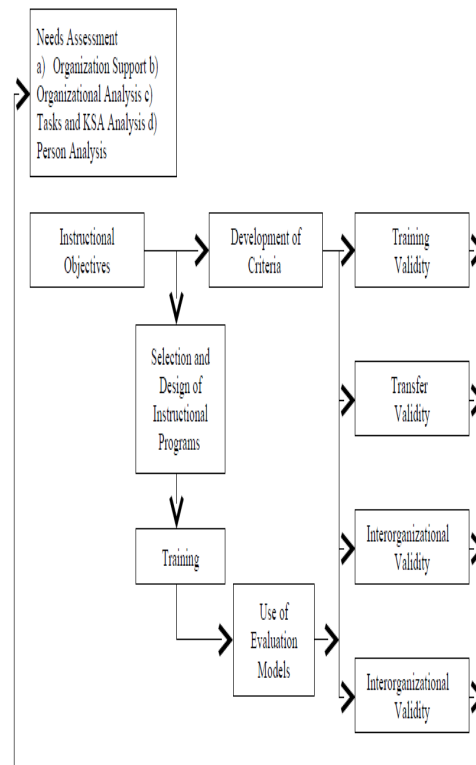
Training is concerned with imparting developing specific skills for a particular purpose. Training is the act of increasing the skills of employees for doing a particular job. Training is the process of learning a sequence of programmed behaviour. In earlier practice, training programme focused more on preparation for improved performance in particular job. Most of the trainees used to be from operative levels like mechanics, machines operators and other kinds of skilled workers. When the problems of supervision increased, the step was taken to train supervisors for better supervision.

Development

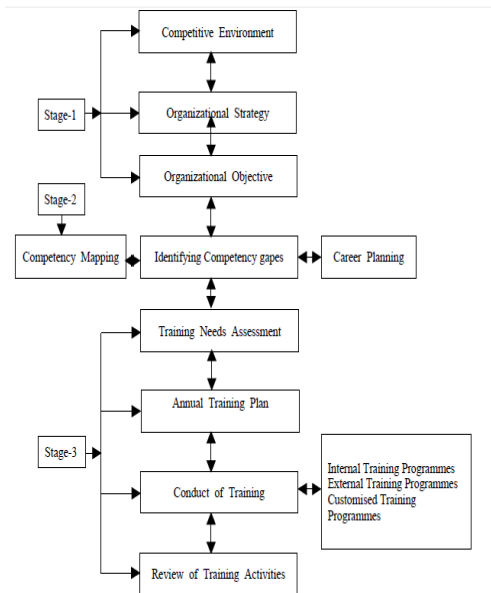
Management development is all those activities and programme when recognized and controlled have substantial influence in changing the capacity of the individual to perform his assignment better and in going so all likely to increase his potential for future assignments. Thus, management development is a combination of various training

programme, though some kind of training is necessary, it is the overall development of the competency of managerial personal in the light of the present requirement as well as the future requirement. Development an activity designed to improve the performance of existing managers and to provide for a planned growth of managers to meet future organizational requirements is management development.

Training process



Development Process



Training and Development (T&D)

T&D are terms, which are sometimes used interchangeably. Development was seen as an activity normally associated with managers with the future firmly in mind. By contrast, training has a more immediate concern and has been associated with improving the knowledge and skill of non-managerial employees in their present jobs. Such a distinction could be considered too simplistic in an era characterized by developments in HRM, because now a day's development of all employees is considered crucial. Such development would be reflected in a commitment to multi-skilling and a flexible mode of operation. There is also the recognition that the human resource is valuable and must be developed if the organization is to hold on to staff and retain their commitment while at work. Therefore, in order to get a better understanding of the web of various training and development programs provided to the employees in order to enhance the effectiveness of human resource. A survey on training and development program has been taken up in a IT company. Where the employees from an important part and play an important role in the organization in an effort of achieving the goals of the organization. In the present study the broader picture of the training and development activities or programs organized for the employee and the satisfaction level of the employees by training and development programs. The other areas where the study laid stress are development policy, training methods for operatives, management development methods. As

a result of the study various conclusions and recommendations have been given to the organization which states that the employees are satisfied with the training and development programs organized by the organizations there are some problems which does not pose a serious threat but cannot be overlooked either.

Objectives of the Study

- To evaluate the effectiveness of training programs conducted.
- To analyze the relevance of training given.
- To understand the concept of training at the selected organization or industry.

Scope of the Study

- This research provides me with an opportunity to explore in the field of Human Resources.
- This research also provides the feedback of people involved in the Training and development

Limitations

- In view of the limited time available for the study, only the Training and
- Development process could be studied.
- The sample size is too small to reflect the opinion of the whole organization.
- The answers given by the respondents have to be believed and have to be taken for granted as truly reflecting their perception.

Review of Literature

1. Tracey, William R.

This training and development manual discusses guiding principles and elements of evaluation: (1) philosophy and goals; (2) administrative planning, organization, staffing, direction, and control; (3) plant and facilities; (4) staff and faculty composition, qualifications, screening and selection, promotion, duties, compensation, and incentives; (5) determination of needs, systems development and validation, and other facets of curriculum planning; and (6) instructional support (including instructor training and training aids and materials). More than 200 detailed analysis sheets are provided. Means are indicated for identifying strengths and critical weaknesses, devising procedures to improve the system, determining needed resources, initiating control devices, and judging the instructor's appearance, speech, techniques, and ability to evoke student participation. Appendixes give a training checklist, and rating standards for lessons and practical exercises. An index is included.

2. Burke, Michael J.; Day, Russell R

Meta-analysis procedures were applied to the results of 70 managerial training (MT) studies. The meta-analysis results for 34 distributions of MT effects representing 6 training-content areas, 7 training methods, and 4 types of criteria (subjective

learning, objective learning, subjective behavior, and objective results) indicated that MT was moderately effective. For 12 of the 17 MT method distributions, the 90% lower-bound credibility values were positive, and thus the effectiveness of these training methods, at least minimally, can be generalized to new situations. A list of the 70 MT studies is included. (97 ref) (PsycINFO Database Record (c) 2012 APA, all rights reserved)

3. Gist, Marilyn E.; Schwoerer, Catherine; Rosen, Benson

Alternative training methods on self-efficacy and mastery of a computer software program were compared in the context of a field experiment involving 108 university managers. A behavioral modeling approach relative to a tutorial approach yielded higher self-efficacy scores and higher performance on an objective measure of computer software mastery. Participants scoring high in self-efficacy performed significantly better than participants with low computer self-efficacy scores. Participants low in self-efficacy reported greater confidence in their ability to master the software training in the modeling compared with the tutorial conditions. Participants in the modeling training reported more effective cognitive working styles, more ease with the task, more satisfaction with training, and less frustration compared with participants in tutorial training. Implications for training interventions are discussed. (PsycINFO Database Record (c) 2012 APA, all rights reserved)

4. John Hayes, Christopher W. Allinson March 1996

This review paper examines the effect of matching and mismatching learning style and learning activity and matching and mismatching trainer and trainee learning style on learning achievement. It also explores the possibility of creating a match by promoting learner adaptability or modifying the trainer's training style. The implications of this discussion for training and development are considered.

Data Analysis and Interpretations

Reliability Test For Construct 1

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.664	6

The Cronbachs Alpha value is .664

The reliability test for construct 2

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

List wise deletion based on all variables in the procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.431	5

The Cronbach's Alpha value is .431

The reliability test for construct 3

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.708	6

The Cronbach's Alpha value is .70

The reliability test for construct 4

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.683	6

The Cronbach's Alpha value is .68

The reliability test for construct 5

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.747	3

The Cronbach's Alpha value is .747

The reliability test for construct 6

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Case Processing Summary

		N	%
Cases	Valid	55	100.0
	Excluded ^a	0	.0
	Total	55	100.0

a. List-wise deletion based on all variables in the procedure.

The constructs taken are strongly correlated.

To Evaluate the effectiveness of Training Program Conducted.

Ha: training is effective

H0: training is not effective.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	269.219 ^a	210	.004
Likelihood Ratio	149.624	210	.999
Linear-by-Linear Association	18.358	1	.000
N of Valid Cases	55		

a. 240 cells (100.0%) have expected count less than 5. The minimum expected count is .02.

Here quality of traing is independent variable and job performance is dependent.

So job performance is taken in columns and quality of training to row.

Conclusion: Here as the pearson chi-square asymp. Sig(2-sided) is less than 0.5

Therefore we can say that the training conducted is effective.

Reason for conducting chi-square test:

Chi-square test here is conducted to find the relation between two nominal values.

To Analyse the Relevance of Training given: Ha: training is relevant.

H0: training is not relevant

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	312.524 ^a	196	.000
Likelihood Ratio	157.436	196	.980
Linear-by-Linear Association	21.340	1	.000

Cronbach's Alpha	N of Items
.811	6

The Cronbach's value is .81

The reliability test for construct 7

Reliability Statistics

Cronbach's Alpha	N of Items
.407	6

The Cronbach's Alpha Value Is .40

Finding the correlation

N of Valid Cases	55	
a. 225 cells (100.0%) have expected count less than 5. The minimum expected count is .02.		

Here competency development program is independent and job performance is dependent. So competency development in column and job performance in row.

Conclusion:

Here as the pearson chi-square asymp. Sig(2-sided) is less than 0.5 Therefore we can say that the training given is relevant.

Reason for conducting chi-square test:

Chi-square test here is conducted to find the relation between two nominal values.

To Understand the Concept of Training at the Selected Sector or Industry

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	326.042 ^a	224	.000
Likelihood Ratio	168.547	224	.998
Linear-by-Linear Association	20.395	1	.000
N of Valid Cases	55		

a. 255 cells (100.0%) have expected count less than 5. The minimum expected count is .02.

Here as the pearson chi-square asymp. Sig(2-sided) is less than 0.5

Therefore we can say that the concept of training is to develop competencies by giving training, which helps an employee to grow in his career.

Reason for conducting chi-square test:

Chi-square test here is conducted to find the relation between two nominal values.

FINDINGS

- The constructs that are taken are strongly correlated and data is reliable to conduct study.

- The training program conducted is effective.
- The training given to the work is relevant.
- The concept of training in the IT industry is to develop the competencies of employee which reflects in the growth of organization and the employee internal growth
- Of the study conducted the managers encouragement played very crucial in employees job performance and job worthiness.
- Based on the data collected and analysed 52.7 percent of employees feel that they are satisfied with the job.
- 7.2 percent feel that they are not at all satisfied with their job.
- 61.7 percent people said that the training content is related to work.

Suggestions

- Based on study conducted the employee can perform better in different jobs only when he is trained on different jobs.
- The manager encouragement plays a crucial role in employee performance.
- The job worthiness can be reflected only when the employee is satisfied.
- To improve the employee interest towards training regular training sessions with new technologies should be conducted.
- As the company conducts training to employee for organisation welfare and the employee growth, but the employees to be trained are to be selected for particular training session.

Summary

The study on effectiveness of training and development practices of IT industry conducted employees of different employees of IT industry. As we know for an employee and organization performance is very important. There are many

factors that effect performance. One such factor is training and development practices.

The study conducted says that the performance is affected by training. And people opt for training to improve skills, compensation increments, promotions, job satisfaction. The study also proved that better performance of an employee can be seen through training, job rotations and allowing or encouraging using the skills that they learnt in the training.

In my study on IT industry training and development programs are conducted in that companies for employee and organization benefit. In their company terms training is for effectiveness and good performance of organization. Development programs are conducted to encourage employee to develop skills, try multi jobs and to reach personal and organizational goals.

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Correlations

		CDP	M	Q	E	COP	J	JS
CDP	Pearson Correlation	1	.800**	.649**	.615**	.543**	.629**	.653**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	55	55	55	55	55	55	55
M	Pearson Correlation	.800**	1	.731**	.715**	.702**	.621**	.745**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	55	55	55	55	55	55	55
Q	Pearson Correlation	.649**	.731**	1	.780**	.769**	.583**	.712**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	55	55	55	55	55	55	55
E	Pearson Correlation	.615**	.715**	.780**	1	.653**	.614**	.665**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	55	55	55	55	55	55	55

COP	Pearson Correlation	.543**	.702**	.769**	.653**	1	.622**	.608**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	55	55	55	55	55	55	55
J	Pearson Correlation	.629**	.621**	.583**	.614**	.622**	1	.528**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	55	55	55	55	55	55	55
JS	Pearson Correlation	.653**	.745**	.712**	.665**	.608**	.528**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	55	55	55	55	55	55	55

** . Correlation is significant at the 0.01 level (2-tailed).

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
J * Q	55	100.0%	0	0.0%	55	100.0%

Count

	Q																Total
	10	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
15	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
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18	0	0	0	1	0	1	1	0	0	0	0	0	0	0	1	0	4
19	0	0	0	2	3	1	1	0	0	1	0	0	0	0	0	0	8
20	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2
21	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
J 22	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	2
23	0	0	0	0	0	0	1	2	0	0	0	0	0	0	0	0	3
24	0	0	0	0	0	1	5	3	1	0	0	1	0	0	0	0	11
25	1	0	0	0	0	0	0	0	1	0	1	1	0	0	1	0	5
26	0	0	0	0	0	2	0	2	1	0	0	0	0	0	0	0	5
27	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1
28	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	2
30	0	0	0	0	0	0	0	0	2	0	0	1	2	2	0	1	8
Total	1	1	2	5	4	5	8	8	7	1	1	3	3	3	2	1	55

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
J * CDP	55	100.0%	0	0.0%	55	100.0%

J * CDP Crosstabulation

Count	CDP															Total
	13	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
15	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
16	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
18	0	1	0	0	2	0	0	0	0	0	1	0	0	0	0	4
19	0	1	2	3	0	0	2	0	0	0	0	0	0	0	0	8
20	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2
21	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
J 22	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	2
23	0	0	0	2	1	0	0	0	0	0	0	0	0	0	0	3
24	0	0	0	1	3	4	1	0	0	0	1	0	0	0	1	11
25	0	0	0	0	0	0	2	1	1	0	0	0	0	0	1	5
26	0	0	0	0	0	2	0	0	0	2	0	0	1	0	0	5
27	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
28	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	2
30	0	0	0	0	0	0	0	1	0	1	2	1	0	0	3	8
Total	1	4	3	6	7	6	5	4	2	4	4	1	2	1	5	55

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
E * CDP	55	100.0%	0	0.0%	55	100.0%

E * CDP Crosstabulation

Count	CDP															Total
	13	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
12	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
14	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	2
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17	0	0	1	0	0	0	0	1	0	1	0	0	0	0	0	3
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E 21	0	0	0	1	0	3	0	1	2	0	0	0	0	1	0	8
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23	0	0	0	0	1	0	1	1	0	1	0	0	0	0	1	5
24	0	0	0	2	0	1	0	0	0	0	3	0	0	0	0	6
25	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1
26	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1
27	0	0	0	0	0	0	0	0	0	0	0	0	1	0	4	5
29	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1
30	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Total	1	4	3	6	7	6	5	4	2	4	4	1	2	1	5	55

Harmonious industrial relations – As a strategy for business excellence

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ABSTRACT:

Industrial relation is an area which has attracted the attention of a number of researchers. It is necessary to evaluate critically the existing research on the subject, with a view to place in proper perspective the important contributions in the field, identify the gaps, deficiencies, and the comparative neglect of the important research areas, and thus provide an analytical framework for the future studies in the field of Industrial relations. Industrial Relations (IR) has traditionally been a fire-fighting function in our country. The IR man comes into full play only after the crisis erupts. This is so much the case that some IR men are actually known to have stoked the fire to reinforce their own relevance to the organization "..... the MD of a large corporation remarking that his personal manager was so much of a fire fighter that he felt uneasy when there was no fight", so goes the perception about IR. But the scenario must change. Unionization, job security, protective legislation and other measures are losing the relevance. The catch words now relevant are productivity, competitiveness, downsizing and union free plans. The industrial relation can be the success factor for the organization if it is handled and maintained in a proper order and the healthiest Industrial relation leads to the successful organization.

Keywords: Industrial Relation, Unionization, productivity, competitiveness, downsizing, etc.

INTRODUCTION

Industrial relations is also a multidisciplinary field that studies the collective aspects of the employment relationship. It is increasingly being called employment relations (ER) because of the importance of non-industrial employment relationships. IR has a core concern with social justice through fair employment practices and decent

work. People often think industrial relations is about labour relations and unionised employment situations, but it is more than that. Industrial relations covers issues of concern to managers and employees at the workplace, including workplace bargaining, management strategy, employee representation and participation, union-management co-operation, workplace reform, job design, new technology and skill development. An IR expert will more usually work for a trade union in order to represent employees' interests. However, they may work for an employer in an HRM department, or for an employers' association or consultancy, serving the employers' interests.

Definitions:

"Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom, between authority and industrial democracy; between bargaining and co-operation; and between conflicting interests of the individual, the group and the community"

One of the most comprehensive definitions which views industrial relations from the perspective of human relationships is by **J. Henry Richardson**:

"Industrial relation is an art, the art of living together for purposes of production. The parties while working together learn this art by acquiring the skills of adjustment.

Objectives of Industrial Relation:

A. To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.

B. To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in

the productivity of workers and the industrial progress of a country.

C. To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.

D. To establish and nurse the growth of an Industrial Democracy based on labor partnership in the sharing of profits and of managerial decisions, so that individuals personality may grow its full stature for the benefit of the industry and of the country as well.

E. To eliminate, as far as is possible and practicable, strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.

F. To establish government control of such plants and units as are running at a loss or in which productions has to be regulated in the public interest.

G. Improvements in the economic conditions of workers in the existing state of industrial managements and political government.

H. Control exercised by the state over industrial undertaking with a view to regulating production and promoting harmonious industrial relations.

I. Socializations or rationalization of industries by making he state itself a major employer

J. Vesting of a proprietary interest of the workers in the industries in which they are employed.

Importance of Industrial Relations:

The healthy industrial relations are key to the progress. Their significance may be discussed as under –

1. **Uninterrupted production** – The most important benefit of industrial relations is that this ensures continuity of production. This means, continuous employment for all from manager to workers. The resources are fully utilized, resulting in the maximum possible production. There is uninterrupted flow of income for all. Smooth running of an industry is of vital importance for several other industries; to other industries if the products are intermediaries or inputs; to exporters if these are export goods; to consumers and workers, if these are goods of mass consumption.

2. **Reduction in Industrial Disputes** – Good industrial relation reduce the industrial disputes.

Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace.

It helps promoting co-operation and increasing production.

3. **High morale** – Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him along but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because mighty co-operative efforts alone can produce great results.

4. **Mental Revolution** – The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.

5. **New Programmes** – New programmes for workers development are introduced in an atmosphere of peace such as training facilities, labor welfare facilities etc. It increases the efficiency of workers resulting in higher and better production at lower costs.

6. **Reduced Wastage** – Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastages of man, material and machines

are reduced to the minimum and thus national interest is protected.

Thus, from the above discussion, it is evident that good industrial relation is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects may be introduced for the welfare of the workers and to promote the morale of the people at work. An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the masses can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labor.

Parties Involved in Industrial Relations

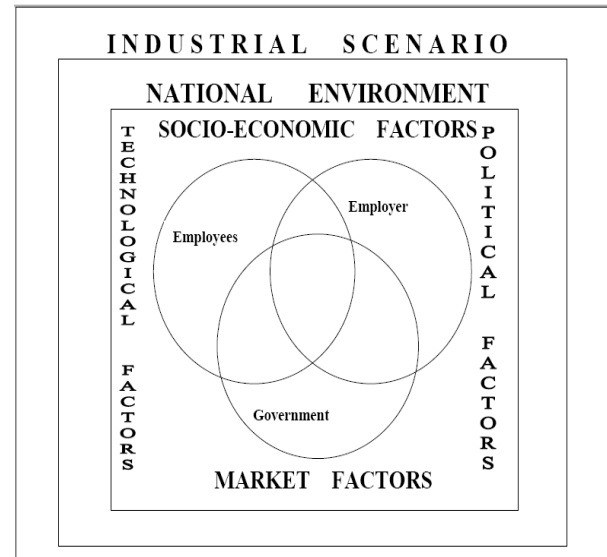
In simple words, industrial relations are the outcome of the 'employment relationships' in

industry, i.e. between employers and labour. The government of a nation or state influences these relations to a great extent. Thus, there are three main parties in industrial relations:

Workers and their Organisations i.e. Trade Union: The personal characteristics of workers, their culture, educational attainments, qualifications, skills, attitude towards work, etc. play an important role in industrial relations.

- **Employers and their Organisation:** The employers are a very important variable in industrial relations. They provide employment to workers and try to regulate their behaviour for getting high productivity from them.
- In order to increase their bargaining power, employers in several industries have organised employers' associations. These associations put pressure on the trade unions and the Government.
- **Government:** The Government or State exerts an important influence on industrial relations through such measures as providing employment, intervening in working relationships, and regulating wages, bonus and working conditions through various laws relating to labour.

- The Government keeps an eye on. Both the trade unions and employers' organisations to regulate their behaviours in the interest of the nation.

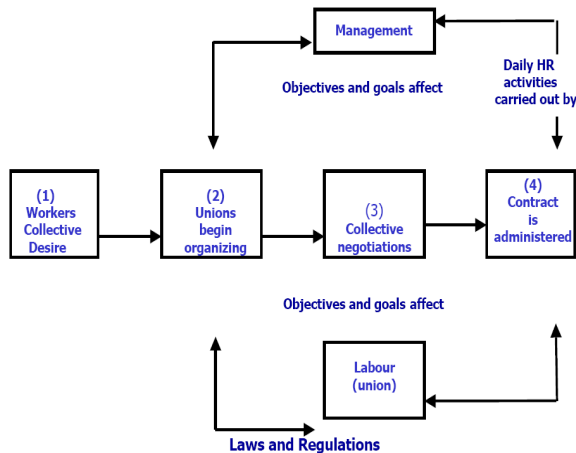


Features of Industrial Relations

- Industrial relations are born out of **employment relationship** in an industrial setting.
- Without the existence of two parties i.e. labour and management, this relationship cannot exist. It is the industry, which provides the environment for industrial relations.
- Industrial relations are characterized by both **conflict** and **co-operation**. So the focus of industrial relations is on the study of the attitudes, relationships, practices and procedures developed by the contending parties to resolve or at least minimize conflicts.
- As the labour and management do not operate in isolation but are a part of the large system, so the study of industrial relations also includes vital **environmental issues** like technology of the workplace, country's socio-economic and political environment, nation's labour policy, attitude of trade unions, workers and employers.
- Industrial relations also involve the study of **conditions conducive to the labour, management co-operation** as well as the practices and procedures required to elicit the desired co-operation from both the parties.
- Industrial relations also study the laws, rules, regulations, agreements, awards of court,

customs and traditions, as well as **policy framework** laid down by the government for eliciting co-operation between labour and management. Besides this, it makes an in-depth analysis of the **intervening patterns** of the executive and judiciary in the regulation of labour-management relations.

How Management and Union operate in an organization



Scope of Industrial Relations

1) Development of Healthy Labour-Management Relations: The promotion of healthy labour management relations pre-supposes:

The existence of strong, well-organized, democratic and responsible trade unions and associations of employers. This can lead to:

- Job security of employees
- Increased workers' participation in management
- Negotiations, consultations and discussions
- Good labour-management relations.

2) Maintenance of Industrial Peace:

Industrial peace pre-supposes the absence of industrial strife.

Industrial peace is essential for increased productivity and harmonious labour-management relations.

The industrial peace can be largely nurtured through the following means:

- Machinery should be set up for the prevention and settlement of industrial disputes
- The industrial peace can also be attained by the creation and maintenance of implementation cells and evaluation committees which have the power to look into implementation of agreements, settlements and awards and also violations of statutory provisions laid down under various labour laws.

3) Development of Industrial Democracy: The idea of industrial democracy states that the labour should have the right to be associated with the management of an industry. To achieve this objective, the following techniques are usually employed:

- **Establishment of the Shop Councils and Joint Management Councils** at the floor and plant level. These councils aim at:
- Improving the working and living conditions of employee Improving productivity, encourage suggestions from employees
- Assisting the administration of laws and agreements
- Serve as a channel of communication between the management and employees
- Creating among the employees a sense of participation in the decision-making process and Sense of belonging to the industry.

Contemporary issues in IR

Low Wages.

- Low wages have been a perennial problem and have been a source of industrial dispute for years despite the existence of Payment of Wages Act and the Minimum Wages Act.
- The acts do not seem to be solving the problem due to their poor implementation.

In many of the factories, workers are still given wages below subsistence level, which leads to high degree of dissatisfaction and subsequent decrease in productivity. In many industries, the minimum wages have not been revised at par to compensate for it.

Employment of Women.

- In the Indian cultural setup, the employment of women is a major problem even though things have started changing in the recent times.
- There are special provisions regarding the employment of women in the Factories Act,

which prohibit employment of women during the night shift and also on heavy machinery. Under the Equal Remuneration Act, women are entitled to equality of wages at par with the male workers.

- Some employers don't follow the above provisions in letter and spirit and continue to exploit the women workers by virtue of their strong position and because of mass illiteracy and superstition among the women workers.
- **Ignorance** and illiteracy.
- Various labour laws that have been made would be beneficial to the workers if implemented properly.
- For this it is important that the workers themselves understand the underlying principles and provisions of the law and demand whatever is due to them.
- With high rate of ignorance and illiteracy prevailing among the workers, it can be imagined how many of them know about the laws. It is here that the exploitation of workers takes place and legal provisions are ignored totally.
- **Industrial Housing.** Another burning issue in the industrial relations field is that of accommodation to the industrial employees.
- Here the problem is that the firms are not able to provide accommodation to the employees and further that the house rent allowance (HRA) that they provide is not sufficient to keep pace with the ever-rising demands of the landlords
- **Child Labour.** The law requires that no child below the age of 14 is allowed to work in any factory and the adolescent is not allowed to work in hazardous conditions.
- The Supreme Court has passed a ruling strictly prohibiting the employment of children in any kind of factory. But still one finds instances of violation of law.

IR IMPROVEMENT MEASURES

- Progressive Management outlook
- Strong & Stable Unions
- Mutual Trust.
- Mutual Accommodation
- Sincere Implementation of Agreements
- Workers participation in Management

- Sound personnel policies
- Government's Role.

Suggestions to Improve Industrial Relation:-

- a. Both management and unions should develop constructive attitudes towards each other
- b. All basic policies and procedures relating to Industrial Relation should be clear to everybody in the organization and to the union leader. The personnel manager must make certain that line people will understand and agree with these policies.
- c. The personnel manager should remove any distrust by convincing the union of the company's integrity and his own sincerity and honesty. Suspicious, rumors and doubts should all be put to rest.
- d. The personnel manager should not vie with the union to gain workers'loyal to both the organization. Several research studies also confirm the idea of dual allegiance. There is strong evidence to discard the belief that one can owe allegiance to one group only.
- e. Management should encourage right kind of union leadership. While it is not for the management to interfere with union activities, or choose the union leadership, its action and attitude will go a long way towards developing the right kind of union leadership. "Management gets the union it deserves" is not just an empty phrase.

CONCLUSION

The success of any Business can be achieved by maintaining the cohesive and transparent relation among the Workers and their Organisations i.e. Trade Union, Employers and their Organisation and Government. Thus the healthiest Industrial relation can be one of the success factors for any Business. To achieve the success in the organization Industrial Relation Both management and unions should develop constructive attitudes towards each other.

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E-Tailing: A Benchmark for Modern Retailing in India

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Abstract - Internet is a potent medium that can serve as a unique platform for the growth of retail brands in India. The Indian retail market is witnessing a revolution. The current web-based models for e-tailing are part of an embryonic phase preceding an era of rapid transformation, challenge, and opportunity in Indian retail market. It is not just the metros that are fueling the online scene in India, the demand supply gap in tier 2-3 Cities where there is brand awareness but no availability of products and services is also adding to growth. Online retailing portals such as eBay, in, Snapdeal.com, and Naaptol.com are registering anywhere between 40 and 60% of their sales from rural areas apart from the tier II and III cities. The penetration rate is quite low in comparison to other countries worldwide; however the number of users are significantly high. The Present scenarios of e-tailing opportunities, its market, the viabilities and trends etc., have been discussed in this paper.

Keywords: E-tailing- Challenges-Opportunities- Strategy- Online shopping-Trends.

Introduction

The Internet has changed the way many consumers shop, not just in the digital domain, but also in the physical World. Imagine a prospective book-buyer who spends an hour or two browsing the aisles of his or her favorite Neighborhood bookstore, and who also perhaps spends some money on a coffee at the store. In addition, this Prospective customer makes a mental note of interesting titles which he or she might likely buy. Later that Evening, this same person gets home, and places an online order for the very same books at an online bookstore. The great advantage of a retail store is that the customer can pay for the item and receive it immediately. Other forms of retailing tried to match this great advantage by offering the convenience of shopping from home. Thus, mail order catalogues emerged, often in conjunction with large retail chains (for example, Sears). When it was recognized that the mail order catalogue was an effective means of presenting products to customers, televised shopping channels emerged which exploited the medium of television to enhance and convey details of the products to

customers. The advent of credit cards also made this process of payment even easier. It also made it possible for the customer to pay for an item, even though the customer did not, at the specific time of the sale, actually have the money in hand to pay for it. Another practice also set the stage for online retailing: cross-border shopping. In the United States, where every state and region may have a different rate of sales tax, it is common for customers to drive across a state line in order to purchase items at a lower sales tax rate. In Europe, the same may apply by crossing national borders to purchase items such as liquor, cigarettes or perfume where tax or duty is lower: customers enjoy tax-free shopping. As soon as online Shopping became available, customers immediately recognized the great advantages of being able to ignore State or national boundaries. With rapid growth of the Internet and globalization of market, the retail sector has become an increasingly competitive and dynamic business environment. Business and marketing activities are affected by the invent of Internet technologies and the Internet is revolutionizing commerce, marketing, retailing, shopping and advertising activities of products and services. There are several attractive attributes of Internet to not only e-customers but also companies on time and money saving, communicate, convenience, easy accessibility, selection from a wide range of alternatives, and the availability of information for making decisions and all marketing activities can be performed via the Internet efficiently. In the era of globalization, companies are using the Internet technologies to reach out to valued customers and to provide a point of contact 24 hours a day, 7 days a week. E-commerce and e-marketing are the two important terms in the new Internet-based business domain. E-commerce can be defined as a way of conducting business by companies and customers performing electronic transactions through the Internet. E-marketing, (also known as Internet Marketing, Web Marketing, and Online Marketing etc.) can be defined as the promotion of products or services through the Internet whereas; e-tailing can be defined as selling products and services by using the Internet. E-tailing is defined as retailing conducted online, over the internet. The e-tailing industry is expanding rapidly with strong early life cycle growth. In U.S. between 2003 and 2008 industry revenue rose at a CAGR of 20%. Even in 2009, when total retail sales fell 7.2%, online sales grew 4.3%. Despite the recent

economic slowdown, the e-tailing sector enjoys continued growth due to increasing worldwide internet penetration and other factors. Long term trends driving increases in online activity remain positive. We expect such trends to support continued expansion by internet companies despite a weak economic environment. Coming to Indian scenario, the organized retailing is showing a tremendous growth in recent years and proportionately the electronic retail growth of Indian market as estimated by Euro-monitor report stands close to 48% CAGR and in value term it is going to touch INR 27 billion (Rs2700 crores) by 2010 from INR 4 billion in 2005.

LITERATURE REVIEW

* According to Turban (2006), e-tailing is defined as retailing conducted online, over the internet. Wang (2002) has provided a broad definition of e-tailing by defining it as the selling of goods and services to the consumer market via the internet.

* Zeithaml (2002) has defined that the success of e-tailing depends on the efficient web site design, effective shopping and prompt delivery. The other e-store services are delivery on real time, return and replacement process, period of filling out online orders form, speed of response time to e-customers queries.

* Ratchford (2001) has said that through Internet, consumers can gather information about merchandise and they compare a product across suppliers at a low cost. Rao (1999), E-commerce offers increased market activity for retailers in the form of growing market access and information and decreased operating and procurement costs. Myerson (1998) expressed that consumers are getting smarter in using e-tailers (and online search engines and Rao (1999), E-commerce offers increased market activity for retailers in the form of growing market access and information and decreased operating and procurement costs. Myerson (1998) expressed that consumers are getting smarter in using e-tailers (and online search engines and agents) for convenience and comparison- shopping. Guttman (1998) describes several unique elements make online shopping different from the traditional instore retail model. Besides offering convenience and expanded product variety, the online model also makes it easy for consumers to access and compare data from multiple sources. Meeker (1997), retailers might cry foul, but the new shopping paradigm they have to face is that as premium customers begin to accept the e-tail alternative in larger numbers.

Evolution of E-Tailing in India

Over the last two decades, rising internet and mobile phone penetration has changed the way we communicate and do business. E-commerce is relatively a novel concept. It is, at present, heavily leaning on the internet and mobile phone

revolution to fundamentally alter the way businesses reach their customers. While in countries such as the US and China, e-commerce has taken significant strides to achieve sales of over 150 billion USD in revenue, the industry in India is, still at its infancy. However over the past few years, the sector has grown by almost 35% CAGR from 3.8 billion USD in 2009 to an estimated 12.6 billion USD in 2013. Industry studies by IAMA indicate that online travel dominates the e-commerce industry with an estimated 70% of the market share. However, e-retail in both its forms; online retail and market place, has become the fastest-growing segment, increasing its share from 10% in 2009 to an estimated 18% in 2013. Calculations based on industry benchmarks estimate that the number of parcel check-outs in e-commerce portals exceeded 100 million in 2013. However, this share represents a miniscule proportion (less than 1%) of India's total retail market, but is poised for continued growth in the coming years. If this robust growth continues over the next few years, the size of the e-retail industry is poised to be 10 to 20 billion USD by 2017-2020. This growth is expected to be led by increased consumer-led purchases in durables and electronics, apparels and accessories, besides traditional products such as books and audio-visuals.

E-TAILING COMPANIES IN INDIA

Today, online shopping has become part and parcel of the people all over the world. Online shopping sites gives a wide range of products and more stuffs to choose based on ones needs. Shopping online always has the advantage of price, many of the products will be discounted to a cheaper price. Customers will also be given online coupons, gift certificates, promotional codes based on special offers through which a considerable amount can be knocked off. One of the major advantages of online shops is that they provide complete information about the products such as – features, product description, sizes, models, colors, prices and many more details, customer reviews and ratings and the best part is they are open 24/7 and one can shop at their convenience. Indiatimes, Fabmart, Rediffshopping give users a wonderful online shopping experience. Online shopping at these sites is quick and easy as the wide range of products are categorized in a very convenient and user friendly manner. Indiaplaza.in is one of the largest book store selling over 3 Million titles. In 2003, 25% of their sales were for books and 15% for electronics. In 2007 there was a drastic drift from books & music to gadgets & electronic items. Today with E-commerce, their market for books is intact Customers

IMPORTANTANCE FOR E-TAILING TO GROW IN INDIA

The growth of e-tailing in India will positively have four broad impacts:

A. Generate employment

- B. Facilitate growth of allied industries
- C. Promote entrepreneurship
- D. Reduce transaction costs

CHALLENGES AND OPPORTUNITIES ON E-RETAILING IN INDIA

- (i) Consumers can not touch and feel products,
- (ii) Orders can take several days to be delivered,
- (iii) Shipping costs are often excessive,
- (iv) Customer service is often poor and
- (v) Returns can be difficult.

A number of consumer characteristics as potential obstacles to Internet growth, including Consumer traditional shopping experiences, an aversion or lack of access to the required technology and the perceived risks of electronic shopping.

□ **Controlling customer data**

As the delivery services are becoming more modern in using information technology, e-tailers may face some risks to properly handle on their consumer data. The data related to the socioeconomic status of customers to their buying patterns and preferences, helps Intermediaries and shippers reduce costs.

□ **Problems with the payment system**

People in India are not accustomed to the online shopping system and moreover the online payment system through the credit card is also totally alien to them. Most of them do not avail of the transaction facilities offered by the credit cards. They are also dubious regarding the online payment system through the credit cards. Companies should protect their system from hackers as customers often worry about theft of their personal information, such as a credit card number. Both technological and legal tools should be used to enhance the security of e-commerce.

• **Lack of full cost disclosure**

It is easy to compare the basic price of an item online, it may not be easy to see the total cost up front as additional fees such as shipping are often not be mentioned.

• **Handling returns**

The problem of returns is very much prominent in e-tailing businesses in India. The customers can return defective or unwanted merchandise which he receives. E-commerce retailers, with their emphasis on convenience and customization, must match this standard of service.

• **Delivering the goods cost-effectively**

At present, every single transaction challenges e-tailors to deliver the goods quickly, cheaply and conveniently. The existing mode for home delivery works well for letters and flat packages but not for e-tailing as it encompasses with high volumes and wide variety of package shapes and sizes.

• **Problems with shipping**

The customers using the online shopping channel should be assured that the products that they have ordered would reach them in due time.

• **Offline presence**

The customers of India should be assured that the online retailers are not only available online but offline as well. This gives them psychological comfort and trust. The concept of retailing or online retailing in India has not gained prominence as Indians prefer to touch the products physically before buying them. Studies have also revealed the preferences of the customers towards the traditional shopping methods. Hence the online retailer in India should first make it a point to spot the potential customers and accordingly plan out the product.

• **Language problem**

Most internet retail shops use English as their mode of communication. English may not be comprehensible to the majority of the Indian population. To increase the customer base, Content in the online retail shops should be provided in local language.

The opportunities of e-tailing industry in India are as follows:

• **Convenience:**

Normally online stores are usually available 24 hours a day, and many consumers have internet access both at work and at home.

• **Price and selection:**

One of the biggest advantages of online shopping is to find out quickly deals for items at Services with many different vendors. Search engines, on-line price comparison services and discovering shopping items can be used to find out sellers for a particular products or services. Some retailers also offer free shipping on sufficiently large orders. Searching an online catalogue can be faster than browsing the physical catalogue of a brick and mortar store.

• **Market research:**

Retailers can use their online presence as a tool to gain valuable customer information to forecast future customer demand. Online market research has some powerful advantages, such as monitoring real-time buying decisions. In addition, online customers have the knowledge and experience necessary to answer the questions, which produces more accurate and reliable data.

• **Online customer service:**

In India, websites are becoming new channels for conducting customer service; therefore their general acceptance level will increase, due to the benefits provided to customers. For example, a customer could ask for a product introduction or a personalized product in the pre-purchase stage, and could also check the delivery status online. All such services can be available uninterrupted online, which is almost impossible in the physical world, due to the cost.

• **Promotional tool:**

A website can be used as a medium to conduct promotional experiments, due to the wide reach of the internet, and the low cost. Therefore, it will be a great opportunity for Indian companies to promote their businesses.

- **Marketing tool:**

A website is also an effective channel to communicate with customers. Organizations do not need to rely solely on one-way communication media, such as TV and newspapers. The internet provides a two-way communication channel. As a new communication channel, the internet can provide benefits to retailers, such as low costs, interactivity, personalization, and continuous communication

Effective Strategies on E-Tailing In India

- **Prompt delivery**

The first major challenge faced by e-retailers was high expectations for prompt delivery of Web orders by customers. One of several delivery options such as, express (next day), priority (three to four days) and regular (five to ten days) may be selected and paid for by the customer while ordering the product.

- **Supply chain**

Ensuring supply of required amount of raw materials and products at the right time for the right price as well as proper slotting and picking methods are very much important for effective operating of e-tailing. E-retailers must have reliable supply-chain partners with the support of a back end supply-chain management systems. Proper slotting and picking methods based on the size, weight and demand nature must be devised to receive, slot, pick and pack properly. A warehouse management system should be a part of the supply chain management system to oversee the activities like order sorting, packing, and final bar coding for shipment.

- **Demand nature**

Successful e-retailing companies will have to assess the supply and demand condition so that they can meet unpredictable demand. A news-worthy event can create a huge demand for a product within a short time. Seasonality factor also contributes to the unpredictability of the demand nature. Popular items and may need to be assessed on its future demand to avoid processing delays. Proper use of seasonality factors in forecasting models may contribute to better demand forecasting for highly unpredictable items.

- **Reverse logistics**

In any retail business, some products are returned from the point of consumption. Therefore, the challenge is setting up infrastructure and procedures for reverse logistics. The process is not only inevitable but also gaining importance as a viable, sustainable and profitable business strategy. Procedures need to be established for returning orders. Drop-off points must also be set up. A customer wanting to return merchandise should be encouraged to have authorization to do so through the Web site. The e-tailors need to have an understandable product return policy on the Web. A copy of the same policy may also be included in the shipped package. A customer must identify the reason for returning the item. Based on the

reason, one of several actions such as restocks, recycle, remanufacture, and send back to the supplier may be taken. A flexible sorting or packaging line in the warehouse may be used to handle returned items when needed.

- **Accuracy**

To achieve high levels of accuracy in e-tailing business, the firm must consider the right equipment to increase accuracy. This will augment the nature of its operations, and the level of adjustment that managers are willing to make to minimize human errors. But if companies gather and analyze warehouse performance statistics regularly, invest in automated data collection and verification systems and equipment to the extent possible, create efficient picking procedures, and train all employees thoroughly, then they can improve their accuracy level and streamline the customer fulfillment process. Order fulfillment rate, accuracy of order fulfillment and cost per order fulfillment are among important indicators need to be evaluated routinely.

GOSF Strategy

Great Online Shopping Festival (GOSF) is experiencing a consecutive rise in takers every year, due to an increase in online shoppers in the country. It has started to get recognition as the day when all the e-commerce companies together give heavy discounts. 10th to 12th December 2014 will be the third for GOSF, and the online players should have a better planning than last two years to avoid the mistakes being committed in past, and disappointing the consumers in return. Following the trends of GOSF of last two years and other mega sale festivals hosted by companies like Flipkart, Amazon, Snapdeal etc it has been observed that, though these festivals were customer centric, their output did not result in all the customers being satisfied. Consumer dissatisfaction was seen in form of criticism over all social media websites like Facebook, Twitter etc.

Modern Trends of E-Tailing

The Internet has drastically altered the way in which information is shared, and has had a profound impact on marketing. Over the past few years, there has been more of a shift toward inbound techniques, while many outbound tactics have become antiquated. More businesses are finding success publishing original content rather than embedding advertisements within external content, because of the additional benefits these tactics offer, such as branding and audience growth.

The following are the recent trends in modern retailing

Content Marketing

One of the main ways that companies are establishing authority and gaining trust with consumers is by consistently creating valuable content through a variety of channels. This typically involves relevant industry information that provides insight or entertainment to an audience. Doing so allows a company to steadily build rapport with its demographic and develop a loyal following. According to the [Content Marketing Institute](#), the top B2B content marketing strategies are social media, articles on a business's website,

eNewsletters, case studies, videos and articles on other websites. By using one or more of these channels, businesses are able to build a positive reputation within their industry. This trend suggests that marketing to the masses through techniques like television ads and radio ads are becoming less effective. Instead, it's better to concentrate on inbound marketing, by producing valuable, engaging content designed for a specific audience.

Social Media Marketing

Just a few years ago, businesses were limited with regard to the social media networks they could implement into their marketing campaigns, with the biggies including Facebook, LinkedIn and Twitter. Now, it seems like new social media sites are appearing all the time. While some never really get off the ground, others like Pinterest, Google+, Tumblr and Instagram have surged in popularity and have provided businesses with a plethora of new options that allow them to produce engaging content in a variety of media forms and build their audiences across more channels than ever before. Consequently, it has become common for businesses to branch out and experiment with multiple networks with the aim of reaching the maximum amount of consumers. This diversification seems to prove fruitful for many companies because it often builds brand equity by making it easier for consumers to recognize a particular brand.

Image-Centric Content Will Rule

As consumers are hit with an increasing number of advertisements, it's becoming more important to make content easily and quickly digestible. If you look at the social media sites mentioned previously that are on the rise, three of the four have a common characteristic... they place an emphasis on images. The rapid rise to success of [Buzzfeed](#) and [Pinterest](#) are testaments to the power and viral potential of image-based content.

Mobile-Friendly Content Will Be Necessary

Due to the widespread (and quickly growing) use of smart phones and tablets, it's necessary for companies to create content that's accessible to mobile users. According to Forbes, "87% of connected devices sales by 2017 will be tablets and smart phones." Whether it's creating an alternate mobile version of a website or utilizing responsive web design, it's important to provide a positive experience to users that are browsing via a mobile device. Otherwise, it's easy to lose customers to competitors who have adapted to this trend. As the shift from traditional PCs and laptops to mobile devices continues, businesses that aren't onboard are likely to suffer.

Ad Retargeting Will Grow in Effectiveness

This is a marketing strategy that has really caught on recently. In a nutshell, it works by utilizing browser cookies to track the websites that users visit. Once they leave a certain site, the products or services they viewed will be shown to them again in advertisements across

different websites. It's fairly obvious as to why this technique can be so effective. With only two percent of web traffic converting on the first visit, ad retargeting works to increase the overall conversion rate by reminding consumers of the product or service they viewed. This keeps the brand and the product at the top of the consumer's mind. There are even psychological studies that have shown that simple exposure to brand names and logos creates familiarity, which builds trust and makes consumers more likely to make a purchase. Even if there's no immediate purchase, this can really pay off in the long run. Due to the success that many marketers have had with ad retargeting, there's a good chance that it will become more mainstream in 2014

CONCLUSION:

There are several important lessons to be learnt in the transition from bricks and mortar retail to the digital e-tail world. While skills like speed, differentiation, and branding are equally if not more important in the digital world, it is the ability to transform core operations and practices to this new medium which might make the difference between success and failure. Retailers need to examine the viability of such a transition, and look into the synergies of using the new channel of e-tail. E-tailers, on the other hand, need to revisit some basic retail functions, and develop further competencies in the areas of merchandising and demand forecasting, then, it can be a new success mantra of any retailer. At present, the Indian e-tailing market is limited by its incapability to play the role of an efficient integrator. E-tailing possesses the potency to create new capabilities which India needs and offer viable employment to Indian youth over the next decade. It has the prowess to act as a catalyst and support the growth of new skills and industries.

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Perception Of Employees Towards Organizational Climate: With Reference To Standard Chartered Bank

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Introduction

Organisational climate is the summary perception which people have about an organization. It is a global expression of what the organization is. Organization climate is the manifestation of the attitudes of organizational members toward the organization itself. An organisation tends to attract and keep a person who fit its climate so, that its patterns are perpetuated at least to some extent. Forehand and Gilmer have defined organizational climate as “a set of characteristics that describe an organisation and that: (a) distinguish one organization from another, (b) are relatively enduring over a period of time, and (c) influence the behavior of people in the organisation. It is often felt that any individual may influence the organizational climate to some degree, but the tracing of the effects of individual behavior on the climate would be quite complex. However, it may be possible to have “as many climates as there are people in the organisation”. When considered collectively, the actions of the individuals become more meaningful for viewing the total impact upon the climate and determining the stability of the work environment. It should be noted that the climate is to be viewed from a total system perspective. While there may be differences in climates within subsystems (departments), these will be Integrated to a certain extent to denote overall organizational climate.

Significance of Organisational Climate

The study of the climate of an organisation is necessary for an insight into important dimensions such as communication, cooperation, creativity, employee satisfaction, morale, etc. All these factors determine the effectiveness of the organization. Organization is likely to be more effective if there is two-way communication and employees are cooperative and have better perception of the organisation. Such employees have higher job

satisfaction and feel committed to the organisation. Their productivity will also be higher. Thus, good organisational climate is instrumented to higher employee satisfaction, better human relations and higher productivity. The emerging climate represents the arena which is influenced by managerial policies, organisation structure and technology and external environment. When climate is conducive to the needs of individuals, we would expect goal directed behavior to be high. The ultimate behavior or outcomes are determined by the interaction of individuals needs and perceived organisational environment. The feedback regarding resulting level of performance contributes not only to the climate of the particular work environment, but also to possible changes in managerial policies and practices. Thus, climate has an important influence on performance and satisfaction of the employees.

Review of literature

Organisational climate plays a critical role in organisation and influences employees' perceptions, which impacts on their behaviors. Organisational climate is viewed as the sum total of perceptions based on the interaction between the individual perceptions and organisational environment. Schneider and Hall (2010) presented organisational climate as a set of global perceptions held by individuals about their organisational environment. The sets of perceptions are basically the result of interactions between personal and organisational characteristics. Zhang, Jianwei, Liu, Yuxin (2010) explored that organisational climate had significant main effects on human resources management effectiveness such as turnover intention, job satisfaction and work efficacy; organisational climate also had significant main effects on organisation effectiveness like staff members' organisation commitment and collective identity. Bassous,

Michael G (2010) revealed that positive significant correlation between workers' motivation level and non monetary incentives, leadership style, and organisational culture, but no significant relationship between workers' motivation level and monetary incentives. Hrobowski-Culbreath, Gladys (2010) examined the relationship between flexible work arrangement programs, job satisfaction, productivity and work-life balance and stated that Flexible work arrangements are tied to turnover, absenteeism, job satisfaction, productivity and work-life balance. Bikash Bhadury (1991) discussed the effects of leadership, work innovation, organisational structure and other elements of the organisational climate on work culture. Nihat Kaya (2010) examined the influence of six factors of organisational climate such as (i) support for innovation; (ii) managerial competence and consistency; (iii) workload pressure; (iv) cohesion; (v) organisational boundaries; and (vi) organisational ethics on job satisfaction through interviews from 346 employees from 19 banks and concluded that organisational climate makes a significant contribution to job satisfaction.

Cagri Bulut and Osman Culha (2010) through his empirical study investigated the impact of organisational training on employee commitment focusing on employees' emotional and affective responses towards their organisation. Organisational training is conceptualized within a multidimensional framework consisting of motivation for training, access to training, benefits from training and support for training and the results revealed that all dimensions of training positively affected employee commitment. Dilek Yilmaz Börekçi (2009) revealed that information and communication usage by leader affects follower's perceptions related to his or her relation with his or her leader, which in turn influence follower's positive work attitudes such as loyalty, trust, satisfaction, and perceived distributive justice. Pardo Linares, Pedro Juan (2011) provided a baseline measurement of employees' perceptions of their first-line manager and/or supervisor leadership style and data was obtained from 178 employees, the predominant first-line manager leadership styles reported by all participants were pace setting and coercive both, known to act negatively towards the climate of the organisation.

Objectives of the Study

- To examine the opinion of employees about motivation and work environment.
- To identify the attitude of employees towards job satisfaction and training.

- To determine the employees' perceptions on career development and organisational commitment.
- To establish the employees' outlook towards leadership style and communication.
- To put forth certain suggestions based on the findings that have been arrived.

Research Methodology

To fulfil afore said objectives, the data were collected from both primary and secondary sources. The secondary data were collected from various journals, books, periodicals and web. The primary data were collected with support of well designed structured questionnaire with Likert's 5 point scale which ranges from strongly agree to strongly disagree. The questionnaire is designed based on the predominant factors of organizational climate of Standard Chartered Bank (SCB) such as motivation, work environment, job satisfaction, training, career development, organizational commitment, communication and leadership styles. The random sampling method was employed in selecting the sample. The total sample consisted of 500 respondents. The opinions collected were analyzed by using SPSS package for factor analysis.

Results and Discussions:

Analysis of the factors of organizational climate variable which include Motivation, Work Environment, Job Satisfaction, Training, Career Development, Organizational Commitment, Communication and Leadership Style through primary data obtained from the respondents. The N number of variable and systematic reduction would make the analysis compact and innovative. In this context, factor analysis the principal component method is applied. The mechanism of analysis reduces the multiple variable into predominant factors immerse out of the component variable.

Motivation

Table –1: KMO and Bartlett's Test relating to Motivation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.587
Bartlett's Test of sphericity	Approx. Chi-Square	630.093
	d .f.	78
	Sig.	.000

From the above table it is found that KMO value 0.587 and Bartlett's test of Sphericity with approximate Chi-Square value 630.093 are statistically significant at 5% level. It denotes the

sample is adequate to represent the motivating factors of organizational climate. The thirteen variables obtain considerable variance to represent the motivational organizational climate.

The following total variance table indicates the individual and cumulative variance of the derived factors:

Table –2: Total Variance Explained – Motivation

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 Recognition	2.157	16.589	16.589	1.844	14.183	14.183
2 Work itself	1.612	12.396	28.985	1.669	12.838	27.021
3 Opportunity for advancement	1.342	10.324	39.309	1.522	11.707	38.729
4 Professional growth	1.119	8.609	47.918	1.158	8.907	47.635
5 Good feelings about organization	1.089	8.381	56.299	1.126	8.664	56.299
6 Skills and capacities are put to use	.984	7.570	63.869			
7 Good equipment to work with	.957	7.364	71.232			
8 Monetary rewards	.818	6.290	77.523			
9 Non-monetary rewards	.719	5.530	83.052			
10 Job security	.662	5.092	88.145			
11 Good relation with co-workers	.580	4.465	92.610			
12 Effective supervisor	.488	3.757	96.367			
13 Presence of core values	.472	3.633	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the thirteen factors are reduced into five predominant factors with individual variance 14.183, 12.838, 11.707, 8.907, 8.664 and cumulative variance is 56.299. These variances are significant to individually considering derived factors. Factor analysis shows the five predominant factors such as conducive work environment(components 7,3,2,10), optimistic recognition(components 9,6,1,4), organizational relationship(components 5,11,8), effective supervisor(component 12) and core values(component 13) are indispensable to motivate the employees in SCB. In particular, conducive work climate and organizational relationship among the employees equip them in a serene and tranquil atmosphere. Superior and subordinate relationship is highly effective in identifying the core values of the organization.

Work Environment

The work environment factor consists of eleven variables. The application of factor analysis

over these eleven variables derived the following results:

Table –3: KMO and Bartlett's Test relating to Work Environment

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.538
Bartlett's Test of Sphericity	Approx. Chi-Square	579.614
	d.f.	55
	Sig.	.000

From the above table it is found that KMO value 0.538 and Bartlett's test of Sphericity with approximate Chi-Square value 579.614 are statistically significant at 5% level. It denotes the sample is adequate to represent the work environment factors of organizational climate. The eleven variables obtained considerable variance to represent the work environment.

The following total variance table indicates the individual and cumulative variance of the derived factors.

Table – 4: Total Variance Explained- Work Environment

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 Efficient supervisors	1.972	17.927	17.927	1.772	16.112	16.112
2 Supportive coworkers	1.679	15.265	33.192	1.583	14.387	30.499
3 Challenging work	1.233	11.210	44.401	1.343	12.208	42.707
4 Involvement in decision making	1.051	9.557	53.958	1.198	10.891	53.598
5 Clarity of work and responsibilities	1.015	9.232	63.190	1.055	9.592	63.190
6 Recognition	.951	8.644	71.834			
7 Work schedule options	.859	7.808	79.642			

8	Use technology	.705	6.405	86.047			
9	Work on interested project	.687	6.241	92.288			
10	Administrative justice	.428	3.889	96.178			
11	Team work and team spirit	.420	3.822	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eleven variables are reduced into five predominant factors with individual variance 16.112, 14.387, 12.208, 10.891, 9.592 and cumulative variance is 63.190. These variances are significant to individually considering derived factors. Factor analysis exhibits the five predominant factors - technological augmentation(components 7,8,6), collective efforts(components 10,11), transparent decision(components 5,9,4), supportive spirit(components 2,1) and challenging work of good work environment(component 3) in SCB. Technological work environment and transparent decision motivates the employees for supportive organizational climate.

Job Satisfaction

The job satisfaction factor consists of eight variables. The application of factor analysis

over these eight variables derived the following results:

Table -5: KMO and Bartlett's Test relating to Job Satisfaction

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.608
Bartlett's Test of Sphericity	Approx. Chi-Square	398.720
	d.f	28
	Sig.	.000

From the above table it is found that KMO value 0.608 and Bartlett's tests of Sphericity with approximate Chi-square value 398.720 are statistically significant at 5% level. It denotes the sample is adequate to represent the job satisfaction factors of organizational climate. The eight variables obtained considerable variance to represent the job satisfaction.

The following total variance table indicates the individual and cumulative variance of the derived factors:

Table -6: Total Variance Explained - Job Satisfaction

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.040	25.496	25.496	1.771	22.133	22.133
2	1.318	16.474	41.970	1.495	18.681	40.814
3	1.121	14.016	55.986	1.214	15.172	55.986
4	.971	12.133	68.119			
5	.831	10.386	78.505			
6	.669	8.366	86.872			
7	.555	6.938	93.809			
8	.495	6.191	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eight variables are reduced into three predominant factors with individual variance 22.133, 18.681, 15.172 and cumulative variance is 55.986. These variances are significant to individually considering derived factors. Factor analysis explores three factors secured atmosphere (components 3,4,5,7), individual growth (components 2,6) and organizational growth (components 1,8) for the employees' job satisfaction. Employees who work in a secured atmosphere are satisfied with the organization.

Training

The training factor consists of eight variables. The application of factor analysis over these eight variables derived the following results:

Table -7: KMO and Bartlett's Test relating to Training

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.573
Bartlett's Test of Sphericity	Approx. Chi-Square	512.186
	d.f	28
	Sig.	.000

From the above table it is found that KMO value 0.573 and Bartlett's Test of Sphericity with approximate Chi-square value

512.186 are statistically significant at 5% level. It denotes the sample is adequate to represent the training factors of organizational climate. The eight variables obtained considerable variance to represent the training organizational climate.

The following total variance table indicates the individual and cumulative variance of the derived factors:

Table –8: Total Variance Explained - Training

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 On the job	1.971	24.635	24.635	1.847	23.087	23.087
2 Off the job	1.664	20.799	45.434	1.449	18.107	41.194
3 Within work place	1.079	13.487	58.921	1.418	17.726	58.921
4 Outside the work place	.872	10.906	69.826			
5 Training for incentive	.821	10.263	80.090			
6 Training for promotion	.655	8.185	88.275			
7 Providing feedback	.544	6.802	95.076			
8 Orderly work planning	.394	4.924	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eight factors are reduced into three predominant factors with individual variance 23.087, 18.107, 17.726 and cumulative variance is 58.921. These variances are significant to individually considering derived factors. Factor analysis ascertains three predominant factors-elevating procedure (components 5,6,8), training environment (components 4,7,3) and training premises (components 2,1) are developing skills of the employees of the SCB. In particular elevating procedure and training environment help the employees to plan their work

Table –9: KMO and Bartlett's Test relating to Career Development

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.634
Bartlett's Test of Sphericity	Approx. Chi-Square	673.616
	d.f	28
	Sig.	.000

From the above table it is found that KMO value 0.634 and Bartlett's test of Sphericity with approximate Chi-Square value 673.616 are statistically significant at 5% level. It denotes the sample is adequate to represent the career development factors of organizational climate. The eight variables obtained considerable variance to represent the career development of organizational climate.

The following total variance table indicates the individual and cumulative variance of the derived factors:

Table –10: Total Variance Explained - Career Development

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 Clarification of goals and objectives	2.067	25.843	25.843	1.885	23.562	23.562
2 Providing time and funds	1.911	23.891	49.735	1.691	21.140	44.703
3 Recognition for good performance	1.039	12.983	62.718	1.441	18.016	62.718
4 Help to select the best suited career	.791	9.886	72.605			
5 Work facilitating	.694	8.674	81.279			
6 Career self-management training	.613	7.658	88.937			
7 Fast track program	.541	6.766	95.703			
8 Providing mentoring	.344	4.297	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eight factors reduced into three predominant factors with individual variance 23.582, 21.140, 18.016 and cumulative variance is 62.718. These variances are significant to individually considering derived factors. Factor analysis shows three predominant factors career suitability (components 5,6,4), goal

setting (components 7,8,1) and performance recognition (components 2,3) are important for the employees of the SCB for career development. The organization provides funds and time to employees to adopt themselves in the work environment. There is a proper recognition of performance of employees.

Organizational Commitment

The organizational commitments factors consist of eight. The application of factor analysis over these eight variables derived the following results:

Table –11: KMO and Bartlett's Test relating to Organizational Commitment

Kaiser-Meyer- Olkin Measure of Sampling Adequacy.		.654
Bartlett's Test of Sphericity	Approx. Chi-Square	509.001
	df	28
	Sig.	.000

From the above table it is found that KMO value 0.654 and Bartlett’s test of Sphericity with approximate Chi-Square value 509.001 are statistically significant at 5% level. It denotes the sample is adequate to represent the organizational commitment factors of organizational climate. The eight variables obtained considerable variance to represent the organizational commitment of organizational climate.

The following total variance table indicates the individual and cumulative variance of the derived factors.

Table –12: Total Variance Explained - Organizational Commitment

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 Affective (involved emotionally)	2.328	29.104	29.104	1.829	22.861	22.861
2 Continuance (to stay by analysing cost)	1.302	16.279	45.383	1.432	17.903	40.764
3 Normative (morally obliged to stay)	1.014	12.670	58.053	1.383	17.290	58.053
4 Self-motivation	.894	11.173	69.226			
5 Motivating others	.771	9.633	78.860			
6 Goal setting	.643	8.033	86.892			
7 Less absenteeism	.633	7.910	94.802			
8 Customer friendly	.416	5.198	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eight factors are reduced into three predominant factors with individual variance 22.861, 17.903, 17,290 and cumulative variance is 58.053. These variances are significant to individually considering derived factors. Factor analysis shows that career commitment (components 5,7,4,3) , holistic approach (components 6,2) and gregarious approach (components 1,8) are self-motivating the employees of the SCB for organizational commitment. The various motivating factors enable the employees to motivate others to remain in the organization.

Communication

The communication factor consists of eight variables. The application of factor analysis over these eight variables derived the following results:

Table –13: KMO and Bartlett's Test relating to Communication

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.820
Bartlett's Test of Sphericity	Approx. Chi-Square	1324.858
	d.f	28
	Sig.	.000

From the above table it is found that KMO value 0.820 and Bartlett’s Test of Sphericity with approximate Chi-Square value 1324.858 are statistically significant at 5% level. It denotes the sample is adequate to represent the communication factors of organizational climate. The eight variables obtained considerable variance to represent the communication of organizational climate.

The following total variance table indicates the individual and cumulative variance of the derived factors:

Table –14: Total Variance Explained - Communication

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 Transparent	3.537	44.213	44.213	2.549	31.869	31.869
2 Direct and short	1.380	17.255	61.468	2.368	29.600	61.468
3 Reliable	.718	8.972	70.440			
4 Speedy	.634	7.920	78.360			
5 Sufficient	.573	7.167	85.528			
6 Objectives are clearly defined	.465	5.809	91.336			
7 Policies are well informed	.406	5.070	96.406			
8 Creating a community within organization	.288	3.594	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eight factors are reduced into two predominant factors with individual variance 31.869, 29.600 and cumulative variance is 61.468. These variances are significant to individually considering derived factors. Factor analysis finds that the two dominate factors expedite communication (components 2,3,4,1) and clear diffusion (components 6,7,8,5) is the effective communication in SCB for informing goals and objectives. Good communication system between superiors and subordinates establishes a community within organization.

Leadership Style

The leadership factors consist of eleven variables. The application of factor analysis over these eleven variables derived the following results:

Table -15: KMO and Bartlett's Test relating to Leadership Style

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.761
Bartlett's Test of Sphericity	Approx. Chi-Square	1452.788
	d.f	55
	Sig.	.000

From the above table it is found that KMO value 0.761 and Bartlett’s Test of Sphericity with approximate Chi-Square value 1452.788 are statistically significant at 5% level. It denotes the sample is adequate to represent the leadership factors of organizational climate. The eleven variables obtained considerable variance to represent the leadership style.

The following total variance table indicates the individual and cumulative variance of the derived factors:

Table –16: Total Variance Explained - Leadership Style

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 Sharing vision and goals	3.468	31.531	31.531	2.430	22.088	22.088
2 Improving performance	1.816	16.510	48.041	2.045	18.593	40.681
3 Leading by example	1.194	10.856	58.897	2.004	18.216	58.897
4 Reducing frustrating barriers	.867	7.878	66.775			
5 Developing team work	.711	6.460	73.235			
6 Ethical behavior	.678	6.162	79.398			
7 Effectively leads the department	.624	5.675	85.073			
8 Communicates well with subordinates	.505	4.587	89.661			
9 Moral support and help in crisis	.438	3.978	93.639			
10 Supervisor’s encouragement	.354	3.215	96.854			
11 Effective decision- making	.346	3.146	100.000			

Extraction Method: Principal Component Analysis.

From the above table it is found that the eleven factors are reduced into three predominant factors with individual variance 22.088, 18.593, 18.216 and cumulative variance is 58.897. These factors are significant to individually considering derived factors. Factor analysis highlights three predominant factors participative leadership (components 11,10,8,7), supportive leadership

(components 4,5,3), and dynamic leadership(components 1,2,9,6) are sharing vision and goals of the organization and reducing frustrating barriers among employees.

Summary of Findings:

An analysis of the study carried out to examine the degree of employees' perception on organizational climate variables, to study the relationship among organizational climate variables such as motivation, work environment, job satisfaction, training, career development, organizational commitment, communication and leadership style

- ✚ Three factors - secured atmosphere, individual growth and organizational growth are important for the employees' job satisfaction. In particular secured atmosphere in SCB leads to organizational growth.
- ✚ Work schedule options, technology used, team work and team spirit of work environment collectively contributed to job satisfaction. Association between work environment of employees and their respective career development shows that the work schedule options helps employees for their career development and is useful for optimistic productivity.
- ✚ Training to employees enables them to have clarity of their work to be performed and responsibilities towards them. The success work environment collectively leans upon training methods of the organization.
- ✚ The leadership style in SCB is encouraging and democratic which act as a motivating factor for less turnover of employees and contributes for conducive work environment for better productivity.
- ✚ Training and communication technology provided by SCB to their employees not only motivate them to work in a challenging and interesting work environment but also influence in their career development. Developing team work, providing feedback and leading the department effectively by leaders in a conducive work environment make the employees more committed to stay in the organization and satisfied with their work environment.
- ✚ Personal progress is required by the employees through training and to advance in the future by career development. Recognition for good performance of the employees, sharing of vision and mission by leaders with their subordinates influence the employees more satisfied with their job. This indicates that

more satisfied employees are more committed to the organization for achieving its goals.

Suggestions

Positive work environment can be made through providing challenging work as employees have weak perceptions on such work environment factor of the organizational climate. Employees who perceived their work environment as to be adequate and favorable scored comparatively higher on the measures of job satisfaction, performance and perceived organizational effectiveness

- ✓ The organization should take special measures to support the work groups and encourage the team spirit among employees. This may increase job satisfaction and commitment to the organization.
- ✓ The management should encourage employees to work on their interested project which increases their efficiency and job satisfaction.
- ✓ The organization has to develop training methods and training premises for employees to improve their knowledge, skills and abilities and to do a quality job. Perceived access to training have a higher commitment to the organization.
- ✓ The organization has to help the employees in selecting the best suited career in their job. Organizations providing their employees with career advancement and opportunities have positive work-related outcomes. Employees who feel they are capable of advancing their careers are more satisfied with their organization and stay in the organization.

Conclusion

The organizational climate leans upon job satisfaction, continuous motivation and training and leadership qualities of employees. The motivational factors provided by the organization enable employees more committed and contributed to job satisfaction. Training develops various skills of the employees and equips them for career development. Communication technology motivates to work in a challenging work environment. The leadership qualities create supportive spirit, optimistic interpersonal relationship and conducive work environment. On the whole the employees are satisfied with their work environment and job and feel proud of belonging to their organization.

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Quality Of Work Life: A Strategy For Effective Human Resources Utilization

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Abstract— *The success of any organization is highly dependent on how it attracts recruits, motivates, and retains its workforce. Today's organizations need to be more flexible so that they are equipped to develop their workforce and enjoy their commitment. Therefore, organizations are required to adopt a strategy to improve the employees 'quality of work life' (QWL) to satisfy both the organizational objectives and employee needs. Maintaining quality of work life for its employees is an important concern for any organization. Quality of Work Life deals with various aspects of work environment, which facilitates the human resource development efficiently. Thus, Quality of Work Life helps for development of human resources. QWL is a process in which organizations recognize their responsibility to develop job and working conditions that are excellent for the employee and organization. The aim of this paper is to determine how quality of work life helps in proper utilization of human resources in "Private Insurance sector in twin cities of Vijayawada and Guntur, Andhrapradesh, India."*

Keywords— **Workforce, Work Environment, Responsibility, Working Conditions**

I. INTRODUCTION

Quality of Work Life helps not only for development of human resources but also for effective utilization. Employees at the grass root level experience a sense of frustration because of low level of wages, poor working condition, unfavorable terms of employment, inhuman treatment by their superiors and the like, whereas managerial personnel feel frustrated because of

alienation over the conditions of employment, interpersonal conflicts, role conflicts, job pressures, lack of freedom in work absence of challenging work etc. QWL is a process in which organizations recognize their responsibility to develop job and working conditions that are excellent for the employee and organization. QWL is a multi-dimensional construct, made up of a number of interrelated factors that need careful consideration to conceptualize and measure. It is associated with job satisfaction, job involvement, motivation, productivity, health, safety, job security, competence development and balance between work and non-work life. Further the efficiency of any organization depends on their work environment, working methodology and degree of employee satisfaction. The level

of employee motivation is depends on the elements like job security, reward system, job satisfaction, and satisfaction of social, physical and personal needs.

II. REVIEW OF LITERATURE

QWL is a multi dimensional term which provides a good work life balance and gives a qualitative boost to total work environment of any organization (Neerpal Rathi, 2010). Seyed Mehdi Hosseini (2010) argues that career satisfaction, career achievement and career balance are not only the significant variables to achieve good quality of work life but quality of work life (QWL) or the quality of work system as one of the most interesting methods creating motivation and is a major way to experience job enrichment which has its roots in staff and managers' attitude to motivation category that is more attention to fair pay, growth opportunities and continuing promotion improves staff's performance which in turn increases QWL of employees. Gowri (2010) infers that the employees are made to use quality of work life factors to identify themselves with the organisation, and hence, they are motivated to achieve the result. According to Kameshwara Rao, Mohan , (2008) a high quality of work life job is one in which there is an efficient work situation, a management which is concerned about helping subordinates and solves their problems. Quality of work life increases the job involvement of officers in Insurance Company. Job involved people spend more time on job and turnout better performance (Prasad, 2009). According to Balachandar, et.al (2012), the work place should be provided with fan, lights and accessories, good sanitation facility, hospital, tools, equipment and stationary. Management should pave way for the career growth of employees. Highly talented and efficient employees of the organisation can have a promotion when a vacancy arises in the organisation. It not only increases the salary of the employees, but also improves the status, power and authority. Career development is an important factor, which decides the quality of work life (Uma Rani, 2010).

III. Overview about Indian Insurance Industry

Insurance is a financial risk compensation tool and it is a mechanism that ensures an individual to thrive on adverse conse-

quences by compensating the individual. (Anand Gangully, 2002). The Indian insurance sector has 52 insurance companies, of which 28 are in non-life insurance business and 24 in life insurance. India's life insurance sector is the biggest in the world with about 36 crore policies and is expected to increase at a compound annual growth rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020, and could top the US\$ 1 trillion mark in the next seven years. This bright outlook for the sector is primarily due to the Government of India's efforts to strengthen the industry. Lots of private insurers ran insurance business in India. Due to the failure in the system, there was a need for a governing body. The government of India established Insurance Regulatory Development Authority (IRDA) in the year 1999. IRDA controls and monitors the activities of life insurance companies, general insurance companies. Life Insurance includes all the risks related to the lives of human beings and general insurance covers the rest (Balachandran, 2007). In order to avoid the financial burden faced by the affected person, insurance was introduced. Insurance company has various departments such as sales, accounts, claims, customer care, operation, investment etc. Employees working with these departments have several works to do. Especially private life insurance and general insurance company employees have more work pressure. Their office commitment is higher than that of government insurance company employees. To improve the job satisfaction level of the employees, they are motivated by the management. Gowri (2010) infers that the employees are made to use these factors to identify themselves with the organisation, and hence, they are motivated to achieve the result.

IV. OBJECTIVES OF THE STUDY

- The following objectives have set for study:
- To study the socio economic profile of the respondents
- to examine the influence of Quality of Work Life parameters on insurance sector employees
- to suggest some measures to improve the Quality of Work Life based on findings that have been arrived.

Hypothesis:

- H1: Quality of Work Life parameters has no impact on employee performance.

V. METHODOLOGY

To fulfil afore said objectives, the data were collected from both primary sources as well as secondary sources. The secondary data were collected from various journals, books, periodicals and web. The primary data were collected with support of well designed structured questionnaire. The questionnaire is designed based on the QWL parameters like Fair and Appropriate Compensation, Working Conditions, Challenging Job, Reputation of the Company, Work Environment of the Company, Chance of Growth and Security, Work and the Total Life of the Space, Social Relevance of the Work in the Life. Convenience sampling method is employed in selecting the sample. In this research study, sample is considered from twin

cities of Vijayawada and Guntur, Andhrapradesh, India. The samples used in the study were different levels of employees in the life insurance companies and general insurance companies. The sample size is limited to 80 respondents. The opinions collected were analyzed by using SPSS package.

VI. RESULTS AND DISCUSSIONS

Table-1: Socio Economic Profile of the Respondents

N		%		%	
Gender			Academic qualification		
Male	71	89	Grade 12 or lower	32	40
Female	09	11	Certificate/diploma	21	26
Age group			Graduate/Postgraduate		
21-30	34	42	Salary		
31-40	20	25	Below Rs.10,000	21	26
41-50	16	20	Rs.10,001 to Rs.20,000	25	31
Above 50	10	13	Rs.20,001 to Rs.30,000	18	23
Experience in years			Above Rs.30,000		
Below 5 years	5	16	20	Level of employers	
5-10 years	30	37	Operational Automobile Company Level	47	59
11-15 years	23	29	Executive Automobile Company Level	21	26
15 +	11	14	Administrative Automobile Company Level	12	15

Table-1 highlights that, out of 80 respondents, 71 respondents are male and 09 respondents are female. 34 respondents belonged to the age group of 21-30 years, 20 respondents belonged to 31-40 years age group, 16 respondents belonged to 41-50 years age group, 10 respondents belonged to above 50 years age group. Regarding the educational qualifications 32 of the respondents had Grade 12 or lower, 21 were certificate or diploma, 27 were graduates and post graduates. Only 21 of the respondents had monthly income of below Rs.10,000, 25 were in the income category of Rs.10,001-20,000, 18 were in the income category of Rs.20,001-30,000, 16 were in the income category of above Rs.30,000. From the table it is observed that 16 respondents were Below 5 years of experience, 30 respondents were 5-10 years of experience, 23 respondents were 11-15 years of experience and 11 respondents were above 15 years of experience. Out of the respondents 47 were in Operational Automobile Company Level, 21 were in Executive Automobile Company Level and the remaining 12 were in Administrative Automobile Company Level in the respective organisations.

Table-2: Cronbach's Alpha coefficient

Cronbach's Alpha	N of Items
.761	8

Table-2 shows that Cronbach’s alpha for eight elements of Quality of work Life is greater than ($\alpha = .761$) so, the internal consistency reliability of the questionnaire can be considered to be reliable and good. Among all the variables Fair and ap-

propriate compensation has got highest mean value of 1.38 and standard deviation of 0.624.

Table-3: Pearson Correlations for Quality of Work Life variables

Variables			1	2	3	4	5	6	7	8
1	Fair and appropriate compensation	PC Sig. (2-tailed)	1 .							
2	Work conditions	PC Sig. (2-tailed)	.468(**) .000	1 .						
3	Nature of the job(Challenging job)	PC Sig. (2-tailed)	.619(**) .000	.400(**) .000	1 .					
4	Reputation of the Company	PC Sig. (2-tailed)	.669(**) .000	.139 .219	.411(**) .000	1 .				
5	Work Environment of the Company	PC Sig. (2-tailed)	-.119 .292	-.110 .331	-.128 .258	-.061 .590	1 .			
6	chance of growth and security	PC Sig. (2-tailed)	.549(**) .000	.168 .137	.450(**) .000	.357(**) .001	-.074 .516	1 .		
7	Work and the total life of the space	PC Sig. (2-tailed)	.488(**) .000	.186 .098	.241(*) .031	.276(*) .013	-.070 .538	.623(**) .000	1 .	
8	Social relevance of the work in the life	PC Sig. (2-tailed)	.374(**) .001	.507(**) .000	.363(**) .001	.339(**) .002	-.137 .226	-.020 .858	-.051 .656	1 .

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

➤ Chance of growth and security is highly correlated with work and the total life of the space ($r = 0.623, p < 0.01$).

- Fair and appropriate compensation is highly significant with reputation of the company ($r = 0.669, p < 0.01$), Risk involved in that job i.e., nature of the job ($r = 0.619, p < 0.01$), chance of growth and security ($r = 0.549, p < 0.01$), and Work and the total life of the space ($r = 0.488, p < 0.01$).
- Working conditions are highly correlated with Social relevance of the work in the life ($r = 0.507, p < 0.01$), and nature of the job ($r = 0.400, p < 0.01$).
- Nature of the job is highly correlated with chance of growth and security ($r = 0.450, p < 0.01$), reputation of the company ($r = 0.411, p < 0.01$), and moderately correlated with social relevance work in the life ($r = 0.363, p < 0.01$).
- Reputation of the company is moderately correlated with chance of growth and security ($r = 0.357, p < 0.01$).

From **Table-3** it is observed that majority of the insurance sector employees feels that quality of work life depends on fair and appropriate compensation offered by the company, reputation of the company, risk involved in that job, working conditions, growth and security of the job, work and total life of the space i.e., work life balance of the employees. Quality of Work Life parameters has significant impact on employees’ performance. If quality of work life is good employees’ performance is also good. i.e., quality of work life is directly proportional to employee performance and organisational achievements.

VI. CONCLUSION

The findings of this research proved that the components identified and the structural relations presented as regards the component, "Quality of work life" were suitable. The factors emerging from "Quality of work life" also indicate that how they are employed differently to satisfy the various needs of the employees of their organization, which in turn elicit favorable job-related responses. Based upon an understanding of employees' various needs and their QWL experiences, management can identify the strategic gap (if any) in the organization and can take further necessary actions to improve the QWL of employees. This may be helpful for an organization to be successful and to achieve organizational objectives since employees' QWL experiences are directly related with a variety of desirable organizational outcomes, such as reduced rate of absenteeism, turnover. Hence, if organizations show concern about developing their human resources and gaining a competitive advantage in the marketplace, it seems necessary that they attend to one of their most precious assets, namely, their human resources by employing high-quality working-life experiences in consonance their various needs eliciting favorable job-related responses in return.

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Knowledge Management – An Ultimate Tool For Business Excellence

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Knowledge has been a subject of discussion since time immemorial. According to the Upanishads, knowledge is God (Prajnanam Brahma). Socrates, a philosopher of great repute, says, "I know only one thing that is I do not know anything." All this goes to substantiate the fact that knowledge is infinite. According to Peter Drucker, the Father of Management, knowledge is to be updated and upgraded, otherwise it will vanish. In fact, managing knowledge means managing one's own self.

The transition

We have grown from the Stone Age to the Information Age. Similarly economy has moved from natural resources to intellectual capital. Knowledge is the primary resource for business in place of land, labour and capital. An organisation's strength is no longer measured by physical assets alone. The business processes are mostly carried out by knowledge workers. The physical aspect of manufacturing is being replaced by a new system where man works more with his brain than with his hands. Knowledge network is more appreciated than hard work. An organisation's thrust is no more 'Do or Die' but 'Innovate or Die'. The term RoI now stands for 'Return on Intelligence' in place of 'Return on Investment'. The present generation has come to opt for the saying "A Medical App a day keeps the doctor away" in place of "An apple a day keeps the doctor away."

As we move into the twenty-first century with new hopes and expectations, the rapidly changing world around us is throwing up great challenges and innumerable opportunities. This is going to result in great competition for the corporate world. Business in the coming years will be constantly facing increased marketplace challenges. According to Vineet Nayar of HCL Technologies Ltd, the twenty-first century will make a full fledged transition from industrial economies to knowledge economies. Generation of wealth is a key task for all the countries. The wealth is to be generated through effective and efficient knowledge; only then businesses will grow; and they have competitive advantage.

It is therefore clear that knowledge will play a key role in business excellence and only knowledge-based organisations will sustain themselves in the future. As business is carried out to meet the needs of individuals and society, individuals and organisations should get benefit from knowledge. Having just knowledge is not sufficient. It has to be managed effectively and efficiently. Hence, a well designed and architected Knowledge Management needs to be in place, which will provide business excellence and competitive advantage. Incidentally it was Amazon that used the key term 'Knowledge Management' first.

Knowledge

The definition of knowledge is still a subject of debate among philosophers. It is a complex process, as it can be interpreted in different ways. As an entity or object, knowledge will be in a codifiable form such as documents, diagrams, computer systems, machines, tools, CDs and web pages. Knowledge is regarded as an objective 'fact', meaning it is truth. "Knowledge consists of truths and beliefs, perspectives and concepts, judgments and expectations, methodologies and knowhow." (Wilg,1993) "Knowledge is contextualised information enriched by individual interpretation and expertise."(Natarajan and Shekhar, 2000). Knowledge is mainly of two types - tacit and explicit. Whether it is explicit or tacit, the basic aim is to create knowledge.

Knowledge Management

Knowledge Management relates to the management of anything classified as knowledge. Knowledge Management is the process of selecting, organising, filtering and re-using knowledge in such a way that it improves an employee's comprehension in the relevant area. It is one of the basic objectives of Knowledge Management to see the processes and approaches that aim to facilitate the flow of knowledge and experiences, to capture lessons and to learn better from each other's experience and from that of the team. Hence, what is required is inclusiveness. In today's changing scenario, Knowledge Management is essential to make the organisation

innovative and productive. Knowledge itself is a capital asset that must be managed to yield maximum returns. Systematic Knowledge Management is closely linked to gaining and sustaining competitive advantage. (Bogner & Bansal).

Carry out a SWOT analysis, identify the gaps and map the knowledge for the organisation. Initiate a Knowledge Management project and the same should be accepted internally. For individuals, it will provide a sense of ownership, commitment and obligation. It improves the level of competencies, confidence, recognition and social status. For an organisation, it will make it innovative, and improve its chances of success and growth. For a society, it will advance knowledge and improve social conditions.

Knowledge Management is a set of practices that includes identifying and mapping intellectual assets within the organisation. To implement Knowledge Management, the organisation needs to develop much more than IT infrastructure. Knowledge Management practices of the organisation should create new capabilities, enable superior performance, encourage innovation and enhance customer value.

Reasons for Focus

Knowledge Management' is the buzz word in today's business world. The focus on Knowledge Management is mainly because of the effect of liberalisation, privatisation, globalisation, demographic shift, technological advancement, competence and competitiveness, new mergers and acquisitions, joint ventures, shortening of product life cycle, re-invention, smart product / service intensity, network intensity, demand for speed, skills to face the unpredictable changes, and challenges in the business world in terms of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity).

As per the World Economic Forum Report, the focus is also on the ability of a national economy to achieve sustained high rates of economic growth. Till now the business is run with a combination of employees, employer and government. The future business development is highly dependent on Big Three i.e. Organisational Processes, People and Technology. Knowledge Management is a business philosophy. The process of Knowledge Management consists of five steps - knowledge generation, knowledge sharing, knowledge adaptation, knowledge application, and knowledge modification. According to Rangnekar, in an economy where the only consistent factor is uncertainly, the one sure source of lasting competitive advantage remains knowledge.

Myths

It is a myth that knowledge is related to technology. In fact, one has the knowledge about products, processes, markets, services and customer needs. It is another myth that Knowledge Management is mostly applicable in IT /ITES, as they work with huge information and IT Infrastructure. In fact, knowledge is no one particular sector's exclusive subject.

Knowledge Intensive Firms

According to Liebowitz and Backman, a knowledge intensive firm should be (a) high performance-oriented, (b) customer-driven, (c) excellence-driven, (d) innovative IT enabled, (e) self-directed and self-managed, and (f) proactive and futurist; it should have (g) high flexibility and adaptiveness, (h) high levels of expertise and knowledge, (i) high rates of learning and innovation, (j) value expertise and sharing knowledge (k); and it should be able to use accessible knowledge from outside sources, (l) embed and store knowledge in business processes, products and services, (m) represent knowledge in database and documents, (n) promote knowledge growth through the organisation's culture and incentives, (o) transfer and share knowledge throughout the firm, and (p) assess on a regular basis the value of knowledge assets and its impact on individuals and business.

Major Issues:

The issues clearly visible in managing the knowledge are... (a) Knowledge moves more rapidly than the ability of an employee to learn (b) Lack of organizational culture to share the knowledge (c) Employees are reluctant to share knowledge within the organization (d) They are not interested to learn further (e) They are impatient in experimenting knowledge (f) Intellectual Property Rights / Patents (g) Return on Investment is very late (h) Success rate is low (i) Ethical issues (j) Confidentiality.

Nonaka says, "In an economy where the only certainty is uncertainty, the one sure source of competitive advantage is knowledge. When the market shifts, technologies proliferate, competitors multiply, and products become obsolete almost overnight, successful companies are those that consistently create new knowledge, disseminate it widely throughout the organisation, and quickly embody it in new technologies and products."

Knowledge Workers

According to Maslow's hierarchy theory, a person works to meet cognitive needs such as knowledge, meaning and self-awareness. The work is

primarily intellectual, creative and non-routine in nature, which involves both the utilisation and creation of abstract/theoretical knowledge.

Institutions and academic faculties with adequate knowledge can create the best knowledge leaders for the future. As every sector has been facing a dearth of skilled manpower, there is a need to establish a connecting bridge between the industry and the academia. In order to fill this gap, the Biocon Group has recently set up Biocon Academy. The programmes offered in Biocon Academy aim to empower biotechnology and engineering graduates with advanced learning and industrial proficiency through job skills development essential to build a promising career in the biotech industry.

It may not be always possible for us to build the future for our youth, but we can always build our youth for the future.

Techniques for Gaining Knowledge

Knowledge Management ensures that all the information, data, knowhow, insights, intuitions and experiences are methodically captured, organised and transferred, so that they can be systematically used by the organisation. In addition to the training programmes imparted by the organisation, a person has to acquire / enhance knowledge through on-site observation, daily routine meetings, brainstorming, TQM approach, problem solving techniques, decision making techniques, Delphi method, networking, think tank, collecting, connecting, collaborating, learning while doing and doing while learning.

Mckinsey's Integrated 7-S Framework - Staff, Structure, Style, System, Skill, Strategy, and Shared values - is possible when knowledge is available within the organisation. A better Change Management is required for effective and efficient Knowledge Management. "Culture is the answer to questions of survival."

Knowledge Transfer

Unlike the capital which decreases while being shared, knowledge increases with more sharing. George Bernad Shaw, a well-known playwright, says, "If you have an apple and I have an apple and we exchange these apples, you and I will still have one apple each. But if you have an idea and I have an idea, and we exchange these ideas, each of us will have two ideas." Shared knowledge grows. Knowledge shared means knowledge doubled. Knowledge deteriorates when it is not used. Hence, knowledge is to be distributed properly by attending, collecting, connecting, collaborating, learning, interpreting, interacting, integrating, anticipating, experimenting, improving with use,

customising and institutionalising. A pre-requisite to learning is awareness of errors. Transform knowledge into a valuable organisational asset; and knowledge, experience and expertise must be formalised, distributed, shared and applied. Gaining knowledge on a particular aspect is a journey and not a destination.

Hence, we should understand how quickly an organisation transfers the knowledge, and, how quickly an organisation can apply, act, expand and adapt to that knowledge.

Creation, development and deepening of existing and new skills, competencies, capabilities and expertise are dependent on a continuation cultivation, sharing and use of knowledge by members of the organisation. A systematic and integrated coordination of organisation-wide activities of acquiring, creating, storing, sharing, diffusing, developing and deploying knowledge by individuals and groups alike in the pursuit of organisational goals, defines the nature and scope of Knowledge Management. Knowledge Management is the process through which firms create and use their institutional or collective knowledge.

Role of Process Owners

An organisation is a human grouping in which work is done for the accomplishment of some specific goals. In order to achieve the goals, a well-run organisation works on some data, information and knowledge. In the organisation context, knowledge can be looked at how it is made valid by knowledgeable individuals, experienced experts and how it validates the information. Knowledge is the invisible asset of an organisation. An organisation's knowledge is mostly human-centric. Individuals can build a Knowledge Management Society. Organisational Knowledge is knowledge that is (to be) shared and distributed among organisational members, as it is the sum total of the individual knowledge. Effective Knowledge should be the goal of every organisation and it needs to be percolated to the bottom level. In order to create value, knowledge is to be generated, acquired, shared, applied and modified properly.

Before trying to initiate and implement any Knowledge Management activity, check whether your team is ready. Introspect on the culture of the organisation and make necessary changes that will strengthen the group identity and psychological contract. Address the cultural issues and communicate the vision very clearly. Involve all team leaders and team members in Strategic Business Plans, Annual Operating Plans, Monthly Business Plans, Customer Meets, Vendor Meets, Technical Meets and other Corporate Meets not

only to understand the required level of knowledge but also to satisfy the needs of all stakeholders. Strategies related to Knowledge Management should be one of the focus areas. Allow team members to take decisions.

Recruit right candidates at the right place, at the right time with right compensation. Recruit the candidates whose values are compatible with that of the existing organisational culture, and who can share their knowledge with others. In order to recruit talented and capable people, think with the mind and the heart. Place properly the proper board practices. Retain the best talent based on his/her knowledge only. Implement best suitable rewards & Recognitions schemes. Encourage collaboration and not completion within the team members.

Introduce effective recruitment tools including psychometric tests, goal system, KRAs, KPIs, Job descriptions, competency models, training needs identification/effectiveness, Assessment centers, knowledge management centers, questionnaire for Employee Opinion survey, employee engagement practices, coaching and mentoring initiatives, action plans for development of leadership and second level of leadership, opportunities for leaning, knowledge sharing practices, knowledge storing methods, disciplinary norms, etc. in a structured way.

Celebrate the success as well as the failures. Understand and be part of the Regulatory Affairs, and Intellectual Property Management to nurture and drive the people towards a regulatory environment. Highlight clearly the tangible and intangible benefits obtained through the organisation's Knowledge Management. Support interactive practices to gain mutual pride, trust, respect, knowledge share, and expand the network. This practice will help in knowing about the players in addition to knowing about the organisation, and, also make the organisation a Great Place to Work.

Conclusion

The business landscape is changing rapidly. The competitive environment is no longer linear or predictable. The survival and success of an organisation purely depends on its knowledge. Higher the knowledge, higher is the customer delight. Hence the team should be equipped with internal and external knowledge.

Knowledge Management is not an easy task. So there is a need to first unload the burden of past experience and break organisational defensive routines. The main issue is to identify who in the organisation is responsible for the creation of knowledge. It is because the functional leaders

think everything with respect to their domain only. People tend to view the context from their own perspective rather than adopting a system's point of view. Hence, overcome the tunnel vision in the people. As no one size fits all, the best approach is to be chosen always.

Employees today live in a business environment which is information-based, knowledge-based, service-oriented and result-oriented. Even the aspiration of employees is very high and they expect to get fast track growth in their career. Hence, every employee needs to work proactively and focus on continuous self renewal, thereby building a competitive advantage through the people at work.

Business growth has become knowledge oriented and speedier. When the knowledge is gained faster, the business growth also would be faster. The most significant asset that will give an organisation a sustainable and competitive advantage will be its intellectual capital. Lao Tsu says, "Knowing ignorance is strength. Ignoring knowledge is sickness." Knowledge Management has become the life blood of an organisation. Ability to innovate is one of the core competencies of an employee. Many ideas are yet to be tested; many ideas yet to be resolved; and much learning is yet to be initiated. Knowledge is taking the place of capital as the driving force in organisations worldwide. We need to nurture knowledge workers. The need for lifelong learning is an inescapable reality. Without knowledge assets, continuous innovation is not possible.

By proactively implementing Knowledge Management systems, organisations can re-write the old saying, "Change is inevitable, growth is optional" to "Change is inevitable, growth is intentional." Knowledge Management becomes imperative if organisations have to become leaders in a competitive environment. When we use Knowledge Management as a tool for business excellence, we should analyze the features such as organisation structure (flatter/hierarchical/fluid), competitive markets, market dynamics, 5-Forces analysis, PESTEL (Political-Economical-Social-Technical-Environmental-Legal) conditions, products, services, work process, degree of creativity, need for innovation, predominant form of knowledge used, size of the workforce, required intellectual skills, social skills, action-based skills, client knowledge, contribution of knowledge workers, internal strategic gap, external strategic gap, internal knowledge gap, external knowledge gap, learning gap, organisation's learning cycle, competitors learning cycle, future strategies and competitive advantage. No doubt businesses excellence is possible when the team members are knowledgeable and where the organisation's

processes are based on knowledge. Knowledge drives the strategy and strategy drives Knowledge Management, hence the need for aligning Knowledge Management and business strategy.

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Financial Inclusion through Micro Finance in India – Issues and Challenges

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Abstract:

Micro Finance Institutions (MFIs) can play a significant role in enhancing the levels of financial inclusion in the country by reaching out to the 'last mile' and thereby sharing the responsibilities of the government. Financial inclusion can be achieved by the Government of India by establishing a link between the MFIs and the Indian banking sector and by investing in building deeper and concurrent monitoring and control mechanisms to enable healthy growth of the microfinance sector. RBI is giving importance to microfinance sector as it achieves the objective of financial inclusion by providing access to financial services to the unbanked population of India. With recent introduction of NBFC MFIs guidelines and priority sector lending (PSL) status being retained, RBI has reaffirmed MFI's role in financial inclusion. The paper discusses status of microfinance in India, the role of microfinance as a tool for financial inclusion and the various issues and challenges for microfinance in India.

Key Words: *Microfinance, Micro Finance Institution(MFI), Financial Inclusion, Self Help groups (SHG), Non-Governmental Organisations (NGO)*

Introduction

The Eleventh Five Year Plan (2007-2012) aims at inclusive growth and faster reduction of poverty and has emphasized on the initiatives of financial inclusion. Micro Finance can contribute immensely to the financial inclusion of the poor without which it will be difficult for them to come out of the vicious cycle of poverty. According to United Nations microfinance institutions can be broadly defined as provider of small-scale financial services such as savings, credit and other basic financial services to poor and low income people. It includes NGOs, credit unions, cooperatives, private commercial banks, NBFCs and parts of State owned banks (Tenaw and Islam, 2009).

In due course, microfinance has come to include a broader range of services (credit, savings,

insurance, etc.) as we have come to realize that the poor and the very poor that lack access to traditional formal financial institutions require a variety of financial products. In order to enable the poor people to access credit, there is a need to strengthen all the available channels of providing credit to the poor such as SHG- Bank Linkage Programs, Micro Finance Institutions, Cooperative Banks, State financial corporations, Regional Rural Banks and Primary Agricultural Credit Societies.

Microfinance in India

The microfinance movement was initiated by National Bank for Agricultural and Rural Development (NABARD) in collaboration with Banks and NGOs for unbanked population known as Self Help Group (SHG) - bank linkage program in 1992. The microfinance sector started evolving with private sector participation leading to formation of microfinance institutions (MFIs). The MFIs accessed bulk funds from banks and did on-lending to the end borrowers. From there on the microfinance activities were being implemented by the two channels including MFI model and SHG bank linkage model. The sector witnessed high growth rate during the period from 2006 to 2010 supported by funding availability and potential demand in the sector. The growth was mainly driven by the MFIs due to large scale availability of funding in terms of both debt and equity. The overall loan portfolio increased from Rs.13,950 crore as on March 31, 2007 to Rs.38,186 crore as on March 31, 2010 which included growth from SHG bank linkage and MFI model. As per the report "Status of Microfinance in India" by NABARD, the overall microfinance sector in terms of loan portfolio stood at Rs.53,801 crore including SHG bank linkage model (Rs.39,375 crore) and MFI model (Rs.14,425 crore) as on March 2013.

As per the report overall growth in the microfinance sector including the SHG bank linkage program and MFI model has been growing at good pace till the AP crisis in October 2010 and post that has witnessed moderation in growth as can be seen in the table 1 below.

Year	No of Clients (Cr)			Loan Outstanding (Rs CR)			Share of MFI in Incremental Lending (%)
	SBLP	MFI	Total	SBLP	MFI	Total	
2006-07	3.8	1	4.8	12366	3456	15822	
2007-08	4.7	1.4	6.1	16999	5954	22953	35.03
2008-09	5.4	2.3	7.7	22679	11734	34413	50.44
2009-10	6	2.7	8.7	28038	18343	46381	55.22
2010-11	6.3	3.2	9.4	31221	21556	52777	50.23
2011-12	6.1	2.7	8.8	36340	20913	57253	-14.37
2012-13	6.5	2.8	9.3	39375	22300	61675	31.37

Source: Status of Microfinance in India 2012–13, Micro Credit Innovation Dept (MCID), Mumbai

In October 2010, Andhra Pradesh (AP) state government implemented an ordinance to regulate MFIs operating in the state on concerns that MFIs were charging higher interest rates, using coercive recovery practices and multiple lending was leading to higher over-indebtedness amongst the borrowers. The AP ordinance required that the MFIs operating in the state had to register with the local district authorities pending which the MFIs had to put hold on the collections and disbursements. Realignment of the process and extension in timelines for getting approvals from the state government, led to deterioration in asset quality of MFIs having exposure in AP as the operations were stalled. Overall it led to crisis in the microfinance sector as it faced funding constraints due to regulatory uncertainty. The regulatory uncertainty was high on account of likely occurrence of such similar regulation in other states thereby disrupting the operations of the MFIs operating in other states of India. No doubt microfinance in India has been successful in providing credit access to the poor but the role of microfinance has become controversial with various criticisms.

Inclusive Growth through Microfinance

Micro finance enterprises are being considered as a promising alternative for expanding the base of financial services to the poor and weaker sections especially in developing economies. The following arguments may go a long way in achieving inclusive growth through micro-finance a) Micro – credit is the most common product offering has been established as a facilitator for empowerment of people, taking out from poverty and extending helping hand in the economic progress for inclusive growth. CRISIL estimates that around 120 million households in India continue to face financial exclusion which translates into a credit demand of around Rs 1.2 trillion. According to CRISIL the average credit demand per household has been

estimated at around Rs 10,000/- per annum. In India , most microfinance loans are in the range of Rs 5,000 to Rs 20,000; (b) Micro-finance institutions create a effective and affects of income shocks on consumption, explore safe and affordable repositories for their savings, share advantage of profitable investment potential and opportunities and minimize risk; (c) Micro-finance enterprises have created a variety of innovative tools namely- weak legal creditor protection, ineffective and inefficient enforcement of laws and rules, lack of usable collateral, poor means of communication facilities and weak prudential oversight over saving enterprises; (d) Micro-finance institutions have extended their range of financial services beyond micro-credit like insurance, pension and remittance facilities.

The most astonishing transformation of charity work carried out by Non-Governmental Organizations (NGOs) into a self-sustaining business is due to the entry of Micro-Finance Institution (MFIs). These organizations are replacing the village money lenders and bringing out rural people from the clutches of money lenders. The most heartening fact that has come up is emerging out is in Southern India micro-credit is as common as panwala or cell phones.

In India various delivery models have been adopted by microfinance institutions, but two models are prevalent. 1) Direct Financing Model, also called as the MFI model. In this model the bank lends money to the NGO. The NGO promotes and imparts training to the self help groups (SHGs) and also gives credit to them. 2) Self Help Groups Bank Linkage Program (SHGBLP) launched by NABARD in 1992 continues to be the predominant Micro-Finance model in the country. It represents the union of the banking system comprising the public and private sector commercial banks, Regional Rural banks, and Co-operative Banks with several organizations in the formal and semiformal sectors to facilitate the

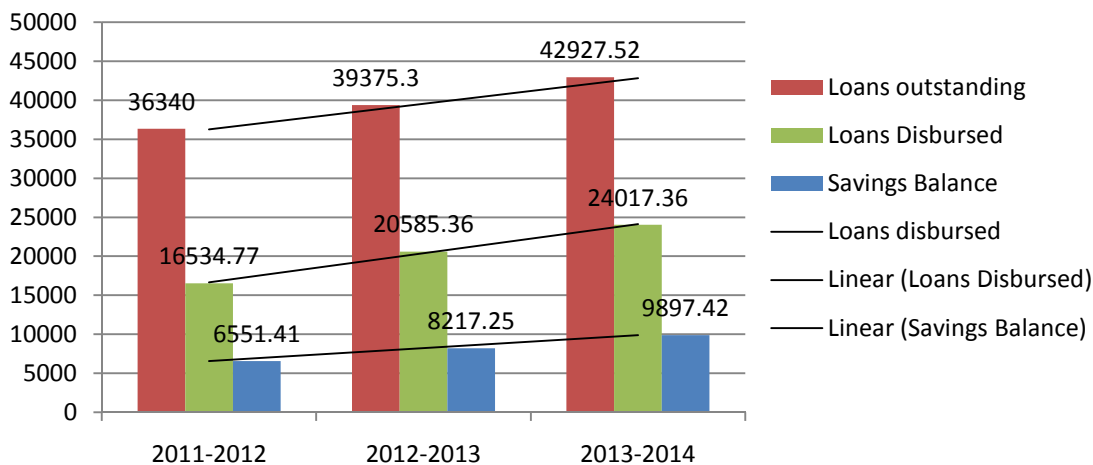
provision of financial services to a large number of poor clients. It is a proven method of financial inclusion, providing un-banked rural clientele with access to formal financial services from the existing

banking infrastructure. The Table 2 shows the overall progress under SHG- Bank Linkage for the last 3 years.

Table-2: Overall Progress under SHG- Bank Linkage for last 3 years							
Particulars		2011-12		2012-13		2013-14	
		No.of SHGs (lakh)	Amount in Rs. cr	No.of SHGs (lakh)	Amount in Rs. cr	No.of SHGs (lakh)	Amount in Rs. cr
SHG Savings with banks as on 31st March	Total SHGs	79.60 (6.7%)	6551.41 (-6.7%)	73.18 (-8.1%)	8217.25 (25.4%)	74.30 (1.53%)	9897.42 (20.45%)
	% of Women Groups	79.1	77.9	81.1	79.3	84.15	80.96
Loan Disbursed to SHGs during the year	Total SHGs	11.48 (-4.%)	16534.77 (13.7%)	12.2 (6.3%)	20585.63 (24.5%)	13.66 (12.02%)	24017.36 (16.67%)
	% of Women Groups	80.4	85.5	85.1	86.7	84.3	87.6
Loan outstanding against SHGs as on 31 st March	Total SHGs	43.54 (-9.0%)	36340.0 (16.4%)	44.51 (2.2%)	39375.30 (8.4%)	41.97 (-5.71%)	42927.52 (9.02%)
	% of Women Groups	83.8	83.8	84.4	83.3	81.2	84.2

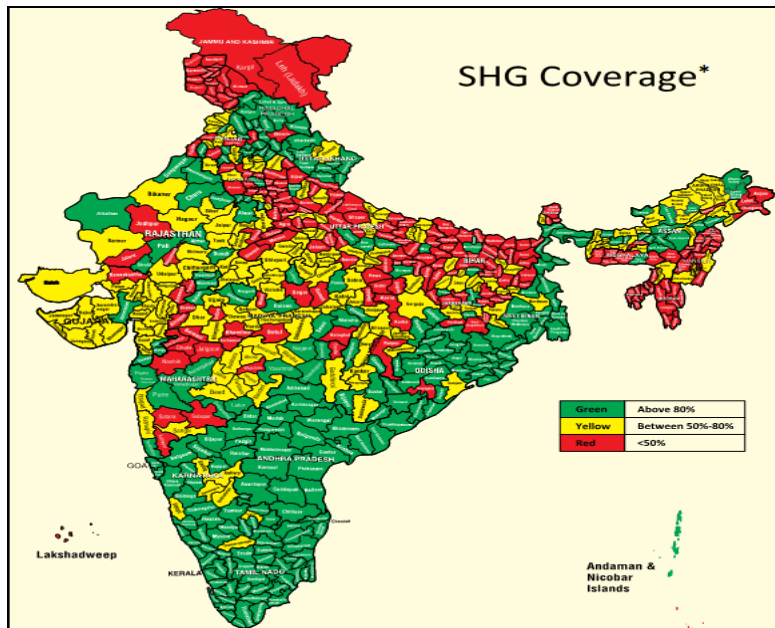
Source: Status of Microfinance in India by NABARD 2014

Fig 1: SHG- Bank Linkage - High lights 2014



Source: Status of Microfinance in India by NABARD 2014

Though there is growth in SHGs- Bank Linkage program, the spread of SHGs is very uneven and is more concentrated in southern states. The figure 2 below shows the pattern of SHGs coverage in India.

Figure 2: Distribution of SHG in India

Source: *Status of Microfinance in India 2013, Report by NABARD*

This regional imbalance needs to be corrected and special efforts in this regard may have to be made by NABARD. The financial inclusion attained through SHGs is sustainable and scalable on account of its various positive features. One of the distinctive features of the SHGBLP has been the high recovery rate.

Issues and Challenges for Microfinance in India

In India MFIs charge interest between 24 per cent and 32 per cent which is being considered on a high side. But if we compare these interest rates with the interest rates charged on credit cards (30 per cent) and village money lenders (65 per cent) then this rate of interests is normal. Even in Bangladesh the rate of interest charged by MFIs is 20 per cent (based on subsidized credit).

There has been left much to be attained as the performances of these MFIs are more politics based rather than economics based. These services are being used by the politicians to intact vote bank rather than enhancing quality of life, purchasing power and over all welfare of the rural population. Accordingly, in October 2010 the issue of micro-finance was politicized and as a result, politicians started accusing MFIs that these institutions have sharking loans and are also responsible for farmers' suicides because of the exorbitant rate of interest charged by MFIs.

MFIs came under the scanner of authorities after reports of suicides due to alleged coercive recovery methods adopted by the them.

Way Forward

An evaluation of SHGs carried out by Reserve Bank revealed that there was scope for improvement in the area of maintenance of books of accounts. It also brought out that rotation of group leaders which was generally not followed by SHGs. However, other best practices like strict adherence to attendance of group meetings, recording minutes of the meetings and prompt repayment of bank loans were being followed. MFIs on average have higher returns on assets than commercial banks do, but MFIs produce lower returns on equity for their owners. The median return on MFI owners equity in 2006 was moderate—12.3 percent, roughly 4 percent lower than the return for banks. (Rosenberg et al 2009.). Excessive regulation and control of this sector may be particularly dangerous as it can prevent the development of a healthy and competitive microfinance sector which could compete with usurious money lenders. (Planning Commission, 2006)

As the microfinance companies are waiting for the passage of the law that could restore their credibility and legal legitimacy, the central bank has initiated some steps to evolve a framework of prudential regulation of the for-profit microfinance entities. With recent introduction of NBFC MFIs

guidelines and priority sector lending (PSL) status being retained, RBI has reaffirmed MFI's role in

financial inclusion. Table 3 shows the RBI steps taken for regulation of MFIs in India.

Table-3 : RBI regulatory framework for NBFC–MFIs: Major elements

Qualifying asset under microfinance	Without collateral Extended to borrowers in rural households with annual income less than 60,000 and in urban and semi-urban households less than 120,000. First amounting to less than 35,000 in the cycle and 50,000 in subsequent cycles and Extended to borrowers with total indebtedness less than 50,000 With tenures not less than 24 months for amount in excess of 15,000 with prepayment without penalty
Deployment of microfinance	At least 70% income generation loans and the remaining 30% for other purposes such as housing repairs, education, medical and other emergencies
Entry norms— existing NBFCs	Net owned funds 2 crore till 31 March 2014 and 5 crore w.e.f. 1 April 2014 (For the north-eastern region, 1 crore till 31 March 2014 and 5 crore w.e.f. 1 April 2014)
Entry norms—new companies	NOF 2 crore (for the north-eastern region) and 5 crore for others from the beginning
Capital adequacy	Not less than 15% of the aggregate risk weighted assets
Pricing	Margin cap 12% for all NBFC–MFIs till 31 March 2014. From 1 April 2014, 10% for MFIs with portfolio >`100 Cr and 12% others
	Interest cap 26%, Interest cap not applicable to individual loans, but the minimum–maximum variance of rate capped at 4%
	Processing charge cap 1% of loan amount (not part of margin/interest cap) and Actual cost recovery for insurance
Transparency in interest rates	Pricing of the loan has only three components—interest charge, processing charge and insurance premium, No penalty charged on delayed payment and No security deposit/margin from the borrower
Non-coercive methods of recovery	Recovery at a central designated place; recovery at the place of residence or work only for those who cannot come to designated place on two or more successive occasions.

Source: 'Master Circular—Introduction of New Category of NBFCs—"Non Banking Financial Company-Micro Finance Institutions" (NBFC–MFIs)—Directions', RBI/2013-14/49 DNBS.(PD)CC.No. 347/03.10.38/2013-14, 1 July 2013.

Conclusion

Microfinance has no doubt improved the lives of the poor in India but does not directly address some structural problems facing the India society. Indian microfinance has continued growing rapidly towards the main objective of financial inclusion, extending outreach to a growing share of poor households and

to the approximately 80 per cent of the population, which has yet to be reached directly by the banks. Micro finance is the new fad in the Indian financial system. It is growing rapidly and getting a lot of attention from financial situations, NGOs and the Government, as an instrument of financial inclusion that can transform the lives of the poor. A vibrant and

developed micro-finance sector can significantly impact economic development and distribution of wealth by providing "last mile connectivity" trends in the growth of microfinance institutions in India clearly indicates that this subsector is on the path to recovery after the difficult phase that followed the unfortunate events in Andhra Pradesh.

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HR (Human Resource) Challenges in Service Industry - A Study With Reference to APSRTC

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Abstract— Indian Service sector which consists of a wide variety of services such as electricity and water supply, road, bus, rail and air transport, hospitals, police, postal department, call centers etc. is a real challenge for HRD. Andhra Pradesh State Road Transport Corporation (APSRTC) is the backbone of service sector and one of the biggest employers in Andhra Pradesh. The network of APSRTC is very vast, spread all over Andhra Pradesh. Due to this widespread network, it brings in its fold people from different origins and of different workforce profile working together under a roof. This necessitates the prevalence of different HR practices in order to deal with them effectively so that their full potential may flower. Beginning with the last decade of the 20th century, globalization, liberalization and technological advances have changed the way the business is done across the world bringing together various threats as well as opportunities. In order to meet the basic objectives, HR personnel in APSRTC have to identify the nature of these challenges and opportunities and define their roles and responsibilities more sharply to counter these challenges and grasp the various opportunities.

Key words— Service sector, HRD, APSRTC, Network, HR Practices, Globalization, Liberalization, Technological advances, Opportunities.

INTRODUCTION

Human Resource is the set of individuals who make up the workforce of an organization, business sector or an economy and is the most important factor of production. Every business organization depends for its effective functioning on its pool of able and willing human resources. With 1,20,504 regular employees the APSRTC as the state's single largest employer in the organized sector in the country, maintain a highly organized Human Resource Management system. The recruitment, training, development, promotions, incentives, privileges, strict discipline, redressal of grievances, etc. are based on sound personnel management principles and techniques.

The origin of APSRTC dates back to June 1932, when it was first established as NSR-RTD (Nizam State Rail & Road Transport Department), a wing of Nizam State Railway in the erstwhile Hyderabad State, with 27 buses and 166 employees. During the past 77 years, it has registered a steady growth from 27 to 22,333 buses with 778 bus stations, 216 Depots and 1, 881 bus shelters. The Corporation's buses cover 79.83 lakhs KMs. and carry 156.78 lakhs people to their destinations every day. They connect 23,388/5010 villages to all major towns and cities in A.P which constitutes 95% of Road Transport. APSRTC operates to City and Mofussil areas. The Corporation's buses also ply to important towns and cities in the neighboring States of Tamilnadu, Karnataka, Maharashtra, Goa, Odisha and Chattisgarh. The entire network is under the administrative control of 23 Regional Managers in 7 Zones. Zonal Head Quarters are at Hyderabad. APSRTC under the present name was established on 11th January 1958 in pursuance of the Road Transport Corporations Act 1950.

ENTERED GUINNESS WORLD RECORD FOR OWNING LARGEST FLEET OF BUSES IN 1999. The Trail blazer on the Road: Andhra Pradesh State Road Transport Corporation has been leading by an example. It has a number of firsts to its credit in India. First to nationalize passenger Road Transport Services in the country-1932. First to introduce long distance night express services. First to introduce A/C Sleeper, Hi-tech, Metro Liner, Inter-City Services and Metro Express. First to introduce Depot computerisation-1986. First to appoint Safety Commissioner for improving the safety of the passengers. All the 211 Depots in the State are computerized. Reservation of tickets on telephone and door delivery of tickets.

Vision of A.P.S.R.T.C.

APSRTC is committed to provide consistently high quality of services and to continuously improve the services through a process of teamwork for the utmost satisfaction of the passengers and to attain a position of pre-eminence in the Bus Transport sector.

Principles of APSRTC

To provide efficient, effective, ethical management of the business. To assist the State administration in attaining good

governance. To treat the customer, i.e. passenger, as a central concern of the Corporation's business and provide the best possible service. To explore and exploit technological, financial and managerial opportunities and developments and render the business cost effective at all times. To regularly and constantly improve the capabilities of employees for higher productivity. To focus on service conditions and welfare of the employees and their families consistent with their worth to the Corporation. To fulfill its obligation to the State and Central governments by optimizing return on investment. To emphasize environmental and community concerns in the form of reducing air and noise pollution. To consciously conform to the policy guidelines of the State in its business operations. To reach a position of pre-eminence in bus transport business.

APSRTC - OVER VIEW (UPTO AUG 2014)

a)	Number of Depots.	216
b)	Number of Regions.	23
c)	Number of Zones.	7
d)	Zonal Work Shops	7
e)	Bus Body Building Unit	1
f)	Tyre Rtreeding Shops	7
g)	Printing Press	1
h)	Transport Academy	1
i)	Staff Training Colleges	6
j)	Dispensaries / Hospitals	35
k)	Total Bus Stations	778
l)	Number of Bus Shelters	1881
NUMBER OF TOTAL BUSES(As on 31-08-2014)		22,333
RTC BUSES		19,314
HIRED BUSES		3,019

Research Objectives:

1. To assess the challenges faced by the HR in the current era in the APSRTC.
2. To assess the opportunities available to HR presently in this corporation.
3. To identify the new technology and implementation in APSRTC by HR personnel in order to current issues.

4. To identify the suggestive measures that can be applied by the HR personnel in order to counter these challenges and successfully grab the opportunities.

Research Methodology: Information for this paper is purely secondary data based and is sourced from various articles of different scholars, books, journals and through access of many websites. Through this the study is able to generate a quality analysis and conclusion.

Types of services:

City buses

Initially the city buses very primarily called ordinary buses with green and dark green shades. They were supplemented with few double-decker buses in the same colour scheme. But in the year 2003 the corporation has decided to withdraw double-deckers because of the operational difficulties. The colour scheme of the ordinary city buses has also been changed to white and orange gradually from the year 2002. Different types of city buses are available that are ordinary, metro expresses, metro deluxe, vestibule, city sheetal(A/C).

Current Bus Services

Unlike the past there is less standardisation in the body structure or the colour scheme of a particular kind of Buses even leading to confusion among the passengers in identifying them. Different type of intercity, district, and village services are: Pallevelugu, Express, Sapthagiri, Deluxe, Super Deluxe, Indira A/C (Ashok Leyland), Garuda A/C, (Volvo, Isuzu), Garuda plus A/C Multi-axle (Volvo, Benz), Vennela sleeper A/C(Volvo, Isuzu).



HR Challenges

1. Recruitment Planning:

Recruitment planning is most important component in new people management with special reference to service industry. We have to deal with human assets so it becomes important and have good quality of people in the organization. We have to take the recruitment planning in very serious manner to ensure that we can get best talent in the organization.

2. Performance management:

Now the challenges how to manage the performance of your employees. You have to get right person in a organization to manage your business. The challenge should be to create a

performance culture where you can provide opportunities for enhance performance, where optimum performance becomes a way life.

3. Training and development:

This is another challenging area in service industry. We have to chalk out a suitable strategy for training & development so that employees are well equipped to handle the challenges in advance.

4. Compensation management:

The service industry is one of the high paying industries. This is very competitive industry, we have to attract best talent, offer best possible compensation package to the employees. But the really challenge should be how we are able to incorporate all the subsystems in HR. Ultimately this would help the organization for achieving exceptional performance. People have to be groomed to get in with the performance culture. We have to create an environment that stimulates the creation of knowledge, its sustenance will be the challenge for service industries in the future. HR department cannot function with traditional systems. Now the role will shift to HR facilitator, to facilitate change process. HR facilitator will have to involve the whole organization in this process and act as a guide, coach, counselor and facilitator. Any organization in the service industry will have to face these challenges like APSRTC, India. They have excellent recruitment policies, huge data bank, and placement agencies. They are also having rigorous tests to ensure that they can get high profile talent that will fit in their culture. They have best performance system that evaluates the organization as whole. They have been able to tackle the quantum of performance with fairly efficient manner. The prime tasks for this service sector are to build corporate culture. They are diverting all the efforts to build performance driven culture. The major issue for these sectors to get right man for right job. We have to find person with the required skills, experiences, mindsets, and also he must be suitable for these organizations.

5. Attrition and Retention:

Service sectors are having high degree of attrition. The challenges for these sectors are to keep this attrition rate as low as possible. Various companies adopt different techniques to retain their employees like high pay packets, ESOP, other benefits. So we have to keep this attrition rate as low as possible to retain super achievers.

6. Best Fit versus Best Practice

The skills that matter most are dependent on the kind of service sector and the level of discretion given to the worker. The principle of 'best fit' versus 'best practice' has to be applied here. Employers are listing personal characteristics among the skills they are seeking for. There is now a trend of 'looking good' and 'sounding right'. Best practice is usually a way of adopting rules that have worked for some

organisations. It is a standard way of practice. Best practice is not always feasible as what works for one organisation might not work for another organisation. It is important to adopt skills that fit an organisation.

7. Lack of emphasis on adequate HR's: This is by far the biggest obstacle in APSRTC IT strategy. Despite having a large pool of talented manpower, no committed effort has been made to familiarize them with IT concepts.

8. Technological advancement: Due to the development and strengthening of railways and its stiff competition to the Bus services, APSRTC is planning to introduce modern technology in various spheres of its working. The latest technologies relating to civil engineering, mechanical and electrical engineering, telecommunication, and material science must be harnessed to run bus effectively, especially in current competitive scenario. All this will result in the downsizing of manpower which is a major challenge for the human resource.

9. Infrastructural development: The time has come when massive investments are required for expanding the bus infrastructure and give the RTC its due share in the country's infrastructure development. Constructive support from the Government and the pro-active and market oriented response to the challenges of an open economy will set the tone for the renaissance of the APSRTC as we march towards the new millennium.

10. Information technology: APSRTC has been a pioneer in the use of IT in India. However a concerted effort to introduce IT in all aspects of RTC working has been considerably delayed. This has raised fears that they may become laggards rather than leaders in the use of IT. Harnessing IT for effective collection and dissemination of information is not a luxury but rather a necessity for any bus operator. The effective introduction of IT saves costs rather than increasing expenditure in today's competitive environment.

11. Inter-departmental parochial fighting: Each zonal RTC has many departments and it is observed that inter-departmental parochial is eating away whole developmental attitude in APSRTC. Thus, if one department proposes a project for overall development involving other departments, surely one or two of those departments will stand on way to protect its own interest ignoring the whole APSRTC's interest.

Some other important challenges are also facing by the Human Resource management:

Motivation & Retention of Employees, Best Talent Attraction Compensation and Reward, Increasing loyalty and commitment, Integrating HR strategy with Business Strategy, Encouraging Quality and Customer focus, Value Addition training for up-gradation of Skills.

Controversial Issues

Lookism

The Merriam Webster dictionary defines lookism as “prejudice or discrimination based on physical appearance and especially physical appearance believed to fall short of societal notions of beauty”. Research has shown that employers are apparently more concerned about the way an employee looks and behaves than the qualifications they have. Employers have stuck to interviews as this gives them a chance to observe a potential employee. Job specifications regarding frontline service usually have words in the advertisement that suggest what the employers are looking for. Looks/physical appearances have taken front place over the years and employers need to be careful in their advertisements more work is being done on ‘lookism discrimination’.

Diversity

In recruiting and selecting people for frontline service work, the need to ‘speak right’ is essential for some employers. This has created the concept of the ‘style labour market’. (Nickson et al, 2004). However, the interconnectedness of the world through globalisation and free movement of people across borders mean that people from different nationalities might apply for a specific job. Managers have to be cautious to avoid any form of discrimination based on race. In this context, sticking to qualifications can form a good base for indiscriminate.

Emotional labour

‘... part of the job is to disguise fatigue and irritation, for otherwise the labor would show in an unseemly way, and the product.....would be damaged’.

HR Opportunities

The opportunities that can be availed of by the HR of APSRTC are as follows:

1. Importance of human factor in APSRTC: Men are required for all activities and they should be available at the right place at the right time. Crew availability and booking is the best example of this cycle. Further the advanced technology adopted by the industry cannot yield the required results without the necessary efforts of the manpower employed in this very industry. The HR becomes even more important in the service industry whose value is delivered through information, personal interaction or group work.

2. The vision aspect of resources: The resources- hardware, software, networking and HR, required to make the vision a reality have to be identified and made available. As IT becomes more pervasive in the educational curriculum, increasing greater number of RTC men are able to serve as resource persons for IT projects.

3. Budgeting and expenditure: All departments require money for their work, but its expenditure must be monitored

and controlled. Large amount of information must flow between the Executive and the Finance Department (managed by HR) for this purpose.

4. Growing role of HR in Information technology for the management of APSRTC: HR in the form IT Architects and Contract managers, In-House Software Developers, Content Developers, System Administrators, Database Managers and Network Managers in APSRTC are required to effectively handle the latest IT’s introduced in the RTC.

Compare with (New South Wales - Australia) advanced and new technology:

1. Find free WiFi: If you need to check emails, browse the web or chat to friends during your trip, find one of the free WiFi services available on the NSW public transport network.

2. wheel cahairs services in buses:

3. Secure Bike (or) Bicycle Lockers: Cycling to and from a train station, ferry wharf or bus interchange helps reduce the impact that cars have on the environment. A secure bicycle locker allows you to combine cycling with public transport, a healthy alternative to being stuck in a car. Think of a secure bicycle locker as your own priority parking. Even better, your locker helps protect your bike, helmet and clothing from theft and vandalism. There are now over 950 lockers for hire at more than 120 locations across the NSW public transport network.

4. Community transport: Community transport services are delivered through several government funded programs and provide access to recreation and shopping areas, medical and social services and social contact for a wide range of people. Community transport services are locally based in communities and assist people experiencing transport disadvantage, including: people who are financially disadvantaged, isolated, lack public transport or have a mobility impairment older people who are frail and their careers people with disabilities and their careers Refer to community transport to find out more about the services and if you are eligible to access these services.

5. Using public transport: Before you set out, find out about accessible public transport, staying safe during your trip, travelling with equipment or animals and more.

6. School travel or Group travel: Plan your trip to school. You can travel between home and school on regular public transport, or on a dedicated school service. If you are planning to travel in a group you can either join a standard service or organise a charter bus to get to where you are going.

7. NSW taxis: In NSW you can find an available taxi at designated ranks, or hail them in the street. A cab is available if the light on its roof is switched on.

Findings:

- 1) It is found from the above study that there is larger difference between Sidney public transport and APSRTC while maintenance and other managerial practices.
- 2) It is also found that training programmes are very poor to the human resource of APSRTC.
- 3) It is found that majority of employees are dissatisfied with the organization policies relates to training and development and career development.

Suggestive Measures

1. Managing the “Virtual Cadre”: In order to grab the opportunities available, there is the need of persons who understand the broad technologies available today, their capabilities and limitations, so that they can conceptualize the use of the technologies in their work areas. Carefully designed training programs for the members of the virtual cadre will ensure that the railways retain a pool of knowledge within itself, in tune with the technology trends. The database would be centrally updated to reflect the changing composition of the resource pool, including updating the skill-sets of each person periodically.

2. Collaboration with the Academic Institutions: Collaboration with the academic institutions of good standing is needed to ensure that the IT effort of the RTC remains on track with innovative and appropriate projects being taken up to address its IT needs. Such collaborations, entailing the setting up of specialized centers catering to RTC’ specific needs in the participating institutions, will lead to two-way movement of expertise.

3. Conducting training and development programmes: Appropriate training programmes need to be conducted for those employed in the industry:

4. Flexible structure: Existing facilities of instant communication from the top level to the lowest field level have made the middle management redundant. It can be dismantled and the structure made more flexible.

5. More authority to grass root level employees: There is a need to give more authority to the employees at the grass root level to quote competitive freight rates so as to generate more business. Moreover it will also help to resolve the inter-departmental fighting.

6. A more critical look at manpower costs and a sharper technological thrust are required: for this, there is need to:

- Redeploy, rebalance, retrain and reeducate workers.
- Introduce multidisciplinary, multi-skills approach.
- Analyze the recruitment policy more systematically.
- Train workers in customer care.
- Start quality circles.
- Emphasize greater worker participation.

7. There is need to give up populism in political outlook:

This will help in good governance. The worker cannot work or the manager, manage if the government does not govern.

Conclusion

At the end it can be said that the Indian BUS service has emerged today as the main vehicle for the socio- economic development of the country. RTC is a sunrise industry, not only in Andhra Pradesh, India but in many parts of the world. The vision for information technology in the Indian Bus service for the next 25 years is to reach a stage where all the information needs of the organization can be met by a comprehensive information highway, available to all internal and external stakeholders. The vision is to improve personal productivity at all levels by the effective use of this technology. An attempt has been made to develop a road-map for the future growth of IT in Indian Bus service. Conditions today are ripe for them to obtain the benefits of IT, since general awareness of the technology is high, and its benefits have been proven. A commitment to utilize the Human Resource and IT appropriately in the organization already exists. Funding has been increasing this year, and should not be a major constraint in the future. Therefore the organizational thrust should be to ensure that the resources human as well as technology are allocated wisely, in a planned manner, the vision concretized, and followed through.

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A Study on Fundamental Analysis of Insurance Industry

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ABSTRACT

Life is full of risks, being a social animal and risk averse, man always tries to reduce risk. An age-old method of sharing of risk through economic cooperation led to the development of the concept of 'insurance'. Insurance can be defined as a legal contract between two parties whereby one party called the insurer undertakes to pay a fixed amount of money on the happening of a particular event, which may be certain or uncertain. The other party called the insured pays in exchange a fixed sum known as premium. The insurer and the insured are also known as assurer, or underwriter, and assured, respectively. The document, which embodies the contract, is called the policy.

Insurance is the equitable transfer of the risk of a loss, from one entity to another in exchange for payment. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss.

An insurer, or insurance carrier, is a company selling the insurance; the insured, or policyholder, is the person or entity buying the insurance policy. The amount of money to be charged for a certain amount of insurance coverage is called the premium. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of study and practice.

Keywords: Insurance, Premium, Risk, Maturity, Life insurance, Protection, Tax benefit.

Introduction

Life insurance is designed to protect life and to protect family against financial uncertainties that may result due to unfortunate demise or illness. It can also view as a comprehensive financial instrument, as a part of the financial planning offering savings &

investment facilities along with cover against financial loss. By choosing the right policy as per the needs. i.e. customized solutions, you will be able to plan for a secure future for yourself and your loved ones.

We all have different financial needs and objectives. But life insurance plays a fundamental role in most of our plans for financial security. That's because of the variety of life insurance plans available and the many ways they can be customized to meet unique needs at different periods of your life.

Statement of the problem

Insurance sector is a booming sector and the penetration in India is quiet low. So, all involves knowing growth & performance of insurance industry in India and also the various policies offering by the private & public sector companies and to know the level of market share and about the policies in insurance industry. Hence the present studies fundamental analysis on insurance industry.

Objectives of the Study

- To know the role of insurance sector in Indian economy
- To Analyze the growth & Performance of insurance industry in India
- To Analyze the insurance policies in India.

An Aggregative View of Indian Insurance

The institutions providing insurance services have been an important part of the Indian financial system. One can divide the history of the existence and working of insurance organizations in India into the following three phrases.

Table – 1.1

An aggregative view of Indian Insurance

Phase I	1818 to 1956: (About 138 Yrs.)	Many (245) private sector companies only; competitive market. Many (107) private sector companies only; competitive market.
(a) Life Insurance: (b) General Insurance:	1850 to 1972: (about 122 Yrs.)	
Phase II	1956 to 2000: (About 44 Yrs.)	Nationalization, public sector or State monopoly; only one company. Nationalization, public sector or State monopoly; one company with its 4 subsidiaries.
(a) Life Insurance: (b) General Insurance:	1972 to 2000:	

	(about 28 Yrs.)	
Phase III Life Insurance & General Insurance	After 2000:	Opened to the entry of private domestic and foreign companies mixed; sector of public and private sector units; oligopoly of public sector companies (12 life insurance and 12 general insurance companies).

Source: IRDA Annual Report, 2010

ROLE OF INSURANCE IN ECONOMIC GROWTH

With the growth of a country's economy, there is an increase in the facilitating role played by the financial services sector. Financial services play a supportive role in the basic activity of production. Insurance frees industries from the worries of unforeseen losses and uncertainties. Insurance helps the country's growth in various ways.

- Insurance covers many economic risks. It protects entrepreneurs against the risk of damage or loss of the goods and other assets.
- With the cover of insurance on assets, businessmen and industrialists are able to take financial risks, which they cannot otherwise take.
- Life insurance offers economic safety at reasonable cost to millions of families in the country. In a way, this helps the government also as it lightens the government's burden of providing social welfare to affected families.
- Insurance companies collect premium from policyholders and invest this money in government bonds, corporate securities and other approved channels of investment. In this way,

insurance companies are helpful in providing capital for new ventures or expansion of old units.

Thus insurance aids in the growth of modern economy. By promoting safety against personal losses, it not only improves the individual's quality of life but also provides smoothness in the working of the affairs of business and industry losses, it not only improves the individual's quality of life but also provides smoothness in the working of the affairs of business and industry.

No. of Insurance Companies

	As on 31.03.2013				
	2000	Public Sector	Private Sector	Public Sector	Total No. of Insurers (Public & Private)
Total number of insurers					
Life Insurers	1	23	1		24
General insurers	4	17	4		21
Specialized Institutions	-	-	2		2
Stand-alone Health Insurers	-	4	-		4
Reinsurer	1		1		1

Growth & Performance of Insurance Industry

Number of New Policies issued by Public Sector (LIC of India) and Private Sector Insurers (In lakhs)

S.No	Year	Public Sector (LIC)	Private Sector	Total	Growth Rate %
1	2002-03	245.45	8.25	253.7	---
2	2003-04	269.68	16.58	286.26	12.84
3	2004-05	239.78	22.33	262.11	-8.44
4	2005-06	315.90	38.72	354.62	35.29
5	2006-07	382.29	79.23	461.52	30.14
6	2007-08	376.12	132.63	508.75	10.23
7	2008-09	359.13	150.10	509.23	0.1
8	2009-10	388.63	143.62	532.25	4.52
9	2010-11	370.38	111.14	481.52	-9.53
10	2011-12	357.51	84.82	441.93	-17.53
11	2012-13	367.82	74.05	357.51	-19.10

Source: Compiled from IRDA Annual report from 2002-2003 to 2012-2013.

First Year Life Insurance Premium Public Sector (LIC of India) and Private Sector Insurers (Rs.Crore)

S.No	Year	Public Sector (LIC)	Private Sector	Industry Total	% of Growth Rate
1	2000-01	9700.98	6.452	9707.43	---
2	2001-02	19588.77	268.52	19857.28	104.56
3	2002-03	15976.76	965.7	16942.45	-14.68
4	2003-04	17347.62	2440.69	19788.33	16.79
5	2004-05	20653.06	5564.57	26217.64	32.49
6	2005-06	28515.87	10269.67	38785.54	47.93
7	2006-07	56223.56	19425.66	75649.21	95.04
8	2007-08	59996.57	33715.95	93712.52	23.88
9	2008-09	53179.08	34152.2	87331.08	-6.81
10	2009-10	71521.9	38372.12	109894	25.84
11	2010-11	87012.35	39368.65	126381.00	-15.00
12	2011-12	81682.25	32103.79	113786.04	-9.84
13	2012-13	76611.50	30749.58	107361.08	-5.80

Source: Compiled from IRDA Annual report from 2000-2001 to 2012-2013

Insurance penetration and density in India

S.No	Year	Life Insurance		Non-Life Insurance		Industry	
		Density (USD)	Penetration (% age)	Density (USD)	Penetration (% age)	Density (USD)	Penetration (% age)
1	2001	9.1	2.15	2.4	0.56	11.5	2.71
2	2002	11.7	2.59	3.0	0.67	14.7	3.26
3	2003	12.9	2.26	3.5	0.62	16.4	2.88
4	2004	15.7	2.53	4.0	0.64	19.7	3.17
5	2005	18.3	2.53	4.4	0.61	22.7	3.14
6	2006	33.2	4.10	5.2	0.6	38.4	4.8
7	2007	40.4	4.0	6.2	0.6	46.6	4.7
9	2008	41.2	4.0	6.2	0.6	47.4	4.6
9	2009	47.7	4.6	6.7	0.6	54.3	5.2
10	2010	55.7	4.4	8.7	0.71	64.4	5.10
11	2011	49.0	3.4	10.0	0.70	59.00	4.10
12	2012	42.7	3.17	10.5	0.78	53.2	3.96

Source: Compiled from IRDA Annual Report from 2001-2012

Insurance evaluation of product for investment protection

Features	Term insurance	Cash value Insurance		
		Whole life insurance	Universal life Insurance	Variable life Insurance
Death benefit	Level death benefit equal to face amount over fixed number of years decreasing schedule of death	Death benefit is equal to the face amount and is usually level over entire life: if policy	Policy holder chooses between a level death benefit that equal face amount or a death	Guaranteed minimum death benefit plus death benefit that varies with cash value

	benefits	holder survives to age 100, then receives death benefit; can purchase more coverage using policy holder dividends	benefit that equals face amount plus cash value	
Typical premium schedules	Annual or face year level	Single premium, level premium over fixed number of year or until death or surrender	First year required premium but flexible there after sometimes subject to minimum and maximum	Same as whole life
Lapse or surrender	Fail to make premium payment	Fail to make scheduled premium payment, or cash value minus loan value equals to zero	Cash value is less than cost of coverage for the period	Fail to make schedule premium payment or cash value minus loan value equals zero
Cash value	None	Yes, follows a fixed schedule	Yes, varies overtime depending on premium payments, charges, and credited interest	Yes, varies over tie depending on investment returns.
Return on savings accumulation	Not applicable	Implicit in fixed cash value schedule	Varies with interest rates usually short term rates	Varies with returns on investments chosen by policy holder
Flexibility	Little: most have option to convert to cash value coverage	Limited flexibility, can borrow against cash value	Flexible premium and death benefits. Often can borrow against cash value	Same as whole life
Risk borne by policy holder	Amount of dividends with participating policies, insolvency risk	Amount of dividend with participating policies insurer insolvency risk.	Credited interest rate charges, mortality, and charges insurer insolvency risk.	Investment returns insurer insolvency risk.

Guidelines & Regulations of Insurance Industry by IRDA Insurance Regulatory and Development Authority (IRDA)

IRDA is an autonomous apex statutory body which regulates and develops the insurance industry in India. It was constituted by a Parliament of India act called Insurance Regulatory and Development Authority Act, 1999 and duly passed by the Government of India. The agency operates its headquarters at Hyderabad, Andhra Pradesh where it shifted from Delhi in 2001. The Insurance regulatory and Development Authority (IRDA), batted for a hike in the foreign direct investment (FDI) limit to 49 per cent in the sector from the present 26 per cent.

Mission statement of the authority

- To protect the interest of and secure fair treatment to policyholders;

- To bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefit of the common man, and to provide long term funds for accelerating growth of the economy;
- To set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates;
- To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery;
- To promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system to enforce high standards of financial soundness amongst market players;

- To take action where such standards are inadequate or ineffectively enforced;
- To bring about optimum amount of self-regulation in day-to-day working of the industry consistent with the requirements of prudential regulation.

Composition of Authority

As per the section 4 of IRDA Act' 1999, Insurance Regulatory and Development Authority (IRDA), which was constituted by an act of parliament) specify the composition of Authority

The Authority is a ten member team consisting of

- (a) A Chairman;
 - (b) Five whole-time members;
 - (c) Four part-time members,
- (All appointed by the Government of India)

Suggestions

1. People should be made aware of the brand name of insurance company through advertisement.
2. Private companies should use traditional ways of promotion in rural locations. Latest communication facilities are lacking in some parts of Andhra Pradesh. .
3. 'Melas', which are also called as 'Policy Melas' in the Andhra Pradesh state can be used for creating awareness of life insurance companies among rural people.
4. The fear in peoples' mind should be removed by company; using aggressive methods of marketing.
5. Private companies should try to nurture their brand name by providing timely and attractive facilities to the people.
6. Insurance companies should make clear all the details of job of an agent before recruiting them.
7. Agents' feedback must be studied scientifically and continuously as their wants and needs change continuously, so as to design a viable agent retention strategy of the company.

8. Insurance Companies Should Create awareness in the mind set of customers; i.e insurance is not only protection purpose it is to use for Tax benefit, Saving & Investment tool.
9. IRDA has to take more steps to strengthen the Insurance Market in India.
10. Insurance companies are to give clear information to the customers for a product which does not have any present relevance i.e. each policy, which the customer is going to purchase, will have a future set of action and benefits.

CONCLUSION

Insurance sector is one of the most booming sectors in India. The penetration level of insurance in India is only 4% when compared to 9-15% in the developed nations. There is a huge market for the Insurance products in the future in India.

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“SHGs in Bihar – A study of their saving behaviour and saving products”

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Abstract—“This study is related to exploring the scenario of saving by SHG members, it probes into the hurdles, the popular saving schemes among the SHG members, the reasons behind their popularity and the possible steps that can be taken to improve the saving scenario by SHG members. The study was carried out in Supaul District of Bihar State. The sample size for study was 300. The methodology used for the study was in - depth interview through Qualitative Research technique. The study deals with factors (Education, Age, Term of association, Caste category, Loan granted or not, distance of bank, Meeting interval) affecting the saving behavior of SHG, the different saving product available to the SHG and the suitable saving products for the poor.”

Keywords— SHG, Microfinance, Term of association, Meeting interval

I. INTRODUCTION

A. Overview

This study is related to exploring the scenario of saving by SHG members, it probes into the hurdles, the popular saving schemes among the SHG members, the reasons behind their popularity and the possible steps that can be taken to improve the saving scenario by SHG members.

B. Justification for choosing Supaul district of Bihar

Bihar is one of the thirteen priority states which have been identified by NABARD for giving focused attention for increasing the microfinance outreach. Supaul District was selected for the study because it is one of the least developed districts of Bihar and in respect of most of the important parameters compares unfavourably with the state averages as for example the district is predominantly rural with the share of rural population in the total population of the district being 94.9% (Census India, 2011). The district falls in the lower bracket in respect of major district wise developmental indices of the state of Bihar.

C. Research objective

- a. To identify the factors affecting the saving behavior of SHG.
- b. To identify the different saving product available to the SHG.
- c. To find out the suitable saving products for the poor.

II. RESEARCH OBJECTIVE AND APPROACH

A. Sources of information

Data were collected from the primary as well as secondary sources. Secondary data were collected from various sources, website of NABARD, RBI, Planning commission of India, Bihar Govt. etc., Annual report of RBI and NABARD were also studied. data regarding matured SHG were taken from Bank branches. The primary data were collected from Chhatapur block and Supaul block of Supaul District in the month of April and May 2011.

B. Sampling

For the purpose of sampling first of all Supaul district was selected and 2 blocks of Supaul district were selected 1st in district headquarter 2nd far from district headquarter. And 6 villages from each block were selected, 2 near Block headquarter, 2 from distant away from the Block headquarter and 2 near the border of the Blocks Altogether 12 $\{(2+2+2) \times 2\}$ villages were included in sampling. 6 villages of Supaul Block (Beena, Ghuran, Blwa, Ekma, Bariya and Parsama) and 6 villages of Chhatapur Block (Thoothee, Bhagwatpur, Udampur, Madhopur, Pariyahee, Bhimpur) was taken as sample. A sample size of 300 SHG members (25 from each village) is taken.

C. The factors affecting the saving behavior of SHG

1) Variables

Education, Age, Term of association, Caste category, Loan granted or not, distance of bank, Meeting interval are taken as factors affecting saving behavior of SHG in Bihar.

2) Data Analysis

To interpret the factors affecting regular saving, we used the binary logistic regression model.

Table:1. factors affecting regular saving

Variables	B	S.E.	Wald	Df	Sig.	Exp(B)
Education	1.762	.236	55.975	1	.000	5.827
Age	0.099	0.050	0.395	1	0.047	0.096
Term of association	0.479	.197	5.919	1	.015	1.615
caste category	1.312	.199	43.656	1	.000	.269
loan granted or not	1.679	.201	45.789	1	.001	3.458
Distance of bank	1.495	.200	44.765	1	.002	1.638
meeting interval	0.566	.210	7.258	1	.007	1.762
Constant	1.134	.851	1.777	1	.183	.322

B - This is the coefficient for the constant (also called the "intercept") in the null model.

S.E. - This is the standard error around the coefficient for the constant.

Wald and Sig. - This is the Wald chi-square test that tests the null hypothesis that the constant equals 0.

Exp(B) - This is the exponentiation of the *B* coefficient, which is an odds ratio. This value is given by default because odds ratios can be easier to interpret than the coefficient, which is in log-odds units.

Score and Sig. - This is a Score test that is used to predict whether or not an independent variable would be significant in the model.

df - This column lists the degrees of freedom for each variable. Each variable to be entered into the model,

Overall Statistics - This shows the result including all of the predictors into the model.

Education: - In the above table we can see that the significance level of Education in the above model is.000 and hence we can say that Education is a highly significant variable in saving. And the co-efficient is 1.672 i.e. for each unit of increase in education saving will increase by 1.672 unit

Age: - In the above table we can see that the significance level of age in the above model is.047 and since this value is less than 0.05 hence we can say that age is significant variable in saving. And the co-efficient is -0.099 i.e. for each unit of increase in age saving will decrease by 0.099 unit. And from this result we can interpret that lower age SHG members have high savings as compared to higher age SHG members.

Term of Association: - Term of association is the duration with which a member is associated with SHG. In the above table we can see that the significance level of term of association in the above model is.015 and since this value is

less than 0.05 hence we can say that term of association is significant variable in saving. And the co-efficient is 0.479 i.e. for each unit of increase in term of association saving will increase by 0.479 unit. And from this result we can interpret that higher the term of association higher the savings.

Caste category: - caste category is the caste of SHG member. And here we have given lower no. to so called lower caste of society and vice-versa. In the above table we can see that the significance level of caste category in the above model is.000 and hence we can say that caste category is a highly significant variable in saving. And the co-efficient is -1.312 i.e. for each unit of increase in caste saving will decrease by 1.312 unit. And from this result we can interpret that so called upper castes have lower savings as compared to so called lower castes

Loan granted: - In the above table we can see that the significance level of loan granted in the above model is.001 and hence we can say that loan granted or not is a highly significant variable in saving. The co-efficient is 1.679 and hence we can interpret that if loan is granted the probability of saving increases by 1.679 times as compared to the case loan not granted

Distance of Bank: - In the above table we can see that the significance level of distance of bank in the above model is .002 and hence we can say that distance of bank is a highly significant variable in saving. And the coefficient of saving is -1.495 i.e. for each unit of increase in distance of bank the chances of saving decreases by 1.495 times.

Meeting interval: - In the above table we can see that the significance level of meeting interval in the above model is .007 and hence we can say that meeting interval is a less significant variable in saving. And the coefficient of saving is 0.566 i.e. for each unit of increase in meeting interval the chances of saving increases by 0.566 times.

D. Saving products available with the SHG in study area:

Table:2. Saving products available with the SHG

Name of deposit scheme	No. of SHG members opting for it	Percentage of SHG members
L.I.C.	70	21.90%
G.T.F.S.	40	12.50%
Sahara India	52	16.30%
Prayaag India	40	12.50%
Peerless	10	3.10%
RRB	167	55.67%
Co-operatives	36	12%
BANKS	300	100%
POST OFFICE	67	22.33%

E. The suitable saving products for the poor:

Table:3. The suitable saving products for the poor:

Sl. No.	Demand	No. of SHG members favouring this product	% age of total SHG member
1	Home Safe Account	50	16.67%
2	Daily Saving Product	62	20.67%
3	Weekly Saving Product	68	22.67%
4	Monthly saving Product	120	40%

III. FINDINGS

- It is found that 9.4% of SHG members do not attend the meeting. More importantly all the defaulters in repayment of loan do not attend meeting regularly.
- Poor people suffer a lot due to their illiteracy and unawareness. Many a times it was observed that the SHG did not get the loan because they could not pay bribe to officials. Among the 300 members interviewed only 55.3% of them were granted loan and rest 44.7% did not get the loan from any bank or any other financial institution.
- Still the youth are not conscious in these areas towards their personal and social development. As the share of age group 21 to 30 in the sampled villages are only 11.33%.
- Majority (74.66%) of sampled population are illiterate or with no formal education and only 20% of sampled SHG members are matriculate which again shows that the sampled area (Supaul district) is still lagging in many development issues including human development.
- 113 (37.66%) out of 300 of respondents complained that they do not get timely payment by the bank. Not

only loans but also the money deposited by them is not paid when demanded. The bankers usually complain of lack of fund in the branch, and they ask to come after a few days. Some SHG members complained that in this way they lose the wages of that day they could have earned otherwise. And even sacrificing the whole day wage sometimes does not work. In such a situation, it is not feasible for anyone to afford to deposit his/her savings with bank. Poor people prefer to keep money in their houses, rather than depositing with the bank branch.

- 50 (16.66%) out of 300 depositors accepted that bankers demand bribe for various kinds of work such as sanction of loan, grading opening of savings account with the bank etc. In such situation it is not feasible for anyone to deposit their saving with the bank.
- 290 (96.9%) out of 300 respondents complained that they were not given information regarding various schemes of bank
- 64 (21.33%) out of 300 respondents complained that they were not provided with passbook. The bankers usually give excuse that the printer is not working and they have forwarded a complain to their senior authorities, as many as 20 (6.66%) complained that they could not get the account number . These situations compel poor people not to bank upon the bank.
- As many as 10 (3.33%) out of 300 said that the bankers do close the gate of bank even during banking hours.
- As many as 83 (27.67%) out of 300 respondents complained about unusual delay in all the work, and the reason being the expectation of bribe for any kind of work.

IV. RECOMMENDATIONS

- Banks should improve their services in the rural area; it is because poor service is one of the factors for low savings potential especially in rural area. Banks should go for specialized SHG branches
- NGOs should be promoted to form and look after the activities and progress of self-help groups. It was found that SHGs running under the guidance of Jeevika were doing very well as compared to other SHGs
- Loan should be distributed among self-help groups. It is suggested because those SHGs who had got the Bank loan were involved in some of the activities and had generated the income compared to the SHG

members who had not got the loan and as a result were not involved in any income generating activities.

- Employment training should be given to the self-help groups. Employment training will also help in initiation of money generating activities.
- Only one bank had appointed Banking Facilitator. So rest of the banks should also appoint BC/BF. Results show that people will save more if bank employees come to their doorstep.
- A regulatory body should be set up by RBI to sort out the problems of poor people regarding bank branches.
- One working day in a week should be reserved for SHG members.
- Since male members are good at getting the loan sanctioned females are good in terms of attendance in meeting or understanding of responsibility, a group of mix gender would be more effective.

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An Empirical Study On Efficient Market Hypothesis: A Case Study In India

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Abstract

Efficiency of the stock markets is one of the essential characteristics to provide fair information to all the investors. It suggests the investor an understanding about the level of efficiency explores avenues for abnormal profits from the stock markets. Stock markets are governed by the expectations of investors which are formed by several environmental and fundamental factors influencing the company's present and future performance. The nature and availability of information is also important to determine stock prices. The Efficient Market Hypothesis is based on the fundamentals that markets are efficient and prices make an independent of the previous price with an implication that price of a moment does not affect the price of another moment i.e., random walk of prices. According to this hypothesis, prices get affected by the demand and supply position. Both BSE and NSE are reliable and can be considered to check efficiency of Indian Stock Markets. The present study aims to test the randomness of Indian Stock Markets using BSE SENSEX as a base index for testing the efficiency.

KEY WORDS: Efficient Market Hypothesis, BSE SENSEX, Indian Stock Markets

Introduction

Efficiency of the stock markets is one of the essential characteristics to provide fair information to all the investors. It suggests the investor an understanding about the level of efficiency explores avenues for abnormal profits from the stock markets. Stock markets are governed by the expectations of investors which are formed by several environmental and fundamental factors influencing the company's present and future performance. The nature and availability of information is also important to determine stock prices. The Efficient Market Hypothesis is based on the fundamentals that markets are efficient and prices make an independent of the previous price with an implication that price of a moment does not affect the price of another moment i.e., random walk of prices. According to this hypothesis, prices get affected by the demand and supply position.

In the past, Indian Stock market was characterized as an inefficient market due to frauds,

lack of transparency, lack of automated trading system, delay in the settlement of trades and lack of protection for investors. During the period 1996, with the introduction of Automated trading system, Concept of Circuit Breaker, Depository System, Changes in Settlement System, Ban on Badla, Introduction of Derivatives, Provision of Full Disclosure and Transparency, Provision to check Insider Trading, Corporatization of Stock Exchanges and Changes in Primary Markets made the Indian Stock Markets Efficient. In an efficient market, the market price is fair value because the market has traded in that price. As new information becomes available, the market assimilates the information by adjusting the security's price volatility and such deviations above and below fair value are considered to show randomness. When a market is efficient, then each price of a share is independent of the previous price. Prices are influenced by the equilibrium of demand and supply. The market efficiency totally depends on the facilities, full disclosure, transparency and regulatory provision governing the market.

The Efficient Market Hypothesis is based on the fundamentals that markets are efficient and prices make an independent of the previous price with an implication that price of a moment does not affect the price of another moment i.e., random walk of prices. According to this hypothesis, prices get affected by the demand and supply position. EMH assumes three forms of efficiency: Weak form of efficiency, Semi-strong form of efficiency and Strong form of efficiency. In a weak form of market efficiency, each subsequent price is independent of the previous price and in such market, the technical analysis cannot benefit the investors in making effective investment decisions. Semi strong form of market efficiency implies full disclosure and transparency by companies, industrial houses and government. If a market has such form of efficiency, even the fundamental analysis cannot benefit the investors. A strong form of efficiency is achieved only when high level of disclosure standards and transparency is maintained at the end of company, it may be obligatory or voluntary. Such as strict restriction and check on trading, this can be achieved through immediate, regular and full disclosure by companies,

this does not give any chance for insiders to gain from insider information.

Objectives of the study:

1. To assess Indian Stock Market as efficient or inefficient
2. To test the efficiency of Indian Stock Market using real- life share prices

Hypothesis Formulation:

Hypothesis is formulated to test whether successive price changes are independent or not during the short time period, i.e. one year.

H0: Null Hypothesis – Price change is Random

H1: Alternate Hypothesis- Price change is not random

Hypothesis was tested at 20 percent significance level at which Z value is 1.28

Literature Review:

In the past, a huge amount of research dedicated to analyze the financial markets are informationally efficient or not. EMH is closely linked with random walk model which was firstly proposed by a French Broker Jules Renault (1863) and Louis Bachelier (1900), a French mathematician. In the early 1960s efficient market hypothesis was developed by Professor Eugene Fama, published as a new type of characteristics of financial market. This theory of Fama became widely accepted theory of stock markets. Samuelson (1970) contributed to the theory by adding proof of EMH while Fama refined and extended theory into three forms of financial market efficiency as strong form, semi strong form and weak form. Sharma and Kennedy (1977) and Solnik (1973) show that NYSE and the LSE capital markets are

considered to be efficient, well organized and consistent with Random Walk Model.

Studies in other countries suggested distinct levels of efficiency of market. Dockery and Vergari (1997) used the variance test ratio and evidenced the form of efficiency for Budapest stock exchange. On similar grounds, Lima and Tabak (2004) studied the weak form of efficiency for Chinese, Hong Kong and Singapore Stock Markets. Poshakwale (2002) examined the random walk hypothesis for Indian Stock markets using the conditional variance and GARCH Model. He concluded that Indian stock market is not efficient in respect to weak form of efficiency. Thus varying results have been brought by researchers across the world characterizing stock markets on different levels of efficiency.

Methodology:

The present study is empirical study. Judgmental sample design of nine companies from stock market quotations has been taken. The data is secondary in nature and weekly closing prices are taken on BSE.

Tools for Analysis: Runs Test

Scope of the Study:

The prices of the scrip are during the calendar year 2014, thus the result of the study is valid for the same time period.

Limitations of the Study:

1. The findings are on the basis of Runs test; hence findings are subject to the limitations of Runs test, i.e. Non- Parametric Test.
2. Findings are applicable in the situation, which prevailed during the year 2014; hence these should be read in the light of these facts.

DATA ANALYSIS:

Month	BAJAJ AUTO	AXIS	INFOSYS	M&M LTD	L&T	TATA STEEL	CIPLA	NTPC	COAL INDIA	RIL
13-Jan	2027.8	1505.2	2788.75	890.25	1542.9	404.8	407.2	156.6	353.55	886.55
13-Feb	1971.6	1343.3	2906	871.05	1365.8	342.35	360.75	150.75	310.3	814.65
13-Mar	1794.9	1301.25	2889.9	861.15	1364.9	312.3	379.75	142	309.15	773.7
13-Apr	1881.8	1493.1	2234.45	923	1512.6	302.85	405.95	157.4	318.7	788.15
13-May	1822.65	1430.65	2407.6	965.3	1401.6	291.8	370.45	154.4	324.95	805.6
13-Jun	1917.45	1323.05	2493.25	966.55	1404.15	273.8	391.45	143.7	302.95	861.85
13-Jul	1935.7	1034.45	2967.15	912.15	846.45	215.7	400.95	130.6	281.45	871.6
13-Aug	1839.5	835.75	3100.3	781	722.25	274.25	416.95	130.75	250.5	851.55
13-Sep	1988.2	1007.3	3015.45	827.8	788.6	271.6	432	148.2	295	822.35
13-Oct	2129	1222.9	3308.65	888.35	972.55	334.4	413.95	148.7	287.35	912.35
13-Nov	1974.75	1155.3	3353.5	945.6	1043.35	400.85	391.1	147.35	271.6	853.1
13-Dec	1910.55	1299.65	3485.5	943.5	1069.9	423.45	400.55	136.8	290	894.8
14-Jan	1902.8	1119.55	3699.45	890.45	985.4	356.15	410.65	126.4	247.5	830.85
14-Feb	1942.7	1265.9	3820.2	973.45	1108.3	344.05	384.35	112.6	244	799.25
14-Mar	2078.3	1460.45	3278.85	980.65	1272.65	393.85	383.7	119.95	287.9	929.5
14-Apr	1913.45	1519.2	3177.2	1072.15	1295.55	400.6	398	116.25	291.7	935.3
14-May	1953.15	1836.15	2941.5	1230.5	1548.9	475	384.15	159.85	371.15	1065.15
14-Jun	2313.2	1921.4	3246.45	1147.9	1701.6	528.3	437.95	155.9	385.3	1014.7
14-Jul	2078.2	391.85	3365.7	1203.9	1504.1	553.4	456.3	145	368.95	1006
14-Aug	2259.75	397.3	3594	1406.85	1526.9	513.55	514.3	137.7	356.4	999.25
14-Sep	2348.95	377.8	3747.65	1362.3	1457.45	459.3	625.7	138.65	341.35	945.35
14-Oct	2609.05	438.75	4051.45	1303.4	1654.85	489.35	667.1	149.95	369.35	999.2
14-Nov	2639.6	481.05	4359.25	1323.75	1640.1	473.3	634.95	142.6	354.75	990.85
14-Dec	2615.3	496.65	1968.6	1251.45	1601.4	451.6	650.75	140	364.3	945.05

Table Showing Calculations of Runs

Month	BAJAJ AUTO	AXIS	INFOSYS	M&MLTD	L&T	TATA STEEL	CIPLA	NTPC	COAL INDIA	RIL
13-Jan	+	+	-	+	+	+	+	+	+	+
13-Feb	+	+	+	+	+	+	-	+	+	+
13-Mar	-	-	+	-	-	+	-	-	-	-
13-Apr	+	+	-	-	+	+	+	+	-	-
13-May	-	+	-	-	-	+	-	+	+	-
13-Jun	-	+	+	+	+	+	-	+	+	-
13-Jul	+	+	-	+	+	-	-	-	+	+
13-Aug	-	-	+	-	-	+	-	-	-	+
13-Sep	-	-	-	-	-	-	+	-	+	-
13-Oct	+	+	-	-	-	-	+	+	+	+
13-Nov	+	-	-	+	-	-	-	+	-	-
13-Dec	+	+	-	+	+	+	-	+	+	+
14-Jan	-	-	-	-	-	+	+	+	+	+
14-Feb	-	-	+	-	-	+	+	-	-	-
14-Mar	+	-	+	-	-	+	-	-	-	-
14-Apr	-	-	+	-	-	+	+	+	-	-
14-May	-	-	-	+	-	+	-	+	-	+
14-Jun	+	+	-	-	+	+	-	+	+	+
14-Jul	-	-	-	-	-	+	-	+	+	+
14-Aug	-	+	-	+	+	+	-	-	+	+
14-Sep	-	-	-	+	-	+	-	-	-	-
14-Oct	-	-	-	-	+	+	+	+	+	+
14-Nov	+	-	+	+	+	+	-	+	-	+
14-Dec	2615.3	496.65	1968.6	1251.45	1601.4	451.6	650.75	140	364.3	945.05

RESULTS OF RUNS TEST:

Sample unit	Observed runs	n1 + ve signs	n2 -ve signs	$\mu = 2n_1n_2/n_1+n_2 +1$	$\sigma = \frac{\sqrt{2n_1n_2(2n_1n_2-n_1-n_2)}}{(n_1+n_2)^2(n_1+n_2-1)}$	Upper limit	Lower limit
BAJAJ AUTO LTD	12	10	13	12.30	2.30	15.24	9.36
AXIS BANK	12	10	13	12.30	2.30	15.24	9.36
INFOSYS	10	08	15	11.43	2.12	14.14	8.72
M&MLTD	11	10	13	12.30	2.30	15.24	9.36
L&T	13	10	13	12.30	2.30	15.24	9.36
TATA STEEL	05	19	04	11.43	2.12	14.14	8.72
CIPLA	12	08	15	11.43	2.12	14.14	8.72
NTPC	09	15	08	11.43	2.12	14.14	8.72
COAL INDIA LTD	12	13	10	12.30	2.30	15.24	9.36
RIL	11	13	10	12.30	2.30	15.24	9.36

Interpretation

The analysis of BAJAJ AUTO LTD shows that $\mu = 12.30$ and $\sigma = 2.30$. The upper limit is 15.24 and the lower limit is 9.36. The observed runs fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of AXIS BANK shows that $\mu = 12.30$ and $\sigma = 2.30$. The upper limit is 15.24 and the lower limit is 9.36. The observed runs fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of INFOSYS shows that $\mu = 11.43$ and $\sigma = 2.12$. The upper limit is 14.14 and the lower limit is 8.72. The observed runs 10 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of MAHINDRA & MAHINDRA LTD shows that $\mu = 12.30$ and $\sigma = 2.30$. The upper limit is 15.24 and the lower limit is 9.36. The observed runs 11 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of L&T shows that $\mu = 12.30$ and $\sigma = 2.30$. The upper limit is 15.24 and the lower limit is 9.36. The observed runs 13 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of TATA STEEL shows that $\mu = 7.61$ and $\sigma = 1.29$. The upper limit is 9.27 and the lower limit is 5.96. The observed runs 05 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of CIPLA shows that $\mu = 11.43$ and $\sigma = 2.12$. The upper limit is 14.14 and the lower limit is 8.72. The observed runs 12 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of NTPC shows that $\mu = 11.43$ and $\sigma = 2.12$. The upper limit is 14.14 and the lower limit is 8.72. The observed runs 9 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

The analysis of COAL INDIA LTD shows that $\mu = 12.30$ and $\sigma = 2.30$. The upper limit is 15.24 and the lower limit is 9.36. The observed runs 9 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random. The analysis of RIL LTD shows that $\mu = 12.30$ and $\sigma = 2.30$. The upper limit is 15.24 and the lower limit is 9.36. The observed runs 11 fall in between the upper and the lower limits. Hence null hypothesis is accepted, i.e., price change is random.

Conclusion

In all of the scrips, null hypothesis has been accepted, which supports the findings that the Indian capital market is efficient in weak form i.e., shares prices move independently of each other. Stock markets are governed by the expectations of investors which are formed by several environmental and fundamental factors influencing the company in present as well as future performance. The nature and availability of information is also important to determine stock prices. Efficient markets tend to immediately reflect all the information in the value of stocks. Weak form of efficient markets shows randomness in movement of prices. BSE SENSEX as a benchmark for analyzing the Indian stock markets provided varying results against the Runs test for the period of past one year. Runs test accepts the hypothesis for randomness among in stock markets for the period of Jan. 2013 to Dec. 2014.

The overall results suggest that Indian stock markets holds the weak form of efficiency and the prices in the stock market move in random fashion. It suggests the retail investors that Indian stock markets are open and perform tedious analysis. However, considering BSE SENSEX as indicator of Indian Stock markets, it can be concluded that Indian Stock markets holds for the weak form of market efficiency and price move in random walk i.e. independent of each other.

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A Study on the Factors Affecting Consumer Perception and Awareness on Financial Supermarkets

(With a Special Reference to Telangana and Andhra Pradesh states in South India)

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ABSTRACT

In present days people are going to a supermarket where they obtain all the necessary supplies in a single visit. But it was difficult for a person to have to visit many locations to purchase a variety of financial products. In the current emerging scenario financial service industry is becoming popular in India. Generally, the financial services consumers are bonded by emotions in nature. This paper is being presented on the focus of the emergence and perceptions of consumers towards the financial supermarket which offers the all varieties of financial services, from deposits and loans to insurance and travel services. It also intends to identify the level of awareness among the financial services consumers for financial supermarkets and to know the sources of awareness for financial supermarket in South India. Briefly the paper explains about analyzing the effects of consumer perception and awareness on financial supermarkets with special reference to south India.

Key words: financial services, level of awareness, perception, financial supermarkets.

I. Introduction

A super market can be referred to as “a supermarket is a one stop shop for all kinds of household good”. In current scenario the supermarkets have been effected the buying behavior and preferences of consumers. The concept of supermarket has been utilizing by marketers in promoting the various required financial products.

According to financial dictionary, a financial supermarket defined as “A financial supermarket is one stop money shop, offering the full range of financial services, from deposits and loans to

insurance and travel. However, the financial supermarket referred to as different things for different persons. According to the consumer, a financial supermarket which offers convenience and efficiency where money is not continually shifted from one institution to another. According to the organization, an all encompassing relationship with the consumer is more profitable than one aspect of a customer’s financial needs.

The concept of financial supermarket came to existence in 1970s when sears Roebuck, Managing principal of Tiburon Advisors, a leading financial services consulting firm in California was acquiring Dean Witter and All state Insurance.

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During that time he stated his plan to sell everything “from socks to stocks”. Walter, the late CEO of Citibank opined that the transformation is required in the former shopping habits of the consumers to the changing habits in the behavior of people seek in financial product services. He pointed out that in former times; the British housewives would leave home with her bag and visit a shop, where she purchased a required product for her family. Then they would go to another shop to buy some bread and biscuits.

Even then the bag not yet full, they would visit a local grocer to complete shopping for their families for the next several days. That was the way it was yesterday, according to Walter. But today, the people go to a supermarket where they obtain all the necessary supplies in a single visit. Base on which he opined that it was a ridiculous for a person to have to visit many locations to purchase a variety of financial products. In order to satisfy the requirements of the financial needs of the people, the idea of a financial supermarket was come into existence. Later the concept has been popularized by other global players like American4 Express where the American express credit card holders have been given financial advice.

Existence of Financial supermarkets in India:

As far as financial supermarkets concerned a company which offers a large variety of financial services is said to be the financial supermarket. For example, some financial supermarkets may offer banking services, securities brokerage, real estate brokerage and insurance products, travel booking, selling gold and all under the same roof. In India, some banking companies like ICICI bank, HDFC bank, SBI and fewer others are doing it in large scale. The concept is gaining momentum and the rest of the banks including some of the nationalized banks and private banks are also trying to offer all financial services in one roof.

Benefits of Financial supermarket at a glance:

- It provides a single shopping for all kinds of financial needs.
- All financial services and suggestions are available in this single step.
- Financial supermarkets prove for various kinds of financial opportunities available.
- Any kind of expert knowledge on financial services is available at customer's fingertips.
- These financial experts guide the consumers according to their different kinds of financial needs.
- These markets provide loans which are suitable for individual requirements.
- They advise on investments according to their preferences on risk-return ratio.

- It provides an avenue to make necessary adjustments for income and investments on one hand and loans and deposits on the other hand.

For instance Mr. Kumar is a person who is interested in making a onetime investment to yield returns over a period of time and he is willing to take reasonable risk for higher profit margins. In that situation where e is ignorant of so much of investment opportunities, he might go to a bank wherein he may make a saving deposit, which doesn't yield much return for his investment. An expert may advice him to invest in Real estate or in shares of large stable companies or in debentures. But for a common man usually such financial expertise are out of their reach and hence such Supermarkets provides for an avenue where individuals can interact with experts and make financial options tailored to their needs. It is at this juncture that the true worthiness of such a financial supermarket comes to the picture.

II. Objectives of the study:

1. To understand the consumers perception towards financial supermarket.
2. To know the level of awareness on different types of financial products.
3. To know the source of awareness about financial supermarket.

III. Research Methodology:

Both primary and secondary data has been collected for the research. Primary data has been collected from some parts of Telangana and Andhra Pradesh states. Secondary data has been collected from various books, magazines, journals and internet. The research design used was descriptive style. The sample size was 300 and the sampling technique used was convenience sampling due the undefined population. A well structured questionnaire comprising both open and close ended questions had been used for conducting the research survey. Personal interview had been conducted among the respondents for greater accuracy of results. The demographical factors like age, educational qualification, earning member of the family, annual household income, level of awareness towards financial markets, source of awareness towards financial supermarkets, respondents perception towards financial supermarket have taken for the study.

Rajarajan (2003) “Investors demographics and risk bearing capacity” identifies that a strong association exists between demographic characteristics and the risk bearing capacity of Indian investors. He opines that information on risk bearing capacity of investors will help the financial product designers to develop products, which suit the risk characteristics of the investors. And also this information will help the financial product marketers to target the prospective investors for the products instead of approaching every individual with an array of products. **Diacon.S. (2002)** found in his research titled “Investment Risk: A comparative study of the perceptions of consumers” that most of the investors perceive equity investment is suitable to achieve their long term objective and hence those investors whose needs are arising in less than three years of investment prefer to invest on fixed income securities. **Bajpai G.N (2003)** financial markets across the globe are undergoing profound, unprecedented and fast-paced changes. Technology has revolutionized the processes and the information explosion has sparked off remarkable changes in the way the world market has been operating. Change has become an inevitable phenomenon. In a survey conducted by **Lakshmi C.N⁵ (2005)**, “What influences more on the consumer buying decision process?” one cannot omit the role of media on the decisions of individuals. Most of the people get the awareness about any product through the media. It is found that media is playing a larger role than any other source of information that is influencing consumer buying decision making process. She stated that media is not just creating awareness among public but also playing a vital role in terms of providing them required knowledge. **Dr.K.V.Kannan(2007)** “A study on consumers perception towards financial supermarkets” the financial supermarket means different things for different persons. For the consumer, a financial supermarket can offer convenience and efficiency since money is not continually shifted from one institution to another. For the institution, an all encompassing relationship with the consumer is more profitable than handling just one aspect of a customer’s financial needs. **Durga Rao, Chalam and Murty (2013)** in their study entitled “Demographic variables influencing in the retail investors investment – A Scientific Analysis” had elicited how the demographic variables influenced in the investment of small investors and suggested that the government and regulatory bodies like SEBI to create lot of awareness and encourage in retail investors in equities to become greater part of development of economic system for making investment on long term basis.

1. Age:

Table - 1

Age	No. of respondents	Percentage of respondents
24 - 34	70	23
35 – 45	80	27
46 – 55	90	30
56 – 65	60	20
Total	300	100

Source: Primary data.

Inference:

The above table shows that age of the respondents and the percentage of the respondents of the study. It can be seen from the above table that 30 % of the respondents belonging to the age group of 46-55 and 27% of them belongs to the age group of 35-45. The respondents between the age group of 24-34 are only 23% whereas 56-65 age groups of respondents are only 20%.

From the above table it can be understood that the age group of respondents between of 46-65 have maximum awareness and shown interest toward the study.

2. Educational qualification:

Table - 2

Educational qualification	No. of respondents	Percentage of respondents
Schooling	35	12
Graduation	60	20
Post-Graduation	80	27
Professional	75	25
Others	50	16
Total	300	100

Source: Primary data.

Inference:

The above table shows that educational qualification of the respondents and the percentage of the respondents of the study. It can be seen from the above table that 27% of the respondents were postgraduates, 25% of the respondents of them were professionals and 20% of them were qualified graduates. Twelve percent of the respondents have completed their schooling only. The respondents who have studied other courses are only 16%.

It seems that awareness about financial markets are more in postgraduate qualified respondents and second place occupied by the respondents who are professionally qualified, other educational qualification like polytechnic, diploma are having more awareness about financial markets rather than schooling respondents. It shows that financial markets in India are getting popular day by day and are making positive trends among consumers.

3. Earning members of the family:

Table – 3

Earning members of the family	No. of respondents	Percentage of respondents
One earning member	210	70
Two earning members	75	25
More than two earning members	15	5
Total	300	100

Source: Primary data.

Inference:

The above table shows that earning members of the family of the respondents. There are three ways of income earned for their families. Majority 70% of the respondents have only one earning member source and only 25% of the respondent families were having income from two members and 5% of the respondents are having more than two earning members in their families.

It can be clear from the above table that second sources of income is more from their

housewife's support and to some extent it is by additional business of main income earners. It is understood from the above table that the respondents having one earning members are more aware about the financial markets than the families who are having more than two earning members

4. Annual Household income:

Table - 4

Household income	No. of respondents	Percentage of respondents
More than 1 lakh	60	20
1 – 2 lakh	180	60
3 – 5 lakh	54	18
Above 5 lakh	6	2
Total	300	100

Source: Primary data.

Inference:

The above table shows that annual household income of the respondents. It can be seen from the table that 60% of the respondents are earning less than 2 lakhs, 20% of the respondents are earning one lakh per annum, 18% of the respondents are earning less than 5 lakhs and only 2 percent of the respondents are earning more than 5 lakhs.

It can be understood from the above table that the respondents who are earning less than two lakhs are having more awareness about financial markets, second and third position occupied by the respondents who are earning less than one lakh and less than five lakhs.

5. Level of awareness towards financial markets:

Table - 5

Level of awareness	No. of respondents	Percentage of respondents
Aware	75	25
Unaware	225	75
Total	300	100

Source: Primary data.

Inference:

The above table shows the level of awareness of the respondents towards financial markets. It can be understood from the above table that most of the sample respondents are unaware about the financial markets 25 percent of the respondents are aware about the financial markets. It seems from the above table that the level of awareness about the financial markets among the sample respondents is less.

6. Level of awareness towards different types of financial products:

Table – 6

Type of financial products	No. of respondents aware	No. of respondents unaware	Total	Percentage of respondents aware	Percentage of respondents	Total
Personal loan	250	50	300	83	17	100
Two wheeler loan	295	5	300	98	2	100
Consumer durable loan	200	100	300	67	33	100
Housing loan	270	30	300	90	10	100
Car loan	290	10	300	97	3	100
Loans against insurance policies/ Bonds	190	110	300	63	34	100
Loans against equity and mutual funds	175	125	300	58	42	100

Loans for gold ornaments	180	120	300	60	40	100
Education loan	200	100	300	67	33	100
Agricultural/ crop loan	280	20	300	93	7	100

Source: Primary data.

Inference:

The above table shows that the level of awareness towards different types of financial products available in the financial markets. It can be seen from the above table that the respondents are more aware about the two wheeler loans, car loans, agricultural loans and housing loans. Some of the respondents are less aware about loans against insurance policies and loans against equity and mutual funds. The respondents are moderately aware about the personal loans, loans for gold ornaments and educational loans.

7. Source of awareness towards financial supermarkets

Table - 7

Source of awareness	No. of respondents	Percentage of respondents
Advertisements	90	30
Word-of-mouth	96	32
Sales representatives	84	28
Internet	30	10
Total	300	100

Source: Primary data.

Inference:

The above table shows that the source of awareness towards financial supermarkets of the respondents. It can be seen from the above table that 32% of the respondent’s source of awareness towards financial supermarkets is word of mouth that means communication among the consumers regarding the financial markets or financial products.

The 30% of the respondents source of awareness is advertisements in television channels or in any media where are as 28% of the respondents are getting awareness from sales representatives and 10% of the respondents are receiving awareness from internet. It can be understood from the table that most of the respondents are getting awareness from the word of mouth communication.

8. Respondents perception towards financial supermarket:

Table - 8

Perception	No. of respondents	Percentage of respondents
One stop shopping	105	35
Availability of several financial products	135	45
Quick and quality service	60	20
Total	300	100

Source: Primary data.

Inference:

The above table shows that the respondents perception towards financial supermarket. It can be seen from the above table that nearly 45% of the respondents perceive about the availability of several products in financial supermarket. It has also been inferred that 35% of the respondents perceive about one stop shopping and 20% of the respondents perceive that quick and quality service associated in financial supermarkets.

Findings:

- It is found from the study that the middle age group of respondents has maximum awareness about the financial markets.
- It is found from the study that awareness about financial markets are more in postgraduate qualified respondents and the respondents who are having much awareness are professionally qualified , other educational qualification respondents like polytechnic, diploma are having less awareness about financial markets rather than schooling qualified respondents.
- It is found from the study that the respondents having one earning members are more aware about the financial markets than the families who are having more than two earning members.
- It is found from the study that the respondents who are earning less than two lakhs are having more awareness about financial markets and the respondents who are earning less than one lakh and less than five lakhs are having less awareness about the financial markets.
- It is found from the study that majority of the respondents were not aware of financial supermarkets.
- It is found from the study that the respondents are more aware about the two wheeler loans, car loans, agricultural loans and housing loans where as awareness about loans against insurance policies and loans against equity and mutual funds is less among the respondents. But the respondents are moderately aware about the personal loans, loans for gold ornaments and educational loans.
- It is found from the study that most of the respondents are getting awareness from the word of mouth communication.
- It is found from the study that most of the respondents preferred to the availability of several products in financial supermarket.

Suggestions:

- It is suggested that the level awareness has to enhance among the consumers about insurance policies and loans against equity and mutual funds for which the government has to take

measures like allowing more FDI in the insurance sector.

- It is suggested that awareness about the financial supermarkets has to increase in the younger age and elder age group of people through campaigning in educational institutions like colleges, universities etc.
- It is suggested that consumers perceive financial supermarket as a place for several financial products, the companies have to make sure themselves in maintaining various categories of financial products.
- It is suggested that the financial products providing in financial markets should be innovative and even if possible can be tailor-made. They also have to ensure the one stop shopping service associated to satisfy the consumers.
- It is suggested that the companies which are engaging in selling several categories of financial products have to take immediate steps in creating awareness among the consumers. It is not enough if the companies promote selective financial products, which are fast moving.
- It is suggested that the companies have to promote various other categories of financial products, which are in their portfolio.
- It is suggested that the companies can appoint sales executives for promoting various financial products. In addition to the promotional activities through sales executives, the companies can also come out with attractive and creative advertisements campaigns targeting the consumers.

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Foreign Direct Investment Policy With Regard to Indian Retail Sector

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Abstract

India is one of the largest budding markets, with a population of over one billion. Indian retail industry is one of the sunrise sectors with huge growth potential. According to the Investment Commission of India, the retail sector is expected to grow almost three times its current levels to \$660 billion by 2015. However, in spite of the recent developments in retailing and its immense contribution to the economy, retailing continues to be the least evolved industries and the growth of organized retailing in India has been much slower as compared to rest of the world. Undoubtedly, this dismal situation of the retail sector, despite the on-going wave of incessant liberalization and globalization stems from the absence of an FDI encouraging policy in the Indian retail sector. This paper is going to try to give a better view of what is the Retailing, what are the types of retailing, Retail trade in India also explains different policies of FDI in India, and role of FDI in Indian retail industry, benefits of FDI. In this paper has also we tried to give an analytical perspective on FDI in retail sector and it's repercussions on competitive market environment in India.

Keywords: Foreign direct investment, Retailing, sunrise sectors, liberalization, globalization.

Introduction

India being a signatory to World Trade Organization's General Agreement on Trade in Services, which include wholesale and retailing services, had to open up the retail trade sector to foreign investment. There were initial reservations towards opening up of retail sector arising from fear of job losses, procurement from international market, competition and loss of entrepreneurial opportunities. However, the government in a series of moves has opened up the retail sector slowly to Foreign Direct Investment ("FDI"). In 1997, FDI in cash and carry (wholesale) with 100 percent ownership was allowed under the Government approval route. It was brought under the automatic route in 2006. Retailing is one of the most important sectors of India economy. It provides 9% employment to the total workforce and

contributes around 15% to the Indian GDP. It could have been a welcome step in strengthening India's FDI regime with making it in tune with country's needs. The FDI policy has been moving away from the license mentality of protection against imagined foreign dictators towards a more open, healthy and competitive environment. This policy would have provided a window for the world class retailer Hermes, Tiffany & Co and Wal-Mart, etc. to set their foot in the booming Indian retail sector. The Indian Government believe that the opportunity of FDI in multibrand retail and further liberalization of single-brand retail trade will facilitate greater FDI inflows providing new opportunities and benefits besides quality improvement. At a time when declining investments have led to slower GDP growth, however, a healthy competition, between the large domestic retailers and those with FDI, should be maintained. Imposing socially-desirable constraints on FDI funded retailers would lead into unfair competition. In spite of the recent developments in retailing and its immense contribution to the economy, retailing continues to be the least evolved industries and the growth of organized retailing in India has been much slower as compared to rest of the world. One main cause for this is that retailing is one of the few sectors where foreign direct investment is not allowed. Within the country, there have been protests by trading associations and other stakeholders against allowing FDI in retailing.

Definition of Retail

In 2004, The High Court of Delhi defined the term 'retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale). A sale to the ultimate consumer. Thus, retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers retailing is the last link that connects the individual consumer with the manufacturing and distribution chain. A retailer is

involved in the act of selling goods to the individual consumer at a margin of profit.

Objectives of the Study

The following are the main objectives of this paper relevant to the current market.

- To study the FDI inflows in Indian retail industry.
- To examine the FDI policies towards retail industry.
- To examine the FDI benefits and impact on the country. Penetration into rural India generating more than 10 per cent of India's GDP. The performance of this sector has a strong influence on consumer welfare.

Division of Retail Industry – Organized and Unorganized Retailing

The retail industry is mainly divided into: -

- ❖ Organized and
- ❖ Unorganized Retailing

Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses.

Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc. The Indian retail sector is highly fragmented with 97 per cent of its business being run by the unorganized retailers. The organized retail however is at a very emerging stage. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10 per cent of India's GDP.

Reasons for promotion of FDI in Retail

The major benefit of FDI is that it is both supplementary and complimentary with regards to local investment. FDI lets a company gain better access to top class technology and supplementary funds. They are also exposed to management practices in vogue around the world and also get the chance to become a part of the global market system.

The Indian government had commissioned **Indian Council for Research on International Economic Relations (ICRIER)** to perform a study on the effect of organized retailing practices on its unorganized counterpart. ICRIER submitted the report during 2008. The study hinted at the advantages that the growth of organized retail will have for various participants like the consumers, manufacturers, and farmers. The government has decided on the basis of the results in other countries and the ICRIER study that this decision will result in a greater influx of FDI in both back and front end infrastructure. It is expected that the agricultural sector will become more efficient and be in a better position to use technology. It is also expected that this decision will result in more and better jobs being created and the best practices around the world will be introduced in India. Both farmers and consumers will see more convenient prices and higher quality in future and this will help both the classes. The government has also put in an obligatory condition for procuring 30 percent in order to provide a fillip to the manufacturing sector in India. Jobs are expected to be available in both rural and urban areas thanks to greater back and frontal operations resulting from more FDI. Present retail entities and traders are also expected to brush up their acts and increase their efficiency as a result of this decision. As a result of this the consumers are expected to receive better services and the producers who provide the source products can also gain better payment.

Process of FDI in retail

There is no such procedure for short listing the companies. International companies who are willing to invest in either single or multi brand retail can put in their applications with the Department of Industrial Policy and Promotion. Here the applications will be reviewed in an effort to determine their suitability as per the stated guidelines. Afterwards the Foreign Investment Promotion Board, Ministry of Finance will consider the applications before providing the final approval.

FDI Policy in India

FDI as defined in Dictionary of Economics (Graham Bannock et.al) is investment in a foreign country through the acquisition of a local company or the establishment there of an operation on a new (Greenfield) site. To put in simple words, FDI refers to capital inflows from abroad that is invested in or to enhance the production capacity of the economy. The Ministry of Commerce and Industry, Government of India is the nodal agency for motoring and reviewing the FDI policy on continued basis and changes in

sectoral policy/ sectoral equity cap. The FDI policy is notified through Press Notes by the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy and Promotion (DIPP).

Foreign Investment in India is governed by the FDI policy announced by the Government of India and the provision of the Foreign Exchange Management Act (FEMA) 1999. The Reserve Bank of India ('RBI') in this regard had issued a notification, which contains the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000. This notification has been amended from time to time. The foreign investors are free to invest in India, except few sectors/activities, where prior approval from the RBI or Foreign Investment Promotion Board ('FIPB') would be required.

New FDI Policy to Drive Retail Growth in India

The \$428 Bn retail sector in India has received a shot in the arm by the Indian Government's recent policy decision to allow Foreign Direct Investment (FDI) of up to 51% in multibrand retail and up to 100% in single brand retail. Given that 95% of the sector constitutes unorganized retail consisting largely of „mom and pop“ stores, the Government has treaded cautiously by building adequate safeguards for the domestic stakeholders in the unorganized sector.

Foreign investments in retail will have to go through Government approval first. The policy mandates a minimum investment of \$100 Mn with at least half the amount be invested in back-end infrastructure, including cold chains, refrigeration, transportation, storage, packaging etc. Further, foreign retailers will have to source a minimum 30% from the Indian small and micro industry. Another key policy initiative to safeguard small/unorganized sector retailers is that FDI is being allowed only in 53 cities having a population of over 1Mn out of nearly 8000 cities/towns in India. Finally in India's federal structure, retail trade is a „state level“ regulation and it will be upto the states to allow foreign participation in the respective 53 cities within their states. However the current policy decision is clearly a point of inflexion for Indian retail. Further, Corporate India and leading Indian organized retail players have come out in strong support of the policy.

FDI Policy with Regard to Retailing in India

It will be prudent to look into Press Note 4 of 2006 issued by DIPP and consolidated FDI Policy issued in October 2010, which provide the sector specific

guidelines for FDI with regard to the conduct of trading activities.

- FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route.
- FDI up to 51 % with prior Government approval (i.e. FIPB) for retail trade of 'Single Brand' products, subject to Press Note 3 (2006 Series)
- FDI is not permitted in Multi Brand Retailing in India.

Role of FDI in Indian retail trade

In January 2006, the Government relaxed FDI (foreign direct investment) controls on retailing to allow foreign retailers to participate directly in the Indian market for the first time by allowing equity ownership in 'single brand' retailing. Thus, foreign entities are now allowed to operate their stores, but only if they are single-brand stores and only up to 51 per cent ownership.

The impact of the consequent increase in FDI, in Indian retail, is expected to not just develop strong backward linkages but also create a domestic supply chain of international standards. What is encouraging now for these global majors is the new policy thrust, which intends to further liberalize the FDI regime in Indian retail. Though FDI in retail trade is as yet

restricted, the Government of India has a more liberal policy towards wholesale trade,

Franchising, and commission agents' services, thus preparing the ground for FDI in retail as well. Foreign retailers have already started operations in India through various routes:

1. Joint ventures where the Indian firm is an export house.
2. Franchising
3. Sourcing of supplies from small scale Sector
4. Cash and carry operations
5. Non-store formats

Impact and Benefits to the Country

- Growth of Infrastructure

- Franchising Opportunity for local Entrepreneurs
- Inflow of funds and investments
- Implementation of IT in Retail
- Investment in Supply Chain, cold Chain and warehousing
- Increase number and Improve Quality of Employment
- Reduced cost and Increased Efficiency
- Provide better value to end Customer

Hence it will lead to overall economic growth and create Benchmark.

Statistical analysis in FDI :

FDI inflows during financial year 2014-15 (from April, 2014 to September, 2014):

1. TOTAL FDI INFLOWS INTO INDIA (Equity inflows + 'Re-invested earnings' + 'Other capital') (as per RBI's Monthly bulletin dated: 10.11.2014). - US\$ 21,511 million

2. FDI EQUITY INFLOWS Rs. 86,939 crore US\$ 14,472 million

FDI EQUITY INFLOWS (MONTH-WISE) DURING THE FINANCIAL YEAR 2014-15:

Financial Year 2014-15 (April-March) Amount of FDI Equity inflows (In Rs. Crore) (In US\$ mn)

s.no	Month & year	Rs in crores	US \$ in millions
1	April , 2014	10,290	1,705
2	May ,2014	21,373	3,604
3	June,2014	11,508	1,927
4	July ,2014	21,022	3,500
5	August,2014	7,783	1,278
6	Sep,2014	14,963	2,458
7	Total	86,939	14,472

Foreign Investor's Concern Regarding FDI Policy in India

For those brands which adopt the franchising route as a matter of policy, the current FDI Policy will not make any difference. They would have preferred that

the Government liberalize rules for maximizing their royalty and franchise fees. They must still rely on innovative structuring of franchise arrangements to maximize their returns. Consumer durable majors such as LG and Samsung, which have exclusive franchisee owned stores, are unlikely to shift from the preferred route right away. For those companies which choose to adopt the route of 51% partnership, they must tie up with a local partner. The key is finding a partner which is reliable and who can also teach a trick or two about the domestic market and the Indian consumer. Currently, the organized retail sector is dominated by the likes of large business groups which decided to diversify into retail to cash in on the boom in the sector – corporate such as Tata through its brand Westside, RPG Group through Food world, Pantaloon of the Raheja Group and Shopper's Stop. Do foreign investors look to tie up with an existing retailer or look to others not necessarily in the business but looking to diversify, as many business groups are doing?

An arrangement in the short to medium term may work wonders but what happens if the Government decides to further liberalize the regulations as it is currently contemplating? Will the foreign investor terminate the agreement with Indian partner and trade in market without him? Either way, the foreign investor must negotiate its joint venture agreements carefully, with an option for a buy-out of the Indian partner's share if and when regulations so permit. They must also be aware of the regulation which states that once a foreign company enters into a technical or financial collaboration with an Indian partner, it cannot enter into another joint venture with another Indian company or set up its own subsidiary in the 'same' field' without the first partner's consent if the joint venture agreement does not provide for a 'conflict of interest' clause. In effect, it means that foreign brand owners must be extremely careful whom they choose as partners and the brand they introduce in India. The first brand could also be their last if they do not negotiate the strategic arrangement diligently.

Conclusion

Inward FDI has boomed in post reform India. At the same time, the symphony and type of FDI has changed considerably. The above analysis shows that FDI has positive and negative effects on India economy. It can be concluded that to keep pace with the forecast of Indian GDP, government should encourage foreign investment. To avoid its negative impact on local player's regulatory framework should be redesigned. Government should encourage FDI on gradual basis like currently it is allowed for single

brand. India's retail sector remains off limits to large international chains especially in multi-brand retailing. A number of concerns have been raised about opening up the retail sector to FDI in India.

In this paper we quarrel that the potential benefits from allowing large retailers to enter the Indian retail market may balance the costs. Proof from the US suggests that FDI in organized retail could help begin inflation, particularly with wholesale prices. It is also expected that technical know-how from foreign firms, such as warehousing technologies and distribution systems, for example, will lend itself to improving the supply chain in India, especially for agricultural produce. India's experience between 1990-2010, particularly in the telecommunications and IT industries, showcases the various benefits of opening the door to large-scale investments in these sectors. Arguably, it is now the turn of retail.

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Financial Performance of Selected Sugar Manufacturing Units In Godavari Districts of A.P.: A Comparative Study

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Abstract

Indian sugar industry, second largest agro-based processing industry after the Cotton textiles industry in the country. Financial Distress is a condition where a firm's operating cash flows are inadequate to satisfy current obligation and the firm is required to take remedial actions. A firm in financial distress may also face bankruptcy or liquidation to meet its liabilities. Financial distress may be caused by losses and share reduction. This paper attempts to measure the financial performance of sugar manufacturing units in Godavari district of Andhra Pradesh: A Comparative Study with the use of The Altman's Z – Score model. The results clearly indicate that the liquidity, working capital. Turnover efficiency and solvency position of the companies are not good. The z- score analysis also shows the companies are under about to financial distress and nurture towards bankruptcy.

Key Words: Financial Distress, Liquidity, Solvency, Altman's Z-Score, Performance

Introduction:

Financial Performance gives a snapshot of the position of a concern and its ability to withstand the ever-changing and challenging business environment. Financial Performance is generally directed towards evaluating the liquidity; stability and profitability of a concern which put together symbolize the financial efficiency of a concern. Evaluation of Financial performance through analysis of financial statements, viz balance sheet and profit and loss account aim at diagnosing the liquidity, profitability, productivity, activity and financial condition of a business concern.

Need for the Study:

The sugar industry in India finds itself entangled in a complex web of problems leading to “declining profitability to the cane growers as well as sugar industries”. The reasons for the same are to be traced and suitably addressed to give a boost to this sector in the country. Keeping the above aspects in view, it was felt necessary to conduct an industry

Close-fitting cash condition is one in which a business cannot pay the owing amounts on the due date. If elongated, this situation can force the owing entity into distress or forced liquidation. When a firm is under financial distress, the situation sharply reduces the market value of the company. Financial distress is a stage before bankruptcy where a company's creditors are paid with significant difficulty. While a company can avoid moving from financial distress to bankruptcy, it can be very difficult.

specific study on selected sugar industrial units in the Godavari Districts of Andhra Pradesh state in India. Financial Statements just provide the financial ingredients of a firm. So the present study on “financial performance of selected sugar manufacturing industry in Godavari districts of AP. : A Comparative Study” has been undertaken.

OBJECTIVES OF THE STUDY:

1. To analyze and present the financial performance of selected sugar manufacturing companies.
2. To measure the financial performance of the companies with Altman's Z-Score Model.
3. To analyze the financial strengths and weaknesses of the sugar manufacturing companies on a comparative basis.

SAMPLE DESIGN:

Godavari Districts of Andhra Pradesh have six sugar manufacturing units. Out of these three sugar manufacturing units are selected for the study they are “Sri Sarvaraya Sugars Ltd” Chelluru which is located in East Godavari District and “The Andhra

Sugars Ltd., Tanuku and “The Jeypore Sugars Ltd” Chagallu which are located in West Godavari District. These have been selected on stratified random sampling technique and thus on an average the study covers 50 percent of the total units.

PERIOD OF THE STUDY:

The following study is carried out on the 3 (Three) selected units of Sugar Manufacturing Units in East and West Godavari Districts of Andhra Pradesh. The study basically covers a period of 5 years from 2009-10 to 2013-14.

The duration of the period is good enough to cover the short term fluctuations and is enough to provide insights into the financial performance of these selected companies.

SURVEY OF THE EXISTING LITERATURE:

TS Devaraja (2009) This is indeed an excellent research work: perhaps the first record of detailed financial performance of sugar industries in Karnataka that covers several aspects of sugar production, problems and prospects of sugar industries in the state. This study provides a comprehensive analysis of trends of the sugar production and financial performance of sugar firms set up in the public, cooperative and private sectors.

tremendous scope for India to emerge as a significant player in the world sugar trade [milling and overheads] improvement. If we can make a fair degree of progress on agricultural efficiency [per hectare output of sugar and cost of production] as well as conversion efficiency,

Sandhyarani Patlolla (2010) developed a theoretical model of the AP cane procurement market that incorporates the floor price policy that applies only to the cane used for sugar processing, and compared processor profits under the probabilistic export permit system and extended production contracts. The model predicts that both the quality of cane procured and the profits from unit cane purchase are high when the processor uses export permits.

Sarabpriya Ray (2012) this paper attempts to measure the economic performance of Indian sugar industry in terms of capacity utilization measured econometrically at aggregate level over a period from 1979-80 to 2008-09. In this study, Optimal output is defined as the minimum point on the firm's short run average total cost curve and the rate of capacity utilization is merely ratio of its actual output to capacity output level.

Dr. Martina R. Noronha & Prof. Dilipsinh Thakor (2012) this article attempts to find the financial viability of sugar factories located in South Gujarat in India. It uses ratio analysis and discriminant analysis to give the actual prediction equation to classify new cases. There is a

Dr. P. Chellaswamy, S. V. Revathi: (2013) A Study on Growth and productivity of Indian Sugar industry highlighted that the average growth of sugar industry was slower in the southern region than that of northern region due to poor irrigation and rainfall. There is a need for improving the productivity and it can be done by improving the quality of labor compensation such as providing reward to their workers

INDIAN SUGAR INDUSTRY:

The Indian Sugar Industry, with an annual productive capacity of over 25 MMT, stands out to be the second largest in the world after Brazil, accounting for around 15% of the global sugar production. The country consumes approximately 22 MT of sugar annually, with Maharashtra contributing over 60% of it while the rest of the output come from states like Tamil Nadu, Karnataka, Uttar Pradesh and Madhya Pradesh. The sufficient and well distributed monsoon rains, rapid population growth and substantial increases in sugar production capacity have made India the largest consumer and second largest producer of sugar in the world. Highly fragmented with

organized and unorganized players, the sector supports over 50 million farmers and their families, making significant contribution towards socio-economic development in the rural areas of the India.

Sweet Profile of Indian Sugar Industry:

- Largest sugar Consuming (**No.1**) country in the world.
- **2nd** largest producer of sugar in the world.
- **5** million hectares & **60** million cane farmers and dependents.
- Industry valued at **Rs.800** billion
- Large number of sugar mills – **527**
- Estimated cane price payment for 2012-13 is **Rs.550** billion
- Located in rural heartland, directly contributes to Rural Economic Development.
- **65%** of sugar consumed by bulk consumers. VizBeverages, Confectionery etc.
- Per capita Consumption **22 Kgs** (below global average **24 Kgs**)
- Area under cultivation **42.09** lac hectors

LIQUIDITY TEST:

Liquidity or short-term is an attribute that indicates the ability to meet the financial compulsion as and when mandatory. The liquidity ratios are used to measure the short-term solvency and indicates the ability of a firm to meet its debt requirements as and when they become due. Current liabilities are used as the denominators of the ratios because they

are considered to represent the most urgent debt, requiring retirement within one year or most preciously, within one operating cycle. The available financial resources to gratify these commitments must come primarily from cash or the conversion of cash of other current assets.

In order to test the liquidity of the company two most popular ratios, Viz. Current Ratio and Quick Ratio were calculated. In order to substantiate the liquidity test, it is essential to test the working 2.

capital investment efficiency test also because inventory and accounts receivables are two important components in the current assets. These ratios are exhibited in the Table-1&

Table 1: Liquidity Ratios of Selected Units

YEAR	ANDHRA SUGARS LTD		JEYPORE SUGARS LTD		SARVARAYA SUGARS LTD	
	CR	QR	CR	QR	CR	QR
2009-10	1.11	0.63	1.02	0.32	1.58	0.45
2010-11	1.47	0.63	0.99	0.31	1.36	0.22
2011-12	1.44	0.63	0.94	0.48	2.17	0.31
2012-13	1.37	0.62	1.52	0.97	1.78	0.33
2013-14	1.47	0.61	1.27	0.84	2.11	0.33
Average	1.37	0.62	1.15	0.58	1.80	0.33

Source: Annual Reports of selected sugar units from 2009-10 to 2013-14

Analysis of Liquidity Ratios: The significance of the current ratio and quick ratio is to measure not only the liquidity but also an index of working capital. It is observed from the Table -1: that the sample units of the study shows that both CR & QR are do not comply with the rule of thumb norms 2:1 and 1:1 during the study period. Among

the three units Sarvaraya Sugars having a better liquidity position compared to other two units. The Current Assets management of the selected companies reflecting a poor liquidity performance. It advised that the companies has to take required measures to overcome the liquidity problems in the future endeavor.

Table 2: Working Capital Ratios

YEAR	ANDHRA SUGARS LTD				JEYPORE SUGARS LTD				SARVARAYA SUGARS LTD			
	ITR	DSOI	DTR	DSO D	ITR	DSOI	DTR	DSOD	ITR	DSOI	DTR	DSO D
2010	3.24	112.76	12.48	29.25	1.21	301.64	64.13	5.69	1.81	201.37	48.90	7.46
2011	1.64	222.47	9.63	37.90	0.94	389.31	16.04	22.76	0.83	442.06	16.91	21.58
2012	1.90	191.99	8.37	43.59	5.07	72.00	48.51	7.52	1.26	290.72	26.47	13.79
2013	2.24	162.96	9.15	39.90	1.16	313.93	39.30	9.29	1.61	226.48	19.32	18.89
2014	1.67	218.38	7.98	45.74	1.36	267.84	43.21	8.45	1.06	344.59	16.42	22.23
Avg	2.14	181.71	9.52	39.28	1.95	268.94	42.24	10.74	1.31	301.04	25.60	16.79

Source: Annual Reports of selected sugar units from 2009-10 to 2013-14

Analysis of Working Capital Ratios:

Andhra Sugars Ltd: It is observed from the table – 2 that ITR of Andhra Sugars shows a fluctuating trend during the study period. It shows 3.24 times in the year 2010 and decreased to 1.64 times in the year 2014. Finally it maintained an average of 2.14 times. There is a gradual increase in the cost of goods sold and it became an additional burden on the part of working capital of the company. The DSOI is 112.76 days in the year 2010 and gradually increased 218.38 days in the year 2014 and stood at an average of 181.71 days. The overall stock outstanding days are high during the study period. On the other hand DTR is 12.48 times in the year 2010 and gradually decreased to 7.98 times in the year 2014 and stood at an average of 9.52 times. It indicates a good debt recovery mechanism followed by the company and also decreased the credit sales of the company. It the case of DSOD is 29.25 days in the year 2010 and it increases to 45.74 days in the year 2014. It shows a fluctuating trend in the days out standing debtors during the study period.

Jeypore Sugars Ltd: The ITR of the Jeypore Sugars shows a fluctuating trend during the study period. It shows a 1.21 times in 2010 and it is abnormally increased to 5.07 times in the year 2012 then it has got down to 1.36 times in 2014 finally stood at an average of 1.95 times. It shows an average of 268.94 days in DSOI. It is also

shows an average of 42.24 days of debtors turnover (DTR) during the study period. It is further shows that an average of 10.74 days in DSOD.

Sarvaraya Sugars Ltd: The ITR of the Sarvaraya Sugars shows a decreased and fluctuating trend during the study period. It shows 1.81 times in the year 2010 and decreased to 1.06 in 2014 and stood at an average of 1.31 times. It shows an average of 301.04 days in DSOI. It is also shows a decrease in debtor's turnover (DTR) average of 25.60 days during the study period. It is further shows that an average of 16.79 days in DSOD.

SOLVENCY TEST:

Solvency implies the ability of an enterprise to meet its short-term and long-term obligations. The detection of a firm's operating and financial difficulties is a subject which has been particularly enable to analysis with financial ratios. To detect signs of looming bankruptcy, analysts calculate and analyze all kinds of financial ratios, viz. working capital ratios, debt levels, profitability and liquidity. The problem in each ratio is unique and tells a different story about a firm's financial health. Table – 3 highlights the some of the solvency ratios of the selected companies.

Table 3: Solvency Ratios

YEARS	Andhra Sugars Ltd					Jeypore Sugars Ltd					Sarvaraya Sugars Ltd				
	WC/ TA	RE/ TA	EBI/ TA	EQ/ TA	SA/ TA	WC/ TA	RE/ TA	EBI T/T A	EQ/ TA	SA/ TA	WC/ TA	RE/ TA	EBIT/ TA	EQ/ TA	SA/ TA
2010	0.04	0.41	0.15	0.03	0.65	0.02	0.20	0.14	0.01	0.68	0.27	0.75	0.22	0.01	1.16
2011	0.14	0.38	0.10	0.03	0.51	- 0.01	0.16	0.03	0.01	0.54	0.30	0.74	0.09	0.01	0.87
2012	0.15	0.40	0.17	0.02	0.69	- 0.02	0.15	0.12	0.01	1.05	0.47	0.61	0.14	0.01	1.09
2013	0.13	0.45	0.17	0.02	0.75	0.29	0.17	0.05	0.01	0.41	0.44	0.78	0.25	0.01	1.56
2014	0.16	0.44	0.10	0.02	0.60	0.23	0.14	-0.01	0.01	0.50	0.54	0.69	0.13	0.01	1.05
Avg	0.12	0.42	0.14	0.03	0.64	0.10	0.16	0.07	0.01	0.64	0.41	0.72	0.17	0.01	1.15

Source: Annual Reports of selected sugar units from 2009-10 to 2013-14

Analysis of Solvency Ratios:

Andhra Sugars Ltd: It is observed from the table – 3, that the Working Capital against TA shows a poor and fluctuating trend during the study period. It is varied from 0.04 in the year 2010 to 0.16 in 2014. It stood at an average of 0.12, showing an inefficient mobilization of working capital. The ratio of Retained Earnings to TA are varied from 0.41 to 0.45 communicates that the Retained Earnings capacity is low. The ratio of EBIT to TA is shows a consistency in maintaining during the study period which is sufficient to meet the short term obligations like interest and tax payments. The average share of Equity to TA is shows (0.03%) very low and decreasing trend, it indicates the interests of equity shareholders towards organization. The Sales against TA are maintaining a satisfactory level during the study period. The overall financial position of the company is satisfactory.

Jeypore Sugars Ltd:The WC against TA of Jeypore Sugars Ltd, varies from –0.01 to 0.29 and stood at an average of 0.10 during the study period, showing an inefficient working capital management. The ratio of RE to TA are very low during the study period and it indicates a poor reserves position of the organization. The ratio of EBIT to TA exhibited a deprived and even negative in 2014. It specifies incompetent operations of the organization. The Equity of the company against TA is constant during the entire study period. On the other hand ratio of Sales to TA is maintaining a satisfactory level and the management of the company has to take necessary measures for streamline the operations of the company.

Sarvaraya Sugars Ltd: The WC against TA of Sarvaraya Sugars Ltd, is varied from 0.27 in 2010 to 0.54 in the year 2014 shows a satisfactory level of mobilization in working capital. The ratio of RE to TA shows evenness during the study period it

communicates a good reserves policy maintained by the company. The ratio of Operating Profit to TA shows an inefficient and management has to take necessary actions on control the costs. The ratio of Equity against TA remains constant during the study period it indicates that management depends more on debt capital which leads more interests. The Sales against TA exhibits a good percentage which is welcoming sign to the company and the overall financial position of the company is satisfactory.

Z-Score Analysis: To test the financial health of the selected companies in this study I have taken Edward Altman’s Multiple Discriminant Analysis. Z – Score is one of the powerful tool to measure the financial health of company and it is an imperious tool that forecasts the probability of a company that entering bankruptcy.

$$Z\text{- Score} = 0.718T_1 + 0.847T_2 + 3.107T_3 + 0.420T_4 + 0.998T_5$$

- Where: T1 = Working Capital/Total Assets Ratio
- T2 = Retained Earnings/Total Assets Ratio
- T3 = Earnings before Interest & Tax/Total Assets Ratio
- T4 = Market Value of Equity/Total Liabilities Ratio
- T5 = Sales/Total Assets Ratio

Zones of Discrimination:

- Z > 2.9** – indicates a good financial performance
- 1.23 < Z < 2.9** – indicates a poor financial performance
- Z < 1.23** – indicates a bad financial position leads to bankruptcy

Table - 4: Z - Score Values

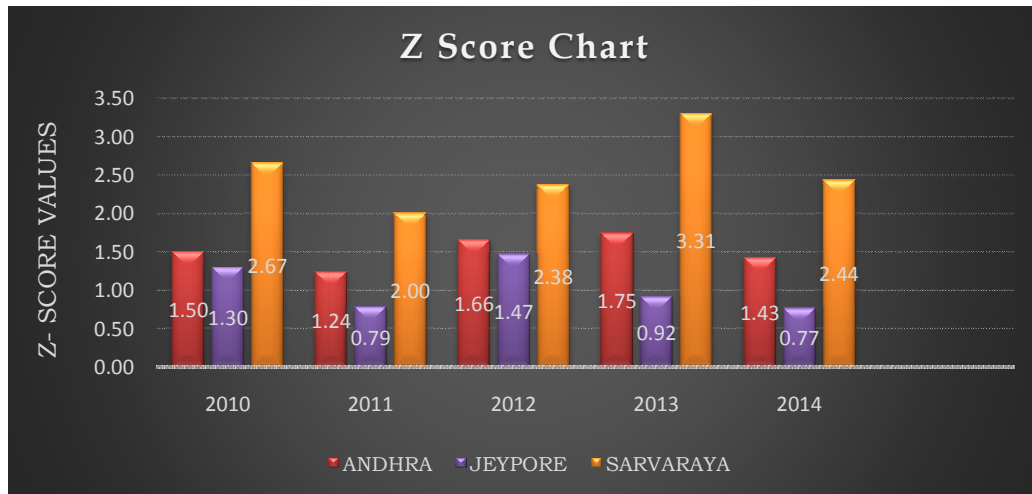
Year	ANDHRA SUGARS LTD	JEYPORE SUGARS LTD	SARVARAYA SUGARS LTD
2010	1.50	1.30	2.67
2011	1.24	0.79	2.00
2012	1.66	1.47	2.38
2013	1.75	0.92	3.31
2014	1.43	0.77	2.44
Avg.	1.52	1.05	2.56

Z-Score Analysis:It is evident from the table – 4 that represents the trend of Z – Score values for the selected companies from 2010 to 2014. Normally Z – Score analysis was applied to evaluate the general trend in financial health of the companies. The Z – Score values of Andhra Sugars shows an

oscillated and finally stood at an average of 1.52 which is less than the 2.90. It is indicated that poor financial performance leads to bankruptcy. However, Z – Score has increased from 1.24 to 1.75 and during the study period that means the company has to take necessary measure to improve

its financial worthiness. The Z – Score values of Jeypore Sugars shows 1.30 in 2010 decreased to 0.77 in 2014. It is a weakening and deprived trend which leads to bankruptcy. So company has to take needed actions to strengthen their financial position. On the other hand the Z – Score of Sarvaraya Sugars has maintains consistency and a

better position than other two companies. However, it maintain an average score of 2.56 which is less than the standard value of 2.90 during the study period. It is advised the company to put extra efforts to improve the financial position in the future course of action.



CONCLUSION:

The sugar industry is an agro-based manufacturing industry. Its financial performance not only depends on its financial activity. But also on climatic conditions and yield of sugarcane. Sugar factories, have been instrumental in building confidence among rural people and strengthening industrial base in rural India. The present study brings out the performance of liquidity, working capital and solvency position of the selected sugar units. Financial worthiness of the selected sugar units are not in a good position. Sarvaraya Sugars shows comparatively a better financial position than other two units. The other two units performs in an almost similar position. The average Z-Score analysis shows a deprived financial performance leading to bankruptcy. However, the Z-Score values of selected units were in increasing trend during the study period. Indicating the companies became aware of their operations and taken corrective measures to overcome the liquidity problems in the future course of action.

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Effective utilization of Human Resource for Organizational Effectiveness through Servant Leadership

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Abstract:

Effective utilization of Human resources is the one of the best strategy for the Organizational effectiveness which is critical to success in any economy. Good organizational effectiveness results in higher financial performance, higher customer satisfaction, and higher employee retention. As one of the business person says “take away all my money, infrastructure and machines but leave me my people, I will rebuild the business to this stature” .that is the capacity of human resources. Proper alignment of Human resources, will achieve increased business results. However, research indicates that most organizations are struggling to get it right. Effective leaders influence their organization’s effectiveness by motivating and inspiring the workforce. Committed and loyal employees expect their leaders provide a clear vision of the company’s strategic direction. They also want to see consistency in decisions made in response to problems or issues. Clear, concise communication from leaders on a regular basis ensures that all employees know what to do. With this type of structure, leaders enable organizational effectiveness, productivity and profitability. The Leadership and Organizational Effectiveness (LOE) track focuses on developing knowledge and skills for leadership roles in both the public and private sectors. The study focuses on identifying the Servant Leadership qualities of the leaders and how they link their servant leadership practices to their organization’s effectiveness. This empirical paper using the survey developed by Barbuto and Wheeler (2006), servant leader characteristics in managers were measured. This is one of the few studies in India to empirically test the model of servant leadership in an organizational environment. This study contributes to the development of the organizational effectiveness through inculcation of servant leadership qualities among the managers and leaders.

Key words: Servant Leadership, Organizational Effectiveness, organization, leaders, commitment.

Introduction:

In the 21st Century business environment, companies have found it necessary to transform from a business that simply earns a profit to a business that looks for ways to maintain a competitive advantage. Leaders are now not only tasked with strategizing to come up with profit-earning activities, but leaders are also tasked with strategizing to motivate and engage employees to give more back to the organization in order to achieve desired results (i.e., increased productivity, increased earnings, and so forth). Effective leaders influence their organization’s effectiveness by motivating and inspiring the workforce. Committed and loyal employees expect their leaders provide a clear vision of the company’s strategic direction. They also want to see consistency in decisions made in response to problems or issues. Clear, concise communication from leaders on a regular basis ensures that all employees know what to do. With this type of structure, leaders enable organizational effectiveness, productivity and profitability. Organizational effectiveness is critical to success in any economy. In order to achieve increased and sustainable business results, organizations need to execute strategy and engage employees. But the subject of leadership is very complex today, and one of the main issues facing organizational leaders today is how to motivate employees to actively participate in the efforts that lead to accomplishing organizational goals. The Leadership and Organizational Effectiveness (LOE) focuses on developing knowledge and skills for leadership roles in both the public and private sectors. As business landscapes transform and evolve, efficiency strategies and the ability to smartly manage effective organizations also is advanced. Managers in all industries and organizations are being asked to get things done faster and more resourcefully. Thus Creating and sustaining a culture of high performance, and leading organizational effectiveness across the enterprise are

a few of the most complex challenges faced by today's leaders

The study focuses on identifying relation between the servant leader and the organizational citizenship behavior. It first aims to find the Servant Leadership qualities of the leaders and how they link their servant leadership practices to their organization's effectiveness. Using the survey developed by Barbuto and Wheeler (2006), servant leader characteristics in managers were measured in an organization. OCB is measured by using Podsakoff and Mackenzie's scale. This is also an attempt to understand OCB leads to organizational effectiveness. This survey assesses the normative beliefs and shared behavioral expectations which may reflect the more abstract aspects of culture, such as shared assumptions and values. Thus the study examines the mechanics of servant leadership, particularly how it enhances organizational citizenship and how that drives organizational effectiveness.

Review of Literature:

Servant Leadership:

Several existing theories and models (e.g., transformational, transactional, charismatic, authentic, and others) sufficiently support the rationale for the way leaders approach the task of leading (Northouse, 2004). Comparatively, most leadership theories and leadership models highlight the leader's role in getting followers to serve and support the organization willingly and participate actively in goal attainment activities. Yet none of these models illuminate the need for leaders to serve the followers. Nor do these theories and models address how leadership should work collectively with followers to achieve desired organizational results. The servant leadership philosophy addresses both the leader's and the followers' roles, suggesting that meeting the needs of followers and encouraging the input of followers in the decision-making process will allow leaders to overcome the challenges faced by modern organizations. As such, the philosophy of servant leadership provides a different way of understanding the responsibility of leadership, and the servant leader assumes an attitude of service, acting as a steward over his or her area of responsibility (Greenleaf, 1977). He states that the focus of servant leadership is on others rather than self and on understanding the role of the leader as servant. The servant leader, according to Russell and Stone (2002), takes the position of servant to his or

her fellow workers and aims to fulfill the needs of others. Page and Wong (2000) define servant leadership as serving others by working toward their development. Servant leaders trust followers to act in the best interests of the organization and focus on those followers rather than the organizational objectives (Stone, Russell & Patterson, 2004). According to Laub (1999) and Parolini (2005), organizations that can create a healthy, servant-minded culture will maximize the skills of both their workforce and leadership. Servant leaders are influential in a non-traditional manner that allows more freedom for followers to exercise their own abilities (Russell & Stone, 2002), consistent with the qualities in the employee fulfillment model. Senge et al. (1994) also support this last reason with this statement, "In an era of massive institutional failure, the ideas of servant leadership point toward a possible path forward, and will continue to do so" Literature suggests that the servant leader is distinguishable through the care that is taken to ensure that other people's highest priority needs are being served (Greenleaf et al., 2002).

The present scale of Barbuto and Wheeler (2006) defines the following characteristics.

Altruistic calling is a leader's deep-rooted desire to make a positive difference in others' lives. Because the ultimate goal is to serve, leaders high in this attribute will put others' interests ahead of their own and diligently work to meet followers' needs.

Emotional healing describes a leader's commitment to and skill in fostering spiritual recovery from hardship or trauma. Leaders who use emotional healing are highly empathetic and great listeners. They create environments that are safe for employees to voice personal and professional issues.

Wisdom is a combination of awareness of surroundings and anticipation of consequences. Leaders who have this attribute are adept at picking up cues from the environment and understanding their implications.

Persuasive mapping is the extent to which a leader uses sound reasoning and mental frameworks. Leaders who score high in this characteristic are persuasive, offering compelling reasons to get others to do things.

Organizational stewardship describes the extent that leaders prepare an organization to make a positive contribution to society through community development, programs, and outreach. These leaders also work to develop a community spirit in the workplace, one that is preparing to leave a positive legacy.

Organizational Citizenship Behavior

The study of organizational citizenship behavior (OCB) has emerged as an extremely popular topic of organizational psychology, human resource management, and organizational behavior. It has been of increasing interest to both scholars and managers (Lepine, Hanson, Borman, & Motowidlo, 2000; Motowidlo, Borman & Schmit, 1997; Motowidlo & Schmit, 1999; Organ & Ryan, 1995). The presumption is that many of these contributions aggregated over time and person, enhance organizational effectiveness. According to Organ (1988), organizational citizenship behavior (OCB) refers to a universal set of behaviors exhibited by employees that are supportive, discretionary, and go beyond normal job requirements. OCB is a matter of individual choice and failure to exhibit such behavior is not generally considered as cause for penalty. What is important is that these examples describe behaviors which are helpful to the organization, yet they are not behaviors considered part of the core elements of the job. The four characteristics (Generalized Compliance, Conscientiousness, altruism and interpersonal Harmony) have been used to understand the OCB

Generalized Compliance: Discretionary behaviors reflecting a more impersonal form of conscientiousness that does not provide immediate help to any coworker, but is rather helpful to others involved in the system. The behaviors (e.g., punctuality, not wasting time, not complaining insignificant things at work) seem to represent something akin to compliance with the internalized norms defining what a “good employee ought to do”. The scale comprises six items.

Conscientiousness: Discretionary behavior by an employee that goes above and beyond the minimal requirement of the organization in the areas of attendance, obeying rules and regulations, taking breaks working hard and so forth. There are six items in this dimension.

Altruism: Discretionary behavior that is directly and intentionally aimed at helping coworkers with an organizationally relevant task (e.g., orienting new workers learn their job, helping them adjust to the work environment, assisting coworkers with heavy work load). The eliciting stimulus in other words, is someone needing help, as in the fashion of social psychological studies of altruism. Thus, this dimension is referred to as altruism and consists of five items.

Interpersonal Harmony: Discretionary behavior by an employee to avoid pursuing personal powers and selfish gains with detrimental effects on others and the organization. This dimension consists of five items.

Organizational Effectiveness:

OE was first found in organizational behavior theory of the 1950s. Despite some consensus, there is still significant lack of agreement on the definition and operationalization of this concept. However OE is defined as a process of “fulfilling objectives without incapacitating (an organization’s) means”. According to definition of Yankey & McClellan (2003) “OE is the extent to which an organization has met its stated goals and objectives, and how well it performed in the process. Malik et al (2011) narrated that organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce.

A service-oriented leadership approach such as servant leadership is likely to create an environment conducive to effective functioning (Irving & Longbotham, 2007; Morgeson, DeRue & Karam, 2010; Transcitti, 2010). Generally, the servant leadership approach focuses on developing employees to their fullest potential in the areas of task effectiveness, community stewardship, self-motivation and future leadership capabilities (Greenleaf, 1977). The servant leader creates opportunities for followers to help them to grow (Luthans & Avolio, 2003). Servant leadership is an altruistic leadership style that potentially contributes to the development of positive attitudes in followers, most notably organizational citizenship behavior (OCB) (Sendjaya, Sarros & Santorra, 2008). Organizational citizenship behavior is a process variable that has a dynamic impact on organizational effectiveness.

Purpose and Objective of the study

Though there are many leadership styles as well as many theories for measuring the organization effectiveness, the purpose of this study is to understand the role of servant leadership on the organizational citizenship behavior which can be used to measure the organizational effectiveness. with this in mind the study aims to analyze the relationship between Barbuto and Wheelers (2006) identified five servant leader characteristics of altruistic calling, emotional healing, wisdom, persuasive mapping and organizational stewardship and Podsakoff and Mackenzie's Organizational Citizenship Behavior characteristics of Generalized Compliance, Conscientiousness, altruism and interpersonal Harmony. Servant leadership has distinguished itself among other leadership theories as being based in individual values and focus on others.

Objective:

The objective of this study is to understand the relationship between the specific servant leadership characteristics of altruistic calling, emotional healing, wisdom, persuasive mapping and organizational stewardship to organizational Citizenship Behaviors characteristics of Generalized Compliance, Conscientiousness, altruism and interpersonal Harmony.

Hypothesis

Results and analysis

T test: T test is used to find out the significant difference between genders with respect to various factors.

Independent Samples Test gender classification

		t-test for Equality of Means			
		T	Df	Sig. (2-tailed)	Std. Error Difference
altruistic calling,	Equal variances assumed	-.882	51	.382	.52876
emotional healing,	Equal variances assumed	-.773	51	.443	.59676
wisdom	Equal variances assumed	-1.529	51	.132	.81407
persuasive mapping	Equal variances assumed	-1.351	51	.183	.71003
organizational stewardship	Equal variances assumed	-1.918	51	.061	.65625

1. There is a significant impact of servant leadership behavior on organizational citizenship behavior
2. There is a relationship between servant leadership characteristics and OCB
3. There is a significant relationship between the SL and type of ownership of the company.

Research Methodology

The present study was conducted at a manufacturing plant in Hyderabad and Secunderabad, the twin cities in Andhra Pradesh State in South India. This is a family run business whose financial status is quite strong with over 10,000 employees working. The sample was selected by using random sampling method. The data was collected by using the scales of Barbuto and Wheelers & Podsakoff and Mackenzie's for Organizational Citizenship Behavior. There were 53 participants in this survey. The sample consists of Asst. Managers (10), Managers (9), deputy Managers (7) senior managers (7) and the Asst. General Managers (6), Deputy General Managers (6), General Managers (5), Vice Presidents (3). Out of the total sample of 53, 37 were male which is closer to 70% of total sample and 16 were female which is 30 % of total sample. Analyzing the age groups, there are 10 sample who are less than 35 years, 11 are between 35 and 39, 5 are between 40 and 44, 20 of them are above between 45 to 49 and 7 of them are over 50 years of age. . The majority of the sample is that is between 40 and 45 which accounts for 37.7% of them total.

Independent Samples Test OCB gender

		t-test for Equality of Means		
		t	df	Sig. (2-tailed)
Generalized Compliance	Equal variances assumed	1.219	51	.228
Conscientiousness	Equal variances assumed	.305	51	.761
Altruism	Equal variances assumed	.443	51	.660
Interpersonal Harmony	Equal variances assumed	.684	51	.497

Conclusion: It is observed that there is no significant difference between male and female with respect to the factors Generalized compliance, conscientiousness, altruism, and interpersonal Harmony. Hence we can say that there is no significant difference between male and female for any factors.

Annova: Age Group**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Generalized Compliance	Between Groups	55.954	2	27.977	1.542	.224
	Within Groups	907.253	50	18.145		
	Total	963.208	52			
Conscientiousness	Between Groups	97.623	2	48.812	4.063	.023
	Within Groups	600.679	50	12.014		
	Total	698.302	52			
Altruism	Between Groups	46.174	2	23.087	2.059	.138
	Within Groups	560.656	50	11.213		
	Total	606.830	52			
Interpersonal Harmony	Between Groups	92.944	2	46.472	4.400	.017
	Within Groups	528.075	50	10.561		
	Total	621.019	52			

Conclusion: based on the above table, it is observed that there is significant difference in the factors Conscientiousness and Interpersonal Harmony. However there is no significant difference between the factors Generalized compliance and altruism.

ANOVA- designation

		Sum of Squares	df	Mean Square	F	Sig.
Generalized Compliance	Between Groups	71.214	7	10.173	.513	.820
	Within Groups	891.994	45	19.822		
	Total	963.208	52			
Conscientiousness	Between Groups	111.911	7	15.987	1.227	.308
	Within Groups	586.390	45	13.031		
	Total	698.302	52			
Altruism	Between Groups	73.717	7	10.531	.889	.523
	Within Groups	533.113	45	11.847		
	Total	606.830	52			
Interpersonal Harmony	Between Groups	135.843	7	19.406	1.800	.111
	Within Groups	485.176	45	10.782		
	Total	621.019	52			

Conclusion: based on the above table, it is observed that there is no significant difference in any of the four factors. Thus we can conclude that type of the ownership in the company does not have any influence on the organizational citizenship Behavior.

Regression Analysis for generalized compliance:

Model Summary

Model	R	R Square
1	.721	.519

a. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	568.438	5	113.688	13.536	.000
	Residual	394.769	47	8.399		
	Total	963.208	52			

a. Dependent Variable: OC-gencom

b. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

Coefficients^a

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	28.271	7.186	3.934	.000
	SL-altruistic	.913	.531	-2.719	.044
	SL-emotional	.515	.601	3.857	.000
	SL-wisdom	.295	.399	2.740	.004
	SL-persuasive	.243	.436	-3.558	.000
	SL-orgStewardship	.071	.438	-2.161	.017

a. Dependent Variable: OC-gencom

Conclusion: from the above tables we can conclude that servant leadership factors have positive impact on the organizational citizenship behavior of generalized compliance. Thus we can conclude that if there is good servant leadership in an organization, generalized compliance on the subordinates is very good.

Regression Analysis for Conscientiousness:

Model Summary

Model	R	R Square
1	.627 ^a	.393

- a. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	374.698	5	74.940	10.8844	.000
	Residual	323.604	47	6.885		
	Total	698.302	52			

- a. Dependent Variable: OC-Cons
 b. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

Coefficients^a

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	25.343	5.999	4.225	.000
	SL-altruistic	.481	.443	-5.086	.000
	SL-emotional	.339	.502	-2.674	.005
	SL-wisdom	.009	.333	4.026	.000
	SL-persuasive	-.095	.364	-2.261	.013
	SL-orgStewardship	.548	.366	2.498	.008

- a. Dependent Variable: OC-Cons

Conclusion: from the above tables we can conclude that servant leadership factors have positive impact on the organizational citizenship behavior of Conscientiousness. Except for persuasiveness rest of the factors have positive impact on the Conscientiousness. Thus we can conclude that if there is good servant leadership in an organization, Conscientiousness of the subordinates is very good.

Regression Analysis for Altruism:

Model Summary

Model	R	R Square
1	.526 ^a	.276

- a. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	264.597	5	52.919	7.268	.000
	Residual	342.233	47	7.281		
	Total	606.830	52			

- a. Dependent Variable: OC-Altruism
 b. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

Coefficients^a

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	21.364	5.594	3.819	.000
SL-altruistic	.851	.413	-2.060	.002
SL-emotional	.266	.468	2.569	.006
SL-wisdom	.276	.311	4.889	.000
SL-persuasive	.111	.340	-2.327	.011
SL-orgStewardship	.126	.341	2.370	.010

a. Dependent Variable: OC-Altruism

Conclusion: from the above tables we can conclude that servant leadership factors have positive impact on the organizational citizenship behavior of Altruism. Thus we can conclude that if there is good servant leadership in an organization, Altruism of the subordinates is very good.

**Regression Analysis for Interpersonal Harmony:
Model Summary**

Model	R	R Square
1	.664 ^a	.440

a. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	182.267	5	36.453	3.905	.004
	Residual	438.751	47	9.335		
	Total	621.019	52			

a. Dependent Variable: OC-interHarmony

b. Predictors: (Constant), SL-orgStewardship, SL-altruistic, SL-persuasive, SL-wisdom, SL-emotional

Coefficients^a

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	22.329	5.576	4.005	.000
BE-altruistic	.979	.412	-2.376	.010
BE-emotional	.370	.467	2.793	.003
BE-wisdom	-.027	.310	-2.089	.020
BE-persuasive	.072	.339	1.411	.082
BE-orgStewardship	.246	.340	1.723	.045

a. Dependent Variable: OC-interHarmony

Conclusion: from the above tables we can conclude that servant leadership factors have positive impact on the organizational citizenship behavior of Interpersonal Harmony. However there is negative impact on the wisdom factor of servant Leadership. Thus we can conclude that if there is good servant leadership in an organization, Interpersonal harmony of the subordinates is very good

Findings and Suggestions:

1. It is observed from the study that there is a strong relationship between the servant leadership and organizational citizenship behavior.
2. It is observed that except for two factors with minimal scores the rest of them have positive impact on the organizational citizenship behavior
3. Based on the study we can conclude that if the leaders/managers inculcate servant leadership qualities, then the organizational citizenship behavior of the subordinates will be good.
4. We can conclude that if there is a servant leadership qualities in organization then there is a good organizational citizenship behavior and if there is organizational citizenship behavior then that leads to organizational effectiveness.
5. It is observed from the study that no demographical factors will have impact on the servant leadership except for the kind of ownership that the people have with the organization.
6. Based on the study it is recommended that servant leadership will have a strong impact on the organizational effectiveness.

Conclusion:

As the newer generations are entering in to the work place there is a change in the organizational culture. Once upon a time the leader was the one who had the strong muscle. But today the leader is the one who facilitates the people to perform. If the leader practices the servant leadership in the organizations then there will be organizational citizenship behavior and if there is organizational citizenship behavior among the team members then there will be organizationeffectiveness. Therefore we can conclude that servant leadership qualities will help in organizationaleffectiveness.

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Managing Careers

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Abstract:

Work today is seen as more than just a means of livelihood. Work and careers are seen as expressions of self and values and as aspects of life that should fit harmoniously with other priorities such as family, health etc. Traditional notions about career, career growth, career management and succession planning have been radically redefined due to several factors. Business decision such as mergers, acquisition, layoffs and restructuring changing workforce expectations and career aspirations, altered psychological contract between the employer and employees and a volatile environment have all contributed to the redefinition as a result individuals and organizations both view careers with a whole new perspective. Though the individual and organizational perspective on careers is very different both stand to benefit from a well thought out career management strategy. Succession planning refers to the process and actions that aim at identifying and developing a pool of potential successors for seniors or key jobs in the future. It ensures the continual supply of qualified executive talents to lead and support business growth. Succession planning is an ongoing dynamic process that helps an organization to align its business goals and its human capital needs. It also ensures that an enterprise can keep pace with changes to the business, industry and overall market place.

Keywords:

Career, career planning, career development, career stages, dual career paths, career anchors, organizational career management and replacement chart

Introduction

In the contemporary business environment, the traditional notions about the career and career management have taken on entirely new dimensions for both employees and organizations business decisions such as mergers, acquisitions, lay-offs, and restructuring all have influenced the way individuals and organizations view careers and career management .

More opportunities have become available for the high performing employees who are valuable to the firm. High performers, who are in short supply, eg many job offers from other companies due to their competencies and skill sets. Employees are changing jobs more often than in the past and job-hopping has become an acceptable reality today. Employee loyalty today extends more to the individuals 'career' rather than the 'organization. If any individual's career aspirations are not fulfilled by the organization, he/she is likely to seek fulfillment in some other organization

Job and career are not viewed as equivalent any more. Employees are no longer content with just having a secure job with time bound upward mobility.

Careers-contemporary Notions

The nature of the world of work, as it exist today, is fundamentally different from what it was generation ago. Earlier, individuals were expected to work life. The individuals belonging to today's generation, on the other hand, are likely to work in many different organizations during the course of their career. The individuals are also unlikely to remain in one job or occupation leave alone organization, for the entire work lives.

Globalization mergers, acquisitions, lay-offs, technological advancements, and other such trends have significantly contributed to this trend. Changing economic and market conditions have led many organizations to take some tough decisions, such as cutbacks, man power reduction, and delayering, for example, delta airlines inc. had announced plans for reducing work force in thousands as part of the company's plan to save \$5 billion a year by 2006

In the face of such cost constraints, career paths often collapse, resulting employee dissatisfaction at the same time, the limited supply of high talent employees ensures that the firms compete for this scarce resource. by offering career development opportunities, organizations may be able to improve their ability to attract and retain this group of employees. Many firms incorporate 'career growth' as part of their recruitment strategy. In a

study conducted by ac Nielsen ORG-MARG, for identifying the most proffered company in the top campuses in India in year 2004, IBM emerged among the top three. According to study, students chose IBM because it offers individuals with career opportunities, at the local as well as global levels, along with a high performance culture and a healthy work-life balance. Employees are no longer content with only good pay cheques and secure jobs. They want greater challenge, autonomy, better quality of work-life, and an opportunity to fit their work harmoniously with other priorities such as family, health, etc. career planning and development help employees achieve this balance between different priorities.

Careers are a late entrant in the field of management study. According to Beoerlijst (1984), career as a whole began to receive real attention only in the 1970s. Although a more systematic study of careers has risen since, the organizational. The term career has been used to connote several different meanings. In day-to-day usage, career is used to refer to the choice of a profession or vertical advancement in the organization a career regress to the series of work-related positions occupied by an individual throughout life and the associated activities, behaviors, attitudes, values and aspirations.

A job, hand, refers to the grouping of tasks, duties, and responsibilities that is assigned to an individual's part of work at a particular point of time. The sequence of jobs that an employee performs during the span of work life, not necessarily with the same company, may constitute his/her career. However, an individual's career does not consist of an unrelated sequence of jobs. Rather, the concept refers to a visible progression through objectively defined stages or steps. Today, the definition of career itself has undergone a change 'Career success' is no longer measured in terms of vertical advancement in the hierarchy of increasing salary levels. It is now characterized by the achievement of one's full potential, and the ability to face challenges and assume greater responsibility, along with increased autonomy.

Individual's today look for interesting and meaningful work career success may be objectively measured in terms of promotions, it may also be subjectively defined in aims of satisfaction. The socially acceptable connotation of what constitutes career success may depend on how each individual defines personal career success. For a university teacher, career success may be defined in terms of a promotion from lecture to leader after the stipulated number of years. On completion of the requisite

number of years of experience, if one teacher gets promoted while another does not, then, in social terms, the former may be considered to be more successful than the latter.

Career planning, development, and management

Career planning involves establishment of individual career objectives based on an assessment of career goals, aspirations, performance, and potential. Career planning is concerned with choosing occupations, it is a personalized and ongoing process whereby an individual establishes career goals and identifies the means for achieving these goals. A fresh management graduate hoping to start an independent financial consultancy firm may first choose to work for such a firm for some years to gain experience.

Individuals may identify a sequence of positions they need to move through to achieve their career goals. These sequences of positions may extend beyond the organization. Career planning should focus on matching personal goals with opportunities that are realistically available. Since the number of positions at senior levels are scarce, upward mobility.

Career development, refers to the activities and processes undertaken by the organization to help employees attain their career objectives is the process by which an individual's career plans are accomplished. Career development is oriented towards long-term career effectiveness and success of the employee.

Career management continuous process that involves setting personal career goals, developing strategies for achieving these goals, and revising the goals based on work and personal experiences. McMohan and Merman defined career management as 'an ongoing process of preparing, implementing, and monitoring career plans undertaken by the individual alone or in concert with the organization'. Since careers are made up of exchanges between individuals and organizations. Baruch and Peiperl (2000) defined 'organizational career management' (OCM) as the design and implementation that OCM was distinct from career management as practiced by individuals. However, the two were not mutually exclusive, rather, OCM can complement career management.

The individual and the organization have different perspectives on careers. Depending on whether career is viewed from the perspective of the employee of the organization, study of careers takes on different orientations. Employee's point of view,

concerns such as technological advancement, slow rate of economic growth, opportunities for personal advancement, ageing, and organizational restructuring have a long-term impact on career related issues. For instance, computerization and automation are accompanied by skill obsolescence. When economic growth is slow, few jobs are created, and, therefore, individual careers are affected. Further, as firms restructure and reorganize, employees have fewer career options and opportunities.

Therefore, for individuals, there exists a personal interest in their own careers. Individuals wish to satisfy their personal needs through the careers accomplishment in their careers, they may look for career change.

On the other hand, organizations' perspective on careers is directed towards ensuring a people-career match and smooth employee succession when managers need to be replaced due to retirements, resignations, or other such movements, main concern of organizations is to ensure high levels of performance and lower levels of employee turnover. Therefore, it is in the interest of organizations to ensure that employees pursue careers in which they are interested and for which they are properly trained.

Career Stages

Career stages are gradual changes that occur over time in careers. Moorhead and Griffin (1995) define career stages as "periods in which an individual's work life is characterized by distinctive needs, concerns, tasks, and activities." Several models of career stages have been proposed by various researchers. Dalton, Thomson, and Price (1997) suggested that there are four stages in a career-apprentice, colleague, mentor, and sponsor. Hall (1976) presented a five-stage model that was proposed by Erikson (1963). Typology identified for distinct but interrelated career stages-establishment, advancement, maintenance, withdrawal

Huse and Cummings (1980) proposed that as individuals move from one state to another, needs and expectations evolve and change. Each stage is also marked by significant personal life transitions. Individuals enter and exit each stage of their career at different ages. The age ranges shown here for.

Establishment Stage

Establishment stage (age 20-26 years) At this stage, individuals are often unsure of their capabilities,

competence, and potential. Hence, they show high levels of dependence on their superiors for guidance, support, and feedback. Being newcomers, they may be unsure about their choice of career and may continue to explore alternative career options and available choices regarding organizations and jobs. Their main concerns, however, are directed towards learning the job and adjusting to the organization. Towards the end of this stage, newcomers manage to adjust within the organization.

Life Transitions

In the establishment stage, individuals move from educational institutes to work, that is, from non-work to work life. They also become emotionally and financially dependent on their parents.

Advancement this stage (26-40 years) in this stage, individuals become independent contributing members of the organization and are no longer dependent on their superiors or on co-workers. Advancement is a highly achievement oriented stage during which employees are mainly concerned with increasing their competence and achieving and advancing in their careers. The employees also seek to advance in life. Developing closer ties with peers and integrating career choices personal sphere also emerge as important concerns for employees in this stage. Vertical and lateral movements broaden the sphere of experience the employees as they learn different jobs.

The employees, who fail to make the necessary adjustments in the organization during this stage, may respond by changing jobs. Job hopping has become a characteristic of the advancement stage in recent years, because of greater career opportunities for high performers.

Life Transitions

When individuals reach and cross the age of 30, it marks an important personal life transition, it marks an important personal life transition. It is during this stage that most individuals settle down with a partner, necessitating several adjustments in personal life. These include working out dual career partnerships (when the employee has a working spouse) and managing time between the demands of work.

Maintenance stage (age 40-60) By the time an employee reaches this stage, he/she has usually achieved career ambitions and created a place in the world of work. Individuals are, therefore, no longer concerned with advancement. Most of their efforts are directed towards maintaining the career gains.

Some people, however, continue to grow during this stage. Typically, this stage involves leveling off or reaching a career plateau, the point where the probability of moving up the hierarchy is low.

Life Transitions

Individuals experience mid-life transition approximately around forty-five years of age. This is time that people realized that they are no longer young and they are mortal. This transition also involves assigning the extent to which they have been able to realize their dreams. Individuals who believe that their dreams have been stalled experience mid-life crisis, which also contributes to mid-careers crisis.

Withdrawal stage (age 60 and above): During this stage, individuals seriously begin to consider and plan withdrawal from active employment. This stage involves gradually leaving the career behind, letting go of the organizational identity, and establishing a productive leaser life during retirement. Career needs of individuals in this period are limited to using this experience and wisdom to help others.

Life Transition

This stage signals a major personal life transition from work to non-work life. This also encompasses the possibility of income uncertainty, declining physical capacity, failing health, and the fear of losing one's family members and friend. The individual seeks to establish a meaningful post-retirement life and achieve a sense of integrity.

The duration of each stage and the timing of transitions between career stages vary greatly from one individual to another. Individuals are likely to face and experience specific personal and career issues differently at each stage. For instance, one person may experience withdrawal stage as a positive opportunity to indulge in leisure time activities. An understanding of personal and career issues confronted by individuals at different stages of their career can contribute to effective career planning.

Career Planning

Career planning is about individual's choice of occupations, organizations and jobs. In planning their careers individuals set career objectives and determines the methods to achieve their objectives. Individual's career planning generally includes the following:

1. Individuals assessment of his/her own interests, abilities and goals
2. Examining alternative career opportunities
3. Establishing personal career goals
4. Developing a career path
5. Planning how to progress through the career.

Career path refers to a line of progression through which an individual moves during employment within an organization. Career paths are the logical progression of a sales representative to account director to sales manager to vice president (sales) constitutes one such track.

While planning their career, individuals determine the types of training and development they would require at different stages to be able to successfully achieve their goals. At the same time, they need to monitor their progress towards their goals. They also need to determine the relevance and appropriateness of their career goals in a dynamically evolving environment and revise their career expectations from time to time.

Traditionally, career planning was considered to be the responsibility of the employee. However, employees may lack the information required for determining their career goals. They may also lack the skills to develop suitable career plans. This situation can lead to blocked ambitions, frustration, and lowered motivation. Therefore, It is important that organizations provide resources and support to help employees identify their career paths and their careers accordingly.

Career Planning Methods/Practices:

Organizations may use various ways to support employees in deciding their career plans. The career planning methods that may be used by organizations to help individuals in career planning include communication, counseling, career planning workshops, self-development materials, and assessment programmes.

These career planning practices may be used by organizations in isolation or in combination. For example, an organization may provide self-development materials to the employees as part of career planning support. Another organization may organize career planning workshops and disseminate career-related information on a regular basis

Career Development

Career development is a formal approach taken by an organization to help employees in achieving their career objectives. Career development includes all those activities undertaken by the organization which prepare an employee to meet the current and future needs of the organization.

Career development, therefore, benefits both the employee and the organization. While employees become better equipped to meet their goals, they also add value to the organization through superior performance, higher motivation, and commitment. Career development may include various organizational practices such as skills training, performance feedback, coaching, planned job rotation, etc. Like career planning, career development activities too need to be integrated with specific career needs of the employees. Each career stage is characterized by specific career planning. Career development practices should be geared towards helping employees implement these career plans. Career development needs are likely to evolve as an employee progresses from one career stage to the next. Therefore, different career development practices are likely to be relevant and effective at different career stages.

Career Management for Specific HR Issues: HRD Approach

The current business environment has challenged the human resource function to provide competitive advantage to the organization. Career planning and development can be powerful means of dealing with some of the issues related to managing a stable or shrinking organization in a stagnant economy. Various HR issues have emerged which demand attention. Some of these are, ensuring the continuance of newly hired employees; development and retention of high potential employees; providing growth opportunities in a stable organization; rewarding and retaining technical and professional employees; and motivating plateaued employees. Hall and Hall (1980) suggested some creative techniques for a career management that help in coping with these HR problems.

Reducing Turnover among Recently Hired Employees

The cost of employee turnover can be very high, especially in the case of professional and managerial employees. Some companies lose as many as 50% of their employees in the first two years of employment. An organization can save a lot of money by careful

management of the entry and first year of new employees who are in the establishment phase of their careers. Companies like AT & T and GE have found that making initial jobs more challenging and stretching decreases turnover and also improves long-term career performance.

Developing High-Potential Candidates for Management Positions

An organization can identify high-performers through assessment centers and other such methods. The real problem, however, is to train and develop these promising candidates once they are identified.

Assessment centers for development:

More recently, they are being used for employee development too. The use of assessment centers for developmental purposes focuses on providing feedback to the employees. After the employee evaluates and accepts the feedback, the discussion shifts to counseling and identifying the training requirements and developmental assignments that the employee would require for the target job. Assessment centers provide the individual with a specific career plan. The organization, therefore, becomes a partner rather than an adversary in career planning.

Job Pathing

It involves moving employees through logically sequenced job assignments to help them reach a certain target job faster than the normal course.

Providing Promotion Opportunities in a Stable or Contracting Organisation

When new management positions are available in an organization, career opportunities become abundant. However, during economic downturn or corporate slowdown, careful planning is required for providing career advancement. Some of the ways in which an organization can do so are as follows:

Cross-Functional moves: Lateral or cross-functional transfers are used to provide opportunities for development, usually at the beginning of an individual's career. Cross-functional transfers throughout the career keep employees updated, open to new learning, and provide them with a broader perspective of the organization.

Fallback positions: Cross-functional transfers or promotions carry with them a risk, especially when they take place at senior positions. The risk is that the individual may fall in a new job because it is too

demanding and beyond his/her level of competence. One way this risk may be minimized is by identifying a fallback position into which the individual can move if he/she is not successful after a promotion or a transfer. When a firm establishes fallback positions, it communicates to the employees that the promotion or transfer involves some risk. The firm accepts some of the responsibility for it and sends a message that moving into a fallback position does not constitute failure and is quite acceptable.

Rewarding and Retaining Technical and Professional Employees

In today's high-tech world, specialized knowledge is as important as managerial skill. Technical and professional employees such as engineers, information technology experts, scientists etc., present a special challenge for organizations. Most technical and professional employees would like to have more responsibility that is associated with advancement. However, they prefer to stay in their technical and highly specialized areas rather than move into management as part of the normal upward mobility in an organization. This trend is most common in technology driven industries, such as pharmaceuticals, chemicals, computers and electronics. In response to this trend organizations have started offering dual career paths or ladders. The dual career path is a method of recognizing and rewarding technical specialists and professionals who prefer to contribute their expertise to a firm without having to become managers. This allows technical and professional employees to increase their specialized knowledge, make contributions to their firms, and be rewarded without entering management.

Dual career paths are becoming increasingly popular. An individual may advance up the management ladder or on a corresponding technical or professional ladder. Union Carbide, IBM and AT & T have used dual career paths for years. Several other firms, such as C-DOT, Ericsson, GCPL and Eli Lilly encourage their employees to follow a managerial career path or a specialist/technical one. A dual career path permits organizations to retain both highly skilled managers and highly skilled technical specialists.

Motivating Plateaued Employees

Almost all individuals experience career plateau at least once in their career. It occurs when an employee's work content and job functions continue to remain the same because of lack of promotional opportunities in the organization. Employees find

themselves stuck at the same career level. Ference et al (1977) defined career plateau as the point in a career where the likelihood of additional hierarchical promotions or further upward mobility is very low. Career Plateau has become more common in contemporary times. As more organizations opt for downsizing, moving to flatter organizational structures, and eliminating middle management layers, more number of employees is forced to remain at the same level for longer periods. Career plateau is also a natural result of a hierarchical organizational structure in which the number of positions is far less at higher levels in the hierarchy.

Career plateau presents new challenges for the HR functional with respect to organizational career planning and development.

Lateral movements: Individuals may be moved laterally within the organizations. Though the status and pay remain unchanged, the employees have the opportunity to learn new skills than increase their marketability.

Seminars and university courses: By taking these courses, plateaued employees find new opportunities.

Rotation to other departments: A formal program of rotating managers at mid-career stage to other departments may be adopted by firms.

Succession Planning

Planning for the succession of key executives, managers and other employees is an important part of HR development. Succession planning is a process of identifying a longer term plan for the orderly replacement of key employees. The need to replace key employees results from promotions transfers, retirements deaths, disabilities, departures or other reasons. Succession planning often focuses on top management such as ensuring a CEO successor. However, limiting succession planning just to top executive job is one of the greatest mistakes made, for instance identifying successor for accounting managers, marketing directors, admissions supervisors, IT technicians, physical therapists and other key jobs is just as crucial as succession planning for the top executive job in a health care institution.

Succession planning can be especially important in small and medium sized firms, but studies show that few of these firms formalize any succession planning in fact 58% of respondents in one study named Lack of succession planning as the biggest threat facing small business. Whether in

small or large firms succession planning is linked to strategic HR planning. Both the quantity and capabilities of potential successor must be linked to organizational strategies and HR plan.

Succession planning encourages “hiring from within” and creates a healthy environment where employees have carries not merely jobs. It helps in identifying human resource shortages and skill shortages before opening occur. Thereafter it becomes easy to groom qualified candidates for future vacancies. A succession planning is a plan for identifying who is currently enforced and who is available and qualified in the event of retirement, voluntary retirement, dismissal or sickness. A typical succession chart shows details of key executive and brief references to their possible successors.

Conclusions

Career planning is the focal point of human resource management program of an organization. A career is a sequence of separated but related work activities that provides continuity, order and meaning to a person’s life. The increasing rate of change in the existing political, economic, technological and social system has made career planning and development much more important than it was in the past. Employees develop more realistic sense of what is expected of them on the job and what their future with the organization entail. Career planning and development is primarily the responsibility of the individual. However, the organization the immediate

manager should act as catalyst in the process. Career development is a life-long process of understanding the career preferences, identifying, obtaining and developing appropriate skills and training for that career continually evaluating the career preferences and skills over working life to find whether they continue to meet the needs and those of the organization. Succession planning, though a neglected area in the pre liberalization period is carried out in a systematic way in most professionally managed companies. In India now succession management focuses attention on stocking pools of candidates with high leadership potential.

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“Individual Investors Inclusion by Public Issues of Securities in Indian Primary Market”

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Abstract:

Capital market is very important for any nation's economy. Capital market is classified as primary and secondary market. First issues of securities took place in primary market and trading among investors took place in secondary market. An Initial public offering (IPO) is one through which an unlisted company makes either a fresh issue of securities or an offer for sale of its existing securities or both for the first time to the public. In the case of a new stock issue, this sell is an initial public offering (IPO). Dealers earn a commission that is built into the price of the security offering, though it can be found in the prospectus.

Equity investors first enter capital market through investment in primary market. Government or Public sector companies or institutions can obtain funding through the sell of a new stock or bond issue. Retail investors play an important role in the capital market. All investment made by retail investor combining become a huge amount. A survey result says that only 12 percent of the savings amount is coming to capital market. This study is an attempt to study the performance of Initial Public Offers for the last two years (April 2011 to March 2013) and their impact on Individual Investors.

It is found from the study that returns from the IPO which are listed during the period of April

2011 to March 2013 are very miserable. During this period 43 IPOs are listed and between them only eight IPO are trading above the Issue Price and most of the IPO are below the Issue Price.

Key Words: - Individual Investor, Capital Market, Primary Market, Initial Public Offer, Stock.

1. Introduction:

Capital market is the backbone of any nation's economy. Capital market is classified as primary and secondary market. First issues of securities took place in primary market and trading among investors took place in secondary market. IPOs are often issued by smaller, younger companies seeking the capital to expand, but can also be done by large privately owned companies looking to become publicly traded. Retail investors play an important role in the capital market.

The investors are always looking for various investments options to land their hard earned money. There is a flourishing market for public issues in India. The instruments commonly offered in the primary market are equity, debentures and a variety of convertibles including debentures bundled with warrants. In the recent years many companies has come up with IPO to raise funds to their requirements. Investing in IPO is considered as one of the risky investments. Performance of the IPO varies in accordance with the market trend. It is tough to predict about the performance of share on initial days of trading due to lack of historical data for the technical analysis of stock.

1.1 OBJECTIVES OF THE STUDY:

1. To know and explain the concept of Initial Public Offers (IPOs)
2. To find out the sectors rewarded and the sectors which has punished the investors
3. To study the problems facing by the retail investors during investments through IPOs

1.2 SCOPE OF THE STUDY:

This study covers attitude of the retail investors towards Public Issues and problems faced by them. It also covers procedure for listing of an IPO.

1.3 Methodology of the Study:

The study is primarily based on the secondary data collected from the company website, National stock Exchange (NSE), Journals and related articles. In the period of 1-04-2011 to 31-03-2013, 43 IPOs listed between those 43 IPOs, 34 are traded in NSE but detailed data of 5 IPOs are not available in National Stock Exchange sites because of these constraints only 29 IPOs are considered for analysis purpose in this study.

2. Review of Literature:

Divya (2013) studied performance of Indian IPOs during the financial year 2010-2011, according to the researcher for retail investors, it is tough to predict about the performance of stock or shares in its initial day of trading and in the near future since there is often little historical data for the technical analysis for the stock. This study attempts to identify causal variables behind high initial gains for Indian IPOs.

This study based on 52 IPO companies that got listed on the Bombay Stock Exchange (BSE) in the period of April 1st 2010 to March 31st 2011. Study suggests that there is evidence that greater underpricing leads to more after market traded volume, which increases the revenue of investment bankers, when they subsequently become the market makers for these IPO firms.

John and Kumar (2010) studied “performance review of IPOs in India” and examined the performance of IPOs issued during the period of 2004-2008. Researcher revealed that stock market performance of majority of IPOs that came during the five year long-bull run from March 2003 to January 2008 was disappointing. The public sector IPOs is doing better than private sector IPOs. Out of 13 public sector undertaking (PSU) IPOs that came between 2004-2008, 12 are trading above their issue prices. On the other hand, out of 265 private sector IPOs during the same period, 189 are trading below their issue prices.

Kamaleshwar and Surendar (2011) researcher on their study “Retail Investors Perception Towards Initial Public Offers (IPO) in India- A Study on Selected Cities” reveals the problems facing by the retail investors during investment through IPOs. For the study primary data collected through structured questionnaire from 500 retail investors as sample size from five cities in India. The study reveals that retail investors are facing some problem related to IPO investment, out of which some major problems are the adequacy of 35 percent reservation for retail investors in IPOs. Retail Investors are not happy with 35 % reservation in IPOs. They are expecting more than this. The other problem are refund of IPO application is received without delay, IPOs allotment are credited to investors demat account before listing of the allotted shares, payment of 100% of the bid amount at the time of applying for IPOs.

2.1 Individual Investor:

An investor who invest small amounts of money for himself rather than on behalf of anyone else. Individual investors are the polar opposite of institutional investor. Which are large firm who invest on behalf of clients. Some investment vehicles require minimum investment so as to discourage retail investor from them. Individual investors are thought to be risk-averse and poorly informed compare to other investors, though there is disagreement as to how true that is. An individual investor who buys and sales securities for his or her own account. Decision of retail investors in primary market are influenced by issue price, information availability, brokers advice, recommendation of the

analysts, secondary market situation disclosure by market participants and other factors. Some brokerage firms specialize in serving retail investors while other brokerage firms strive to attract business from institutions that engage in large trades.

2.2 Growth of Savings in India:

Savings play vital role in the development of any economy. In India tendency to save is predominant right from childhood. The real problem is choosing a proper investment opportunity for savings. The investors who don't want to take risk prefer to invest in bank fixed deposit, gold, real estate etc. It is observed in India people are slowly diverting their savings towards capital market. Investors can purchase shares in the secondary market some investors still prefer to buy shares from the primary market. Investors attracted to price valuation and for listing day gains. Most of the investors believe that they have fair chance of making positive returns by investing in IPO compared to other investment options. It is also believed by investors that companies coming to primary market fixes a reasonable price band. A private company after undergoing the process of IPOs can get their share listed in stock exchange.

2.3 Procedure for Listing of an IPO in Stock Exchanges:

1. First companies decide upon the total amount to be raised from the market and the get clarification from SEBI. This amount is broken down in number of shares by deciding the face value (FV).
2. As per the rule of the SEBI the face value is to be multiple of 5. Normal practice is keeping this rupees 10,5 or 15. Depends on the strength of the company and the permission of SEBI.
3. In IPO the demand and supply of the market forces leads to an open and close price which is normally reflected as the price band that become initial offer price to public.
4. After opening in secondary market the price decided depending on the demand of the stock as IPO. The IPO which is oversubscribed have lesser supply in the market and the entire market becomes bullish on this stock. So again there becomes price appreciation of the stock in the share market.

3. IPOs contribution to the economy:

The India's economy is in growing stage and its equity market is attracting the whole world for investment. And India's incorporated promoters have capitalized on this fact. The following table presents the number of IPOs made and the amount of capital raised during the financial year 2003-04 to 2012-13.

Number of IPOs and Amount of Capital Raised during the financial years 2003-04 to 2012-13.

Fiscal Year	Number of IPOs	Capital Raised (Rs in Crore)
2003-04	35	22,145
2004-05	34	25,526
2005-06	101	23,632
2006-07	08	3,820
2007-08	85	42,595
2008-09	21	2,083
2009-10	39	24,696
2010-11	52	33,183
2011-12	33	5,808
2012-13	10	6059

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The table reveals that in the financial year of 2011-12 and 2012-13, less number of IPO are listed on primary market. Due to poor market condition in this period many companies postponed their listing, and due to less number of listing of IPOs capital raised in this period is very less compare to financial year of 2009-10 and 2010-11.

3.1. Performance of IPOs Listing on April 2011 to March 2012.

S.No.	Company Name	Listing Date	Issue Price	Current Price(7/02/2014)	Profit/Loss
1.	Shilpi Cable Technologies Ltd	Apr 08, 2011	69	21.95	-68.19
2.	Muthoot Finance	May 06, 2011	175	138.30	-20.97
3.	Paramount Print packaging Ltd	May 09, 2011	35	0.85	-97.57
4.	Futures Ventures India Ltd	May 10, 2011	10	5.29	-47.1
5.	Seravalakshmi Paper Ltd	May 12, 2011	29	2.45	-91.55
6.	Innoventive Industries Limited	May 13, 2011	117	16.35	-86.02
7.	Sanghvi Forging & Engineering	May 23, 2011	85	16.60	-80.47
8.	Power Finance Corporation Ltd	May 27, 2011	203	145.1	-28.52
9.	Aanianeya Lifecare Ltd	May 27, 2011	234	72.25	-69.12
10.	VMS Industries Ltd	Jun 14, 2011	40	31	-22.5
11.	Timbor Home Ltd	Jun 22, 2011	63	11.5	-81.74
12.	Rushi Décor Ltd	Jul 07, 2011	72	51.95	-27.84
13.	Birla Pacific Medspa Ltd	Jul 07, 2011	10	0.42	-95.8
14.	Readymade Steel India Ltd	Jul 13, 2011	108	76.35	-29.30
15.	Bharatiya Global Infomedia Ltd	Jul 28, 2011	82	6.55	-92.01
16.	Inventure Growth & Securities Ltd	Aug 04, 2011	117	7.65	-93.46
17.	L & T Finance Holdings Ltd	Aug 12, 2011	52	74.15	42.59
18.	Tree House Education & Accessories Ltd	Aug 26, 2011	135	224.65	66.40
19.	Brooks Laboratories Ltd	Sep 05, 2011	100	18.90	-81.1
20.	TD Power System Ltd	Sep 08, 2011	256	241.90	-5.51
21.	SRS Limitad	Sep 16, 2011	58	33.70	-41.89
22.	Vaswani Industries Ltd	Sep 20, 2011	49	1.9	-96.12
23.	P G Electroplast Ltd	Sep 26, 2011	210	186.65	-11.11
24.	Prakash Constrowell Ltd	Oct 04, 2011	138	0.60	-99.56
25.	RDB Rasayan Ltd	Oct 07, 2011	79	10.60	-86.85

26.	Tilaria Polypipes Ltd	Oct 14, 2011	60	3.73	-93.78
27.	One life Capital Advisors Ltd	Oct 17, 2011	110	175.95	59.95
28.	Flexi tuff International Ltd	Oct 19, 2011	155	227.95	47.06
29.	Taksheel Solution Ltd	Oct 19, 2011	150		*
30.	M and B Switchgears Ltd	Oct 20, 2011	186	12.35	-93.36
31.	Indo Thai Securities Ltd	Nov 02, 2011	74	12.10	-83.64
32.	Multi Commodity Exchange of India	Mar 09, 2012	1032	510.25	-50.55
33.	Olympic Cards Ltd	Mar 28, 2012	30	24.70	-17.66

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*Data not found

In 2011-12 financial years 33 IPOs listed from which 28 stocks are trading below their Issuing price. From the 28 stock 9 stock are trading down to more than 90% and 6 stock are trading below 60% from their

issue price. Worst affected IPOs are Prakash Controwell Ltd and Paramount Print Packaging Ltd which is currently trading below 90%.

3.2. Performance of IPOs Listing on April 2012 to March 2013. (Book building)

S.No.	Company Name	Listing Date	Issue Price	Current Price 07/02/2014	Profit/Loss
1.	National Building Construction Corporation Limited	April 12,2012	106	146.45	38.16
2.	MT Educare Limited	April 12,2012	80	84.95	6.18
3.	Tribhovandas Bhimji Zaveri Ltd	May 09, 2012	120	128.45	7.04
4.	Speciality Restaurants Ltd	May 30, 2012	150	112.60	-24.93
5.	VKS Projects Ltd	Jul 18, 2012	55	0.55	-99.09
6.	Tara Jewels Limited	Dec 06, 2012	230	100.25	-56.41
7.	Credit Analysis & Research Ltd	Dec 26, 2012	750	725	-3.33
8.	PC Jeweller Ltd	Dec 27, 2012	135	76.25	-43.51
9.	Bharti Infratel Limited	Dec 28, 2012	220	167.05	-24.06
10.	V-Mart Retail Ltd	Feb 20, 2013	210	265.90	26.61

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In 2012-13 financial years 10 IPOs listed from which 6 stocks are trading below their Issuing price. From the 6 stock worst affected IPO are Prakash Controwell Ltd which is currently trading below 99%. Performance of IPOs is linked to market

conditions. In 2010 a good number of IPOs gave listing gains as bulls were in actions then and sensex had touched 20 k by October. But investors hoping to make money in IPOs by investing on listing day went wrong and they lost their money.

3.3 Application Supported by the Block Amount (ASBA):

ASBA is an application containing and authorization to block the application money in the bank account, for subscribing to an issue if an investor is applying through ASBA, this application money shall be debited from the bank account only if investor application is selected for allotment after the basis of allotment is finalized, or the issue is withdrawn/failed.

Decline in indices is also one important problem faced by the retail investors.

Lack of Awareness: Most of the retail investor does not have the adequate knowledge about the capital market activities. There should be awareness regarding trading activities otherwise there may be huge losses for the investors.

Use of Intermediaries: Retail investor used intermediaries such as stockbrokers or sub brokers to take the decision related to investment. Sometime brokers or sub brokers may mislead the investors. They may suggest inefficient company shares to get their remuneration in the form of service charges.

4. Problems of Individual Investors:

Stock Market Volatility: Market volatility is the main aspect which affecting the retail investor.

Reservation of IPOs: Reservation of IPOs for retail investor is 35% which is not adequate as per the population of retail investors.

Payment of Bid Amount: Payment of the entire bid amount at the time of applying for IPOs is also a problem for the retail investors.

5. Conclusion:

The stock market performance of majority of IPOs that came during the financial year of 2011-12 and 2012-13 was disappointing. Out of the 43 IPOs between April 2011 and March 2013, 34 are trading below their issue prices. Investment pattern usually used by Individual Investors are making investment when the BSE and NSE will be high and selling the scrips when BSE and NSE will be in low, due this pattern of investment Individual Investors are losing their money in Primary and Secondary market.

Most of the Individual investor did not have the adequate knowledge about IPOs and they choose wrong IPO for their investment that caused them lose of money. Regulatory measure such as IPO grading and the concept of inform investor introduced by Security and Exchange Board of India to safeguard the interest of retail investor are not very effective. Literature are showing that before making investment in IPO majority of Individual Investor are not doing their research to know the financial condition of the company which is essential for the investor. More than 35% securities should be reserved for the retail investors in an Initial Public Offer (IPO).

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Promotion Strategies in Healthcare Organizations

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Abstract--Promotion has a key role in determining profitability and market success and is one of the key “seven Ps” of the service marketing mix the tools that can be employed in the promotional mix include: advertising, direct marketing sales promotion public relations and publicity personal selling and sponsorship. This value addresses some of the promotional practice of health care centres in Hyderabad. Respondent’s opined priority is given to the advertisement in health care. They are thinking of enhancing the budget to improve the promotional programs. Television is the major media for advertisement for health care service sector. The study found some lapses in the promotional mix and offered suggestions to make the promotional mix more effective.

I.INTRODUCTION

The American marketing association was the first to define services in the year 1960 as “activities, benefits, or satisfactions which are offered for sale, or provided in connection with the sale of goods”. This definition exhibited a limited view on services and attached services with the sale of goods.

Stanton in 1974 defined services as “separately identifiable intangible activities which provide want satisfaction when marketed to consumers and or industrial user and which are not necessarily tied to the sale of product or another service”.

Health care service industry in India: Healthcare, which is US\$ 35 Billion industry in India, is expected to reach over US\$ 75 Billion by 2012 and US\$ 150 Billion by 2017, according to techno pack advisors in their report- ‘India healthcare trends 2008’. The sector offers immense potential to healthcare players as the country witness a raise in the incidences life style related and other diseases.

A growing elderly population and rise in income levels are also pushing for better facilities in the country. To meet this growing demand, the country needs US\$ 50 Billion annually for the next 20 years, says confederation of Indian industry study. India needs to add 3.1 million beds by 2018 to the existing 1.1 million, and requires immediate investment of US\$ 82 Billion, as per the techno pack advisors report.

Promotion of healthcare services: customers need to be made aware of the existences of the service provided. Promotion includes advertising, sales promotion personal selling & publicity. Hospitals generally do not undertake aggressive promotion; they rely a lot on a favourable word of mouth. To increase the clientele, a hospital may continuously introduce different health services. Hospitals conduct camps in rural areas to give medical check up at a reasonable price so that they approach hospitals in the future. They generally advertise in the health & fitness magazines.

As hospitals spend millions of rupees in technology and infrastructure, it becomes necessary, that they attract patients and general fund. In order to do the same, the hospitals follow various marketing and brand building exercises. Some of them are listed below.

1. Many hospitals have eminent personalities from the industry in their board of trustees this indirectly leads to increase in, inflow of patients, working in the companies of this trustee. Besides the presence of eminent personalities creates a sense of confidence in the minds of people.

2. Private hospitals can attract their share holders by offering discounts. For ex: a special discount of 20% on all preventive health checks is offered to all share holders of Apollo hospitals Ltd.
3. Hospitals have a long term understanding with ppo's which further have understanding with corporate. Any case of sickness found in the employees of this corporate refers them to the ppo's which further sends them to the hospital for checkups and treatment.
4. The success rate of crucial operations and surgeries, reflect the technological and knowledge based edge of the hospital over the competitors. Such successes are discussed in health magazines and news papers which become a natural advantage for the hospital.
5. Some hospitals by means of their past track record have created a niche market for themselves. For ex: Hinduja is known for its high quality healthcare at reasonable price, where Aslilavathi hospital is known for its 5 star services.
6. Hospitals hold seminars and conferences relating to specific diseases, where they invite the doctors from all round the country, for detailed discussions. This makes the hospital well known amongst the doctors, who could in future refer complicated cases to the hospital.
7. Hospitals can also promote medical colleges this helps them to generate extra resources in forms of fees using the same infrastructure.

II. RELATED WORK

Garland keeling (1993) examined healthcare branding decisions along with strategic implications of branding. He included that, as long as market continue to be dynamic and healthcare administrators strategically respond the industry will continue to witness high level of activity in corporate identity. He also advocated corporate brand names can be rendered meaningless if one cannot deliver in a world where performance drives everything. Creating a brand image of quality is a long term effect requiring commitment of all.

Ashish Chandra Deborah C. Barbe and Ron Cheek, (1998) stated that healthcare products and services marketing is becoming increasingly important component and services, which this expending globally quite rapidly. Though promotion of over the counter prescription drug products directly to consumers is not a new concept promotion of prescription drugs products and healthcare organizations directly to consumers is a relatively new concept increase in such promotional activities give rise to the possible legal implication of such activities this paper attempts to provide in brief an insight regarding new market opportunities available to healthcare products and services marketers.

Rajiv Kumar Jain (2000) discussed development and implementation of the strategic service vision on dynamic basis for the corporate hospitals. He concluded that in the deregulated competitive environment hospitals need to evolve and implement a strategic vision not only to survive but to grow and advantage. The essential eliminates such vision are: target market segment, Service concept, Operating strategy and, Service delivery system. These elements need to the linked through: Positioning, Value cost leveraging and, Strategy system integration.

Altan Erdem S (2006) stated that there is no doubt that the internet has proven itself to be the most powerful vehicle for distributing information to millions of individuals. After all its interactive user control and provides a means for communication detailed information across a vast spectrum of topics. When the topic is healthcare marketing its popularity becomes even more eminent. There are over 25000 internet healthcare sits and this number is climbing rapidly. On the other hand there are many who are concerned about the healthcare marketing practices on the internet. One of the basic premises of this concern is based on the questionable accuracy of the information on the internet and the crucial impact of this lakh of accuracy when the information is about the healthcare.

PetyaTrendafilova (2009), examined on how the creation of a health care market might improve efficiency within Bulgarian hospitals. The fundamental aim of creating a market is to allow as

many as possible of the theoretical benefits of competition to be realized in practice. In attempting to reform Bulgarian healthcare system, a pure market approach is not likely to be supported. Marketing practices need to pursue by policymakers. New reforms in terms of service diversification, managed competition, cost control, patient satisfaction with hospital care and implementing marketing practices is required.

III. METHODOLOGY

Objectives of the study

1. To study the promotion practices in healthcare organizations.
2. To suggest ways and means, if needed, for strengthening healthcare service sector for better promotion mix planning.

This study requires both primary and secondary data. The primary data has been collected from various important hospitals located in Hyderabad. Secondary data is collected from journals, publications and other reference books and is also collected from various websites on the internet.

Questionnaire is used as Research Instrument followed by personal interview. The samples were collected by using, non-probability sampling procedure and in specific, Quota sampling technique has been adopted to select the sample. The questionnaires were distributed to the target respondent firms and after the scrutiny it was found that the collected questionnaires 120 numbers are found valid. The collected data is coded, tabulated and summarized. One-way ANOVA, Chi-Square tests and Freidman Test have been applied for analyzing the data.

IV. FINDINGS

All hospitals agreed that undertaking promotion activities is important and all of them are undertaking promotional activities for the promotion of their services. It is found that hospitals are preferred various promotion tools for promotion like public relations, publicity, referrals, personal selling

and sales promotion and also hospitals preferred various contents of advertisements such as 'service firm's image', 'staff/experts availability', 'products/services offered', 'sophisticated facilities/equipment', and 'price/Tariff structure' (TABLE - I, II & III).

TABLE - I

Response	Healthcare (N=120)	
	F	%
Yes	120	100
No	0	0

Undertaking promotion activities.

TABLE - II

Promotion tools	Healthcare (N=120)	
	Mean	SD
Advertising	2.05	.928
Publicity	2.24	.936
Referrals	2.53	1.007
Public relations	2.22	1.022
Personal selling	3.26	1.256
Sales promotion	3.92	1.376

Various promotion tools preferred for promotion

TABLE - III

Contents of the advertisements	Healthcare (N=120)	
	Mean	SD
Service firms image	1.77	.901
Staff/experts availability	2.06	.789
Product/service offered	2.14	.814
Sophisticated facilities/equipment	2.45	.951
Price/tariff structure	2.80	1.220

Various contents of the advertisement preferred

The study identified the television advertising as most preferred media by the health care sector followed by newspapers and magazines, Hoardings, Radio, and Internet. And the frequency of the advertisements in electronic media is 43 per month with approximate budget of Rs 296218.47 which is the highest compared to other media, where as it is only 3 per month in print media with

approximate budget of R 33909.91 and only once in a month on Hoardings with approximate budget of Rs 4657.66 (TABLE - IV, V & VI).

TABLE - IV

Various media of the advertisements preferred for

Media	Healthcare (N=120)	
	Mean	SD
Television	1.76	.886
Newspapers & magazines	2.07	.839
Radio	3.16	1.164
Internet	3.60	1.397
Hoardings	3.15	1.114

promotion

TABLE - V

Media for the advertisement	Healthcare (N=120)	
	Mean	SD
Electronic media	42.70	10.242
Print media	3.15	1.114
Hoardings	1.00	.000

Frequency of advertisements in various media of the advertisement

TABLE - VI

Response	Healthcare (N=120)	
	Mean	SD
Electronic media	296218.47	301534.530
Print media	33909.91	26673.293
Hoardings	4657.66	2306.101

Approximate budget for various media of the advertisement

It is also found that majority of the hospitals are sponsoring some programmes in television channels. More hospitals are highlighting their firm by specific services offered in the advertisements. All hospitals have public relations department and very few of them have marketing department separately for the promotion of their services and image.

It is observed that few hospitals have PR department work in coordination with marketing department to achieve goals of the organization (TABLE -VII).

TABLE - VII

Response	Healthcare (N=120)			
	Yes		No	
	F	%	F	%
Sponsoring programmes in TV channels	66	55	54	45
Highlighting firm by the specific services in advertisements	83	69.4	37	30.6
Availability of marketing department	18	15.3	102	84.7
Availability of public relations department	120	100	0	0
Coordination of PR department with marketing department	49	40.5	71	59.5

Promotional practices in healthcare organizations

Hospitals agreed to moderate regarding role of marketing/PR department in target achievement. All hospitals agreed at high level regarding word of mouth/publicity helps in promotion and only 54% of them are conducting customer exit interviews and taking feedback to rate their services (TABLE -VIII, IX & X).

TABLE - VIII

Response	Healthcare (N=120)	
	Mean	SD
Level of Acceptance	2.75	.868

Role of marketing/public relation department in achieving target

TABLE - IX

Response	Healthcare (N=120)	
	Mean	SD
Level of Acceptance	2.31	.724

Word of mouth/publicity in promotion

TABLE - X

Response	Healthcare (N=120)	
	F	%
Yes	65	54.1
No	55	45.9

Conducting customer exit interview/taking feedback

TABLE - XI

Friedman Test	
Statement	Healthcare (N=120)
Marketing helps the organization to build image	2.27
Marketing can increase productivity of organization	3.76
Marketing creates awareness about wellness programmes	3.05
Marketing helps to generate revenue	3.60
Marketing helps customer to select best service organization	3.99
Marketing provides scope for organization expansion	4.04

Approaches towards marketing practices

It is found strong that the hospitals approach towards the statement like 'marketing helps the organization to build image' (TABLE - XI).

V. SUGGESTIONS

Promotion to increase occupancy rate- The hospitals need to conduct free medical camps periodically, create awareness about the facilities through brochures and design advertisements with rich information.

Maintaining good relations with public- Hospitals need to release news for press coverage related to hospital events and public interest topics, write

columns for newspapers/magazines, publish news letters on latest medical topics and try to send personal letters to patients regularly about enquiring their health.

Organizing customer exit interviews- The suggestions from customers through exit interviews may be recorded and due consideration may be given to maintain quality while rendering the services.

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Six-Sigma in Service Marketing

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INTRODUCTION

Any organization in order to survive and grow has to make profit. In this competitive world, organizations attempt to increase their profitability and market share by meeting customer's needs more effectively. This can be achieved by improving internal process efficiency and reducing total operational cost. Quality plays a very crucial role in corporate strategy and off late, it has become the buzz word in the international business. Enterprises have realized that customer satisfaction holds the key to economic success. For this they strive to produce goods with zero defects, and follow it up with good service.

In 1980's an engineer at Motorola demonstrated formally and conclusively, that products which fail at the hands of the end users, thus, began a drive for product and corporate process quality, firmly targeted at reducing error and defect. This was to give birth to an entirely new approach ultimately known as 'six sigma'. The term 'six sigma' comes from statistics and is used in statistical quality control, which evaluates process capability.

The specific objectives of the paper are:

1. To throw some light on six sigma.
2. To present brief outline on evolution of service marketing.
3. To examine the methodologies applied to six sigma.
4. To analyze the six sigma application at Wipro service marketing.
5. To establish advantages and bottlenecks of six sigma.
6. To provide findings and suggestions.
7. Conclusion.

WHAT IS 'SIX SIGMA'?

- It is a new paradigm of customer satisfaction based on statistical measurement scale, using which product quality can be improved.
- It is definitely not simply a shift in statistical methods and accounting, from three sigma to 'six Sigma'.
- Six sigma as a management standard in production and service variation can be traced back to the work during 1920's.
- Many measurement standards such as zero defects later came into force. But the credit for coining the term six sigma goes to a Motorola engineer named Mr. Bill Smith.
- Six Sigma is a federally registered trade mark of Motorola.

DEFINITION

As defined by General Electric, Six sigma is a vision of quality which equates with only 3.4 defects per million opportunities for each product/service transaction, and it strives for perfection.

Six sigma level indicates that we are 99.99966% confident that the product and service delivered by us is defect free.

The greater this distance, the greater is the specification limits (USL and LSL, respectively) are at a distance of 6σ from the mean. Because of the properties of the normal distribution, values lying that far away from the mean are extremely unlikely. This is why Six Sigma aims to have processes where the mean is at least 6σ away from the nearest specification limit.

CERTIFICATION

General electric and Motorola developed certificate programs as a part of their Six sigma implementation, verifying individual command of six sigma methods at the relevant skill level.

THE TERM SIX SIGMA INDICATES THAT

- It is a quantitative methodology
- It is much more stringent than the three sigma statistical process control (SPC).

WHAT DO VARIOUS SIGMA LEVELS MEAN?

SIGMA LEVEL	YIELD%	DEFECTS PER MILLION OPPORTUNITIES
1	30.9	6,90,000
2	69.2	3,08,537
3	93.3	66,807
4	99.4	6,210
5	99.98	233
6	99.9997	3.4

TABLE: 1

TYPES OF SIX SIGMA BELTS

The six sigma belts are classified into the following categories.

- Green belts
- Black belts
- Master black belts
- Yellow belts

SERVICE MARKETING

Service marketing is a sub field of marketing, which can be split into two main areas of goods marketing, FMCG and durables and services marketing.

It refers to Business to Consumer (B2C) and Business to Business(B2B) services and includes marketing services like communications services, financial services all types of hospitality services, car rental services, air travel, health care services and professional services.

According to American Marketing Association (AMA), ‘Services Marketing is an organizational function and a set of processes for identifying or creating communication and delivering value to customer, and for managing customer relationship in a way that that benefit the organization and stake holders’.

APPLICATION OF SIX SIGMA AT WIPRO

Wipro has adopted a project approach for Six Sigma. Where, projects are identified on the basis of the problem

area that adversely impacts the business significantly.

The list of players at Wipro is as below:

- Six Sigma champions, Financialexecutives,Black belts, Green belts and Yellow belts.

IMPLEMENTATION TOOLS OF SIX SIGMA AT WIPRO:

- Ideation
- Definition
- Selection
- Tracking
- Reporting

METHODOLOGIES

Wipro has evolved following Six Sigma methodologies:

1. For Developing New processes
 - DSSS+ methodologies :This methodologies used for for software development of life cycle for defect free deliveries and lower customer cost.
 - DSSP methodologies:Used designing new process.
 - DCAM methodologies: Used for designing customer satisfaction
2. For Improving Existing process
 - TQSS : Used for defect reduction in transactional process.
 - DMAIC methodologies: Used for process improvement in non-transactional process
3. For Reengineering
 - CFPM methodologies: Used for cross functional process mapping.

OUTPUT OF SIX SIGMA AT WIPRO

Wipro is the first Indian company to adopt Six Sigma. At present Wipro has one of the most mature Six Sigma programs in the Indian industry ensuring 91of the projects are completed as per schedule, the Indian industry average is only 55%.Wipro has already completed one decade in the process of improvement in Six Sigma.The Six Sigma ladder helped to roll out over 1000 projects.

IMPACT OF SIX SIGMA ON WIPRO

The success of Six Sigma can be measured in terms of following indicators

- The services meet global bench mark.
- Ensured Robust processes within the organization.
- Consistently reached customer expectations.
- Wipro make quality a culture within.
- Currently 15,000 employees are trained in Six Sigma technologies.
- Built up a Six Sigma skill base of over 180 certified black belts to roll out over 1000 projects.

SIX SIGMA IMPACT ON SERVICE MARKETING

It introduces rapid and almost radical empowerments.

- It transforms the entire organization
- The customer is always in focus.
- It ensures enhanced product quality.
- It also facilitates the development and introduction of new products into the market place.
- Six sigma levels indicates 99.9997% product/service delivered is defect free.

CRITICISMS/BOTTLENECKS OF SIX SIGMA TECHNIQUE

- Lack of originality.
- It includes what we used to call facilitations.
- Critics argued that there is overselling of Sixsigma by too great or number of consult firms.
- Over reliance on statistical tools.
- Edition in chief of design news, use if six sigma is in appropriate in a research environment.
- YASAR JARRAR and ANDYNEELY from Grandfield school of management acuter for business performance.
- Six sigma is exciting but not necessarily exciting.
- Detraction from creativity it sounds too techie.

CONCLUSION

In spite of some bottlenecks in the six sigma technique it plays a vital role in business sector in general and service marketing in

particular. Initially it has been introduced by top Multinational Corporation like Motorola (Japan) General Electric (GE) USA later majority of the MNC's adopted this technique .The service marketing has adopted this technique and in turn plays vital role in promoting the services. The popularity of the service sector indicates about the customer's consciousness towards quality without any difference to price. Though it is very popular and multi-dimensional in approach, it has some minor pitfalls which can be ignored.

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HR Challenges In Service Industries

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“Challenging does not mean you have to come first every time, challenging is you gave your best and even if you come second you are winner because you gave best”- G.Archana.

INTRODUCTION:

Critically discuss particular challenges facing the management of people and how these challenges may be overcome in the service sector.

‘People and how we manage them are becoming more important because many other sources of competitive success are less powerful than they once were.

With the rise in service sector industries all around the world, Human Resource managers need to step up to the role in this fast – paced world. This will focus on interactive service work of the service sector. Interactive service work has drawn a lot of debate because it is considered to be work ‘without technical or knowledge’ skills. On the contrary interactive service skills are needed for the smooth and effective running of an organization. Employees who possess the right ‘people skills’ are bound to make a positive impression on the client which in turn encourages them to conduct more business. With the growth and rise in technology and world interconnectedness, the service sector employs a large number of people in most economically developed countries. There is a slow shift occurring from the ‘knowledge based economy’ to a ‘service based economy’. The service sector encompasses financial services, Software service and any kind of service that requires face to face contact with clients or customers.

This will be focusing on the frontline interactive service jobs as seen in the Software sector, hospitality industry and the retail industry. It is worth mentioning that the service sector involves tangible and intangible services. To get the effectiveness of an intangible service like customer satisfaction, there is a need for efficient customer service which is an intangible service. The role of skills in the service industry has been up for debate recently and this has posed a lot of questions for managing people in the service sector.

WHAT IS SERVICE SECTOR?

The service sector can be described as the part of the economy that includes individuals and businesses that produce services rather than goods. The service sector is one of the fastest growing sectors of the world economy. It includes Software, Education, Finance, Communications, Health care, Utilities, wholesale and retail trade, and transportation. Producing these services as a whole tend to require less natural capital and more human capital.

It can be rightly said that the service industry involves more contact with people than the other sectors of the economy for example the primary sector like manufacturing. The service industry involves the day to day dealing with customers and clients alike. With the huge role the service industry plays, it is necessary to for the organisations to know how to manage people to get efficient and orderly service

CHALLENGES:

- RECRUITMENT , SELECTION AND RETAIN

The recruiter has to be effective in the highly specialized interaction of the selection interview, where the task is to find out the relevant information about an applicant on which to base a judgment as to whether or not that person would match the skills, experience and attitudes required in the job to be filled’.

In managing people in the service sector is the recruitment and selection of staff. Managing people in the service sector is becoming more challenging as organizations have to look for the right people who possess not just qualifications but the right ‘attitude’ and ‘people skills’. There is a rise in the demand of ‘social skills’ and ‘personal characteristics’. Recruitment and selection in this context relies heavily on social skills rather than technical skills as

there is a need for employees to interact well with the clients to fulfill the demand of the business. It has become increasingly important for managers seek to get the right person that will 'fit the part'. Not necessarily based on experience but also on personality traits.

Three forms of jobs involving emotional. They are those that require face to face or voice to voice contact with the public, require the employee to produce an emotional state in another person and the jobs that allow employees to exercise a degree of control over their emotional activities. This can lead to emotional exhaustion and stress.

CONTROVERSIAL ISSUES:

FALLING DOWN ATTRITION			
Organization	2013	2012	2011
TCS	12.8	13.7	14.4
INFOSYS	15.4	15.2	17.5
WIPRO	14.2	18.6	21.7
HCL	15.7	15.9	17.2

- **LOOKISM**

Lookism as “prejudice or discrimination based on physical appearance and especially physical appearance believed to fall short of societal notions of beauty”. Research has shown that employers are apparently more concerned about the way an employee looks and behaves than the qualifications they have. Employers have stuck to interviews as this gives them a chance to observe a potential employee

- **DIVERSITY**

In recruiting and selecting people, the need to ‘speak right’ is essential for some employers. This has created the concept of the ‘style Human resources market’. However, the interconnectedness of the world through globalization and free movement of people across borders mean that people from different nationalities might apply for a specific job. Managers have to be cautious to avoid any form of discrimination based on race. In this context, sticking to qualifications can form a good base for indiscrimination.

- **EMOTION**

‘... part of the job is to disguise fatigue and irritation, for otherwise the Human resources would show in an unseemly way, and the product.....would be damaged’.

Managing emotional in service sector is crucial for the success of an organization. Employees who cannot put their feelings under check put the organization at risk. It can cause problems if not handled properly.

Emotional can often lead to stress when employees are constantly required to sometimes act against how they feel. Emotional has led to work related stress in many organizations with employees taking days off work which impact on the organization by the loss valuable time and money. This can lead to stress and inefficient work. Stress related issues have led to high turnover rates which employers have to deal with. The constant demand for a routine followed service can take its toll on employees.

To manage stress related issues, managers need to day offs, job sharing or part time work. In the long run this will be a benefit to the organization and the employees would not have to take so many days off work because of stress. The rise of work – life balance is crucial in today’s fast paced world and it takes the employers to see the need for this in their organisation to reduce absences and save money

- **TRAINING AND DEVELOPEMENT**

A critical issue in service organizations may be to retain service employees in general, and specifically those employees who are talented in working with customers and delivering excellent service quality.

After the recruitment and selection process, managers are faced with the task of retaining the best employees. They have to retain them by constant training and development. Employers feel the pressure not only is selecting and recruiting the right employees for the job but to keep on training them. There is a need for organizations to invest in training.

Soft skills can be learnt and require practice and confidence in the job specification. For example, an employee who has no knowledge of working in a café is clumsy for the first few days or weeks but eventually gets comfortable with the work after serving customers on a daily basis. There will be no need for constant supervision after that. This also applies to an employee working in an organization.

In examining training and development in the service sector, a concern worth mentioning is in role clarity. An employee might not perform a specific task well

because of uncertainty. When an employee receives and understands clearly the information required to do the job, there will be a positive effect on employees’.

- **BEST FIT VERSUS BEST PRACTICE**

The skills that matter most are dependent on the kind of service sector and the level of discretion given to the worker. The principle of ‘best fit’ versus ‘best practice’ has to be applied here. Employers are listing personal characteristics among the skills they are seeking for. There is now a trend of ‘looking good’ and ‘sounding right’. Best practice is usually a way of adopting rules that have worked for some organizations. It is a standard way of practice. Best practice is not always feasible as what works for one organization might not work for another organization. It is important to adopt skills that fit an organization.

Best practices are not always best for the organization. Employees acting on routine based worked are often left confused when faced with a situation or query from a customer which is not in the ‘handbook’. There are pros and cons to both best fit and best practice so managers need to invest in proper training for the employees and encourage them to use discretion when necessary. Acting on discretion requires quick on-the-spot thinking which

cannot be determined by a thirty minute interview with an employee.

It is the employer’s responsibility to increase the motivation of employees by guiding them through the organisations’ vision and long term goals. There should also be a chance for career development. The need for excellent customer service for the success of the organisation should be outlined effectively. There is a need to invest in employee training and development. The employees should be given a chance to make decisions regarding their service to customers

CONCLUSION: it can be inferred as HR challenges place a very important role in service industries. Managing employees in service sector is highly demanding task for which the appropriate strategies must be taken by the service companies.

Those strategies are proper selection ,appropriate training and development and employee engagement. When a employee can grow in new big pond and still make the pond attractive it is beneficial to both employer and employee. Always there will be challenges in service industries based on the situation the HR will act on the situation and resolve it.

Financial Inclusion “A Big-Bang Of Financial Literacy”

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Abstract

India has a long history of financial inclusion, traditionally been understood to mean opening new bank branches in rural and unbanked areas. Nowadays, however, financial inclusion is seen to be something more than formal financial services across the length and breadth of the country. The objective of Financial Inclusion is to extend financial services to the large thus far un-served population of the nation to unchain its growth potential. In addition, it strives towards a more inclusive growth by making financing particularly available to the poor. This paper intended to provide an assessment of the impact of Pradhan Mantri Jan-Dhan Yojana, Comprehensive Financial Inclusion Plan (CFIP) further addressing some facts and issues within the framework.

INTRODUCTION

Financial Inclusion has been important policy goals for the government from some time. In the context of the various shortcomings in delivering subsidies, direct transfers using technology have been thought of limbs to CFIP. The beneficiary needs to have at least one bank account. Technology adaptation would be a key feature in this scheme for financial inclusion. The RBI has, in the recent past, taken several steps to further inclusion. RBI is betting to provide banking services to those who remain outside the purview of formal banking.

For the Jan-Dhan Yojana to succeed the following steps are indicated:

(1) The business correspondent model should be extended to include entities such as kirana shops, corporate and others. It is obvious that BCs need to be properly remunerated and have the full support of

banks. Banks have tied up with common service centers (CSCs) as BCs.

(2) Insistence on KYC (know your customer) norms has hindered the opening of new accounts even in urban areas. Great significance is, therefore, attached to e-KYCs. The Aadhaar can play an extremely useful role.

(3) Since mobile banking through phones is to play an increasingly important role in a scenario where physical bank branches will be few, greater co-ordination between mobile telephone companies and banks will be necessary.

(4) It goes without saying that State governments' support will be crucial.

(5) Commercial viability will be the key to the programme's success. Past experience suggests that without proper incentives, the facilities on offer will not be used by the really needy. Banks will be saddled with a large number of dormant accounts.

By far the biggest challenge is one of altering the mindset — of banks, policy makers and bank customers, both potential and existing. The latest inclusion plan will have as its focus households rather than geographical areas. Simultaneously suitable awareness will be created among the financially excluded.

1. EXECUTIVE SUMMARY

"Financial inclusion is delivery of banking services at an affordable cost ('no frills' accounts,) to the vast sections of disadvantaged and low income group. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy." Financial Literacy is the major issue in financial inclusion and has a vital part to play for the action plan.

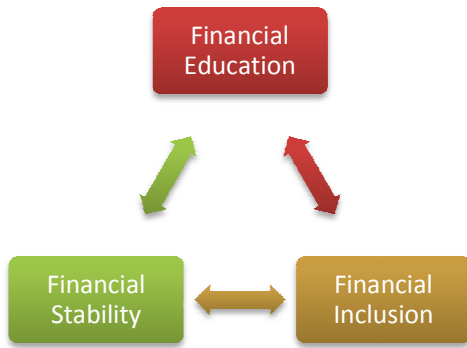


Figure 1: Financial Tripod

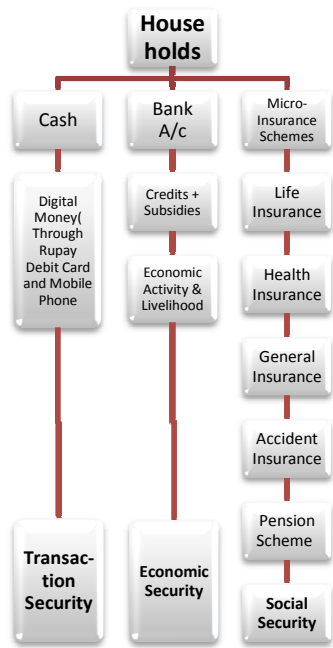


Figure 1.1 : Impact of Financial Inclusion on Households

1.1 Concerned areas by banks

The last few decades’ tremendous growth in volume and complexity has been shown in the banking industry. Despite making significant improvements in all the areas relating to financial viability, profitability and competitiveness, there are concerns that banks have not been able to reach and bring vast segment of the population, especially the underprivileged sections of the society, into the fold of basic banking services.

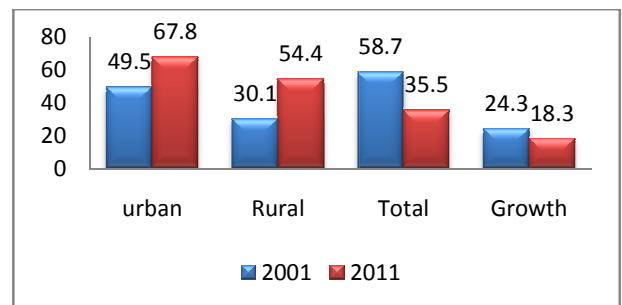
Globally also efforts are being made to study the causes of financial exclusion. Many Organizations designing strategies to ensure financial inclusion of the poor and disadvantaged. The reasons may vary from country to country. The government of India has a latest plan of

action, as envisaged in the CFIP. After satisfactory conduct of accounts it is proposed to offer reasonable need-based credit facilities for which overdraft facilities will be sanctioned. A smart card (RuPay card) will be issued to enable customers to operate their accounts even without BCs. Simultaneously suitable awareness will be created among the financially excluded. Even there is a proposal to make available a pension scheme for identified individuals in the unorganized sector and offer microfinance products through government-owned insurance companies.

Inclusion plan have its focus on households rather than geographical areas.

TABLE I
HOUSEHOLDS AVAILING BANKING;

House holds		Rural	Urban	Total
As per census 2001	Total number of households	138,271,559	53,692,376	191,963,935
	No. of households availing banking services	41,639,949	26,590,693	68,230,642
Percent		30.1	49.5	35.5
As per census 2011	Total number of households	167,826,730	78,865,937	246,692,667
	No. of households availing banking services	91,369,805	53,444,983	144,814,788
Percent		54.4	67.8	58.7
Growth Percent		24.3	18.3	23.2



Source: Table IV.7. RBI Annual Report, 2013-14

Inference: Census, 2011 estimates that only 58.7% of the households have access to banking services and a growth of 24.3% and 18.3% in urban and rural respectively.

The present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 1,15,082 and an ATM network of 1,60,055. Of these, 43,962 branches (38.2%) and 23,334 ATMs (14.58%) are in rural areas.

TABLE II
A SUMMARY PROGRESS OF ALL BANKS
DURING FIVE YEARS PERIOD

Particulars	Year Ended				
	2010	2011	2012	2013	2014
Branches	33,378	34,811	37,471	40,837	46,126
Villages covered by BC's	34,174	80,802	1,41,136	2,21,341	3,37,678
Other modes	142	595	3,146	6,276	-
Total	67,674	116,208	40,617	47,113	46,126
urban locations through BC's	447	3,771	5,891	27,143	60,730

1.2 Financial Inclusion Plan - Timeline:

Comprehensive Financial Inclusion of the excluded sections is proposed to be achieved by 14th August, 2018 in two phases as under: **Phase I (15th Aug, 2014 – 14th Aug, 2015)**

- Universal access to banking facilities in all areas except areas with infrastructure and connectivity constrains like parts of North East, Himachal Pradesh, Uttarakhand, J&K and 82 Left Wing Extremism (LWE) districts.
- Providing Basic Banking Accounts and RuPay Debit card which has inbuilt accident insurance cover of ` 1 lakh. Aadhaar number will be seeded to make account ready for DBT payment.
- Financial Literacy Programme **Phase II (15th Aug, 2015 – 14th Aug, 2018)**
- Overdraft facility up to ` 5000/- after six months of satisfactory operation / history
- Creation of Credit Guarantee Fund for coverage of defaults in A/Cs with overdraft limit up to 5,000/-.
- Micro Insurance
- Unorganized sector Pension schemes like Swavalamban some of the Phase II activities would also be carried out in Phase I.

In addition, in this phase, coverage of households in hilly, tribal and difficult areas would be carried out. Moreover, this phase would focus on coverage of remaining adults in the households and students.

1.3 Fostering Financial Inclusion - RBI

RBI has taken to further the Financial Inclusion in the country supporting policy initiatives.

(a) REACH

(i) Branch expansion in rural areas

In the Annual Policy Statement for 2013-14, banks have been advised to consider frontloading (prioritizing) the

opening of branches in unbanked rural centres. To further step up the opening of branches in rural areas, banks have been mandated to open at least 25 per cent of their new branches in unbanked rural centres.

(ii) Agent Banking - Business Correspondent/ Business Facilitator Model

In January 2006, the Reserve Bank permitted banks to utilize the services of intermediaries in providing banking services through the use of business facilitators and business correspondents. The BC model allows banks to do 'cash in - cash out' transactions at a location much closer to the rural population, thus addressing the last mile problem.

(iii) Combination of Branch and BC Structure to deliver Financial Inclusion

The idea is to have a combination of physical branch network and BCs for extending financial inclusion, especially in geographically dispersed areas. To ensure increased banking penetration and control over operations of BCs, banks have been advised to establish low cost branches in the form of intermediate brick and mortar structures in rural centres, so as to provide support to a cluster of BCs (about 8-10 BCs) at a reasonable distance of about 3-4 kilometers.

(b) ACCESS

Relaxed KYC norms

- Know Your Customer (KYC) requirements have been simplified to such an extent that small accounts can be opened with self certification in the presence of bank officials.
- RBI has allowed 'Aadhaar' to be used as one of the eligible documents for meeting the KYC requirement for opening a bank account.

(c) PRODUCTS

Bouquet of Financial services

In order to ensure that all the financial needs of the customers are met, we have advised banks to offer a minimum of four basic products, viz.

- A savings cum overdraft account
- A pure savings account, ideally a recurring or variable recurring deposit
- A remittance product to facilitate EBT and other remittances, and
- Entrepreneurial credit products like a General Purpose Credit Card (GCC) or a Kisan Credit Card (KCC)

(d) Transactions

Direct Benefit Transfer

The recent introduction of direct benefit transfer, leveraging the Aadhaar platform, will help facilitate delivery of social welfare benefits by direct credit to the bank accounts of beneficiaries. In order to ensure smooth

roll out of the Government's Direct Benefit Transfer (DBT) initiative, banks have been advised to:

- o Open accounts of all eligible individuals in camp mode with the support of local Government authorities.
- o Seed the existing and new accounts with Aadhaar numbers.
- o Put in place an effective mechanism to monitor and review the progress in implementation of DBT.

1.4 As a part of second phase covering unbanked villages i.e. with population less than 2000 in a time bound manner. About 4,90,000 unbanked villages with less than 2000 across the country have been identified and allotted to various banks.

**TABLE III
ANALYSIS OF FINANCIAL INCLUSION
IMPLEMENTATION IN ANDHRA PRADESH AND
TELANGANA STATE;**

Bankwise details of villages Allotted and covered as on 16.08.2014		Villages	
S.No	District	Allotted	Covered
1	Allahabad Bank	11	11
2	Andhra Bank	2467	2146
3	Bank of Baroda	79	72
4	Bank of India	85	59
5	Bank of Maharashtra	10	8
6	Canara bank	293	282
7	Central bank of India	116	113
8	Corporation Bank	161	158
9	Dena Bank	0	0
10	IDBI Bank	1	0
11	Indian Bank	740	661
12	Indian Overseas Bank	307	273
13	Oriental Bank of Commerce	1	1
14	Punjab & sind Bank	0	0
15	Punjab National bank	34	21
16	SBBJ	0	0
17	State bank of Hyderabad	467	409
18	State Bank of India	4188	3567
19	State bank of Mysore	8	8
20	State Bank of Patiala	0	0
21	State Bank of Travancore	0	0
22	Syndicate bank	1117	938
23	UCO Bank	66	45
24	Union Bank of India	694	641
25	United Bank of India	0	0
26	Vijaya Bank	155	142
	Public Sector Banks	11000	9555
27	Regional Rural Banks	5675	4677
	Karur Vysya Bank	7	7
	ING Vysya Bank	149	138
	Axis Bank	0	0
	ICICI Bank	1	1

	City Union Bank	0	0
	DCCB	18	9
	HDFC	0	0
	Lakshmi Vilas Bank	0	0
	Tamilnadu Mercantile Bank	0	0
	Karnataka Bank	14	14
	Kakinada Cooperative Bank	0	0
	South Indian bank	8	8
	YES Bank	0	0
	Coastal Local Area Bank	2	2
	Dhanalakshmi bank	0	0
	Indus Ind Bank	0	0
	Federal Bank	0	0
28	other Banks, total	199	179
	Grand Total	16874	14411

- A village named kastala Agraharam, Atchampet, Guntur District has been allotted to SBI with a population of 2001 (which has to be covered in Above 2000 population Slot).
- A village named Jowkuledudinne, Gorantla Gorantla, Ananthapur District has been allotted to SBI with a population of 29 (which has to be covered in Below 2000 population Slot).

2. Potential Challenges marked in the implementation of the Mission:

2.1 Telecom connectivity: The feedback from the Banks is that in tribal and hilly areas of the country, the telecom network is not reliable and therefore setting up Bank Mitr (Business Correspondent) in these areas and ensuring opening of bank accounts is going to be difficult. A meeting was held with representatives of the Department of Telecom (DoT) and BSNL in this regard and it was assured that the ongoing telecom connectivity problems would be resolved by mutual consultation. It was also informed that DoT is separately seeking the Government approval to cover all villages in the North East and difficult areas with telecom connectivity. Banks would also work to utilize the National Optical Fibre Network (NOFN) when it reaches the Panchayat level.

2.2 Keeping the accounts "Live": It is essential that all Government benefits - Central, State or local should flow to these accounts as it has been observed that a lot of duplicacy exists in this area and sometimes States have not followed the service area approach and allocated areas to some banks other than service area banks creating avoidable confusion. The DBT schemes especially MNREGA need to be pushed and DBT in LPG needs to be restarted.

2.3 Brand awareness and sensitization: In order to achieve a "demand" side pull effect, it would be essential that there is Branding and awareness on Bank Mitr (Business Correspondent) model for providing basic

banking services, Banking Products available at Bank Mitr (Business Correspondent) outlets and RuPay Cards. Customers to be made aware that overdraft of up to 5,000/- to be provided in their account is a credit facility which needs to be repaid in order to get fresh limits and is not a grant.

2.4 Commission to Bank on Direct Benefit Transfer (DBT):

A task force on Aadhaar Enabled Unified Payment infrastructure has recommended that last mile transaction cost of 3.14 % with a cap of ` 20/- per transaction be budgeted for various EBT, DTS and last mile payments through Micro-ATMs and ATMs. The commission applicable for DBT should also cover DBTL (DBT of LPG). MGNREGA may also be included in Direct Benefit Transfer.

2.5 Coverage of difficult areas: Parts of North East, Himachal Pradesh, Uttarakhand, J&K and 82 Left Wing Extremism (LWE) districts face challenges of Infrastructure besides Telecom connectivity. All households in such areas may not be fully covered under the campaign. Coverage of some of the areas might, therefore, spill over to Phase-II.

3. CONCLUDING REMARKS

Empirical evidence shows that financial inclusion follows with financial literacy. It should reach several people through financial training programmes. Impact assessment studies have to be done in every quarter which could reveal whether awareness of financial products increased significantly at the community level or not. This could not always translate the behavior change or greater use of financial instruments and services. The need to make this critical transition from awareness to action through an idea of having a permanent resource centre that could provide financial training and information, but also deal with financial issues on an individual basis and provide the support required to make the right financial decision in each case. While the ultimate goal of financial inclusion has to provide information and counseling to the community on financial products and services available to them; to educate the economically disadvantaged people in urban/semi-urban areas to make informed decisions pertaining to their finances.

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'On Passionate Grounds' - A Corporate Strategy To Create Excellence In Human Resources

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ABSTRACT: — *Most organizations today realize that a 'satisfied' employee is not necessarily the 'best' employee in terms of loyalty and productivity. It is only an 'engaged employee' who is intellectually and emotionally bound with the organization, feels passionate about its goals and is committed towards its values. Employee engagement relates to the employee's commitment to the organization's success. Engaged employees who are inspired and guided by the leadership, equipped with the right tools and managed by the right systems and processes deliver superior performance. Earlier, an organisation's success was measured in terms of employee satisfaction from the employee engagement activities [1]. However, engaging employees through various methods and channels also became obsolete and it is now time to go beyond engagement and focus on Employee Passion – a core factor that creates success for the organization.*

Keywords—*Employee's passion for work; Efficient productivity .*

I. INTRODUCTION

An individual's passion for his or her work comes from self motivation to work more which drives one to achieve the set goals. It creates an insatiable hunger for excellence. However, many people do not enjoy their work and do it to earn a livelihood, rather than out of interest. For individuals, being passionate about their work is not only important but

crucial because it directly affects their overall performance and personal life.

A. *Passion:*

Passion is what drives one to the edge and urges him/her to take the leap to explore the unknown. Passion is the single fastest way that stimulates one to go beyond the ordinary and do something that they are excited about. Passion is a strong emotional compelling feeling, enthusiasm or desire for anything.

The dictionary meaning of passion is boundless enthusiasm [2].

B. *Behavioral Parameters To Gauge Employee's Passion For Work :*

Employee analysis of the Herzberg's factors results in employee impressions of the workplace. It is on the basis of these factors that employees make a cognitive assessment of whether they feel passionate about work or not. While different individuals feel differently about a workplace, the most dominant sentiment determines engagement levels. The decision about being passionate towards work is manifest through certain key behaviours. There are 5 different areas where the key behaviours can be measured:

- 1) *Commitment:* Commitment is the most important parameter to regard an employee being employee passion towards work. Commitment encompasses positive attitude to work and the desire to go the extra mile to accomplish organisational objectives. Commitment is measured at two levels—job and organisation. Commitment to job is about passion to accomplish work-related goals, while maintaining optimism about the same. Commitment to the organisation is gauged by the way employees endorse corporate. Values and beliefs and adhere to them under all circumstances.
- 2) *Absence of personal gain:* When employees show willingness to stretch themselves even if they do not stand to gain personally from it, it is indicative of unconditional commitment and passion for work.
- 3) *Employer loyalty:* When employees express the desire to stay on with the employer and demonstrate their intentions of career planning with the same employer, it is indicative of a strong commitment and passion for work.

Finding such unconditional support for employer is a rarity, given today's umpteen choices. However, when employers manage to earn a reputation of this kind, there is little to worry on the people management front.

- 4) *Employer brand:* Passionate workers not only endorse employer practices, but also recommend the employer to others strongly. They are, in fact, the most effective advertisement tool for the employer.
- 5) *Strong leadership:* A strong leadership and a well-thought strategy play an important role in employee work passion. A strong leader can help employees steer efforts in the right direction. The role of a strong leader is at two levels. At one level, it is about connecting with individual employees and helping them align their aspirations with corporate objectives. The second level is more systemic, and deals with redefining policies, strategies and procedures. Understanding this classification of responsibilities and duties will enable leaders to perform better and establish themselves as a great source of energy and growth for their team members and coworkers. Passionate leaders are excellent decision makers and they know how to maintain high performance standards for self and for their respective teams. They find joy by maintaining high job performance and their passion for work is the key to make sure they meet their professional and developmental goals.

C. Passion for employer, vs. Passion for Work

1) Passionate about the Employer:

- The ultimate team player who is with the group.
- Works late nights and weekends and has everyone in the team to work together.
- Defends the company to anyone, anywhere that criticizes or questions its products, Policies or practices.
- Prefers responsibility to Employer to Customers.
- Questions, but does not challenge the status quo.
- Is well-liked, because work is done enthusiastically.
- Accepts the corporate expectation.
- Work on career path in the company;
- Focused on gaining recognition.

2) Passionate about the work:

- Keeps updated professionally

- knows the key people in the industry
- Works on the Best of the tools
- Strives for achievement on different assignments
- Defends the quality of his/team's own work
- Does not care about upward mobility in the company. Cares about doing extraordinary work and possibly the recognition of his peers in the industry.
- Puts responsibility to his own ethics and values-- especially related to quality of work— over responsibility to employer.
- May not be extremely well-liked, but is highly respected and tolerated because he's known as one who, "cares deeply about doing the best possible job, and is very good at what he does."

There is virtually no distinction between passion for the company and passion for the work -- they are, essentially, the same thing, driven by the same overall desire to succeed. A great company is the one who treats employees as real treasures.

II. CREATING PASSION FOR WORK

An employee being passionate about the work is rooted in the basics of employee motivation and differs for different individuals. Transcending the traditional Herzberg's motivator is today's set of 12 factors that experts believe, outline employee passion [3]. These factors are:

Table 1: 12 Factors that contribute to employee passion

Purpose-oriented work	Work-life balance
Collaboration	Leadership bonding
Autonomy and empowerment	Co-worker bonding
Growth	Task enrichment by variety
Performance management	Fairness in terms of procedures and policies
Regularised feedback	Ethical code of conduct

III. EFFECT OF BEING PASSIONATE AT WORK

Passionate people are a boon to organisations as they are high achievers and always remain self driven and motivated [4].

- 1) Passionate individuals in the workplace are driven and find pleasure in their jobs. They feel success and the ability to affect positive changes in their bones. Passionate individuals are examples of physical and mental well being. These individuals want to make a difference and look at every day as a challenge and a commitment.
- 2) Passionate employees not just act but feel that way about one's job which means a passionate worker creates energy that can boost the spirit of all other workers and to get optimal results, they consistently sharpen their skills.
- 3) Passionate individuals adopt different approaches at different situations but consistently work with same vigor. They are self-driven and not depend on organizational environment or the boss' attitude as an external source for motivation.
- 4) Passionate individuals inspire their colleagues because they show them how to capitalize on their own unique skills and utilize their attributes. Inspired individuals are like magnets that draw other individuals they are working with to take notice and visualize possibilities to become motivated and also inspire others to succeed.
- 5) Passionate individuals create a positive and productive working environment. Individuals that can influence positive change will be valued by their organization and enhance their ability for long term job success. Employees who meet their professional and personal needs in the workplace, promote best job performance.
- 6) Passionate individuals do not work alone, and know the value of team work. They influence positive team work purely by their presence and job ethics. They show their passion to achieve success and accomplish the goals they have set for themselves. Once they reach their goals, they will often go beyond normal expectations and push themselves to new levels.
- 7) Passionate workers are happy individuals because they are able to evaluate their work life balance and know the importance of balancing their life. They know that work sometimes will require more of their time and are willing to devote their time when needed. They also recognize when their personal life needs some attention and will devote extra hours when needed.
- 8) Passionate individuals manage conflict with a positive attitude and they never let the negative influences break their passion about their job. When things get rough, they do not lose their cool and always keep the bigger picture in mind. They understand the value about effective working relationships and their own passion for their job will push to maintain their working relationships
- 9) Passionate individuals will not run and hide when they have to take on work that may fall outside of their own comfort zone. They look at these situations as opportunities to enhance their own job skills and understand the impact on their long term career success.
- 10) Passionate individuals are open to new challenges and always maintain a high level of productivity. They gain visibility in their organization and always show they are excited to be at work. Taking on challenges, remaining positive, meeting their expectations or exceeding them are their path to long term career success.
- 11) Passionate individuals tend to be innovative to try different approaches to reach their goals. They are more goal oriented than techniques oriented. For them, the method of choice is the method which will work best, not the usual method to achieve goal.
- 12) Passionate individuals have all their senses involved in the job in hand. Their brains work, their eyes work, their ears work and their overall expressions work.
- 13) Passionate individuals tend to persist in the face of adversities who are not easily discouraged by failure. The underlined self-confidence helps them to carry-on despite setbacks and use failure as a learning experience so never leave a task unfinished.

IV. CONCLUSIONS

"Nothing great in the world has ever been accomplished without passion." Hebbel quotes-German Poet

- A. *Best Ways for Organizations to Increase Employee's Passion at Work:*
 - 1) *Hiring smart:* for passion and attitude and then for skill. People can learn the skills needed for any job – passion is harder to teach [5].
 - 2) *Getting a good fit:* takes the time and energy to match up with the right people on right jobs.
 - 3) *Continuous training:* is very essential for employees to be excellent at their work. The more competent employees feel – the more they are engaged in work.
 - 4) *Communicating with passion:* and with enthusiasm has a lot of impact especially when organization makes changes or implements new techniques .

- 5) *Goal setting*: is a big factor for success of a company. People who have goals and have a vision for their future are naturally more passionate.
- 6) *Recognition*: and praise makes employees feel appreciated better about their work and are more likely to fit into place.
- 7) *Employees love surprises*: People who have fun at work are more likely to be engaged and passionate about their work.
- 8) *Caring*: People who work for a boss who truly cares are people who work harder and more enthusiastically. Employees need to be taken care of.
- 9) *Taking risks*: occasionally or doing something different generates passion to work with.

Finally, employees can become really passionate about the company, when they are allowed to bring a passionate work-culture. Letting employees express the passion they have for their work would result in turning good companies into great ones [6].

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Inbound Marketing- Exploiting the untapped Potential of Social Media

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ABSTRACT:

Inbound marketing is marketing for today's consumer. It's marketing that's where the best prospects are when they're looking for products, services, and an answer is online. It's about attracting people to the website where they convert them into leads. It includes blogs, podcasts, video, eBooks, E-newsletters, whitepapers, SEO, social media marketing, and other forms of content marketing which serve to attract customers. Inbound marketing dominated organizations experienced a 61% lower cost per lead; in 2010 it was 60%. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their social networks. Social media has become a platform that is easily accessible to anyone with internet access. Increased communication for organizations fosters brand awareness and often, improved customer service. Additionally, social media serves as a relatively inexpensive platform for organizations to implement marketing campaigns. Social networks are the preferred way of communication for many people around the world. Facebook, Twitter, YouTube and LinkedIn are currently the top social media sites businesses use. Today's truly successful companies must embrace new IT-enabled strategies and leverage it in order to be successful in a fiercely competitive and purely borderless world. This paper explores the power of social media as a strategic game changer and initiator of competitive advantage to a business.

Key words: Inbound Marketing, Social Media, Lead cost

Introduction:

Inbound marketing is promoting a company through blogs, podcasts, video, E-newsletters, whitepapers, SEO, social media marketing, and other forms of content marketing which serve to attract customers. Inbound marketing methodologies are used to reach potential customers at various levels of brand

awareness. These tactics require a commitment in order to steer marketing efforts into increased opportunities, as it provides the prospect to both learn about potential customers and have potential customers learn about the business. The inbound marketing term was coined by HubSpot's Brian Halligan, in 2005. According to HubSpot, Inbound marketing is especially effective for small businesses that deal with high dollar values, long research cycles and knowledge-based products. In these areas prospects are more likely to get informed and hire someone who demonstrates expertise.

Inbound marketing, when done correctly, it tells the audience the stories that matter to them at the time and place of their choosing, about the products and services they need, want, or choose to support. In a 2011 study, inbound marketing software provider Hubspot determined that the average cost per "lead" is 62% lower with inbound marketing as opposed to "outbound" marketing. The same study also showed that organizations that blog (an important component of inbound marketing) get 55% more visitors to their websites. Regular blogging leads to better search engine placement, more sharing on social networks, and a greater number of links from other websites.

Few Stunning Inbound Marketing Statistics based on a study by the Corporate Executive Board. Dated on July 8, 2014

B2B buyers are 57%-70% through their buying research before first contacting the seller.

94% of the links search users click on are organic, not paid. (eConsultancy)(SEO)

68% of all organic clicks go to the top three search results. (eConsultancy)

75% of search engine users never scroll past the first page of search results. (MarketShareHitsLink.com)

B2B companies that blog only 1-2x/month generate 70% more leads than those who don't blog. (HubSpot)

Companies that increase blogging from 3-5x/month to 6-8x/month almost double their leads. (HubSpot)

An average company will see a 45% growth in traffic when increasing total blog articles from 11-20 to 21-50. (HubSpot)

Companies with 51-100 Twitter followers generate 106% more traffic than those with 25 or fewer. (HubSpot)

87% of B2B marketers use social media in some form. (Content Marketing Institute/MarketingProfs)

Social media has a 100% higher lead-to-close rate than outbound marketing. (HubSpot)

Companies see a 55% increase in leads from increasing landing pages from 10 to 15. (HubSpot)

Businesses that use marketing automation to nurture prospects experience a 451% increase in qualified leads. (The Annuitas Group)

Companies that excel at lead nurturing generate 50% more sales ready leads at 33% lower cost. (Forrester Research)

Nurtured leads make 47% larger purchases than non-nurtured leads. (The Annuitas Group)

95% of qualified prospects on your website are there to research and are not yet ready to talk with a sales rep, but as many as 70% will eventually buy from you or one of your competitors. (Brian Carroll)

50% of leads are qualified but not yet ready to buy. (Gleanster Research)

The average email list deteriorates 25% per year. (HubSpot)

65% prefer emails that contain mostly images vs. 35% who prefer mostly text. (HubSpot)

The 3 pillars of Inbound Marketing are generally considered as Social Media, Content and SEO. These marketing tools all work together as a powerful means to get the company found online."

Social media marketing:

Social media has become a platform that is easily accessible to anyone with internet access. Increased communication for organizations fosters brand awareness and often, improved customer service. Additionally, social media serves as a relatively inexpensive platform for organizations to implement marketing campaigns

Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their social networks. A corporate message spreads from user to user and presumably resonates because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Hence, this form of marketing is driven by word-of-mouth, meaning it results in earned media rather than paid media.

Social network marketing is popularly called as Internet marketing. Internet attracts many business people to promote their business online. Social network marketing is grown to such a height that today many people can't earn without it. Some of the most recognized network marketing tools are Facebook, My Space and LinkedIn. Twitter became regular place for people who have newly entered the field of social network marketing.

IMPORTANCE OF SOCIAL MEDIA:

Across the world there are about 1.5 billion conversations an hour on social media platforms. Social media users share 30 billion pieces of content – comments, opinions, information videos, podcasts and photographs – each month. Yet just 15 years ago, none of this existed. Armed with this intelligence, a company can get ahead of the competition as there are significant profit margins to be realized in being the first to provide a service or product to the market. This applies not just to business-to-consumer transactions, but also in business-to-business. (Nathan Sage, 2013) This means businesses have potential access to huge amounts of data about their markets, customers and competitors. The challenge is to turn these social media conversations from simple noise into intelligence from which they can extract insights, understanding and warnings that will create or protect value. The massive growth of the Internet in the past year has been illustrated using the table give

Table 1: Social Media Usage Statistics

Social network	Feb 2012	Feb 2013
Facebook	10,703,160	11,677,680
YouTube	11,000,000	11,000,000
Blogspot	3,500,000	3,200,000
Tumblr	1,100,000	2,800,000
LinkedIn	2,220,000	2,400,000
Twitter	1,800,000	2,200,000
Instagram	250,000	1,101,667
Flickr	920,000	850,000
Pinterest	650,000	630,000
Google+ (estimates)	1,200,000	340,000
Myspace	520,000	310,000

Source: David Cowling, SocialMediaNews.com.au, 2013

Social media has become an integral part of our daily life. The users of each of these social networks are larger than the population of most countries. Consider these statistics (Jean Fogler, 2013):

- One billion people actively use Facebook every month
- 500,000 people use Twitter every month
- Google's +1 button is used 2+ billion times each day
- 5 million photos are uploaded to Instagram every hour
- 3,600 hours of video are uploaded to YouTube every hour

The Burson-Marsteller Fortune 100 Social Statistics Report for 2012 shows that:

- There are more than 10 million social mentions each month of Fortune 100 companies

- 87% of Fortune 100 companies use social media (Twitter is the most popular)
- 75% of Fortune 100 companies are on Facebook
- 50% of Fortune 100 companies have a Google+ account
- 25% of Fortune 100 companies have a Pinterest account
- Each corporate YouTube channel averages 2 million views

As the statistics demonstrate, today's businesses are actively using social media. Coupled with the sheer number of people who actively participate in online social communities, it becomes difficult for small businesses to defend a stance against joining the social media movement. (JeanFogler, 2013). In today's connected world, where customers research purchases online and seek recommendations from friends and family, it is in the best interest of most small businesses to have a vibrant and interactive social media presence.

Different Methods of Social Media Marketing are: Blogging, Personal website or blog, Article selling, Email, social networking websites, Video promotion, Press Release or media release, Search Engine Optimization

Social networking websites and blogs:

Social networking websites allow individuals to interact with one another & build relationships. That interaction feels personal to users because of their previous experiences with social networking site interaction. It allow individual followers to "retweet" or "repost" comments made by the product being promoted. By repeating the message, all of the user's connections are able to see the message, therefore reaching more people.

Social networking sites act as word of mouth. Through social networking sites, products/ companies can have conversations and interactions with individual followers. This personal interaction can instill a feeling of loyalty into followers and potential customers. Also, by choosing whom to follow on these sites, products can reach very narrow target audiences

In the context of the social web, customers and stakeholders are participants rather than viewers. Social media in business allows anyone and everyone to express and share an opinion or idea somewhere along the business's path to market. Each participating customer becomes part of the marketing department, as other customers read their comments or reviews. The engagement process is then fundamental to successful social media marketing.

The 2008 presidential campaign had a huge presence on social networking sites. Barack Obama, a Democratic candidate for US President, used Twitter and Facebook to differentiate his campaign. His social networking site profile pages were constantly being updated and interacting with followers. A short film released on March 5, 2012, by humanitarian group Invisible Children, Inc. This 29 minute video aimed at making Joseph Kony, an International Criminal Court fugitive, famous worldwide in order to have support for his arrest by December 2012; the time when the campaign ends. The video went viral within the first six days after its launch, reaching 100 million views on both YouTube and Vimeo.

IMPLEMENTATION HURDLES FACED BY ORGANISATIONS:

Social media has arrived, but companies still aren't sure what to do with it. Fifty-eight percent of companies are currently engaged in social networks like Facebook, microblogs like Twitter, and sharing multimedia on platforms such as YouTube – but research from the Harvard Business Review Analytics Services report "The New Conversation: Taking Social Media from Talk to Action" finds that much of the investment in social is future-oriented. According to the recent Harvard Business Survey (2011) although 79% of the 2,100 companies surveyed are either using or planning to use social media channels, a measly 12% of those firms feel that they are using them effectively. These social media all-stars engage beyond the tired method of "shout marketing," by using social more often to promote their brand, monitor trends among customers, and even research new product ideas. (HBR Survey, 2011)

Statistics for challenges faced by organization while using social media (HBR Survey, 2011)



The toughest challenges for executives involve tying social investments back to the bottom line – measuring its effectiveness, linking social media efforts to ROI, and understanding the concrete difference social efforts make to the business. While they understand social media can be a powerful tool, most executives still aren't sure how powerful. (HBR Survey, 2011)

CONCLUSION:

Inbound marketing is a philosophy that will have a measurable impact on organization's sales results. According to the recent studies the average cost per "lead" is 62% lower with inbound marketing as opposed to "outbound" marketing. And the Social Media Marketing is playing the lead role in Inbound Marketing. It is clear that the social networking users are rapidly increasing day to day. Most of them are showing interest towards advertising on social networking sites. Facebook, Twitter, YouTube and LinkedIn and so is playing the lead role in social networking. The use of social media to share and engage with others continues to grow at an astounding rate, so it would be wise for any business to develop and implement a sustainable social media strategy in order to successfully take advantage of this rapidly changing environment.

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Understanding & Managing Organizational Conflict In The Contemporary Era

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ABSTRACT

Conflict can and should be handled constructively; when it is, relationships benefit. Conflict avoidance is “NOT” the hallmark of a good relationship. On the contrary, it is a symptom of serious problems and of poor communication.

--- Harriet B. Braiker

Conflict situations are an important aspect of the workplace. A Conflict is a situation when the interest, needs, goals and values of involved parties interfere with one another. A Conflict is a common phenomenon in the workplace. “It is a process in which one party perceives that its interest are being opposed or negatively affected by another party”. This paper looks at the dynamics of conflicts in an organisational setting. To begin with the reasons why conflict occurs in the workplace and the process of conflict are discussed. An iceberg model for understanding conflict is then described. A model for understanding how to effectively manage conflict is also explained in this paper. Finally we look at some tips for handling workplace conflicts.

Key words: *Organizational Conflict, Mediation, Empathy*

INTRODUCTION

In a conflicting situation neither party is right or wrong; instead different perceptions collide to create disagreement. It is very important to understand the process of conflict, the positive and negative outcomes of conflict. In literature, conflict heightens the drama of the plot. However in life, conflict is one of the main causes of all ills. Conflict is not necessarily physical confrontation. It can be anything from giving a cold shoulder to someone to a verbal duel to mental subjugation and more. Conflict is one instinct that goes against rationality and logic. In animals, conflict is a part of survival but in humans, this instinct is suppressed by higher values. However sometimes these higher values are inadequate to contain the ugly head of conflict from rearing, making it imperative to adopt various measures of conflict resolution.

THE ANATOMY OF CONFLICT

According to Shannon L. Alder, if there is **no communication**, then there is **no respect**. If there is no respect, there is **no caring**. If there is no caring, then there is **no understanding**. If there is no understanding, then there is **no compassion**. If there is no compassion, there is **no empathy**. If there is no empathy, then there is **no forgiveness**. If there is no forgiveness, then there is **no kindness**. If there is no kindness, then there is **no honesty**. If there is no honesty, then there is **no love**. If there is no love, then there is **no God**. If God doesn't reside then there is **no peace**. If there is no peace, then there is **no happiness**. If there is no happiness, then **THERE IS CONFLICT BECAUSE THERE IS NO COMMUNICATION**.

ICEBERG MODEL FOR UNDERSTANDING CONFLICT:

Conflicts are like icebergs, what you see or understand is only a portion of what's really happening. It is important to explore the iceberg of conflict, to look below the words and actions that fuelled the conflict. To understand why conflict occurs it is important to uncover emotions the unrealistic expectations and the preconceived preconceptions. The thorough analysis of everything that lies beneath the surface is very crucial in understanding why conflict occurs. Sorting out what's going on inside is very necessary before you sort things out externally to resolve the conflict. The model inspired by Funk and Malarsk shows what happens between two parties in conflict with each other. On the surface the conflict seems to be about a specific issue. But under the surface the relationship of the two people means at least just as much. We can see only a small portion that is visible above the water. But the true mass that forms the iceberg is below the surface and not visible (Refer Figure 3.1). Imagine you are standing on an iceberg that represents your team and its culture and your team is going to merge with another team, who is standing on iceberg that represents another culture. What you see of one another's behaviour above the water looks similar enough so you start moving

closer together. Unexpectedly though, just as you are getting close enough to collaborate, things get shaky. Conflict may erupt, people may disengage or play political games, fingers are pointed and performance begins to suffer. This is because the invisible elements of culture are clashing beneath the surface. It is the invisible elements that will sink your change.

Figure 1: ICEBERG MODEL



EFFECTIVE MANAGEMENT OF CONFLICT

It is important to deal with the behavior that is causing conflict. Face conflict openly by giving feedback on the effects of the conflicts. To move towards further productive discussions it is essential for both the parties in conflict to admit that problem exists. The first rule that focuses two individuals on coming to a solution is to set ground rules or limits within which both agree to work. Both the parties should explore the complementary strengths and weakness (Refer Figure 4.1). This will help in exploring problems and it is a more positive way of working together.

The next logical step will be to determine common areas of agreement, no matter how small they are. It could be agreeing on the problem, the procedure to follow or on the worst fears etc... This will help in generating multiple alternatives and deciding on solutions. It is important to get real agreement as total silence may be a sign of passive resistance. A follow-up meeting to monitor actions is very essential to determine how the parties are doing. If the conflict is still causing a disruption in the department and it remains unresolved, you may need to explore other avenues. A mediator may be able to offer other insights on solving the problem.

Fig 2 : Managing Conflict Effectively



USING MEDIATION:

If the situation with a difficult person or a team has become too stressful and time consuming to deal with, then using mediation can be a cost effective option. A mediator has a responsibility to be impartial and neutral to help both the parties to reach an agreement. A mediator is someone whom the manager and the team members trust. He/she hears both sides and helps both people to analyse the problem. He provides a means for resolving the issues. The outcome of the mediation is never imposed on either party, so that both sides voluntary enter into an agreement.

Mediation helps in-

- Resolving the issue quickly with minimum expenditure of organisational resources.
- Talking through areas of disagreement constructively
- Finding the best long term solution to correct the underlying causes of conflict
- Fairness of the outcome.

CONCLUSION:

View conflict as a choice to understand the needs of the difficult person. It is very important for a manager to understand that conflicts arise because of different circumstances. Different people with different personalities come to an organisation with different expectations from the job. Conflicts occur when there is a gap between what is expected to happen and what actually is happening. The tips for handling work conflicts:

- ✓ Establish strong professional relationships right from the start.
- ✓ Making peace in the workplace.
- ✓ Focus on the facts.
- ✓ Ask an objective third party to help you sort out the problem.
- ✓ One of the keys to being a good communicator is being a good listener.
- ✓ Aim to resolve conflict by maintaining a win-win attitude.

The key to handling any type of conflict is to face up to the conflict and acknowledge there is a problem and that you have an opportunity to solve the problem together. Conflict has to be viewed as an opportunity for improvement. A meaningful and healthy work conflict is a cornerstone in successful organisations. This statement may seem unusual but conflict is necessary for effective problem solving and for effective interpersonal relationships. Finally, ***CONFLICT HAS TO BE VIEWED AS AN OPPORTUNITY FOR IMPROVEMENT.***

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HRM Practices and Challenges in Indian Banking Sector

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ABSTRACT:

Over the last few decades, there has been a remarkable increase in the size, spread and activities of banks in India. The number of bank branches rose considerably during this period. The business profile of banks has transformed dramatically to include nontraditional activities like merchant banking, mutual funds, new financial services and products and the human resource development. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same. But HR issues have remained unaddressed in the system. This is probably because banks are obsessed with industrial relations. This arise the need to focus on the HR practices in Banking Sector

In this paper an attempt has been made to identify the challenges and practices of the Indian Banking Industry.

Keywords: Human Resource, Banking, Challenges, Practices

Indian Banking Sector:

Since 1991, India has been engaged in banking sector reforms aimed at increasing the profitability and efficiency of the 27 public-sector banks that controlled about 90% of all deposits, assets and credit. There has been radical and perceptible transformation in the operational environment of the banking sector. However, these changes have been induced with a view to develop sound and efficient banking sector in India, at par with international banking standards and practices. The banking sector, which was one of the most protected sector for five decades in the country and more precisely the public sector banks were slowly exposed to deregulated environment in slow and phased manner. The information technology (IT) revolution is entirely changing the way banking business is done and has considerably widened the range of products and services as well as the demands and expectations of customers. Risk Management, Asset Liability

Management, Product and Service Innovation, Securitization, Relationship Banking Environment Management are some of the current buzz words in the banking scene. There have been few important developments in response to change forces necessitating the learning phenomenon for the banks.

Some of the issues in the banking sector:

- Responding to intense competition
- Changing customer profile
- Increasing role of IT
- Innovation
- Profit orientation aspects.

These developments have implications not only for present but also for the future in terms of operational aspects. The qualitative aspects of change include prudential norms like asset classification, provisioning capital adequacy, risk management requirements, transparency, corporate governance, changing regulatory supervisory systems etc. Banking system remains the focal point in the financial set-up of country and more so in the context of a developing country like India. There is importance attached to the banking system, in view of their financial intermediary role in payment system. The banking sector is dominated by scheduled commercial banks (SCBs). According to a report by ICRA limited, a rating agency, the public sector banks hold over 75 percent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively. 2009-2010 was marked by surplus liquidity, slowly rising interest rates, good credit growth, good returns, mergers and status quo on reforms. In banking sector a minimum stipulated Capital Adequacy Ratio (CAR) was introduced to strengthen the ability of banks to absorb losses and the ratio has subsequently been raised from 8% to 9%(2000). At the end-march 2006 despite tightening of prudential norms Capital Adequacy Ratio (%) of the banking sector has increased from 10.4% to 12.8%. The government has sought to lower its holding in Public sector banks to a

minimum of 33 per cent of total capital by allowing them to raise capital from the market.

Bank credit has increased sharply from 30% of GDP at end march 2000 to 48% at end march 2006. Less than 40% of Indian household has a bank account. The banking industry caters to the following broad categories of products/services:

- Retail Banking
- Retail products such as credit cards, debit cards etc.
- Portfolio Management: Mutual Funds etc.
- Corporate lending and project financing (including loans)
- Investment banking
- Foreign exchange trading

Objectives of the study:

To study about HR challenges and practices of banking sector in India.

Challenges Facing By Banking Industry in India

The banking industry has already begun the process of redefining its boundaries, refining its products and services, providing alternate delivery channels and improving the flexibility of such delivery to cater to all the financial intermediation requirements of the customers. The success of the banking industry will lie broadly on how it responds to the following challenges:-

- Technology up gradation
- Customer centric
- Response to competition
- Transparency/Accountability
- Skilled workforce

Human Resource Management importance in Banks

Human Resource Management is important for banks because banking is a service industry. Management of people and management of risk are two key challenges facing banks. How you manage the people and how you manage the risks determines your success in the banking business. Efficient risk management may not be possible without efficient and skilled manpower. Banking has been and will always be a 'People Business'. Though pricing is important, there may be other valid reasons why people select and stay with a particular bank. Banks must try to distinguish themselves by creating their

own niches or images, especially in transparent situations with a high level of competitiveness. In coming times, the very survival of the banks would depend on customer satisfaction. Those who do not meet the customer expectations will find survival difficult. Banks must articulate and emphasize the core values to attract and retain certain customer segments. Values such as 'sound', 'reliable', 'innovative', 'international', 'close', 'socially responsible', 'Indian', etc. need to be emphasized through concrete actions on the ground and it would be the bank's human resource that would deliver this. It is a common complaint among bank executives that skilled manpower is in short supply. No two arguments on this, Human resources are becoming scarce – both in quality and quantity. And, it is quite elementary that any resource that is in short supply needs to be properly managed for the benefit of society and, therefore, you need to pay attention to the entire human resource management process. What do I mean when I say this? You need to manage the people – and for this you need to discriminate between the people, I mean positive discrimination. The entire spectrum of HR practice requires revolutionary changes if the banks have to survive. Managing the people is the key challenge.

HRM Challenges:

HR planning

Human Resource planning is a process by which the management of an organization determines its future human resources requirements and how the existing human resource can be effectively utilize to fulfill these requirements. It is a system of matching the supply of existing people with opening or opportunities the organization expects over a given period of time. Banks have to suitably realign their existing human resources from surplus to deficit pockets and readjust staffing pattern in a computerized environment. Surplus staff needs to be relocated or reassigned in their job duties. Mobility of the staff is recommended and this may be attained by negotiating with employees' organizational efficiency and productivity. About 70% staff in each bank constitutes clerical and subordinates staff institute of many charges that the industry has faced over the years, essentially the role of this category of staff has remained unchanged. Job redesigning and role restructuring is recommended at this level in the banking system.

Defining job roles

Defining job role of each desk would also enable an assessment of the skill sets required to man that desk. Thus, it would also help the HR in mapping each

desk function to the available manpower by imparting training to the existing staff or by recruiting appropriate people with the desirable skill sets. Also, unless you have a detailed job role for each individual how can you make a fair assessment of whether your people are performing or not So, the first task for all hr managers is to define the job profile for each desk.

Performance Measurement System

Though the system of employee appraisal has been in vogue in banks, it has not helped in developing an organization wide performance culture in PSBs. The system often fails to differentiate performers from non performers, average performers from high performers. Reforming the performance appraisal system by making it more objective and linked to corporate business objectives is the need of the hour. Key performance indicators need to be scientifically assessed and objectively linked with organizational goals so that the performance of the employees can be assessed on critical parameters".

Training and development

A major challenge for many banks will be to develop the special competencies and skills for credit appraisal and risk management in an environment of deregulation and openness". New ways of banking requires new competencies. The existing skills are hopelessly outdated. Basic skills like posting ledgers, balancing books, writing statements etc. are redundant with introduction of technology. We need now to unlearn old habits and breed new ones".

In most of the banks, there is no scientific method of selection of trainees. Adhocism in selection of trainees is widely prevalent. Banks have hardly built databases to capture the training needs of employees and rarely use any IT based decision support system to select right type of trainees. Traditionally, training has been a neglected function in banks. After implementing VRS, many banks have even closed down their training institutions to meet the day to day need of line functions.

Employees compensation

Finding skilled, experienced, responsible employees is a challenge for human resource departments in any industry, more so in a service-oriented industry like banking. The main task of the HR policy of banks is to create a favorable atmosphere where people get the opportunity to showcase their potential and receive adequate compensation. Inadequacy of compensation is made out as an issue in the Indian Banking Sector, which encourages attrition. Let me set the record straight here. According one of the comparative study of the staff compensation in the public sector and private sector banks the average compensation of the public sector bank employees is more than that of the private sector bank employees in this country.

Table: Staff Expenses (Payments to and Provisions for Employees) of Public Sector Banks V/s Private Sector Banks

Year	Public Sector Banks		Private Sector Banks	
	Staff	Cost per employee (Rupees)	Staff	Cost per employee (Rupees)
1998-99	8,83,648	1,67,940	60,777	1,69,307
2002-03	7,57,251	2,70,426	59,374	3,54,532
2003-04	7,52,627	2,97,903	81,120	3,17,308
2006-07	7,28,878	3,81,449	1,37,284	3,83,439
2007-08	7,15,408	4,00,611	1,58,823	4,47,920
2008-09	7,31,524	4,72,493	1,76,339	4,83,501
2009-10	7,39,646	5,55,874	1,82,520	5,16,491
2010-11	7,57,535	7,15,914	2,18,679	5,63,154

Source: <http://rbidocs.rbi.org.in/rdocs/Bulletin>

PSBs need to develop such compensation standards, which can provide a linkage between risk and reward, performance and payment. Though the current system of industry level wage settlement provides lesser leeway, slowly and surely the compensation system would have to be repositioned to take care of specific organizational needs

Transforming the mindset:

These changes are creating challenges, as employees are made to adapt to changing conditions. There is resistance to change from employees and the Seller market mindset is yet to be changed coupled with Fear of uncertainty and Control orientation. Acceptance of technology is slow but the utilization is not maximized.

Talent Management:

Human Resource undoubtedly plays the most important part in the functioning of an organization. The term 'resource' or 'human resource' signifies potentials, abilities, capacities, and skills, which can be developed through continuous interaction in an organizational setting. The interactions, interrelationships, and activities performed all contribute in some way or other to the development of human potential. Organizational productivity, growth of companies, and economic development are to a large extent contingent upon the effective utilization of human capacities. Hence, it is essential for an organization to take steps for effective utilization of these resources. Banks have an excellent pool of competent personnel in all the cadres. Such personnel need to be identified, nurtured and motivated through a systematic organizational plan to enable them to accept challenging roles early in the career.

Retaining customer loyalty:

Customers are reacting to favorably to the value added offers. Customers have also become more demanding and their loyalties are diffused. Employees need to operate with a more customer centric in their operations.

Employee Engagement and Motivation:

Indian Banking Sector today present an altogether different picture as compared to the past. Many have turned tech-savvy. Some are getting aggressive by the day in marketing and sales. These developments have profound impact on the employees of the banks. The challenge before the banks is how best to inform, engage, marshal and channelize the employees' energies towards these developments with a view to transform them into active and willing partners in the

change process. Indian Banks can use the following suggestions for employee engagement:

- Introduce online resolution of grievances.
- Install a credible system to encourage free flow of ideas and suggestions from their staff – technology tools like Intranet, interactive portals, on line quizzes, etc. to be used.
- Each bank to evolve employee involvement programmes covering all sections of employees.
- Encourage learning initiatives among employees through appropriate recognition and reward schemes.

Conclusion:

Banking sector is being a service industry this sector is based on its human resource The attrition rate has to be lowered and skilled human resource has to be created and retained. The Khandelwal committee, which was set up to address the human resource challenges of state-owned banks, concluded with many Hr challenges and shortage of manpower for banking sector in upcoming days. To keep the economy growing at a good pace, banking industry need to focus on the HR challenges which need to be handled properly.

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HR Challenges in Service Industry

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ABSTRACT –The Hospitality sector is very much dependent on the employees for their customer satisfaction. It is challenging for the Human Resource Department to recruit, select, train, compensate, and maintain the morale for a successful business. The employees form a major integral part in any Service sector. The HR executives in the HR department in the selected “Five star hotel” have shared their views about the Challenges and the ways to overcome them. The data was collected in the form of an Interview.

Key words- Hospitality sector: Recruitment and selection; Training and development; Morale; retention; succession Planning; Compensation.

I. INTRODUCTION

A. Service industry.

The service sector can be described as the part of the economy that includes individuals and businesses that produce services rather than goods. The service sector is one of the fastest growing sectors of the world economy. It includes education, finance, communications, health care, utilities, wholesale and retail trade, and transportation. Producing these services as a whole tend to require less natural capital and more human capital.

B. Hr Challenges.

Recruitment and Selection

One issue that comes to the forefront in managing people in the service sector is the recruitment and selection of staff. Managing people in the service sector is becoming more challenging as organizations have to look for the right people who possess not just qualifications but the right ‘attitude’ and ‘people skills’. There is a rise in the demand of ‘social skills’ and ‘personal characteristics’ in the frontline service. Recruitment and selection in this context relies heavily on social skills rather than technical skills as there is a need for employees to interact well with the clients to fulfill the demand of the business. It has become increasingly important for managers seek to get the right person that will ‘fit the part’. Not necessarily based on experience but also on

personality traits. Getting the right applicant for the job consumes time and costs a lot.

Training and Development

A critical issue in service organizations may be to retain service employees in general, and specifically those employees who are talented in working with customers and delivering excellent service quality. After the recruitment and selection process, managers are faced with the task of retaining the best employees. They have to retain them by constant training and development [1]

Employers feel the pressure not only is selecting and recruiting the right employees for the job but to keep on training them. There is a need for organizations to invest in training for their front-line employees as these are the first people customers or clients come in contact with. Soft skills can be learnt and require practice and confidence in the job specification. There will be no need for constant supervision after that. This also applies to an employee working in an organization. In examining training and development in the service sector, a concern worth mentioning is in role clarity. An employee might not perform a specific task well because of uncertainty.

No two service interactions are the same and this gives rise to uncertainty in the service delivery process. If an employee is sure of what to do they will be confident in delivering effective service. On the other hand, uncertainty gives rise to poor service delivery. It is an employer’s duty to state the correct job specifications and give the employee a vision of the goals set and where they expect to be in the future. Managers are equally responsible for empowering and training frontline employees to provide a service that reflects the company. This is where the issues of best fit and best practice come in. This means that training practices will be different across various service sectors. For example, branded services such as McDonalds ensure that employees follow a routine to ensure uniform quality. [2]

Firms will face several challenges from both the future workforce and from the changing nature of work itself. As a result, HR managers will need to get ahead of the game by

understanding these major future demographic, technological and societal shifts, and then preparing them accordingly. In the coming years, HR function would be a major differentiating factor. Experts think that it can be an important asset or a conscious liability depending on how it functions for the organization. It will have to be reviewed and alter processes wherever necessary in order to make employees foolproof. Changing the mindset towards customer service, improving skill set to handle technical upgrade, and converting the human resources into a high productive workforce will be predominant factors of attention for HR leaders. Certainly it is impossible to predict future with 100% accuracy, but sincere efforts can be made towards prominent looking factors. It is the duty of HR thinkers to be aware of the changing business scenario, keep modifying the procedures and policies and making employees ready for change. Flexibility, adaptability and openness towards changing environment will avoid the major chaos. However, it is a fact that the changes will have to be top driven. With a focused approach towards people development, it is possible to overcome the challenges. [3].

II. REVIEW OF LITERATURE

Ivanka Suzana and Sanja [4] In customer satisfaction measurement in hotel industry: Content analysis study, found that the customer satisfaction is very important in hotel industry. One of the biggest contemporary challenges of management in service industries is providing and maintaining customer satisfaction. Service quality and customer satisfaction have increasingly been identified as key factors in the battle for competitive differentiation and customer retention. These make the HR role of recruiting, selecting and training the employees very important to meet service quality. This makes the customers come back.

Narasimha Rao Srinivas [5] in Human Resource Development Practices in Indian Information Technology Sector – an Empirical Study of Emerging Trends say that it is a known fact that Human Resource Management of the organization deals with the individuals towards achievement of organizational goals. As every individual is unique and have preferences, liking and attitude. It is very difficult to attract, develop, retain and satisfy all employees simultaneously for an organization to get desirable outcomes.

Aparijita et al [6] in Understanding Human Resource Challenges in the Indian Social Enterprise Sector explored current people management practices pertaining to recruitment, capacity building and training as well as retention. It examined how social enterprises approached the need for setting up systems and processes for managing human resources. Recruiting qualified staff (70%) is indicated as the biggest human resource challenge

Dennis Nikson[7] in Human Resource Management for the Hospitality and Tourism Industry-seeks the need to deliver service to customers and the need to manage people in such a way that they offer a quality service As a highly labor intensive industry, tourism and hospitality organizations are often heard to talk of how their people are 'their greatest asset'.

III. METHODOLOGY-

Source of data- both secondary and primary data is used to understand the HR challenges in service sector with reference to hospitality industry.

A select five star luxury hotel was selected for qualitative descriptive study. The method of data collection was a structured Interview with the HR department employees. The parameters are the main components of HR challenges, and what are the challenges faced by HR department and the steps taken by them to overcome the same.

IV. OBJECTIVES-

1. To study the HR challenges in recruitment and selection in Hospitality sector.
2. To study the HR challenges in Training and Development in Hospitality sector
3. To study the HR challenges in compensation in Hospitality sector
4. To study the HR challenges in morale and retention in Hospitality sector
5. To study the HR challenges in succession planning in Hospitality sector

V. FINDINGS

A. HR challenges in recruitment and selection in Hospitality sector.

The lack of ability to find the right candidate for the job is a challenge. Bringing new employees is expensive. There is difficulty in getting the right candidate for the desired position. Getting local candidates is posing problem also the time taken for the selection process is long which has to be avoided.

Strategies to overcome this challenge

It would be better to use multiple media or channels for recruitment to get the right candidate. To tie up with colleges and get in touch with students directly to make them understand what kind of qualities and knowledge they should possess to improve their knowledge and skills. Non local candidates should also be recruited. Interviews can be done with Skype for initial screening.

B. HR challenges in Training and Development in Hospitality sector

Need for training arises as freshers and candidates with less experience are not up to date in terms of new trends in Hospitality Industry. There is a need to increase Product knowledge, and also a need to understand employee's requirement. There's always a mixture of staff, educated to illiterate for various jobs all have to meet standards.

Strategies to overcome this challenge

Need based training, should be given and analyzing the effectiveness of training is required. It is important to determine objectives and categorize them .One more strategy can be to design and develop the training materials in the local language for skilled training sessions. Training modules should be designed to cater to everyone in turns. Especially when the working hours are shift based. Different training and teaching techniques are to be used for educated and illiterate and skilled staff.

C. HR challenges in compensation in Hospitality sector

The compensation is limited, as HR executives have limited access in that front. An observation is that skill levels are low but salary expectations are more. New hotels create new salary benchmark thus forcing others or old firms to catch up to them.

Strategies to overcome this challenge

Market survey has o be taken up in regular intervals to cope up with the present scenario. This can help to fix a competent pay. Monetary benefits should be according to the current market and Growth opportunities. Higher salaries have to be paid to retain worthy and capable associates.

D.HR challenges in morale and retention in Hospitality sector

Freshers are not able to handle pressure .Rude behavior of service associates is also a concern. The attrition is high due to increase in new Hotels and Pay packages. The good performers have to have their performance measured according to their job profile. Every associate is different in what keeps him motivated to do his job. Motivating factors of the same employee keeps changing.

Strategies to overcome this challenge

Immediate supervisor or managers should speak to the new employees and resolve any issues. Monitoring continuously the relationship among the associates in terms of cooperation, supportiveness should happen. Supervisors and senior associates should guide and keep up the motivation levels of the fresher and new joined. A Generic model to cater to and boost all associated people has to be implemented. The only way o retain staff is to keep their morale boosted.

E. HR challenges in succession planning in Hospitality sector

There is less scope for succession planning. Evaluate effectiveness and identify critical positions. The Scope is less for succession planning.

Strategies to overcome this challenge

Conduct performance reviews categorize the performance according to the positions.

VI. CONCLUSIONS-

This study was qualitative study .The sources of data were both secondary and primary data. The data collection methods were Interview from Executives from a select Five star hotel in Hyderabad. This study has given insights into the practical problems faced by the HR wing. It is challenging with the various kind of workforce requirements in the hospitality sector. There is a greater need to motivate, and retain employees as it is expensive to recruit and select the right kind of employee who will give quality service.

Apart from that the HR has to find out means to keep up the morale of the employees.

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A Study On Work Life Balance Practices In Insurance Industry

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Abstract

Sales force is organization's ambassadors to the market. They actively promote the company and its products and services. Sales force is the driving force of revenues - top-line company growth. These employees have a direct impact on how the marketplace perceives their employer and its products. Especially in Insurance industry, sales force plays a pivotal role in generating sales. Work life balance has a prominent role in retaining and creating engaged sales force. Demographic variables such as age, income, experience, marital status influence the employees in their work life balance. The current study aims to reveal sales force work life balance practices and employees opinion regarding work life balance among different age groups in Insurance industry. For this study, a sample of 146 was chosen with convenient sampling technique in various designations of sales department in an Insurance industry. Applied statistical tools include Cronbach's alpha, descriptive statistics, cross order correlation and Chi-square. I observed varied levels of work stress, work life balance policies and flexible timings among different age groups.

Introduction

The Indian Life Insurance industry is one of the strongest growing sectors in the country. Currently with USD 41 billion industry, India is the fifth largest life insurance market and growing at a rapid pace of 32-34% annually. Today there are 24 life insurance companies operating in India. Sales force is the driving force of revenues in insurance industry. They are the people who work on the field, travel long distances, get frustrated with different kinds of customers, and express their frustration on their family. Work life balance plays an important role in retaining a competent sales force. A sales force that is out of balance, highly stressed or dissatisfied greatly decreases full engagement with customers. Lack of work life balance results in ill-health, high levels of stress, family problems, decline in performance, increase in attrition which ultimately affect company performance.

Literature review

A study conducted by Judy De Villiers, Elize Kotze (2003) to identify the workplace determinants of

work-life imbalance found that the most significant work-life conflict arises from complex workplace issues, including managing change, supervisory and technical competences, leadership, roles and accountabilities, and culture. They suggested that employees 'work-life balance should improve by nurturing individual balance-enabling skills as well as developing organizational balance-supportive capabilities and opportunities for individuals to enhance their work-life management skills should be created. This could occur via mentoring and coaching, as well as formal courses on time-management, planning and prioritization, and stress management.

K.G.Senthilkumar, Dr.S. Chandra kumaramangalam and Dr.L. Manivannan (2012) reported that work hours worked is consistently associated with worse work-life outcomes and work-life balance is a joint responsibility of both employees and employers. In a study conducted by Sakthivel Rania, Kamalanabhanb&Selvarania (2011) found that there is strong relationship between work/life balance and employee satisfaction.

In Nigeria, OjoIbiyinka Stella, SalauOdunayo Paul, Falola Hezekiah Olubusayo (2014) conducted a study on three sectors i.e. banking, educational and power sectors to find out the work life balance practices and the barriers to implement WLB initiatives. They suggested that various sectors should provide a variety of flexible working pattern to help improve efficiency and effectiveness of their employees. The adoption of some work-life balance programs would help reduce the high turnover rate, which is currently exists within the banking sector and each sector should undertake pilot scheme to identify which policies best suits individual sectors as specific policies may difficult to implement in various sectors.

A study conducted by Komal Saeed and YasirAftabFarooqi (2014) to investigate the relationship between work life balance, job stress and job satisfaction among university teaches, university of Gujarat revealed that there is insignificant relationship between job stress and job satisfaction whereas work life balance share a moderate positive relationship with job satisfaction.

In Malaysia, a study was conducted by RaduanCheRose, LooSeeBeh, JegakUli, KhairuddinI (2006) to determine the level and relationship between quality of work life with career-related variables. The result indicates the most important predictor of QWL is organizational climate, followed by career achievement, career satisfaction and career balance.

In a study conducted by SubhasreeKar, K. C. Misra (2013) in Indian It industry found that there is a significant mediating effect on the relationship between the WLB and employee retention. They suggest that improvements in human resource management practices with a high supportive work culture characterized by work time and work life flexibilities contributes to increased work life balance and make the employees more productive. Corporate culture has a strong role to play between Work Life Balance Practices and the HR issues like recruitment, retention, turnover, commitment, satisfaction and productivity.

In a study conducted by Kumari K Thriveni¹, Devi V Rama (2012) in Bangalore city reported that there is significant relationship between demographic variables and work life balance of women employees. Whereas, in another study M. Meenakshisundaram, Dr.N.Panchanatham (2012) reported that there is no significant difference in the work life balance of employees among the respondents of different age groups.

Research Methodology

Objectives

- To find out sales force work life balance practices and their view on Insurance industry
- To find out whether the opinions of employees regarding work stress, work life balance, and flexible timings are different among different age groups.

Research Hypothesis

- H₁: Work stress levels vary among different age groups of employees.
- H₂: Opinion regarding work life balance policies will be different among age groups of respondents.
- H₃: Employees in different age groups will have different opinion on flexible timing.

Data collection and Analysis

For this study, a sample of 146 sales force was chosen with convenient sampling technique in various designations of sales department in Insurance

industry. The questionnaire consists of four variables and four questions from each variable. When tested the reliability of questionnaire using Cronbach's Alpha, variable 3 (work flexibility) was not found reliable. Hence, it was removed from further analysis. Applied statistical tools include Cronbach's alpha, descriptive statistics, cross order correlation and Chi-square.

Data Analysis and Interpretation

Table: 1& 2 shows the demographic information of respondents. 90 percent of the respondents were male and 10 percent of the respondents were female. It shows that majority of the employees were male (132).

Two percent of the participants were in the age group of 18-23 years. 44 percent were in the age group of 24-29, 34 percent were in the age group of 30-35 and only 12 percent of the participants were in the age group of 36-41 and seven percent of the participants were above 42 years old. It is shown that majority of participants in Insurance industry were between the ages of 24-29 & 30-35 years.

Two percent of the respondents studied intermediate. 40 percent of the respondents were graduates, 58 percent of the respondents are Postgraduates and only one percent of the respondents were from other qualifications.

Around 70 percent of the respondents were executives. 20 percent of the respondents were senior executives. Five percent of the respondents were team leaders and five percent of the respondents were managers.

28 percent of the participants have 0-3 years of experience. 38 percent of the participants have 4-7 years of experience. 21 percent of the participants have 8-11 years of experience. Nine percent of the participants have 12-15 years and only three percent of the participants were more than 15 years experienced.

Only three percent of the respondents were earning the salary below 10000 per month. Eight percent of the respondents were paid the salary between 11000 and 15000 per month. 17 percent of the respondents were in the range of 16000-20000 per month. 26 percent of the respondents were paid the salary between 21000 and 25000 per month. 45 percent of the respondents were the salary earners of above 25000.

Majority of the respondents from insurance industry were married i.e. 70 percent. Remaining 30% of the respondents were unmarried.

Table: 1& 2Demographics of Respondents

Gender of the respondents			Salary of the respondents		
	Frequency	Percent		Frequency	Percent
Male	132	90.4	Below 10000	5	3.4
Female	14	9.6	11000-15000	12	8.2
Total	146	100.0	16000-20000	25	17.1
Age of the respondents			21000-25000	38	26.0
	Frequency	Percent	above 25000	66	45.2
18-23	3	2.1	Total	146	100.0
24-29	65	44.5	Marital Status of the respondents		
30-35	50	34.2		Frequency	Percent
36-41	17	11.6	Married	102	69.9
above 42	11	7.5	Unmarried	44	30.1
Total	146	100.0	Total	146	100.0
Education of the respondents			No.of children of the respondents		
	Frequency	Percent		Frequency	Percent
Inter	3	2.1	No children	72	49.3
Graduation	58	39.7	1	39	26.7
P.G	84	57.5	2	35	24.0
Others	1	.7	Total	146	100.0
Total	146	100.0	Experience in present organization		
Designation of the respondents				Frequency	Percent
	Frequency	Percent	Below 1	67	45.9
Executive	102	69.9	1-3	46	31.5
Sr.Executive	29	19.9	4-6	22	15.1
Team Leader	8	5.5	7-9	8	5.5
Manager	7	4.8	Above 9	3	2.1
Total	146	100.0	Total	146	100.0
Total experience of the respondents			No.of hours in a day respondent works		
	Frequency	Percent		Frequency	Percent
0-3	41	28.1	7-8	34	23.3
4-7	56	38.4	8-9	44	30.1
8-11	31	21.2	9-10	42	28.8
12-15	13	8.9	10-12	24	16.4
above 15	5	3.4	above 12	2	1.4
Total	146	100.0	Total	146	100.0

Around 27 percent of the total respondents have one child.24 percent of the respondents have two children. No respondents have three children. Majority of the respondents have no children and their percentage in total sample is 49 percent.

About 46 percent respondents have below one-year experience in their present organization. 31 percent of the respondents have 1-3 years of experience and 15 percent of the respondents have 4-6 years of experience in their present organizations. Five percent of the respondents have been working for 7-9 years with their present organizations. Only two percent of the respondents have more than 9 years of experience in their present organizations.

23 percent of the total employees work 7-8 hours in a day.30 percent of the employees' work 8-9

hours.29 percent of the employees work 9-10hours.16 percent of the respondents work 10-12 hours. Only 1 percent of the employees work more than 12 hours a day.

variable	No.of items	Cronbach's Alpha
Work stress	4	0.748
WLBP	4	0.752
Work Flexibility	4	0.560
Flex time	4	0.616

Table 3: shows the reliability statistics. The Cronbach's Alpha was calculated for each variable individually. Three variables in this study were showing Alpha greater than 0.60. The variable work flexibility shows Alpha 0.56. Hence, it was removed from further analysis.

Table 4: Cross order Correlation of Work Stress

		Work stress 1	Work stress 2	Work stress 3	Work stress 4
Work stress 1	Pearson Correlation	1	.679**	.438**	.339**
	Sig. (2-tailed)		.000	.000	.000
Work stress 2	Pearson Correlation		1	.483**	.338**
	Sig. (2-tailed)			.000	.000
Work stress 3	Pearson Correlation			1	.297**
	Sig. (2-tailed)				.000
Work stress 4	Pearson Correlation				1
	Sig. (2-tailed)				

**. Correlation is significant at the 0.01 level (2-tailed).

Table-4 shows cross order correlation of work stress. The cross order correlations among items 1-4 were significantly correlated at 0.01 percent significance level. I found a significant positive correlation ($r = 0.67$, Sig. 0.01) between stress level of organizations work and employee tiredness. Stress level of organizations work was significantly correlated ($r = 0.43$, Sig. 0.01) with stress related health problem. A significant positive correlation was identified between stress level and missing of quality time with family. It was identified that a positive correlation between employee tiredness and employee stress related health problem. A positive correlation was identified between employee tiredness and quality time with family. A weak positive correlation was identified between stress related health problem and spending quality time with family.

Table: 5 shows cross order correlation of work life balance policies. The cross order correlations among items 1-4 were significantly correlated at 0.01 percent significance level. I found a significant positive correlation ($r = 0.82$, Sig. 0.01) between existence of work life balance policies and work life balance policies help to balance personal and professional life. Next, existence of work life balance policies was significantly correlated ($r = 0.39$, Sig. 0.01) to existence of flexible leave policy. It is found a significant positive correlation ($r = 0.51$, Sig. 0.01) between work life balance policies help to balance personal life and professional life and existence of flexible leave policy. A significant positive correlation was found between existence of flexible leave policy and employee counseling to address work life related problems. A weak positive correlation was identified between existence of work life balance policies and employee counseling to address work life related problems. A weak positive correlation was found between work life balance policies help to balance personal life and professional life and employee counseling to address work life related problems.

Table 5: Cross order Correlation of Work life balance

		WLBP 1	WLBP 2	WLBP 3	WLBP 4
WLBP 1	Pearson Correlation	1	.821**	.391**	.242**
	Sig. (2-tailed)		.000	.000	.003
WLBP 2	Pearson Correlation		1	.517**	.279**
	Sig. (2-tailed)			.000	.001
WLBP 3	Pearson Correlation			1	.320**
	Sig. (2-tailed)				.000
WLBP 4	Pearson Correlation				1
	Sig. (2-tailed)				

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6: Cross order Correlation of Flexible Timings

		Flex time 1	Flex time 2	Flex time 3	Flex time 4
Flex time 1	Pearson Correlation	1	.488**	.256**	.279**
	Sig. (2-tailed)		.000	.002	.001
Flex time 2	Pearson Correlation		1	.419**	.238**
	Sig. (2-tailed)			.000	.004
Flex time 3	Pearson Correlation			1	.107
	Sig. (2-tailed)				.201
Flex time 4	Pearson Correlation				1
	Sig. (2-tailed)				

**. Correlation is significant at the 0.01 level (2-tailed).

Table-6 shows cross order correlation of flexible timings. I found a significant positive correlation ($r = 0.48$, Sig. 0.01) between happiness at work and flexible work hours. There was a significant positive correlation ($r = 0.41$, Sig. 0.01) between flexible work hours and reasonable work and responsibility. A weak positive correlation was existed between happiness at work and reasonable work and responsibility. There was a weak positive correlation between happiness at work and job sharing. A weak positive correlation

was identified between flexible work hours and job sharing. However, there was no correlation between

reasonable work and responsibility and job sharing.

Table 7: Work stress							
		SD	D	NAD	A	SA	TOTAL
The stress level of my organization's work is high	Frequency	29	34	23	39	20	145
	Percentage	20.0	23.4	15.9	26.9	13.8	100
I feel tired because of work	Frequency	27	41	26	29	22	145
	Percentage	18.6	28.3	17.9	20	15.2	100
I am suffering from stress-related health problem	Frequency	48	35	28	23	11	145
	Percentage	33.1	24.1	19.3	15.9	7.59	100
I miss out quality time with my family due to work pressure	Frequency	27	31	30	32	25	145
	Percentage	18.6	21.4	20.7	22.1	17.2	100

SD=Strongly Disagree, D=Disagree, NAD=Neither Agree nor Disagree, A=Agree, SA=Strongly Agree

Table 7 represents the employee response regarding work stress. It is evident from the table that around 27 percent of the respondents agreed and 14 percent strongly agreed that the stress level of their organization's work is high. However, 23 percent disagreed and 20 percent strongly disagreed with this. Regarding tiredness 28 percent of the employees disagreed and 19 percent strongly disagreed that they feel tired because of work. Whereas, 20 percent agreed and 15 percent strongly agreed. The number

of respondents who strongly disagreed that they were suffering from stress-related health problem amounted to 33 percent and 24 percent disagreed. However, 16 percent agreed and eight percent strongly agreed with the above fact. There was a mixed response regarding the fact that they miss out quality time with their family due to work pressure i.e. 21 percent disagreed and 19 percent strongly disagreed. Whereas, 22 percent agreed and 17 percent strongly agreed.

Table 8: Work life balance policies							
		SD	D	NAD	A	SA	TOTAL
My organization has work life balance policies	Frequency	28	24	30	49	14	145
	Percentage	19.3	16.6	20.7	33.8	9.7	100
My organization's Work Life Balance policies help me balancing my personal & professional life	Frequency	24	34	21	43	23	145
	Percentage	16.6	23.4	14.5	29.7	15.9	100
My organization has flexible leave policy	Frequency	20	16	25	61	23	145
	Percentage	13.8	11	17.2	42.1	15.9	100
My organization provides employee counseling to address work-life related problems	Frequency	33	38	27	35	12	145
	Percentage	22.8	26.2	18.6	24.1	8.28	100

SD=Strongly Disagree, D=Disagree, NAD=Neither Agree nor Disagree, A=Agree, SA=Strongly Agree

Table: 8 represent the employee response regarding work life balance policies. It was found that 34 percent agreed and 10 percent strongly agreed that they have work life balance policies. However, 19 percent strongly disagreed and 17 percent disagreed with it. Around 30 percent agreed and 16 percent strongly agreed with the fact that their organization's work life balance policies help them balancing their personal and professional life. Whereas, 23 percent disagreed and 17 percent strongly disagreed with the above fact. The number of respondents who agreed

that they had flexible leave policy amounted to 42 percent and 16 percent strongly agreed with the statement. Whereas, 17 percent neither agreed nor disagreed. Regarding employee counselling, 26 percent of the respondents disagreed and 23 percent strongly disagreed that their organization provides employee counselling. However, 24 percent agreed with it.

		SD	D	NAD	A	SA	TOTAL
I am happy about the amount of time I spend at work	Frequency	18	21	9	65	32	145
	Percentage	12.4	14.5	6.2	44.8	22.1	100
We have flexible work hours in our organization	Frequency	19	19	19	45	43	145
	Percentage	13.1	13.1	13.1	31.0	29.7	100
I am given reasonable work and responsibility	Frequency	21	18	23	59	24	145
	Percentage	14.5	12.4	15.9	40.7	16.6	100
My organization allows employee job-sharing when an employee is not around	Frequency	43	26	25	36	15	145
	Percentage	29.7	17.9	17.2	24.8	10.3	100

SD=Strongly Disagree, D=Disagree, NAD=Neither Agree nor Disagree, A=Agree, SA=Strongly Agree

Table: 9 represents the employee response regarding flexible timings. The number of respondents who agreed that they were happy about the time they spend at work amounted to 57 percent and 22 percent strongly agreed. However, 14 percent disagreed and 12 percent strongly disagreed. Regarding flexible work hours, 31 percent agreed and 30 percent strongly agreed that they have flexible work hours in their organization. Whereas, 13 percent disagreed and 13 percent strongly disagreed. Around 41 percent of the employees agreed and 17 percent strongly agreed that they are given reasonable work and responsibility. However, 14 percent strongly disagreed. Approximately, 30 percent of the respondents strongly disagreed and 18 percent disagreed that their organization allows job-sharing when an employee is not around.

- The opinion regarding work stress was different among age groups of respondents.
- The opinion about work life balance policies was different among age groups of respondents.
- Different age groups of respondents have different opinions regarding work flexibility.

Table: 12-Results of the hypothesis

	Hypothesis	Result
H ₁	Work stress levels vary among different age groups of employees.	Accepted
H ₂	Opinion regarding work life balance policies will be different among age groups of respondents	Accepted
H ₃	Employees in different age groups will have different opinion on flexible timing	Accepted

	Work stress	WLB P	Work Flex	Flex time
Mean	2.94	3.38	2.36	3.49
S.D	0.96	0.96	0.88	0.80

Table: 10 shows the descriptive statistics of variables. The mean value of work stress is 2.94 and standard deviation is 0.96. The mean value of work life balance policies is 3.38 and standard deviation is 0.96. The mean value of work flexibility is 2.36 and standard deviation is 0.88. The mean value of flexible timings is 3.49 and standard deviation is 0.80.

Hypothesis Testing

	Work Stress	WLBP	Flex time
Chi-Square	49.849	69.411	86.808
df	16	16	14
Asymp. Sig.	0	0	0

Table: 11 shows the results of Chi-Square test. To test the hypothesis Chi-square technique was applied. Results shown that -

Conclusion

In sum, the study reveals that there was a significant positive correlation between stress level of organizations work and employee tiredness. A weak positive correlation was identified between stress related health problem and spending quality time with family. There was a significant positive correlation between happiness at work and flexible work hours. A weak positive correlation was existed between happiness at work and reasonable work and responsibility.

On the other hand, I found that opinions regarding work stress, work life balance policies and flexible timings were different among different age groups. Majority of the employees felt that they were missing out quality time with their family and they have work life balance policies in their organization. Majority of the employees stated that their organization does not provide the facility of job sharing or part time work facility and employee counselling to address work life related problems.

In this competitive business world, the role of sales force is ever changing and new business environment put heavy pressure on sales force. This work pressure will have an impact on their personal life and lead to imbalance in their work and life. Hence, sales force work life balance is the most

significant aspect in the success and development of any business organization. Due to maintaining work life balance, the organization can get benefits like employee retention, healthier employees, increase in employee morale and productivity. Based on the findings I suggest that while developing WLB initiatives demographic variables such as age, gender, income, experience, and marital status should also be taken into consideration.

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Relation among Stock Prices, Price Volatility, Price Volume: Empirical Evaluation of Banking Stocks in India

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Abstract

This paper empirically evaluates the relation among banking stock prices, price volatility and price volume. The data used in this paper is sourced from National Stock Exchange of India (NSE). To analyze the data I conducted a series of calculations. First, I calculated the stock daily price return, price volatility, and market risk. Second, to investigate the association, I performed correlation analysis. Finally, to test the hypotheses, I run regression analysis. My tests find a significant positive correlation between risk and return. Results in this paper are consistent with substantial research performed in the past. Findings of this study should be interesting to investors, practitioners, academicians, and researchers.

Introduction

Demystifying the risk return relation is a great challenge for equity researchers. In past, many studies found a significant relation among risk and return, and at the same time, many other studies reported contrasting results. Along with these, it is generally agreed that stocks from a particular industry will have significant co-movements. There also exists considerable literature on consideration of Beta to quantify the risk and price movements of the stock. Globally, lot of research had been done on these topics in various contexts and industry segments. To my knowledge no such study was conducted on banking industry in India. The choice of banking industry is vital, because banks represent the investment mood of investors. It is assumed that growth in banking operations mean economy is robust. At this juncture, I intend to study the association between return, risk, co-movements of banking stocks in India.

Research Methodology

This paper investigates the relation between stock returns and risk. Furthermore it also observes the association between stock volatility and volume traded. For this paper I used daily close price, volume traded, and value traded of banking stocks listed in NSE. I found 11 stocks with sufficient data. The daily close prices in this study are from October 1, 2013 to September 30, 2014. In all there were 250 trading day data. Along with stock prices, I used NSECNX100 closing values to calculate market risk of each stock. To analyze the data used in this paper I run a series of calculation using MS-

Excel. Initially, I calculated daily returns and aggregated those to get Annual Return. Using daily returns I calculated unsystematic risk. To estimate the market risk I run a regression on individual stock's daily returns and returns on CNX100 closing values. In addition to these calculations, correlation analysis was done to quantify the association between explanatory (return) and dependent (risk) variables. To describe further the strength of relationship I run the time-series linear regression analysis. To observe the association between stocks in the same industry, I conducted correlation analysis. In the next section detailed description of stocks performance and risk return associations are presented.

Data Analysis

Table I clearly depicts the return, risk, and beta estimates of sample stocks. To know the top performing stock I sorted the results on the basis of annual return. From the table we see that Punjab National Bank (PNB) topped the list with 72.50% annual return, followed by Yes Bank (71.85%). Except IngVysa Bank all the banks reported annual returns higher than the benchmark NSECNX100. During the study period average return of banking stocks was 52% with 17% volatility. To find out the stock with highest volatility, I sorted the data based on annual SD, Bank of India witnessed highest volatility (52%) for a return of 47%. Union Bank stood next with 51% volatility and 65% return. I also found that Union Bank and Bank of India reported highest market risk, 2.54 and 2.47 respectively. IngVysya Bank had least market risk (0.80). Average industry beta of banking stocks was 1.78. These 11 stocks had a cumulative weightage of 16.15 % in CNX100 market capitalization. ICICI Bank had top weightage with 5.94% followed by HDFC Bank with 5.24 %. Low market weightage stocks were Union Bank (0.16), Canara Bank (0.17), and Bank of India (0.18). In order to more effectively investigate the relation between return and risk, I used correlation analysis. Table I seems to say that, the correlation between return and total risk is positive and significant ($r = 0.57$, sig. 0.00). My tests also found a significant positive correlation between return and market risk ($r = 0.69$, Sig. 0.00). My results are consistent with majority of previous research.

Hypotheses Testing

This section explores whether the strength of association among return, total risk, and market risk are statistically significant or not. I also tried to build an estimation model. Table II and III display the resulting time-series regression analysis. In the time-series regressions the slope (beta), measure of determination (R²) are the direct evidence to measure the association. Return and unsystematic risk were not statistically significant. The R² value was 0.32, which mean the variance in unsystematic risk can be explained only 32%. On the other hand, I found a strong positive relation between return and market risk. The R-value was 0.69, and R² value was 0.48, the standard error was also, and the model is statistically fit (p = 0.01). I summarize that the results of this empirical test provides further evidence on the positive association between risk and market risk.

Regression Estimation: $Y = \alpha + \beta X + \epsilon$

Table II: Return and Unsystematic Risk relationship hypothesis test results

R	R ²	Intercept / Constant	Beta	Std Error	F-Value	P-Value
0.57	0.32	18.04	0.35	9.41	4.30	0.06

Table III: Return and Systematic Risk relationship hypothesis test results

R	R ²	Intercept / Constant	Beta	Std Error	F-Value	P-Value
0.69	0.48	0.55	0.02	0.44	8.34	0.01

Table IV shows the cross order correlation among banking stocks. The average industry correlations among these stocks were 0.63, which is positive and statistically significant. This finding suggest that, all the stocks in banking industry were moved in tandem during most of the times. An interesting outcome of this study is that, I found a significant commonality among public sector banks with r = 0.80, and low commonality among private sector banks with r = 0.64. Furthermore, the correlations among private sectors banks were very low.

Conclusion

In this paper I look at the relation between stock returns and volatility measures. As expected the market risk is statistically significant and positively related to stock return. In contrast, I didn't find significant association between stock return and total risk. As presented in past research, stocks with

high beta values are more volatile and aggressive. For example, during the period CNX100 reported an annualized return of 34%, for the same period PNB which had a beta of 1.9 reported 72% return, and YESBANK with a beta of 2.1 reported 72% return. Annualized returns of these two stocks were more than 200% of benchmark returns. In nutshell, my finding supports the argument that, high beta stocks over react than market movement.

I also observed that, stocks with high trading volumes, value and traded quantity witnessed high volatility both in terms of total and market risks. In addition to these findings, this paper reports another appealing result, i.e. public sector banks have strong co-movements and private sector banks didn't report such results. This may be because of size of operations, number of branches, and product portfolio variations. To the best of my knowledge all the public sector banks have similar scale of operations and product portfolios. This is not true with regard to private sector banks. These variations are reflected in correlational analysis. To summarize, my study find a strong and significant relation between return and risk, in particular market risk.

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Table I: Annualized Returns, SD, and Beta estimates of stocks

S.NO	Company Name	Annual Return	Annual SD	CNX100 Beta	CNX100 Weight
1	PNB	72.50	38.05	1.90	0.47
2	YESBANK	71.85	39.85	2.01	0.67
3	BANKBARODA	67.01	39.21	1.93	0.60
4	UNIONBANK	65.02	50.91	2.54	0.16
5	CANBK	55.04	48.16	2.42	0.17
6	INDUSINDBK	53.10	30.62	1.57	0.95
7	ICICIBANK	49.99	30.50	1.77	5.94
8	BANKINDIA	46.78	52.47	2.47	0.18
9	KOTAKBANK	42.34	25.38	1.10	1.51
10	HDFCBANK	37.97	22.06	1.10	5.24
11	INGVYSYA	13.09	24.08	0.80	0.26
	CNX100	34.24	13.41	1.00	
	Correlation		0.57	0.69	

Stocks	Total Traded Quantity			Turnover in Lacs			No of Trades		
	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg
YESBANK	24674202	243509	5716197.8	90440.99	881.63	23955.39	305450	3626	81169.91
BANKINDIA	23859773	242049	4358172.7	46843.25	489.64	10653.1	200616	2422	49214.03
ICICIBANK	11729001	94786	3146618.1	175500.89	1137.09	38929.51	278443	2917	91690
CANBK	15381750	114845	2995826.6	58712.77	276.7	9818.8	164281	1769	40412.62
HDFCBANK	10843714	105882	2312335	72211.08	775.17	16961.86	147475	1336	33944.71
BANKBARODA	7577181	57929	1726943.5	59399.95	379.28	12639.31	163435	1415	43344.04
INDUSIND	8169553	92403	1606601.7	35327.93	435.37	7509.98	155040	1429	32507
PNB	6674795	40737	1422533.4	50207.65	261.3	10101.29	123541	1131	31494.53
KOTAKBANK	14318527	45351	871840.33	124427.06	335.92	7249.45	213775	1457	27172.48
INGVYSYA	732480	3135	125907.5	4354.33	17.46	759.47	13822	165	2970.41

Table IV: Cross Order Correlation											
	BOB	BOI	CAN BK	HDFC	ICICI BANK	INDUS IND	ING VVSYA	KOTAK	PNB	UNION	YES BANK
Bank of Baroda	1.00										
Bank of India	0.78	1.00									
Canbk	0.74	0.85	1.00								
HDFC BANK	0.39	0.37	0.37	1.00							
ICICIBANK	0.63	0.55	0.58	0.60	1.00						
INDUSIND	0.56	0.51	0.55	0.54	0.68	1.00					
INGVYSYA	0.36	0.42	0.42	0.37	0.40	0.29	1.00				
KOTAK	0.41	0.41	0.39	0.55	0.50	0.54	0.29	1.00			
PNB	0.77	0.77	0.79	0.43	0.63	0.59	0.42	0.48	1.00		
UNION	0.73	0.80	0.82	0.39	0.57	0.54	0.39	0.39	0.79	1.00	
YESBANK	0.53	0.52	0.51	0.48	0.63	0.64	0.46	0.48	0.57	0.55	1.00

Financial Sector Reforms and the Global Scenario

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Introduction:

The financial sector reforms in every economy are continuous process since it plays a very crucial role in the ever changing scenario at global level. The important constituents of financial sector comprise the commercial banks, the insurance companies, Non-banking financial companies, Mutual Funds, Co-operatives the other financial institutions, the financial instruments and the markets which together garner funds from surplus segments and deploy these funds to the deficit sectors of the economy.

Dealing with financial instruments is an exclusive role of financial services which provide bridge between the savers and the users. The savers do not have the knowledge of where and how much to invest and where as the users have no money but have an abundant knowledge of investment. The financial intermediaries render key financial services in the arena of merchant banking, leasing, hire purchasing, credit rating, factoring, venture capital financing etc.

Objectives

Reforms in any sector are warranted when a system gets deteriorated in its financial health. The objectives of financial reforms are, therefore, meant to drive the economy towards market oriented, competitive, world integrated, diversified, autonomous, transparent and vibrant financial system. In this process the journey of reforms begins with allocation of resources, while increasing the quantum of savings which in turn promote accelerated growth of real sector. Although increasing the rate of return on real investment is another objective of the reforms yet in a free economy it ensures the rationalization of interest structure . Institutionalization of savings and investment leading to capital formation together fosters economic growth.

Financial Sector Reforms in India

The financial sector reforms in India was unknown until Prof. M.Narasimham committee was appointed in 1990 to look into the weaknesses which crept into the commercial banking in the post national era. The banking sector inter alia suffered profoundly from lack of competition, low capital base, low productivity, high intermediation cost, nepotism, corruption at all levels in the administrative setup of the Indian banking system.

After the nationalization of large private banks in two phases i.e. in July 1969 and April 1980, about 90% of the banks have come under the public ownership thereby competition among the banks was hardly existed. The role of technology was minimal and the quality of service was not given enough importance. Banks also did not follow proper risk management measures and the prudential standards were weak which resulted in poor asset quality and low profitability. The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, infusing strength to the system and ensuring accountability and financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sector were removed.

Several developing countries all over the Globe have recognized that an efficient financial system is an imperative need for higher economic growth. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies. Thus, while

reforms in respect of DFIs focused on imparting market orientation to their operations by withdrawing assured sources of funds, in the case of NBFCs, the reform measures brought their asset side also under the regulation of the Reserve Bank. In the case of the insurance sector and mutual funds, reforms attempted to create a competitive environment by allowing private sector participation.

On the other hand reforms concentrated on removal of bottlenecks relating to financial markets, introduction of new instruments and new players into the field, free pricing of financial assets, relaxation of quantitative restrictions in trading, clearing and settlement practices, transparency in legal matters, building up of infrastructural facilities, technological innovations, etc. Reforms were also aimed at infusing liquidity into the markets while taking the discovery process to an efficient level.

Thus the main thrust of financial reforms has been creation of vibrant and stable financial institutions, markets which together render efficient services. With regard to banking and non-banking financial institutions the focus has been creating a deregulated environment that allows freedom in strengthening the prudential norms. A mechanism is also created to look into the supervision, operational flexibility, prudential autonomy which will lead enhancing productivity, apart from efficiency and profitability in the commercial banking sector. On the recommendations of the Prof. M. Narasimham committee the barriers that existed for private and foreign banks have been relaxed in order to create a sound competition between the public and private sector banks.

Reforms in the Indian banking sector, therefore, have undergone two distinct phases headed by Prof. M.Narasimham. The first phase of reforms in the year 1991 have mainly focused on strengthening the system from gross root level by consolidating the branches opened in financially non-viable areas of the economy. The report also suggested reduction of reserve requirements, de-regulation of interest rates, introduction of prudential norms, strengthening of bank supervision and improving the competitiveness of the banking system to meet the Global standards. The second phase of reforms in the year 1998 have laid emphasis on structural measures inter alia suggested improvement in

standards of disclosure and the levels of transparency on par with the best practices followed by the developed economies suggested by the BIS (Bank for International Settlements).

The Growth of China and India as World Financial

Leaders

The rise of China and India as world financial powers is nothing short of amazing. Economists estimate that both nations can grow at the rate of 7-8% for decades to come. China, alone, has grow at about 9.6% for the past two decades. Together, the two countries account for one-third of the world's population.

Countries like the United States initially started outsourcing work to China and India because of cheap labour. This is no longer the case. They kept their work in the two countries because they found talent. Talent for innovation in high-tech fields. A million scientists and engineers are trained in India and China each year compared to a much lower number in the U.S. The balance of power in technologies is likely to move West to East.

THE GLOBAL RECESSION AND THE COLLAPSE OF WALL STREET

In September of 2008, a seemingly perfect storm of factors came together to precipitate the deepest economic downturn in not only the U.S., but across the globe, since the [Great Depression](#). The great [investment banks](#) that had stood on Wall Street began to collapse due to the sub-prime mortgage crisis and serious corporate fraud. During the last months of the Bush Administration, the federal government stepped in to bail out some of these institutions in order to keep the U.S. financial system afloat. By the time the Obama Administration reached the White House in January of 2009, the economy had contracted and the recession had taken hold. At the end of 2009, there are signs of recovery, but it may be long, slow, and painful.

IMPACT OF THE REFORM MEASURES

The broader objectives of the financial sector reform process are to formulate the policy for improving the financial health and to strengthen the institutions. As part of the reforms process many private banks were granted licence to operate in India. This has resulted into a competitive environment in the banking industry which in turn has helped in using the resources more efficiently. Traditionally the industrial units were sanctioned term loan by the development banks and working capital by the commercial banks. The reform process has changed the pattern of financing and now both the institutions are willing to extend long term loan as well as working capital loan. But there is some difference in the mode of operation. This has enabled the industrial units to avail credit facilities from a single institution. Despite the fact that the banks provide both the term loan and the working capital loans, the industrial units prefer the development banks for the following reasons. It provides equal support to the new as well as existing industries.

The period of repayment of loan is comparatively longer. Besides providing financial assistance, it acts as the implementing agency for the different government sponsored schemes. Hence the industrial units can avail of both the financial assistance as well as the incentives offered under various development schemes through a Single Window System.

As lending is the prime activity of these institutions, it acquires specialisation in this field and can share its expertise with the industrial units. As part of the reform process the Central as well as the State Governments have devised various schemes for the development of suitable infrastructure to encourage the growth of SSIs and MSIs. The programme for the establishment of industrial estates was started in the year 1955, which envisages the acquisition of land and construction of factory sheds etc. The establishment of the Export Processing Zones (EPZ) at various parts of the country and the special incentives offered to these units undertaking operation therein came as a boon to the government. The financial sector reform witnessed the reorganisation of different development banks like abolition of cross holding by the different financial institutions and the delinking of ownership of SIDBI from IDBI. The reform process has also stressed the need of applying the prudential norms on the developmental banks which were hitherto exempted from the same. This will improve the health of the development banks and dependence on the government

will be reduced. But considering the social objective of these institutions, it is felt that the application of stringent norms may vitiate the very purpose of the objective.

Financial Reforms in other developed economies: In the United Kingdom:

The recent global crisis forced many developed economies of the world to bring about most radical changes. In the United Kingdom a Unified Financial Authority was formed in the year 1997 now the act is replaced with Financial Service Act which accords the responsibility to the Bank of England to look into the financial stability of the country apart from contemplating the micro and macro level prudential regulations and create a new regulatory structure comprising the Bank of England, the Financial Policy Committee, the Prudential Regulatory Authority and the Financial Conduct Authority. The Prudential Regulatory Authority carries out the prudential regulation of financial firms inter alia banks, investment banks, building societies and also insurance companies.

In the United States of America:

The Financial Reforms in the US has had a different approach. In the United States the Federal Reserve System is the regulatory authority and has a Financial Stability Oversight Council that looks into monitoring risks relating to the US financial system. This council also performs functions like facilitating an effective communication among the financial regulators. Although the US financial system is a robust one is yet recover from the financial crisis that shook the entire nation in the recent past.

In Australia:

In Australia the financial reforms have a different story to tell. The prudential regulations and conduct regulations have been divided and mandated into two different regulatory authorities. One being the Australian Prudential Regulation Authority which is empowered to govern all financial institutions including banks. Another one is Australian Securities and Investment Commission which governs the corporate conduct. This Commission was mainly responsible to overcome the crisis and earned a relatively a good name among the financial experts in the country.

In Canada

The Canadian financial system has followed the same path as it is practiced in Australia.

The Prudential Regulation and the Conduct Regulations have been placed under separate agencies.

CONCLUSION:

The financial intermediaries render key financial services in the arena of merchant banking, leasing, hire purchasing, credit rating, factoring, venture capital financing etc. Every growing economy has no other option other than economic reforms. The objective of the growing economies like India is to attract FDI & FII which together provide employment opportunities leading to GDP growth of the concerned economies.

BRICS Development Bank a boon of 2014:

The BRICS development bank, an idea that was conceived in New Delhi sometime 2012. But with the initiative taken by the Prime Minister of India Mr. Narendra Modi it has become an imperative need for the member nations such as Brazil, Russia, India, China and South Africa. The idea behind BRICS is to extend financial assistance to the member nations who largely depended on IMF and the World Bank to meet their

financial contingencies in the past. One should hope that it becomes a reality by overcoming all sorts of political interruptions particularly in India. In this context China should not be allowed to dominate other member nations in managing the financial affairs of the bank whose HQ is said to be located at Shanghai. Let, the BRICS summit theme “Inclusive Growth ; Sustainable Development “, enable India to shape the post 2015 Development Agenda being discussed in the United Nations.

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Impact of Training on Employee Productivity, Commitment and Job Satisfaction

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Abstract

The main purpose of employee training is to enhance knowledge and skills of employees for their better performance. Objective of this study is to measure the effect of training on employee performance. Employee performance is measured on three dimensions (productivity, commitment and job satisfaction). 159 employees working for a large manufacturing firm located in Hyderabad participated in this study. Structured questionnaire is administered to gather data. Data is analyzed using descriptive statistics, correlation and regression analysis. I find that training has significant positive impact on employee productivity, and job satisfaction. Training has no impact on employee commitment.

I. Introduction

Training is considered as an important element in the organization. Many organizations consider training as pivotal investment on employees. Through investment on human capital, organizations can benefit from increased productivity, commitment and high employee satisfaction. The extent of training provided by organizations may affect the level of commitment and employee performance in organizations. It may allow them to feel satisfied with their job tasks. Likewise, employees' perceptions towards their performance are great after they attend training programs. This study assesses how effective training is on the employee productivity, commitment, and job satisfaction.

II. Literature Review

II.1 Employee Training and Productivity

Ann P Bartel (1991) found that businesses that were operating below their expected labor productivity levels significantly increased labor productivity after successfully implementing training. Rohan Singh & Madhumita Mohanty (2012) reported significant role of training on productivity. Cagri Bulut and Osman Culha (2010) argued that effective training programs provide numerous benefits to the organization including employee development, increased productivity and improved employee performance. Moreover, employees will have more desire to remain within the organization, stronger emotional attachment, greater identification with the organization and more involvement in all aspects of their job. Organizations may also find lower absenteeism and reduced employee turnover.

II.2 Employee Training and Commitment

Maimuna & Yazdani (2013) concluded that training enhances employees' initiative and quality of work, thereby assisting them to be more committed to achieving the organizational goals and objectives and in turn enhancing employees' effectiveness within the organization. Newman, Alexander and Thanacoody, Rani and Hui, Wendy (2011) found strong positive relationship between three variables: perceived availability of training, supervisor support for training and co-worker support for training, and affective organizational commitment. Study by Sharon Ruvimbo Terera & Hlanganipai Ngirande (2014) didn't find any impact of training on

employee retention. Kamarul Zaman Ahmad and Raida Abu Bakar (2003) said that the availability of training, support for training and motivation to learn were not significantly correlated with continuance commitment. This suggests that despite other forms of commitment, Malaysian workers do not feel that they need to remain in an organization that has made available the training, given support for the training and were motivated to learn.

II.3 Employee Training and Satisfaction

Melanie K. Jones, Richard J. Jones, Paul L. Latreille & Peter J. Sloane (2008) training is positively and significantly associated with job satisfaction. Phyllis Tharenou, Alan M. Saks & Celia Moore (2007) results suggest that training is positively related to human resource outcomes and organizational performance but is only very weakly related to financial performance.

III. Methodology

III.1 Research Objectives

The objective of this study was to investigate the effectiveness of training on employee performance. Employee performance was measured on three dimensions like, employee productivity, organizational commitment, and job satisfaction. The objectives were

1. To understand the association between training and employee productivity
2. To measure the relationship between training and organizational commitment
3. To evaluate the affects of training on job satisfaction

III.2 Research Hypothesis

H₁: Training will have profound positive relationship with employee productivity

H₂: Employee training will have significant positive impact on organization commitment.

H₃: Employee satisfaction is highly influenced by training provided by the organization

III.3 Data Collection and Data Analysis Tools

For this study data were collected from 159 employees working for a large manufacturing firm located in Hyderabad. The questionnaire consist five questions for each of the four variables and there were questions on demographics of the respondents. During the first stage of analysis, I drew cross tabs on demographic items. In second level of analysis, I run Cronbach's alpha to validate the reliability of the questionnaire. Once it was found that the questionnaire and all the variables are reliable, I performed correlation analysis to find out the association among variables. Finally, I run the regression analysis to test the hypotheses. All statistical analyses were done using IBM SPSS 20 software. Next section discusses the results of the study.

IV. Data Analysis & Interpretation

Table I shows that majority of the respondents were male (Male 91.2%, Female 8.8%) and out of 159 respondents majority were in the age groups 20 – 30 years (45%) followed by 37 % of respondents in the age group of above 40 years. Table II depicts that maximum number of respondents (69%) were attended 1- 2 training programs, and 31% of the respondents attended 3 - 4 training programs.

Table-I: Age Group of the respondent * Gender of the respondent Cross tabulation

			Gender of the respondent		Table III: Reliability Statistics			
			Male	Female	S No	Variable	No of items	Cronbach's Alpha
Age Group of the respondent	20 - 25	Count	19	0	1	1	5	.880
		% of Total	11.9%	0.0%	2	1	5	.812
	25 - 30	Count	47	6	3	3	5	.865
		% of Total	29.6%	3.8%	4	3	5	.930
	30 - 35	Count	16	0	16	16		
		% of Total	10.1%	0.0%	10.1%	10.1%		
	35 - 40	Count	8	4	12	12		
		% of Total	5.0%	2.5%	7.5%	7.5%		
	40 - 45	Count	10	0	10	10		
		% of Total	6.3%	0.0%	6.3%	6.3%		
	>45	Count	45	4	49	49		
		% of Total	28.3%	2.5%	30.8%	30.8%		
Total		Count	145	14	159	159		
		% of Total	91.2%	8.8%	0.86	100.0%		

Table III shows Cronbach's alpha values. Cronbach's Alpha was calculated for each variable individually. All the four variables in the study were having Alpha greater than 0.80. The results of reliability statistics prove that the questions in the questionnaire had internal consistency. The alpha value of Job satisfaction was 0.93, employee training was 0.88, organizational commitment was 0.86 and employee productivity was 0.81.

Table-2: Total number of training programs attended * Gender of the respondent Cross-tabulation					Table IV: Descriptive Statistics					
			Gender respondent		Mean	SD	Training	Productivity	Commitment	Satisfaction
Total number of training programs attended	1	Count	54	4	58					
		% of Total	34.00%	2.50%	36.50%					
	2	Count	46	6	52					
		% of Total	28.90%	3.80%	32.70%					
	3	Count	22	0	22					
		% of Total	13.80%	0.00%	13.80%					
	4	Count	23	4	27					
		% of Total	14.50%	2.50%	17.00%					
Total		Count	145	14	159					
		% of Total	91.20%	8.80%	100.00%					

Table IV shows that the mean value of training is 3.67 (moderate high) and standard deviation is 0.85 (low variability). The mean value of productivity is 3.85 (high) and standard deviation is 0.72 (low variability). The mean value of organizational commitment is 3.15 (moderate high), the standard deviation is 1.13 (low variability). Finally, the mean value of job satisfaction is 3.84 (high) and standard deviation is 0.89 (low variability).

	R	R-squ are	Con stan t	B et a	S E	F	Si g
Train ing Vs Produ ctivity	0.46	0.21	2.39	0.40	0.64	43.44	0.00
Train ing Vs Com mitm ent	0.11	0.01	2.63	0.14	1.14	1.79	0.18
Train ing Vs Satisf action	0.67	0.45	1.24	0.71	0.66	129.81	0.00

Table V shows the Pearson’s correlation coefficient of the variables of the study. The results show that there is a significant positive correlation between training and productivity, training and job satisfaction. The correlation between training and productivity indicates that there was a moderate positive correlation between those two variables with coefficient correlation $r = .46$. In addition, there is a positive significant correlation between training and job satisfaction with coefficient correlation $r = .67$. In addition, there was weak positive correlation between training and organizational commitment, $r=.11$.

In order to achieve the objective of this study, regression analysis was used to test the effect of Training (independent variable) on Productivity, Commitment and Job Satisfaction (dependent variables). Between Employee Training and Productivity the results were significant with an $R^2=0.22$, indicating that 22% of the variance in employee productivity can be explained by employee training ($F=43.44$, $p < 0.00$).

Whereas, in between training and satisfaction the result were significant with an $R^2=0.45$, indicating that 45% of variance in employee satisfaction can be attributed to employee training ($F=129.81$, $p < 0.00$). However, between training and commitment the results were insignificant with an $R^2=0.01$, indicating that the variance in employee commitment cant be explained by employee training ($F=1.797$, $p < 0.18$).

Table VI: Summary of Hypotheses results

S. No	Hypothesis	Result
H ₁	Training will have profound positive relationship with employee productivity	Accepted
H ₂	Employee training will have significant positive impact on organization commitment.	Rejected
H ₃	Employee satisfaction is highly influenced by training provided by the organization	Accepted

Conclusion

Investment on employee training will yield tangible (productivity) and intangible (job satisfaction, and organizational commitment) benefits to the organization. In this paper I present the results of my survey conducted on 159 employees working for a large manufacturing company. I used convenient sampling method to collect the data from 145 Male and 14 female employees. The results indicate that a significant and positive effect of training on employee job satisfaction, and a positive impact of training on employee productivity. An interesting finding of my study, there is

no significant effect of training on organizational commitment.

In sum, the study results indicate that, training had profound impact on employee job satisfaction, and productivity, but not related to organizational commitment. By providing training organization was able to enhance the knowledge and skill set of employees. This made employees to utilize their newly learned skills at work place by innovating new process and products. As they their efficiency levels increased and were allowed to innovate, they are highly satisfied.

Coming to organizational commitment, with increase in knowledge, experience, and innovation may provoke them to explore newer opportunities outside the present organization. This cannot be considered as a negative impact, because, when employees are working in the organization their job satisfaction levels and productivity were high. It is suggested that, to retain the talent along with continuous training, organizations should provide an opportunity for employees to be innovative, empowered, and create a career path.

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