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FOREWORD

The existing phase is cast under a shadow of economic turmoil, experienced globally. This tumult scenario demands for change in perspective to harness innovation and creativity along with ethics playing major role to cope up with current state of darkness in business scenario. It has always been a tried and tested strategy, that to survive one need to foster creativity leading toward innovative management models based on ethical perspectives.

I appreciate the contribution of Asian Business School Research and Development Cell in the form of its 2nd issue of “ABS International Journal of Management” focusing on Innovation, Creativity and Ethics as an imperative to sustain one’s identity in today’s stiff world. “ABS International Journal of Management” is a blend of constructive research-based papers that aims at nurturing a novel attitude towards traditional business models- a sincere effort by various academicians and corporate from all across the globe putting together their ideology to creep in sustainable growth.

“ABS International Journal of Management” outlines constructive and immaculate efforts of associated connoisseur as a momentous collaborative approach to contour present situation and evade future business mayhem.

Shri. Balram Jhakar



MESSAGE FROM PRESIDENT DESK ASIAN EDUCATION GROUP



Sweeping changes are afoot in the global economy. As the second decade of the 21st century unfolds and the world exits from the 2008–09 financial crisis, the growing clout of emerging markets is paving the way for a world economy with an increasingly multipolar character. Global growth will become distributed with no single country dominating the global economic scene. This provides an impetus to the BRICS countries wherein dynamic and adaptable managers will mark the new charter of growth.

We have always subscribed to the view that management concepts, approaches and techniques have to be continually evolved and that managerial decisions should be based both on systematic research, the gut feeling and value judgment. We are conscious of the fact that to be at the cutting edge of the business education and training, a B-School has to work in partnership not only with the business-houses but also with similar institutions across the world.

This second issue of ABS International Journal of Management successfully encompasses empirical, conceptual and research papers, case studies from academicians, professionals, consultants, practitioners and research scholars relevant to this paradigm change. I congratulate the team for this marvel.

Sandeep Marwah



Sunita Verma
Editor, ABS International Journal of
Management



Rupali Misra Nigam
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Management

PREFACE

It gives us immense pleasure to give you the second issue of ABS International Journal of Management. ABS International Journal of Management is the initiative of ABS Research and Development Cell. Developing research capacity, sustaining it, bringing the benefits of research to society is the basis for research at Asian Business School. This journal is a rich blend of research studies on innovation, creativity and ethics.

Paradigm Shift in business scenario is characterized by a shift from a world of banal, incremental, and linear changes to that of radical and discontinuous change which seems to have global implications. The business environment prevailing internally and externally, continuously demand for inception of innovative and creative ideas in anticipation of change. Therefore, most of the organizations are stifling hard to gear up and encounter this new world of business that would increasingly demand non-linear strategies for sustaining organizational competence and mapping out the changes in economic and business scenario.

Unfortunately, most organizations, and their management, control and strategic planning systems are finding it really hard to survive in passing era that demands the art of distinguishing itself from the other competitor's. In absence of this art apart from growing, survival has become a major challenge to cope up with. As the traditional paradigms of concepts such as organizations, industry, and product / service definitions become increasingly blurred, one would call for new models of business that defy traditional boundaries of organization structure, industry structure and product / service definition. The only mantras to trouble shoot these changes and conquering art of distinguishing itself for survival and success is through "innovation and creativity".

Apart from innovation & creativity one more important aligned aspect that demand emergent consideration of all the stakeholders of society, directly or indirectly related to business scenario is "ethics". Ethical behavior thrives in, as an integral part of modern management based on principle of being rational and objective in nature.

ABS International Journal of Management will benefit both industry and academia alike in presenting latest trends in research to the world at large.

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An Empirical Study of "Customer Focus" and its Role in Making CRM Effective for Banking Industry

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Abstract

Customer focus is one of the most important marketing strategies now. In present era of cut-throat competitiveness the organizations have become quite sensitive towards the customers likings and disliking. Providing customized services and Products, adopting relationship pricing, Co-branding, and considering customers as partners are some of the points the organizations are making note of. The present study is empirical in nature and discusses the role of being customer focused in the effective customer relationship management. The design of the present study is exploratory to some extent and descriptive and diagnostic to a large extent. The survey population of the study includes only those banks, which have implemented the CRM programme or strategies. The respondents have been selected on the basis of random and purposive sampling and for this purpose the user's list has been obtained from the sampled banks. Total sample size for study is 800 which includes 100 respondents (customers) from each bank. In Public Sector Banks State Bank of India, Punjab National Bank, Bank of Baroda, Central Bank of India are selected. Among Private Sector Banks ICICI Bank and HDFC Bank were chosen for the purpose, and among Foreign Banks the customers from HSBC Bank and Citi Bank were approached.

Key words Customer Focus, CRM, Banking.

Introduction and Literature Review

Customer focus is basically the focus on the customer while designing any of the marketing strategies by the organization. To support this Saikumar, M.L, (1999) found that changes in the market trends and he focused that today customers are making buyers decision not just by considering product but rather relationship. Customers want recognition, value, quality and respect for their preferences. Mendoza, Marius, Perez, & Griman (2007) highlight that most organisations perceived the CRM concept as a technological solution for problems in individual areas, accompanied by a great deal of

uncoordinated initiatives. However the authors argue that CRM must be conceived as a strategy, due to its human, technological, and processes implications, at the time an organisation decides to implement it.

Joe Peppard (2000) depicted that many financial service organizations are rushing to become more customer focused. A key component of many initiatives is the implementation of Customer Relationship Management (CRM) software. He has highlighted that most institutions take a rather narrow view of CRM and as such, benefits have been limited. While second generation CRM

has emerged to embrace the total organisation (hence Enterprise CRM), success in general has still not been widespread. He has presented a framework, which is based on incorporating e-business activities, channel management, relationship management and back-office/front-office integration within a customer centric stratum. S. Sureshchandar, Chandrasekharan Rajendran, R.N.Anantharaman (2003) conducted a study on relationship between management's perception and customer perception and concluded that the effectiveness of quality management programmes at resulting in enhanced business performance has been a major subject of interest for business and academia alike. In service organizations, customer-perceived

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service quality is considered as one of the key determinants of business performance. The current study strives to examine the influence of total quality service (TQS) dimensions on customer-perceived service quality. Multiple regression analysis has been used to investigate the relationship between the different dimensions of TQS and the various factors of service quality. The results have indicated that the TQS dimensions, as a whole, are indeed good predictors of service quality. Furthermore, the soft issues of TQS (such as human resource management, customer focus, service culture, employee satisfaction, top management commitment and leadership and social responsibility) seem to be more vital than do hard issues in positively influencing customer-perceived service quality.

Objectives of the Study

1. To find out the significance of Customer focus in CRM for government, public and private sector banks.

2. To make a comparison among government, public and private sector banks in terms of customer's responses towards the Customer Focus in CRM.

Research Methodology

The design of the present study is exploratory to some extent and descriptive and diagnostic to a large extent. It is exploratory in nature because only few studies have been conducted and that too with limited indicators. It is descriptive because the indicators, which I have chosen, are not been studied by earlier scholars and it has explained the attributes, which are associated with customer focus area in CRM for banking industry in India. The universe of the study is confined to all nationalized, private and foreign banks operating in India, which carried out different kinds of retail banking operations and practices the CRM programme. The survey population of the study includes only those banks, which have implemented the CRM programme or strategies.

The study has conducted on the basis dual sample in the area of NCR (Delhi and neighborhood cities). The sample for the study has been taken from the survey population and that is too being confined only to the four nationalized, two private and two foreign banks. The sampled banks have been chosen on the basis of non – random purposive sampling and the second sample is of respondents (users). The respondents have been selected on the basis of random and purposive sampling and for this purpose the user's list has been obtained from the sampled banks. Total sample size for study is 800 which includes 100 respondents (customers) from each bank. In Public Sector Banks State Bank of India, Punjab National Bank, Bank of Baroda, Central Bank of India are selected. Among Private Sector Banks ICICI Bank and HDFC Bank were chosen for the purpose, and among Foreign Banks the customers from HSBC Bank and Citi Bank were approached.

Data Analysis and Interpretations

Demographic Profile of Customers -

Duration of Stay	No. of Respondents	Gender	No. of Respondents	Occupation	No. of Respondents
0-2 Years	176	Male	496	Business	112
2-5 Years	248	Female	304	Salaried Class	232
5-10 Years	200	Total	800	Self Employed	176
More than 10 Years	176	Marital Status	No. of Respondents	Retired	144
Total	800	Married	416	Student	136
		Single	384	Total	800
		Total	800		
Age	No. of Respondents	Purpose of Relation (MCQ)	No. of Respondents	Educational Qualifications	No. of Respondents
Less than 25 Years	120	Saving	336	Below Secondary Level	48
Between 25-34 Years	272	Current	208	Secondary Level	144
Between 35-44 Years	200	Credit Card	224	Graduation	216
Between 45-54 Years	120	Loan	208	Post Graduation	232
55 Years and above	88	Insurance	320	Professional	160
Total	800	Others	392	Total	800
		Total	1688		

Responses regarding “Customer Focus” of the bank customer is as below -

S. No.	My Bank / Banks	Average Response of the customer, Disagree + Strongly Disagree, of Govt.		SD of the customer, Disagree + Strongly Disagree, of Govt.		Average Response of the customer, Disagree + Strongly Disagree, of Pvt.		SD of the customer, Disagree + Strongly Disagree, of Pvt.		Average Response of the customer, Disagree + Strongly Disagree, of Foreign		SD of the customer, Disagree + Strongly Disagree, of Foreign	
		Bank	Bank	Bank	Bank	Bank	Bank	Bank	Bank	Bank	Bank	Bank	Bank
1	Provide customized service and Products to us	60.5	7.325754	23.5	10.6066	17.5	2.12132	13	1.414214	17.5	3.555534	13	0
2	Strive to constantly surprise and delight us	63.25	7.847505	23.5	4.949747	17.5	6.363961	16.5	0.707107	14.5	2.12132	16	4.242641
3	Strengthen the emotional bonds with us by wishing us on important occasions	58	7.348469	28	7.071068	21	8.485281	19	7.071068	13.5	2.12132	19	1.414214
4	Use the concept of 'Relationship Pricing' in pricing their different products / services	63.75	10.90489	28.5	6.363961	29	5.656854	20.5	2.12132	12	0	15	1.414214
5	Do Co-branding / Affinity partnering programs to provide increased value to us	60.25	7.889867	17.5	6.363961	25	8.485281	23.5	13.43503	19	1.414214	16	1.414214
6	Leverage the power of word of mouth by using Referral Marketing programme	60	10.0995	22	0	14.5	2.12132	16	4.242641	14.5	2.12132	14	2.828427
7	Do cross selling of products / services to increase customer share	60.75	8.958236	21	4.242641	21	1.414214	21	8.485281	11.5	0.707107	14	2.828427
8	Have a system in place to be able to interact with lost customers	62	8.831761	25	8.485281	25	8.485281	25	8.485281	11.5	0.707107	14	2.828427
9	Regularly assesses the life time value of each customer	61.75	9.878428	21	1.414214	21	1.414214	21	1.414214	16	4.242641	14	2.828427
10	Have formal complaint system, which cover both written and verbal complaints, and inform me of the progress of the complaint	63.75	8.770215	19	7.071068	19	7.071068	19	7.071068	13.5	2.12132	14	2.828427
11	Understands individual customer's character, needs and preferences and behaviours through past interactions with us.	62	9.416298	28.5	6.363961	28.5	6.363961	28.5	6.363961	12.5	3.555534	14	2.828427
12	Systems are flexible enough to adapt to customers' changing needs and wants.	60.25	7.410578	29	5.656854	29	5.656854	29	5.656854	16.5	0.707107	14	2.828427
13	Have a well-developed privacy policy to ensure confidentiality of data collected from customers	58.5	7.187953	20.5	2.12132	20.5	2.12132	20.5	2.12132	12	0	14	2.828427
14	Follow easy procedures/Processes for serving customers	61.25	7.5	23.5	13.43503	23.5	13.43503	23.5	13.43503	19	1.414214	14	2.828427
15	Have a formal process for documentation	63.25	8.539126	25.5	2.12132	25.5	2.12132	25.5	2.12132	15	1.414214	14	2.828427
16	Follow high level of accuracy in maintaining accounts	64.25	10.14479	18.5	3.555534	18.5	3.555534	18.5	3.555534	16	1.414214	14	2.828427
17	Maintain high level of privacy of our customer database	59	6.531973	20.5	12.02082	20.5	12.02082	20.5	12.02082	14	2.828427	14	2.828427

Customer Focus– Government Vs. Private Banks

The table presents the responses of banking customers regarding the 'Customer Focus'. The responses clearly indicate that there is a huge difference in opinion of the customers regarding 'Customer Focus' of the government banks and private banks. The average score of strongly disagreed and disagreed customers for government banks is above 60 in about all cases, rather the average score of strongly disagreed and disagreed customers for private banks is less than 30 for all points. This shows that private banks devote more attention towards 'Customer Focus'.

To check the significance of the opinions, a null hypothesis has been formulated and student's t test has been applied to test the hypothesis. The application of hypothesis testing and results are as follows –

Let us consider,

x=Response of the customer, Disagree + Strongly Disagree, of Govt. Sector Banks.

y=Response of the customer, Disagree + Strongly Disagree, of Pvt. Sector Banks.

Here we first setup the null hypothesis:

H0: There is no significant difference between the level of satisfactions of customers of Govt. & Pvt. Banks on the point of customer focus.

H1: Satisfactions level of the customer of Pvt. Banks are greater than the level of Govt. Banks on the point of customer focus.

> t.test(x,y,var.equal=TRUE)

Two Sample t-test

data: x and y

t = 37.6814, df = 32, p-value < 2.2e-16

Alternative hypothesis: true difference in means is not equal to 0

Variable	Mean	S.D.
X	61.39583	8.605738
Y	22.83333	5.539003

Here we conclude that the P value is less than 0.01 therefore we have very strong evidence against H0. i.e, we reject the null hypothesis hence we accept H1. Rejecting null hypothesis and accepting alternative hypothesis states that 'Satisfactions level of the customer of Pvt. Banks are greater than the level of Govt. Banks on the point of customer focus'.

Customer Focus– Private Vs. Foreign Banks

The table presents the responses of banking customers regarding the 'Customer Focus'. The responses clearly indicate that there is a difference in opinion of the customers regarding 'Customer Focus' of the private banks and foreign banks. The average score of strongly disagreed and disagreed customers for private banks is above 20 in almost all cases, rather the average score of strongly disagreed and disagreed customers for foreign banks is below 20 in all cases and below 15 in about half of the cases. This shows that private banks devote more attention towards 'Customer Focus'.

To check the significance of the opinions, a null hypothesis has been formulated and student's t test has been applied to test the hypothesis. The application of hypothesis testing and results are as follows –

Let us consider,

x=Response of the customer, Disagree + Strongly Disagree, of Pvt. Sector Banks.

y=Response of the customer, Disagree + Strongly Disagree, of Foreign Banks.

Here we first setup the null hypothesis:

H0: There is no significant difference between the level of satisfactions of customers of Pvt. & Foreign Banks on the point of customer focus.

H1: Satisfactions level of the customer of Foreign Banks are greater than the level of Pvt. Banks on the point of customer focus.

> t-test(x,y,var.equal=TRUE)

Two Sample t-test

data: x and y

t = 8.0703, df = 32, p-value = 3.247e-09

alternative hypothesis: true difference in means is not equal to 0

Variable	Mean	S.D.
X	22.83333	5.539003
Y	14.58333	1.885618

Here we conclude that the P value is less than 0.01 therefore we have very strong evidence against H0. i.e, we reject the null hypothesis hence we accept H1. Rejecting null hypothesis and accepting alternative hypothesis states that 'Satisfactions level of the customer of Foreign Banks are greater than the level of Pvt. Banks on the point of customer focus'.

Customer Focus– Government Vs. Foreign Banks

The table presents the responses of banking customers regarding the 'Customer Focus'. The responses clearly indicate that there is a

huge difference in opinion of the customers regarding the government banks and foreign banks. The average score of strongly disagreed and disagreed customers for government banks is above 60 in most of the cases, rather the average score of strongly disagreed and disagreed customers for foreign banks is less than 20 for all points. This shows that foreign banks are more customer focused rather than government banks.

To check the significance of the opinions, a null hypothesis has been formulated and students't-test has been applied to test the hypothesis. The application of hypothesis testing and results are as follows –

Let us consider,

x=Response of the customer, Disagree + Strongly Disagree, of Govt. Sector Banks.

y=Response of the customer, Disagree + Strongly Disagree, of Foreign Banks.

Here we first setup the null hypothesis:

H0: There is no significant difference between the level of satisfactions of customers of Govt. & Foreign Banks on the point of customer focus.

H1: Satisfactions level of the customer of Foreign Banks are greater than the level of Govt. Banks on the point of customer focus.

> t-test(x,y,var.equal=TRUE)

Two Sample t-test

data: x and y

t = 66.6501, df = 32, p-value < 2.2e-16

alternative hypothesis: true difference in means is not equal to 0

Variable	Mean	S.D.
X	61.39583	8.605738
Y	14.58333	1.885618

Here we conclude that the P value is less than 0.01 therefore we have very strong evidence against H0. i.e, we reject the null hypothesis hence we accept H1. Rejecting null hypothesis and accepting alternative hypothesis states that 'Satisfactions level of the customer of Foreign Banks are greater than the level of Govt. Banks on the point of customer focus'.

Conclusion

Customer focus is one of the prime aspects of customer relationship management. Customer focus means considering customers as the central point before designing any strategy of marketing or customer relationship management. The following points have been observed -

Government banks are the poorest in 'customer focus' followed by private banks. Foreign banks are the most adaptive for their customers in designing products/ services.

Government Banks will have to work on almost all the aspects of customer focus such as –

- Provide customized service and Products to us,
- Strive to constantly surprise and delight us,
- Strengthen the emotional bonds with us by wishing us on important occasions,
- Use the concept of 'Relationship Pricing' in pricing their different products / services,

- Do Co-branding / Affinity partnering programs to provide increased value to us,
- Leverage the power of word of mouth by using Referral Marketing programme,
- Do cross selling of products / services to increase customer share,
- Have a system in place to be able to interact with lost customers,
- Regularly assesses the life time value of each customer,
- Have formal complaint system, which cover both written and verbal complaints, and inform me of the progress of the complaint,
- Understands individual customer's character, needs and preferences and behaviours through past interactions with us,
- Systems are flexible enough to adapt to customers' changing needs and wants,
- Have a well-developed privacy policy to ensure confidentiality of data collected from customers,
- Follow easy procedures/ Processes for serving customers,
- Have a formal process for documentation,
- Follow high level of accuracy in maintaining accounts for maintaining high level of privacy of our customer database.

Private sector banks and foreign banks are about 2-3 and 3-4 times better than the government banks respectively in all the points. However they can work on the above mentioned aspects improve the position.

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Analysis Of Rural Entrepreneurship Under The Theoretical Approach Of Resources And Capabilities: The Case Of A Rural Microbusiness

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Abstract

The aim of this paper is to analyze the case of a joint venture stage to determine the successes and failures to undertake this business, based on the theory of resources and skills of entrepreneurship and business. It is intended to answer the question, what were the successes and failures committed by entrepreneurs to run the business plan in this particular case?. The answers were found relating the situations described in the case with the theories of resources and skills and entrepreneurship. The analysis concludes that the empirical knowledge of entrepreneurs, in this case were not sufficient to direct the business to success, and that the lack of structured knowledge and adequate scientific support for this project strongly directed towards the non-permanence on the market.

Key words Entrepreneurship, Women Entrepreneurs, Promusag, Resources And Capabilities, Competitive Advantage.

Introduction

The Mexican government through the Ministry of Agrarian Reform supports rural entrepreneurship projects. One way is PROMUSAG (program for women in agriculture). This is a support program for rural women entrepreneurs, seeking their integration in the productive sector to earn income to help in the fight against poverty in this rural environment. The support consists of a sum of money to start up the business to undertake, which is repayable but it is considered at lost funds. In 2009, hundreds of projects have benefited from PROMUSAG, one of which has been analyzed for this report. This case is featuring nine women in

the municipality of San Martin de Hidalgo, Jalisco. In that year, nine women was PROMUSAG order required for each project.

The team for this project consisted of women with little or no preparation in business, but the team had a leader with knowledge and skills acquired empirically that gave the project some routing to success. PROMUSAG central requirements requested to be eligible for funding to the various proposals were teams of nine members, all participants should be female, a project to undertake the business detailing emphasizing the distribution of grant money, it is sent to be developed by an engineer in the agricultural area

and the last requirement was to have an area of land sufficient to carry out the purpose of the enterprise activity.

The venture was marked by the fall in leader's illness, which conditioned the project to a resounding lack of profitability, this, coupled with the lack of scientific preparation and support scientists generated a mismanagement of resources and capabilities that had the project, bringing this to its final termination in six months.

Theoretical Framework and Literature Review

The enterprise is the basic and elemental production system of an economy, is an indivisible economic unit that is generated in the process of value creation that is the essence, purpose and

function of the entire economic system (Alegre, Berne, & Galve, 1995). Strategic management is the scientific discipline that studies issues related to management of organizations and how they are managed. The functional areas of the firm. Just as the way the company has designed herself, to set their goals and values, and to relate to their environment.

According to Rumelt (1997), the purpose of the strategy is to provide partial support for the company to survive and be successful. Strategic management analyzes and determines the behavior of the target company specifically focuses on the determinants of competitive advantage and how it can be used to generate profits. In any organization or company, it is essential to have certain resources and capabilities that are the basis for the generation of competitive advantages, which are crucial to the achievement of the objectives of the firm, that is, to generate sales and more importantly, getting benefits.

The theory of resources and capabilities focuses on the analysis of assets owned and / or controlled by companies, as well as their differences, and the importance of this fact to explain the evolution of the results (Barney, 1991). From this approach, the company is considered as a unique set of resources and capabilities with a unique story (Castro & Lopez, 2006). In this perspective the strategy is defined as a constant search and maintenance benefits, which shows the economic approach model (Reynoso, 2005).

Achieving success in business

depends on the performance of the tasks of management and internal coordination and the efficiency with which the company competes. The theory of resources and capabilities and the structural theory explain the existence of extraordinary benefits of this success, although the empirical analysis shows that the first explains even better.

The value of the company is more related to intangibles than tangibles aspects on which the valuation was done traditionally (Jiménez, 1999). In turn, intangible resources and capabilities are usually based on information and knowledge, so they have no limits in their ability to use (Guerras & Navas, 2007) and therefore it is necessary to manage knowledge, which means managing the processes of creation, development, dissemination and exploitation of knowledge to gain organizational capacity (Revilla, 1995). This makes every day more evident that the value of the company that is more related to intangible aspects than with tangible on which the valuation was done traditionally (Jiménez, 1999), and thus, with knowledge.

According to Arranz (2000), when the company discusses how to achieve competitive advantage based on resources and capabilities, should take into account that these attributes, to become forms of knowledge, are the result of merging the ideas of the hierarchy with the rest of the organization. Ferrer (1989) argues that this merger or organizational ethos contains a latent energy of known and unknown resources,

used or unused, which tells the company how to progress and change, because it can build on this potential enhanced capabilities and routines. Also these attributes should have the following characteristics: be valuable, rare or idiosyncratic, imperfectly imitable and transferable, and have hardly substitutes (Barney, 1991; Peteraf, 1993 and Fernández, 1993).

Characteristics of valuable resources in the model of Barney (1991): Simplicity in use, shortages, difficult imitation, difficult to replace, analysis of managers. In addition there should be strategically equivalent resources, whose existence can be seen as an additional amount in offering a superior resource. Reynoso (2005) mentions three definitions of company capabilities –

- The company's capabilities are the skills that are equally to integrate, build and reconfigure internal and external competencies of the company in order to react quickly to the changing environment.
- Ability to use resources through organizational processes of the company, with the aim of obtaining a particular purpose.
- High level routines (or collection of routines) that, together with resource flows, provides company management a set of decision options for producing significant results.

Efficiency is manifested in three complementary aspects: strategic capabilities allow the company to perform functional activities in a better way than their competitors, will dynamically adjust to the

demands of the environment and foster the enterprise to obtain strategic resources (Collis, 1994) Teece, Pisano, & Shuen (1997) mention that the capabilities of the company are supported by organizational processes, i.e., organizational routines that take place in the organizations and they have three functions: integration-coordination as static concept, learning as a dynamic concept and reconfiguration. Implications of learning: skills involves both the organization and the individual, organizational knowledge generated by activities that are performed on a daily basis in the company, reflected in new patterns of activity, in routines or a new organizational logic.

Routines are patterns of interaction that represent successful solutions to particular problems. These behavioral patterns reside in behavioral groups where some simple routines can be represented by individual behaviors. One of the determinants of the strategic position of the company is the active control, which are plants and specialized equipment and, even more, the knowledge-based assets are difficult to trade and the complementary assets. These assets determine the market share and profitability at any given time. Asset capabilities relevant to the company can be classified in different ways. One is to use the following categories: technological, complementary, financial, associated to reputation with structural, institutional derivatives market structure and organizational boundaries (Teece, Pisano and Shuen, 1997).

The orthodox explanatory scheme has eliminated the entrepreneur of this system has had its recognition throughout economic history, making it the fulcrum (pivot) on which everything turns business (Bustamante, 2004). The Royal Academy of the Spanish Language (La Real Academia de la Lengua Española, 2012) gives the following definition of an entrepreneur: "That undertakes with resolution difficult and eventful actions".

Entrepreneurs are considered an important part of the process of job creation and stimulating factor of growth as they create new businesses, and thus, creating more wealth and prosperity in a country (Martín, 2009). As defined by Wennekers, Sander, Thurik, & Roy (1999) the entrepreneur is linked to the manifest ability and desire of individuals, either by themselves or by teams within or outside existing organizations, to create new economic opportunities, that is, new products, new forms of organization, new methods of production, etc. and introduce their ideas in the markets, facing uncertainty and other obstacles, by making decisions on location and in the form and use of resources and institutions.

Bilbao & Pachano (2002, p. 35), proposed the following definition of an entrepreneur:

"The successful entrepreneur is a person with a dream, a goal, a desire to create, to innovate, to capture a business opportunity, which is able to" see "HIS idea into finished form, which is not stopped by obstacles, so the persistence and tenacity are typical characteristics

of HIS behavior." Malagón (2003) found that entrepreneurs meet the following characteristics:

- Constance.
- Sense or business opportunity.
- Knowledge.
- Personal responsibility.
- Leadership.

To develop entrepreneurship, according to Rojas (2003) is:

- Make things, no look for excuses or reasons to prove that you can do.
- Getting stronger every time he falls, never dig in his heels to find the reason for his failure.
- It is worthy, conscious, responsible for his actions.
- The creator of something, a home, a business.
- Understand that honest work, well there is not a need or sacrifice but a privilege and opportunity it gives us life.
- Dreaming of something, do it and discover how special and unique we are, are always positive.

The Promusag Program

The Secretary of Agrarian Reform (Secretaría de la Reforma Agraria, SRA) is the institution of the Federal Government that serves women and men who live and work in the rural communities and ejidos or community's owned land across the country. The SRA provides legal certainty for the owners of the land and promote comprehensive rural development social justice. One of the ways the SRA supports rural development is through the promotion of entrepreneurial and productive projects in ejidos and communities through its programs Support for Productive

Projects in Agrarian Nucleolus Fund (Fondo de Apoyo para Proyectos Productivos en Núcleos Agrarios, FAPPA) Program for Women in the Agricultural Sector (Programa de la Mujer en el Sector Agrario, PROMUSAG) and Young Rural Entrepreneur and Land Fund (Joven Emprendedor Rural y Fondo de Tierras, JERFT). PROMUSAG is aimed at women who are organized to develop a productive project that allows them to earn an income and thus help fight poverty in rural areas (H., L. V. 2012).

Within PROMUSAG program, projects can be installed in various areas, such as ecotourism, cattle fattening, rural stores, food production or various services. Women living in the countryside can access the program PROMUSAG women's groups of 3-6 members, over 18 years old, who inhabit agrarian and rural areas owners of community land. The financial support is of \$30,000.00 per member provided it does not exceed the amount of \$ 180,000.00. Women may be benefiting from the support of PROMUSAG until they have been supported in the past five fiscal years by himself or by the FAPPA PROMUSAG (Fund for supporting productive projects in agrarian).

Method

The methods employed are the analytical and descriptive. The first aims to analyze the case and identify failures and successes which led the company for the ensuing year and the descriptive method to detail the situations experienced by the venture.

Case to Analyze

The history and details of the case were provided by one of the women who undertook this business which in turn is a daughter of the initial principal leader of the enterprise. To gather the information, a personal informal interview was conducted on May 2012. What more motivated the business venture was the fact that the main entrepreneur has a great taste an innate ability for this type of business, her personal qualities and characteristics mostly agree with those of a successful entrepreneur. The main obstacle for this business venture was the lack of funding, which it once existed, the project was launched.

In 2009 the entrepreneurial principal, was blessed with a support of \$100,000.00 in cash, with the advantageous feature called "sunk" to the implementation of a rural business in the town of San Martin de Hidalgo, Jalisco, which consisted of raising and fattening cattle. Support was received from the government body called Agrarian Reform Secretariat by rural support program to women entrepreneurs "PROMUSAG". PROMUSAG central requirements requested to be eligible for funding to the various proposals were teams of nine members, all participants should be female, a project to undertake the business detailing emphasizing the distribution of grant money, it is sent to an agricultural engineer to develop the agricultural area and the last requirement was to have an area of land sufficient to carry out the purpose of the enterprise activity.

The selection criteria for the

formation of the task force were: being female is the PROMUSAG prerequisite required and indispensable, belonging to the family, time available for the project and interest in it. The skills and / or abilities that have the formed team made are the leadership, expertise in law, some livestock knowledge and empirical knowledge of small business management. The way in which it was given the work distribution between women entrepreneurs was by making meeting arrangements, where they defined their roles. The "lady" was the project leader, his daughter is bachelor in law and has the role of administrator of financial resources, and the other members would act as support staff, i.e. performing operational tasks of supplies purchase, cleaning stalls, feeding cattle and attention to situations that may arise in the production area.

The business plan prepared was paid before the monetary benefit was granted, it just detail issues relating to investment in equipment and production inputs such as instruments, equipment, food, young livestock, among others. Therefore, only was useful to structure the production plant and neither for business organization or healthy finance to sustain within inside. The way to get to the end customer and more convenient for the type of business, existing resources and the region where they conducted the enterprise, was to sell the product at a much larger broker to sell the product it the final consumer. The project lasted only six months from commissioning to decommissioning, which

corresponds to a period of fattening cattle.

Application Of The Theory To The Case

It is necessary to analyze the internal aspects of the company to find the main successes and failures committed in undertaking this business, as the main reasons for the success of a company are brewing inside of it. A business venture begins with the idea and the desire of an individual undertaking, which must have certain qualities and characteristics. In this case, for the entrepreneur's main business was a success in life, as she is a person who has the characteristics and qualities of a successful entrepreneur, which are constancy, sense or business opportunity, knowledge, personal responsibility and leadership skills.

The monetary resource was, together with the decision of entrepreneurship, the main trigger of the business. This financial resource was needed for the purchase of instruments and appliances for conditioning the production plant. These acquired assets would be tangible resources with which the company would have to begin to build a road and build competitive advantage. Unfortunately these were not innovative or special characteristics that could lead the company to take advantage of some sort as cost leadership, differentiation or focus. It really was the most common for a company to take from this type of business.

The fact that there was no proper business plan to guide this

enterprise in the formation of a solid organizational structure led to the existence of a variety of situations, which the organization was not in a proper way as there is no basis for internal coordination. That is, the organization did not developed intangible resources, neither knowledge nor skills, and also did not took advantage of the existing resources in good way, and there was no strategic plan to guide the company towards a goal through proper orientation of each of the actions to be undertaken. This due to the existing empirical knowledge and not theoretical basis exists. When it happened the disease of the entrepreneurship leader in the early stages, when the project did not even started to run was one of the situations for which the organization had no way to handle properly.

The lack of evidence document-based to guide the integration of the existent resources and capabilities propelled an unsuitable an inadequate knowledge management tied to hand and feets to the organization in terms of the creation and development of competitive advantages. There were three reasons why the venture was short-lived for only six months:

1. Failures in the leadership capability, the main leader fell ill soon after received financing and abandoned the project, not permanently but did not have enough contact to conduct business to success, being at the head of the project the daughter of the main leader. Her daughter is Bachelor in Law as a profession, but without certainty in knowledge

about business management and effective leadership skills. This created an atmosphere of des governance, which brought conflict among team members and discouragement to work and / or continue in the project.

2. Lack of capacity in the area of procurement, equipment and supplies were bought at high prices, which were not covered by the investment project. This situation created a debt in addition to the already acquired through funding from PROMUSAG, turn in a few days unviable the business that was being undertaken, as the rate of return on investment would hardly be necessary for the project to survive in the short term.

3. Lack of marketing capacity to market the product, at the time it was possible to have a finished product, feedlot cattle in optimum conditions, the price at which it was sold was low. However, it was not possible to recover the investment in the production stage, the money raised was used to pay debts owed to suppliers and creditors, leaving the project without resources and women without encouragement to continue. This happens due to a lack of capacity in the area of negotiation and the lack of market intelligence to analyze the situation and to anticipate future price to implement the actions that were relevant.

Conclusions and Recommendations

Empirical knowledge of entrepreneurs, in this case, was not enough to route this business to success and the lack of structured knowledge and appropriate

scientific support to this project strongly directed towards not stay in the market.

The recommendation for PROMUSAG is that it needs to call for a strategic plan as a requirement to be eligible for financial support.

To start a business the entrepreneurs should also count on empirical knowledge, a scientific basis, either by the project members, or by external consultants.

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Sustainability of Traditional Retailers in the Era of Organized Retail

Dr. Lalitya Vir
Srivastava

Abstract

With all the glittering glory of the organized retail in recent past of retail industry in India, the future of modern retail is predicted to be flourishing further, with the green signal to FDI in Multi-Brand Retail for Indian market.

Though since the inception of organized retail in India, the market share of organized retail has taken only the 6 % of the total retail market of India but the acceptance and growth of this new retail format has been very fast in last decade. The most significant period of growth for the sector was between year 2000 & 2006, when the sector revenues increased by about 93.5% translating to an average annual growth of 13.3%. There is a hue and cry over the entry of private organized retailers' entry in Indian retail industry as these organized retailers in malls are offering very economical & competitive prices, and they are expected to squeeze out the small traditional traders who would no longer afford to compete with the giants, thereby sharpening the need to bridge up the gaps, for sustainability of the small and medium traditional kirana stores.

This paper tries to get the insight of the issues related to the problems faced by the traditional "kirana" stores after the inception of the organized retail formats in shopping malls of India. Further the study has taken the views of the customers at traditional & organized retail formats to understand the factors responsible for the shift of customers from traditional to organized format of retail. The study has finally suggested the sustainability measures for the traditional retailers in the current scenario of paradigm shift in retail industry in India.

Key words Organized Retail, Traditional Retail, Sustainability.

Introduction

Retail as an industry has seen the major changes in the recent past, with the liberalization of economy, there had been a great emergence of organized retail in India. There were lots of studies done on the subject to see the face value of organized retail, with lots of uncertainties in the initial inception of organized retail concepts, the various aspects like acceptance of organized retail, its penetration in market, growth and contribution to economic growth of the country, employment opportunities and its effect on traditional retail formats were

predicted. Total retail sales in India will grow from US\$ 395.96 billion in 2011 to US\$ 785.12 billion by 2015, according to the Business Monitor International (BMI) India Retail Report* for the second-quarter of 2011. Strong underlying economic growth, population expansion, the increasing wealth of individuals and the rapid construction of organized retail infrastructure are key factors behind the forecast growth. With the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and III cities.

Aligning with the predictions, Indian retail sector, with organized retail formats, has seen the considerable growth and the predictions of its acceptance by the consumers in India, have gone beyond the expectation. Especially after the down turn in the market in 2009, the retail sector has seen a considerable increase in sales volumes and the growth rates in Indian market.

The size of Indian retail industry is more than US \$350 billion but it is highly unorganized. The organized sector has started developing in the past few years.

Many International brands have entered the market. With the growth in organized retailing, unorganized retailers are fast changing their business models. According to study conducted by ICRIER, total retail business in India will grow at 13% annually, from US \$322 billion in 2006-07 to US \$590 billion in 2011-12 and further US \$1 trillion by 2016-17.

India today is the second fastest growing economy of the world after China. Indian economy will grow larger than Britain's by 2022; Japan by 2032 and by 2050 will become the second largest economy of the world after China. Indian market has become the most lucrative market for retail investment in the world. The Indian organized retail industry is valued at about \$300 billion and has met the expected growth of \$427 billion in 2010 and heading towards \$637 billion in 2015. Some of the factors which have contributed to the growth of organized retail in India are: increase in the purchasing power of Indians, rapid urbanization, increase in the number of working women, large number of working young population and thus people look for better quality product at cheap rate, better service, better ambience for shopping and better shopping experience. Organized retail promises to provide all these.

Statement of Problem

The growing organized sector in Indian retail industry on one hand portrays a glorious future but on other hand leaves behind the concerns for the age old traditional retail format of India. With the inception of organized retail, small and medium retailers and

traders in India, are concerned with the changes in the business environment and the challenges, competition and constraints thrown by the organized sector. The need of the hour is to observe and analyze the traditional retail environment and develop a sustainable action for the traditional retail format in India.

This research work is thus conducted on the traditional retailers of Delhi & NCR to find out the factors affecting their business, after inception of modern retail and also to suggest the sustainable action in current retail dynamics and competition from organized retail.

Review of Literature

The previous research work done on retailing as a subject, give relevant references for the further studies on retailing, thus it is important to review the previous studies, the present study is also based on the following reviews.

The study conducted by Mathew Joseph, Nirupama Soundararajan, Manisha Gupta, Sanghamitra Sahu, in 2008, the second undertaken by ICRIER on the retail industry, attempts to rigorously analyze the impact of organized retailing on different segments of the economy. No distinction has been made between foreign and domestic players, in analyzing the impact of the increasing trend of large corporate entering the retail trade in the country. The findings of this study are based on the largest ever survey of unorganized retailers (the so-called "mom and pop stores"), consumers, farmers, intermediaries, manufacturers,

and organized retailers. In addition, an extensive review of international experience, particularly of emerging countries of relevance to India, has also been carried out as part of the study.

D. Muthamizh Vendan Murugavel, studied the retail scenario as one of the fastest growing industries in India over the last couple of years. Indian retail sector comprises of organized retail and unorganized retail sector. Traditionally the retail market in India was largely unorganized; however with changing consumer preferences, organized retail is gradually becoming popular. Unorganized retailing consists of small and medium grocery store, medicine stores, subzi mandi, kirana stores, paan shops etc. More than 90% of retailing in India fall into the unorganized sector, the organized sector is largely concentrated in big cities. Organized retail in India is expected to grow 25-30 per cent yearly and is expected to increase from Rs35, 000 crore in 2004-05 to Rs109, 000 crore (\$24 billion) by 2010.

Tamilarasan.R. (2007) in his study focused to "A study on Retail store service Quality Dimensions in select Retail stores". This study after an in depth analysis of a variety of store dimensions and services quality dimensions reveals that all these dimensions have to be improved to earn a competitive edge and survive in the retail Business in view of the changing and emerging retail scenario, in India with the possible advent of the MNC's in the retail Indian Market Scenario.

Amatural Baseer (2007) studied in his research about “Emerging Trends in India”, The demanding ascertain Indian consumer is now sowing the seeds for an exciting retail transformation that he already started bringing in larger interest from international brands / formats. With the advent of these players, the race is on to please the Indian customer and its time for the Indian customer sit back and enjoys the hospitality of being treated like a King.

Rathanyake (2008) studied in his research about “customer complaining Behavior in Retailing”, proper understanding of the dynamics of customer complaining behavior support the retailer to treat the customers who are not satisfied with the retail Experience.

Hariharan.G. (2008) in his study “profile and perception of retail consumers”, analyzed the consumers perception towards retail, in Palakkad. Visiting retail outlets has become a group activity. Most of the shoppers are influenced by as well as accompanied by colleagues, friend and relatives. Majority of the people who visit do not shop at all. The hang around meet friends, do window – shopping and spend time.

Objectives of the Study

1. To analyze the demographic profiles of traditional retailers.
2. To study the constraints faced by retailers after inception of organized retail.
3. To analyze the services rendered by the retailers compare the service with organized retail formats.
4. To study the preparedness of

- traditional retailers for competition from organized retail.
5. To suggest sustainability factors for traditional retailer.

Research Methodology

The study is a combination of descriptive and empirical research based on secondary data analysis and primary data collected through survey method. The data collected for the study includes primary as well as secondary data. The primary data has been collected through the survey of the shoppers in the traditional retail formats in selected areas of Delhi & NCR by direct personal interview, to study the impact of organized retail on traditional retailers, being specific to the household goods, a set of 100 retailers of grocery, in different prime locations of NCR, were selected based on convenient sampling.

Framework And Tools Used For Analysis

Data collected through interview schedule were presented in a master table and required sub tables were prepared. The statistical tools such as Percentage analysis, Weighted ranking analysis, Garrett’s ranking analysis and Likert’s scaling technique were applied which are considered appropriate to this study.

Statistical Analysis

To analyze the actual face of traditional retail in Delhi and NCR, the survey was conducted in specific markets of important area of the region and was focused to know the profile of the retailers in terms of their demographic profiles, their investment patterns, return on investment and further

capacity to take the organized retail as their competitive force.

The questionnaire was filled with 100 retailers but only 91 were actually filled properly by the respondents thus rest 9 were rejected due to incomplete information and ambiguous information. The selection of retail outlets was based on convenient sampling and depending upon the availability and willingness of retailers at the time of researcher’s availability in a particular market of specific area selected, as the distances in Delhi and NCR are huge and difficult to visit and cover again.

The survey results show some surprising, pathetic but at the same time encouraging findings related to traditional retail patterns followed in Delhi & NCR.

Demographic Profile of Traditional Retailers:

Result Table: Demographic Profile of Traditional Retailers

Age		Gender		Income(000)		Investment (000)		Retail floor area		No. of person involved	
Years	%	Sex	%	Groups	%	Levels	%	In sq.ft	%	<3	48
<20	7	Male	92	< 10	35	<300	48	<100	33	3-5	33
20-29	32	Female	8	10-19	21	300-500	27	100- 300	56	>5	19
30-39	30	Total	100	20-29	24	500-800	16	>300	11	Total	100
40-49	23			30-39	11	>800	9	Total	100		
>50	8			>40	9	Total	100				
Total	100			Total	100						

Source: Primary data collected during the research

The profile of the traditional retailers is presented in table given above:

Age

The more than a half of the respondent's approx 62 % were from young age group i.e. 20 to 40 years, with 32% respondents found involved in traditional retail formats are 20 to 30 years of age. Approx one third, sounding 31% of the respondents were from mature age group, aging more than 40 years, with 8% old age group more than 50 years of age.

Capital Invested

As reported a majority of 48% retailers were having an investment only up to Rs. 3, 00,000 in their business concern and another 27% were between 3,00,000 to 5,00,000 investment and 16% of retailers had invested between 5,00,000 to 8,00,000 and a very reare number of retailers were with above 8,00,000 rupees of investments.

Gender

Almost all 92% of the respondents were male only 7 % were females found 100% involvement in their retail operations.

Income

Approximately 46% of the respondents were from middle income group ranging from 10,000 to 20,000 per month, and more than one third ,35% of the respondents were from lower income group that is, up to Rs. 10,000 per month.

The interesting outcome of the survey is that equal percentages of the retailers, 35%, earn a livelihood between 20000 to 40000 monthly from their retail outlets and 9% of the retailers reported to have income more than 40000 per month.

Persons involved

A great majority of 48% of the respondents was having 3 people involved in their retail operations, 33 % retailers have 3-5 persons involved and 19% of retailers have more than 5 members involved in their day to day operations of retail. These numbers are irrespective of the family or non family members. The majority of the retailers involved their family members for their retail out lets.

Retail floor Area

The majority of the respondents,

approx 56%, were operating with the floor availability between 100 to 300 sq.ft. and another 33% had a floor space up to 100 sq.ft. but still a significant numbers or retailers were operating with more than 300 sq.ft. of retail floor space with them.

Services rendered by the traditional retailers

The other part of survey was to analyze the services rendered by the retailers to evaluate and compare the service with organized retail formats, to finally see the attraction scale of customers to the traditional retail front. To rank the preference of the retailers for the services rendered by them questions were framed on the weight age "between" 1 to 5 and weighted ranking analysis was applied to know their perceptions for customer's preferences.

Result Table: Services Rank at Traditional Retail

S.No.	Services Rendered	Weighed Score	Rank
1.	Credit Facilities	570	I
2.	Home Delivery for small purchase	562	II
3.	Special goods on demand	458	IV
4.	Acceptance of plastic money	424	VII
5.	Computerized inventory and billing system	432	VI
6.	Sales promotion / Discounts	440	V
7.	Availability of economic products & Brands	474	III
8.	Toilet & Parking facilities	294	VIII

Source: Primary data collected from traditional retailers during research

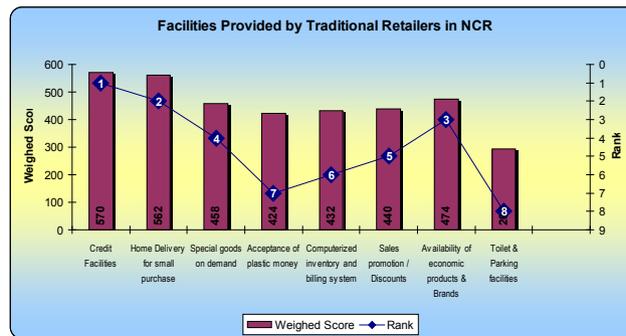
The various services, after analysis of secondary data, were taken on the scale, these services are Credit facilities, Home delivery, specific goods on demand, Acceptance of plastic money, computerized billing and inventory system, sales promotion/ discounts, order catering time and finally the toilet facilities.

The following table represents the weighted ranking analysis of these factors, after the analysis of the data collected from the targeted set of the traditional retail operators.

The weighted ranking analysis for the perception of traditional retailers for the customer's preferences for their particular retail outlets, we were able to priorities services offered by the retail outlets. As per the analysis the credit facility (short and long period) given by the retailer to its customers is ranked I as the perception of retailers, followed by home delivery as II and availability of economical products and brands at rank III, the supply of the special goods as per the demand of the customer is the special service being perceived by the retailers as ranked IV. Acceptance of plastic money and Toilet & parking facilities are ranked least as VII & VIII rank as per the perception of retailers

to attract customers, As shown in graph below.

Graph: Facilities constraint ranks



Source: Primary data

Traditional Retail Constraints

The other facet of the coin with traditional retailers to compete with the organized retail formats is necessary to understand, as the retail evolution theories suggests that the transformation of the retail formats requires the resources and thus the need to analyze the constraints of the unorganized retailers sounds more important so that the due care may be taken to provide the strategic fits for their transformation to organized retail. These problems were mainly categorized as problems related to working capital, problems related to channel intermediaries and problems related to customers

a) Problems related to working capital

As discussed and reported in the above segment of the paper, the majority of retailers in India, have the small infrastructure, investments and are targeted to the small segments of the customers residing in the neighborhoods, their approach to the changes in the environment is still myopic. Though the changes happening in the demographic profiles of the Indian consumers and their shopping experiences in organized retail have extended their expectations from the retailer next door but due to certain constrains the retailers keep a neutral approach to the demands of customer services. Some of these constraints were the part of survey of traditional retail and they were asked to rate them as their priority to come over with them. The survey reveals the following results.

Problems Related to Working Capital-Weighted Ranking Analysis

Result Table: Constraint With Traditional Retail

S.No	Factors as constraints	Weighed Scores	Rank
1.	Limited Turnover & Revenue	266	V
2.	Need of additional investment	364	I
3.	Poor recovery of debts from customers	276	IV
4.	Limited credit limits on current account	288	III
5.	Complex loan process	302	II

Source: Primary data collected during the research

The majority of retailers face the problem of finance in expanding, improving and being competitive with organized retailers. The major constraint as per the weighted Score Analysis is the need of additional investment to improve the system of operations *visa viz* organized retail formats. As discussed earlier the size of organized retail outlets is very small and with low capital investments, though the retailers are able to generate average revenues but the issue of reinvesting the money sounds a big question mark as the credit collection cycle is very poor and thus their major money circulates in the market between the intermediaries and customers. Thus the paucity of funds for reinvestment in business is always a problem. Further to it the credit limits to current accounts exhaust soon and remain in credit cycles and the loan process from bank sounds complex for small retailers and the rate of interest further high to repay.

The retailers thus try to maintain the status quo, though they want to update against the organized retail formats but have constraints unanswered for their financial issues, as aligning in the above

table of constraints in traditional retailing.

b) Problems Related to Channel Intermediaries

Adding to the financial problem of the retailers, are the constraints faced by them from the intermediaries which probably are the operational gaps of traditional channel management. The operational status quo, even in the era of changes in retail segment in India, is followed by the system, hindering the growth of traditional retail, which has the plans to change gears to make pace with the organized retail.

Some of the benefits in terms of sales promotions, promotional programs, additional discounts and purchasing in bulk benefits are being offered exclusively to the traditional retailers, by the manufactures to motivate the retailers in terms of additional earnings. These benefits to retailers are through the channel intermediaries and majority of times these offers are not disbursed further and kept with the channel partners only. Similarly, the promotional campaigns are the chances for the retailer to earn extra money but because of poor communication flow through existing channel is the constraining factor.

Problems Related to Channel Intermediaries Weighted Ranking Analysis

Result Table: Rank of Channel Constraints

S.No.	Factors	Weighted Scores	Rank
1.	Disbursement of sales offers on products	526	II
2.	Poor order cycle	440	V
3.	Price discriminations on bulks	570	I
4.	Limited credit cycles	474	III
5.	Supply of substitute products	432	VI
6.	Lack of Promotional offer information	458	IV

Source: Primary data collected during the research

The major problem as ranked by the retailers is of the price discrimination, practiced by the channel partners in buying in bulk. Buying in bulk always refers to the additional discounts in the price to be paid by the retailers, but the billing and disbursement policies of the channel partners are discriminating and partial to the retailers front that adds to further income related problems and profit earnings. Less credit cycle and threat of substitute products being supplied by the channel partners are the major problems faced by the retailers, as they have to sell the products of channel partner's choice, as they may have the monetary benefits for them in the channel.

c) Problems Related to Customer Expectation

As the dynamics of the marketing environment specially for the retail industry, is changing and the mall culture with the organized retail formats, have started attracting the shoppers and thus able to increase the footfall of shoppers in the outlets, exposing them to the intricacies of the retail formats and giving them the complete shopping experience. The activity level at organized retail is that high, where the customers even from the lower income groups are attracted and awareness level is actually becoming very high. The flow of information and transparency of knowledge with the customers have increased the demand level for the service offerings from the traditional retail store, which sounds the other coverage bracket of the problems faced by the retailers at the traditional fronts.

Problems related to customer expectation Weighted Ranking Analysis

Result Table: Rank of Customers constraints

S.No.	Factors affecting	Weighted Scores	Ranks
1.	Changing demographics	494	II
2.	Increased service expectation	546	I
3.	Increased awareness	492	III
4.	Increased bargaining powers	490	IV
5.	Increased demand of brands	480	V

Source: Primary data collected during the research

Some of these problems as asked as priority for them were listed and ranked by them in the table given above. Ranking increased service expectations as their major problem followed by changing demographic profiles of the customers adding to the increased awareness levels, increasing demands for more brands with better brand equity leading to the pressure of increased product range and inventor levels. The kind of discounts and sales promotion offers provided by the retailers with organized formats, increase the bargaining powers of the customers with the retailers at traditional front, this problem is being rank IV on weighted ranking analysis, displayed in above.

d) Preparedness for competition from organized retail

The feel of threat and undecided state of the marketing environment related to unorganized retail, leads to question marks about the preparedness of organized retail to compete with the organized retail formats. As it is important to understand the current scene, the survey focused on the issue of the actual impact of organized retail on the performance of the traditional retail, thus a portion of questionnaire focused on the issues to estimate the treat and

to evaluate the preparedness of traditional retail to encounter the competition given by the organized formats. Some of the objectives were to know the effect of organized retail on –

- 1) Revenue generation of traditional retail formats
- 2) Customer base of traditional retail formats
- 3) Profit earnings

The other set of questions, focused to reveal the following:

- 1) Do traditional retailers take organized retail as threat?
- 2) Are they ready to adopt changes required?
- 3) What are the corrective measures being taken?

To conduct the survey specially to know the results of this survey, certain questions were asked again for example, after knowing the retailers problems related to customers and their increased expectation, they were asked to rate again their preferences for the services, they would like to render to their customers to compete with the organized retail and to sustain their customers.

Some of the interesting results are as follows -

Change in income levels after inception of organized retail

To measure the impact of the growth of organized retail in Delhi & NCR, on the changes in the income patterns of the traditional retailers. The study focused on the comparison scale of the percentage change of retailer’s income in year 2009 & 2010, which was able to give the overall view of individual retailer’s statistics including their numbers of 2008, which was the year of sustained growth of organized retail and year of economic down turn.

The individual data for percentage change in income was collected and then mean was calculated to see the change for an individual income level group of retailers and for each level of the income group retailers had different mean of changes in income, as demonstrated in table below.

Change in Income Levels After Inception of Organized Retail

Result Table: Impact on Income of Traditional Retail

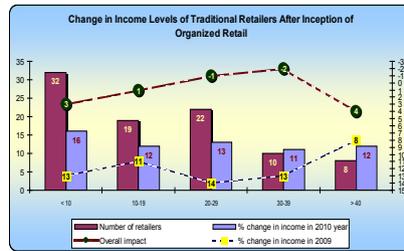
Income levels (000)	Number of retailers	% change in income in 2010 year	% change in income in 2009	Overall impact
< 10	32	16	13	3
10-19	19	12	11	1
20-29	22	13	14	-1
30-39	10	11	13	-2
> 40	8	12	08	4
Total	91			

Source: Primary data collected from traditional retailers during research

The major findings reflect that there is a continuous growth in the percentage change in the traditional retailers with the income group of less than ten thousand, relatively less but not significant change in incomes of the retailers with income between ten to twenty thousand but a negative impact though minimal

in overall income of retailers with higher income groups between 30,000 to 40,000 per month, on the contrary a significant change of 4 % were enrolled with retailers above 40,000 per month income.

Graph: Income shift after organized retail



Source: Primary data

Suggests that the small set up of traditional retailers have a fixed customer’s category, which are frequent buyers but in small quantities thus there is no significant change in their monthly income because of organized retail, where as the retailers

Response to competition from organized retail

between 20,000 to 40,000 income have minor impact that they do not correlate with organized retail and the bigger set ups with high investments and better services also bono face competition with organized formats of retailing.

Response to competition from organized retail

As per the responses given in the survey segment evaluating and ranking the problems faced by the traditional retailers because of increased expectation of customers after their inception and experience of shopping in organized retail formats. The research, focused on the preparedness of the retailers against the organized formats for sustaining and improving the customer base, taking organized retail as the positive competitors for them.

Response to competition from organized retail (% of sampled retailers)

Result Table: Improvement in Format Operation

S.No.	Services Rendered	%
1.	Increase credit facilities	48
2.	Improved home delivery	41
3.	Acceptance of plastic money	63
4.	Computerized inventory and billing system	22
5.	Additional discounts	9
6.	Improved product range	43

Source: Primary data collected during research

The summary result as shown in the table above signifies that the retailers at traditional front have understood the need and expectation of their existing customers and either already incorporated or intend to incorporate the changes in services being offered to improve and align with the services offered by the organized retail to attract their customers.

As per the percentage scale the acceptance of plastic money is the most prioritize service demanded by the customer and as it involve The least finance and hassle, almost major retailers trying to provide that service

The survey results show the wider picture of the small sample size of traditional retailers in Delhi & NCR. There are problems related to finance with the majority of traditional retailers but still their understanding with the organized retail as a healthy competitor is on the cards thus retailers at the traditional fronts prepare themselves to give a decent fight to organized market by making significant changes in their formats, which even the retail evolution theories suggests.

Conclusion

The survey of the traditional retailers with the help of the questionnaire helped us in analyzing the situation of the traditional retail market and the reasons of the major market share of the traditional retail even after the inception of formal and structured organized retail formats. The findings of the traditional retailer's survey are being discussed below:

1) Demographic Profile Of Traditional Retailers

The sample selected for the survey represents, the generalized findings for the traditional retailers in Delhi & NCR. During the analysis of tabulated data, we found that the more than half of the population of sample, around 62% retailers, are from the younger age group of 20 to 40 years and one third of the retailers surveyed, around 39%, were in the ages group above 40 years of age. The gender distribution was found to be male dominated as 93% of the respondents were male and only 7% were females, the interesting finding here is that out of these 7

% female majority, around 85% of the female retailers were in the age group of 20 to 40 years.

The analysis of the sample set on the basis of income from their traditional set up, we found that majority of the retailers, 46%, were earning from their store, a monthly income between Ten thousand to twenty thousands, one third of the sample population earns below ten thousand as income and only one fourth of population has earning above twenty thousand rupees per month.

The income profile is best aligned with the findings of the capital investment by the retailers in their retail outlet. The retailers with smaller investment of rupees up to three lakhs were earning the least and as the investment increases, the income is also found increasing. The one fourth of population having income above twenty thousand rupees are all the retailers invested more than five lakh rupees in their business establishment.

Similarly, there is a direct finding for the retail floor areas used by the retailers for traditional formats. Majority of retailers, around 56%, fit in their store in area between 100 to 300 sq.ft. The retailers with higher investments are able to procure more floor space and thus able to provide better visibility and services to customers and thus have the better income status as compared to other traditional retailers. The higher floor space retailers involved more numbers of workers as they are needed for better coverage of the customers where as majority of traditional

retailers were having an average of 3 persons handling the store operations and majority of cases these workers are the family members.

2) Traditional Retail Constraints

Another area of observations and findings of the survey is the traditional retail operations. This gives the insight operational opportunities and problems faced by the traditional retailers in the competitive era of organized retail. The major finding of the survey are related to the working capital management, as these retailers understand the need for higher investments in their business units but face the problems related to turn over, credit limit of current accounts, complex loan process and poor recovery of debts, which they have ranked on their priority scale, for us to understand and recommend the improvement in their retail formats. Their other area of concern for operational front is the set of problems they face with channel partners and customer expectation especially after inception of the organized retail formats.

3) Preparedness For Competition From Organized Retail

The analysis of the survey regarding the preparedness of the traditional retailers for the competition from organized retail gives us the following findings.

- 1) There is no change in the income levels of the traditional retailers after inception of organized retail in their area, for the majority of the respondents of sample universe as per result of the primary

data analysis using percentage method.

- 2) Traditional retailers have understood the competitive strategy and take it as the positive and healthy competition from organized retailers, as analyzed from primary data.
- 3) Majority of traditional retailers, around 67%, have already started improving their existing service offerings and started giving better services aligning with the customer's expectation. For example 63% of the traditional retailers have started accepting the plastic money, 48% have increased the credit facilities and 43% have decided to improve their product assortment.

Sustainability Measures

Studying the paradigm shift from traditional to organized retail in shopping malls in NCR, certain factors and variables related to the current scenario of retail industry were observed, some of them as the part of study are presented in the findings as discussed above and some of them as the secondary data analysis were understood and noticed. Based on these findings, there are certain recommendations of the research.

- 1) Traditional retail formats in Delhi and NCR are facing the competition from the organized retail formats, thus require immediate attention for the infrastructural support to take the competition healthy.
- 2) The policies related to working capital enhancement, credit limit of current account and easy loan facilities should be framed to help the traditional

retailers to improve their formats aligning with the dynamics of retail industry.

- 3) There is a need for making the traditional retailers aware of the changes happening in the industry and train them to compete with the structured formats to cater the need of the changing buying patterns of the customers.
- 4) Operational support in terms of facilities should be made easy for the traditional retailers to adopt and procure for providing better retail services to their customers. For example the acceptance of plastic money, which is very easily available to the customers in Delhi & NCR but accepted better in organized formats in malls and very rarely accepted by the traditional retail formats.

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Childhood And Obesity: Credits To Vibrant Advertisement

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Abstract

Childhood obesity has been labelled one of the most serious public health issues of the 21st century. Childhood obesity is a serious medical condition that affects children. Overweight and obese children typically grow into overweight and obese adults, who are susceptible to chronic complaints such as diabetes and cardio vascular disease. As the rate of obesity continues to escalate, children are increasingly becoming victims of health complications attributable to weight gain. The percentage of children labelled obese or overweight has risen steadily over the past decade with no sign of a decrease in sight. Among children ages 2–19, about 1 in 3 are overweight and obese. Overweight adolescents have a 70% chance of becoming overweight adults. Paediatricians and child development experts have theorized that food advertising contributes to childhood obesity in the following ways: (1) Time spent using media detracts from time that could be spent engaged in physical activity; (2) Food advertisements on television encourage children to make unhealthy food choices; (3) Cross-promotion of food products and television and movie characters encourages children to acquire and consume low-nutrient, high-calorie foods; and (4) Children snack excessively while accessing various forms of media and eat less healthy when watching television specifically.

Television commercials for sweets, snacks and fast food are the mainstays of advertising which targets children. Food marketing to children is almost always for unhealthy products and this plays an important role in encouraging unhealthy eating habits which are likely to continue into adulthood. The research has been conducted by adopting both qualitative and quantitative methods of data collection. This paper considers some of the available evidence relating to the influence of the various forms of advertising in general, their influence on children and on consumption habits. To measure the impact of advertisement aimed at children, an experiment was conducted and observations were recorded. In the light of the finding of the study, the researchers suggest a strategy to control the adverse effect of advertising aimed at children.

Key words Obesity, Advertisement, Paediatricians, Food marketing, Qualitative and Quantitative Research Methods

Television Food Advertising and its impact on Child's Food Preference

For decades, advertising has been omnipresent in our visual and acoustic environments. Using various advertising strategies, the

media increase temptation and create a need by giving products a certain representation which has a significant and specific appeal. The persuasive aspect of advertising assumes full meaning when one looks at the child's perspective. They do not always understand

its persuasive dimension. Because they do not have the ability to detect this dimension, children are more vulnerable when it comes to advertising. Over the last decade, food and beverage products targeted to children have increased and these products are dominated by foods that are high in calories, sugars, salt, fat and low in nutrients.

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Today's children, ages 6 to 10, consume multiple types of media and spend more time (44.5 hours per week) in front of computer, television, and game screens than any other activity in their lives except sleeping. There are strong associations between increases in advertising for non-nutritious foods and rates of childhood obesity⁴. Most children at the age of 6 cannot distinguish between programming and advertising and children at the age 8 do not understand the persuasive intent of advertising. They may think that the ad is part of the program they are watching. Advertising directed at children this young is by its very nature exploitative.

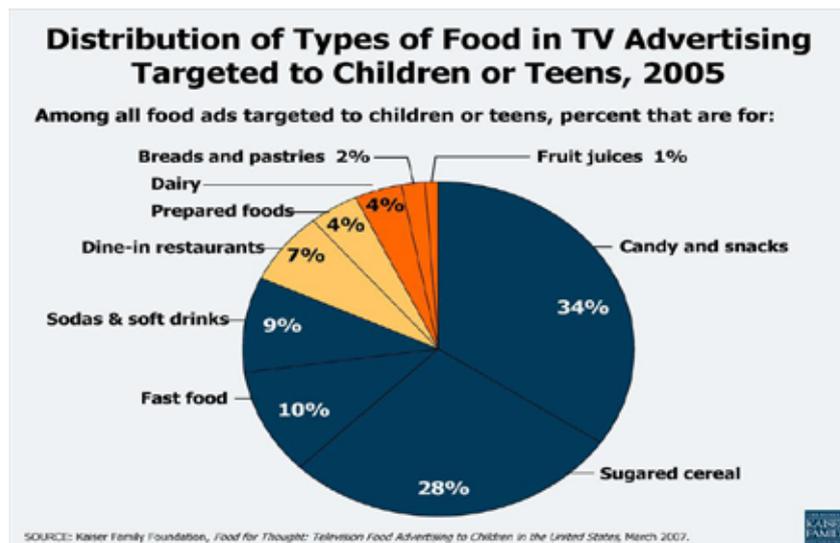
of school-age children globally. The rates of obesity in America's children and youth have almost tripled in the last quarter century. Since they are captive, they are a golden audience for advertisers. Approximately 20% of our youth are now overweight with obesity rates in preschool age children increasing at alarming speed. By the time they are 5 years old, children have seen an average of more than 4,000 television commercials for food annually.

Food advertising focuses mainly on unhealthy and non-nutritious food. Also, advertisers target programs that are created especially for children. Both exposure to TV

obese children are at an increased risk of suffering comorbidities including type 2 diabetes, fatty liver disease, and endocrine and orthopaedic disorders.

Television food advertising has a meaningful indirect effect" on children's eating habits. Companies spend millions of dollars per year in marketing. For example, McDonald's spent \$723 million in marketing only in 2004.⁵ To reach children on a larger scale, they form alliances; also called cross-promotions, with other companies such as toy companies, film production companies and sports leagues. Another example of cross promotion involves the affiliation of the fast food chain KFC to the popular video game Guitar Hero. Therefore, to successfully attract young people, companies choose a combination of various methods including contests and games, toys, the playground, the use of fictitious or popular characters, the use of different attractive colours, etc. It seems that infants as young as 6 months old are able to form mental images of logos and mascots. Children recognize brands through the various characteristics of their packaging or their logo. For example, attractive and vibrant colours, shapes and fictitious characters allow children to recognize the brand and to ask their parents for it. Also, brands are requested according to their popularity. At the early age of three, children begin judging their peers based on their consumption habits and the

Chart 1: Distribution of food in TV advertising targeted to children or teens



Source: Kaiser family foundation, Food for thought: Television food advertising for children, March 2007

Childhood obesity is becoming a worldwide epidemic, with excess body weight affecting some 10%

food advertising and obesity are highly correlated with time spent watching TV, permissive parenting styles and exposure to other kinds of marketing. Overweight and

Kaiser family foundation, Food for thought: Television food advertising for children, March 2007
The Nielsen Company, 2010

products they use.

Chart 2: The Restaurants In The Study

Restaurant	2009 ad spend (in millions)	Fast food ads viewed in 2009		
		Ages 2-5	Ages 6-11	Ages 12-17
McDonald's	\$898.1	309	368	284
Subway	\$424.6	97	127	177
Wendy's	\$282.6	46	58	113
Burger King	\$281.6	152	185	189
KFC	\$268.9	62	78	146
Taco Bell	\$243.4	50	69	140
Pizza Hut	\$221.8	54	69	125
Sonic	\$185.1	27	37	68
Domino's	\$180.8	35	46	85
Dunkin' Donuts	\$120.9	11	15	28
Dairy Queen	\$77.6	20	27	48
Starbucks	\$28.9	--	--	--
All fast food	\$4,217.7	1,021	1,272	1,723

Source: The Nielsen Company (2010)

Source: The Nielsen Company, 2010

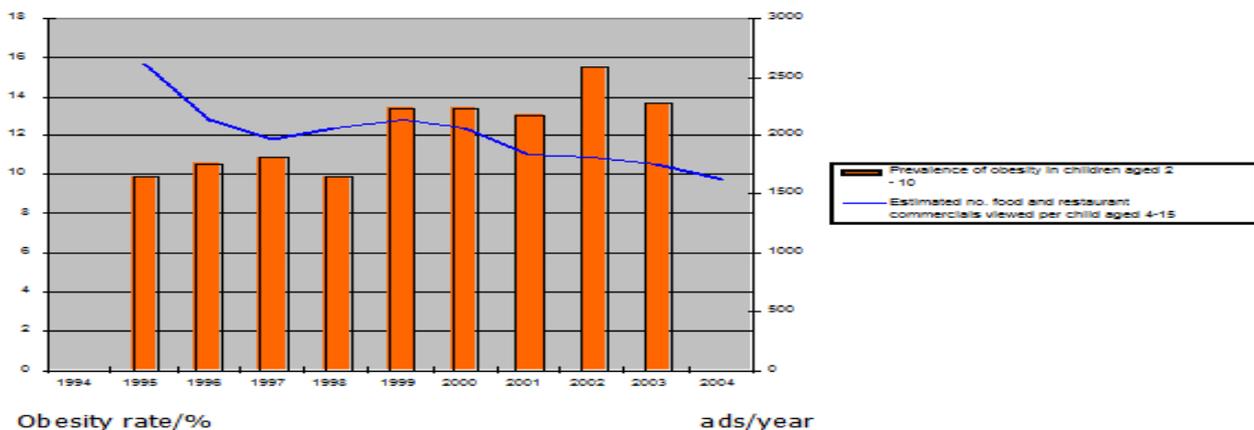
This fashion phenomenon may also be observed in the food industry and the same study found that children's eating habits are greatly influenced by this brand phenomenon. Obesity has doubled over a period of twenty years overall in industrialized nations. It is important to mention the major role soft drinks play when addressing the food marketing issue. Young people consume more and more products that are high in sugar and soft drinks reinforce this phenomenon decisions.

because they contain a lot of sugar. Various studies, often contested by professionals from the industry, show that children do not have the psychological maturity to really grasp the advertiser's persuasive and sales objectives. As for the little ones, they are not even able to distinguish the program's commercials from the program they are watching. Children therefore risk being wronged during the consumption process. Because of the wide range of commercial messages meticulously targeted to specific segments of the child audience, children seem

to have become less dependent on their parents in learning about consumer values. It is possible that entertainment and advertising aimed at young children shortens the period during which parents are the primary socializing force in the lives of their children.

McDonald's, Burger King and KFC all use a variety of marketing techniques to make their products appealing to young children. Most of this marketing promotes their children's menus, for instance the 'Happy Meal' for McDonald's and the 'Kids Meal' for Burger King and KFC. Several examples of the use of these cartoon characters could be mentioned. The use of fictitious characters in ads is no coincidence. Combining a brand with a character allows companies to reach children more successfully, allowing them to recognize the brand and ultimately adopt the brand. Product preference has been shown to occur with as little as a single commercial exposure and to strengthen with repeated exposures. Product preferences affect children's product purchase requests and these requests influence parents' purchasing

Chart 3: The Restaurants In The Study



Source: The Nielsen Company, 2010

Solutions to the problems of obesity/children's health need to be multi-faceted. In sum, it appears that there is much need to be more strategic in response to this problem. 'Unhealthy marketing' should be legally regulated by limiting the amount of promotion, product development, pricing and advantageous distribution, and 'healthy marketing' should be increased.

Review of Literature

The kid market is a burgeoning market worldwide. India is no exception to this where the kid market is estimated at Rs.5000 crores/ \$110 million. The sheer size of the market reveals how strategically important this market is for the advertisers and the marketers. Having realized the long term implications of addressing this market, the marketers have devised marketing and advertising strategies specifically aimed at this target audience. This segment possesses enormous purchasing power which could probably be attributed to the increasing discretionary income of households. Children today are assuming the role of decision makers from a relatively young age. Marketers use different media vehicles to communicate with this target audience. A media vehicle which the kid market is very conversant with is television. Television viewing by children has been increasing at an exponential rate over the last few years in India and abroad. As a result television commercials appear to have a large impact upon the brand preference and purchase behaviour of children. (Sujata Khandai,

Bhawna Agrawal, 2012).

Television advertising is believed to have a profound effect on children. A study conducted by Dr. Ruth-Blandina & M. Quinn, revealed that parents identified three main ways in which television advertising seemed to influence children: pester power; direct copying of behaviour seen in advertisements; and a subliminal or very gradual effect on attitudes through communication of often anti-social ideas or cultural norms. The study further concludes that for children between the ages of 6 and 13, the main sources of advertising are television (94.6%). (Dr. Ruth-Blandina M. Quinn, 2002). The effect of advertising on children has been proven quite indisputably in every part of the world by numerous pieces of research. The force of impact of an advertisement change according to how children's preference for individual types of media changes with their age. Small children (7-11 years-old) are most affected by television advertising, while the effect of media such as the internet, on-line computer games, etc. is noticeably greater at a later age. (Jana FIALOVÁ, 2010)

Advertising agencies main goal to children is to create pester power. Not only will this pester power take effect in a child's mind and persuade them to buy existing and new products, but may also lead to increase in consumption of unhealthy food among children. Another interesting aspect of advertising targeting children is that most aired advertisements are of the celebrity famed Soft Drinks which contain pesticides almost 27

times higher in India than the EU norms according to the findings of Delhi based NGO, Centre for Science & Environment. Breakfast cereal advertised to children have 85% more sugar, 65% less fiber and 60% more sodium. E percentage or distribution of types of food ads targeted to children in 2005 shows that the top three types of food ads shown are of 34% of candy and snacks, 28% of sugared cereal and 10% of fast foods. The lowest three percentages of food ads shown were of dairy products with 4%, breads and pastries with 2% and finally fruit juices with 1%. The other food ads shown were of sodas and soft drinks (9%), dine-in restaurants (7%) and prepared food (4%). (Andrew, 2011).

The study conducted by Anand Nawathe, Rohan Gawande, Sudhir Dethé, argues that in 55% of the cases the child influences the buying decision of the parents particularly buying clothes, food items, FMCG items. Around 78% of the children watch cartoon channels, so they are more exposed to the characters shown there and the products endorsed by these cartoon characters which may imbibe bad food habits in children as most of the ADs projected are fast food and cold drink related and not about healthy diet. (Anand Nawathe, Rohan Gawande, Sudhir Dethé, 2007).

One of the major consequences of increase consumption of unhealthy food items among children is child obesity. The child obesity epidemic has reached incredibly high levels. Among the major contributing factors are fast food and advertising. This rising

crisis is putting children at risk, for overweight children usually grow to overweight adults. Nestle (2002) has reported that children between eight and eighteen years of age watch twenty-two hours of television a week. Nearly 70% of food advertising is for convenience foods, candy and snacks, alcoholic beverages, soft drinks, and desserts, whereas just 2.2% is for fruits, vegetables, grains, or beans. Children are watching more than 1,250 hours of television a year, including 38,000 commercials most of which advertise food products. It is no wonder this aids the obesity epidemic. (Jessica Reetz, 2006).

Various researches have shown that the obesity crisis has risen in the last twenty years, and is twice as high in children since late 1970 (Schlosser, 2001). It is mentioned in the study that advertising directed towards children skyrocketed in the 1980's, especially running during programs on networks such as Nickelodeon, the Disney Channel, and the Cartoon Network, none of which were around before 1979. Children's clubs, such as the Mickey Mouse Club for example, expanded during the 1980's. Companies use these clubs as an effective means of targeting ads and collecting demographic information. The Burger King Kids Club alone increased the sales of children's meals as much as 300 percent. Schlosser (2001) also noted that a typical teenage boy drank three times as much soda as he did in 1978, and teenage girls' soda intake has doubled.

Research Question

The extent of children understands

of advertising messages and the influence of advertising on children is a topic that still has to be researched in detail. A further crucial point is how and to which extent television advertising does influence children on their brand perceptions and their eating habits. An important part of television advertising targeted to children is about food. The effects of the aggressive advertising aimed at children on their eating habits will be discussed in this study. The available research evidence shows that food promotion has a strong causal effect on children's food preferences, knowledge and behaviour, particularly by comparison with other factors. This study will attempt to test following;

Television Food Advertising Aimed At Children Has A Strong Causal Effect On Children's Food Preferences And Knowledge.

Research Design

The area of our research is to study how TV food advertising has an impact on food preference and knowledge of unhealthy food items of the children. Advertising comes in different forms such as television, print, radio & internet. So using such various communicating devices how the products are advertised to the so called new segment in the market. The literature review confirms the fact that television advertising has a profound effect on children. That is why our study focuses mainly on television advertising aimed at children. We chose experimental research design to conduct our study because questioning method was found

to be inappropriate method for collecting data from children. However in-depth interview of the mother or care taker of the child was also conducted to gain insights of the child's food preference and validation of the observations collected after the experiment.

Second part of the study examines the legal framework existing in developed countries, regulating the advertising aimed at children. This framework is then compared with the same existing in India to identify the thrust areas. Thus this study does not only concentrate on the findings but also suggests corrective measures to be taken up to minimize the after effects of television food advertising aimed at children and to regulate the unethical practices of advertisers.

Part One - TV Food Advertising Has an Impact on Food Preference and Knowledge of Unhealthy Food Items of the Children

Experiment & Data Collection

The data collection was done by using two methods those are observation and interview. Ten school going children of five to 12 years of age were selected from residential society to participate in the study. The selection was based on non probability sampling technique. The sample was divided in two groups of five children each. One group was the experiment group the other was the control group. The control was used to measure net testing effect and also to minimize the effect of extraneous variables.

Pre Experiment Data

The distribution of children in two groups was purely random. Each sample unit from both the groups was interviewed by researchers to collect pre experiment data. The children were asked about their favourite food to record their knowledge about available food items in the market (that includes healthy and unhealthy both category of food items). Their responses were recorded by the researchers the children were then shown list of food items and were asked to rank order the items on the basis of their preference. The children told their preference and items were ranked accordingly researchers only (refer annexure I & II) to see the details of the structured interviews and standard data sheet). The children were interviewed individually to keep the peer influence away from the data. This sheet gave the insights of their existing food habits before the experiment. This is how the knowledge and food habits of the sample were recorded by the researchers. Thus pre experiment data was collected from experiment group (O1) and control group (O3). The mother or care takes of the child were also interviewed to validate the data recorded prior to the experiment.

Experiment

A Cartoon movie of one hour was shown to the experiment group after two days of pre experiment data collection. Researchers introduced the advertisements of different food items in the movie after every ten minutes. All the members of the experiment group watched the movie in the same room. Some snacks were also served to the children during the

movie.

Post Experiment Data

A second round of interview was conducted with the experiment group soon after the movie got over. The method of data collection was the same as was used to collect pre experiment data. The control group was not shown the movie and were interviewed in the play ground to ensure the naturalistic setting. Their responses were rescored as it was done to collect pre experiment data.

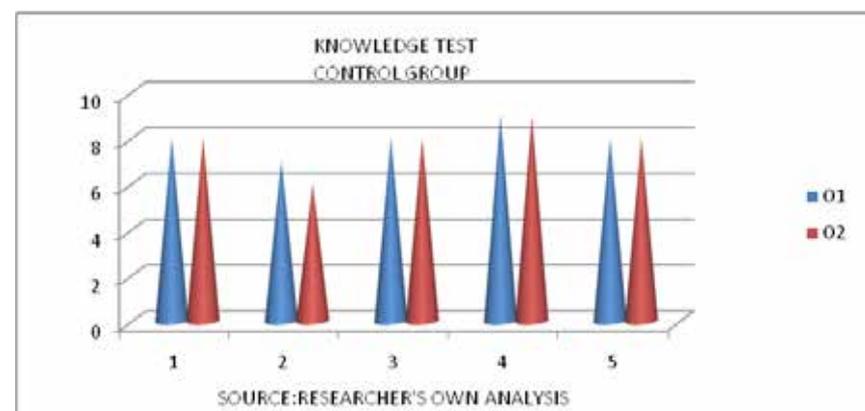
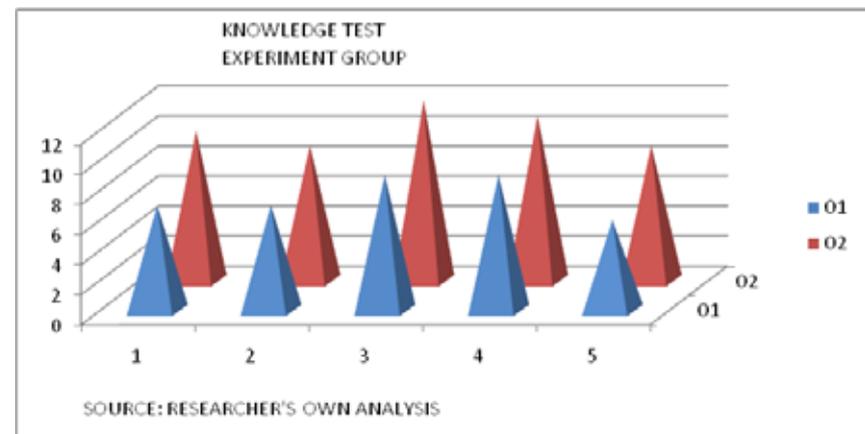
The two days gap between pre experiment data collection and the observations.

Data Analysis & Discussion

For data, refer to annexure-1

experiment data collection was kept to neutralize the testing effect on experiment group. This prepared a naturalistic setting for the experiment so that children do not remain under the effect of interview conducted two days ago.

A week after the experiment, both the groups were contacted again to repeat the exercise of data collection. The third round of data collection was undertaken to record the long term impact of experiment (television advertising of food items) on knowledge and food habits of children. The mother or care taker of the child was interviewed again to validate



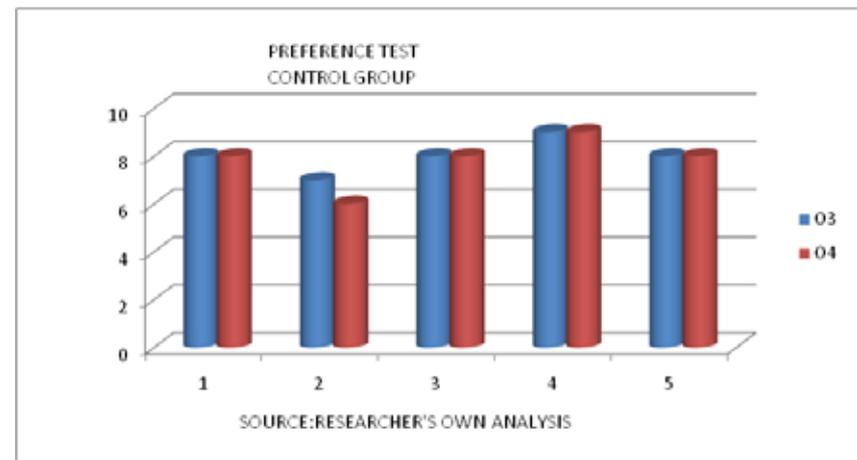
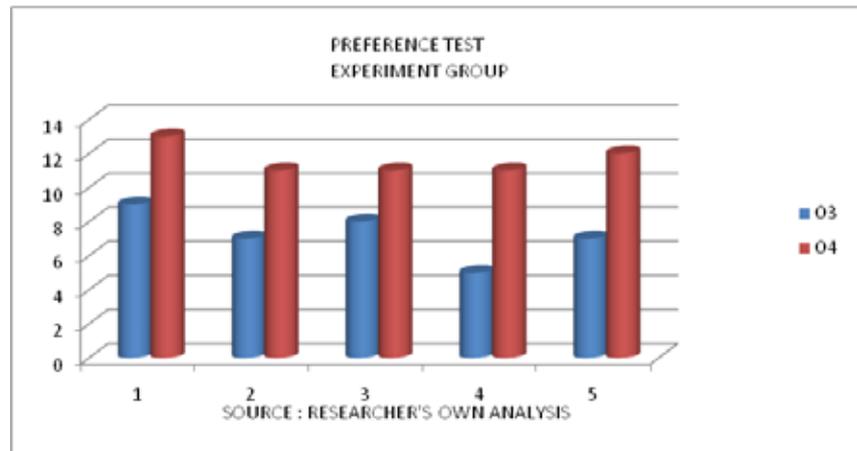
Knowledge Test

The experiment was conducted through two tests: knowledge test and preference test. The first test was knowledge test wherein the variation between the known knowledge of children about noncore foods and effect of advertisement on their knowledge was examined. In the Knowledge test the experiment group exhibited a gradual increase in the junk food consumption after exposure to experiment, whereas the control group exhibited minimal change because of no exposure to experiment. The results explained the influence of advertisements in widening the knowledge kaleidoscope of children in junk food section. The experiment increased the knowledge about the junk food among the experiment group through the advertisements shown in the course of the movie .The increase in the level of knowledge about the unhealthy food has increased the consumption of the so called “junk” food among the children belonging to the experiment group. Food advertisements composed 11% to 29% of advertisements. Noncore foods were featured in 53% to 87% of food advertisements, and the rate of noncore food advertising was higher during children’s peak viewing times. Most food advertisements containing persuasive marketing were for noncore products. Younger children are not fully aware of the persuasive intent of food marketing and tend to accept advertising as truthful, accurate, and unbiased and form their decisions about food based on

them. WHO consultation report on diet and prevention of chronic diseases examined the strength of evidence linking dietary and lifestyle factors to the risk of developing obesity. Diet and lifestyle factors were categorized based on the strength of scientific evidence according to four levels of evidence: convincing, probable, possible and insufficient. The report concluded that while the evidence that the heavy marketing of fast food outlets and energy-dense, micronutrient-poor food and beverages to children causes

compared with the obese children.

obesity is equivocal, sufficient indirect evidence exists to place this practice in the “probable” category for increasing risk of obesity. Thus Obese kids showed greater activation in the rewards and pleasure centres of the brain, which lit up when they saw the food logos, compared with when they saw non-food logos. Healthy weight kids on the other hand also showed signs of brain activation when shown the food labels, but in brain’s self-control centres. Healthy weight children were also more likely to report greater self-control when surveyed after,



Preference Test

The second test was the preference test wherein the preferences pre movie and post movie were recorded from the experiment group and the control group in this case was only subjected to pre movie preference test. In the Preference test the experiment group exhibited an exponential increase in the preference for junk food after the experiment. The stimuli increased the preference for junk food among children of experiment group whereas there was not much change in the preferences of the children belonging to the control group. The results of the test demonstrate that children exposed to advertising choose advertised food products at significantly higher rates than children who were not exposed. The experimental trials and direct observation of mother-child pairs shopping have consistently shown that children's exposure to food television advertising increases the number of attempts children make to influence food purchases their parents buy. Purchase requests for specific brands or categories of food products also reflect product advertising frequencies. Those preschoolers and grade school children's food preferences and food purchase requests for high sugar and high fat foods are influenced by television exposure to food advertising. The use of media characters on food packaging affects children's subjective taste assessment. Messages encouraging healthy eating may resonate with young children, but the presence of licensed characters on packaging potentially overrides children's

assessments of nutritional merit. While 92.2% of the children predominantly recognised the healthier food, only 33.2% also preferred the healthier food. An enormous amount of learning about food and eating occurs during the transition from the exclusive milk diet of infancy to the omnivore's diet consumed by early childhood. This early learning is constrained by children's genetic predispositions, which include the unlearned preference for sweet tastes, salty tastes, and the rejection of sour and bitter tastes. Children also are predisposed to reject new foods and to learn associations between foods' flavours and the postingestive consequences of eating. Review of behavioural factors that influence intake and expenditure indicates ways the family environment interacts with genetic predispositions to produce patterns of food preferences, food consumption, and physical activity that can promote childhood obesity in susceptible individuals.

Part Two - Legal Framework to Regulate Advertising Aimed

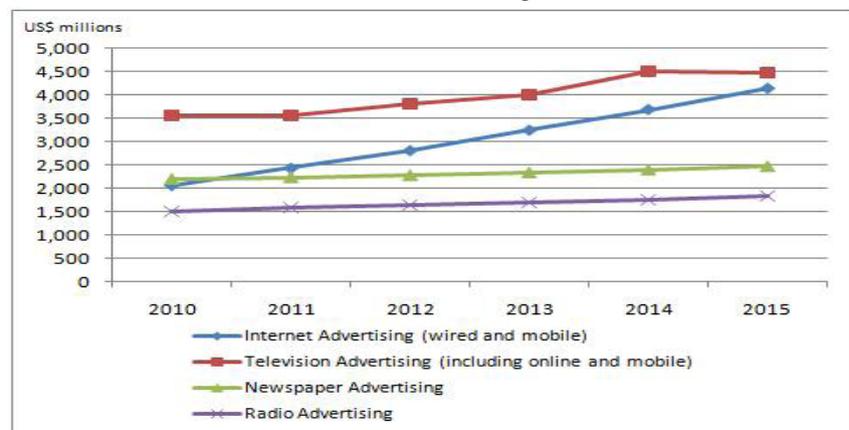
product placement, Internet marketing and sales promotions.

At Children

TV Advertising regulations outside India

With the advent of the concept of audiovisual media services and its corresponding regulation, it is clear that the media landscape has changed beyond all recognition. It is in this brave new world of altered media states that media regulators are currently looking very closely at advertising and, in particular, its effects on children and minors. For example, the UK and Romania have recently reviewed their legislation concerning junk food advertising targeting children. Regulators are also looking closely at advertising for cigarettes and alcohol with a view to enshrining greater protection for children and minors in their national media legislation. Although formal definitions of marketing are very broad, but the processes that are very visible to the consumer are, namely: advertising and promotion. Six marketing techniques widely used by companies to promote food to children were singled out: television advertising, in-school marketing, sponsorship, and

Chart 4: Different modes of advertising



Source: EASA

It is in this context of increased legislative vigilance that the European Audiovisual Observatory, part of the Council of Europe in Strasbourg, has just published a brand new report on regulation on advertising aimed at children in Europe. Children are given a special focus in the International Chamber of Commerce's (ICC) Advertising and Marketing Communication Practice Consolidated Code. According to this code, manufacturers are obliged to be truthful about the size, durability and performance of their products as well as being honest about the level of skill needed to assemble or operate them. The code also stipulates strict rules concerning the use of children's personal data. The EGTA - the Association for TV and Radio Sales Houses represents over 50 European advertising sales houses and has elaborated guidelines which, although voluntary, seem to be widely respected by its members. The European Advertising Standards Alliance (EASA) has set out a best practice model of advertising self-regulation. Endorsed, it is currently being implemented across Europe. It also provides a reference for self regulatory systems worldwide.

India		these forms of marketing that are specific to children and/or food.
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Source: Researcher's own work

Countries differ in their approach to the regulation of television advertising. Some rely solely on statutory regulations (i.e. those enshrined in laws or statutes, or rules designed to fill in the details of the broad concepts mandated by legislation), others preferring self-regulation (i.e. regulations put in place by a self-regulatory system whereby industry actively participates in, and is responsible for, its own regulation). In many cases, both forms of regulation coexist. The principle underlying many regulations is that advertising should not be deceitful or misleading. Most national regulations recognize children as a special group in need of special consideration and stipulate that advertising should not be harmful or exploitative of their credulity. Regulation of non-traditional forms of marketing, including Internet marketing, sponsorship, product placement and sales promotions can be described as patchy with regard to children. Although regulations on sponsorship and sales promotions are fairly common, very few countries have regulations on

In 2002, a Joint World Health Organization/Food and Agriculture Organization of the United Nations (WHO/FAO) Expert Consultation concluded that the heavy marketing of fast food and energy-dense, micronutrient-poor foods and beverages is a "probable" causal factor in weight gain and obesity. The following year, a systematic review commissioned by the United Kingdom's Food Standards Agency (FSA), and probably the most comprehensive study of its type conducted to date, found that advertising does affect food choices and does influence dietary habits. Taking a different perspective, a recently published industry-sponsored report stated that there is "no evidence to show a direct causal relationship between food advertising and obesity levels.

Like Canada, the UK, and other countries featured in this series, in India there are specific rules and legislation concerning advertising and children. The Cable Act provides guidelines for programmes and advertisements on television. All programmes must adhere to the codes before being transmitted. The Young Act details penalties for the sale, hire, distribution, public exhibition, circulation, printing, production or possession of harmful publications. Advertising a 'harmful publication's punishable by up to six months imprisonment, with or without a fine. The court can also order destruction of the offending publication.

Table 1: Guidelines to regulate advertising aimed at children in different countries

Country or Area	Statutory guidelines on advertising aimed at children	Self-regulatory guidelines on advertising to children	Specific restrictions on advertising to children	Ban on advertising aimed at child
Australia				
Brazil				
Canada				
China				
France				



Source: Joint World Health Organization/Food and Agriculture Organization of the United Nations (WHO/FAO), 2002

Regulation on the internet in India is strict. The IT Act penalises publication and transmission of material which is obscene, lascivious or appeals to prurient interest. There are no specific guidelines about acceptable advertisements aimed at children in India. There are several regulatory bodies that have been taking action in this course. Some of them as follow:

1	Advertising Standards Authority	The ASA is the independent body set up by the advertising industry to police the rules laid down in the advertising codes
2	Bar Standards Board	The Bar Standards Board was established in January 2006 to take over and run separately the regulatory function which had hitherto been carried out by the Bar Council alongside its representative work.
3	Committee of Advertising Practice	The CAP is the self-regulatory body which creates, revises and enforces the various broadcast and non-broadcast advertising codes that are administered by the Advertising Standards Authority
4	Ofcom	Ofcom (the Office of Communications) is the regulator for the media and communications industries, having replaced from 29 December 2003 the Broadcasting Standards Commission, the Independent Television Commission, Ofcom, the Radio Authority and the Radio Communications Agency.

Conclusion

The study found that Television food advertising drops a considerable impact on knowledge and food habits of children. Advertisement is integral part of the industry which wants its product to be reached to the customer & then converts those customers into consumers. The responsibility of advertisers increase double fold when they target children. The results of the study also show that children recall content from the ads to which they've been exposed and preference for a product has been shown to occur with as little as a single commercial exposure and strengthened with repeated exposures. Furthermore, study show that these product preferences can affect children's product purchase requests, which can put pressure on parents' purchasing decisions and instigate parent-child conflicts when parents deny their children's requests. All such moves take children toward unhealthy eating habits that may last a lifetime and be a variable in the current epidemic of obesity among kids.

Also government's role is important here. It can do it by implementing proper food laws and harmonization of various laws into single unified law. There is urgent need for voluntary and government pressure groups to seriously take note of the situation. The government needs to draft and implement specific laws that do not deal with advertising in general but are specific and relate to every aspect of advertising, especially those that target children and pertain to food.

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Annexure

**Table-1
Knowledge Test**

Respondent’s Details			Experiment	Group	Difference	Percentage
Name	Age	Gender	O1	O2		
Raj Vishal Gupta	9	Male	7	10	3	30
Gitesh Gupta	9	Male	7	9	2	22.22222222
Aditi Bikram	10	Female	9	12	3	25
Shreya Kulsehtra	8	Female	9	11	2	18.18181818
Sanvi Pandey	6	Female	6	9	3	33.33333333

Knowledge Test

Respondent’s Details			Control	Group	Difference	Percentage
Name	Age	Gender	O1	O2		
Vedika Bhardawaj	6	Female	8	8	0	0
Rishika Ghai	7	Female	7	6	1	16.66
Shefali Rathore	7	Female	8	8	0	0
Sanaya Garg	6	Female	9	9	0	0
Aditya Thakur	8	Male	8	8	0	0

Preference Test

Respondent’s Details			Experiment	Group	Difference	Percentage
Name	Age	Gender	O3	O4		
Raj Vishal Gupta	9	Male	9	13	4	30.76923
Gitesh Gupta	9	Male	7	11	4	36.36363
Aditi Bikram	10	Female	8	11	3	27.27272
Shreya Kulsehtra	8	Female	5	11	6	54.54545
Sanvi Pandey	6	Female	7	12	5	41.66666

Preference Test

Respondent’s Details			Control	Group	Difference	Percentage
Name	Age	Gender	O3	O4		
Vedika Bhardawaj	6	Female	8	8	0	0
Rishika Ghai	7	Female	7	6	1	16.66
Shefali Rathore	7	Female	8	8	0	0
Sanaya Garg	6	Female	9	9	0	0
Aditya Thakur	8	Male	8	8	0	0

An Ethical Issue Of Corporate Social Responsibility: Focus Utmost Beyond Profitability Aspect For Corporates

Bansi Patel¹
Urvi Amin²

Abstract

In general terms we can say that s corporate social responsibility (CSR) means a see-through business practice which is based on ethical values and legal business requirement and which is done for the welfare of people, communities and society. Corporate Social Responsibility can be understood as a management concept and a process that integrates social and environmental concerns in business operations and a company's interactions with the full range of its stakeholders. CSR is not the obligation which need to fulfill but it is the own responsibility of the entity towards society which need to accomplished.

Key words Corporate Social Responsibility, Economic Development, Global Movement.

Introduction

In general terms we can say that s corporate social responsibility (CSR) means a see-through business practice which is based on ethical values and legal business requirement and which is done for the welfare of people, communities and society. Now a day not only profit is the responsibility or aim of the company but companies are responsible for totality of their impact on people and the planet. In the business language we can say that company should be a good neighbor with in its host community. Corporate Social Responsibility can be understood as a management concept and a process that integrates social and environmental concerns in business operations and a company's interactions with the full range of its stakeholders.

Objectives of Corporate Social Responsibility

- Treat employee fairly with respect
- Respect human rights
- Sustain the environment for future generation
- Do business with ethical manner
- Meet challenges of social problems by changing welfare environments

Why Corporate Social Responsibility is Important

1. An easy path for the company to build its brand, reputation and public profile
2. Corporate Social Responsibility attracts and retains employee
3. Customers are attracted to socially responsible companies
4. Corporate Social Responsibility attracts investors
5. Corporate Social Responsibility

encourages professional (and personal) growth

6. Corporate Social Responsibility helps to cut your business costs
7. Long term sustainability
8. Differentiate yourself from your competitors
9. Generate positive publicity and media opportunities due to media interest in ethical business activities

The Four Phases of CSR Development in India

In the first phase charity and philanthropy were the main drivers of CSR. Culture, religion, family values and tradition and industrialization had an influential effect on CSR. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the wider society by way of setting up temples for a religious cause Moreover, these

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Sir Geoffrey chandler, "Defining corporate social responsibility" Ethical performance best practice, fall 2001.

merchants helped the society in getting over phases of famine and epidemics by providing food from their godowns and money and thus securing an integral position in the society. With the arrival of colonial rule in India from 1850s onwards, the approach towards CSR changed. The industrial families of the 19th century such as Tata, Godrej, Bajaj, Modi, Birla, Singhania were strongly inclined towards economic as well as social considerations. However it has been observed that their efforts towards social as well as industrial development were not only driven by selfless and religious motives but also influenced by caste groups and political objectives.

In the second phase, during the independence movement, there was increased stress on Indian Industrialists to demonstrate their dedication towards the progress of the society. This was when Mahatma Gandhi introduced the notion of “trusteeship”, according to which the industry leaders had to manage their wealth so as to benefit the common man. According to Gandhi, Indian companies were supposed to be the “temples of modern India”. Under his influence businesses established trusts for schools and colleges and also helped in setting up training and scientific institutions. The operations of the trusts were largely in line with Gandhi’s reforms which sought to abolish untouchability, encourage empowerment of women and rural development.

The third phase of CSR (1960–80)

business.time.com/2012/05/28/why-companies-can-no-longer-afford-to-ignore-their-social-responsibilities

<http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4636>

had its relation to the element of “mixed economy”, emergence of Public Sector Undertakings (PSUs) and laws relating labour and environmental standards. During this period the private sector was forced to take a backseat. [citation needed] The public sector was seen as the prime mover of development. Because of the stringent legal rules and regulations surrounding the activities of the private sector, the period was described as an “era of command and control.

In the fourth phase (1980 until the present) Indian companies started abandoning their traditional engagement with CSR and integrated it into a sustainable business strategy. In 1990s the first initiation towards globalization and economic liberalization were undertaken. Controls and licensing system were partly done away with which gave a boost to the economy the signs of which are very evident today.

Why Companies Can No Longer Afford To Close The Eyes Towards Corporate Social Responsibility

Ten years ago, for instance, only about a dozen Fortune 500 companies issued a CSR or sustainability report. Now the majority does. More than 8,000 businesses around the world have signed the UN Global Compact pledging to show good global citizenship in the areas of human rights, labor standards and environmental protection. The next generation of business leaders is even more likely to prioritize CSR. According to data released

this month by Net Impact, the

nonprofit that aims to help businesses promote sustainability, 65% of MBAs surveyed say they want to make a social or environmental difference through their jobs.

CSR is also a way to attract and retain talent. In a global workforce study by Towers Perrin, the professional services firm, CSR is the third most important driver of employee engagement overall. For companies in the U.S., an organization’s stature in the community is the second most important driver of employee engagement, and a company’s reputation for social responsibility is also among the top 10. According to a Deloitte survey conducted last year, 70% of young Millennial, those ages 18 to 26, say a company’s commitment to the community has an influence on their decision to work there.

Corporate Social Responsibility In India

The problem with corporate social responsibility (CSR) is that nobody is very clear about what exactly it encompasses. The Indian government has been trying to make it mandatory for companies to spend at least 2% of net profits on CSR. Facing strong criticism, it gave up the effort in mid-July and made the spending voluntary. But the debate continues. Today, CSR to some companies means providing lunch to employees. To others, it’s about tackling global warming and environmental issues. Instead of defining CSR, the Indian government recast it as “responsible business” in a set of voluntary guidelines for firms released July 8 by then Union minister of corporate

affairs Murli Deora. The CSR measures are actually part of a new Companies Bill that has been in the works for several years. The Companies Act of 1956, which is currently the rule of law, has several clauses inappropriate to the current business and economic environment. A revision process was started in October 2003 and a Companies Bill 2008 was tabled in Parliament. That legislation lapsed with the dissolution of the Lok Sabha (the lower house of Parliament) in 2009. A new bill – the Companies Bill 2009 – has been tabled. It is wending its way slowly through various committees.

A more comprehensive method of development is adopted by some corporations such as Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited. Provision of improved medical and sanitation facilities, building schools and houses, and empowering the villagers and in process making them more self-reliant by providing vocational training and a knowledge of business operations are the facilities that these corporations focus on. Many of the companies are helping other peoples by providing them good standard of living.

On the other hand, the CSR programs of corporations like GlaxoSmithKline Pharmaceuticals' focus on the health aspect of the community. They set up health camps in tribal villages which offer medical check-ups and treatment and undertake health awareness programs. Some of the

non-profit organizations which carry out health and education programs in backward areas are to a certain extent funded by such corporations.

A lot of work is being undertaken to rebuild the lives of the tsunami affected victims. This is exclusively undertaken by SAP India in partnership with Hope Foundation, an NGO that focuses mainly on bringing about improvement in the lives of the poor and needy . The SAP Labs Center of HOPE in Bangalore was started by this venture which looks after the food, clothing, shelter and medical care of street children.

India may become the world's first country to make corporate social responsibility mandatory

Jul. 10 – Paths have been cleared for reintroduction of the Companies Bill, 2011, in the monsoon session. If the bill is passed after endorsing all the propositions made by the Parliamentary Standing Committee on Finance, corporate social responsibility (CSR) would become mandatory for the first time in the world in any country.

The statement advocates that those companies with net worth above Rs. 500 crore, or an annual turnover of over Rs. 1,000 crore, shall earmark 2 percent of average net profits of three years towards CSR. In the draft Companies Bill, 2009, the CSR clause was voluntary, though it was mandatory for companies to disclose their CSR spending to shareholders. It also suggested that company boards should have at least one female member.

NEW DELHI: On 18 December, finally the Lok Sabha passed the Companies Act 2011, paving the way for a new modern company law. The new act will replace the existing Companies Act 1956, which was enacted 56 years ago. Besides making independent directors more accountable and improving the corporate governance practices, the Bill seeks to make corporate social responsibility mandatory for certain companies.⁷

Karmayog CSR rating

The Karmayog (Karmayog CSR Ratings 2010 - www.karmayog.org.mht) Corporate Social Responsibility (CSR) study and ratings present a snap-shot of the largest 500 companies in India, with specific focus on their CSR initiatives. The study enables an understanding of how different kinds of companies (government owned, private, multi-national) from different industry sectors are responding to global and local conditions that demand and need more responsible behavior by all stake-holders, especially corporates.

This marks the fourth year of the Karmayog CSR Ratings. Since the study was started in 2007, a lot has changed: there is greater awareness and hence practice of CSR in India, more companies are reporting on their CSR activities, and government has framed voluntary CSR recommendations for companies. Karmayog's objective of undertaking an annual CSR rating is to present a common person's view and understanding of companies and how they behave.

<http://www.india-briefing.com/news/corporate-social-responsibility-india-5511.html/>

<http://www.indiacsr.in/en/?p=9035>

<http://www.telegraphindia.com/external/display.jsp?mode=details&id=27752>

A research carried out by a not-for-profit organisation to measure Corporate Social Responsibility (CSR) activities of 500 of India's largest companies since Independence, has found entrepreneurs seriously lacking in national spirit.

The study, conducted by Karmayog, gauged the response of 500 public, private and multi-national companies from different industry sectors, including consumer durables, automobiles, infrastructure and financial institutions, to global and local conditions.

According to the study, called Karmayog CSR Study and Ratings, not a single company achieved a grade five — the highest level that implies they not only put back 0.2 per cent of their net sales into CSR activities, but also displayed extraordinary commitment towards social causes.

The companies were also graded on the basis of the eco friendliness of their products and processing techniques, along with their relationships with the community residing close to their plants. Barely two per cent, or 10 companies, managed a grade four. Thirty per cent of the companies, or 150 companies received the lowest grade, implying that they had just initiated the process of CSR. Thirteen per cent achieved a grade three in the study, indicating that showed seriousness about CSR.

Vinay Somani, founder, Karmayog and an IIT, Bombay alumnus

said that most change in the CSR scenario has only occurred in the past four years, after the Central Government framed voluntary CSR recommendations a few months ago. "Greater awareness has led to more companies report their social activities. But there is more to be achieved," said the Harvard Business School graduate, who set up Karmayog in 2004.

Based on the balance sheets of the companies studied, Karmayog recommends that each company spend a minimum of 0.2 per cent of its sales on CSR activities. In the last financial year, all the companies showed a total sale of Rs 37 lakh crore. The report suggests that Rs 7,400 crore be spent on CSR activities. According to the study, barely 10 per cent of that amount, or Rs 740 crore was used in CSR activities last year.

Companies with a Level 4 rating include Ballarpur Industries, HDFC, Infosys Technologies, Jubilant Organosys, Kansai Nerolac, Larsen and Toubro, Mahindra and Mahindra, Moser Baer, Tata Consultancy, Tata Steel, Titan Industries and Wipro.

Corporate Social Responsibility By Indian Companies

Tata Group
Corporate Social Responsibility or CSR has been part of the Tata Group ever since the days of Jamshetji Tata. Even while he was busy setting up textile ventures, he always thought of his workers' welfare and requirements of the country. From granting schol-

arships for further studies abroad in 1892 to supporting Gandhiji's campaign for racial equality in South Africa to giving the country its first science centre, hospital and atomic research centre to providing relief and rehabilitation to natural disaster affected places - they have done it all.

Tata initiated various labour welfare laws, like the establishment of Welfare Department was introduced in 1917 and enforced by law in 1948 or Maternity Benefit was introduced in 1928 and enforced by law in 1946.

Tata Group in India has a range of CSR projects, most of which are community improvement programs. For example, it is a leading provider of maternal and child health services, family planning, and has provided 98 percent immunization in Jamshedpur. The company also endorses sports as a way of life. It has established a football academy, archery academy, and promotes sports among employees. It offers healthcare services all over the country with programs like rural health development. Tata Group also has an organized relief program in case of natural disasters, including long-term treatment and rebuilding efforts. It did laudable work during the Gujarat earthquakes and Orissa floods. It also supports education, with over 500 schools, and also is a benefactor of the arts and culture. It has done abundant work in improving the environment and local populations around its industries.

Over the years, the Tata philosophy to 'Give back what you get' has been followed by all their enterprises across India. Be it relief measures, rural development, health care, education and art and culture, they have been very forthcoming. As result every year, the Tata Group's contribution to society has been phenomenal. In the fiscal year 2004 Tata Steel alone spent Rs 45 crore on social services.

Different Tata companies have been actively involved in various social work. Like Tata Consultancy Services runs an adult literacy programme, Titan has employed 169 disabled people in blue collar workforce at Hosur, Telco is fighting against Leprosy at Jamshedpur, Tata Chemicals runs a rural development programme at Okhamandal and Babrala, Tata Tea's education programme and Tata Relief Committee (TRC) which works to provide relief at disaster affected areas.

The group's policy is to provide livelihood instead of giving money. "How long can you give rice and dal? What is required is the means to live. And that is what we do. During natural calamities there are two phases of assistance — relief measures and rehabilitation programme. After the Gujarat earthquake we built 200 schools in two years and we rendered help during the Orissa floods when people lost cattle. Even after the Tsunami disaster members of our TRC immediately reached the places and figured out what is required.

Tata Chemicals (TCL) received CNBC Asia's India Corporate Social Responsibility Award 2012. R Mukundan, managing director, Tata Chemicals, received this prestigious award at the India Business Leader Awards (IBLA) ceremony held at Jamshed Bhabha Theatre, NCPA, Mumbai.

Self Help Groups (SHGs) formed by Tata Steel through its Corporate Social Responsibility arm Tata Steel Rural Development Society (TSRDS) has helped in providing sustainable livelihood opportunities to more than 3,000 rural households. More than 90 per cent of these SHGs are run exclusively by women, thereby providing a significant fillip to women's empowerment in the Kolkata state.

Aptech

Aptech a leading education player with a global presence that has played a broad and continued role in encouraging and nurturing education throughout the country since its inception. As a global player with complete solutions-providing capabilities, Aptech has a long history of participating in community activities. An education & training company, Aptech relies on this core strength to educate those less privileged. Aptech has long been associated with 'Project Saraswati' for IT Literacy & 'Project Srishti' for Multimedia Training. Under these two projects, Aptech provides free-of-cost training to underprivileged children at various Aptech & Arena centres. Aptech's N-Power Hardware

& Networking training brand, meanwhile, conducts training for deaf & dumb kids. Arena organizes Graphic Designing & Personality Development programs for underprivileged children. For these projects, Aptech has joined hands with NGOs & Project Partners. It has, in association with leading NGOs, provided computers at schools, education to the deprived, and training and awareness-camps.

Infosys

Infosys is aggressively involved in a variety of community growth programs. In 1996, the company created the Infosys Foundation as a not-for-profit trust to which it contributes up to 1 percent of profits after tax every year. Moreover, the Education and Research Department at Infosys also works with employee volunteers on community development projects. The management team at Infosys continues to set examples in the area of corporate citizenship and has involved itself vigorously in key national bodies. They have taken initiatives to work in the areas of research and education, community service, rural outreach programs, employment, healthcare for the poor, education, arts and culture, and welfare activities undertaken by the Infosys Foundation.

Infosys BPO Ltd., today announced that Project Genesis, its flagship Corporate Social Responsibility (CSR) initiative, has successfully trained more than 1,00,000 students across India to enhance their level of employability in the ITeS industry. Project Genesis

<http://www.tata.in/media/releases/inside.aspx?artid=YUWDY3M8B9Y=>

<http://www.indiacsr.in/en/?p=7427>

http://www.aptech-worldwide.com/pages/about-us/aboutus_corporatesocialresponsibility.html

is a unique industry-academia partnership initiative that was launched in Karnataka by Infosys BPO in 2005, with the objective of increasing employability of students across tier-I and tier-II towns in the country.

Infosys Foundation has worked to support the underprivileged in society and enrich their lives. Promoted by Infosys Technologies Limited, the Foundation began its work in Karnataka, India, gradually extending its activities to the states of Tamil Nadu, Andhra Pradesh, Maharashtra, Orissa and Punjab. Making high-quality healthcare the norm is an ongoing challenge. Since its inception, the Foundation has initiated several activities that benefit the rural and urban poor. Apart from constructing hospital wards, donating hi-tech equipment and organizing health camps, the Foundation also distributes medicines to economically-weaker sections in remote areas. The Foundation has organized unique annual melas in different parts of the country, including Bangalore and Sedam in Karnataka, and Chennai in Tamil Nadu, to distribute sewing machines to destitute women and help them earn a livelihood. The Foundation also offers an edge to deprived and rural students, through its activities. In what is one of the largest rural education programs in the country, the foundation has donated 10,200 sets of books in Karnataka alone, and in Andhra Pradesh, Karnataka, Orissa and Kerala, under its Library for Every Rural School project. Through this program, the Foundation has set up

more than 10,150 libraries in rural government schools. A minimum of 200 books, depending on the strength of the school, is provided.

The Foundation has helped revive the art of the weavers of Pochampalli village in Andhra Pradesh. It helps organize cultural programs to promote artists in rural areas of Karnataka and Andhra Pradesh. It traces and honors artists from different parts of India. It organizes programs like puppet shows and other cultural events to encourage artists and performers in rural areas of Karnataka and Andhra Pradesh, and offers them financial assistance to carry forward their art.

Wipro

Wipro Cares engages with communities in our proximate locations. The primary objectives of Wipro Cares are to support the developmental needs of marginalized communities in cities and towns where Wipro has a large presence. They have four core areas of work - education, health care, environment and disaster rehabilitation. Wipro Cares is currently engaged in 12 projects across India. Through its five health care projects in three states of India Wipro Cares is providing more than 50,000 people access to primary health care. More than 70,000 children benefit from the six education projects in five Indian cities and one Indian village. Our project in social forestry has helped plant more than 50,000 trees and has at the same time provided livelihood to around 40 farmers. Employee engagement is

an integral part of Wipro Cares where they encourage employees to volunteer with their partners, acting thus as catalysts in bringing about positive change. Apart from these core areas, as part of the long term process that is typically involved in the rehabilitation of communities affected by natural calamities they offer Wipro employees the opportunity to engage meaningfully with the affected communities.

'Earthian Sustainability Program for Schools and Colleges' is designed to act as a catalyst for fostering excellence in sustainability thinking and doing amongst young people. The annual awards program is a first step towards a deeper engagement with children and young adults in schools and colleges.

Intel Technology India Pvt Ltd.

Launched in 2002, the Intel 'Involved in the Community' program started as a small-scale informal employee initiative, which focused on activities such as tree planting and blood donation drives. By 2004, Intel Involved was fully incorporated into the company's corporate culture through the development of team volunteering activities, with programs focusing in the areas of education, technology inclusion and health. Some of the key initiatives include: Centre for Economic Empowerment of Intellectually Challenged (CEEIC) - In conjunction with AMBA, a local NGO, Intel provides the intellectually-challenged community with training to learn computer skills. The Centre

<http://www.infosys.com/newsroom/press-releases/Pages/project-genesis.aspx>

<http://wipro.org/earthian2012/why-earthian.html>

then helps procure employment from various companies for the participants, empowering them to earn a regular income. This initiative has now grown to 15 centres in 12 cities across the country.

HIV/AIDS Awareness Program - Intel has established a program for raising awareness levels on HIV/AIDS to high prevalence areas in the community. In partnership with NGOs, voluntary counseling and testing agencies, the HIV/AIDS peer education program has reached out to 15,000 adolescents in Bangalore. Also Intel believes that climate change is a serious economic, social and environmental challenge. Activities include celebrating Global Earth Day, World Environment Day and the Environment Research Contest. Over the last five years, Intel employees have planted and nurtured more than 6,000 trees in and around Bangalore while the "Intel for a Better Bannerghatta" project resulted in a plastic and litter-free biological park and also created a learning space for the local community with the setup of information kiosks. Meanwhile, a Solid Waste Management Program in partnership with TERI (The Energy Resources Institute) is currently underway in Annasandrapalya, Bangalore.

Intel is also involved in 'Volunteer Matching Grants Program'. The program encourages Intel employees to invest time in identified K-12 schools and NGOs. With every 20 hours invested by Intel employees, the Intel Foundation donates US\$80 to

schools and NGOs. Currently more than 15 schools and NGOs are part of this program in Bangalore, Delhi and Mumbai. Employee participation has doubled over the last two years with 91 percent of employees volunteering more than 36,000 hours.

HDFC

In keeping with the 'HDFC Life way' of giving back to the society, in the past few years, we have contributed our bit to the society. Major CSR Projects & Initiatives undertaken in the last two years.

HDFC Life has tied up with United Way of Mumbai & Aarambh to support 500 municipal school children at Turbhe, Maharashtra. The objective of the project is to support underprivileged children to continue formal education and aid their holistic development. The project was launched in January 2012 and provides remedial classes, Computer classes, Life skills (Personality development, vocational counseling) sessions to the children studying in Grade 5 to 10. HDFC Life was awarded with 'Yuva Unstoppable Corporate Icon Award' from Dr. APJ Kalam in Sept'2010. HDFC Life was awarded the 'Yuva Hero Award' in July 2011 for contribution towards the upliftment of lesser privileged children

Under environmental CSR initiatives HDFC Life has taken the charity begins at home approach across all the offices; pan India. Some of steps undertaken since 2010 are:

- Internal campaign to save water, power and paper

wastages on war footing level

- Setting usage hours of Air conditioners
- Complete prohibition of paper cups
- Printing of papers on both the sides as default setting
- Hibernation of Desktops post 15 minutes of non usage
- Encouraging employees to have environment friendly celebrations and festivities

Mahindra & Mahindra

At Mahindra & Mahindra, The K. C. Mahindra Education Trust was established in 1953 with the purpose of promoting education. Its vision is to renovate the lives of people in India through education and financial assistance across age groups and across income strata. The K. C. Mahindra Education Trust undertakes a number of education plans, which make a difference to the lives of worthy students. The Trust has provided more than Rs. 7.5 crore in the form of grants, scholarships and loans. It promotes education mostly by the way of scholarships. The Nanhi Kali (children) project has over 3,300 children under it and the company aims to increase the number to 10,000 in the next two years by reaching out to the underprivileged children, especially in rural areas.

The practice of CSR is subject to much debate and criticism. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that

¹⁶ <http://www.mybangalore.com/article/1210/top-3-companies-for-excellence-in-csr.html>

CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; still others argue that it is an attempt to preempt the role of governments as a watchdog over powerful multinational corporations.

Contribution of Top Companies:

Karmayog CSR Rating 2010	No. of cos.	%
Level 5 (highest)	0	0
Level 4	12	2
Level 3	66	13
Level 2	161	32
Level 1	148	30
Level 0 (lowest)	113	23
Total	500	100

The table below shows that no company has achieved Level 5 yet, 23% of companies are at Level 0 and only 12 (2%) are at Level 4.

Company Name	Sales ('09-10) Rs. Crores	Profit before Tax (Rs. crores)	Year of Establishment	Industry Category	Regd Office Location	No. of employees
Ballarpur Industries	3,896	279	1945	Paper	District Chandrapur	N/Avail
HDFC	12,356	3,884	1977	Financial Services	Mumbai	1,505
Infosys	22,742	7,899	1981	IT, Software and ITES	Bangalore	113,800
Jubilant Life Sciences	3,639	518	1978	Chemicals	Gajraula	5,950
Kansai Nerolac Paints Ltd.	1,856	239	1920	Paints	Mumbai	2,148
Larsen & Toubro	46,565	7,345	1945	Engineering and Machinery	Mumbai	38,785
Mahindra & Mahindra	31,689	4,030	1945	Automobiles	Mumbai	14,355
Moser Baer (India)	2,823	0	1983	Engineering and Machinery	New Delhi	6,146
TCS	30,301	8,290	1968	IT, Software and ITES	Mumbai	160,429
Tata Steel	104,230	31	1908	Metals and Minerals	Mumbai	81,269
Titan Industries	4,690	322	1984	FMCG and Consumer Durables	Hosur	4,934
Wipro	27,651	5,510	1945	IT, Software and ITES	Bangalore	108,071

Conclusion

The concept of corporate social responsibility has gained prominence from all avenues. Organizations must realize that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept-Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. It stems from the desire to do good and get self satisfaction in return as well as societal obligation of business.

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Corporate Social Responsibility and Management of Environment

Nitesh Raj¹

Abstract

Purpose: The purpose of this paper is to get the role of CSR in environmental issues and be backed by rehabilitation and economic development and up-gradation of their opportunity towards every stakeholder who are involved in this process.

Design: The present study is based upon descriptive research design. Descriptive research is the exploration of the existing certain phenomena. The secondary data is collected through, websites, books, magazines, journals etc.

Findings: Today business has to look to the interest of many other stakeholders along with the interest of the owner. The employees- line and top management, consumers, suppliers, competitors, government, community, environment and even the world happen to be the other stakeholders. This responsibility of business, which includes the satisfaction of these parties along with the owner, is called the social responsibility of business or corporate sectors and a period of five to ten years elapsed between pure research in CSR policy and the realization of environmental impact in society development.

Research limitations: Results are limited to all the stakeholders who are directly affected by CSR policy.

Practical implications: The study provides practical advice, that how an effective CSR policy bring about big change. It helps in developing environmental awareness among companies through application of newly created policies into practical use.

Originality/value: In this paper I tried to explain (a) the environment protection and rehabilitation of the mass and tribal people (b) a policy towards development. And tried to show that it is the corporate social responsibility to take-care for each of the project they setup in the society.

Keywords Environment; Development; Rehabilitation; Corporate Social Responsibility; Awareness.

Introduction

These days the scale of management or evaluation of business is not as if used to be about fifty years ago. At that time only that business organization was considered good which was earning profit for its owner but today the situation is absolutely changed. Today business has to look to the interest of many other stakeholders along with the interest of the owner. The employees-line and top management,

consumers, suppliers, competitors, government, community, environment and even the world happen to be the other stakeholders. This responsibility of business, which includes the satisfaction of these parties along with the owner, is called the social responsibility of business or corporate sectors.

Objective Of The Study

- Understanding CSR creation and delivery through investment

- Through an example of state of Jharkhand, an attempt is made to understand how people centric initiatives can help organizations in CSR creation.
- To justify that responsibility, employee motivation, environment protection community pride, consumer loyalty, corporate commitment, organizational citizenship behavior, satisfaction and other behavioral parameters can foster organizational survival and growth with community thereby helping in CSR creation and delivery.

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- To help in assessing the strengths and weaknesses of CSR policy in creation of better environmental value and rehabilitation for development of a good world.

Research Methodology

This work is based on the interview of line and top managers, customers, investors, employees and selected people individually. We also analyzed the secondary data. It has given a lot of insights into the company assets and liabilities of the company like welfare work done by Co. and PSUs and the minutes of the meetings held etc, help in determining the CSR creation and its delivery. The published literature of the company, such as manual reports, marked handouts, training calendar, personal manual and various circular issued from time to time and other published literature are also helped in understanding the role of CSR policy in protection of environment and rehabilitation as a policy towards development of a better nation.

Case For Corporate Social Responsibility

1. Corporate sector to a part of society Since corporate sectors are a part of society they must have a positive attitude towards the needs of society. Corporate sector is only a sub-system society and this sub-system must contribute to the welfare of the main system. Therefore, the decisions taken by the manager should take into consideration the welfare of not only his organization, but also the welfare of other sub-system.

2. Avoidance of Govt. Regulations If corporate sector does

not take care of the social responsibility of its stakeholders, the Government interferes in the corporate system, which adversely affects the progressive business. Therefore the manager should give priority to the social responsibility of corporate sector to avoid excessive Govt. interference.

3. Long term self – interest of corporate sector The social responsibility of corporate sector, if taken care in the present, ensures the success of the organization in future. It is possible that in the beginning an organization may have to bear the financial burden resulting from social responsibility but the future of the organization becomes secured.

Corporate Social Responsibility As Our Concern Towards Community Involves

- To make available opportunities for employment.
- To avoid polluting the environment.
- To contribute to the raising of the standard of living.
- To be a partner in social development by establishing charitable institutions, dispensaries, educational institutions.
- Not to resort to indecent advertisements/marketing
- To contribute towards international peace.
- To observe rules of international market.
- To help in the development of economically backward countries.
- To do economic activities and business backward countries.
- To do economic activities and business honestly.
- To ensure safeguards of Human Right.

Corporate and Environment Protection

• Meaning of Environment Protection - Environment protection means freeing the environment of air pollution, water pollution and noise pollution. Every being living on this earth requires clean environment. Therefore the protections of environment are absolutely required.

• Threat to Environment from Corporate Sector - The important question as to why environment protection is being linked with corporate appears to be absolutely reasonable to link environment protection with corporate sectors because corporate has freely contributed to pollute environment. From the point of view of environment pollution, there are three types of corporate/business units doing the damage - some spread excessive smoke, some pollute water and some spread noise pollution. Moreover there are some business units (SBUs) which spread pollution of more than they have been fixed by the laws. So there is no hesitation in saying that environment faces a threat from corporate sector.

Types of Corporate Pollutions

Corporate Pollution is of the following three types:-

- 1. Air Pollution:** - Some business units make use of coal. The smoke produced by coal, pollute air. Similarly, some units use chemicals which produce poisonous gases. They are highly dangerous for the living beings.
- 2. Water Pollution:** - Business units generally pollute water in two ways - by releasing highly toxic things in the water of

rivers and secondly, by allowing dirty waste laden water into the clean river water. Animals have been seen dying by drinking this type of water. Surely such deaths are caused by the highly objectionable behavior of corporate/business.

3. **Noise Pollution:** - Some factories produce a lot of noise. People living in a noise – polluted area fall a victim to causes diseases like deafness, violent behavior mental disorder etc.

Solution To The Problem

Since corporate sectors/business has contributed the maximum to the pollution of environment, therefore, it becomes the responsibility of corporate to help in solving the problem, even otherwise also it is the social responsibility or corporate to protect environment from being polluted. Scientific methods should be employed to check the poisonous gases and smoke being mixed with air. Dirt should not be thrown into water to check water pollution and the dirty water should be released into river water only, after treating it scientifically. Similarly instruments checking noise should be installed in factories so that the noise pollution is checked effectively.

The government has passed many Acts to check the problem of pollution. Under these Acts many factories which were polluting the sacred Ganga water in Kanpur more closed down in 1992. Similarly, in 1993 many factories were closed down in the vicinity of the Taj Mahal which was thought to be a danger to beauty of the

Taj. Only recently many polluting corporate units located in Delhi were thrown out of the city by the order of High Court.

Corporate Social Responsibility and Modern Development Projects with reference to Jharkhand

Jharkhand is the 28th state of Indian Republic that comes in to existence of a separate state status on 15th Nov 2000. Jharkhand means “Land of forest and Paradise on Earth” due to its rich forest wealth & mineral deposits with very congenial climatic conditions. Jharkhand is predominantly a tribal belt, where these tribal communities reside, maintaining their socio-cultural and economic institutions with peace, harmony, security and trust for last many hundreds of years.

Tribal as nature loving people as their Gods, Goddess, Deities & spirits also resides in nature, forest, flora & fauna. This mass have firm faith in nature forest flora fauna and its utilities in their social, cultural, economic, religious pharmaceutical purposes have become indispensable and inseparable from their life. It has been experienced by the tribal people that their socio-cultural, socio-religious and economic institutions has gradually and continuously been attacked since last 50-60 years (specially after independence) due to the establishment of industries, factories, housing colonies, multinationals, hydro-electric projects, mining, especially open cast mining also by continuous increase deforestation in the name of modern developments, industrialization, urbanization and globalization.

Displacement

The houses, the agricultural lands and even the whole villages have been acquired by the Government for the establishment of big government, public and private projects (including FDI of MNCs) and a token compensation is paid to the original indigenous inhabitants. They are made displaced, landless, homeless jobless and are put on the crossroads without any future prospects. Such displaced mass is not all the habituated to thrive in the altered habitat. As a result the whole mass becomes the victims of various factors. This situation has prevailed more or less in all the districts of Jharkhand. This can very simply be clarified by citing an example as follows:

1. For the establishment of Heavy Engineering Corporation (HEC- 1958) at Ranchi, Bokaro Steel Plant at Bokaro, Hydro-electric project at Tenughat, Patratu Thermal Power station at Patratu, Masanjore Dam at Dumka, Maithon Dam at Dhanbad, Big Housing colonies at Ranchi, Bokaro, Jamshedpur, Dhanbad etc. and for these projects thousands of hectares of agricultural lands, forests areas and many hundreds of villages are acquired. The original owners are paid only the little compensation and are made displaced without any land or home or job. That is why the indigenous people (both tribal non tribal) of Khunti sub-division have agitated against the 710 megawatt “KOEL- KARO Hydro Electric Projects.”

2. The corporate social responsibility comes now, which are responsible for bringing the original inhabitants of Jharkhand on the crass-roads making than displaced, homeless, landless & jobless villagers.

Rehabilitation

The CSR plays an important role over here and is really helpful in implementing the following suggestions:

1. The original inhabitants should be attached with the main stream of the developments by providing than job in corporate sectors.
2. They should not be kept aloof. They should be given the shelter in the establishments as per their properties being utilized for the establishment of the project.
3. Proper rehabilitation programme with social, cultural, religious & job security should first be finalized and implemented before acquiring the land & villages for the purpose related establishment of corporate sectors.
4. Proper opportunity & facility quality education should be made available for them.
5. It is prominent responsibility of corporate that must take-up the massive forestation programme/social forestry activities with community participation in every hamlet of every village.
6. Corporate should organize continuous & massive training programmers for making trained & specialized in one or two trades of various self employment schemes such

as horticulture, floriculture, lac-culture, tsar cultivation, poultry, dairy, piggery, goatary, duckary, fisheries, honey bee keeping other schemes related with latest technologies as Bio-technology, bio-informatics, computer training etc.

7. Corporate should also organize special training programmes for the tribal women for different cottage industries, such as rope-making, broom making, leaf-bowls (Dona) eating plates of leaf (pattal), basket making, carpet mat making, sewing garments, embroidery, papad making, pickle making, doll making and many more.
8. Corporate should provide a healthy and hygienic shelter to deprived & displaced tribal people.

Natural Rehabilitation and Resettlement Policy, 2007 and Corporate Social Responsibility

The Government of India has given its approval for the National Policy on Rehabilitates and Resettlements, 2007 and also fixes the corporate social responsibility by setting following objectives

1. To minimize displacements of people and to promote non-displacing or least displacing alternatives.
2. The Policy also recommends that only the minimum area of land communicates with the purpose of the project should be taken and there should be distinction between agricultural and non-agricultural land.

Provisions

1. A National Rehabilitation Commission shall be setup by the Central Government, which will be duly empowered to exercise independent oversight over the rehabilitation and resettlement of the affected families.
2. The policy and the amendments in land acquisition laws approved by the Government also make Social Impact Assessments (SIA) of projects that affect more than Agro families in the plains (and 200 families in hilly areas) mandatory.
3. The affected communities shall be duly informed and consulted at each stage.
4. Option for affected families to take 20 percent to 50 percent compensation with Government approval.
5. Rs. 500 monthly pension has to be conferred for destitute widows and unmarried girls.
6. Lift-time monthly pensions to the mineable persons.
7. Preference has to be given in project jobs and one job per nuclear family to support for skill development.

Conclusion

In fact, in this paper I tried to give both the two sides of corporate social responsibility (a) towards the environment protection and rehabilitation of the mass and tribal people (b) a policy towards development. And tried to show that it is the corporate social responsibility to take-care for each of the project they setup in the society. And the prime – objective must be of public welfare otherwise, these corporate will

face the problem of 'Singur' – Nano projects and other similar type of agitation not only in India, but also in whole of the world.

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Dearth of Creativity at Workplace: Employees Perspective

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Abstract

Creativity is not a talent but a skill that needs to be nurtured and encouraged, and to be a successful organization there is a need to set in motion the 'Cycle of Engagement'.

It's no secret that channels to reach out to the market or customers are widening and so are the challenges to address the market segment or customer. The 'mantra' to stay ahead in today's competitive world is to be innovative. Innovation is a product of creative thinking; if creativity is about realization of imaginations to ideas, then innovation is about production or implementation of an idea. Creativity is not a talent but a skill that needs to be nurtured and encouraged, and to be a successful organization there is a need to set in motion the 'Cycle of Engagement'.

Organizations routinely kill creativity with fake deadlines or impossibly tight ones. The former create distrust and the latter cause burnout. In either case, people feel over controlled and un-fulfilled which invariably damages motivation. Moreover, creativity often takes time.

Managers who do not allow time for exploration or do not schedule in incubation periods are unwittingly standing in the way of the creative process.

The objective of this paper is are:

- 1. Analyze employee's attitude towards creativity at workplace.*
- 2. To analyze reasons leading to dearth of creativity from employees perspective*
- 3. To identify different strategies adopted by organizations today for fostering creativity in employees relationships.*

Key Words Creativity, Engagement, Mantra, Dearth

Introduction

Success of organizations today depend on how creative they are and how well they can retain their customers by offering them improved products and services they are looking for. These days success is not permanent with any organization your competitors can take it away from you at any point of time. Therefore it has become very important for companies to continuously keep on innovating

something new to match the ever changing moods of customers. If they fail, they will not be able to survive. Hence, for organizations today creativity is not the success mantra but the survival mantra.

When we talk about dearth of creativity at workplace it does not mean that organizations are not creative, there are so many products and services in the market that are the result of innovation and creativity but the question arises if that creative idea is unique in itself? Most organizations involve

themselves in copying others instead of coming up with unique ideas. The reason is that they do not use the resource that they have which can contribute to new ideas. Employees often feel that they are employed in the organization for a specific job to perform and so their skills which can add to the creativity of organizations remain unutilized. The problem comes from the lack of support from management in encouraging their employees to come up with their ideas.

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Why Innovation and Creativity?

“Without innovation and creativity, new products, new services, and new ways of doing business would never emerge, and most organizations would be forever stuck doing the same things the same way.”

Creativity in the organization comes from its employees who are the most important assets of any organization. Creativity is not only creating new products and services. But, in fact, it helps in creating a culture of trust and openness in the organization, it gives the employees a sense of ownership and provides an opportunity to work on weaknesses and discover opportunities to work on.

Encouraging creativity in the organization helps in making them more flexible. Gone are those days when employees used to come in and go out of the organization in prescribed time; today employees want to stay employable and not just employed. Therefore challenge is to retain the talented workforce by engaging them adequately. Today employees are not just paid for the job they have been assigned but also for the creative contributions that they make towards the organization.

Organizational Hurdles in Creativity

When we talk about the main reason or hurdle that hampers creativity in the organization, it is the need to get the approval from higher authorities, the idea that is passed from one hierarchical level to another gets pruned at each level till the time it is implemented, it becomes someone else's idea.

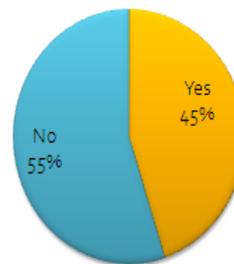
The main objective of conducting this study was to analyze the reasons leading to the dearth of creativity at workplace. Also to analyze the employees attitude towards creativity and to identify different strategies adopted by organizations today for fostering creativity in employees.

To accomplish the above objectives a survey was conducted among the employees of different sectors like banking, construction, education, retail, hospitality, etc. (the selection was made on random basis).

The very first thing which was important to understand at the beginning of this research was How exactly our valuable employees perceive creativity at workplace and on the basis of this perception

do they consider themselves creative enough to contribute towards the organizations growth and success?

On analyzing different answers received in reference to the definition of creativity as per the employee's perspective Creativity can be explicit as the ability to think beyond what is defined as “current practices”, thus adding value to the organization by making it safer/more effective and /or more competitive. Out of our total sample selected randomly 55% employees stated that they do not consider themselves to be creative enough to contribute whereas 45% of employees agreed that “Yes” they have inherent spark of creativity.



Out of the above respondents 80% respondents said that they lack opportunity / support to showcase their creativity

Figure 1.1- Employees perception

The most surprising statistics that we received was a claim that out of all these 55% noncreative plus 45% creative respondents 80% of employees said that they can be creative enough but they lack opportunity/support to showcase their creativity.

Importance/Benefits Of Creativity At Workplace

Out of the total respondent 82% of employees agreed to the fact that employee's creative ideas if taken, valued and implemented by the top

management can surely guarantee long term survival. These ideas/ thoughts can create wonders if implemented and will benefit organization in various ways such as:-

In Embarking Competitive Edge

With the cut throat competition in today's world where every other brand is into the race of catering and facilitating their target customers with unique selling proposition creativity and innovation at workplace can help in developing own niche in market thus providing competitive edge to grow.

Promoting Efficiency And Effectiveness

Efficiency and effectiveness are considered to be the trump card for achieving set goals through enhancement of employee's productivity this can be piloted in employees through practicing creativity at work place. This in result will be showcased as reflection in the quality of products and services delivered by employees.

Enhancing Ownership

Employees look forward for non monetary rewards such as appreciation, responsibility, authority, recognition if provided by the organization at right point result into development of sense of onus. This sense of onus is difficult to develop but once developed serves as key towards achieving success by converting organization goals into employee's goal. Sense of ownership among employees further result into lack of supervision, optimum

utilization of available resources, enhance individuals productivity and develop collaborative working environment through which even a lost battle can be won.

Valuing employee's ideas and providing them with balanced creative culture helps in making them feel motivated and develop sense of belongingness.

For Motivating People & For Attracting And Retaining Staff

Scope of creativity at workplace helps an individual to utilize his intellectual capabilities and skill for his as well as organizations development this in turn motivates employees to be more committed and dedicated towards the organization resulting into earning more profit.

Employees today look forward to join organization no doubt that offers them good money but on otherhand an organization that can provide them with opportunities' to grow in association with growth of organization. Thus, resulting into reduction in attrition rate and increasing the no of application pool to select best out of employees market.

Factors That Enhance Or Facilitate Creativity At Workplace

After acknowledging the benefits of creativity at workplace the question arises here is to know and understand these factors that enhances or facilitate creativity. The main essence to structure out creative organization is creative workforce & creative work environment where workforce

are backed up by different push and pull factors that boost their inherent creativity at each moment. According to the feedback received from employees some common factors that they perceives consequential to creativity at workplace are:

Challenges

Inherent job characteristic itself motivates employees to be creative at their workplace. Above all the other factors job design itself stimulates creativity in job holder. That's the reason why people are looking forward towards private sector rather than public sector where their jobs are design keeping in mind "right man at the right job" and differentiating between man and machine.

Freedom

Autonomy allows legroom for creativity to be experimented. Freedom has both positive and negative aspects but, to some extent let the employee decide and give a new outlook, new ways, new approach to accomplish task. This will allow them to come up with new ideas and experiment the same for fruitful results.

Resources

The focal resources that impinge creativity are time, money and physical space. A proper blended and appropriate combination of all these resources can bridge gap between creative idea and innovation. A creative employee requires qualitative and quantitative time, money and an equal physical space to go through the journey of structuring creative ideas.

Workgroup Features

An individual to be creative especially at workplace requires supportive workgroup that can contribute and mould an individual's idea as "Our" idea rather than "Your" idea. A workgroup comprising of different intellectual foundations and approaches can be combined and combust together to create an exciting proposition fostering creativity at workplace.

Organization Support

One very simple step that can foster creativity is "Let it happen". Organization support plays role of nervous system by motivating employees to implement new ideas, new strategies. The backup support by the organization in terms of making resources available (time, space and money),leverage of learning by error, boosts morale of creative employees to come up with new ideas.

creative workforce is true and equitable valuation of their prestigious effort.

Allowance for Mistakes

Adoption of "Trial and Error" learning approach helps in execution of creative ideas. Employees approaches management with multiple ideas but are able to convert only few creative thoughts into innovation. A working environment allowing scope for mistakes and trying again and again until not succeeded, helps in stirring potentially creative employees.

Open Communication

Free flow of communication at each level (vertical, horizontal, top-down, etc) cultivate sharing of information, knowledge, helps in building team that supports, helps

each other with their intellectual capabilities. This again positively contributes towards sharing risk of being creative and its conversion process.

Individual Empowerment

An organization super structure that empowers an individual to decide on its own the different ways to accomplish given task/projects implying his own working style motivates employees to be more creative in comparison to an individual following organization designed code of conduct.

Every individual as different factors that motivates them an amalgamation of some of these factors will surely result into facilitating creativity at workplace and thus will benefit organization in return. In order to encourage workforce for believing and practicing creativity and innovation there is a need to understand different factors that result into dearth of creativity or in others sense factors that kills zeal of being creative in employees.

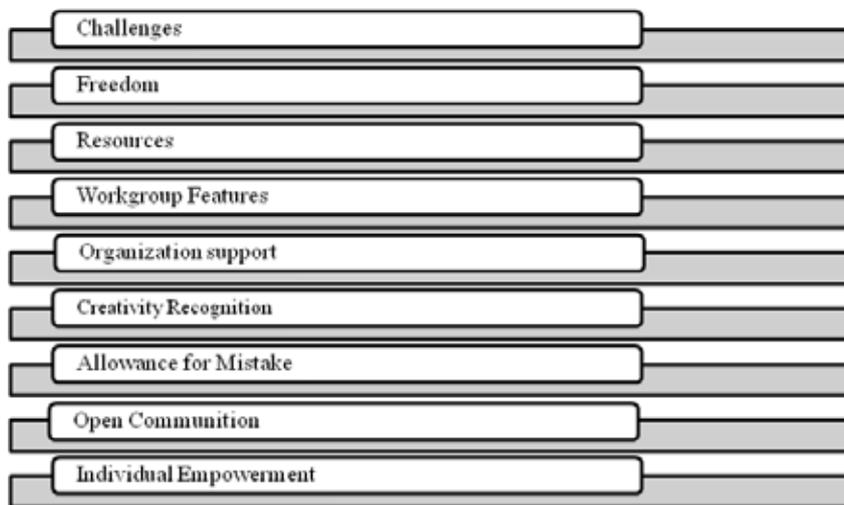


Figure 1.2- Factors that enhance or facilitate creativity

Factors That Result Into Killing Creativity At Workplace

When asked employees came up with feedback almost contrary to the response that we got above. The lack or absence of motivating factor slowly and steadily kills the creativity in employees. Some of the common responses that were given were:

Lack of access to information

Employees being at the middle or lower level at times are not allowed to access information which they require to structure

Creativity Recognized

"Efforts need to be valued". Recognition irrespective of monetary or nonmonetary sparks back the zeal of creative employees. If we, look back to different motivation theories each have different approaches, view points related to factors that motivate individual but none of these theories as denied the role of recognition. The necessity for blooming

out creative ideas. When coming up with new-fangled ideas many of the time important information are required related to internal or external environment which may not be accessible easily due to lack of management support, lack of time to collect information or conduct surveys. Thus unavailability of proper information sometimes do not allow employees to move ahead with ideas.

Microscopic Performance Evaluation

Performance appraisal methods such as 360 degree, 180 degree feedback, management by objectives, time and motion studies etc. no doubt helps in fair evaluation of employees performance in order to reward them appropriately but at the same time microscopic performance evaluation de-motivates employees to experiment their potential creativity's. To add on a famous idioms "Paris was not built in a day"; an invention undergo various ups and down, success and failure. Management that practices close analysis to find out where you went wrong can not expect their employees do wonders.

Unnecessary Compliance

Compliance/adherence to code of conduct, organization policies, disciplined working behavior where you need to follow the pre set standards and rules can never give and employee space to find out new and better ways to perform. Compliance is good to but beyond its necessity its turn into unnecessary burden.

No Personal Authority To Initiate Change

An idea by the time gets approval from different layers in an organization gets prune and losses its expected impact or transformational value. The tight organization structure/hierarchy whether centralized or decentralized lacks freedom of taking decision. Even a minute change in preset formats first needs approval and this approval further needs a good bundle of time and explanation.

No space/resource to pursue ideas If we try to closely examine statistics there are multiple ideas which get kick start but they fails to be executed or even executed are stuck in between due to lack

of resources. Management gives approval but lacks allocation of funds on name of research and development, especially when it comes to providing two important resources time and money.

Risk Aversion

Encumber of risk attached to the creative idea if it fails to turn into fruitful invention kills creativity at workplace.

This certainly does not imply that a management should not undertake performance evaluation or should not ask for compliance. Performance evaluation, compliance, approvals from top management should be practiced as these practices till now has proved to be well appreciated by all the organization and has led towards growth. But on the other hand scarcity of resources, imposition of risk burden, unnecessary compliance of each and every minute changes, microscopic performance evaluation done with an intention to find out errors rather than solution to these errors do not allow an individual to highlight his potential creativity.

As per the employees perspective rather than binding their hands and setting rulebooks for them management should develop sense of onus and should have faith trust on its employees. As organizations wants to survive for longer period of time and even wish to grow at a faster pace it becomes necessity for them, to design culture that harness creativity in employees by providing them with enough opportunities to experiment.

Factors that kill creativity at workplace
Lack of access to information
Microscopic Performance Evaluation / Analysis
Unnecessary Compliance
No personal authority to initiate change
No space/ resources to pursue ideas
Risk aversion

Figure 1.3- Factors that kills creativity at workplace

Looking at the current situation out of our total sample 80%

of employees said that their organization fails to cater them with organization culture that can foster their creativity. Only 20% of employees positively stated that their organization supports hand by hand to bring and let them think out of the box.

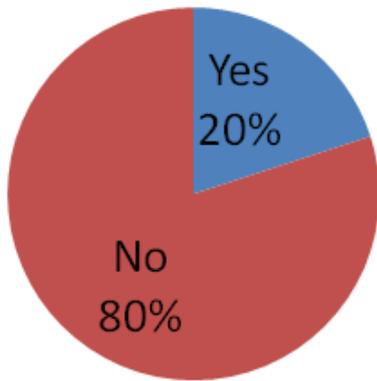


Figure 1.4- Management feedback when approached with creative ideas

This 80% - 20% ratio testify that even after having creative workforce we are facing dearth of creativity at workplace. It's not that employees are not creative, they are, what they lack is not so supportive kind of attitude from management which turns out to be incapable of en-cashing creativity out of their own employees. Employees whispered whenever they approach their management with different, creative thoughts most of the time they received positive feedback at first instance but later on they find their management finding excuses to escape out of it.

In order to move out of the trap, of these creative ideas either the management takes too much time before its initialization or

the management people start lathering the risk attached to these ideas rather than the associated profit on top of that the burden of risk is completely imposed on one who has approached with the idea. Many of the times the poor ideas get stuck among organizational approval levels and unnecessary compliance resulting into death of an idea. Thus, such non interested approach by management kills ideas before it even takes place.

Below mentioned are some of the strategies that we come across during our research, adopted by some of the organization to safeguard them from dearth of creativity at workplace. Strategies adopted to eliminate dearth of creativity at workplace: The strategies that are or can be adopted by various organizations to encourage or enhance creativity at workplace are

About 80% respondents said that their organization is not doing anything for encouraging them to come up with good ideas.

So the strategies above are being adopted by only 20% organizations which are very less in numbers which reveals that there are very few organizations that are actually doing something for encouraging creativity at workplace.

Recruiting The Right Workforce

According to organizations it is very important to recruit the right person on the job as an experienced person who knows his job well will be better able to contribute new and creative ideas.

Challenging Environment/ Work

Creating a Challenging environment and never being at ease is



Figure 1.5- Strategies to eliminate Dearth of Creativity

another very important strategy adopted by organizations as if employees want to survive in the organization they need to do their work differently from others and a challenging environment encourages them to think differently.

Reward For Creative Ideas

The most important aspect of nurturing creativity at workplace is to actually reward the idea that is implemented or put to production, this encourages other employees in the organization to be more creative and solution oriented. Organizations use the strategy to award them with a remuneration that rewards creativity which is a good way of encouraging them to come with new ideas.

Organization Culture

An organization culture that accepts the odd mistake helps in preparing employees to take calculated risk.

Training and Learning Environment

Regular workshops for the employees where they can learn how to structure and use their ideas is also one of the strategy adopted by many organizations.

Open communication

When employees realize that they are being trusted with all the information it makes them feel like they are valued and can make decisions based on the whole picture and not just on bits of it, this gives them confidence to take decisions instead of calculating the risk.

Freedom to Act

Employees want some freedom to complete the work in a way they want to, so they look for an environment where they just have uninterrupted time, and where they can get that space and time in a day just to think and be creative. So freedom to act is a very imperative strategy used by organizations to support creativity at workplace.

Supervisory Encouragement

A leader is someone who can help his organization to be creative in a sense that his support and coaching can help the subordinates to think outside the square and encourage different ways of doing things. This strategy is being used by most of the organizations to enhance/give confidence to employees to be creative.

Conclusion

This research enlightened the vision about creative working environment. On the basis of this research it can be concluded that there are very few organizations who actually encourage creativity in their employees, and for most of the organizations employees are creative but they lack proper platform and support to apply their creative ideas that result into "dearth of creativity".

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Purchase Behavior Towards Branded Healthy Food: A Study Of Indian Housewives

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Abstract

In the recent years changes in consumer's patterns of living and rising consumer affluence has resulted in the emergence of the healthy food market. The healthy food industry in India is still at a nascent stage but is showing huge potential. The health food market stood at Rs 9,000 crore in 2010, and is expected to grow at a CAGR of 20 per cent to Rs 22,500 crore by 2015. (Techno Advisors 2012). Marketers of these healthy foods have targeted career men and women offering them relief from lifestyle induced diseases through a myriad of products that cover consumer's nutrition needs from breakfast to dinner. However since the buyer of these healthy food brands in most of the cases happens to be women this study attempts to ascertain the perspectives of the Indian house wives in the purchase of healthy foods.

The study administered on housewives across different income groups and age groups examines the awareness levels of housewives w.r.t healthy food brands, factors impacting purchase, as well as endorsers impacting purchase decision. For research design descriptive research was conducted. Convenience sampling method was adopted with a sample size of 110 house wives.

Recommendations are provided based on findings which will enable marketers to target housewives more effectively and design a communication strategy that effectively convinces them to purchase the brand.

Key words Healthy Food, Purchase Behavior, Indian Housewife, Celebrity Endorsers

Introduction

The Indian Health & Wellness (H&W) food industry has witnessed phenomenal growth over the last few years. The Indian health food market was pegged at Rs 9,000 crore in the year 2010, and is expected to grow at a CAGR of 20 per cent to Rs 22,500 crore by 2015.(Technopark Advisors 2012) Players in this area are either launching healthier versions of existing products or launching completely new products altogether. A number of factors have contributed to the growth in consumption of H&W products in India, primary among them being:

1. Increasing Incomes: Real GDP in India has been growing at approximately 8% over the last 5 years. Despite of the slowdown Indian economy continues to grow at a consistent pace. Rising income levels have thus driven the shift towards values added food categories i.e.H&W that are considerably more expensive than basic foods.

2. Increased consumption of Packaged Foods: Indian consumers for a long time had been averse to packaged foods. This aversion had been fuelled by many factors like the traditional role of the Indian housewife, high prices of packaged

foods, low levels of penetration of microwave ovens and variations in taste and preferences across regions. However changes in lifestyles attributed to double income households, paucity of time, growth of organized retailing and global exposure resulted in the gradual acceptance of packaged foods. The size of the Indian packaged food industry is \$15 billion, growing at a CAGR of about 15 to 20 per cent annually it is expected to touch \$30 billion by 2015.(PTI-2013)

3. Growing Health Concerns: Rising incomes, fast paced lives, high work stress, unhealthy eating

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habits have resulted in a host of lifestyle disorders amongst the urban consumers. Primary amongst these disorders are obesity, heart disorders, digestive disorders and diabetes. India has the 2nd largest diabetic population in the world at approximately 61.3 million in 2011 (GBI Research 2013). According to Indian Council of Medical Research heart disease has become the biggest cause of death in urban and rural India. Rising awareness levels have heightened the concern for lifestyle diseases as a result of which urban consumers are displaying an increased preference for low-fat, low-sugar / low carb and low cholesterol food intake. Included in the H&W category these products can be further classified as

- Better for you foods: Includes foods like low cholesterol edible oils, 0% trans fat snacks & biscuits, diet milk/curd/ice creams/colas.
- Functional or fortified foods: Includes iodine fortified salt, fortified biscuits, fortified breakfast cereals and health drinks.
- Natural foods: Comprising of 100% natural fruit juices, pickles without preservatives.

'India has more working women than does any other country in the world. Of the entire workforce of 400 million, 30-35 per cent are female, and of these women, only 20 per cent work in urban India' (Nasscom and Mercer, 2009). The marketers are targeting working women for the purchase of healthy foods but majority of the women in India (65-70%) are housewives.

This paper therefore attempts to look at the factors influencing the purchase of healthy food by Indian housewives.

Literature Review

The alarming increase in lifestyle diseases over the years has seen a surge in research studying communication of healthy eating habits, role of socializing agents like parents, teachers, peer groups and communications by the government. Previous researches have revealed that taste preferences and eating habits are developed at a very young age (Birch, 1999; Drewnowski & Hann, 1999). According to Deshpande & Basil (2009) the most important stage of life for food selection or choice is when individuals are college students. Livingstone (2005) identified food advertising particularly for unhealthy foods as affecting preferences for food as well as children's behavior directly or indirectly. Mueller (2007) in his study highlighted that consumers should also take responsibility for learning about diet and nutrition as well as make healthier choices. Most of the previous researches have focused primarily on consumption behavior of healthy foods amongst children, adolescents or college going students and in some cases the elderly also. Glanz, Basil, Maibach, Goldberg & Snyder (1998) identified the most important factors predicating food choices or selection among adults as being taste, cost, nutrition, convenience,

pleasure and weight control. In the Indian context healthy foods have been targeted for consumption primarily at kids, men and career women. Housewives per say are targeted primarily for their role as deciders and buyers and not consumers in case of healthy foods. This study therefore attempts to study the factors that influence the purchase and consumption behavior of healthy foods amongst house wives.

Methodology

Data was collected utilizing the Mall Intercept technique. Questionnaires were distributed to 110 housewives. Data was compiled and analyzed statistically using SPSS. Demographic statistics of the respondents were analyzed to determine socio demographic factors. Reliability and internal consistency of each factor was tested by determining Cronbach Alpha of each factor and factors with Alpha of 0.5 were retained for further analysis.

Result

1) Attitude Towards Staying Healthy

To study the attitude of the housewives towards staying healthy, factor analysis was done on thirteen constructs. Principal Component analysis was done with varimax rotation. The constructs were reduced to four factors that explained 72.701% of the variance (see table 1). Thus variance of the original values was well captured by these four factors (see table 2).

Table 1: Total Variance Explained For Attitude Towards Staying Healthy

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.424	34.029	34.029	4.424	34.029	34.029	3.543	27.256	27.256
2	2.446	18.815	52.845	2.446	18.815	52.845	2.513	19.334	46.590
3	1.470	11.306	64.151	1.470	11.306	64.151	1.791	13.773	60.363
4	1.112	8.550	72.701	1.112	8.550	72.701	1.604	12.339	72.701
5	.913	7.020	79.722						
6	.647	4.974	84.696						
7	.542	4.169	88.864						
8	.449	3.457	92.321						
9	.314	2.418	94.740						
10	.231	1.780	96.520						
11	.196	1.505	98.025						
12	.134	1.032	99.057						
13	.123	.943	100.000						

Extraction Method: Principal Component Analysis.

Table 2: Rotated Component Matrix For Attitude Towards Staying Healthy

S no.		Component			
		1	2	3	4
1	I keenly observe what I eat	.624	-.441	.144	
2	I rely on healthy food brands to stay healthy and fit	-.177	.384	.723	.237
3	I try to keep healthy by eating right	.808	-.266		-.195
4	I keenly read the labels of the brands before purchasing	.894	-.120		
5	I believe in exercising and eating right	.847	-.168	-.135	.234
6	I am well informed about the healthy food brands in the market	.596			
7	I am willing to sacrifice taste for healthy food	.390	-.112	.519	-.506
8	I reflect about my healthy and that of my family equally	.101	-.178	.282	.829
9	I take responsibility for the state of my health and that of my family		.204	.853	.126
10	Looking good is important for me	.595	.263		.413
11	Having a healthy body is important for me	-.132	.683	.174	.502
12	I am conscious of my diet	-.164	.888	.157	
13	I believe healthy food brands help me control my weight	-.191	.802	.306	-.240

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 6 iterations.

The Four Factors So Extracted Are As Follows

Factor 1 Staying healthy by eating right

I keenly observe what I eat;
 I try to keep healthy by eating right'
 I keenly read the labels of the brands before purchasing;
 I believe in exercising and eating right;
 I am well informed about the healthy food brands in the market;

Factor 2 Importance of staying healthy,

Having a healthy body is important for me,

I am conscious of my diet
 I believe healthy food brands help me control my weight,

Factor 3 Health and Healthy brands

I rely on healthy food brands to stay healthy and fit;
 I am willing to sacrifice taste for healthy food;
 I take responsibility for the state of my health and that of my family;

Factor 4 Family's health
 I reflect about my healthy and that of my family equally;

To test the reliability of the factors

so extracted Cronbach's α was calculated which ranged from 0.822 to 0.585 (see table 3). This shows that the factors so extracted were reliable.

Table 3 Cronbach's α

Dimensions	Cronbach's α
Factor 1	0.845
Factor 2	0.822
Factor 3	0.585

2) Attitude Towards Healthy Food Brands

To study the attitude of the consumers towards healthy food both packaged and home-cooked a principal component analysis with

varimax rotation was performed. The factors with eigenvalues greater than 1 were retained for the model and rotations were converged in nine iterations. To test the reliability of these constructs coefficient alpha was calculated. The fifteen constructs studied were reduced to six factors that explained 82.770% of the variance (see table 1).

Table 1 Total Variance Explained For Attitude Of Consumers Towards Healthy Food:

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.104	27.363	27.363	4.104	27.363	27.363	2.998	19.987	19.987
2	2.405	16.035	43.398	2.405	16.035	43.398	2.473	16.489	36.475
3	2.243	14.955	58.352	2.243	14.955	58.352	2.254	15.028	51.504
4	1.468	9.789	68.142	1.468	9.789	68.142	1.685	11.232	62.736
5	1.111	7.403	75.545	1.111	7.403	75.545	1.658	11.050	73.786
6	1.084	7.225	82.770	1.084	7.225	82.770	1.348	8.983	82.770
7	.619	4.124	86.894						
8	.446	2.976	89.870						
9	.357	2.377	92.247						
10	.281	1.872	94.118						
11	.270	1.801	95.919						
12	.224	1.492	97.412						
13	.158	1.055	98.467						
14	.131	.875	99.342						
15	.099	.658	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix For Attitude Towards Healthy Food

		Component					
		1	2	3	4	5	6
1	The healthy food brands are very expensive	.570	.598	-.048	.213	.053	-.083
2	Packaged foods are not healthy	.716	.394	.151	.237	-.025	.222
3	I believe this healthy food brands are for younger women.	.756	-.066	.438	.054	.006	.117
4	I believe this healthy brand lifestyle is a passing fad.	.878	.056	.007	-.196	.261	-.117
5	I believe this healthy food brands are for career conscious women.	.813	-.112	-.052	.080	.073	-.133
6	I am aware of numerous kitchen recipes that are healthier than packaged healthy foods.	.219	-.053	.072	.871	.104	-.188
7	I would prefer to prepare in house healthy dishes than buy packaged versions.	-.144	.023	.120	.782	-.031	.451
8	I believe healthy food brands are for people with health issues.	.031	.147	.851	.304	.003	.219
9	I believe healthy food brands are for people on a diet.	.156	.196	.859	-.086	.027	.107
10	I prefer to buy healthy food brands rather than preparing them at home.	-.028	-.087	.196	.041	.101	.901
11	Healthy food prepared at home is more value for money.	-.055	.657	-.541	-.190	.015	.326
12	A women purchasing a healthy brand according to me is trendy.	.073	.825	.248	.008	.208	-.137
13	A women purchasing a healthy brand according to me is intelligent.	-.109	.777	.322	-.090	.335	-.049
14	A women purchasing a healthy brand according to me is health conscious.	.181	.376	-.192	.133	.767	.087
15	A women purchasing a healthy brand according to me is financially well off.	.102	.110	.139	-.008	.902	.043

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

The factors so extracted are as follows

Factor1 Perception towards healthy food brands

1. Packaged foods are not healthy
2. Healthy food brands are for younger women.
3. Healthy brand lifestyle is a passing fad.
4. Healthy food brands are for career conscious women.

Factor 2 Purchase of healthy food

1. The healthy food brands are very expensive
2. Healthy food prepared at home is more value for money.
3. A women purchasing a healthy brand according to me is trendy.
4. A women purchasing a healthy brand according to me is intelligent.

Factor 3 Perception towards use of healthy food brands

1. I believe healthy food brands are for people with health issues.
2. I believe healthy food brands are for people on a diet.

Factor 4 Own preparation versus packaged brands

1. I am aware of numerous kitchen recipes that are healthier than packaged healthy foods.
2. I would prefer to prepare in house healthy dishes than buy packaged versions.

Factor 5 Perception of users of healthy food

1. A women purchasing a healthy brand according to me is health conscious.
2. A women purchasing a healthy brand according to me is financially well off.

Factor 6 Purchase intention of healthy food brands

1. I prefer to buy healthy food brands rather than preparing them at home.

To test the reliability of the factors so extracted Cronbach's α was calculated which ranged from 0.830 to 0.638 (see table). This shows that the factors so extracted were reliable

Table : Cronbach's α

Dimensions	Cronbach's α
Factor 1	0.830
Factor 2	0.685
Factor 3	0.817
Factor 4	0.638
Factor 5	0.745

3) Celebrity Endorsers Influencing Choice Of Healthy Food

To study the celebrities influencing the choice of healthy food brands respondents were asked to evaluate the celebrities on a scale of 1-5 where 1 stands for highly uninfluenced and 5 stands for highly influenced. The celebrities that are influencing the purchase decision for healthy food are Amitabh Bachchan, Hema Malini, Madhuri Dixit, Shilpa Shetty, Karishma Kapur, Sanjeev Kapur and Raveena Tandon in that order.

Discussion and Conclusion

The findings across the respondents show that the Indian housewives are health conscious. They reflect about the health of their family as well as themselves and also take responsibility for the same. What is heartening for marketers of healthy food is that they understand the importance of eating right for staying healthy. They are well informed about the healthy food brands and keenly read the information on the labels before purchasing. The second factor that was highlighted was that being healthy is important for the housewives and they believe that healthy food can help them control their weight. The third factor shows that they rely on healthy food brands to stay healthy and fit thus highlighting the existence of a market.

On studying the attitude of the housewives towards healthy food brands it is found that the respondents have a negative perception towards packaged food and feel that it is not healthy. Also they feel that such brands are for younger and career conscious women. For them healthy brand lifestyle is a passing fad. It was also found that such foods are expensive and women feel that healthy food prepared at home is more value for money and are aware of numerous recipes that are healthier than packaged healthy food. They also feel that healthy foods are for people with health issues and/or for people on a diet.

The opportunity that can be highlighted here is that respondents feel that women purchasing healthy food are trendy and intelligent. They also feel that women purchasing healthy food brands are financially well off. The last factor shows the purchase intention towards healthy food brands which is positive for the respondents and they feel in general that they would prefer to buy healthy food brands rather than preparing them at home.

It has been found that Amitabh Bachchan and Hema Malini are the top two celebrity endorsers that are influencing the purchase of healthy foods. Marketers can therefore use these celebrities to influence the choice of the consumers.

Implications

These results are relevant for marketers of healthy foods. Understanding the perception of

healthy foods and the factors that influence purchase of healthy foods will enable marketers to target the consumers particularly housewives better. The paper highlights that housewives view and purchase healthy foods equally for their own as well as their family's consumption. What is heartening for marketers in this study is that select segments within housewives have begun to consume healthy foods. Since the housewives have been found to feel that people purchasing these brands are trendy, intelligent and financially well off marketers can build communication strategies around this to influence the housewives. The study also highlights importance of endorsers in influencing purchase of healthy foods by housewives which can help marketers decide on the use of these to represent their brands.

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Intermediation Cost Efficiency: A Comparative Study of Private and Public Sector Banks in India

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Abstract

The banks are the back bone of the financial system of any economy. The changes in the banking sector that took place over the years with the entry of foreign players raised the bar for competition amongst the players. Private sector banks adopted a customer centric approach as a result Public sector banks that had never been customer centric and had to wake up to a new way of doing business where the consumer was king. This onslaught was followed up by changes in accounting policies and procedures which forced the commercial banks to provide unprecedented attention towards productivity and efficiency. In the light of the above changes particularly the latter, this paper makes a comparative assessment of the intermediation cost efficiency of banks.

The period of study is 2007-2008, 2009-2010, 2011-2012. The study concentrates on ten public sector banks and ten private sector banks. The paper makes use of the two nonparametric methods- Free Disposal Hull approach (FDH) and Data Envelopment Approach (DEA) for development of the cost frontier for efficiency measurement. In the FDH approach, we take segments of the cost frontier as benchmarks. In the DEA approach the study takes a linear version of the entire frontier as the benchmark.

Keywords Cost Efficiency, DEA, FDH, Commercial Banks, Allocative Efficiency

Introduction

Studies estimating the efficiency of financial institutions (FIs) such as banks have relied on accounting measures such as costs, outputs and profit due to unavailability of engineering information on the technology of FIs (Berger and Humphrey, 1997). Although these studies are numerous and recent, most of them concern with developed nations such as USA, Sweden and Finland (Berg et al., 1993).² However, a few studies analyse the efficiency of banks in developing countries. This paper is an attempt to contribute to this sparsely researched issue from the perspective of developing economies, particularly India.

Indian banking is particularly interesting because of different and changing regulatory environment and the diversity of bank ownership: State bank of India (SBI) group, nationalized banks (NBs), privately owned domestic as well as foreign banks. The public sector banks (SBI and NBs) acquired a place of prominence in the financial intermediation process over the years. They made significant strides in expanding geographical coverage, mobilizing savings and providing funds for investments in agriculture/small-scale industry. Such a progress was achieved within a highly regulated environment with interest rates, credit allocation and entry being

controlled by the Reserve Bank of India (RBI). However, during the late 1980s, most banks were plagued with poor profitability and under capitalization with a high proportion of non-performing assets and huge administrative expenditures. They lagged behind the international standards in introducing computers, communication technologies and product innovations and the quality of consumer service was unsatisfactory. Government of India set up the Narasimham committee to review the functioning of entire financial services industry in the country. Based on the recommendations of the committee (submitted in November 1991), the RBI initiated

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major reform/liberalization measures that sought to improve bank efficiency through entry deregulation, branch delicensing and deregulation of interest rates and to allow the public sector banks to raise up their equity in the capital market. The reform also sought to improve banking profitability through gradual reduction of the cash reserve ratio, the statutory liquidity ratio and relaxation of several quantitative restrictions on the composition of selected portfolios. Since 1992–1993, the structure of the Indian banking system has undergone significant changes in terms of scope, opportunities and operational buoyancy. The commercial banks have been facing an increasing degree of competition in the intermediation process from term lending institutions, non-banking intermediaries (like mutual funds and leasing companies), chit funds and the capital market. Besides, new banking services (ATM machines and Internet banking) have been emerging due to the advancement of computers and information technology. The performance of public banks has become more market driven with growing emphasis placed on profitability. In this context, it is essential to study whether the reform measures are really beneficial to the banking industry, thereby efficiency improvement.

The Objective of the Present Study

The aim of the present study is to make a comparative assessment of the public and private sector bank intermediation cost efficiency during the period of changes in banking regulations. The new

banking regulation norms are being phased in and consequently the profit indicators corresponding to these years cannot be compared in a strict sense with those corresponding to the latter years. The years covered in this study are 2007-2008, 2009-2010, 2011-2012. This study concentrates on 10 public and ten Indian private sector banks (details provided in the Appendix). These banks hold 81% of the entire banking sector assets (excluding the Regional Rural Banks). If the foreign banks are excluded, then the figure rises to 88%. The public sector banks covered by this study hold 80% of the public sector bank assets. The ten private sector banks hold 79% of the private banking sector assets. Hence it can be rightly concluded that the banks covered by this study are fairly representative of the Indian banking sector.

Review of Related Literature

An important contribution to the development of efficiency and productivity analysis has been done by Shephard's models of technology and his distance functions (Shephard 1953, 1970, 1974). In contrast to the traditional production function, direct input and output correspondences admit multiple outputs and multiple inputs. They are thus able to characterize all kinds of technologies without unwarranted output aggregation prior to analysis. The Shephard direct input distance function treats multiple outputs as given and contracts inputs vectors as much as possible consistent with technological feasibility of contracted input vector. Among its several useful properties, one

of the most important is the fact that the reciprocal of the direct input distance function has been proposed by Debreu (1951) as a coefficient of resource utilization, and by Farrell (1957) as a measure of technical efficiency. This property has both a theoretical and a practical significance. It allows the direct input distance function to serve two important roles, simultaneously. It provides a complete characterization of the structure of multi-input, multi-output efficient production technology, and a reciprocal measure of the distance from each producer to that efficient technology. Linear programming theory is a milestone of efficiency analysis. The work of Dantzig (1963) is closely associated with linear programming since he contributed to the basic computational algorithm (the simplex method) used to solve this problem. Charnes and Cooper (1961) made considerable contributions to both theory and application in the development of linear programming, and popularize its application in DEA in the late 70s (see Charnes, Cooper and Rhodes, 1978). Forsund and Sarafoglou (2002) offer an interesting historical reconstruction of the literature developments subsequent to Farrell's seminal paper that lead to the introduction of the DEA methodology. The use of linear programming and activity analysis can be found in the work of Leontief (1941, 1953) who developed a special case of activity analysis which has come to be known as input-output analysis. Whereas Leontief's work was directed toward constructing a workable

model of general equilibrium, efficiency and productivity analysis is more closely related to the microeconomic production programming models developed by Shephard (1953, 1970, 1974), Koopmans (1951, 1957) and Afriat (1972). In these models observed activities, such as the inputs and outputs of some production units, serve as coefficients of activity or intensity variables forming a series of linear inequalities, yielding a piecewise linear frontier technology.

The work of Koopmans and Shephard imposes convexity on the reference technology, therefore, the DEA estimator relies on the convexity assumption. The Free Disposal Hull (FDH) estimator, that maintains free disposability while relaxes convexity, was introduced by Deprins, Simar and Tulkens (1984). By enveloping data points with linear segments, the programming approach reveals the structure of frontier technology without imposing a specific functional form on either technology or deviations from it. Frontier technology provides a simple means of computing the distance to the frontier - as a maximum feasible radial contraction or expansion of an observed activity. This means of measuring the distance to the frontier yields an interpretation of performance or efficiency as maximal-minimal proportionate feasible changes in an activity given technology. This explanation is consistent with Debreu's (1951) coefficient of resource utilization and with Farrell's (1957) efficiency measures. However, neither Debreu nor Farrell formulated

the efficiency measurement problem as a linear programming problem, even though Farrell and Fieldhouse (1962) envisaged the role of linear programming. The full development of linear programming techniques took place later.

Boles (1966), Bressler (1966), Seitz (1966) and Sitorius (1966) developed the piecewise linear case, and Timmer (1971) extended the piecewise log-linear case. Afriat (1972) developed a series of consistency 'tests' on production data by assuming an increasing number of more restrictive regularity hypotheses on production technology. In so doing he expanded his previous work on utility functions (Afriat 1967) based on the revealed preference analysis (Samuelson, 1948). These 'tests' of consistency, as well as similar 'tests' of hypotheses proposed by Hanoch and Rothschild (1972), are all based on linear programming formulations. Diewert and Parkan (1983) suggested that this battery of tools could be used as a screening device to construct frontiers and measure efficiency of data relative to the constructed frontiers. Varian (1984, 1985, 1990) and Banker and Maindiratta (1988) extended the Diewert and Parkan approach. In particular, Varian seeks to reduce the "all-or-nothing" nature of the tests - either data pass a test or they do not - by developing a framework for allowing small failures to be attributed to measurement in the data rather than to failure of the hypothesis under investigation. All these studies use nonparametric linear programming models to explore

the consistency of a dataset, or a subset of a dataset, with a structural (e.g. constant return to scale) or parametric (e.g. Cobb-Douglas) or behavioral (e.g. cost minimization) hypothesis. These tools, originally proposed as screening devices to check for data accuracy, provide also guidance in the selection of parametric functional forms as well as procedures useful to construct frontiers and measure efficiency. The problem of nonparametric exploration of regularity conditions and behavioral objectives has been treated also by Chavas and Cox (1988, 1990), Ray (1991), and Ray and Bhadra (1993). Some works have indirectly influenced the development of the efficiency and productivity analysis. Hicks (1935, p.8) states his "easy life" hypothesis as follows: "people in monopolistic positions [...] are likely to exploit their advantage much more by not bothering to get very near the position of maximum profit, than by straining themselves to get very close to it. The best of all monopoly profits is a quite life". The suggestion of Hicks, i.e. the fact that the absence of competitive pressure might allow producers the freedom to not fully optimize conventional objectives, and, by implication, that the presence of competitive pressure might force producers to do so, has been adopted by many authors (see e.g. Alchian and Kessel, 1962, and Williamson, 1964). Another field of work, related to efficiency literature, is the property rights field of research, which asserts that public production is inherently less efficient than private production. This argument, due originally to Alchian (1965), states that

concentration and transferability of private ownership shares create an incentive for private owners to monitor managerial performance, and that this incentive is diminished for public owners, who are dispersed and whose ownership is not transferable. Consequently, public managers have wider freedom to pursue their own at the expense of conventional goals. Thus Niskanen (1971) argued that public managers are budget maximizers, de Alessi (1974) argued that public managers exhibit a bias toward capital-intensive budgets, and Lindsay (1976) argued that public managers exhibit a bias toward "visible" inputs. However, ownership forms are more varied than just private or public. Hansmann (1988), in fact, identifies investor-owned firms, customer-owned firms, worker-owned firms, as well as firms without owners (nonprofit enterprisers). Each of them deals in a different way with problems associated with hierarchy, coordination, incomplete contracts and monitoring and agency costs. This leads to the expectation that different ownership forms will generate differences in performance. As a more micro level is concerned, Simon (1955, 1957) analyzed the performance of producers in the presence of bounded rationality and satisfying behavior. Later Leibenstein (1966, 1975, 1976, 1978, 1987) argued that production is bound to be inefficient as a result of motivation, information, monitoring, and agency problems within the firm. This type of inefficiency, the so called "X-inefficiency" has been criticized by Stigler (1976) and

de Alessi (1983) among others since it reflects an incompletely specified model rather than a failure to optimize. The problem of model specification - including a complete list of inputs and outputs, and perhaps conditioning variables as well, a list of constraints, technological, and other (e.g. regulatory) is a difficult issue to face. Among others, Banker, Chang and Cooper (1996) analyse the effects of misspecified variables in DEA. Simar and Wilson (2001) propose a statistical procedure to test for the relevance of inputs/outputs in DEA models.

Methodology

Free Disposal Hull (FDH)

The FDH estimator, proposed by Deprins, Simar and Tulkens (1984), is a general version of the DEA estimator as it relies only on the free disposability assumption for Ψ , and hence does not restrict itself to convex technologies. This seems an attractive property of FDH since it is frequently difficult to find a good theoretical or empirical justification for postulating convex production sets in efficiency analysis. At this purpose, Farrell (1959) indicates indivisibility of inputs and outputs and economies of scale and specialization as possible violations of convexity. It is important to note also that if the true production set is convex then the DEA and FDH are both consistent estimators; however, as pointed later in this section, FDH shows a lower rate of convergence (due to the less assumptions it requires) with respect to DEA. On the contrary, if the true production set is not convex, then DEA is not a consistent estimator of the production set, while FDH is

consistent. The FDH estimator measures the efficiency for a given point (x_0, y_0) relative to the boundary of the Free Disposal Hull of the sample $X = \{(X_i, Y_i), i = 1, \dots, n\}$.

Data Envelopment Approach

Data Envelopment Analysis is a nonparametric mathematical programming technique used for assessing, evaluating and comparing the relative performances of economic units with minimal prior assumption on input-output relation. The DEA method is a generalization of Farrell's single input single output technical efficiency measure to the multiple output-multiple input case. The methodology was originally developed by Charnes, Cooper and Rhodes (1978) and was later further extended by Banker, Charnes and Cooper (1984). The DEA approach forms the efficiency frontier out of piecewise linear stretches thereby forming a convex production possibility set. In DEA frontier, efficient observations are those for which no other decision-making unit or linear combination of units has as much or more of every output (given inputs) or as little or less of every input (given outputs). The DEA approach is now described in brief. Let us consider a productive unit producing a scalar output Y from bundles of m inputs $x = (x_1, x_2, \dots, x_m)$. Let (x_j, y_j) be the observed input-output bundle of firm j ($j=1, 2, \dots, n$). The technology is defined by the production possibility set. $P_s = \{(x,y): y \text{ can be produced from } x\}$. The underlying assumptions are as follows:

(i) All observed input-output combinations are feasible. Thus

$(x_j, y_j) \in P_s (j=1,2,\dots,n)$

(ii) The production possibility set P_s is convex. Hence, if $(x_1, y_1) \in P_s$ and $(x_2, y_2) \in P_s$ then $\{x_1 + (1-x_2)x_1, y_1 + (1-x_2)y_1\} \in P_s$ i.e., weighted averages of feasible input-output combinations are also feasible.

(iii) Inputs are freely disposable. Hence, if $(x_0, y_0) \in P_s$ and $x_1 = x_0$ then $(x_1, y_0) \in P_s$

(iv) Output is freely disposable. Hence if $(x_0, y_0) \in P_s$ and $y_1 = y_0$ then $(x_0, y_1) \in P_s$

Concept of Efficiency: The production possibility set can be represented by two alternatives but equivalent ways in terms of the input and output set. For any output bundle y_0 , the input requirement set is $V(y_0) = \{x: (x, y_0) \in P_s\}$

Similarly for any input bundle x_0 , the producible output set is $P(x_0) = \{y: (x_0, y) \in P_s\}$ There are accordingly three alternative ways of computing efficiency: The revenue maximization approach, the output maximization approach and the cost minimization approach. In the output maximization approach, the firm seeks to maximize output given the input bundle. As per the Banker, Charnes, Cooper (1984) orientation (under the assumption of variable returns to scale), the problem is,

Max f , s.t. $f Y_0 = Y, X_0 = X, j=1, \dots, n$
 $j = 0, \text{ Efficiency} = Y_0 / P_s(x_0)$
 $= \text{Actual Output/Best Practice Output}$

Similarly in the revenue maximization approach, one compares the actual revenue with the best practice revenue. In the cost minimizing approach, the objective of the firm is to select the input bundle that minimizes the cost of producing Y_0 . The problem, then, is: Min $C = W' X$, s.t. $X_0 = X, Y_0 = Y, j=1, \dots, n$

(Where W = input price vector)
 $\text{Efficiency} = W'V(y_0)/W'(X_0)$
 $= \text{Best Practice Cost/Actual Cost}$
Decomposition of Efficiency:
 The overall efficiency can be decomposed into two components —technical efficiency and allocative efficiency.

Technical Efficiency It refers to the ability of a productive unit/system to reduce all the variable inputs to produce same level of output or to expand all the variable outputs for the given inputs. Formally technical efficiency can be computed (if one uses the cost minimizing approach) from the following minimization exercise: Min μ , s.t. $\mu X_0 = X, Y_0 = Y$ The scalar (variable) μ is the (proportional) reduction applied to all the inputs of the evaluated productive unit to improve efficiency.

Allocative Efficiency It refers to the ability of the productive system to select the right input/output vector in the light of the prevailing input and output prices. Allocative efficiency is computed indirectly by applying the equality $AE = \text{Total Efficiency/Technical Efficiency}$ In the last few years, quite a number of studies were conducted on bank efficiency in the Indian context. Bhattacharyya, Lovell and Sahay (1997) measured the technical efficiency of 70 commercial banks operating in India for the period 1986-91 using data envelopment analysis and took advances, investment and deposits as outputs while interest expense and operating expense were taken as the inputs. They found that the public sector banks had much higher efficiency compared to the private and foreign banks.

Das (1997) estimated the technical, allocative and scale efficiency of scheduled commercial banks for various pre-reform and reform years: 1970, 1978, 1984, 1990 and 1996 making use of data envelopment analysis. The study considered the net interest margin and interest income of banks as the two outputs. The inputs used in the calculation of various efficiency measurement are: Labor and loanable funds (deposits plus borrowings). In his study, Das computed the efficiency measures in respect of the public sector commercial banks. The results indicate that the State Bank Group, in general, improved in overall efficiency during the 26 year period. However, nationalized banks registered a gradual decline in overall efficiency during the period and this is more pronounced after 1990. The study showed that higher productivity leads to a decrease in credit risk and has a positive influence on bank capitalization. In general, the study supported the hypothesis that productivity, capital and risk taking tend to be jointly determined, reinforcing and compensating each other. Rammohan and Ray (2004) compared performances of public and private sector banks using a revenue maximization efficiency approach for the period 1992-2000. They argued that during the period, Indian banks did not have much freedom in trimming costs, especially the cost of labor. Under the circumstances, revenue maximization best describes the objective that banks have been focusing during the period.

The results relating to revenue maximization efficiency, technical efficiency and allocative efficiency reveal the following:

(a) Public sector banks are significantly better placed than private sector banks on revenue maximization efficiency but there is no difference between public sector banks and foreign banks.

(b) Public sector banks are significantly better than private banks in respect of technical efficiency but not in respect of allocative efficiency. Sinha (2005) and Sinha (2005) estimated the efficiency of Indian commercial banks using the Data Envelopment and FDH approaches respectively. They have taken net interest margin, non-interest income and loan as the output indicators. The results were for 1996-97 and 2000-01 respectively. The results suggest an improvement in performance if net interest margin or non-interest income are taken as the output indicators but a decline in performance if loan is taken as the output indicator. Das, Nag and Ray (2005) examined the output oriented technical efficiency, cost efficiency, revenue maximizing efficiency and profit efficiency of Indian banks. The results show that the Indian banks are still not much differentiated in terms of input or output oriented technical efficiency or cost efficiency. However, they differ sharply in respect of revenue and profit efficiencies.

Estimation of Cost Efficiency of Indian Commercial Banks Using FDH and DEA Specification of Output and Inputs

For the purpose of efficiency measurement, three output indicators have been used: Net

interest margin, Non-interest income and Loan. Coming to the side of inputs, one can consider the following four: Labor, equity capital, branch and borrowed capital. In respect of the first two, the concept of free disposability is not applicable. The public sector banks are still overmanned in comparison to the private sector commercial banks and therefore, the inclusion of labor as an input injects an inherent bias working against the public sector banks. On the other hand, the public sector banks are undercapitalised as they cannot freely approach the capital market for raising Tier I capital. In terms of Tier I capital, they seem to over perform. Under the circumstances, bank branches and borrowed capital (including bank deposits) are taken as the inputs. While bank branches are also not very easily disposable, the R.B.I. has, of late, given considerable relaxation to the commercial banks in the matter of opening and closure of branches. The production relation, used in this paper, therefore, is

$$\text{Output (NIM, NII, L)} = f(\text{Branches, Borrowed capital})$$

Where NIM = Net Interest Margin, NII = Non-interest Income and L = Loan

Cost minimization DEA requires specification of input price. Operating cost per branch is taken as the price of branch whereas interest expended in terms of borrowed capital is taken as the price of capital.

(a) The Methodology of FDH Cost Efficiency Evaluation

The methodology of FDH cost efficiency evaluation used in this paper is as follows:

i) The banks under observation are

classified into several cost classes. The banks falling within a cost class are compared in terms of Net Interest Margin, Non-interest Income and Loan.

ii) A bank is said to be cost inefficient if it is dominated by more than one banks. Domination implies

a) These banks have total costs lower than its own

b) These banks have output indicators (Net Interest Margin, Non-interest Income or Loan) greater than or equal to its own.

Mathematically speaking,

For all $b_i \in C_k$, $b_i < 1$ if there exists $b_j \in C_k$, such that, $cb_j < cb_i$ and $obj = obi$ Where C_k is the cost class to which b_i and b_j belong. cb_i and cb_j are operating costs of bank i and bank j respectively. obi and obj are outputs of bank i and bank j .

(iii) A bank is called cost-efficient if it is un-dominated.

(iv) If a bank is cost inefficient and dominated by more than one other banks, the dominating one with the lowest cost is called most dominating.

(v) If a bank is cost inefficient, its degree of cost efficiency = Cost of most dominating bank / Cost of the inefficient bank. By construction, this ratio is less than 1 and greater than 0. For efficient banks, this is conventionally set equal to 1.

(b) The DEA Methodology

In this paper, we make use of cost minimization DEA. We have tried to measure three types of efficiencies:

i) Overall Cost Efficiency: A productive unit exhibits overall cost efficiency if it is able to minimize total cost on the isoquant. For practical purposes, the cost-efficiency level is computed from the following

minimization exercise:

$$\text{Minimize } p \cdot x = c$$

$$\text{subject to: } y = wY$$

$$x = , wX, w R+, w j=1, w j = 0$$

Where Y and X refer to the output and input matrices taking into consideration all the banks under observation. y and x are the output and input vectors for specific banks. w refers to the weights. The overall cost efficiency level of a productive unit is given by the Cost Efficiency index = c^*/c where c^* and c represent the optimal and actual cost respectively. ii) Technical Efficiency: The overall cost-efficiency can be decomposed into technical efficiency and allocative efficiency. Technical efficiency refers to the ability of a productive unit to reduce all variable inputs to produce some level of output and to expand all the variable outputs for given inputs. For practical purposes, the technical efficiency is computed from the following minimization exercise:

minimize m

$$\text{Subject to } y = wY, mx = wX, w R^*$$

iii) Allocative Efficiency: It reflects the ability of the productive system to select the right input-output vector in the light of the prevailing input and output prices. For practical purposes, allocative efficiency can be computed indirectly: $AE = CE/TE$

Choice of Outputs and Inputs For the purpose of efficiency measurement, three output indicators have been used: Net interest margin, Non-interest income and Loan. The first output indicator i.e., the net interest margin is a good indicator of credit risk management abilities of a commercial bank since a bank

with a high net NPA ratio is likely to have a low net interest margin. Bank branches and borrowed capital are taken as the inputs. Branch is a proxy for labor, fixed capital and location. The production relation, therefore, is $\text{Output (NIM, NII, L)} = f(\text{Branches, Borrowed capital})$ Where NIM = Net Interest Margin, NII= Non-interest Income, L = Loan

Data Source

The study relied on the Statistical Tables Relating to Banks in India for the bankwise data published by the Reserve Bank of India on an annual basis. For the remaining, the principal data source has been the Trend and Progress of Banking in India also published by the Reserve Bank of India annually.

FDH Cost Efficiency Results (2007-2008), Interest Margin					
Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Net Interest Margin (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	239	186	-	1.00
400-799	Yes bank	341	336	-----	1.00
	Indusind bank	402	341	-----	1.00
	Jammu and Kashmir bank	403	811	-----	1.00
	Fedral bank	469	868	-----	1.00
	ING Vysya bank	609	498	Fedral Bank	0.11
	Dena bank	650	893	-----	1.00
800-1199	Kotak Mahindra bank	1019	463	-----	1.00
	Oriental bank of commerce	1080	617	-----	1.00
	Allahabad Bank	1158	1781	-----	1.00
1200-1599	Indian bank	1400	893	-----	1.00
1600-1999	Central bank	1746	2223	-----	1.00
2000-2399	Axis bank	2155	2585	-----	1.00
2400-2799	Bank of India	2644	4229	-----	1.00
	Canara bank	2791	3537	Bank of India	0.94
2800-3199	Bank of baroda	2934	3912	-----	1.00
3500-3899	Punjab national bank	3525	6035	-----	1.00
	HDFC Bank	3745	5228	Punjab national bank	0.94
800-8399	ICICI Bank	8154	7304	-----	1.00
12400-12799	SBI Bank	12609	10021	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 2007-08					

FDH Cost Efficiency Results (2007-2008),Output-Non Interest Income					
Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Non interest Income	Most dominating bank	Cost efficiency
0-399	Development	239	162	-----	1.00
	Credit bank				
400-799	Yes bank	341	354	-----	1.00
	Indusind bank	402	258	Yes bank	0.84
	Jammu and Kashmir bank	403	245	Yes bank	0.84
	Fedral bank	469	395	-----	1.00
	ING Vysya bank	609	418	-----	1.00
	Dena bank	650	443	-----	1.00
800-1199	Kotak Mahindra bank	1019	463	-----	1.00
	Oriental bank of commerce	1080	617	-----	1.00
	Allahabad Bank	1158	856	-----	1.00
1200-1599	Indian bank	1400	443	-----	1.00
1600-1999	Central bank	1746	791	-----	1.00
2000-2399	Axis bank	2155	1795	-----	1.00
2400-2799	Bank of India	2644	2117	-----	1.00
	Canara bank	2791	2213	-----	1.00
2800-3199	Bank of baroda	2934	2051	-----	1.00
3500-3899	Punjab national bank	3525	1997	-----	1.00
	HDFC Bank	3745	2283	-----	1.00
800-8399	ICICI Bank	8154	8810	-----	1.00
12400-12799	SBI Bank	12609	8694	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 2007-08					

FDH Cost Efficiency Results (2007-2008),Output Loan

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Loan	Most dominating bank	Cost efficiency
0-399	Development Credit bank	239	4068	-----	1.00
400-799	Yes bank	341	9430	-----	1.00
	Indusind bank	402	12343	-----	1.00
	Jammu and Kashmir bank	403	18882	-----	1.00
	Fedral bank	469	18904	-----	1.00
	ING Vysya bank	609	14649	Fedral bank	0.77
	Dena bank	650	23023	-----	1.00
800-1199	Kotak Mahindra bank	1019	15523	-----	1.00
	Oriental bank of commerce	1080	54565	-----	1.00
	Allahabad Bank	1158	49720	Oriental bank of commerce	0.93
1200-1599	Indian bank	1400	39838	-----	1.00
1600-1999	Central bank	1746	72338	-----	1.00
2000-2399	Axis bank	2155	59661	-----	1.00
2400-2799	Bank of India	2644	113476	-----	1.00
	Canara bank	2791	107238	-----	1.00
2800-3199	Bank of baroda	2934	106701	-----	1.00
3500-3899	Punjab national bank	3525	119501	-----	1.00
	HDFC Bank	3745	634260	-----	1.00
800-8399	ICICI Bank	8154	225616	-----	1.00
12400-12799	SBI Bank	12609	416768	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 2007-08					

FDH Cost Efficiency Results (2009-2010), Interest Margin

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Net Interest Margin (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	200	141	-----	1.00
400-799	Yes bank	500	788	-----	1.00
	Jammu and Kashmir bank	577	1119	-----	1.00
	Fedral bank	677	1411	-----	1.00
	Indusind bank	736	886	Fedral bank	0.91
800-1199	ING Vysya bank	808	829	-----	1.00
	Dena bank	848	1100	-----	1.00
	Kotak mahindra bank	1189	1858	-----	1.00
1600-1999	Allahabad bank	1618	2650	-----	1.00
	Indian bank	17 30	3303	-----	1.00
	Oriental bank of commerce	1685	2907	-----	1.00
2000-2399	Central bank	2222	2545	-----	1.00
3600-3999	Bank of baroda	3811	5939	-----	1.00
	Bank of India	3668	5755	-----	1.00
	Canara bank	3477	5680	-----	1.00
	Axis bank	3709	5004	Bank of India	0.98
5600-5999	HDFC BANK	5764	8386	-----	1.00
	ICICI bank	5859	8114	HDFC bank	0.98
20000-20399	SBI Bank	20318	23671	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 2009-10					

FDH Cost Efficiency Results (2009-2010), Non Interest Income

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Non Interest Income (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	200	107	-----	1.00
400-799	Yes bank	500	576	-----	1.00
	Jammu and Kashmir bank	577	416	Yes bank	0.86
	Fedral bank	677	530	-----	1.00
	Indusind bank	736	553	-----	1.00
800-1199	ING Vysya bank	808	620	-----	1.00
	Dena bank	848	588	ING Vysya bank	0.95
	Kotak mahindra bank	1189	628	-----	1.00
1600-1999	Allahabad bank	1618	1516	-----	1.00
	Indian bank	17 30	1173	Oriental bank of commerce	0.93
	Oriental bank of commerce	1685	1200	-----	1.00
2000-2399	Central bank	2222	1735	-----	1.00
3600-3999	Bank of baroda	3811	2806	-----	1.00
	Bank of India	3668	2617	Canara bank	0.94
	Canara bank	3477	2875	-----	1.00
	Axis bank	3709	3945	-----	1.00
5600-5999	HDFC BANK	5764	3807	-----	1.00
	ICICI bank	5859	7477	HDFC bank	0.98
20000-20399	SBI Bank	20318	14968	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 2009-10					

FDH Cost Efficiency Results (2009-2010), Loan

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Loan (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	200	3459	-----	1.00
400-799	Yes bank	500	20754	-----	1.00
	Jammu and Kashmir bank	577	23057	-----	1.00
	Fedral bank	677	26950	-----	1.00
	Indusind bank	736	20550	Fedral bank	0.91
800-1199	ING Vysya bank	808	18507	-----	1.00
	Dena bank	848	35462	-----	1.00
	Kotak mahindra bank	1189	20754	-----	1.00
1600-1999	Allahabad bank	1618	71604	-----	1.00
	Indian bank	17 30	62146	Oriental bank of commerce	0.97
	Oriental bank of commerce	1685	84183	-----	1.00
2000-2399	Central bank	2222	102634	-----	1.00
3600-3999	Bank of baroda	3811	175035	-----	1.00
	Bank of India	3668	168490	Canara bank	0.94
	Canara bank	3477	169334	-----	1.00
	Axis bank	3709	104343	Canara bank	0.93
5600-5999	HDFC BANK	5764	125830	-----	1.00
	ICICI bank	5859	181205	-----	1.00
20000-20399	SBI Bank	20318	631914	-----	1.00
Source authors own calculation					
Data source: RBI Statistical table relating to banks in India, 2009-10					

FDH Cost Efficiency Results (2011-2012), Net Interest Margin

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Net interest margin (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	24	22	-----	1.00
	Jammu and Kashmir bank	80	183	-----	1.00
	Fedral bank	97	195	-----	1.00
	Yes bank	93	161	-----	1.00
	ING Vysya	111	120	Yes bank	0.83
	Indusind bank	134	170	Dena bank	0.85
	Dena bank	115	210	-----	1.00
	Indian bank	218	441	-----	1.00
	Oriental bank of commerce	231	421	-----	1.00
	Kotak Mahindra bank	183	251	-----	1.00
	Central bank	374	517	Allahabad bank	0.71
	Allahabad bank	269	516	-----	1.00
400-799	Canara bank	467	768	-----	1.00
	Bank of India	494	831	-----	1.00
	Bank of baroda	515	1031	-----	1.00
	Axis bank	600	801	Bank of baroda	0.85
	Punjab national bank	700	1341	-----	1.00
	ICICI bank	785	1073	Punjab national bank	0.89
800-1199	HDFC Bank	859	1229	-----	1.00
2500-2899	SBI Bank	2606	4329	-----	1.00
Source authors own calculation					
Data source: RBI Statistical table relating to banks in India, 2011-12					

FDH Cost Efficiency Results (2011-2012), Non Interest Income

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	Non interest income (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	24	10	-----	1.00
	Jammu and Kashmir bank	80	33	-----	1.00
	Fedral bank	97	53	Yes bank	0.95
	Yes bank	93	85	-----	1.00
	ING Vysya	111	66	-----	1.00
	Indusind bank	134	101	-----	1.00
	Dena bank	115	58	Ing vysya	0.96
	Indian bank	218	123	-----	1.00
	Oriental bank of commerce	231	1240	-----	1.00
	Kotak Mahindra bank	183	97	Indusind bank	0.73
	Central bank	374	139	-----	1.00
	Allahabad bank	269	129	-----	1.00
400-799	Canara bank	467	292	-----	1.00
	Bank of India	494	332	-----	1.00
	Bank of baroda	515	342	-----	1.00
	Axis bank	600	542	-----	1.00
	Punjab national bank	700	420	Axis bank	0.85
	ICICI bank	785	750	-----	1.00
800-1199	HDFC Bank	859	524	-----	1.00
2500-2899	SBI Bank	2606	1435	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 20011-12					

FDH Cost Efficiency Results (2011-2012), Loan

Cost class (Rs Cr)	Bank	Total cost (Rs Cr)	loan (Rs Cr)	Most dominating bank	Cost efficiency
0-399	Development Credit bank	24	528	-----	1.00
	Jammu and Kashmir bank	80	3307	-----	1.00
	Fedral bank	97	3775	Yes bank	0.95
	Yes bank	93	3798	-----	1.00
	ING Vysya	111	2873	-----	1.00
	Indusind bank	134	3506	Dena bank	0.85
	Dena bank	115	5669	-----	1.00
	Indian bank	218	9032	-----	1.00
	Oriental bank of commerce	231	11304	-----	1.00
	Kotak Mahindra bank	183	3906	Dena bank	0.62
	Central bank	374	14860	-----	1.00
	Allahabad bank	269	11114	-----	1.00
400-799	Canara bank	467	23248	-----	1.00
	Bank of India	494	24883	-----	1.00
	Bank of baroda	515	28737	-----	1.00
	Axis bank	600	16975	Bank of baroda	0.85
	Punjab national bank	700	29377	-----	1.00
	ICICI bank	785	25372	Punjab national bank	0.89
800-1199	HDFC Bank	859	19542	-----	1.00
2500-2899	SBI Bank	2606	86757	-----	1.00
Source authors own calculation Data source: RBI Statistical table relating to banks in India, 20011-12					

FDH Mean Efficiency Scores Of The Observed Commercial Banks

Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.955	0.96	0.95	0.95
Non interest income	0.91	0.93	0.96	0.93
loan	0.95	0.96	0.95	0.95

Source; authors own calculation

The Bank Groupwise DEA Efficiency Scores

Mean Technical Efficiency of public sector banks				
Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.74	0.88	0.882	0.83
Non interest income	0.508	0.726	0.491	0.575
loan	0.805	0.662	0.781	0.74

Source; authors own calculation

The mean technical efficiency of the private sector commercial banks				
Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.824	0.87	0.91	0.86
Non interest income	0.88	0.82	0.84	0.84
loan	0.95	0.85	0.88	0.89

Source; authors own calculation

The mean allocative efficiency of the public sector commercial banks				
Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.824	0.87	0.86	0.85
Non interest income	0.83	0.81	0.92	0.85
loan	0.88	0.74	0.78	0.80

Source; authors own calculation

The mean allocative efficiency of the private sector commercial banks				
Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.90	0.95	0.89	0.91
Non interest income	0.88	0.90	0.94	0.90
loan	0.94	0.52	0.58	0.68

Source; authors own calculation

The mean cost efficiency of the public sector commercial banks				
Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.68	0.77	0.79	0.74
Non interest income	0.72	0.77	0.79	0.76
loan	0.72	0.58	0.58	0.62

Source; authors own calculation

The mean cost efficiency of the private sector commercial banks				
Output indicator	2007-08	2009-10	2011-12	Average
Net interest margin	0.73	0.74	0.81	0.76
Non interest income	0.72	0.75	0.78	0.75
loan	0.80	0.81	0.71	0.77

Source; authors own calculation

Results

In the FDH approach, we take segments of the cost frontier as the benchmark. In the DEA approach, we take a linear version of the entire frontier as the benchmark. The FDH efficiency scores indicate that the mean efficiency scores of the observed commercial banks improved between 2007 and 2012. When DEA is applied, we find a secular improvement in cost-efficiency during the period if net interest margin is taken as the output indicator. When non-interest income is taken as the output indicator, we find that in respect of 2007-08, the mean cost efficiency scores improved in 2009-10, but declined in 2011-12. When loan is taken as the output indicator, no definite conclusion could be reached due to violent year-to-year fluctuations. Let us now make a comparison of the bank groups on the basis of available information. As per the FDH results, observed public sector commercial banks exhibit higher mean efficiency scores (when theyear-wise figures are averaged) than the observed private sector banks when net interest margin or non-interest income are taken as the output indicators. However, if loan is taken as the output indicator, the mean efficiency score of the observed private sector banks is higher than the observed public sector banks. In terms of DEA, the observed private sector commercial banks have higher mean cost, technical and cost efficiencies than the observed public sector commercial banks. In the case of allocative efficiency, however, the results indicate fluctuations in efficiency scores across the commercial bank groups when loan is taken as the output indicator.

Final Comment

The private sector banks have an edge over the public sector banks in the matter of generating the fees based income. This is reflected in their substantially higher mean cost efficiency as compared to the observed public sector banks.

Decomposition of the cost efficiency shows the difference is mainly due to the superior technical efficiency of the observed private sector banks. The fluctuations in the loan related efficiency scores may be due to effects of fluctuation in the business activity which influence banking sector allocation of investible resources between loan and investments

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Elements Influencing Apparel Buying Behavior In Working Females

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Abstract

Rapid growth and rising urbanization have spawned a new class of consumers with more money to spend, and a growing passion for fashion. Growth in women's segment with inclination for branded apparels has increased in the market in India. Earlier, there only 20 percent of Indian urban women were in the workforce. Women's wardrobes had traditionally been limited to home wear and items for special occasions. Now, women are more willing to dress differently when they venture beyond the home—to shop, for example, or visit a school. Consumer behavior has changed dramatically in last decade. The behavior of the consumer is displayed in the research for place, purchase, consumption, evaluation and disposal of products and so consumer behaviors focuses on how individual take decision to spend their time, money, effort on consumable related items. The purpose of the study is to observe record and examine the behavior of working females buying habits, the factors which they consider carefully before taking the decision for the selection of style, brand and place. The identification of these factors could assist marketers and retailers to gain a better understanding of decision making process of female consumers and to predict the future actions of these consumers towards apparel purchasing.

Keywords Apparel Selection, Retail Formats, Consumer Behavior, Media Involvement, Buying Behavior.

1. Introduction

The Indian consumers are subjected to drastic changes in their spending habits. Recently, the consumers are giving more importance to life pleasures and they are becoming more status conscious. This has inspired them to shift to multichannel retail and mall culture. As consumers play a vital role to bring success to any business, there is a need to study the consumers buying behaviour in an organized retail market.

Current urban middle and upper class Indian consumer buying behaviour has been much influenced by western culture especially in women. The Indian consumer has become much more

open minded and experimental in perspective.

A recent study by the National Council for Applied Economic Research has shown that the middle class in India with income level of Rs, 90,000- 100,000 is growing with faster pace. This indicates that household income and the disposable income of people in India is increasing to support the increasing demands of consumers to spend on luxury products and status rising consumables. Increase in household income has also inclined people towards more luxurious life which have also bought comforts in buying habits. Consumer behavior research is the scientific study of the process

of consumer to select, secure, use and dispose the products and services that satisfy their needs. Knowledge of consumer behavior directly affects marketing strategy. Thus, marketing strategy must incorporate knowledge of consumer behavior at every stage of strategy planning.

Now a day, consumers seek an experience which is more than product variety and quality, a synthesis of multi analysis is important to create a favourite store image. As a result, a critical issue for retail management is to determine the factors affecting satisfaction to identify and target segments of customers, to ensure to bind them for long time (Sivadas and Baker- prewitt, 2000).

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The accessibility of the consumers has also been magnified by creating a customer friendly ambience in the stores. The assurance of similar quality with larger domain of price differentiation, more variety within product category has made retail shopping more delightful. A trusted retail name provides comfort of shopping to the customer by providing certain advantages to the consumers. Hence, retail sector is going to play a major role to shape the competitive scenario in Indian market.

The growth of readymade females wear in India was very slow until early 1980's. The main reason for this was women believed in buying cloth material and getting their dresses tailored through a tailor shops in an unorganised local market until branded products started entering the market, which finally changed the scenario. By the mid 1980's however consumer's mindset started changing with the advent of increasing urbanisation and changes in socio and economic status of people in society, and thus women branded clothes entered in the market.

Female have special outlook and motives behind every purchase. Regarding female garment, it is easy to buy high fashion in low price. Over the past decade the fashion industry has gone through some major structural changes. In the fast evolving fashion industry even the best merchandise can be destabilized by economic change and strong competitive environment. Retailer even is very well aware of the fact and therefore they understand the requirement of complete perspective view of

target consumers in ornamenting shopping inclination. Although apparel Industry is at maturity stage and growth is slow, fashion cycles are accelerating and the average successful clothing last only for a short span of time and to gain maximum profit is becoming more difficult and challenging.

The shopping culture is shifting towards malls because of shopping experience the consumers get. The most important source of information was found to be family, friend, internet and advertisements. It is majorly seen that females view shopping as a fun, satisfying and joyful activity. Female look toward shopping as communal event with cheerful activities and take it as very positive aspect. Clothing is important part and parcel of women's life and plays an imperative role in building women's self esteem and identity. Women's experience for shopping and its importance create a constant demand for clothes which gives this market a great potential for growth. There are many elements which impact the buying behaviour like, organised retail stores with fun activities, look style, multiple brand availability of same product.

2. Literature Review

(Sinha and Banerjee, 2004) mentioned that there is growing need to evaluate the drivers of shopping behaviour in the Indian context. The apparel shops with a high level personalised service, is making shoppers to averse to depart from traditional ways of shopping. The knowledge of consumer shopping behaviour is an essential input to the

development of an effective marketing strategy, which is required for the effectiveness and success of business.

(Berman and Evans, 2005) stated that the behaviour of shoppers differs according to the place where they are shopping and their involvement level with the act of shopping.

(Berry, 1996 and Jackson, 1999) have identified situations which result consumers dissatisfaction towards retail brand unable to give comfort to consumers.

(Stone Rhee and Bell, 2002) believed that while shoppers often standby to many stores they typically have a primary association to a main store that captures the majority of their purchase.

(Apparel Retail, 2006) has mentioned that along with significance increase in salaries, these changes have increased the consumer spending on apparel significantly. Apparel is now the second largest consumption category in malls.

(Doyle, 2001) The consumer's perception on a brand is based upon the quality Individuals interested in clothing tend to pay more attention to physical properties and features of the clothing that include quality of garment.

Mintel, (2008) has stated, that in terms of spending on clothing, age is a strong determinant of women's budget than their 20-24 and 25-34 age groups are of supreme importance to the marketers as women is less worried about quality than style in their clothing. (Solomon, 2002) had written, that, clothing interest among the consumers is measured with the help of the variables namely

spending more on clothing, favourite activity is clothing, like the clothing than others and enhancement of appearance through clothing.

3. Objectives

1. To study the factors influencing the buying behavior in working females consumers.
2. To study and examine the effect of these factors on the selection of retail format.

4. Significance of the Study

Gender identity can be explained as to which degree a man or woman identifies with masculine and feminine behaviour traits. Gender differences refer to differences in their responsibilities, roles and privileges of men and women which make them behave differently to all stimuli offered by marketers to their products.

When marketers know accurately the fashion involvement of affluent female consumers and their apparel purchase behavior, retailers and marketers will be able to target them better. Marketers can benefit from this information by developing pricing and promotional tactics to appeal to this market. This would further even help the retailer to know what to consider while promoting products to affluent consumers.

Sciffman, 1993 observed a noteworthy trend of female emerging as a major change, which is considered to be the most important consumer, mainly because they have joined the labour market and there is a major rise in their disposable income. Consequently they are recognized

by apparel marketers as a major sought after target market.

5. Methodology

The study is focused to study and examine the factors which influence buying habits in working women of education field. The study is based on primary data collection from the population of an education sector. The respondents are the female employees in college and university. The data is collected through a set of questionnaires which were checked earlier through a pilot study done on a group of working females employed with an education institute. Data is collected from age group of the respondent lies between 25 to 40 years. A set of questionnaire has been framed with 6 attributes on four points to observe and study the buying behavior.

The sampling method adopted for research work was simple random sampling method. The sample selected was 60 in three different age groups of 25-30 yrs,

30-35yrs and 35-40yrs. The data collection method was based on questionnaire.

The respondents have been observed from two colleges and two Universities.

6. Analysis and Interpretation of Results

A good marketing strategy is one which gives marketers a good understanding on consumer's insight. Study was conducted with females in three age groups of 30-35 years, 35-40 years and 25-30 years.

6.1 The first element for study was to know the frequency to go for shopping. The Observation as conducted on female between age group of 30 years to 35 years, 35 % females agreed on going to shopping weekly, whereas, maximum women preferred to shop only once in a month. Percentage of such women was 41%. However, the category who selected the option to go for shopping once in three months and fortnightly were only 11%.

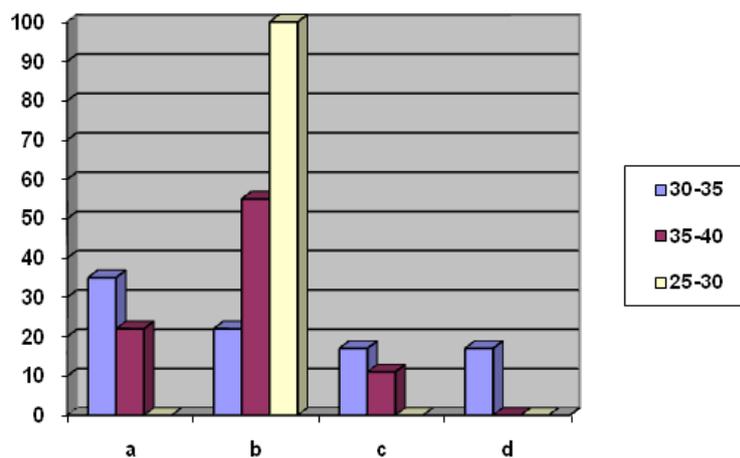


Fig.6.1 Frequency of the act shopping behavior (a. weekly, b. monthly, c. fortnightly, d. quarterly)

However, only 22% women were there in the category of 35 to 40 years responded to the same question as they prefer to shop weekly, 55% females preferred to shop monthly and 11% females preferred to shop in fifteen days, whereas, none preferred to shop once in three months. 100% women in the age group 25- 30 years responded that they do shopping only once in a month.

6.2 Where do you take information to decide upon the destination of shopping?

Same three different age groups were taken opinion for the selection of shopping place. 41% in the age group of 25 years to 30 years, collected information from friends, relatives, hoardings and neighbours and 17% gained information through print media. Similarly 11% got to know through electronic media and only 5% collect information through internet.

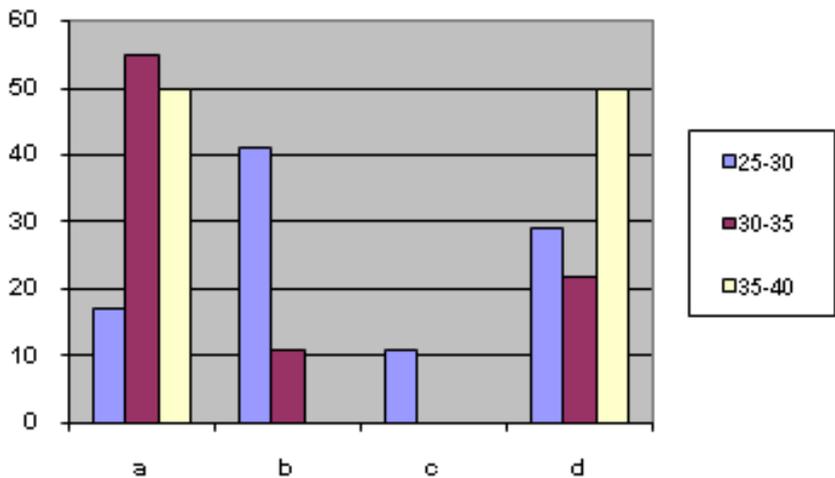


Fig.6.2 Selection for place (a. Print media, b. Outdoor media, c. Electronic media, d. Internet)

However, 55% of the females of age group between 30 to 35 years selected shopping place by knowing through print media and 22% consulted internet for

this information. None of the female’s trusted electronic media and only 11% consulted friends and relatives. On the contrary, response to internet and print media is on equilibrium in the females of age group 35 to 40 years.

6.3 Where do you go for shopping?

When the women of each of three age category were questioned, maximum preferred to go for shopping to Mall due

to availability of multi brands and product variety. None of the women selected the option of local un organized market. This clearly indicates that habit of shopping has drastically changed in working women inclining them towards more comfortable places of shopping and to places where they get options for varied product and also get the feel, touch of the product and receive the factor of comparison.

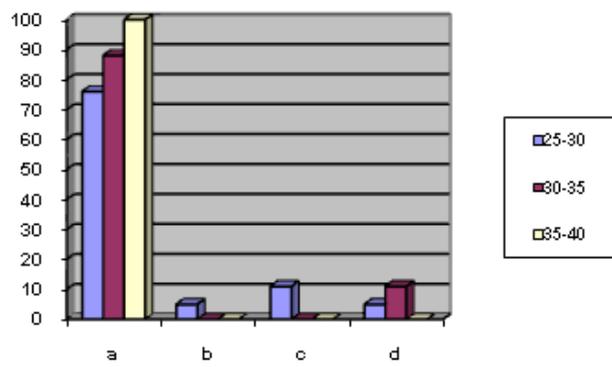


Fig.6.3 Selection of place for shopping (Mall, Specialty store, Local market, internet)

6.4 Preference of retail format

Maximum of the women in all age groups like the retail format which offers them fun, sales offer and good presentation of products. Whereas, women of age group 30-years to 35 years preferred to go to places with sales offers.

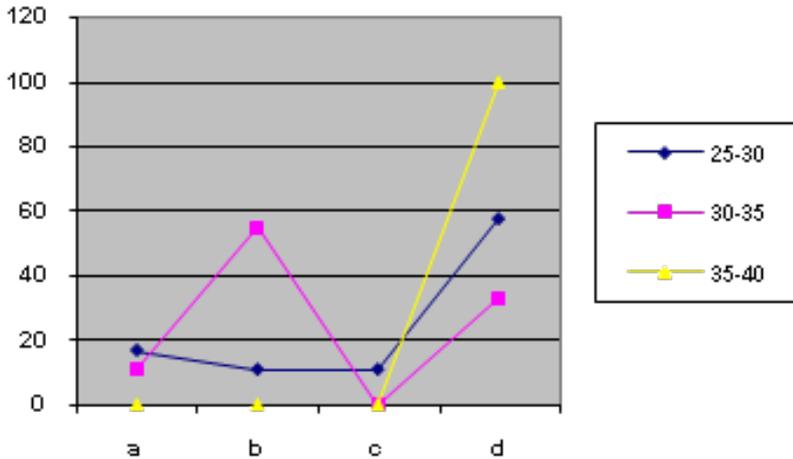


Fig.6.4 Selection of retail format (shopping with fun, sales offers, store display, all)

6.5 Apparel type preference

This category reflected varied options. The taste of apparel type selection differ with age group as 29% of women in age group 25 years to 30 prefers to buy branded western garment for occasions, whereas, 44% females of age group between 30 years to 35 years rated branded garment in any group ethnic or western. However, women of age group 35 years to 40 years preferred branded western garments.

6.6 Reason for shopping

An interesting figure revealed for the reasons women go for shopping and maximum women of age group 35- 40 years has chosen the option of “shopping as stress release factor” and to add latest apparel in the wardrobe, whereas, women of age group 30 -35 years shop to release stress, to add apparel and to fulfill the need of occasion. However, for the women of age group 25 to 30 years, shopping is a stress releasing activity.

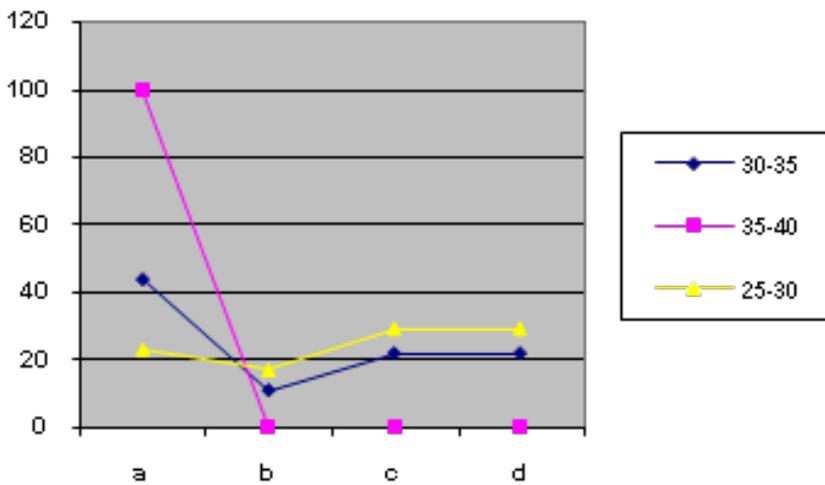


Fig.6.5 Selection of Apparel type (Branded western and ethnic)

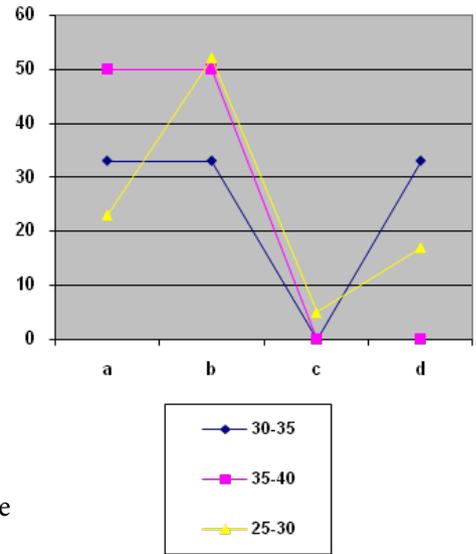


Fig. 6.6 Reason for shopping (stress releasing, fun activity, to add latest apparel, to maintain profile status)

Recommendations

As calculated by taking the mean of values for each question, and values as obtained from the respondents of all three age groups. Recommendations are as shown in the graph.

The data analysis on the shopping behavior of working women, in spite of the age factor maximum of the female prefer to shop monthly and they trust to receive information from either print media or internet for the selection of place for shopping. For them shopping is a stress releasing activity and they prefer to select a retail format which provide them good display, sales offers and fun with shopping. Now, they are more likely to add branded western garment instead of tailored garments and they do so to add new apparels in their wardrobe.

Marketers now take the consideration of all these factors while designing the layout for

interior display of the store for women apparels in order to bind them to a particular shop and to take maximum gain out of the product with short time span.

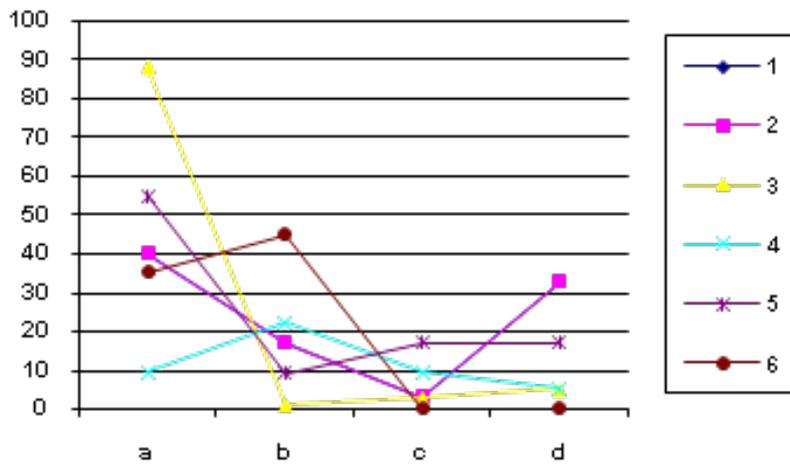


Fig. 6.7 Recommendations for shopping behaviour

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Cash Conversion Cycle and Organisation's Profitability - An Empirical Study of Indian Auto Sector

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Abstract

Working capital is a financial metric which represents operating liquidity. Working Capital Management also directly impacts firms' profitability (DeLoof, 2000). In the current turbulent times, it becomes imperative for the organisations to manage WC efficiently. Cash Conversion Cycle – the time lag between the payments made for the purchase of raw material and collection received from sales is an important measure of WCM. Shorter the time lag, lesser is the financing requirement of working capital.

In the light of this statement, certain industries strategize their bargaining power (Porter, 1985) and reduce cash conversion cycle. This paper investigates the creative strategies envisaged and implemented by Auto industry in managing WC efficiently. We have used a sample of 10 auto companies which also form a part of BSE Auto sector index, listed in Bombay Stock Exchange (BSE). Time period of the study has been kept at five years (FY 2007-12), increasing the number of observations as 50. .

The purpose of this paper is to establish a relationship that is statistical significant between profitability, the cash conversion cycle and its components for listed Auto firms in the BSE. The results of the research will explain that there is statistical significance between profitability, measured through net operating profit, and the cash conversion cycle.

Keywords Corporate Finance, Strategic Working Capital Management, Profitability, Cash Conversion Cycle.

Introduction

The ultimate objective of any firm is to maximize the profit. But, preserving liquidity of the firm is an important objective too. The problem is that increasing profits at the cost of liquidity can bring serious problems to the firm. Therefore, there must be a tradeoff between these two objectives of the firms. One objective should not be at cost of the other because both have their importance. If we do not care about profit, we cannot survive for a longer period. On the other hand, if we do not care about liquidity, firms may face the problem of insolvency or bankruptcy. Working capital

management involves the decision of the amount and composition of current assets and the financing of these assets. Current assets include all those assets that in the normal course of business return to the form of cash within a short period of time, ordinarily within a year and such temporary investment as may be readily converted into cash upon need. The Working Capital Management of a firm in part affects its profitability.

Delaying payments to suppliers allows a firm to assess the quality of bought products, and can be an inexpensive and flexible source of financing for the firm. On the other hand, late payment of

invoices can be very costly if the firm is offered a discount for early payment. A popular measure of Working Capital Management (WCM) is the cash conversion cycle, i.e. the time lag between the expenditure for the purchases of raw materials and the collection of sales of finished goods. The longer this time lag, the larger the investment in working capital.

A longer cash conversion cycle might increase profitability because it leads to higher sales. However, corporate profitability might also decrease with the cash conversion cycle, if the costs of higher investment in working capital rise faster than the benefits of holding more inventories and/or granting

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more trade credit to customers. This discussion of the importance of working capital management, its different components and its effects on profitability leads us to the problem statement which needs analysis.

Literature Review

The following studies provide with the background required for analysis of working capital management and its components and their further interactions.

- The standard measure for working capital management is the cash conversion cycle (CCC). Cash conversion period reflects the time span between disbursement and collection of cash. It is measured by estimating the inventory conversion period and the receivable conversion period, less the payables conversion period (Deloof, 2003), (Lazaridis and Tryfonidis, 2006), (Wongthatsanekorn, 2010), (Dong and Su 2002).
- Working capital management is a very important component of corporate finance because it directly affects the liquidity and profitability of the company. It deals with current assets and current liabilities. Working capital management is important due to many reasons. For one thing, the current assets of a typical manufacturing firm accounts for over half of its total assets. For a distribution company, they account for even more. Excessive levels of current assets can easily result in a firm's realizing a substandard return on investment. However firms with too few current assets may incur shortages and difficulties in maintaining smooth operations (Horne and Wachowicz, 2000).
- Shin and Soenen (2008) used net-trade cycle (NTC) as a measure of working capital management. NTC is the cash conversion cycle (CCC) where all three components are expressed as a percentage of sales. NTC maybe a proxy for additional working capital needs as a function of the projected sales growth. They examined this relationship by using correlation and regression analysis, by industry and working capital intensity. They found a strong negative relationship between the length of the firm's net-trade cycle and its profitability.
- Raheman and Nasr (2006) studied the effect of different variables of working capital management including average collection period, inventory turnover in days, average payment period, cash conversion cycle, and current ratio on the net operating profitability of Pakistani firms. They selected a sample of 94 Pakistani firms listed on Karachi Stock Exchange for a period of six years from 1999 - 2004 and found a strong negative relationship between variables of working capital management and profitability of the firm. They found that as the cash conversion cycle increases, it leads to decreasing profitability of the firm and managers can create a positive value for the shareholders by reducing the cash conversion cycle to a possible minimum level.
- Uyar (2009) purpose of research was to set industry benchmarks for cash conversion cycle (CCC) of merchandising and manufacturing companies and to examine the relationship between the length of the CCC and the size of the firms, and the length of the CCC and profitability. The data was collected from the financial statements of the corporations listed on the Istanbul Stock Exchange (ISE) for the year 2007.
- Padachi (2005) examined through regression that high investment in inventories and receivables is associated with lower profitability. An analysis of the liquidity, profitability and operational efficiency of the five industries shows significant changes and how best practices have contributed to performance.
- Eljelly (2004) elucidated that efficient liquidity management involves planning and controlling current assets and current liabilities in such a manner that eliminates the risk of inability to meet short-term obligations and avoids excessive investment in these assets. The relation between profitability and liquidity was examined, as measured by current ratio and cash gap (cash conversion cycle) on a sample of joint stock companies in Saudi Arabia using correlation and regression analysis. The study found that the cash conversion cycle was of more importance as a measure of liquidity than the current ratio that affects profitability.
- Ghosh and Maji (2003) examined

the efficiency of working capital management of the Indian cement companies during 1992 – 1993 to 2001 – 2002. For measuring the efficiency of working capital management, performance, utilization, and overall efficiency indices were calculated instead of using some common working capital management ratios. Deloof (2003) discussed that most firms had a large amount of cash invested in working capital. Hence, the way in which working capital is managed will have a significant impact on profitability of those firms. Managers could create value for their shareholders by reducing the number of day's Accounts receivable and inventories to a reasonable minimum.

- Firms may have an optimal level of working capital that maximizes their value. Large inventory and a generous trade credit policy may lead to high sales. Larger inventory reduces the risk of a stock-out. Trade credit may stimulate sales because it allows customers to assess product quality before paying (Long, Maltiz and Ravid, 1993, and Deloof and Jegers, 1996). Another component of working capital is accounts payable.

Research Methodology

The purpose of this paper is to establish a relationship that is statistical significant between profitability, the cash conversion cycle and its components for listed Auto firms in the BSE. We have used a sample of 10 auto companies which also form a part of BSE Auto sector index, listed in Bombay Stock Exchange

(BSE). Time period of the study has been kept at five years (FY 2007-12), increasing the number of observations as 50.

The objectives of the study are –

- To establish a relationship between the length of Cash Conversion Cycle and profitability over a period of five years (FY 2007-12) for 10 Indian Auto sector companies listed in Bombay Stock Exchange.
- To find out the effects of different components of working capital management on profitability
- To find out the relationship between debt used by the An Indian firm and its profitability

Data Set & Sample

The financial statements of the 10 auto sector companies used in this study were collected from Bombay Stock Exchange (BSE) website. The companies used in analysis are – Tata Motors, Bharat Forge, Maruti Suzuki, Mahindra and Mahindra, Hero MotoCorp, Bosch, Cummins India, Exide Industries, Ashok Leyland and Bajaj Auto. The financial statements of FY 2007-12 have been used for analysis. The reason for restricting to this period was that the latest data for investigation was available for this period. Finally, the firms with data of the number of day's accounts receivable, number of days inventories, number of days

accounts payable and net operating income are included in sample.

Hypotheses Testing

Since the objective of this study is to examine the relationship between profitability and working capital management, the study makes a set of testable hypothesis {the Null Hypotheses H₀ versus the Alternative ones H₁}.

Hypothesis

The hypothesis of this study is as follows:

H₀₁: There is no relationship between length of cash conversion cycle and profitability of Indian Auto sector companies.

H₁₁: There is a possible positive relationship between length of cash conversion cycle and profitability of Indian Auto sector companies. Firms with shorter cash conversion cycle pose high level of profitability and vice versa.

Descriptive Analysis

Table 1 presents descriptive statistics for 10 Indian Auto Sector companies for a period of five years from 2007 to 2012 and for a total 50 observations. The mean value of net operating profitability is 20.32% of total assets, and standard deviation is 13.98%. It means that value of the profitability can deviate from mean to both sides by 13.98%.

Table 1 – Descriptive Statistics of Indian Auto Sector Companies for FY 2007-12
10 firms – 50 observations

	N	Minimum	Maximum	Mean	Standard Deviation
Net Operating Profitability (as a % of Total Assets)	50	0.0313	0.6379	0.2032	0.1398
Average Accounts Receivable	50	2.43	81.35	29.04	19.80
Average Accounts Payable	50	0	467.60	73.74	99.34
Inventory Turnover	50	11.26	99.64	44.41	24.80
Cash Conversion Cycle	50	(308.70)	133.71	2.58	92.01

Source – Calculations based on published annual reports of firms from FY 2007-12.

The cash conversion cycle has been used for measuring working capital management of the Indian Auto Sector. Average cash conversion cycle is just 2.5 days with a standard deviation as 92 days which signifies a deviation of 92 days on either side of mean.

Average Accounts Receivable or the time within with the firms receive cash payment against credit sale is 29 days with the standard deviation of 19.80 days. Minimum time taken by a company to collect cash from receivables is 2.43 day while the maximum time for this purpose is 81.35 days. It takes an average 44.41 days to sell inventory with standard deviation of 24.80 days. Here, maximum time taken by a company is 99.64 days. Firms wait an average 73.74 days to pay their purchases with standard deviation of 99.34 days. Here, minimum time taken by a company is 0 day which is unusual, and maximum time taken for this purpose is 467.60 days.

Quantitative Analysis

Pearson’s correlation coefficient has been used to measure the degree of association between different variables under consideration. The important variables considered for evaluation are the different components of the gross operating cycle, namely, Accounts Receivable (in days), Accounts Payable (in days), Inventory turnover (in days) and Cash Conversion Cycle. The genesis is that well managed operating cycle will have a positive impact of the firm’s Net Operating Profitability (as a % of Total Assets). As multiple variables are influence working capital management, crucial factors have been identified.

Table 2 presents Pearson correlation coefficients for all variables considered.

	Net Operating Profitability (as a % of Total Assets)	Accounts Receivable	Accounts Payable	Inventory Turnover	Cash Conversion Cycle
Net Operating Profitability (as a % of Total Assets)	1				
Accounts Receivable	(0.30)	1			
Accounts Payable	(0.55)	0.26	1		
Inventory Turnover	(0.48)	0.75	0.45	1	
Cash Conversion Cycle	(0.37)	0.12	(0.89)	(0.08)	1

Source – Calculations based on published annual reports of firms from FY 2007-12.

Net Operating Profitability

The first variable considered in net operating Profitability (as a % of Total Assets) and Average Accounts Receivables. The result of correlation analysis shows a negative coefficient (0.30). It indicates that the average accounts receivables period increases it will have a negative impact on the profitability and vice-versa. Correlation results between Accounts payables in days and the net operating Profitability also indicate the same type of result. The correlation coefficient is (0.55). It means that the less profitable firms wait longer to pay their bills. Correlation results between inventory turnover in days and the net operating Profitability also indicate negative correlation coefficient as (0.48). This again signifies that blocking the inventory will increase the cost of holding or carrying inventory and reduce net operating profitability. Or, if the firm takes more time in selling inventory, it will adversely affect its profitability. The cash conversion cycle is a comprehensive measure of working capital management also has a negative coefficient (0.37). This signifies that the firms can improve their profitability by reducing the cash conversion cycle. By analyzing

the results we conclude that if the firm is able to reduce these time periods, then the firm is efficient in managing working capital. This efficiency will lead to increasing its profitability.

Cash Conversion Cycle

Cash Conversion Cycle is a financial metric that represents the number of days firm’s is in need of short term financial capital. Shorter the time duration, lesser will be the dependence on outside sources for meeting short-term requirements. Table 3 shows that 50% of the companies have Cash Conversion Cycle less than 15.4 days and 75% of the companies have Cash Conversion Cycle of 65.79 days. This also depicts that Indian Auto Sector companies are able to manage their short term finance requirement efficiently by delaying the payment of credit purchases.

Table 3

Minimum	(308.70)
Maximum	133.71
Mean	2.58
Standard Deviation	92.01
Quartile 1	(26.93)
Quartile 2 (Median)	15.42
Quartile 3	65.79

Source – Calculations based on published annual reports of firms from FY 2007-12.

Other Variables - Accounts Receivables, Accounts Payable, Inventory Turnover

Pearson's correlation (Table 2) also displays a significant positive relationship between the average collection period and cash conversion cycle; the correlation coefficient is 0.12. This means that if a firm takes more time to collect cash against the credit sales it will increase its operating or cash conversion cycle.

A negative relationship between accounts payable and profitability is consistent with the view that less profitable firms wait longer to pay their bills. In that case, profitability affects the account payables policy and vice versa. An alternative explanation for a negative relationship between the number of days accounts payable and profitability could be that Indian Auto Companies firms wait too long to pay their accounts payable.

The average payment period and cash conversion cycle have a negative relationship. The coefficient is -0.89 . It means that if firms take more time to pay their purchases than the time for collection and selling inventory, the cash conversion cycle will be reduced. Now, these negative relationships between Cash conversion cycle, Average collection period, Average payment period and Inventory turnover in days with the profitability of companies are consistent with the literature review and have significant effect on the profitability of company.

Conclusion

Indian Auto Sector has improved their profitability significantly by

managing their working capital efficiently. The Auto sector companies are enjoying significant bargaining power leading to longer payables time duration and shorter (even negative) cash conversion cycle. Tata Motors, Mahindra and Mahindra Bajaj Auto, Bharat Forge have negative cash conversion cycles owing to their customer's poor bargaining power and credit policies.

Regarding our hypotheses, Alternate hypothesis (H11) that there is a possible positive relationship between length of cash conversion cycle and profitability of profitability of Indian Auto sector companies is accepted and null hypothesis rejected. Firms with shorter cash conversion cycle pose high level of profitability and vice versa. The conclusions are in confirmation with (Deloof 2003), (Eljelly 2004), (Shin and Soenan 1998), (Lazaridis and Tryfonidis, 2006), (Wongthatsanekorn, 2010), (Dong and Su 2002) who found a strong negative relationship between the measures of working capital management including the average collection period, inventory turnover in days, average payment period and cash conversion cycle with corporate profitability. The scope of further research may be extended to the working capital components management including cash, marketable securities, receivables and inventory management.

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Impact of Human Resource Accounting on Employee Performance in Indian Nationalized Banks

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Abstract

This research paper explores the importance of Human Resource Accounting on Employee Performance in Indian nationalized banks. Human Resource Accounting (HRA) involves accounting for expenditures related to human resources as assets, as opposed to traditional accounting which treats these costs as expenses that reduce profit. Interest and contributions to growth in HRA have been evident in a number of countries. HRA has three main roles i.e. to provide organizations with objective information about the cost and value of human resources, provide a framework to guide human resource decision-making and to motivate decision-makers to adopt a human resources perspective. Despite the strong research interest in the area, human resource accounting did not gain wide acceptance in practice for a variety of reasons. There are a few banks, however, that do recognize the value of their human resources, and furnish the related information in their annual reports. In India, some of the banks are State Bank of India, Indian overseas, Bank of Baroda, UCO Bank, Punjab National Bank and Oriental Bank of commerce. The concept of HRA is developing at a fast pace and in coming years it would be widely practiced among banking and non banking organizations

Keywords Human Resource Accounting; Recruitment Cost; Training Cost; Compensation Cost; Performance Appraisal Cost.

Introduction

The American Accounting Association's Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as "the process of identifying and measuring data about human resources and communicating this information to interested parties". HRA, thus, not only involves measurement of all the costs/ investments associated with the recruitment, placement, training and development of employees, but also the quantification of the economic value of the people in an organization. As far as the statutory requirements go, the Companies Act, 1956 does not

demand furnishing of HRA related information in the financial statements of the companies. The Institute of Chartered Accountants of India too, has not been able to bring any definitive standard or measurement in the reporting of human resources costs. While qualitative pronouncements regarding the importance of Human Resources is often made by the chairmen, in the AGM, quantitative information about their contribution is rarely recorded or communicated. There are a few banks, however, that do recognize the value of their human resources, and furnish the related information in their annual reports.

Need of Human Resource Accounting

HRA serves the following purposes in an organization (i) It furnishes cost/value information for making management decisions about acquiring, allocating, developing, and maintaining human resources in order to attain cost-effectiveness; (ii) It allows management personnel to monitor effectively the use of human resources. (iii) It provides a sound and effective basis of human asset control, that is, whether the asset is appreciated, depleted or conserved; (iv) It helps in the development of management principles by classifying the financial consequences of various practices.

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Basically, HRA is a management tool which is designed to assist senior management in understanding the long term cost and benefit implications of their HR decisions so that better business decisions can be taken. If such accounting is not done, then the management runs the risk of taking decisions that may improve profits in the short run but may also have severe repercussions in future. For example, very often banks hire young people from outside on very high salaries because of an immediate business requirement. Later on, however, they find that the de-motivating impact of this move on the existing experienced staff has caused immense long term harm by reducing their productivity and by creating salary distortions across the organizational structure.

In addition to facilitating internal decision making processes, HRA also enables critical external decision makers, especially the investors in making realistic investment decisions. Investors make investment decisions based on the total worth of the organization. HRA provides the investors with a more complete and accurate account of the organization's total worth, and therefore, enables better investment decisions.

Literature Review

James A. Craft and Jacob G. Birnberc (2001). Current interest in HRA can be traced directly to the influence of Rensis Likert, former director of the Institute for Social Research at the University of Michigan. He concludes that only by improving intervening variables

such as employee attitudes, morale, loyalties, and motivation can long-run successful performance be obtained. Realistically, however, Likert recognizes that "so long as no quantitative surveillance is maintained over a firm's human assets..." managers would only have limited incentive to devote the time and resources necessary to develop these. He proposes a system of accounting for human resources by estimating the value of a firm's human assets and monitoring changes in their value. Such a system would involve the rigorous measures of causal variables (e.g., leadership style, organizational climate) and intervening variables (e.g., attitudes, motivation). These measurements at regular intervals would indicate changes in human organizational characteristics, which can influence the organization's operating efficiency. This, in turn, could result in changes in the organization's end result variables, profitability, and effectiveness.

R. Parameswaran and K. Jothi (March 2004). The concept of human resource accounting can be basically examined from two dimensions: (i) the investment in human resources; and (ii) the value of human resources. The expenditure incurred for creating, increasing, and updating the human resource quality is known as investment in human resources. Such investment yields fruitful results like higher productivity and higher income to the organization. The yield that the investment in human resources generates will be considered as the basis of human resource value.

Shraddha Verma and Philip Dewe (2004). Contrary to the dominant image of human resource accounting as "putting people on the balance sheet", the aim of HRA was wider. In fact, as outlined by Flamholz (1999), HRA had three main roles: to provide organizations with objective information about the cost and value of human resources, to provide a framework to guide human resource decision-making and to motivate decision-makers to adopt a human resources perspective. Despite the strong research interest in the area, human resource accounting did not gain wide acceptance in practice for a variety of reasons. These included questions as to whether it was appropriate to quantify people, whether people qualified as assets in accounting terms, and a lack of consensus on how to measure human resources in practice. Recently, there has been recognition that the focus within human resource accounting needs to be on the value or worth of human resources rather than upon the cost of human resources. In addition, human resources need to be measured in terms of their strategic management potential, expressed through such concepts as human value management and human resource expense models.

Raunak Narayan (2010). In order to estimate and project the worth of the human capital, it is necessary that some method of quantifying the worth of the knowledge, motivation, skill, and contribution of the human elements as well as that of organizational processes, like recruitment, selection, training, etc which are used to

build and support these human aspects, is properly developed. HRA denotes this process of quantification/ measurement of Human Resources. The physical assets like land, building, plant and machinery are recorded in the books of accounts at their purchase price. Now, depreciation on these assets is considered as the cost for the particular year and debited to profit and loss accounts and the remaining balance is shown in the balance sheet as written down value of the assets. Hence, on similar lines the human resources should also be evaluated, recorded in the books, operated and disclosed in the financial statements. In this paper the author has elaborately discussed about the objectives and process of HRA in the Indian context. The basic objective of the paper is to study the Human Resources Accounting practices, to identify the issues and challenges, to examine these issues and challenges and lastly, to give suggestions based on the findings of the study.

Shalini Sharma and R.K. Shukla (2010). The past few decades have witnessed a global transition from manufacturing to service based economies. Human elements are becoming more important input for the success of any corporate enterprise. It helps the management to frame policies for human resources. Human resource accounting (HRA) is a process of identifying and measuring data about human resources. It means accounting for people as an organizational resource. It involves measuring the cost incurred by an organization to recruit, select, hire, train and

develop human assets and also involves measuring the economic value of people in the organization. It is concerned with measurement of cost and value of people in the organization. In every business concern physical assets as well as human resources are required for its success. Physical assets like plants, machinery, building etc. are unproductive without human resources. Thus, human resource accounting provides quantitative information about the value of human assets, which helps the top management to take decisions regarding the adequacy of human resources

Data And Research Methodology

Research Objectives. Besides studying the overall impact of human resource accounting on employee performance, the impact of individual parameters of human resource accounting such as recruitment cost, training cost, compensation cost and performance appraisal cost on employee performance was also studied. The objectives of the study are as under:-

- To study the overall impact of Human Resource accounting on Employee Performance.
- To study the impact of Recruitment Cost on Employee Performance
- To study the impact of Training Cost on Employee Performance
- To study the impact of Compensation Cost on Employee Performance
- To study the impact of Performance Appraisal cost on Employee Performance

3.2 Hypothesis. Five hypotheses were created as under:

- a) H0: Human Resource accounting has no impact on Employee performance.
H1: Human Resource accounting has an impact on Employee performance.
- b) H0: Recruitment Cost has no impact on Employee performance.
H1: Recruitment Cost has an impact on Employee performance.
- c) H0: Training Cost has no impact on Employee performance.
H1: Training Cost has an impact on Employee performance.
- d) H0: Compensation Cost has no impact on Employee performance.
H1: Compensation Cost has an impact on Employee performance.
- e) H0: Performance Appraisal Cost has no impact on Employee performance.
H1: Performance Appraisal Cost has an impact on Employee performance.

Data Collection

Two banks i.e. State Bank of Indi and Punjab National Bank have been studied. There were 100 respondents from each bank who were asked to fill two survey questionnaires, one for employee performance and another for evaluation of human resource accounting done by the bank. The participants were chosen on the basis of convenience sampling technique. The participants included managerial level employees as well as executive level employees.

The questionnaires were prepared using Likert scale with 12 items in employee performance

questionnaire and 22 items in Human Resource Accounting Questionnaire and the data was analyzed using Statistical Package for the Social Sciences (SPSS) version 19.0. The geographical area covered was Delhi and NCR

Results & Discussions

The ANOVA, correlation and Regression analysis has been done

Table 1

ANOVA Table Of Overall Analysis

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	24.136	1	24.136	359.813	0.000
	Residual	6.574	98	.067		
	Total	30.709	99			
a. Predictors: (Constant), HUMAN RESOURCE ACCOUNTING						
b. Dependent Variable: EMPLOYEE PERFORMANCE						

The correlation analysis as per Table 2 indicates that there is a strong positive relationship between HRA and employee relationship. (r =0.887)

Table 2

Correlation Table of Overall Analysis

Correlations			
		Human Resource Accounting	Employee Performance
Human Resource Accounting	Pearson Correlation	1	.887**
	Sig. (2-tailed)		.000
	N	100	100
Employee Performance	Pearson Correlation	.887**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Table 3

Regression Table of Overall Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.275	.139		-1.981	.050	-.550	.001
HUMAN RESOURCE ACCOUNTING	.794	.042	.887	18.969	.000	.711	.877
a. Dependent Variable: EMPLOYEE PERFORMANCE							

The regression analysis is carried out by assuming employee performance as dependent variable and human resource accounting as independent variable. Regression analysis in Table 3 indicates that if there is 1% change in human resource accounting then there will be 79.4% change in employee performance.

to confirm if any relationship exists between human resource accounting and employee performance. The ANOVA as per table 1 depicts that there is statistically significant relationship between HRA and employee performance. (Significance value 0.000 < 0.05)

The above analysis indicates that there is a strong and positive relationship between human resource accounting and employee performance .The extent of the relationship is such that if human resource accounting increases by 1% it would cause an increase of 79.4% in employee performance. Parameter wise Analysis Recruitment Cost Analysis

Table 4

Correlation Table for Recruitment Cost Analysis

		Job Performance	Recruitment Cost
Employee Performance	Pearson Correlation	1	.872**
	Sig. (2-tailed)		.000
	N	100	100
Recruitment Cost	Pearson Correlation	.872**	1
	Sig. (2-tailed)	.000	
	N	100	100

Explanation: The value of Pearson Correlation is 0.872 which depicts that there is very high correlation between recruitment cost and employee performance.

Training Cost Analysis

Table 5

Correlation Table for Training Cost Analysis

		Employee Performance	Training Cost
Employee Performance	Pearson Correlation	1	.909**
	Sig. (2-tailed)		.000
	N	100	100
Training Cost	Pearson Correlation	.909**	1
	Sig. (2-tailed)	.000	
	N	100	100

Explanation: The value of Pearson Correlation is 0.909 which depicts that there is very high correlation between training cost and employee performance.

Compensation Cost Analysis

Table 6
Correlation Table for Compensation Cost Analysis

		Employee Performance	Compensation Cost
Employee Performance	Pearson Correlation	1	.890**
	Sig. (2-tailed)		.000
	N	100	100
Compensation Cost	Pearson Correlation	.890**	1
	Sig. (2-tailed)	.000	
	N	100	100

Explanation The value of Pearson Correlation is 0.890 which depicts that there is very high correlation between Compensation and employee performance.

Performance Appraisal Cost Analysis

Table 7
Correlation Table for Performance Appraisal Cost Analysis

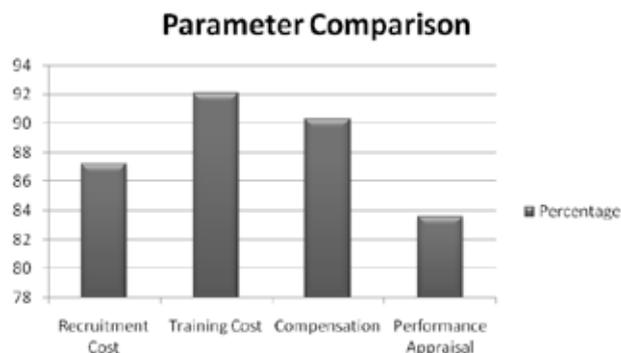
Correlations			
		Employee Performance	Performance Appraisal Cost
Employee Performance	Pearson Correlation	1	.840**
	Sig. (2-tailed)		.000
	N	100	100
Performance Appraisal Cost	Pearson Correlation	.840**	1
	Sig. (2-tailed)	.000	
	N	100	100

Explanation The value of Pearson Correlation is 0.840 which depicts that there is high correlation between performance appraisal and employee performance.

Comparative Analysis

Figure 1

Parameter Comparisons



Explanation From the above graph it can be concluded that Training Cost Accounting has the highest impact on the Employee performance followed by Compensation Accounting then Recruitment cost Accounting. Performance appraisal Accounting has the least impact on employee Performance

Overall Findings. Based on the analysis it has been found that that there is a strong and positive relationship between human resource accounting and employee performance in both SBI and Punjab National Bank. It has been revealed that all the parameters of human resource accounting like recruitment cost, training cost, compensation cost and performance appraisal cost all have a strong correlation and impact on employee performance

Conclusion

Human resource accounting provides quantitative information about the value of human assets, which helps the top management to take decisions regarding the adequacy of human resources. Quantitative data on the human asset has an impact on the decisions of the investors, clients, and potential staff of the company. When proper valuation and accounting of the human resources is not done then the management may not be able to recognize its negative effects. If not recognized on time, this could lead to a fall in productivity levels, high turnover rate and low morale of existing employees and thus manifest in low interest of employee towards their work leading to low employee performance. Both the banks

SBI and PNB have realized the importance of human resource accounting and its impact on employee performance and have prepared their systems and processes in a manner which can ascertain and calculate the employee performance based on human resource accounting parameters

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Survey on leadership style of managers pertaining to interpersonal skills and human behaviour

V.Lalitha

Abstract

Today's manager performs in a very complex business environment and is affected by fast changing economic conditions. Along with external business environment conditions, he/she is more affected by the internal business environment such as multi-cultural organisation, diversity and horizontal & vertical reporting hierarchy spread across time zones. Managers have to perform many roles in an organisation and how they handle various situations will depend upon their leadership style. The leadership style also may reflect the adaptability of the manager to the complicated business structure.

A manager's personal style of managing is considered to be of significance, both for the organisation and also the people working under him/her. How are you managing people or teams in your organisation? Are you empowering them? Are you yelling at them? Are you coaching and supporting them? The managers interpersonal skills shows to a major extent as to his chances of becoming a good leader. A leader's personality can be recognised by his desire to achieve goals, his attitude towards seeking fresh approaches to problems, his/her intense working relationships and ethical & moral values.

This behavioural research is based on German-American Psychologist Kurt Zadek Lewin's (1890-1947) research on leadership styles viz Autocratic, Participative and Laizez-faire. It uses the survey questionnaire method to categorise manager's leadership traits into the three identified styles by Kurt Lewin. Managers were questioned on different aspects of "leader-member relations" i.e the quality of interpersonal relationships among a leader and group members (Nelson, Quick, Khandelwal 2011) to assess the managers leadership styles.

While leadership itself can be categorised as formal and informal leadership, wherein the formal is based on officially sanctioned formal position and informal is based on followership in an organisation. This assessment is about formal position leadership and the data also based on the same. Individual leadership styles have been assessed and analysis has been written keeping in consideration the industry in which the manager is working. A conclusion about which out of the three above mentioned styles are more prevalent in today's scenario has also been researched and presented.

Keywords Human Resource Accounting; Recruitment Cost; Training Cost; Compensation Cost; Performance Appraisal Cost.

Introduction

There is no universal definition of leadership and the qualities of the leadership varies in many facets such as traits, influence, occupation and administrative position. Leadership skills also emerge from experiences and different experiences sharpen

different leadership skills" [There are] almost as many definitions of leadership as there are persons who have attempted to define the concept." - Stogdill (1974, p.259). Leadership is a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking

effective action to realize your own leadership potential." - Warren Bennis. The US Army defines leadership as influencing people by providing purpose, direction and motivation, while operating to accomplish the mission and improve the organisation (AR 600-100, 2007)

With the opening up of many industries due to the reforms of 1991, India is now a major trade hub for south-east Asian region. As a developing country, India is an attractive investment destination, has many multi-national and trans-national organisation which have set up full-fledged business operations in this country.

In this scenario, the requirement of managers who can manage the business operations in a globalised environment has become a necessity. The last 22 years of Indian economy have seen the development of many young entrepreneurs and managers. This has further led to managers adopting a multitude of leadership styles to deal with new situations that a globalised environment throws at them. The determining factors of leadership styles are behaviour and traits, while behaviour changes with time, trait is considered genetic and impossible to change. Apart from this the organisational culture also influences the leadership style.

The managers/respondents are from a wide range of industries and can be considered to represent the globalised scenario or to be more specific the current business environment which is relevant for this study. The study in other words, is not to clarify the degree of the changing business environment affecting the leadership styles.

This behavioural research has selected managers from across various industries to determine the leadership styles of individual managers. The objective of this research is to analyse the mix of leadership styles in managers. Can authoritative style co-exist with

democratic? Can Laissez-faire (free reign/delegate) co-exist with authoritative style? Can there be extreme form of a particular style be found in an individual manager?

Leadership- The Concept

Interest in leadership increased during the early part of the twentieth century. In the beginning, leadership theories focused on what qualities distinguished between leaders and followers, while later the theories considered other variables such as situational factors and skill levels. While many different leadership theories have emerged, most can be classified as one of four major types:

There Are Four Major Leadership Theories

1. The early Trait Theories of Leadership
2. Behavioural Theories
 - a. Lewin, Lippert and White
 - b. The Ohio State Studies
 - c. The Michigan Studies
3. Contingency Theories
 - a. Fielder's Contingency Theories
 - b. Path-Goal Theory
 - c. The Situational Leadership Model
4. Recent Leadership Theories
 - a. Inspirational Leadership-Transactional & Transformational
 - b. Leader-Member Exchange

This study based on the Behavioural theory and specifically of Lewin's identified styles of Authoritative, Democratic and Laissez Faire and hence the same has been dealt with in detail. These three styles even today are considered to be the basic styles of leadership and influences the leadership style of the manager to a great extent and hence has been adopted by the researcher

The early Trait Theories of leadership attempted to identify what physical attributes, personality characteristics and abilities distinguished leaders from other members of a group. (Nelson, Quick, Khandelwal, 2009). Scholars taking the trait approach attempted to identify physiological (appearance, height, weight), demographic (age, education and socio-economic background), intellectual (intelligence, judgement, decisiveness and knowledge), task related (achievement drive, initiative and persistence) and social characteristics (sociability and co-cooperativeness), overall personality and self-confidence with leader emergence and leader effectiveness. According to this theory successful leaders have distinctive traits that are different from less effective leaders. Traits have universal applicability, however it gives rise to questions as to whether leaders are born or made. Whether traits can be developed by managers over a period of time for example, is a person born with self-confidence, a parameter such as co-cooperativeness can appear in a person due to maturity. There has been insufficient evidence to prove the trait theories are successful and the theory failed to identify the universal, distinguishing attributes of leaders.

Behavioural Theories emerged to address the deficiencies of Trait theories and studies the behaviour of leaders. The inability to explain leadership solely by traits led researchers to look at the behaviour of specific leaders. Behavioural theories of leadership are classified as such because they focus on the study

of specific behaviours of a leader. For behavioural theorists, a leader behaviour is the best predictor of his leadership influences and as a result, is the best determinant of his or her leadership success. Researchers wondered effective leaders exhibited something unique in their behaviour. For example do leaders tend to be more democratic than autocratic?

Lewin, Lippert and White studies are the earliest research on behavioural theories. Each leader uses one of the three basic styles viz Authoritative, Democratic and Laissez-faire or a mix of styles when approaching a group of followers in a leadership situation. The researcher is categorising the situation as the interpersonal relationship based on human skills.

Background

Kurt Lewin (1890-1947) was a social psychologist whose extensive work covered studies of leadership styles and their effects, work on group decision-making, the development of force field theory, the unfreeze/change/refreeze change management model, action research, and the group dynamics approach to training, especially in the form of T-Groups.

Life and Career

The German-born Kurt Lewin was Professor of Philosophy and Psychology at Berlin University until he fled to the United States in 1932 to escape from the Nazis. There, he taught at Cornell University, and then at Iowa, becoming Professor of Child Psychology at the latter's Child Research Station. In 1944, with Douglas McGregor

and others, Lewin founded the Center for Group Dynamics at the Massachusetts Institute of Technology (now based at the University of Michigan).

Leadership Styles And Their Effects

With colleagues L. Lippert and R. White, Lewin carried out studies relating to the effects of three different leadership styles on outcomes of boys' activity groups in Iowa (1939). Three different styles were classified as autocratic, democratic and laissez-faire. It was found that in the group with an autocratic leader, there was more dissatisfaction and behaviours became either more aggressive or apathetic. In the group with a democratic leader, there was more co-operation and enjoyment, while those in the laissez-faire led group showed no particular dissatisfaction, though they were not particularly productive either.

Significantly, when the respective leaders were asked to change their styles, the effects for each leadership style remained similar. Lewin aimed to show that the democratic style achieved better results. The possibility of social and cultural influences undermines his finding to some extent, but the studies nevertheless suggested the benefits of a democratic style in an American context. They also showed that it is possible for leaders and managers to change their styles, and to be trained to improve their leadership and adopt appropriate management styles for their situation and context.

Authoritarian Leadership, also known as autocratic leaders,

provide clear expectations for what needs to be done, when it should be done, and how it should be done. There is also a clear division between the leader and the followers. Authoritarian leaders make decisions independently with little or no input from the rest of the group.

Researchers found that decision-making was less creative under authoritarian leadership. Lewin also found that it is more difficult to move from an authoritarian style to a democratic style than vice versa. Abuse of this style is usually viewed as controlling, bossy, and dictatorial.

Authoritarian leadership is best applied to situations where there is little time for group decision-making or where the leader is the most knowledgeable member of the group.

Democratic (Participative) Leadership Lewin's study found that participative leadership, also known as democratic leadership, is generally the most effective leadership style. Democratic leaders offer guidance to group members, but they also participate in the group and allow input from other group members. In Lewin's study, children in this group were less productive than the members of the authoritarian group, but their contributions were of a much higher quality.

Participative leaders encourage group members to participate, but retain the final say over the decision-making process. Group members feel engaged in the process and are more motivated and creative.

Laissez-Faire (Delegative) Leadership. Researchers found that children under delegative leadership, also known as laissez-fair leadership, were the least productive of all three groups. The children in this group also made more demands on the leader, showed little cooperation and were unable to work independently.

Delegative leaders offer little or no guidance to group members and leave decision-making up to group members. While this style can be effective in situations where group members are highly qualified in an area of expertise, it often leads to poorly defined roles and a lack of motivation.

Other Major Theories on Leadership

Contingency theories developed in the late 1960's hold that leadership effectiveness is related to the interplay of a leader's traits or behaviours or situational factors. Contingency theories of leadership focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. According to this theory, no leadership style is best in all situations. Success depends upon a number of variables, including the leadership style, qualities of the followers and aspects of the situation. Contingency theory is a class of behavioral theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation.

Transformational and Transactional leadership theories by James MacGregor Burns (1978) first introduced the concept of transforming leadership in his descriptive research on political leaders. According to Burns, transforming leadership is a process in which "leaders and followers help each other to advance to a higher level of morale and motivation". He established two concepts: "transforming leadership" and "transactional leadership". Transactional leaders are those who use rewards and punishment to strike deals with followers and shape their behaviour.

Bernard M. Bass (1985), extended the work of Burns (1978) by explaining the psychological mechanisms that underlie transforming and transactional leadership. According to Bass, transformational leadership can be defined based on the impact that it has on followers. Transformational leaders, Bass suggested, garner trust, respect and admiration from their followers. Bass suggested that leadership can simultaneously display both transformational and transactional leadership.

Interpersonal Skills

Interpersonal skills are the foundation of human relations. Inter means "between", thus interpersonal skills are between people, as are human relations. Interpersonal skill is the ability to work well with a diversity of people. How well do you work with others? People with interpersonal skills have the ability to initiate, build and maintain relationships; to see things from

the other persons point of view, and to understand and meet other people's expectations. They also have good communication and conflict resolution skills. (Lussier, 2010) Interpersonal skills are an part of vital part of Leadership skills. Below defined are some of the essential interpersonal skills required for a successful leader.

Listening Skills is the ability to accurately receive messages in the communication process. Good listening skills can lead to better communication between the leader and team members. An effective leader, has good listening skills and catches all the things he/she can learn from everyone they meet. Listening in leadership is important for another reason; to show that the leader care for other's view point.

Assertiveness

is a characterisation of how a person responds in a situation in which her position or interests are or could be in conflict with others position or interests. Various research have proved that interpersonal assertiveness up to middle range is useful and has harmful effects on teams beyond the middle range point. Getting assertiveness "right" is the prevalent challenge for leaders. (Ames Daniel, 2009)

Decision Making is the act of choosing between two or more courses of action. A leader has to accept responsibility and also delegate tasks to others. A good leader deliberately asks and encourages others to participate. She/he maintains total control of the decision because, even though

outside information is considered, the leader alone decides. In some situations, the leader may also accept consensus of majority in decision making to obtain total commitment

Problem-Solving

Relationships can fail because of poor problem solving. This applies to both personal and professional relationships. Problem-solving is closely linked to decision-making. The old adage: "A problem shared is a problem halved" is sound advice. Sharing problems with subordinates can bring about potential solutions and hence is an good skill

Verbal Communication is making clear and convincing oral presentations to individuals or groups, listening effectively and clarifying information as needed, facilitating an open exchange of ideas and fostering an atmosphere of open communication. Leaders must effectively communicate the team's role in the organisation's mission, both to the team and to others within the organization. They effectively reduce and communicate complex goals or tasks to a workable set of fundamentals so that others can understand and take necessary actions. They must help team members learn to communicate in productive ways, with each other and with other units or groups.

Non-verbal Communication include facial expressions, the tone and pitch of the voice, gestures displayed through body language (kinesics) and the physical distance between communicators (proxemics). These non-verbal

signals can give clues and additional information and meaning over and above spoken (verbal) communication. Leaders can use this constant nonverbal communication to motivate their teams and instil loyalty and confidence.

The above is a narrow list and many more skills have been identified to be a part of leadership.

Scope of Study

Leadership styles being too many types, this study is limited to analysing the styles of Authoritative, Democratic and Laissez-faire. This study also concentrates on the interpersonal and human skills of managing people or teams and hence does not include the technical knowledge or any other aspect of managerial skill.

Sampling and Data Collection

The universe of managers is an infinite one and the samples have been selected from a few range of industries. The sample size is 30 selected managers from various industries of Information Technology, Public Sector employees, Hospitality, Industrial Automation and Oil & Gas. Non-probability sampling has been used as there is an assumption that there is an even distribution of characteristics within the population. It has been assumed that Leadership styles as characteristic irrespective of location and industry will be the same.

The data required for this study has been collected from primary sources. A structured questionnaire was prepared and distributed among managers working in various industries.

Questionnaire Development

The questionnaire based on a five point Likert scale was used starting from "Strongly Disagree" and ending on "Strongly Agree" was used in questionnaire and the respondents were asked to evaluate parameters in point scale and weights were allotted to each of the scale levels.

The respondents were asked :

- To give immediate impressions as there are no right or wrong answers
- To circle what they think they "would do" and not what they "should do"
- To circle the item that most closely resembles what they would do in case there was no alternative action

Limitations

This study does not answers questions on "how" and "why" managers act in a particular manner. It cannot manipulate the behaviour of the managers involved in the research.

Findings

The questionnaire was designed to measure three common styles of leadership: authoritarian, democratic and laissez-faire in relation to interpersonal skills. By comparing scores, it was determined which styles are most dominant and least dominant over the sample unit.

Scoring Interpretation

Score range (points)	Indication towards a leadership style
26-30	Very high range
21-25	High range
16-20	Moderate range
11-15	Low range
6-10	Very low range

Table 1

Experience of Respondents

The purpose of the chart is to show the managers interviewed had work experience from lowest 8 to highest 30 years. The analysis

shows that within the sample/ respondents there was no specific or commendable relationship between work experience and leadership style.

analyse for any specific leadership style in a specific industry, hence has unequal spread of samples and the assumption is that leadership style is of the individual and not affected by industry.



Figure 1

Spread of sample units

Spread of samples over different sectors

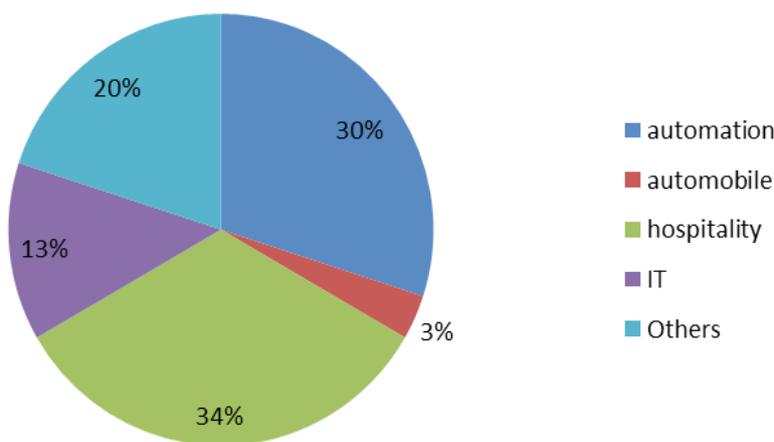


Figure 2

The sample was spread over Automobile, Automation, Hospitality, IT, Public sector, Oil & Gas, HR Consultancy and Market Research Bureau. Leadership styles are adapted to the particular demands of the situation and the particular requirements of the people involved. This study does not

Interpretation Of Leadership Styles

Democratic Leadership Style

No of Managers in the democratic category

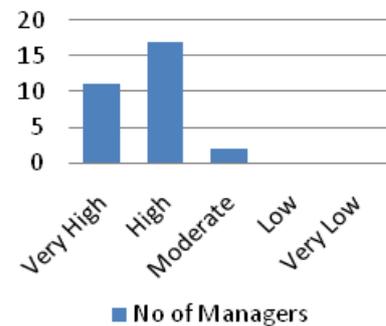


Figure 3

The above graph shows that very low and low democratic leadership styles do not exist. As seen 57% respondents have a high score in this style. Democratic style being prevalent shows a healthy work atmosphere in organisations where participation is encouraged and guidance is provided to subordinates. This leadership style is one of the most effective and creates higher productivity, better contributions from group members and increased group morale.

Laissez-Faire (Free-reign) leadership style

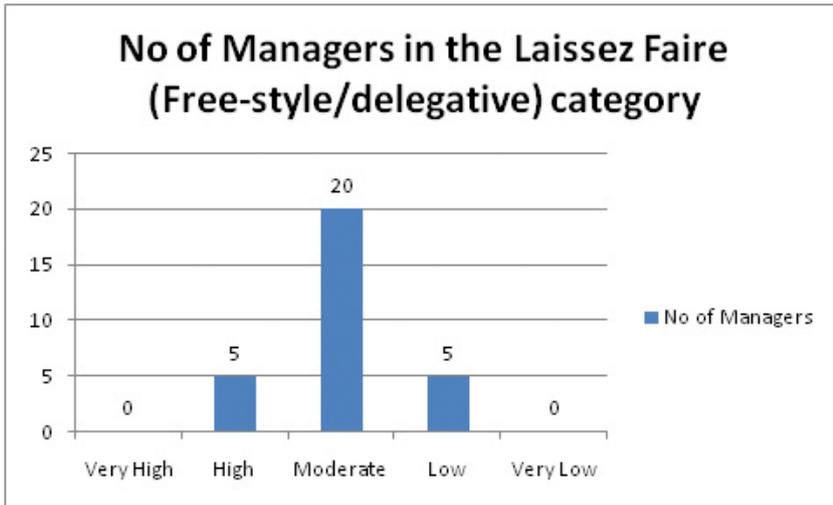


Figure 4

“As we look ahead into the next century, leaders will be those who empower others.”- Bill Gates

Managers have to delegate authority and also and empower sub-ordinates to take their own decisions. 66% of managers are favouring laissez-faire or popularly known as free-style management and it needs to noted that it is in the moderate range. This shows a balanced managerial style wherein the managers do not believe in extreme free-style and exhibit control to some extent over their teams. It is to be noted that a 100% free style of leadership does not exist as the very high range shows “zero”

Authoritative Leadership Style

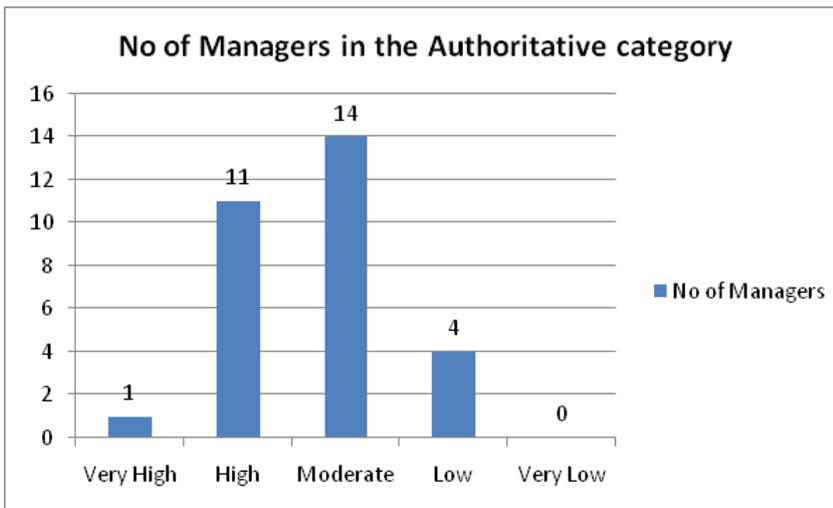


Figure 5

46% of managers fall under the category of moderately authoritative and 36% fall under the high category. This could be due to the managers belief that direct supervision is the key in maintaining a successful environment and follower-ship. In fear of followers being unproductive, authoritarian

leaders keep close supervision and feel this is necessary in order for work to be done.

Scoring Representation

Very High Range (Score 26-30 Points)



Figure 6

The above shows that 11 managers had a very high score and this shows that democratic style of leadership is predominant while working with sub-ordinates. Democratic managers encourage discussion, debates and welcome sharing of ideas so that sub-ordinates feel total involvement. Only 1 believed in authoritarian style of leadership, but the same manager also showed a very high range of democratic style. It is notable that Laissez-faire style has zero in the very high range which denotes zero free-reign style/delegation and democratic managers favour control over the sub-ordinates.

High Range (score 21-25 points)

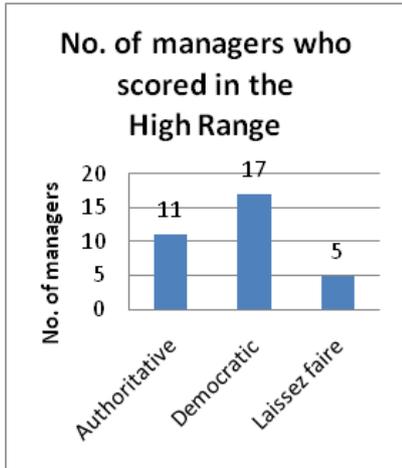


Figure 7

56% out of 30 managers fall in the high range of democratic style. It would be difficult to determine the factors to eliminate between very high range democratic and high range democratic. It can only be considered that some managers are less democratic than others.

Moderate (Score 16-20 points)

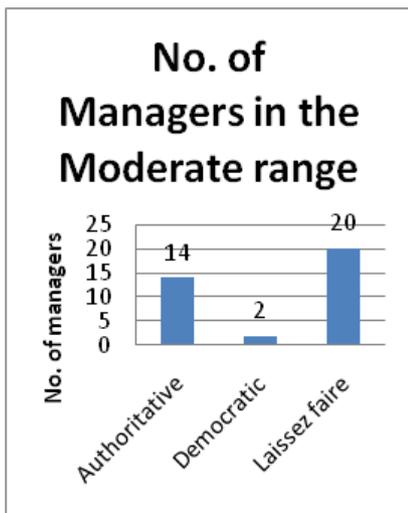


Figure 8

66% of managers out of 30 adopted a free-style or Laissez-faire style of leadership with sub-ordinates,

which shows a relationship of trust and a “hands-off” approach to a moderate extent. Laizzez Faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style implies a completely hands off approach, mainly leaders still remain open and available to group members for consultations and feedback.

Low range (Score 11-15 points)

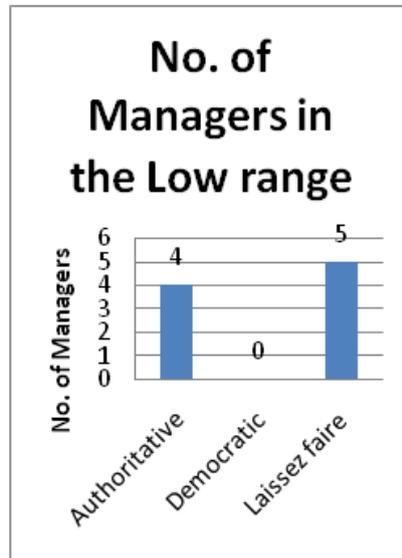


Figure 9

There were very few managers in the low range of authoritative and Laissez-faire. It is also to be noted that there are zero managers in the category of low democratic which means that extremely less democratic managers do not exist and some amount of control and authority is necessary to be a leader.

Very Low Range (6 - 10 points)

There were no respondents in this category which shows that there is no extreme form of leadership.

Conclusion & Direction For Future Research

This study shows that no two managers are the same and there is no single best style of leadership. All the respondent exhibited a different mix and no two respondents had the same mix of styles which is notable. Today’s manager leadership style is on the higher side of democratic which is proved by this research. The study also proves that the combination of authoritative can be co-exhibited in the same frequency along with democratic orLaissez-faire by a manager. On a general note, a manager exhibits a combination on various leadership styles more than the one presented in this research and this study only determines as to dominance of leadership style identified by Kurt Lewin.

In the light of India, there is a vast scope of such a study which intends to take on a cross-sectional survey of global managers who have the potential to become good leaders. With one of the world’s fastest growing economies as a base, many Indian businesses are running to take their place on the global stage. India is poised for future business growth. The situation demands a new kind of leader at all levels.

Although this study provided some interesting results, there are some limitations arising from the research that should be addressed. The current study checks only for interpersonal skills and other characteristics such as future-focus, motivation, communication skills , vision realistic , so on has not been included. Also the population frame was relatively small and hence led to a small no of respondents. As a result, subsequent research should try and replicate the present study by seeking a larger population.

A Classic scene from Lewis Carroll's Alice in Wonderland

Alice was a little startled by seeing the Cheshire Cat sitting on a bough of a tree a few yards off.

The Cat only grinned when it saw Alice.....

"Cheshire Puss", she began, rather timidly,....."Would you tell me , please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where-----" said Alice.

"Then it doesn't matter which way you go," said the Cat.

"----so long as I get somewhere," Alice added as an explanation.

For leaders it is not the Alice travelled path. For those aspiring to be tomorrow's business leaders, the challenges ahead are formidable. Good leaders know where they are headed and also take their team on a path to achieve the common objectives of the organisation.

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A Systemic Approach to Identifying Vulnerabilities in Traditional Textile Clusters of India for Innovative Capacity Building

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Introduction

I. Textiles Industry In India: A Brief Profile

The Indian textile industry is one of the largest in the world, with a huge raw material and textile manufacturing base. In terms of Indian GDP, this sector has been quite beneficial in the economic life of the country. The textile industry is one of the leading sectors in the Indian economy as it contributes nearly 14 percent to the total industrial production. It is claimed to be the biggest revenue earners in terms of foreign exchange among all other industrial sectors in India. The textile industry is the second largest employer, after agriculture, with a total workforce of around 35 million. India is next only to China among the world's largest producers of textiles and garments (UNCTD, 2005, 2006). The industry is the largest foreign exchange earner, as the import content is insignificant compared with those of other major export products. Today this sector is highly globalized but, it is further organizing itself to crave a bigger share to become the market leader. This large and ancient industry has carved out a special

niche for itself as a facilitator of the country's economic growth and participative development (www.fibre2fashion.com).

Government Initiatives

Over a period of few years, Government Of India at central as well as state level realized the importance of CDP & made it an integral part of its industrial policy. Central Government adopted a few clusters (Landes, M. MacDonald et al. 2005). Taking lead from this, many State Governments adopted clusters. Then organizations like SIDBI, Textile Committee – Ministry Of Textiles & many more Central & state agencies started adopting clusters & running programs. As of today, CDP can be said to be a grassroots movement for a resurgent SME sector in India (Texsummit, 2007).

State Of Unorganised Handloom And Handi-Crafts Sector In India

Handloom and handicraft items, which come under informal sector, play an important role in the economy of this region. As per recent census, there are 55,000 handloom units in Varanasi, Chandauli and Mirzapur

districts. However, the number of handloom units has reduced from 75,000 due to the slump in silk industry. These handlooms are associated with 37,500 households in these districts. Since the entire family is engaged in a handloom unit, the number of people in this industry may be many times more. Similarly, around 18-20 lakh people of eastern UP are engaged in the manufacturing of handicraft items like carpet, zari and embroidery, metal craft, stone craft, textile, artificial jewellery, beads and jute craft (www.timesofindia.indiatimes.com). Craft Revival Trust presents an active, live address directory listing of over 60,000 craftspersons and weavers working across India in over 880 crafts.

II. Systems Thinking (Systemic Analysis)

Systems' thinking is the process of understanding how things influence one another within a whole. In organizations, systems consist of people, structures, and processes that work together to make an organization healthy or unhealthy. Systems Thinking has been defined as an approach to problem solving, by viewing "problems" as parts of an overall system, rather than reacting to specific part, outcomes or events and potentially contributing to further development of unintended

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consequences. It proposes to view systems in a holistic manner. Consistent with systems philosophy, system thinking concerns an understanding of a system by examining the linkages and interactions between the elements that compose the entirety of the system.

Systemic analysis attempts to illustrate that events are separated by distance and time and that small catalytic events can cause large changes in complex systems. Acknowledging that an improvement in one area of a system can adversely affect another area of the system, it promotes organizational communication at all levels in order to avoid the silo effect.

Tools of system analysis: Causal loop diagrams (CLD): Graphic tools of Systems methodology, namely causal loops and flow diagrams offer powerful communicability between modeller and decision maker. Its characteristics as a learning tool find favour with the policy planners. The following model broadly illustrates some of the macro industrial dynamics of Textile industry using CLD architecture.

Vulnerability Profile of Indian Textile

Against all the merits mentioned in the beginning, It is difficult to find such a large-scale industry in the country that is so disorganized as the Indian textile industry. The industry is often plagued by obsolescence, unhealthy regulations and problems of labour (Utamsingh, V. 2003). This emphasizes the need for strengthening the management

mechanism in the industry in order to build competitive capacities and to face the emerging international challenges. It is projected that, the textile industry in India will face intensified competition in both their export and domestic markets. However, the migration of textile capacity will be influenced by objective competitive factors and will be hampered by the presence of distorting domestic measures and weak domestic infrastructure in developing countries like India. Sickness and inter-sector contradictions that are a bane of the industry have to be solved through a wise approach and well-calibrated steps, to ensure healthy growth. (www.ukessays.com)

Traditionally, crafts were produced and managed by the craftsmen themselves. However, "Globalisation" demands innovative products, materials, and processes with new standards of quality and creativity (Verma, S. 2002). Today, due to changes in social set ups, culture and economy, the crafts and the crafts persons are increasingly becoming vulnerable to new realities. Strengths of Indian handicrafts is increasingly being recognised both in export as well as domestic urban markets, but the qualitative market intelligence flow between market-place and the crafts persons is not up to the desired level. Besides, quality of production, approaches for further market development, protection of traditional wisdom and practices through IPR, sustainability, crafts promotion, etc. are the other aspects that need to be addressed for effective growth of Indian handicrafts. Design plays a major role in empowering the crafts and

crafts persons, both as an enabler and a value adder. Only knowledge empowerment and efficient multi-disciplinary networking can lead to cutting edge advantage to Indian crafts. Attributes of Indian handicrafts have a great potential to contribute in this direction if hand held properly. (International Centre for Indian Crafts –ICIC-2008).

Innovative Capacity Building

UNDP (United Nations Development Program) defines 'Innovative capacity building' as the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development and strengthening of managerial systems, adding that, UNDP recognizes that capacity building is a long-term, continuing process, in which all stakeholders participate (ministries, local authorities, non-governmental organizations and water user groups, professional associations, academics and others). The WCO defines capacity building as "activities which strengthen the knowledge, abilities, skills and behavior of individuals and improve institutional structures and processes such that the organization can efficiently meet its mission and goals in a sustainable way." It is, however, important to put into consideration the principles that govern community capacity building.

Innovative Capacity Building is much more than training and includes the following:

- Human resource development, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.

- Organizational development, the elaboration of management structures, processes and procedures, not only within organizations but also the management of relationships between the different organizations and sectors (public, private and community).

- Institutional and legal framework development, making legal and regulatory changes to enable organizations, institutions and agencies at all levels and in all sectors to enhance their capacities. In nut shell, Innovative Capacity building can be attributed as the “process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive innovatively, adapt, and thrive in the fast-changing world. For organizations, capacity building may relate to almost any aspect of its work: improved governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), program development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, positioning, planning, etc. For individuals, capacity building may relate to leadership development, advocacy skills, training/ speaking abilities, technical skills,

organizing skills, and other areas of personal and professional development. Capacity building is the element that gives fluidity, flexibility and functionality of a program/organization to adapt to changing needs of the population that is served. In the context of the Traditional Indian Textile Sector, there are many aspects that need to be catered to for which an implementation of a strategy is required that may encompass the vulnerability aspect and innovation prospecting in this sector.

Blue Ocean: A Strategy Tool For Vulnerability Assessment And Innovative Capacity Building - Blue Ocean Strategy can be referred as one of those strong strategic initiatives which are in wide application across various industrial sectors globally for the intended purpose of innovative capacity building. The key concepts of blue ocean strategy, include Value Innovation — the simultaneous pursuit of differentiation and low cost — and key analytical tools and frameworks such as the strategy canvas, the four actions framework and the eliminate-reduce-raise-create grid.

The strategy describes the four principles of blue ocean strategy formulation: how to create uncontested market space by reconstructing market boundaries, focusing on the big picture, reaching beyond existing demand and getting the strategic sequence right (Kim, Chan 2005). These four formulation principles address how an organization can create blue oceans by looking across the six conventional boundaries of competition (Six Paths Framework), reduce their planning risk by following the four steps of visualizing strategy, create new demand by unlocking the three tiers of noncustomers and launch a commercially-viable blue ocean idea by aligning unprecedented utility of an offering with strategic pricing and target costing and by overcoming adoption hurdles. The concept applies across industries to demonstrate how to break out of traditional competitive strategic thinking and to grow demand and profits for the operating units and the industry by using blue ocean strategic thinking.

The corner-stone of Blue Ocean Strategy is ‘Value Innovation’. A blue ocean is created when a company achieves value



(Source: Chan Kim and Renée Mauborgne, Harvard Business School Press 2005)

innovation that creates value simultaneously for both the buyer and the company. The innovation (in product, service, or delivery) must raise and create value for the market, while simultaneously reducing or eliminating features or services that are less valued by the current or future market

Need Of The Study

The need of the study is to identify the vulnerability profile of the traditional textile sectors as to why certain reasons deter the handloom / handicraft units to grow multi-dimensionally; provide a database for the policymakers to address the causes of those problems / factors and not the symptoms even though the handloom and handicraft sector have enough cause to flourish despite the government claims to be implementing various plans and schemes for the well being of the industry. Some of the problems prevalent ubiquitously in the traditional textile clusters of India are:

- The competitiveness of selected sectors in terms of limited market share and poor productivity because of lack of higher unit value realization of the products.
- Ineffective integration of scattered artisans, unable to build their grass roots enterprises and link them to latest technology in the sector for customized interventions and ensure economies of large scale in operations.
- Lack of a supply system that is geared to responding to large-scale orders, adhering to quality and product standardization, limiting them from taking a plunge into global markets.
- Scarce livelihood opportunities to the people in the industry and creation of sustainable employability for the artisans/craftsmen already engaged in this sector.
- Missing requisite support/linkages in terms of adequate infrastructure, technology, product diversification, design development, raw material banks, marketing & promotion, social security and other components that are vital for sustainability of artisans/craftsmen engaged in the Handicrafts / handloom sector.
- Inability to utilize the resources available under various ongoing schemes of the Central Government.
- Lack of linkages within the industry isolating and thus restricting Public Private Partnership (PPP) model in the form of collaboration between the Central/State Governments, beneficiary artisans & their groups, financially creditworthy & commercially linked marketing enterprises and the financial Institutions.
- Scarcity of Proactive and visionary socially responsible leaders.
- Weak technical and program management assistance for capacity building, designing of the interventions and their implementation, through a competent professional agency.
- Lack of follow ups by various agencies, ownership, trust-worthy middlemen, education, biases, single window facility and concept of globalization.

Objectives Of The Research

- 1) To Identify and evaluate critical vulnerability factors (Cause-Effect variables) of selected traditional textile clusters of India.
- 2) To examine the prospect and areas for Innovative Capacity Building in the Unorganized Traditional textile clusters of India.
- 3) To recommend a holistic systems model (Decision-Framework) of Policy Initiatives and Value Innovation for selected Clusters under the study based on value-inputs from various stakeholders.

Research Design And Methodology

I. Sources Of Data

A. Primary Data Field Scan (Pilot Study), Interviews / Schedules, Observation, Demographic Survey. Methodology:

- 1) Initial pilot field visit to interact with the artisans, organizations and agencies working in the area selected for study.
- 2) Identifying and interviewing local cluster members and promoting agencies to carry out an objective and issue based assessment.
- 3) Observation / business profile review: Collection of samples from cluster to review design, quality of product, marketability and overall business prospect.
- 4) Demographic Survey – Classification and analysis of respondents based on demographic parameters.

B. Secondary Data

Gathering of information on cluster actors and contacts with a range of institutions (not limited to) such as:

- 1) Crafts Council India
- 2) Crafts Revival Trust
- 3) National Institute of Fashion Technology-NIFT
- 4) Ministry of Textiles
- 5) Textile Committee, Mumbai
- 6) The Nabha Foundation
- 7) Weavers' Service Center
- 8) Others: Journals, trade magazines, Government of India Textile Ministry Reports, Indian Textile and Clothing Exports Association Reports, Indian Chambers of Commerce and Industry (FICCI) Reports, Confederation of Indian Industries (CII) Reports and various other related private and public reports

II. Sample Design / Plan

a) Sampling Technique Cluster Sampling is the technique adopted for the study in which population is divided into clusters and drawing random sample from all or selected clusters

b) Geographical Area Coverage & Sample Size & Sample Composition (Respondents)

Sample Size: 95

c) Statistical Techniques For Data Analysis

- Descriptive Statistics
- Likert Scaling / Ranking
- Weighted Average

a) Duration Of The Study: Year 2010-2012

Traditional Indian Textile Clusters Under Study:

A. Chanderi – Traditional Textile Of Madhya Pradesh

Chanderi is one of the best-known handloom clusters in India, particularly famous for its sarees, made with mix of silk and cotton. But if we look at its history, Chanderi has been adapting itself as per needs. Sari is the product of second half of twentieth century only. Then, there have been changes in the methodologies, equipments and even the compositions of yarns in past. The heritage is attached with the skills of weaving high quality fabric products here. The weavers are actually the symbol of the heritage, as they have been the ones, who produced the kinds of stuff that received appreciation

even from the royals.

Unlike past, in modern time of changes in lifestyle, Chanderi tends to stick with what it has been doing for decades now. It is because of the inability of those, who lead the decision-making about the product, to adapt as per the changes. Their ability has partly been affected by lack of patronage it used to have in past. Till independence royal families of Gwalior provided the required patronage. After that, state and central government supported the cluster through purchases of the goods and subsidies. But that support has slowly reduced to bare minimum and the cluster is on the decline now. Realizing the difficulties well in advance, the resourceful traders/master weavers have generated several options for themselves. They have invested in alternative business activities for a possible shift in future. But unfortunately, the 'symbol of heritage'- weavers, are the most vulnerable unit on the scene, having no options, weavers are facing increasingly difficult time. (www.indianhandloomscluster-dchl.net)

1) B. Chamba Rupal – Traditional Textile Of Himachal Pradesh

The embroidery art form of the Chamba rupal originated in the erstwhile princely hill states of Chamba, Kangra, Basohli and nearby states which now form part of the Himachal Pradesh Though practiced throughout the region, the craft came to be associated specifically with Chamba owing to the patronage given by the rulers of the area. Artistic styles of Pahari

Name of the Traditional Textile	Name of State	Name of City / Village:	No. of Respondents
Phulkari	Punjab	Patiala, Tripuri, Nabha, Galwatti, Sohali	25
Madhubani	Bihar	Patna, Madhubani, Ranti	9
Block Printing	Rajasthan	Jaipur, Sanganer, Bagru	14
Chanderi	Madhya Pradesh	Chanderi	18
Chamba Rumaal	Himanchal Pradesh	Chamba	14
Banaras Brocade	Uttar Pradesh	Varanasi, Ram Nagar, Lalla Pur, Pili Kothi	12
Gov / End Users		Delhi, Bombay	3
Total Respondents			95

miniature painting was reflected in the rumals of the 18th-19th century A. D. Chamba rumals were ultimately done by the upper class women of royalty. They had the use of the trained miniature artist who would draw the theme of the rumal in charcoal and provide guiding color schemes. The themes were religious especially Krishna theme. Fabric was handspun unbleached mulmul or fine Khaddar. Embroidery was done in double satin stitch called dorukha. No rumal was in single color. The stitch was carried forwards and backwards alternately and was done simultaneously on both sides of the cloth. Rumals were expressions of the life of the common man.

The state government has got the Chamba handkerchief, Kullu and Kinnauri shawl and Kangra tea registered under the Geographical Indications (GI) of Goods (Registration and Protection) Act, 1999, with the Chennai-based Geographical Indications Registry. (www.hdmuseum.nic.in/art_gallery/textiles.html)

C. Phulkari – Traditional Textile Of Punjab

Phulkari literally means flower working which was one time used for word embroidery but in course of time word “Phulkari” became restricted to embroidered head cloth/odini. Simple and sparsely embroidered odini and shawls made for everyday use are called Phulkaris whereas closely and all covered over are made for special and ceremonial occasions are known as Baghs (Garden).

D. Banarasi Brocade – Traditional Textile Of Uttar Pradesh

Banarasi saris are saris made in Varanasi, a city which is also called “Benares.” These saris are historically considered to be among the finest saris in India and are known for their gold and silver brocade, fine silk and opulent embroidery, and being highly sought after. These saris are an inevitable part of any Indian bride’s trousseau.

Depending upon the intricacy of designs and patterns, a sari can take anywhere from 15 days to a one month and sometimes up to six months to complete. Banarasi saris are mostly worn by Indian women on important occasions such as when attending a wedding and are expected to be complemented by the woman’s best jewelry. (www.banarasipaainred.blogspot.com).

E. Block Printing – Traditional Textile Of Rajasthan

Archaeological remains from the Indus Valley civilisation in the 3rd millennium BC include cotton fragments dyed with madder, a dye commonly used for Block Printing even today. Dye vats, spindles and bronze needles found at sites like Mohenjodaro indicate highly developed fabric work.

In Rajasthan, colourful Block Prints of birds, animals, human figures, gods and goddesses are popular. The important centres for this form of Hand Printing are Jaipur, Bagru, Sanganer, Pali and Barmer. Barmer is known for its prints of red chillies with blue-black outlines, surrounded

by flower-laden trees. The other famous prints are of horses, camels, peacocks and lions, called Sikar and Shekahawat prints. In Madhya Pradesh, printed textiles are created by a community of printers called Chheepa (derived from the Hindi word chhapna meaning printing). The printers of Bagh use vegetable and Natural Dyes, in bright shades of red and black and also occasional Indigo. The blocks are made of intricately stylized motifs, which have evolved over hundreds of years. These prints have a tonal and a three dimensional effect which is impossible to replicate in the screen printing or machine printing process. (www.farpaviliontents.co.uk/block-printing.asp)

F. Madhubani – Traditional Craft On Textile Of Bihar

Madhubani paintings and textiles, (also referred to as Mithila Art as it flourishes in the Mithila region of Bihar), are characterized by line drawings based on mythological themes, in bright colours and decorative borders. They are so called because they originated in and around a large agricultural town in Bihar, Madhubani or ‘Forest of Honey’.

Today, Madhubani Paintings are made on silk, handmade paper, cloth, canvas etc for commercial purposes. The uses of chemical dyes and paints have resulted in brighter multicoloured paintings. Madhubani art came to the notice of the rest of the country in the 1960s. Bihar had been hit by a terrible drought and the government decided to promote Madhubani Paintings to create

an alternative non agricultural source of earning. The All-India Handicrafts Board encouraged the artists of Madhubani to paint on Handmade paper instead of on walls. Since then, painting has become a primary source of income for scores of families.

The Madhubani Artists: Madhubani paintings are mostly made by Hindu village women who traditionally passed on this skill from mother to daughter. Different castes use different colours and motifs in their painting. For example, Brahmins use yellow, lemon, blue and black,

while the paintings made by Kayasthas are usually in just black or deep red. Even today, most of their work remains anonymous. Few women like to mark their paintings with their names, and are quite reluctant to consider themselves individual producers of “works of art”.

Images of the Traditional Textiles

		
CHANDERI –MADHYA PRADESH	CHAMBA RUMAL – HIMAN-CHAL PRADESH	PHULKARI –PUNJAB
		
BANARASI BROCADE –UTTAR PRADESH	BLOCK PRINTING – RAJASTHAN	MADHUBANI –BIHAR

Findings & Analysis

The following are the vulnerabilities that have been identified across the six clusters:

Area	Vulnerability Issues (Causes)
Finance	Lack of formal/informal sources of funding
	Poor wage rates / remuneration
	Lack of Professional financial Practices
	Lack of liquidity
	Inequitable distribution of margins / earnings
	Excessive Mark-up decided by traders / dealers / middlemen
	Final price of product depends on capacity of customer to pay
	Delayed recovery of payments from market
Production/ Operations	Decentralised production centers not supporting quality control (TQM)/ process enhancement
	Inadequate Basic Facilities (Light/ Fan/Electricity etc)
	Unhealthy & unhygienic working conditions
	Non adaptability to changing trends
	Poor productivity / Capacity utilisation

	Lack of Standardisation
	Lack of Innovation in Quality/Process/Material/Designs
	Lack of Transformation into Functionality/Usability of fabric
	Lack of Environment Friendly Dyeing / Processes
	Use of Sub-Standard Raw Material / Inputs
	Designs are clichéd (stereo type) aiming at high end customers
	Poor Product Finishing
HR	Lack Of Business Orientation / HR Sensitivity
	Closely guarded Knowledge Systems
	Decline In Skill Transference / Continuity
	T&D Programs Not Aiming At Long Term Sustainability
	Low Level Of Job Satisfaction / empowerment
	Ineffective Employee Welfare Schemes
	Bad/Unhealthy Habits (Liquor Consumption, Lethargy etc)
Market	Monopoly Of Master Craft-Persons / weavers
	High Dependency for Market Access
	Limited Knowledge of Potential Markets / Prospective Buyers
	Reduction Of Margins (Price War) due to Rivalry & Competition
	Lack Of Customer / Market Feedback
	Exploitative Practices by Middlemen / Agents / Brokers etc
	Inconsistent & Intermittent Demand
	Limited Distribution Channels / Network
	Lack of Customer Sensitisation towards Traditional Products
	Customer Trust Deficit owing to Unethical Practices
	Lack Of Education Amongst Artisans
	Poverty Restricts Overall Growth Of Artisans
	Social Obligations Force Artisans To Borrow/Lend Money
Government	Inability To Reach Grass Root Level
	Unrealistic & Superficial Cluster Development Schemes
	Schemes Implemented for Limited Time in Limited Areas
	Lack of Incentives / Promotion
Banks	Services are not User Friendly / accessible
NGO's	Promotion Of Limited Artisans / lack of spread
Consultants/	Operating At Unequal / distant Places
Experts	Lack of Sensitisation / Commitment
Economic	Unmatched Competition Due To Rapid Mechanisation / Industrialisation
Political-Legal	Distraction Of Workers From Local-Traditional Jobs due to MNREGA etc.
	Unfavourable Labour Laws Reducing Skill Transference
Natural Environment	Extreme Climatic Conditions / Pollution etc
Technological/IT	Lack Of Use Of Computers or IT for Documentation /Design Library /Forecasting / Costing/Marketing etc.

The following are the vulnerabilities most critical to each cluster:

Punjab (Phulkari)

Five Most Critical Vulnerabilities	WAvg
Poverty Restricts Overall Growth Of Artisans	4.04
Lack Of Education Amongst Artisans	3.92
Social Obligations Force Artisans To Borrow/Lend Money	3.64
Low Level Of Job Satisfaction / empowerment	3.52
Poor wage rates / remuneration	3.2
Five Least Critical Vulnerabilities	WAvg
Limited Knowledge of Potential Markets / Prospective Buyers	2.24
Schemes Implemented for Limited Time in Limited Areas	2.08
Operating At Unequal / distant Places	2.08
Delayed recovery of payments from market	1.68
Lack of liquidity	1.44

Bihar (Madhubani)

Most Critical Vulnerabilities	WAvg
Poor wage rates / remuneration	4.78
Monopoly Of Master Craft-Persons / weavers	4.78
Lack of Customer Sensitisation towards Traditional Products	4.67
Customer Trust Deficit owing to Unethical Practices	4.67
Ineffective Employee Welfare Schemes	4.22
Lack Of Education Amongst Artisans	4.22
Promotion Of Limited Artisans / lack of spread	4.22
Least Critical Vulnerabilities	WAvg
Lack of liquidity	2.00
Unfavourable Labour Laws Reducing Skill Transference	2.00
Distraction Of Workers From Local-Traditional Jobs due to MNREGA etc.	1.56
Lack Of Use Of Computers or IT for Documentation /Design Library / Forecasting / Costing/Marketing etc.	1.56
Extreme Climatic Conditions / Pollution etc	1.44

Rajasthan (Block Printing)

Most Critical Vulnerabilities	WAvg
Low Level Of Job Satisfaction / empowerment	4.43
Decline In Skill Transference / Continuity	4.43
Poverty Restricts Overall Growth Of Artisans	4.36
Closely guarded Knowledge Systems	4.21
Social Obligations Force Artisans To Borrow/Lend Money	4.14
Least Critical Vulnerabilities	WAvg
Lack of Transformation into Functionality/Usability of fabric	1.86
Poor Product Finishing	1.71
Operating At Unequal / distant Places	1.71
Lack of Sensitisation / Commitment	1.57
Unfavourable Labour Laws Reducing Skill Transference	1.5

Madhya Pradesh (Chanderi)

Most Critical Vulnerabilities	WAvg
Poor wage rates / remuneration	4.67
Lack Of Education Amongst Artisans	4.56
Poverty Restricts Overall Growth Of Artisans	4.44
Low Level Of Job Satisfaction / empowerment	4.39
Monopoly Of Master Craft-Persons / weavers	4.33
Least Critical Vulnerabilities	WAvg
Unrealistic & Superficial Cluster Development Schemes	2.28
Lack of liquidity	2.00
T&D Programs Not Aiming At Long Term Sustainability	1.89
Extreme Climatic Conditions / Pollution etc	1.39
Delayed recovery of payments from market	1.33

Himanchal Pradesh (Chamba Rumal)

Most Critical Vulnerabilities	WAvg
Poor wage rates / remuneration	4.5
Social Obligations Force Artisans To Borrow/Lend Money	4.10
Low Level Of Job Satisfaction / empowerment	4.00
Poverty Restricts Overall Growth Of Artisans	3.90
Extreme Climatic Conditions / Pollution etc	3.6
Least Critical Vulnerabilities	WAvg
Schemes Implemented for Limited Time in Limited Areas	1.9
Operating At Unequal / distant Places	1.9
Delayed recovery of payments from market	1.8
Lack of Environment Friendly Dyeing / Processes	1.7
Lack of liquidity	1.1

Uttar Pradesh (Banaras Brocade)

Most Critical Vulnerabilities	WAvg
Lack of formal/informal sources of funding	4.00
Lack of Professional financial Practices	3.92
Lack of Innovation in Quality/Process/Material/Designs	3.92
Use of Sub-Standard Raw Material / Inputs	3.92
Low Level Of Job Satisfaction / empowerment	3.92
Lack of Customer Sensitisation towards Traditional Products	3.92
Services are not User Friendly / accessible	3.92
Least Critical Vulnerabilities	WAvg
Lack of Incentives / Promotion	1.67
Lack of Sensitisation / Commitment	1.75
Lack of liquidity	1.75
Schemes Implemented for Limited Time in Limited Areas	1.92
Lack of Transformation into Functionality/Usability of fabric	1.92

Most Critical Vulnerabilities in The Clusters Under Study:

Most Critical	WAvg
Lack Of Education Amongst Artisans	4.04
T&D Programs Not Aiming At Long Term Sustainability	4.00
Customer Trust Deficit owing to Unethical Practices	3.93
Poverty	3.87
Lack of formal/informal sources of funding	3.86
Least Critical	WAvg
Lack of Professional financial Practices	1.79
Promotion Of Limited Artisans / lack of spread	2.14
Operating At Unequal / distant Places	2.21
Final price of product depends on capacity of customer to pay	2.24
Distraction Of Workers From Local-Traditional Jobs due to MNREGA etc.	2.43

Factor Wise Ranking Of Each Cause Variable

FINANCE	WAvg	Vulnerabilities
1	3.00	Lack of formal/informal sources of funding
2	3.86	Poor wage rates / remuneration
3	3.07	Lack of Professional financial Practices
4	1.79	Lack of liquidity
5	3.05	Inequitable distribution of margins / earnings
6	2.96	Excessive Mark-up decided by traders / dealers / middlemen
7	2.63	Final price of product depends on capacity of customer to pay
8	2.24	Delayed recovery of payments from market
PRODUCTION	WAvg	Vulnerabilities
9	2.98	Decentralised production centers not supporting quality control (TQM)/ process enhancement
10	3.04	Inadequate Basic Facilities (Light/ Fan/Electricity etc)
11	2.96	Unhealthy & unhygienic working conditions
12	3.32	Non adaptability to changing trends
13	3.33	Poor productivity / Capacity utilisation
14	3.17	Lack of Standardisation
15	3.46	Lack of Innovation in Quality/Process/Material/Designs
16	2.62	Lack of Transformation into Functionality/Usability of fabric
17	2.73	Lack of Environment Friendly Dyeing / Processes
18	3.11	Use of Sub-Standard Raw Material / Inputs
19	2.68	Designs are clichéd (stereo type) aiming at high end customers
20	3.24	Poor Product Finishing
HR	WAvg	Vulnerabilities
21	3.23	Lack Of Business Orientation / HR Sensitivity
22	3.48	Closely guarded Knowledge Systems
23	3.44	Decline In Skill Transference / Continuity
24	2.63	T&D Programs Not Aiming At Long Term Sustainability
25	4.00	Low Level Of Job Satisfaction / empowerment
26	3.44	Ineffective Employee Welfare Schemes
27	3.01	Bad/Unhealthy Habits (Liquor Consumption, Lethargy etc)

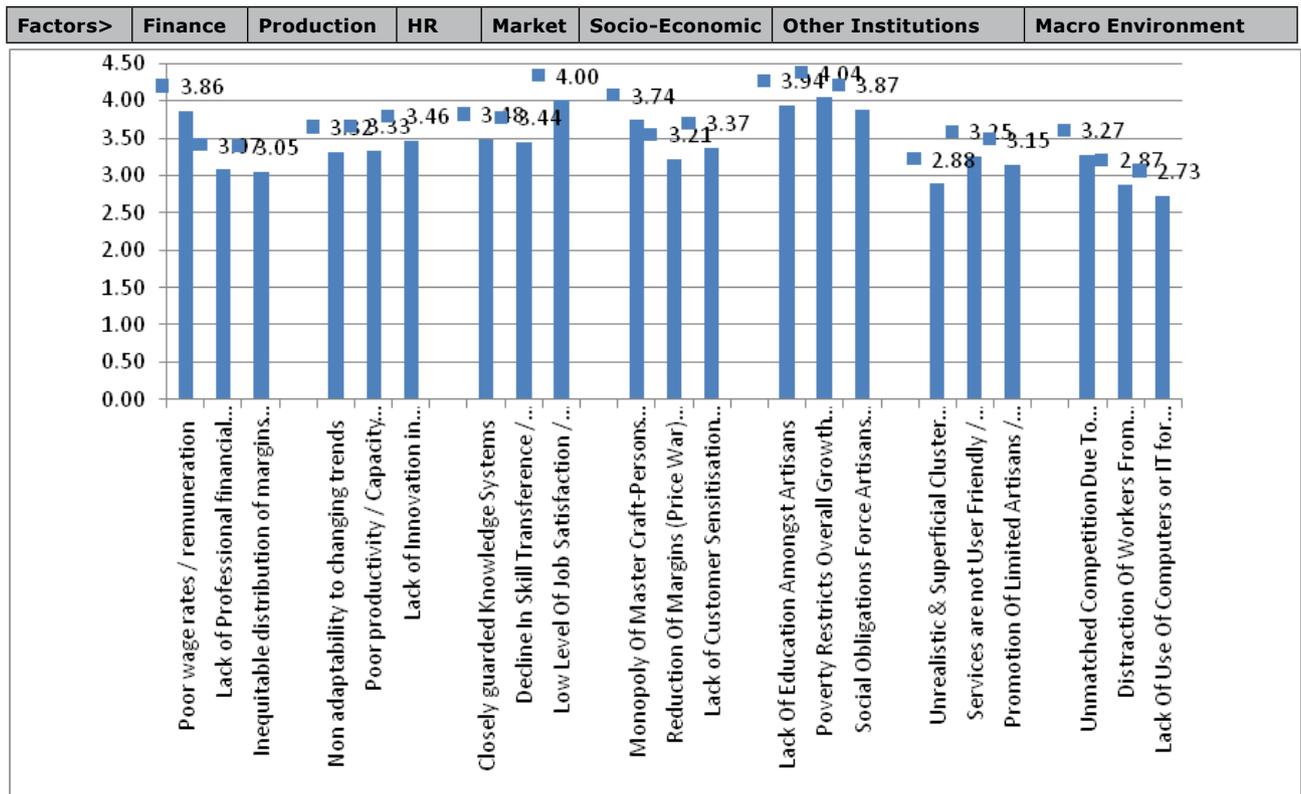
MARKET	WAvg	Vulnerabilities
28	3.74	Monopoly Of Master Craft-Persons / weavers
29	2.98	High Dependency for Market Access
30	3.07	Limited Knowledge of Potential Markets / Prospective Buyers
31	3.21	Reduction Of Margins (Price War) due to Rivalry & Competition
32	3.21	Lack Of Customer / Market Feedback
33	3.14	Exploitative Practices by Middlemen / Agents / Brokers etc
34	3.13	Inconsistent & Intermittent Demand
35	3.01	Limited Distribution Channels / Network
36	3.37	Lack of Customer Sensitisation towards Traditional Products
37	3.21	Customer Trust Deficit owing to Unethical Practices
SOCIO-ECONOMIC	WAvg	Vulnerabilities
38	3.94	Lack Of Education Amongst Artisans
39	4.04	Poverty Restricts Overall Growth Of Artisans
40	3.87	Social Obligations Force Artisans To Borrow/Lend Money
OTHER INSTITUTIONS	WAvg	Vulnerabilities
41	2.87	Inability To Reach Grass Root Level
42	2.88	Unrealistic & Superficial Cluster Development Schemes
43	2.62	Schemes Implemented for Limited Time in Limited Areas
44	2.58	Lack of Incentives / Promotion
45	3.25	Services are not User Friendly / accessible
46	3.15	Promotion Of Limited Artisans / lack of spread
47	2.15	Operating At Unequal / distant Places
48	2.21	Lack of Sensitisation / Commitment
MACRO ENVIRONMENT	WAvg	Vulnerabilities
49	3.27	Unmatched Competition Due To Rapid Mechanisation / Industrialisation
50	2.87	Distraction Of Workers From Local-Traditional Jobs due to MNREGA etc.
51	2.43	Unfavourable Labour Laws Reducing Skill Transference
52	2.63	Extreme Climatic Conditions / Pollution etc
53	2.73	Lack Of Use Of Computers or IT for Documentation /Design Library /Forecasting / Costing/Marketing etc.

Most Critical Vulnerabilities Specific To Each Area Of The Traditional Textile Industry Based On The Weighted Average Of The Responses

FINANCE		
3.86	1	Poor wage rates / remuneration
3.07	2	Lack of Professional financial Practices
3.05	3	Inequitable distribution of margins / earnings
PRODUCTION		
3.32	3	Non adaptability to changing trends
3.33	2	Poor productivity / Capacity utilisation
3.46	1	Lack of Innovation in Quality/Process/Material/Designs
HR		
3.48	2	Closely guarded Knowledge Systems
3.44	3	Decline In Skill Transference / Continuity
4	1	Low Level Of Job Satisfaction / empowerment

MARKET		
3.74	1	Monopoly Of Master Craft-Persons / weavers
3.21	3	Reduction Of Margins (Price War) due to Rivalry & Competition
3.37	2	Lack of Customer Sensitisation towards Traditional Products
SOCIO-ECONOMIC		
3.94	2	Lack Of Education Amongst Artisans
4.04	1	Poverty Restricts Overall Growth Of Artisans
3.87	3	Social Obligations Force Artisans To Borrow/Lend Money
GOV-BANKS-NGO'S-EXPERTS		
2.88	3	Unrealistic & Superficial Cluster Development Schemes
3.25	1	Services are not User Friendly / accessible
3.15	2	Promotion Of Limited Artisans / lack of spread
ECO-POLITICAL-LEGAL-NATURAL ENV-IT		
3.27	1	Unmatched Competition Due To Rapid Mechanisation / Industrialisation
2.87	2	Distraction Of Workers From Local-Traditional Jobs due to MNREGA etc.
2.73	3	Lack Of Use Of Computers or IT for Documentation /Design Library /Forecasting / Costing/ Marketing etc.

The following bar chart shows most critical vulnerabilities specific to each area of the traditional textile industry based on the weighted average of the responses



The recommendations can be summarized in the following four areas for vulnerability assessment and innovative capacity building-

The following is the four actions framework and the eliminate-reduce-raise-create grid.

Eliminate

Old infrastructure, Daily wage / weekly wage system (resulting in dependability, security, ability to plan, worrying about the big picture for both- employer and employee), Home cum worksheds system of working, Bargaining

by master weavers, middlemen, traders and customers, Inequity in margins, Corruption in the entire supply chain, Corruption in the implementation of Government schemes, Ignorance towards the big picture, 'Satti' system, Fooling of Tourists in language not known

to them for getting higher price, Allowing powerloom in fairs like Tajmahotsav, Suraj Kund and Delhi Haat, Fake implementation of cluster development schemes, Word 'wage' for artisans, Monitoring agencies, Evaluating agencies, Errors in artisans' identity cards, Overlapping dates for exhibitions, Unhealthy dyes and dyeing processes, Bottlenecks in supply chain, 'labour intensive' product cost and value unawareness.

Reduce

Middlemen, Stress on marginal weavers, Spoon feeding, Number of monitoring agencies, Self pity, Wastage of resources, Migration of artisans to non-handloom related trades, Nuclear units with no set procedures/ processes/ standardisation of raw material and quality, Fluctuation in product price and number of man hours spent in making it, Arbitrage, Weaver-master weaver interface, Cash transactions, Discounts (generally on cost), Multi tasking, Tax evasion, Retail corruption.

Raise

Weavers awareness, Customers awareness, Government officials awareness, Fixed price of each process that adds value, Eco-friendly dyes use, Wages / income, Innovation in design, Standard of living, Standard of thinking (of corrupt stakeholders), Trust, Skill transference, Technique preservation and documentation with video demonstrations, Satisfaction, Education of literate class, Technology interface, Value for value additioners, Outlets for sale, Specialisation in processes, Skill transference, Financial

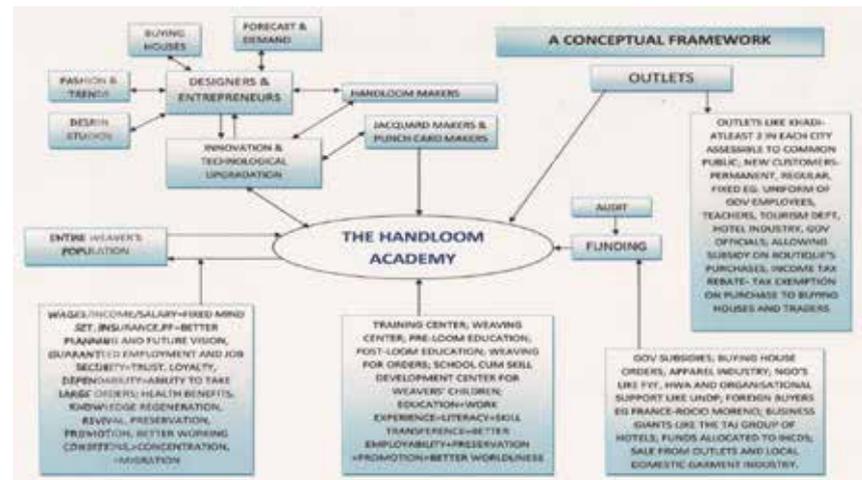
flexibility, A makeover of concept for the domestic market, Basic facilities for the weavers .

Create

Customers from fixed professions, Buyers- repetitive like fashion designers, export buying houses, Assured, regular, permanent Employment, All inclusive infrastructure, System of effective economical mass production along with timely innovation, Product differentiation, Bank accounts / Aadhars, Transparency, Patronization of villages / tiny clusters, Academic (paid) learning from traditional practioners, Self contained organisation with common facility centres,

Multifinality in approach, Costing of each process and the fixed margin which should not be compromised taking into consideration the current cost of raw materials or value additions, Live videos and documents of the entire pre loom and post-loom operations, Standards like Levi Strauss' RSL to operate internationally and globally, Dignity of labour, Accountability. The above mentioned aspects in the 'create' and 'raise' grid can only be effective if first the recommendations in the 'Reduce' and 'Eliminate' grid are taken care of. Since the researcher is still working on the study; there is more to the systemic decision- action framework model being developed.

A Conceptual Fram-Ework For The Hand-Loom Academy For The Banaras Brocade Cluster



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A Line of Attack on Bootlegging: Potential Approaches to Terminate Cyber – Plagiarism in Higher Education

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Abstract

Plagiarism is an intricate misdemeanor in today's academic world. This is not only an ethical issue but also a legal concern, specifically when it comes to higher education. Even a couple of decades ago, the only information bank available as an aid for a topical research was the encyclopedia and its effective use called for tools like directories, catalogues, white index cards and what not. But now, students just spoon out chunks of scholastic information through the World Wide Web that hardly demands any endeavor or genuineness. Its lethal effects are as far extending as dejection of moral codes, erasing one's own individuality, putting the instructors at a vulnerable position and missing out opportunities to bloom as a prospective researcher. In addition to detection or prevention tactics, methods that can be adopted to bring this misconduct to a halt should emerge from a detailed understanding of pedagogy, i.e. the science or art of being a teacher. A thorough breakdown of 'why' and 'how' students plagiarize will undoubtedly show some way out of this crisis. Restructuring the processes of formulation of assignments and evaluation can discourage plagiarism up to a considerable extent. This paper suggests a need for a comprehensive solution that involves both technical and behavioral modes to combat this complex problem.

Keywords Plagiarism, Cheating, Academic Fraudulence, Academic Integrity, Poor Educational Practice, Higher Education

Higher Education: A Dive into the Learner's Mind

Why do students find it so alluring to plagiarize? We can put a stop to this immoral practice by simply striking these roots. Some of the key reasons are as follows:

- Massive misconception or even utter ignorance about what plagiarism is. Most of the pupils, specially the greenhorn first year students bear an urban legend in their mind that everything on the internet is in public domain and can be copied without citation.
- Rest of the students, though know what plagiarism is and don't consider it as unethical.

Bootlegging from the internet and inserting a few words of one's own is just what they think to be 'patch writing', an usual way of writing.

- Most of the students prefer to be extremely instrumental in their course of achieving a degree. They seek for the shortest possible road. Copying a write-up from the internet is short cut to get through an assignment, especially when they are loaded by the strains of numerous subjects. A solution to this problem is to give the assignment well before the terminal examinations. The students should be made realized that completing an

assignment enhances attributes like inquisitiveness, tenacity, perseverance, commitment. It's obvious that more a student hone these skills, more smooth his path of career is supposed to be.

- At this tender age and stage, most of the students face the problem of prioritization. They have countless works to do, both educational and recreational. So many of them merely procrastinate with the assignment that doesn't stir their interests. A way-out to this is to make them choose a topic from several ones so they have a genuine interest in the selected subject matter.

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- The transitional parts of an assignments, i.e. topic, early research, draft, prospectus, outline and final draft should be made due at regular interval so that the students don't get panicked by the time pressure. This will keep 'some' of the students from searching inappropriate short-cuts.
- Some student view writing as a daunting task and they fear that their own task will be of poor quality. So they end up searching some 'superior' items in the web. In fact, these are the students who are least aware of how inferior web articles can actually be. It calls for a demonstration of the pitiable qualities of web articles to them. They should also be assured of personal assistance of the faculty or some writing centre while preparing their write-up. They should also be made realized that it is not at all shameful to ask for such assistance from instructors. An ambience needs to get created that they don't hesitate to ask for such help.
- There will always be some students who take immense pleasure in breaking rules. The harder you censure plagiarism, the more ecstasy they find in doing it. Some real, tangible detective and preventive measures should be taken on board to make them abstain from this malpractice.
- Downloading free term papers, written and shared by other students. Most of these papers are continuously being used for years by plagiarists. As these swappers are generally not among the most promising students, these papers are also very inferior and contain extremely old citations (even older than seventies).
- Purchasing a paper from commercial paper mills. Qualities of these papers are generally satisfactory and sometimes too delightful. Comparing the levels of students' in-class assignments with home assignments may help detecting such form of plagiarism.
- Copying an article from the web. If a high-style write-up has been submitted without a single citation, then high chances are there that it's copied from electronic database.
- an annotated bibliography at the end of their work. The references mentioned by the students should be as recent as possible.
- An 'Academic Integrity' statement should be integrated with each syllabi and programs. Many universities have a model for Academic Integrity statement in place. The students must sign on the same after they have gone through the definition, forms, and serious consequences of plagiarism mentioned in it.

Stratagems Intended for the 'Prevention' Purpose

- The more unusual an assignment is, the less likely the students are to find something on the net to submit as their own work. The topic should be a bit twisted, or have a different perspective on a problem, a statement or a question. It's better if the topic is narrowly focused than being one among the broad, general ones. Also, a very recent topic is less likely to be thoroughly covered by web. Assignments having multiple parts reduce the chance of plagiarism.
- A very precise formatting style should be asked for the papers. The style should be specified well in advance, i.e. whether APA, MLA or CMS style is going to be followed. Even slight deviations from these requirements must NOT be allowed.
- Students should require submitting research notes and preliminary drafts with their final drafts. This will discourage plagiarism. The

Edify Your Students

- It should not be assumed that the students know what plagiarism is, even if they claim to do so. It's necessary to provide them with explicit definition of plagiarism.
- Discussing with them why plagiarism is a fraud may be fruitful. It should be clarified that plagiarism is a nasty combination of both stealing and lying.
- The rules for quotation, documentation and citations should be made very clear to the students. The line of distinction between plagiarism and appropriate collaboration must be vividly marked.
- Encourage students to write

Alertness about Plagiarism among Instructors is Something Badly Needed

The instructor(s) should be well aware of the various forms of plagiarism. Some of the most common ways are as follows:

task of writing will get spread over a comparatively longer period. Hence, the students will not be in situation to search for immoral expedients.

- Before the students start writing their project, the instructors should make them know that they are well aware of cyber-plagiarism and plagiarism detection software is used for this purpose. The instructors should also demonstrate their ability to detect plagiarism by identifying a lifted passage through submitting it to comprehensive search engine.

Instructors can use the online resource named Turnitin as an instructional and educational tool as well as a detection aid. It provides valuable information to students on drafts if we allow them to view their “originality reports” where they see how much of the paper is actually written in their own words, and then alter in view of that.

- Students should be made discussing and explaining their projects at regular intervals. If the students know in advance that they will be giving a presentation on their research topic, they will comprehend the necessity to be familiar with both the process and the content of the topic. A one-to-one office meeting can also be conducted where students will be asked critical questions about their research area.
- Specific criteria should be framed for the researched paper. Criteria that strictly inhibit use of copied papers are:
 1. Use of one or more sources written within the past year.

This will filter out most of the paper mill articles.

2. Use of one or more specified articles or books named by the instructors.
3. Use of some specific information provided by the instructor. (For example, a data set)
4. A personal interview with an expert or an authority.
 - Assignments topic should be changed from person to person and/or from year to year.
 - The penalties should be made explicitly clear. If an anti-plagiarism policy exists for the university, it should be stated within the syllabi. If an instructor has his own policies, it should be notified, specifying the penalties involved. It should be made clear that these policies are to honor the efforts of honest student against those who escape the work by fakery.

Strategies to ‘Detect’ Plagiarism

- Some internal evidence gives very lucid indication of plagiarism. For instance,
 1. Mix-up styles of citations or a jumble of MLA, APA or CMS (Chicago) styles.
 2. Unusual format, odd margins, off-center tables, lines wrecked in halves, mixed sub-head styles and other formatting inconsistencies may indicate a hasty copy-paste.
 3. Signs of datedness in fonts, styles, themes, headings, titles, subtitles or emphasis.
 4. Anachronisms like ‘It has only been two months that Bill Gates had a visit to...’
 - Knowledge regarding where the sources of papers are is very

important. It comprises mainly of the

1. Free and for-sale term paper sites
2. The free visible web that contains everything that has been publicly mounted to the web.
3. The free invisible web, where certain contents are available only by going directly to the site.
4. The paid databases over the web.
 - The library’s online database subscription and other subject-oriented databases may reveal the source of plagiarism, if provided with appropriate key words.
 - The commercial services that provide plagiarism detection services may come handy in this context. Some of the popular Plagiarism Prevention Plug-ins are:
 1. Plagiarism Prevention Crot 2.0
 2. Plagiarism Prevention Turnitin
 3. Plagiarism Prevention URKUND

The first one is an open source kit, while the last two require commercial subscription.

Most faculty members, when confronted with cases of cheating and plagiarism, talk to the student(s) caught up and find out a penalty that appears proper. After this, a letter or an e-mail should be written to the student describing the infraction and the penalty that has been levied, and explaining that a second offense will result in university action. This should also be advanced to the Department Head, Dean, and the Dean of Student Affairs. This

enables the University to retain a documentation of individual student behavior across courses and spot repeat wrongdoers.

Conclusion

The expansion of alertness regarding anti-plagiarism in higher education is but a schema to help people learn how to declare intellectual debts. Proper ascriptions admit those debts dutifully, usefully, and reverently. An attribution is responsible when it comes at a location and in a fashion that leaves readers in no doubt about whom you are thanking and for what. It's good to remember that nothing booths a career more rapidly than shoddy, unreliable work.

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Reforms And Growth In Retail Sector- Some Regional Aspects In India

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Abstract

Those who oppose foreign direct investment in multi-brand retail trade in India give various reasons to support their opposition. Those who support foreign direct investment in multi-brand retail trade give equally convincing arguments. Both the sides generally assume that there will be either adverse or favourable impact in all parts of the country. In other words these discussions generally ignore regional aspects of impact of foreign direct investment in multiband retail trade in India. The present paper is a small attempt in the direction of filling up the gap in the enquiry.

Keywords Good Governance, Local Sourcing, Regional Aspects, Traditional And Non-Traditional Retailing, Economic Performance Of States

Introduction

Those who support and those who oppose entry of foreign direct investment in multi-brand retail trade in India present various arguments to strengthen their points of view. Most of these arguments contain a basic assumption is that all parts of the country will experience, in general, a uniform impact as the result of the reform in retail trade.¹ The major reason for this assumption is that there are not many studies on regional impact of economic reforms in India. It is possible that economic reforms in general and entry of foreign direct investment in retail trade in particular may bring about different outcomes in different regions of the country. There are not many studies to highlight this area of enquiry.² The present paper is a small attempt in this direction.

It will be useful to recollect the main features of proposed policy on allowing FDI in multi-brand retail trade in India. The policy which was approved by the government, allows up to 51 percent equity participation provided there is an investment of at least \$100 million by the foreign organization. About one-half of this investment must go to infrastructure development such as refrigeration, packing, processing and transportation. This will be allowed only in cities with a population of more than 1 million. Then there is a requirement that at least 30 percent of the products must be sourced from local micro and small enterprises. It is expected that these conditions will minimize possible adverse effects and enhance benefits resulting from the entry of FDI in multi-brand retail trade in the country.

Most importantly individual states have the option of allowing the exercise to happen.

In 1991, the government brought the „License Raj’ to an end and introduced several pro-market reforms. This contributed towards higher rates of economic growth in the following years and the country witnessed decline in poverty ratio and other aspects of economic development of the community. However, some states benefitted from economic reforms more than others. For example, Andhra Pradesh and Gujarat experienced spectacular growth of about 10 percent while a few others such as Assam, Odisha, Madhya Pradesh and West Bengal grew at 3 percent or less per year.

As pointed out earlier there are not many studies on regional aspect of reform impact on economic

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performance of individual states. The following are the objectives of the present study:

1. What are the potential factors which may benefit some states to out-perform others in the event of FDI entry in multi-brand retail trade?
2. What role does good governance play in the possible better performance of these states?

The study will make use of published data from reliable sources for the purpose of analysis. Statistical tools used in similar studies will be part of the methodology used in the study. The outcome of the analysis will provide the ground for suggestions and directions for further research.

The first objective of the study addresses the question of potential factors which may determine the regional outcomes of the entry of FDI in multi-brand retailing in India. The state governments will ultimately decide whether to allow FDI in retail business in respective states.

There are indications that apart from non-Congress and non-UPA II state governments, several

Congress ruled states also may not allow FDI entry into retail business.³ With the entry of FDI in retail there will be benefits as well as problems. There are three important issues. They are benefits for farmers, job impact on traditional retail sector and inflation containment. The expectation of policy makers are that farmers will get

better remunerative prices for agricultural products, more jobs will be created in modern retail sector notwithstanding marginal initial job losses in traditional retail trade and that food inflation will be curtailed to a large extent. Those who oppose give passionate arguments to stop FDI entry in retail trading in India.⁴ As pointed out earlier most discussions ignore the possibility of regional differences in the impact of FDI in retail business. In a vast country like India it is essential to take into account factors which may lead to different outcomes in different regions even though the reform initiative may be similar.

There are several studies which attempt to find trends in regional income inequalities in India. Most studies take states as sub-national regions. Net State Domestic Product (NSDP) and per capita NSDP are most often taken as key variables to determine inter-state differences in economic condition and economic growth over the years. Co-efficient of variation (CV) and Gini coefficient are the most commonly used statistical techniques to measure the extent of inequality in the distribution.⁵ These studies are able to identify some broad trends in inter-state economic inequalities among the major states of India over a period of time.

In the early years of economic planning there was a declining trend in inter-state inequalities in income and this trend was very visible during 1960,s mainly due to the success of „Green revolution,. This declining trend was particularly pronounced

in terms of rural incomes in different states which experienced higher agricultural productivity. However, during 1970's regional inequality increased and this trend continued during 1980's also. Ahluwalia (2000) and S.L. Shetty (2003) make use of Gini coefficient to measure extent of inequality among states and show that there was a sharp increase in regional inequality during 1990's onwards. The coefficient of variation of per capita NSDP was 0.22 per cent during the 1980,s and it increased to 0.43 per cent during the 1990,s. There are other studies also which point out increasing inter-state income disparities from 1970,s to 1990,s.⁶ These studies, in general, reveal that there has been an increasing trend in the interstate disparities since the introduction of economic reforms in 1990,s. It will be interesting to know whether economic reforms contributed to increasing interstate income inequalities.

A study made in recent times addresses the issue of impact of economic reforms on regional disparities in India.⁷ It makes use of Gross State Domestic Product (GSDP) data obtained from Central Statistical Organization (CSO). The time periods taken in the study are 1980-81 to 1989- 90(pre-reform decade) and 1990-91 to 1999-2000(post reform decade). Data on 17 major states namely Andhra Pradesh, Assam, Bihar, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal, Goa, Haryana and Himachal Pradesh are taken into account. The relative contribution of the

three major sectors, agriculture, industry and services to interstate disparities during the two periods is presented in the following tables:

Table 1

Regional Inequality And Sectoral Decomposition (1980'S And 1990'S)

Years	1980-81	1984-85	1988-89	1990-91	1994-95	1998-99
Contribution of agricultural sector to interstate inequality	0.06	0.06	0.06	0.05	0.06	0.05
Contribution of industrial sector to interstate inequality	0.09	0.09	0.09	0.11	0.12	0.13
Contribution of service sector to inter-state inequality	0.11	0.11	0.11	0.12	0.16	0.18
Aggregate inequality	0.26	0.26	0.26	0.28	0.34	0.36

Source: Sabyasachi and S. Sakthivel (2007)

It can be observed that aggregate interstate disparities remained almost the same i.e. the C.V remained around 0.26 during the pre-reform decade(1980,s). Naturally the contribution to interregional inequality by individual sectors also remain negligible during this period. In the following post-reform decade (1990,s) there was sharp increase in the extent of regional inequality i.e. from 0.28 to 0.36. It can be seen that services sector contributed the maximum in widening the gap between rich and poor states. The services sectors contribution increased from 0.12 to 0.19 when industrial sector,s contribution increased only marginally. It may be noted that service sector includes transport, storage, communication, wholesale and retail trade, hotels and restaurants, banking and insurance, real estate, business and other related services.

In the context of the above facts, it may be argued that among the three sectors, service sector displays the highest degree of unequal performance among the states of India during the first decade of economic reforms. Which factors contributed how much to this unequal performance of service

sector among the various states we do not know. There may be strong economic, social, and political factors which play important roles in the process. Future research may identify and establish the relative importance of various factors. The trend of widening interstate disparities and service sector playing a major role in the divergence may be continuing during the period 2000-2012 also. It is beyond the scope of the present paper to go into these important issues of enquiry.

One of the major economic reforms introduced in recent times is allowing entry of foreign direct investment in multibrand retail trading in India. Economic reforms, in general, seem to contribute to increase in interstate disparities in India. Service sector seems to play a vital role in the process of widening disparities.

Retail trading is an important constituent of service sector. It follows that the degree of success or failure of entry of FDI in retail trading will depend upon regional factors. What these factors are and how they will influence the impact of FDI in retail trade on economic growth of regions are exciting areas of research. However they are beyond the scope of the present paper.

The second objective of the paper is to analyze the role of good governance in better performance of more successful states and to find out how it may influence the outcomes of FDI in retail trading. There are problems of definition and measurement of good governance. However there are attempts to define and measure what constitutes good governance. 8 It is important to know the extent of influence of good governance on the growth and development of a region. A few indicators of good governance can be taken to represent the degree of good governance in states of India. Then this degree or extent of good governance can be related to the level of economic growth achieved in the respective states. Such an exercise has been undertaken

In a recent study. 9 It is found that extent of good governance and rate of economic growth show positive and significant correlation indicating a strong association between them. It will be interesting to know whether good governance will play a positive role in better performance of service sector in which retail trade is a part. If that is the case then it can be inferred that FDI entry in retail trade may

bring in more results in those states in which there is a record of good governance.

Measuring the extent of good governance is a difficult task. One recent study attempts to numerically express the degree of good governance obtained in major states of India. 10 Inter-state difference in labour productivity levels (rupees per worker) calculated from NSS data per 14 states are taken from another study. 11 We calculated Pearson's coefficient of correlation between numerical values of extent of good governance and labour productivity in various economic activities for the 14 major states. The correlation coefficient values between good governance index and labour productivity in agriculture, manufacturing, trade repair services and hotels, transport and communication and percentage of urban population are 0.596, 0.558, 0.661, 0.553 and 0.510 respectively.

All the correlation coefficient values are positive and all except percentage of urban population are statistically significant. The states which have high degree of good governance display higher levels of labour productivity in all major areas of economic activity and especially in trade and related services. It means that in the event of FDI entry into multiband retail happening, the states with higher level of good governance will be able to experience better results than other states. In other words there may be differential impact of FDI in retail trade depending upon the extent of good governance obtained in different rates.

The arguments presented in the preceding paragraphs can be recapitulated. Inter-rate inequality has been increasing since the introduction of economic reforms. This has been established in studies made in recent years. It means that certain factors facilitate positive effects of economic reforms in some states. The same factors may also work in the case of FDI entry into retail trading and produce differential results in different states. The extent of good governance in a state may play a positive role in enhancing benefits of FDI in multi brand retail trading. Again one can expect differential impact of FDI in retail trading because different states display different degrees of good governance. It is suggested that this analysis can be extended by including more variables and taking longer period of time in future research efforts.

Notes

1. There are views expressed in business dailies and journals which fall in either of the two categories, namely those who support and those who oppose the entry of FDI in retail trade in India. See, for example, Sukhpal Singh (2011): „FDI in Retail : Misplaced Expectation and Half- truths, Economic and Political Weekly Vol XLVI No.51.pp.13-16, Ullekh „Kerala,s Retail Paradox Economic Times, Sep 23 2012 Prabhat Patnaik, „Legitimising an inhumane discourse, The Hindu Dec.12, 2011 and Jagdish Bhagwati „Untenable Critiques of Retail Liberalisation Economic Times,Dec.15, 2012.
2. There are only a few studies

which attempt to relate economic growth with regional inequality. Very few studies address the question of impact of economic reforms on regional inequalities. See, for example, Sabyasachi Kar, S. Sakthivel(2007) „Reforms and Regional Inequality in India, Economic and Political Weekly Vol XLII No.47 pp.69-77 and Kunal Sen., The State of Capitalism in States, Economic Times July 17, 2009.

3. Speaking about Kerala, a Kannur based Congress leader says, „In Kerala, it is difficult to implement decisions without public endorsement. Besides, even Congress leaders are socialist by nature”. The situation is not very different in other Congress-ruled states. See, Ullekh (2012)
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Appendix I

Correlation Coefficient Values

		Good Governance index	Percent Of Urban population	Trade Repair services And hotels	Financial And Business services	Transport And communication	Manufacturing	Agriculture
Good Governance index	Pearson Correlation	1	.510	.661*	-.011	.553*	.558*	.596*
	Sig. (2-tailed)		.062	.010	.971	.040	.038	.024
	N	14	14	14	14	14	14	14
Percent Of Urban pop	Pearson Correlation	.510	1	.561*	.477	.480	.653*	.243
	Sig. (2-tailed)	.062		.037	.084	.082	.011	.403
	N	14	14	14	14	14	14	14
Trade Repair services and hotels	Pearson Correlation	.661*	.561*	1	.082	.735**	.740**	.445
	Sig. (2-tailed)	.010	.037		.780	.003	.003	.111
	N	14	14	14	14	14	14	14
Financial And Business services	Pearson Correlation	-.011	.477	.082	1	.052	.372	.115
	Sig. (2-tailed)	.971	.084	.780		.859	.190	.695
	N	14	14	14	14	14	14	14
Transport And communication	Pearson Correlation	.553*	.480	.735**	.052	1	.749**	.161
	Sig. (2-tailed)	.040	.082	.003	.859		.002	.581
	N	14	14	14	14	14	14	14
Manufacturing	Pearson Correlation	.558*	.653*	.740**	.372	.749**	1	.272
	Sig. (2-tailed)	.038	.011	.003	.190	.002		.347
	N	14	14	14	14	14	14	14
Agriculture	Pearson Correlation	.596*	.243	.445	.115	.161	.272	1
	Sig. (2-tailed)	.024	.403	.111	.695	.581	.347	
	N	14	14	14	14	14	14	14

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

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

