

Vol 3 Issue 1  
June 2015  
ISSN 2319-684X

ABS International Journal Of Management

# ABS International Journal Of Management

ISSN 2319-684X

Vol 3 Issue 1  
June 2015

**Dr. Vijay Kumar Jain, Jayati Naithani**

Building Customer Satisfaction Through Corporate Social Responsibility:  
An Empirical Study With Special Reference To Indian Banking Industry

**Dr. (Mrs) Vijit Chaturvedi**

An Investigation Into Role Of Selected Performance Management System Techniques  
Like Competency Mapping, HR Scorecard And Metrics On Effective Talent Management

**Iram Ahmed**

Employee Engagement: Decoding the How of Generation Y

**V.Lalitha**

Business Risks : Challenges towards Vision 2020

**Manju Punia**

HRM Practices And Employees' Satisfaction In Auto Component  
Manufacturers In IMT Manesar

**Dr Neha Arora**

Concatenation Of Creativity, HR & Success The New Mantra In Business

**Pankaj Vishwakarma, Anjali Gautam**

Web Advertisement Analysis Based on Web Page Positioning (Usability)  
– A Green Marketing Approach

**Mrs. Priyanka Sharma Gurnani**

Web Advertisement Analysis Based on Web Page Positioning (Usability)  
– A Green Marketing Approach



**ASIAN BUSINESS SCHOOL**

(Approved by AICTE,  
Ministry of HRD, Govt. Of India)  
Marwah Studios Complex II,  
Plot A2, Sector 125, Noida-201303





**Shri. Balram Jhakar**

Former Governor of Madhya Pradesh

Former Speaker of the Lok Sabha

---

## 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 3rd 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



**T**he Vision of establishing India as a trusted global hub for world class services, an innovation hub with the goal of transforming business and transforming India is an initiative that is very close to my heart as a proud and responsible citizen of India. It is my firm belief that India has the potential to grow and overcome any challenges that come to its path with its energy, entrepreneurship, and innovation.

It is a very fortunate moment for ABS to have been in a space where it can make a significant contribution to our country by taking a proactive role in trying to shape India's future growth and progress. 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. I envision an India that is a role model for other nations in terms of innovation, creativity, job generation, and growth.

This third 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



Himanshu Kumar  
Designer, ABS International Journal of  
Management



Dr. Sandhya Aggarwal  
Editor, ABS International Journal of  
Management

## PREFACE

It gives us immense pleasure to give you the third 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 Global Issues and Managerial Intervention to Chase 2020 Vision- “*A Strategic Vision toward 2020*” . India Vision 2020 - is a practical perspective toward growth through an identification of potentials adding towards national development and anticipating challenges for accomplishment of the vision.

India 2020 envisions, emerging as a bustling combination of energy, entrepreneur and innovation. With the focus on achieving the title of Silicon Valley of Asia followed by the diversification from IT to biotechnology, medical science, widening the field of India’s international competitiveness and generating a large number of employment opportunities to the educated youth. The country also foresees to provide its people with better education and standard of living through productivity revolution in Indian agriculture sector, coupled with diversification towards commercial crops, agro-exports and massive strategic application, giving a fillip to the urban economy and the informal sector as well as rapid expansion of the service sector by 2020.

Even the environmental issues remains a serious concern, to be taken care of by 2020 that calls for strict enforcement of industrialization pollution control, emergence of Green concepts such as green marketing, waste management, harvesting management and many other critical issues to be attended.

Being the largest pool of young talent, managing and sustaining this young intellectual capital with improved quality of education, training & development, stabilized employment market is another, most important goal to be achieved, for the growth and prosperity of nation’s economy. This young intellectual talent in return will be a profitable investment to nation for the emergence as one of the superpower developed nation with strong control over its trade, technological advancement, investment pattern & global market.

Today the prevalent challenge drawing concern is chasing 2020 vision, in another five years ahead, with turbulent global issues seeking strategic vision. The current global scenario with radical changes is covered with major predicament in almost all phases and field from top to bottom, making the journey of accomplishing 2020 vision thorny.

The decade review showcase all, the momentous areas have shown palpable sign of moving toward crisis be it pattern of international trade, financial flux, cross border alliances and their issues, tariff barriers, talent acquisition and management, empowering education sector, managing industrial downturns, cheaper imports, technology advancement, global governance, foreign direct investment, ongoing issues pertaining to WTO & IMF and many more making vision more turbulent to achieve.

Chase of 2020 Vision today calls for reinvention of business models, fostering innovation in business, encashment of opportunity over risk, catalyzing growth beyond core market, establishing India as a trusted global hub for services, building a pre eminent innovation hub, with the agenda of transforming business, transforming India.

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

## Content

1. Building Customer Satisfaction Through Corporate Social Responsibility: .....7  
An Empirical Study With Special Reference To Indian Banking Industry  
*Dr. Vijay Kumar Jain, Jayati Naithani*
2. An Investigation Into Role Of Selected Performance Management System Techniques.....12  
Like Competency Mapping, HR Scorecard And Metrics On Effective Talent Management  
*Dr. (Mrs) Vijit Chaturvedi*
3. Employee Engagement: Decoding the How of Generation Y.....21  
*Iram Ahmed*
4. Business Risks : Challenges towards Vision 2020.....24  
*V.Lalitha*
5. HRM Practices And Employees' Satisfaction In Auto Component Manufacturers In IMT Manesar.....31  
*Manju Punia*
6. Concatenation Of Creativity, HR & Success The New Mantra In Business..... 37  
*Dr Neha Arora*
7. Web Advertisement Analysis Based on Web Page Positioning (Usability)- ..... 44  
A Green Marketing Approach  
*Pankaj Vishwakarma, Anjali Gautam*
8. Web Advertisement Analysis Based on Web Page Positioning (Usability) – .....50  
A Green Marketing Approach  
*Mrs. Priyanka Sharma Gurnani*

## Building Customer Satisfaction Through Corporate Social Responsibility: An Empirical Study With Special Reference To Indian Banking Industry

Dr. Vijay Kumar Jain<sup>1</sup>

Jayati Naithani<sup>2</sup>

### Abstract

*The main objective of this paper is to examine the impact of CSR initiatives taken by select Indian Banks on customer satisfaction and its outcome customer loyalty. The result shows significant impact of CSR Ethical, Philanthropic, and Economic dimensions on Customers Satisfaction and its outcome Loyalty.*

**Keywords** Corporate Social Responsibility, Customer Satisfaction, Regression Analysis.

### Introduction

In today's competitive scenario, corporate social responsibility has become an important tool that has strategic importance to every company. Almost 90 % of fortune 500 companies have been involved in CSR activities (Kotler & Lee, 2004; Lichtenstein, Drumwright, and Bridgette, 2004). Corporate Social Responsibility refers to a business practices that involves participating in initiatives that benefits society. As consumer's 'awareness about global social issues continues to grow, so does the importance these customers' place on CSR when choosing where to shop. CSR is a citizenship function with moral, ethical and social obligations between a corporation and publics (David *et al.*, 2005; Wang, 2007). Smith (2003) claims that CSR refers to the firm obligations to society or, more specifically, the firm's stakeholders-those affected by corporate policies and practices. Social responsibility has become top priority for organization today and corporate leaders face challenging obligation in their efforts to obey ethical and social standards in business social responsible operation (Morimoto & Ash, 2005). People expect organization to be socially responsible and have ethical approach in satisfying the needs of their clients. Today's shoppers don't look for the best price and quality — they expect the

companies they patronize, to do good with their dollars and make a positive impact on the world around them. Companies by involving in CSR activities can reap the benefits of increases profits, customer loyalty, trust, positive brand attitude and combat negative publicity (Brown and Dacin, 1997; Drumwright, 1996; Maignan and Ferrell, 2001; Sen and Bhattacharya, 2001; Sen *et al.*, 2006). A survey conducted by (McKinsey, 2012) shows that 76 percent of executives believe that CSR contributes positively to long term shareholder value and 55 percent believe that the sustainability helps their companies build a strong reputation. Luo and Bhattacharya (2006) found direct link between CSR and Customer Satisfaction in their study of Fortune 500 Companies. The purpose of this study is to investigate the impact of CSR activities adopted by select Indian Public banks on customer satisfaction and its outcome loyalty.

### Theoretical Background and Hypothesis Development

Corporate social responsibility is a business philosophy that stresses the importance of keeping the best interests of the wider society in mind. Carroll (1979) describes CSR as legal, economic and

discretionary expectations that society has from organizations at a given point of time.

Turker (2009) defined it as corporate behavior that intends to affect shareholders positively that goes beyond its economic interests.

CSR is an obligation of firms to use its resources in a ways to benefit society, through committed participation as a member of society, taking into consideration the society at large and doing welfare of society at large independently of direct gains of company (Kok, 2001).

### Hypothesis-1: Customers' Perception Of Economic CSR Has Positive Impact On Customers' Satisfaction.

Research conducted by Tan and Komaran (2006) found that economic responsibilities of CSR initiatives positively affect customers' purchasing decision. Lee, Kim, Lee and Li (2012) found association between economic CSR and level of trust which further leads to customer satisfaction and retention. Economic CSR has positive and significant impact on customers' satisfaction and loyalty (Nareeman & Hassan, 2013). The determinants of economic CSR such as price fairness are found to be associated with customers' satisfaction and retention (Kinney, Xia & Monroe, 2007). Operation efficiency which is measured in terms of

<sup>1</sup>Assistant Professor, Faculty of Management Studies, DIT University, Dehradun

<sup>2</sup>Research Scholar, Utrakkhand Technical University, Dehradun

waiting time, fast time and cost efficiency is positively associated with customer satisfaction and retention (Luo & Bhattacharya, 2006; McDonald & Thiele, 2008).

#### **Hypothesis-2: Customers' Perception Of Legal CSR Has Positive Impact On Customers' Satisfaction.**

Being trustworthy and transparent increase consumers' preference for a company and its products or services. Compliance with law is a fundamental duty of any organization and an essential part of their social responsibility. Customers' shows greater trust and confidence when organizations act in accordance with legal regulation to protect customers' privacy (Wirtz et al, 2007).

Another dimension of legal CSR is labeled item, which also found to have positively associated with customers' satisfaction and retention (Hiscox & Smith, Tan & Komaran, 2006; Onlaori & Rotchanakitumnuai, 2010).

#### **Hypothesis-3: Customers' Perception Of Ethical CSR Has Positive Impact On Customers' Satisfaction.**

It is important for businesses not only to provide products and services to satisfy the customer, but also to ensure that the business does not prove to be harmful to the environment in which it operates. For any organization to be successful in long run, the business must be built on ethical practices. Ethical practices of an organization improve customer satisfaction and retention (Shaw, Shiu, Hassa, Bekin, & Hogg, 2007). Honesty, fairness & integrity are related to ethical responsibilities of CSR dimensions (Galbreath, 2010).

Ethical behavior of employees' influence customers' behavioral intention and satisfaction (Cooper & Frank, 2002; Hazrati, Zohdi, Seyedi & Dalvand, 2012). Brands that deliver on promises add to customer satisfaction (Hanif et al, 2010). People satisfaction for the firms that avoid child labor and sweat shop are found to be higher (Lichenstein, Drumwright & Braig, 2004; Shaw et al, 2007; McDonald & Thiele, 2008). Fair trade practices perform by organizations leads to customer satisfaction and retention (Shaw et al, 2007).

#### **Hypothesis-4: Customers' Perception Of Philanthropic CSR Has Positive Impact On Customers' Satisfaction.**

Corporate philanthropic activities directly influence customer demands through high level of customer satisfaction and retention (Tan & Komaran, 2006; Lev, Petrovits & Radhakrishnan, 2010; Galbreath, 2010; Onlaori & Rotchanakitumnuai, 2010; Lee et al, 2012). Murray and Vogel (1997) studied the effects of socially responsible business practices such as cause promotions, community volunteering (employee volunteer programs), corporate social marketing (electric safety education for school children) as well as proactive economic factors (participation in economic development of region) and customer protection (consumers' panel program) on consumers. They found change in people attitude towards the firms' including beliefs about company, honesty, consumer responsiveness, and truth in advertising, pro environmental and pro employee attitude and enhanced support for firms in labor dispute and recommendations made to friends for job applications.

#### **Hypothesis-5: Customers' Satisfaction Towards The Banks Increase Customers' Loyalty.**

Customer satisfaction is defined as overall evaluation based on customer total purchases and consumption experiences with good or service over the time (Anderson, Fornell & Mazvancheryl, 2004). Customer satisfaction has been recognized as an important part of corporate strategy and a key driver of firms' long term profitability and market value (C. Fornell, S.Mithas, F.V. Morgeson, & M.S, Krishnan, 2006). Luo and Bhattacharya (2006) found direct link between CSR and customer satisfaction in his study of fortune 500 companies. In banking context, Lekme (1987) reports that a Massachusetts bank has been successful in promoting new accounts by assisting endangered animal species with donations made to wildlife fund.

#### **Methodology Measures**

The present study makes use of factors developed by Carroll & Shabana (2010) to measure corporate social responsibility. In total 16 items were deemed suitable and used to measure CSR on five point likert scale ranging from strongly disagree to strongly

agree. The customer satisfaction was measured using 3 items developed by Kaur and Soch (2012) and customer loyalty was measured using 3 items developed by Ishaq (2012). The questionnaire consisting of two sections were developed. The first part contains demographic information and second part contains likert scale items concerning corporate social responsibility, customer satisfaction and customer loyalty. As per demographic information, there were equal number of males and females in the sample. The majority of respondents were post graduate. In terms of age distribution, 7 out of 10 were 25 to 30 years old with average income of 24000.

#### **Research Design And Data Collection**

The study is descriptive in nature. The population of this study consists of customers' having accounts in public sector banks. Four banks from public sector (SBI, PNB, PSB & Allahabad bank) were selected for the study. People were approached through convenience sampling in Dehradun City. A total of 400 respondents were administered through structured questionnaire. However, 255 filled questionnaire correctly and were considered appropriate for further analysis.

#### **Analysis And Results**

##### **The Regression Analysis And Hypothesis Testing**

In order to find the contribution of independent variables as predictor to customer satisfaction and to confirm the hypothesis, regression analysis was carried out. Results of analysis are shown in Table-1 in the appendices. As indicated in Table-1, overall model is fit significantly. The independent variables accounted for 55% ( $R^2=0.550$ ) variance in the dependent variable. The result of regression equation based on four independent variables (Ethical, Philanthropic, Legal & Economic CSR) indicate positive and statistically significant relationship with dependent variable customer satisfaction except legal CSR which is insignificant ( $P>0.05$ ). The ethical CSR with largest beta coefficient of (0.46) is the most significant independent variable followed by philanthropic CSR (0.302) and economic CSR (0.22) respectively.

The result of regression equation of independent variable of customer

satisfaction and dependent variable of customer loyalty is positive and statistically significant ( $F=105.489$ ;  $P<0.05$ ). Further from  $R^2$  (0.522) value, nearly 52% of the variance is explained by customer satisfaction in the dependent variable customer loyalty.

### Discussion And Conclusion

Companies that incorporate business ethics have a competitive advantage over others companies as consumers are more willing to trust ethical brands and remain loyal to their products. It is therefore, important for companies to understand the importance of operating ethically and to measure success by more than just profitability. Corporate Social Responsibility as a strategic practice is key to organizational success because it is one of the few practices that can positively impact all three elements of the triple bottom line, contributing to a healthy bottom line and long term sustainability. Ethical CSR has highest contribution in customer satisfaction as compared to other dimensions of CSR. Honesty, Integrity and Fairness are tied with ethical dimension of CSR. This finding is consistent with the findings of Shaw, Shiu, Hassan, Bekin and Hogg (2007), Galbreath (2010). This suggests that customers tend to be more satisfied with banks that they perceive ethical.

Philanthropic CSR refers to those corporate actions that are in response to society's expectations that business be good corporate citizens (Carroll, 1991). It includes actively engaging in acts or programs to promote human welfare or goodwill. Several studies have confirmed the contribution of philanthropic CSR in customer satisfaction (Lev, Petrovits & Radhakrishnan, 2010; Tan & Komoran, 2005).

Economic CSR is defined in terms of shareholders wealth maximization, profit generation, being competitive, operational efficiency, price fairness and product quality. It positively influences customers' purchasing decisions (Tan & Komaran, 2006) and has significant impact on customer satisfaction. This finding is consistent with the findings of Nareeman and Hassan (2013).

Legal dimension of CSR is measured in terms of the extent that organization's

activities are consistent with laws and regulations (Carroll, 1991). Legal CSR is not found to have significant impact on customer satisfaction. This may be because business firms are supposed to comply with legal obligations and people expect all firms to abide by law. Therefore, Hypothesis-2 is not supported. This finding is consistent with the findings of (Lee et al, 2012) which suggest that compliance with legal responsibilities does not lead to customer satisfaction. Customers' loyalty improves profitability by reducing cost incurred in acquiring new customers'. Satisfaction with banks products and services play an important role in generating loyalty. Customers' satisfaction has significant impact on customers' loyalty that confirms Hypothesis-5. This confirms the findings of Bloemer, de Ruyter & Wetzels (1999); Oliver (1999); Zeithamal et al (1996).

It is concluded that improved corporate social responsibility especially ethical, philanthropic and economic dimensions lead to customers' satisfaction. Further, increased customer satisfaction also adds to customer loyalty. These findings of customers' satisfaction and loyalty have implications for banking industry. The improved understanding of CSR practices can help banks to realign their strategies to enhance customer satisfaction that will fetch high financial return for banks. CSR can prove to be useful marketing tool in the armoury of banks to create competitive edge and develop sustainability.

### References

- Anderson, E.W., Fornell, C & Mazvancheryl, S.K. (2004). Customer satisfaction and shareholder value. *Journal of Marketing*, 68,172-185.
- Azim, M., E, Ahmed & B, D. Netto. (2011).Corporate social disclosure in Bangladesh: A study of the financial sector. *International Review of Business*, 7, 37-55.
- Bar, Zuri . (2008). Social responsibility and business involvement in the community: quantitative measures of business involvement in the community. Israeli Ministry of Industry and Commerce: Research and Economic Department.

- Bloemer, J., De Ruyter, K., & Wetzels, M. (1999). Linking perceived service quality and service loyalty: A multi dimensional perspective. *European Journal of Marketing*, 33, 1082-1106.
- Carroll, A. B. (1999). Corporate social Responsibility: Evolution of definitional Construct. *Business and Society*. 38, 268-295.
- Carroll, A.B. (1979). Three dimensional conceptual model of corporate performance. *Academy of Management Review*, 4, 497-505.
- Carroll, A.B. (1991). The pyramid of corporate social responsibility towards the moral management of organizational Stakeholders. *Business Horizon*. 34, 39-48.
- Carroll, A.B., & Shabana, K.M. (2010). The business case for corporate social responsibility: A review of Concepts, research and practices. *International Journal of Management Review*, 2010.
- Cooper, R.W., & Frank, G.L., (2002). Ethical challenges in two main segments of the insurance industry: Key considerations in evolving financial services Marketplace. *Journal of Business Ethics*. 36(1/2), 5-20.
- Fornell, C., Mithas, S., Morgenson, F.V., & Krishnan, M.S. (2006). Customer satisfaction and stock prices: High Returns, low risk. *Journal of Marketing*. 70, 1-14.
- Galbreath, J. (2010). How corporate social responsibility does benefits firms? Evidence from Australia. *European Business Review*. 22(4), 411-431.
- Hair, J.F (1995). *Multivariate Data Analysis*. 4<sup>th</sup> Edition, Prentice Hall, New Jersey.
- Hanif, M., Hafeez, S., & Riaz, A. (2012). Factors affecting customer



- satisfaction. *International Research Journal of Finance and Economics*, 60, 44-52.
- Hazarati, S.S., Zohdi, M., M.H., Seyedi, S.M. & Dalvand, M.R. (2012). Examining Impacts of the salespersons' ethical behavior on Customers Satisfaction, Trust and Commitment. *African Journal of Business Management*, 6(14), 5026-5033.
  - Hiscox, M. J. & Smyth, F. B. (2012). Is there consumer demand for improved labor standards? Evidence from field experiments in social product labeling. Retrieved from <http://www.People.fas.harvard.edu/hiscon/sociallabeling.pdf>
  - Kinney, K.M., Xia, L. & Monroe, L.B. (2007). Consumers' perceptions of fairness of price-matching refund policies. *Journal of Retailing*, 83, 325-337.
  - Kok, P., Vander, T., McKenna, R., & Brown, A. (2001). A corporate social responsibility audit within a quality management framework. *Journal of Business Ethics*, 31(4), 285-297
  - Lee, Y. K., Kim, Y.S., Lee, K.H & Li, D. X. (2012). The impact of CSR on relationship quality and relationship outcomes: A perspective of service employees. *International Journal of Hospitality Management*, 31,745-756
  - Lemke, L. (1987). Current financial advertising: Mass Banks evolutionary account also assists vanishing species. *Bank Marketing*, 19, 41.
  - Lev, B., Petrovits, C., & Radhakrishnan, S. (2010). Is doing good good for you? How corporate charitable contribution enhance growth. *Strategic Management Journal*. 31(2), 182-200.
  - Lichtenstein, D.R., Drumwright, M.E., & Braig, B. M. (2004). The effect of corporate social responsibility on customer donations to corporate-supported nonprofits. *Journal of Marketing*, 68,16-32.
  - Lichtenstein, D.R., Drumwright, M.E., & Braig, B.M. (2004). The effect of corporate social responsibility on customer donation to corporate non Profits. *Journal of Marketing*. 68(4), 16-32.
  - Luo, X. & Bhattacharya, C. B. (2006). Corporate social responsibility, customer satisfactions and Market Value. *Journal of Marketing*, 70(4), 1-18.
  - Luo, X., & Bhattacharya, C.B. (2006). Corporate social responsibility, Customer satisfaction and Market value. *Journal of Marketing*, 70(4), 1-18.
  - Maignan, I. & Ferrel, O.C. (2004). Corporate social responsibility and marketing: An integrative Framework. *Journal of Academy of Marketing Science*, 32(1), 3-19.
  - McDonald, L.M., & Thiele, S.R. (2008). Corporate social responsibility and bank customers' satisfaction: a research agenda. *International Journal of Bank Marketing*, 26(3), 170-182.
  - McKinsey. (2010). How companies manage sustainability. McKinsey global survey results. Retrieved from <http://www.mckinseyquarterly.com>
  - Morimoto, R., Ash. J. (2005). Corporate social responsibility audit: From theory to practice. *Journal of Business Ethics*, 62(4), 315.
  - Murray, K .B. & Vogel, C.M. (1997). Using a hierarchy-of effects approach to gauge the effectiveness of corporate social responsibility to generate goodwill towards the firm: financial versus non financial impacts. *Journal of Business Research*. 38,141-159.
  - Nareeman, A., & Hassan, Z. (2013). Customer perceived practices of CSR on improving customer satisfaction and loyalty. *International Journal of Accounting and Business Management*, 1(1), 30-49.
  - Oliver, R. L. (1999). Whence customer Loyalty? *Journal of Marketing*. 63, 33-44.
  - Onlaori, W. & Rotchanakitumnuai, S. (2010). Enhancing customer loyalty towards corporate social responsibility of Thai mobile service providers. *World Academy of Science, Engineering and Technology*. Retrieved from <http://waste.org/journals/waste/v66-242.pdf>
  - Sarker, M .F. H.(2012). Corporate social responsibility of private banks in Bangladesh: Expectations, Achievement, and Challenges. *Journal of Public Administration and Governance*, 2, 1
  - Sen, S., Bhattacharya, C. B., & Kpreschun. (2006).The role of corporate responsibility in strengthening multiple stakeholders relationship: A field Experiment. *Journal of Academy of Marketing Science*, 34(2), 158-166.
  - Shaw, D., Shiu, E., Hassan, L., Bekin, C & Hogg, G. (2007). Intending to be ethical: An examination of consumer's choice in sweatshop avoidance. *Advance in Consumer Research*, 34, 31-38.
  - Smith, N.C. (2003). Corporate social responsibility whether or how? *California Management Review*, 45(4), 52-76.
  - Tang, G., & Komaran, R. (2006). Perception of corporate social responsibility: An Empirical study in Singapore. Retrieved from <http://mercury.smu.edu.sg/rsrchbupload/7130/ICAM-CSR-Perception>
  - Turker, D. (2009). How corporate social responsibility influences organizational commitment, *Journal of Business Ethics*, 89, 189-204.

- Vogel, D. (1991). Business ethics: New perspectives old problems. *California Management Review*, 33(4), 101-117.
- Wirtz, J., M.O. & Williams, J.D. (2007). Causes and Consequences of customer online privacy concerns. *International Journal of Service Industry Management*. 18(4), 326-348.
- Zeithamal, V.A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60, 31-46

#### Appendices:

**Table-1: Results of Regression Analysis**

Variables	Standardized Regression Coefficient (B-Beta)	T value	Significance level
<b>Customer Satisfaction (R2 0.550)</b>			
Ethical CSR	0.461	2.696	0.039
Philanthropic CSR	0.302	7.480	0.046
Legal CSR	0.002	0.821	0.100
Economic CSR	0.225	3.476	0.021
<b>Customer Loyalty (R2 0.522)</b>			
Customer Satisfaction	0.610	19.181	0.001

\*P<0.05, N=255

## An Investigation Into Role Of Selected Performance Management System Techniques Like Competency Mapping, HR Scorecard And Metrics On Effective Talent Management

Dr. (Mrs) Vijit Chaturvedi<sup>1</sup>

### Abstract

*With talent management and its multi-faceted impact on organizations, today's organization and the workplaces are designed and defined keeping in view the talent in mind. With increasing surmounting pressures, Geny and I and vast technological innovation the complete working in every function of business and its outcome are largely defined by identifying and retaining the talent capital in an organization. It is an evident fact that the future and the present of any business competing at best right from the best Fortune 500 companies to small entrepreneurs the success lies on effective leadership, identifying the right organization capability factors, demand of product or service, possible distinctiveness that the product or service can appeal in the market, added benefits, available ease and convenience in supply chain, global trends, organization structure, internal management strategy with sound adaptability and accommodativeness.*

*Above these factors is the factor that is primarily most crucial and significant and that is effective manpower manning called traditionally or diverse workforce management or managing and monitoring the available talent and thus tapping their skills and capabilities in line with strategic business perspective and creating excellence.*

*Best all of the above stated function depends on how far the monitoring and consistent development leading to engagement and thereby retention actually happens. This all depends on how organization measures and tracks step wise development and outcome in form of performance and identifying the talented workforce called popularly as super keepers from the average employees and thus competing with best super ordinate achievers.*

*Today performance management is no longer limited to mere appraisals only as yearly or half yearly assessment which was more a conventional and fear based function which focused solely on the ultimate outcome which an employee contributes based on his available skills and expertise but today appraisal or assessment are more of a consistent function which begins the moment an employee joins an organization and remains in each performance based on participation, timely feedback, consensus based planning, effective training and outcome known in the most transparent ways with equal participation of assessor at every step. With techniques like competency mapping, HR scorecard, HR metrics which are readily available and implemented by almost every organization have transformed the way assessment at individual, functional or at unit level use to happen. They help in providing a diverse and a wider base to appraise organization and its different stakeholders whose contribution matters for effective organization building.*

*The objectives of the proposed paper are as follows-*

- 1) *To identify the inter linkage between performance management system and talent management*
- 2) *To understand the role of selected techniques like competency mapping, HR metrics and Hr scorecard in effective PMS and talent management*
- 3) *To identify and understand the relevance of these techniques through case study*

*It is expected that the present paper will help in providing an insight on how organization can take benefit of PMS and varied emerging techniques in effective TM and thereby help in yielding better strategic competitive advantage.*

**Keywords** Performance management, Talent management, Competency Mapping, HR Scorecard, HR Metrics.

---

<sup>1</sup>Associate Professor, Lingaya's University

## **Introduction**

Talent management primarily focuses on identifying, creating and maintaining such key employees which consistently add value to the organization and developing plans, rewards, appropriate compensation, attractive career path and enabling along with generating role models that will in long way facilitate organization to grow.

The other important focus of talent management is on making sure that organization possess required number of key employees in the organization and none of the position are left void and that the organization has replacement for itself for key positions so that developing and maintaining talent across organization becomes part of organization culture. This will help in maintaining a reservoir of talent at different levels and will help in multiplying talent at different positions once a culture of talent development and sustenance is been created.

Thus it can be said that leadership and effective talent utilization of HR is actually a recipe that different organizations have differently for themselves and only those who in a planned and strategic way operationalize it get success. The above research focused on few areas that can help organization to create a difference these are team building, Leadership, decision making, influencing, conflict resolution, supplier relationship and communication across levels all of these areas focus highly on effective utilization of human resources especially those employees which the organization cannot even think to loose and is in the process to create and sustain this intellectual capital in organization.

Thus the basic factors that contribute to effective development and sustenance of talent in organization includes-:

-Identifying and understanding the key competencies of organization which will help in achieving organization excellence and build strategic competitive advantage for the organization.

-Right from identifying the skill set and competency required from talented employees and implementing the same while making recruitment and selection,

training and preparing future successors should be focused.

-Keeping a pool of replacements for meeting any contingencies as and when needed.

-Helping employees to have positive job attitude and high jobs satisfaction.

-Open communication and high participation to avoid lack of collaboration and more trust and integration in the workforce.

-Strong focus on performance and potential forecasting and planning to consistently evaluate performance and suggest improvement measures.

Thus, talent management is core to the vitality of the business to meet and exceed current as well as future business strategies and goals. Framework of talent management proactively anticipates and meets business talent demand which is necessary to successfully execute the business strategy.

It insights into the business strategy, then accordingly develops as well as retains prior talent and attracting new talent to cope with the strategic needs in order to get best utilization out of tools and processes to deliver result.

Thus the gamut of talent management system covers focused on practices associated with developing strategy, identifying talent gaps, succession planning, and recruiting, selecting, educating, motivating and retaining talented employees human resource though a variety of initiatives.

Thus, a complete Talent management system is needed to ensure how the organization focuses on consistently monitoring the arrival and required stay of talent once it is nurtured and developed to meet organization requirements.

## **Performance Management And Talent Management System-An Integrated Perspective**

Thus, the success of any TMS or effective HRM lies on effective performance

measurement and improvement. Thus an effective TMS should consist of the following to meet Performance requirements-:

### **1. Identifying The Assessment Tool For Performance And Hidden Potential That Can Be Strategically Aligned And Utilized-**

This step includes assessing after through job analysis identifying the key traits and competency required across different levels to give a strategic direction to the outcome or performance of employees (talent capital). This will require choosing the right performance appraisal technique and potential assessment tools and developing assessment criterion and scales to measure the performance and potential on regular intervals.

### **2. Identifying The Appropriate Training And Development Method For Matching Skills With Expectations-**

The next important component is once the organization is able to assess how and where the gaps in performance or outcome in terms of skill, competency, ability lies ,identifying a suitable and consistent training and development plan based on mutual consensus and participation of key people on whom the organization wants to invest and sustain in long term for their contribution in organization. This will include focussing on role and availability of training matched with the talent driven objectives and immediate task (also career or succession) in consideration. This will require developing a complete manual or directory of coaching or training to keep focus on development s and post training and accordingly bringing changes in key positions across the organization. This will help in keeping the organization prepared and proactive for future key talent or in other words will help in preparing the talent pool for the organization.

### **3. Assessing The Outcome And Performance Of Each Identified Employee-**

Further once training and development is been imparted on a consistent scale it is important to keep a track on performance of each employee based on immediate supervisor or superior support and experience planning the future action either

on the basis of **replacement chart** that helps in analyzing and charting the available replacement in future for key position and availability of successors to occupy future roles in a consistent way also it will help in preparing strong key position across the organization. This will help in preparing detail of performance and potential of employees the next position available for these identified position and the level of preparedness they are in to occupy roles and their replacement if any and preparation level of their replacement as well in terms of how much time will they take to occupy future roles

#### **4. Finalizing Action Plan To Develop And Sustain Talent Capital-**

After assessing the performance and potential based on potential forecast and present skill set and identifying the training and development needs and focusing on each employee it is important to prepare an action plan based on each employee need of skill development, key position available and after assessing their competencies developing an action plan based on the category of employees in terms of how significant their contribution is for the organization whether they are super performers, average performers, mediocre, surpluses, below expected performers.

Since the basic purpose of any TMS is ensuring availability, accessibility, reliability and utility of right talent for achieving organization effectiveness the focus is on performance, competencies required and available (since they are measurable) and planning the right mix of training, development, potential appraisal and estimating return from such talent. These form the basic pillars or building blocks of a well-planned TMS strategy.

- ❖ Identifying right competencies
- ❖ Planning performance accordingly
- ❖ Potential forecasting
- ❖ Planning the training and development needs
- ❖ Career planning based on competencies and gaps
- ❖ Integrating role of compensation/ Rewards in achieving talent mission across organization
- ❖ Ensuring the talent supply across different levels

- ❖ Adding to succession planning based on this
- ❖ Forecasting, planning and assessing role of IT levers in TMS

#### **Role Of Performance Management In Effective Talent Management**

It is important to be understood that to a large extent the identification and development or nurturing the talent in the organization will depend on what direction or inputs the assessors get to bring desired change or by measuring the gaps in capability or skill set or the creativity or many other core competencies that are required and expected from talented employees.

This emphasizes the role of performance assessment and performance reviews, it is so because resources are always limited and organization needs to plan its investment with respect to expected returns from them and for this identifying the present and hidden potential of an employee is important for which planned, realistic, objective based strategically driven and related appraisal and its management needs to be implemented and monitored. The role of competency is been discussed in detail in the next chapter where the focus on identifying the role of PMS, competency management is been discussed. Further, few things and components are important while choosing and relating an effective PMS (Performance Management system) while preparing TMS.

Thus an effective appraisal system focusing on developing and managing talent in an organization will include focus on following factors-

#### **Basic Vision And Motto Of The Organization Aligned With Talent Objectives Of The Organization-**

This will help in setting a direction of what is expected to be evaluated and why evaluating for talent identification and development is important.

#### **Objectives Behind Appraisal-**

It is important first to understood that what specifically needs to be achieved, what type of evaluation is needed also needs to be focused.

#### **Parameters And Standards Adopted To Assess Performance**

It is important to identify the measures, dimensions and weights that are going to be adopted in measuring and managing performance.

#### **What Type Of Measurement Are Going To Be Used And On What Basis**

It is important to see whether trait based, skill or knowledge, behaviour or result based assessment is required it will help in giving a direction to bass of measurement based on job structure, expected performance ,possible push and pull forces and capability gap if any.

#### **Assessing The Data Required For Measuring Effectiveness**

It is important to see which type of data whether qualitative or quantitative is important to measure the effectiveness and is available to measure performance for talent development.

#### **Choice Of Appraisers**

An important factor is deciding who will appraise, understanding their expertise, relevance, suitability, and purpose is important to be pre planned whether they are peers or outside experts.

#### **Type Of Appraisal Instrument And Technique**

Depending on basic objective and expected outcome selecting either a behavior based or result based appraisal instrument is important Similarly deciding on the rating scales, weights, scores, instruments, checklist have to be pre-planted.

#### **Conducting Appraisal Interview**

The purpose and outcome cannot be fruitful until a post appraisal feedback is been provided in time and in right form and followed by suggestions and recommendation that will help in improving the talent pool or building strong talent reservoir.

Similarly, documentation and formal mechanism to be followed in giving the feedback also needs to be planned for effective talent development.

#### **Providing Necessary Tools For Assessment And Training**

It is important to align a strategically linked assessment which can help in linking supervisor performance with subordinate performance or can reflect a dependence between the same and deciding the objectivity, feasibility, relevance, cost and accountability of such a system that will ease the process of appraisers as well.

#### **Deciding The Duration Or Period Of Assessment-**

The other important factor is deciding the assessment period whether it is going to be a continuous process or scheduled as per problem or specific as per time or any other so that all concerned are informed, prepared and clear.

#### **Essential In Linking Talent Based Performance Management System-**

There are certain myths and fallouts which either due to misperception or the nature of function is thought to create problem for a talent driven performance management system, for example-

- Performance management is a highly expensive, time taking, cumbersome and devil compliance where the appraisers think the employees must be thinking negative about them at large
- At times the parameters of performance are not properly linked with organization requirement, task structure of expected performance thus lack of appropriate instrument
- The return to investment after PMS is difficult and takes time to be evaluated

#### **Role Of Competency Mapping In Effective PMS**

Organization tries to map competencies that help in identifying the key skills or behavior required to perform successfully a given job or role or a set of tasks at a given point of time. It consists of breaking a given role or job into its constituent tasks or activities and identifying the competencies (technical, managerial, behavioral, conceptual knowledge and attitude and skills, etc) needed to perform the same successfully.

Competencies helps in aligning the intent, action or behavior and resulting performance or outcome are thus an intrinsic part of any organization. The competencies may vary from core, threshold or differentiating competencies depending on what is required, where does the gap lies and how further gap filling in terms of talent structuring and preparation is possible.

The competencies serve as basis of differentiating average performance from superior performance. They are underlying characteristic or skills that results in effective performance. "A competency is a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job."

There can be various methods by which competencies can be mapped right from competency modeling to mapping, developing grid, forecasting potential and matching it with performance's but will require following essentials to be remembered before matching and building a competency enabled performance assessment framework that will help in effective assessment and resulting development of key workforce (talent) of organization.

Competencies can be defined in different ways in lines with CIPD, "Competencies are the behaviors (and, where appropriate, technical attributes) that individuals must have, or must acquire, to perform effectively at work – that is, the terms focus on the personal attributes or inputs of the individual".

'Competence' and 'competences' are broader concepts that encompass demonstrable performance outputs as well as behavior inputs, and may relate to a system or set of minimum standards required for effective performance at work. The term 'competence' (competences) was used to describe what people need to do to perform a job and was concerned with effect and output rather than effort and input. 'Competency' (competencies) described the behavior that lies behind competent performance, such as critical thinking or analytical skills, and described what people bring to the job.

#### **Competency Assessment Through Mapping, Models, Competency Metrics And Balance Scorecard**

#### **Process Of Mapping Competencies Role Competencies-**

To start at the basic level we need to understand and define role and role competencies mean a set of competencies required to perform a given role, each competency further has a skill set.

#### **a) Identification Of Role Competencies**

i) Structure & list of roles ii) Definition of roles. iii) Job description iv) Competency requirement.

#### **b) Structure And List Roles-**

i) Organizational structure study and examination.  
ii) List of all the roles in the structure.  
iii) Identify redundant and overlapping roles.  
iv) Final list of roles.

#### **C) Definition Of Roles-**

i) Identify key process areas of the role (KPA) ii) Link the KPAs with dept and organizational roles iii) Position the role in perspective with that of others.

**d) Job Description-** i) List down all the tasks ii) Categorize activities under major heads.

**e) Competency Identification:** i) Identify the following (1) Role holder interview and listing (2) Internal & external customer interview and listing (3) Star performer interview and listing (4) Role holder critical incident analysis.

ii) Consolidate the above and make a checklist of the competencies. iii) Rank-order and finalize competencies critical to the role.

**2) Competency Assessment-** Once role competencies are studied we come to this next step of competency assessment. Following methods are used for this.

- a) Assessment/Development Centre
- b) 360 Degree feedback
- c) Role plays
- d) Case study
- e) Structured Experiences
- f) Simulations
- g) Business Games

### 3) Competency Development

After understanding the role and identification of the competencies and further assessing the competencies for their viability, feasibility and requirement. We need to identify the existing competencies and develop the new found ones.

a) Structure Role congruence:

- i) Each role to be unique
- ii) Non-Repetitive
- iii) Value adding

b) Vertical and horizontal role congruence

c) Ensure core competencies for each task

d) Link all the above and position to bring in competitive advantage

#### Assessment Centers–

Competent people inform of employees are the key to effective organization with respect to present competitive environment where structure, process, quality, customer awareness, market, technology all are changing rapidly. Competent people are multi-facet who should possess multiple qualities right form technical to behavioral skills, leadership, rapport building and many more, thus organization today are focusing on contemporary methods of developing employees for building talent pools by preparing them to occupy future

roles and make present roles unique through their effective performance.

The organization then sets its performance goals according to its strategic intent and prepares employees accordingly. ACs help organizations identify and develop these competent people for achieving organization goals and becoming future successors. An assessment center is a comprehensive standardized procedure in which multiple assessment techniques such as situational exercises and job simulation (business games, discussions, reports & presentations) are used to evaluate individual employee for variety of manpower decisions. An Assessment Centre consists of a standardized evaluation of behavior based on multiple inputs. Several trained observers and techniques are used. Judgments about behavior are made, in major part, from specifically developed assessment simulations.

These judgments are pooled in a meeting among the assessors or by statistical integration process. In an integration discussion, comprehensive accounts of behavior, and often rating of it, are pooled. The discussion results in evaluation of performance of the assesses on the

dimensions/competencies or other variables that the assessment centre is designed to measure group of participants takes part in a variety of exercises observed by a team of trained assessors who evaluate each participant against a number of predetermined, job related behaviors. Decisions are then made by pooling shared data. They are means of helping an organization to identify the strengths and potential development areas of its staff in relation to a particular job or role multiple competencies to be evaluated for in a candidate.

- Multiple observers to eliminate the subjectivity & increase objectivity involved
- in the process.
- Multiple participants
- Multiple exercises-Exercises like role plays, case analysis, presentations, group discussions etc
- Multiple simulations: These could be creative, crisis or exploitative type simulations.
- Multiple observations: Each observation is observed at least twice.

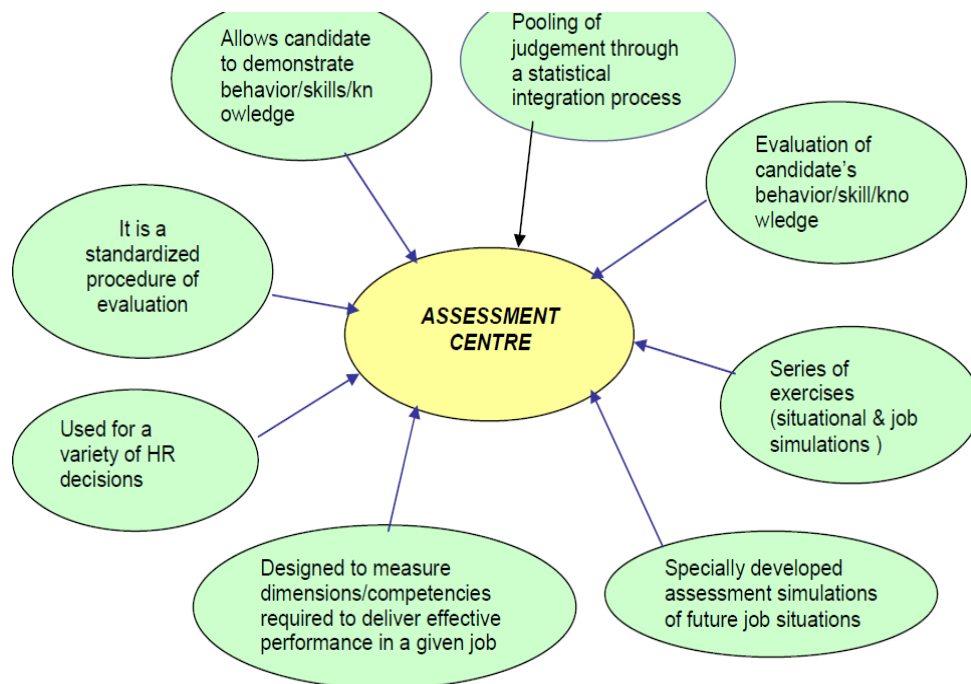


Figure 5.10 Characteristics of AC

**Benefits Of AC-**

It helps in effective selection, Training and development, career management, identifying high potential people, succession planning, performance and potential assessment, preparing talent pool.

**Disadvantages-**

1. ACs are very costly and time consuming.
2. ACs requires highly skilled observers as the observers may bring in their own perceptions and biases while evaluating.
3. Those who receive poor assessment might become de-motivated and might lose confidence in their abilities.

**Critical Incident Technique –**

It involves identifying and describing any specific incidents or events where employee did something very well or needs improvements. **It is a technique for systematically identifying the behaviors that contribute to success or failure of individuals or organization in specific situation.** It is important there should be proper documentation of specific skills identified in critical incident description to be noted for further action.

They should be immediately written rather than as a annual review exercise .It focuses on - a) Basic description b) How To utilize the identified factors to be translated into competencies c) Special consideration. It helps in in-depth analysis and resulting gathering of facts before, during and after the incident, identification and analysis of content and identifying critical factors and then providing suitable feedback. The only problems in this method is that not all the incidents might be reported, it is less structured approach, it depends on ability of the user to interpret and relate it with task and structure.

**Interviewing-**

It is again an important and common method of recording response, understanding, perception and understanding about job and how an individual see it. The respondent can be all those who in any way are affecting the person (job holder) or the individual in his working. Following essentials to be remembered includes-

-Prior preparation of interview method, purpose, structure, relevance of questions and expected outcome

-The critical areas that should be focused, identified for judging ability and skills have to be marked

-An effort to find past background, interest, achievement, approach, behavior and general features should be studied which will make the interviewer comfortable to ask questions

-Questions should be precise and neither too lengthy or difficult to understand as well

-Leading questions should be avoided as it may give rise to conflict as well

-Interviewer should behave neutrally and no surprises on reaction and answer with respect to personal and factors should be avoided

-The first effort should be to establish a rapport between the interviewee and the interviewer

-The interviewer is required to be tactful and sensitive

-The questions should be asked incrementally starting from simple to complex to make the interviewee feel comfortable.

While interviewing for mapping competencies are been utilized the purpose is to record reaction, understanding, expectations and present gaps and then rectify once the needed competencies are been charted.

**Psychometric Testing-**

These are the standardized test that are useful in measuring the attitude and aptitude of a sample behavior and can help in predicting the actual challenges and possibilities which most of the times remain hidden in an individual. Some example of different psychometric test commonly used includes-

- Individual capability index
- Career preference inventory
- Talent identity
- Job suitability Index
- 16 Personality profile system

- Leadership behavior and style mapping
- Strategic intellectual capital test
- Motivational feedback analysis
- Aptitude based assessment and behavior
- Individual and team drivers

These psychometric tests are helpful in assessing the basic attitude and personality of individuals holding different jobs. They help even in unearthing the hidden expectations, perception, thought process and relationship with other and how actually they perceive their job

**Questionnaire –**

Depending on the purpose of competency identification and accordingly matching it with organization requirements it is important that the type of questionnaire, relevance of items selected, statements based on factors or variables selected based on job /task requirement or individual or job family have to be carefully studied. It is important to focus on following-

**i) Type Of Question To Be Asked –** Straight, probing, indirect, in-depth, task related, highly structured and technical/behavioral, open or closed, Depending on the strategic purpose and purpose with which the mapping to be done the type questions have to be decided.

**ii) Length And Language Of Questions-** Since the purpose of questionnaire is to record the observation, response, understanding level of involvement and basic skill availability and gaps if any along with developing the strategic perspective in this the length selection of statements, possible ease of understanding the questions should be emphasized. This means simplicity, completeness, relatedness, authentic and fact based parameters should be used as underlying assumptions in setting questions. It should be valid and reliable either based on expert's opinion or content of job or organization requirements but these of response and avoiding question approach should be avoided.

**iii) Questions Should Be Related And Expert Based And Should Be equipped enough to record honest and**



sincere opinion of employees.

Further depending on the need the following category of questions can be utilized-

#### **Common Matrix Questionnaire-**

With the help of these questionnaire work performances the basis of following five dimensions can be assessed. Background, contact, work setting, mechanical activities, decision making and physical activities.

#### **Work Profiling System-**

This helps in accomplishing the HR functions. It helps in getting reports related to different HR functions like employee selection, planning, job description and it is measured through ability and personality questionnaires.

#### **Occupational Inventory Analysis-**

It helps in analyzing the match between the work requirements and competencies available.

#### **Multi-Purpose Occupational System Analysis Inventory-**

It is a mix of identifying the task and competencies as task are rated on the importance they serve and competencies are rated on several scale including the importance and relevance of the task itself.

#### **Functional Job Analysis-**

It focuses on analyzing the common function related skills right from knowledge of languages, mental skills things, data, people, worker instructions, mathematics etc.

#### **Position Analysis Questionnaire-**

It helps in measuring the job characteristics like work output, relation with others, information, input, mental process.

#### **Effective Interpretation Of Questions-**

Until the interpretation of the questions being asked is been properly interpreted the whole vigor of questions and expected outcome cannot be served. Thus the selection of the tools, experts, methods and tools has to be carefully planned before jumping to conclusions.

#### **Literature Review**

A preliminary approach for defining job content and identifying required

competencies is to conduct a review of the literature to learn about previous studies of the job or similar jobs.

#### **Focus Groups**

In focus groups, a facilitator works with a small group of job incumbents, their managers, supervisees, clients, or others to define the job content or to identify the competencies they believe are essential for performance.

#### **Observations**

In this data collection method, the research team visits high-performing incumbents and observes them at work. The more complex the job and the greater the variety in job tasks, the more time is required for an observation. Interview Simulation / Role Plays: In these exercise candidates meet individually with a role player or resource person. Their brief is either to gather information to form a view and make a decision, or alternatively to engage in a discussion with the resource person to come to a resolution on an aspect or issue of dispute. Typically our HR team allow the candidate a 15-30 minutes time to prepare for such a meeting and will be given a short, general brief on the conduct of the meeting itself, consideration are also be given to preparatory notes.

4. Case Studies / Analysis Exercises: In this type of exercise the candidate is presented with the task of making about a decision about a particular business case. The HR Scorecard is a strategic HR measurement system that will help you measure, manage and improve the strategic role of your HR department.

The Scorecard consists of measurements of:

1. HR deliverables.
2. HR policies, processes and practices.
3. HR system alignment.
4. HR efficiency

The first step in establishing an HR scorecard is identifying areas of an HR department that contribute to company goals, then modifying that list. For example, measurements should be created to quantify items such as pay structures, pay-for-performance results, benefits programs and training programs. Process steps are then developed to implement the scorecard. The website e-HR resources, for example, in a summary of the book "The HR Scorecard," recommends a four-step process that

includes identifying the critical deliverables for human resources, identifying human resource customers, defining HR activities that provide deliverables like high-talent staffing or employee-retention initiatives, and conducting cost-benefit analyses of deliverable-providing activities.

The development of an HR scorecard must be done with four perspectives in mind, according to the website Strategic Human Resource. These include a financial perspective to address strategies that satisfy customers; a customer perspective that asks what customers want and a strategy that positions HR in such a way that customers take notice; an internal perspective that addresses the stated desires of customers and designs processes consistent with those desires; and an organizational-learning perspective that takes into account how HR employees can implement steps to align HR goals with the overall company mission, vision and business objectives.

#### **Implementation And Measurement**

Kaplan's and Norton's work emphasized strategic alignment as part of an overall business performance. An HR scorecard can enlighten senior management to the forces behind more easily measured financial results. HR Folks International provides a seven-step model based on the book "The HR Scorecard." First, HR managers must define the company's business strategy to employees and define employee roles in achieving that goal. Second, HR departments must make the case for their role as a strategic partner within an organization. Next, a strategic map is created to identify the HR department's position in an organization's chain of command and barriers to its contribution to business success. Fourth, HR deliverables are established for the strategic map that identify changes and potential contributions to overall company success. Fifth, the HR structure is aligned to achieve established deliverables. Next, a strategic HR measurement system is designed that provides for moving from traditional measurable like turnover and employee satisfaction to more intangible measurable. Finally, the new measures are implemented and constantly reviewed and modified.

**The HR Scorecard** is a powerful way for HR professionals with their benefits as

follows:

### 1. Focusing On Leading Indicators

The scorecard links HR decisions and systems to HR deliverables which are, in turn, the performance drivers for fulfilling the organization's strategy implementation and performance goal attainment.

### 2. Encouraging "Customers" Of HR To Become More Self-Sufficient

Internal customers can be taught to utilize measures to solve problems effectively with less help from HR in a more pro-active manner.

### 3. Providing Focus for HR and OD staff

It challenges HR staff to identify metrics from their disciplines that support organizational key measures.

The HR Scorecard/ Dashboard represents a way of displaying the HR measures in such a way that it enables a quick understanding of where you are in the journey toward your HR outcomes and in helping to achieve the organization's goals.

### 4. Identifying The Differences Between HR Doubles And Hr Deliverables

The HR Scorecard clearly identifies the HR deliverables that directly influence the organization's strategic implementation/objectives.

### 5. Demonstrating HR's Contribution To Strategy Implementation And To The Organization's Bottom Line-

The HR scorecard enables the HR staff and others to see HR's contribution to the organization's performance. It provides HR with a focused, credible, and clear strategic rationale for their work in service to the organization.

### 6. Helping HR Managers Focus On And Manage Their Strategic Responsibilities

The scorecard encourages HR managers to identify how their decisions and actions affect the successful implementation of the organization's strategy. The HR scorecard helps HR professionals to think systematically about HR strategy.

### 7. Encouraging HR Flexibility And Change

By maintaining its focus on the organization's strategy implementation, the

HR Scorecard highlights the importance of HR's flexibility and adaptability which constantly undergoes change in response to the environment and other strategic challenges.

An HR scorecard identifies department areas that have an impact on the organization's goals. Productivity, turnover, promotion and employee satisfaction are common categories for an HR scorecard. HR scorecard categories aren't static. They change according to the organization's needs, previous scorecard measurements and the effectiveness of HR functions and outcomes.

### Conclusion

Thus, from above discussion it can be well understood that competencies play a highly significant role in deciding the present and future effectiveness of organization through their workforce and the skills, attitude, present and future potential present in them. It is this continuous identifications monitoring, tracking and improvement that makes an organization performance superior from others and helps in relating its employees efforts towards organization success.

The technique, ability and purpose of every organization may vary for identifying and utilizing these necessary competencies but once understood they help in end number of ways right from planned recruitment to effective employee retention and succession planning. So, organization must practice this as a regular process because talent workers are unique because of their effective performance or outcome and for such effective performance understanding the expected behavior, knowledge, traits, motives and clarity about each job structure is important thus linking competency based performance with long term organization success is a must to do exercise for everyone.

### Caselet

#### Strategic Performance Insight: Accenture A Strategic Perspective Of Performance Management System At TATA

In the early 1990s, TISCO appointed McKinsey and Booz-Allen & Hamilton to study its operations and suggest ways to cut

costs to focus on various components affecting the cost of steel included cost of raw materials, cost of conversion, fuel rate in the blast furnace and mining of coal and it was advised to use the most modern technologies to cut costs further.

In the second half of 1998, in association with McKinsey, TISCO implemented TOP program TOP - Maximum positive impact to the bottom-line, with minimum investment, required in minimum time aimed achieving large improvements in throughput, quality and cost in the short term. In the long run, TOP was expected to enable the TISCO to achieve high rates of performance improvement.

It also helped TISCO to shift its focus from just producing volumes to costs and quality. It also enabled TISCO to improve customer satisfaction and loyalty. TISCO also took steps to reduce its manpower costs. Between 1996 and 2000, TISCO reduced its workforce from 78,000 to 40,000 employees. Cutting its workforce by 38,000 employees was not an easy job. Company was able to do it with a lot of communication with employees. TISCO had adopted Performance Ethic Programme (PEP). It planned to promote hardworking young people to higher positions depending on their performance, rather than following the convention of seniority. This exercise was expected to cut the management staff from 4000 to 3000.

Two core elements- Proposed a new organizational structure: expected to foster growth businesses, introduce more decision-making flexibility, clear accountability, and encourage teamwork among the managers and the workforce it proposed to introduce a Performance Management System (PMS). It would identify and reward strong performers, and also offer development opportunities for each employee. PMS would also ensure that every employee's job profile was clearly defined.

By introducing PMS, TISCO wanted to make performance appraisals transparent and fair and reward the good performers. The company also planned to introduce a new compensation package based on performance from November 2001 Youngsters are getting higher salary than

some of the seniors, and after the restructuring, the average age of the managers has fallen by 10 years. Through PEP, TISCO also reduced the hierarchical levels from 13 to 5. In a bid to reduce costs further; TISCO used IT as a strategic tool. After SAP solutions were introduced in TISCO, the business processes became more efficient. It also improved customer service and productivity, and reduced costs. The introduction of SAP also decreased manpower cost from more than US \$ 200 per ton in 1998 to about US \$ 140 per ton in 2000.

### References

- 1) Bano, Khan and Rehman (2011), "Schematizing talent management – A core business issue", *East Journal of Business and Psychology*, vol. 2 No 1 Paper 1 January, issue 1, pages 4-16.
- 2) Collings and Mellahi, (2009) "Strategic Talent Management: A review and research agenda", *Human Resource Management Review*, 19: 4, 304–313.
- 3) Dell and Hickey (2002), "Sustaining the talent quest". New York: The Conference Board.
- 4) Cappelli's Peter Model (2011) "Talent on Demand, Managing talent in difficult times", *Harvard Business Review*.
- 5) Farndale et al., (2010), "The role of the corporate human resource function in global talent management", *Journal of World Business*, Vol. 45 No. 2, pp. 161-8.
- 6) Hills, (2009), "Becoming a manager :How new managers master the challenges of leadership", *Harvard Business Review*.
- 7) Huselid et al. (2005), 'A Players' or 'A Positions'? The Strategic Logic of Workforce Management", *Harvard Business Review*, December, 110-117.
- 8) Jones, (2008), "The Human Equation: Building Profits by Putting People First, Boston," .  
Harvard Business School Press
- 9) Lengnick, Hall and Andrade, (2008) "HR, ERP, and competitive advantage", *Human Resource Management*, 45, 179-194.
- 10) Nancy RLockwood (2006), "Talent management: driver for organizational success", *HR Magazine*.
- 11) OPM, Government policy, "Human Capital Management", OPM.gov.
- 12) Robert B. Handfield (2002), "Supply Chain Redesign: Transforming Supply Chains Into Integrated Value Systems", Prentice Hall, Inc., Upper Saddle River, New Jersey.
- 13) Rinsgo et al, (2010), Integrated talent management at BD Japan. *Strategic HR Review*, 4(5), 16–191.
- 14) Zuboff (1988), *In the age of the smart machine: The future of work and power*. New York: Basic Books.

## Employee Engagement: Decoding the How of Generation Y

Iram Ahmed<sup>1</sup>

### Abstract

*For the first time in the history of the country, workplaces today are experiencing a new kind of diversity- generational diversity. With three generations working side by side for the first time this diversity not only brings a plethora of opportunities but also a number of conflicts. Every year the workplace is witnessing a shift as more generation Y-ers (aka Millennials) take over and Baby Boomers retire. Each generation brings with it a unique set of values and way of working. Because of this employee engagement is not only essential but really crucial to the success of any organization. Generation Y, according to some, are a generation of lazy and entitled narcissists (Time magazine) and hence retaining them is tricky. The fact remains that engaged employees contribute significantly towards organizational productivity and are psychologically invested and motivated to contribute to its success.*

*This paper aims to explore the nuances of ways and strategies to engage the Millennial generation, popularly called the slackers. Engagement strategies need to be transformed to adapt to the unique needs of this generation and keep up with their workplace attitudes. It is these meaningful engagement strategies that will make organizations truly attractive to this steadily increasing chunk of workforce today- Gen Y.*

**Keywords** Millennials, Employee Engagement, Motivation, Generational Diversity.

### Introduction

The workplace today is facing a generational adjustment of values, learning and working styles that will have a huge impact on how leaders think and act. For the first time in history, there are three (four, in some cases) generations at work at the same time: the Baby Boom Generation (born 1946-1964), Generation X (born 1965-1979) and Generation Y (born 1980-1999). This newly expansive intergenerational workplace consists of an unprecedented mix of practices, habits, ideals and philosophies, which have all combined to redefine the way people work. New job entrants are changing careers faster than their Facebook statuses, creating frustration for employers struggling to retain and recruit talented high-performers. A report released by Regus shows that by 2025,

Generation Y will comprise over 75% of the workforce, while baby boomers will have declined to just 21% - with major impact on how the workplace operates. Generation X and Generation Y will transform the nature of the workplace. This makes it important for organisations to sit up and adapt to the needs and expectations of Generation Y (aka Millennials).

### Who are Generation Y-ers?

Generation Y (born 1981-1999) celebrate diversity; they are optimistic, inventive and individualistic; they rewrite the rules; they enjoy a pleasurable lifestyle; they don't see the relevance of most institutions; they are masters of technology and social media; were nurtured by their parents; see friends as family; like a collaborative supportive work environment and interactive work

relationships. This generation has been shaped by parental excesses, computers (Niemiec, 2000), and dramatic technological advances. One of the most frequently reported characteristics of this generation is their comfort with technology (Kersten, 2002). They have high demands and expectations; want to work for companies that are socially responsible and they want a balanced life. Furthermore, they seek flexibility (Martin and Tulgan, 2005), are independent, desire a more balanced life (Crampton & Hodge, 2006), are multi-taskers, and are the most highly educated generation.

**Employee Engagement: What it means?** Employees need to be treated as valued members of the organization in which they work, and not as disposable assets (Smola and Sutton, 2002). Given the current economic challenges, employers are likely to put a premium on having fully engaged employees. Engaged workers are those who

<sup>1</sup> Research Scholar, Faculty of Management Research, Integral University, Lucknow

are willing to go above and beyond the routine to get the work done and get it done well. In contrast, workers who are disengaged represent lost productivity and innovation.

For this study Employee Engagement means: A positive, enthusiastic, and effective connection with work that motivates an employee to invest in getting the job done, not just “well” but with “excellence”.

As generation Y is all set to become the largest chunk of the current workforce, managers are actively adapting their policies to cater to the needs of this generation. Some of the characteristics that differentiate Millennials from other generations explain why employee engagement should be top of mind for managers. Keeping them actively engaged is crucial considering the workforce demographics today. This paper explores the ways and methods to engage and retain the Millennial Generation.

#### **Customize Rewards and Recognition**

The workplace today is experiencing a never before change. Workplaces are experiencing a paradigm shift in the demographics. Sixty-year-olds are working beside 20-year-olds. Fresh college graduates are overseeing employees old enough to be their parents. People from very different generations are competing for leadership positions (Raines, 1997). With this change there also a change in the “type” of rewards and recognition offered. For generation Y long work tenure is not essentially an indicator of loyalty to the organization. Gradually merit is overcoming longevity as an indicator of loyalty and becoming the deciding factor that contributes to promotion. For a generation that is used to instant gratification and immediate feedback, waiting a year for an annual performance appraisal just doesn't cut it. In terms of benefits, the shift is from hierarchical benefits to team benefits. Combining your awards with things that matter and give back in the community is one thing Gen Yers are attracted to. Another idea is to reward people as a group, since this is a dynamic Gen Y is used to from upbringing – solving things as a part of a group has been a part of their lives for a

long time. Other options include making the rewards you give center around tools to work from home with, or things that appease their interests outside of work.

#### **Continuous Feedback**

This generation has been exposed to a lot of open conversations and honest feedback both at home and in their social circle. Gen Y wants immediate, positive and engaging feedback. Their world is filled with constant feedback and they expect the same at work, too. For them feedback does not only mean praises, they are infact open to suggestions for improvement provided they are genuine and beneficial for them. For this ever connected generation, timing of the feedback is also important. They appreciate instant gratification and do not mind quick, informal feedback. Since not only do they multi-task and regularly use new communication tools like instant messaging and cell phone text messaging in their daily lives, they prefer it so appreciation or feedback for this generation does not necessarily have to be through formal channels. It is important to note that honest supportive feedback will go a long way in engaging this generation; they have received this from a young age and continue to receive it.

#### **Social Causes and Contributions**

This generation does not live to work, rather they work to live. For them their work or job is just a part of their life and not the epicenter of their life. For them there is much more to life than just a mundane job. They like to consider themselves to be a part of the larger picture. They have always been made to believe that they are special and are here for a grand purpose. This explains why this generation is keen to work with organisations which are socially responsible and contribute to the society in more than one way. For them a corporate job is too pointless to provide them a worthwhile purpose in life. Gen Yers are more conscious towards social responsibility than any other previous generation. 38% of 16-25 year olds volunteer once a month and seek and prefer employers that share this value and provide them with the opportunity to volunteer. In some cases, members of this generation take up volunteering when they feel particularly disillusioned. This trait is also the reason

why many Yers start their own business or focus on artistic pursuits. They are looking for something that adds meaning to their lives, and working for a company to do something whose sole goal is to make more money doesn't quite cut it. This generation looks for meaningful and purposeful work and by explaining company vision managers can give them a clearer sense of purpose. Thus they feel engaged to organizations that fulfill this need of theirs.

#### **Access to Flexibility**

Flexibility is important to this generation. Managers these days must be prepared to see the Millennials putting in the hours in casual clothes, away from there desks, because they know that their work performance is not dependent upon what they're wearing or from where they are working. This generation doesn't see the need to be chained to a desk for eight hours a day if they can get their work completed in six. Some complain that these young adults don't consider a work week to be 40 hours long. Millennials consider a work week to be the time it takes to get the job done. They want jobs with flexibility, mobile options and the ability to go part time or leave the workforce temporarily when children are in the picture. Gen Y wants something beyond an all-consuming career. They want true work life balance. When recruiting Gen Y it is important for organizations to highlight the programs in their organization that can deliver on these expectations.

#### **Work Life Balance**

Gen Y values generous time off policies and freedom to work when and where they like. Generation Y are gradually changing the work environment. The workaholic trend started by the baby boomers is now on the decline. This generation does not believe in face time and hence do not believe in being chained to their workstations. For them work life balance does not mean working less, rather it's all about working differently and flexibly. Millennials value autonomy and independence in the workplace which often translates to a desire to work outside the confines of a 9-5 work schedule. That being said, don't mistake their desire for alternative scheduling with laziness. When properly motivated and engaged in their work, Gen Y are known to work 50-60 hour

work weeks, including evenings and weekends. They know their priorities and know them well. Work-life balance is more important to Gen Y than any other generation – 50% say it makes them feel loyal to their employer. Organizations need to cater to this need of the Millennials to keep them actively engaged and to increase their commitment levels.

### Conclusion

This age group is moving into the workforce during a time of major demographic change, as companies around the world face an aging workforce. There is an ever increasing need to take advantage of this paradigm shift and are move towards instituting a blended approach to work, driven by technology and the availability of innovative workspace solutions, which include on-demand meeting rooms, videoconferencing studios and individual

work stations. Such an approach will not only provide adequate solutions to the unique needs of this generation but will also keep them psychologically invested and engaged in the organisation. Thus, if organisations and HR managers open their minds to new ways of engaging employees, instead of desperately clinging to old ways of being and thinking, Millennials can have a lasting positive impact on the way we live, work and play. So instead of resisting, managers should try to respond to the unique needs and work values of this generation in order to have a psychologically invested and actively engaged workforce.

### References

- Raines, C., 1997. Generations at Work: Managing Generation X. Available at <http://www.generationsatwork.com/articles/genx.htm>.
- Smola, K.W., Sutton, C.D., 2002. Generational differences: revisiting generational work values for the new millennium. *Journal of Organizational Behavior* 23, 363–382.
- Crampton & Hodge (2006); The National Oceanographic and Atmospheric Association Office of Diversity (2006).
- Kersten, D. (2002). Today's generations face new communication gaps. Retrieved April 15, 2008, from <http://www.usatoday.com/money/jobcenter/workplace/communications/2002>.
- Martin, C.A., Tulgan, B., 2002. *Managing Generation, the Generation Mix: from Urgency to Opportunity*, second ed. HRD Press, Amherst, MA.
- Niemic, S. (2002). Finding common ground for all ages. *Security Distributing and Marketing*, 30.

## Business Risks : Challenges towards Vision 2020

V.Lalitha<sup>1</sup>

### *A critical analysis of inherent risks in Indian Economy*

#### **Abstract**

##### Country Background

*India, the 7th largest country by area, largest democracy and second most populated country in the world with approximate 1.2 billion people. Located strategically, by the Indian Ocean on the south, the Arabian Sea on the south-west, and the Bay of Bengal on the south-east, it shares land borders with Pakistan to the west, China, Nepal, and Bhutan to the north-east; and Burma and Bangladesh to the east. Following market-based economic reforms in 1991, India became one of the fastest-growing major economies; it is considered a newly industrialised country. However, it continues to face the challenges of poverty, corruption, malnutrition, inadequate public healthcare, and terrorism, all characteristics of an under developed economy.*

#### **Business risks**

Business risk in generic terms has been defined as the possibility of inadequate profits or even losses due to uncertainties. Organisations operating in under developed countries and developing countries may face more risks than developed countries due to the uncertainties present as an inherent part of the political and economic system.

Business risks are broadly classified into two types, Internal and external risks. Risks which arise internally are largely due to the management of the enterprise. Good leadership can forecast these risks and also avoid with the help of strategic action plans.

The macro economic variables of business risk rises due to exogenous variables of market risks, pricing pressures, natural calamities, inflation, changes in taste and preferences of consumers, trade cycles, rising unemployment and fluctuations in the world economy. Such risks are generally not controllable by the organisations. Both the external and internal risks affect the organisation and its leaders. They are inseparable from one another and also have to be dealt by enterprise managers simultaneously.

This conceptual study with various real life scenarios of different organisations, examines the internal and external business risks faced by enterprises and its management. The study also critically analyses India's current position as a developing country and the issues faced by enterprises in the current political and economic scenario. The challenges expected by the country and business enterprises while moving towards Vision 2020 have also been discussed.

#### **Consumerism**

A study by Centre for Global Development, "New Estimates of India's Middle class" puts the size of middle class population to less than 100 million. Various other studies put the figure to near of 30 million. Consumerism is a social and economic ideology pertaining more to developing economies.

These economies believe in acquisition of more and more goods and services due to the emergence of middle class acquiring more purchasing power.

Hence, MNC's see developing countries as an opportunity to supply more. Unfortunately, for India, this has been a myth.

Middle class is supposed to have the purchasing power in any economy, as they have a disposable income which makes them spend more on luxury products other than necessities. In 1991, the projected figure of middle class stood at 300 million, while today it stands at less than 100 million and India's 30% population still lives below the poverty line.

Irrespective of consumerism, the approx. 1.2 billion of population in India requires goods and services to satisfy their needs and wants. This population figure is most attractive for MNC's who are waiting for a stable government and better business friendly policies to step into the country. We have had a Planning Commission since independence and we also have seen Annual Fiscal Budgets regularly since then every year. While the strategic planning process is always complete from the Government, it was strategic implementation and a detailed road map of how to go about has been missing since 1947.

To quote a few instances, in May 2012, Arcelor Mittal spokesperson stated that many industrial ventures in India are mired in a bureaucratic morass that dulls the country's investment appeal and slows growth of Asia's third largest economy. Obstacles include tardy environmental

<sup>1</sup> B. Management School-Visiting Faculty & Corporate Trainer, Noida

clearances and complex land acquisitions, as well as populist policies that often deter development. In Lakshmi Mittal's own words, "We continue to experience difficulties in India. My belief is that the Indian projects may not see the light for 5 to 10 years," told shareholders during the company's annual shareholder meeting.

## India's Business Environment

### Physical Infrastructure

Indian road network of 33 lakh Km. is second largest in the world. National Highways constitute only about 1.7% of the road network but carry about 40% of the total road traffic. Pliable roads necessary for logistics is not a reality.

The world knows of Walmart's disapproval of Indian Government's unfriendly retail FDI policies. Let's discount FDI policies of India as a major reason for Walmart not being present in India in retail sector. For companies such as Wal-mart, Tesco and Carrefour to be present, a far-fetched reality is that how will state governments plan for huge volumes of goods to be moved at a great velocity for these companies to be present.

With their multi-modal and near-real-time logistics and their own operations in collaboration with partners, those three global retailers will offer Indian partners and government officials an unrivalled level of understanding of everything in supply chain management from regional warehouses to RFID (Radio Frequency identification) to just-in-time delivery to the sophisticated systems necessary to manage all of those demanding and nonstop processes.

As millions of jobs are created due to retail FDI, how will the government's plan for new water systems, electrical grids and sewer systems. These three global retailers have optimised on supply chain costs which are their strategic pillars. These large retailers also require direct airport proximity for bulk distribution, fulfilment centre with substantial loading sorting and racking infrastructure. The question is Indian

aviation ready for a change in the dynamics of airport and its use in supply chain. So, other than retail FDI policies, physical infrastructure could be main reason as why India has not received a single application for multi-brand retail in the past one year.

### Human Resources

In India, Public expenditure on education stands at 3.4% of GDP in the year 2012. (World Bank, 2014). Public expenditure on education includes government spending on educational institutions (both public and private), education administration, and transfers/subsidies for private entities (students/households and other private entities). But, quality is low. English literacy is limited.

A study by Kremer for World Bank on "Teachers absence in India", found that 25% of teachers were absent from school and only half were teaching during unannounced visits to a national representative sample of Government primary schools in India. Absence rates varied from 15% in Maharashtra to 42% in Jharkhand. The study concluded that one in four government primary school teachers absent on a given day, and only one in two actually teaching, India is wasting a considerable share of its education budget, and missing an opportunity to educate its children.

As far as technical education goes, some of the best technical and engineering minds in the world were trained in India's renowned Institutes of Technology. These elite institutions were accessible to but a few qualified students however, in fact, only 1% has access, the remaining 99% of technical education students in India lagged behind in quality and performance. According to a World Bank report, India needs to overhaul its technical and engineering education sector to generate the pool of highly skilled professionals and creative thinkers to sustain the nation's progress in infrastructure, power, water, information technology, and manufacturing. Quality engineers and engineering research and development (R&D) were crucial for India

to address challenges from climate change and natural disasters, such as flooding. India needed to overcome the rigid thinking of the past and create a dynamic, demand-driven and quality-conscious technical education system. (World Bank, 2014). There is a clear lack of interface between employment and education.

The latest Indian Labour Journal, April 2014 report from Labour Bureau states that between 2000 and 2012, jobs have increased at an abysmal rate, just 2.2% per year. Agricultural employment, the mainstay for over two thirds of the people, has practically not grown in these 13 years.

Manufacturing jobs have grown just by 4% per annum as industry languishes. The one sector showing big growth is services, but as recently released survey findings from NSSO show, the bulk of it is in retail trade, construction and personal services, and these are transitory, low paying and tough jobs. Graduates are also perceived by business people as poorly equipped for the economy. This year, jobless rate is expected to rise to 3.8 per cent, according to the report 'Global Employment Trends 2014'.

### Science, Technology and Innovation

The KAM is an interactive benchmarking tool created by the Knowledge for Development Program of World Bank to help countries identify the challenges and opportunities they face in making the transition to the knowledge-based economy.

The KAM consists of 148 structural and qualitative variables for 146 countries to measure their performance on the 4 Knowledge Economy (KE) pillars: Economic Incentive and Institutional Regime, Education, Innovation, and Information and Communications Technologies.

Variables are normalized on a scale of 0 to 10 relative to other countries in the comparison group. Given below is extrapolated data, India in comparison with China as of 2012.



Country	KEI		Economic Incentive and Institutional Regime		Innovation		Education		ICT	
	recent	1995	recent	1995	recent	1995	recent	1995	recent	1995
China	4.37	3.99	3.79	3.46	5.99	4.07	3.93	3.68	3.79	4.77
India	3.06	3.57	3.57	3.57	4.5	3.7	2.26	2.51	1.9	4.5

The figures above show a reduction of KAM index for India from 1995 to 2012. Also, patent filing at the Indian patent office has seen a rise of 23.97 per cent from 2007-08 to 2012-13, assessment shows that only a meagre 22 per cent of them have been filed by Indian applicants in 2012-13. While 43,663 patents were filed in 2012-13, a majority or 78 per cent were international applications. “According to the World Intellectual Property Indicators (WIPO-2012) report, while China’s contribution to the rise in patent applications globally has increased from 37.2 per cent between 1995-2009 to 72.1 per cent between 2009-11, India’s contribution decreased from 3.5 per cent between 1995-2009 to 2.7 per cent between 2009-2011. The report shows that

while China topped the global list by filing 503,582 patent applications, India was ranked seventh with 42,291 applications”. Definitely, a new national policy is required to foster innovation, encourage R & D and promote constant technological updates within Indian firms.

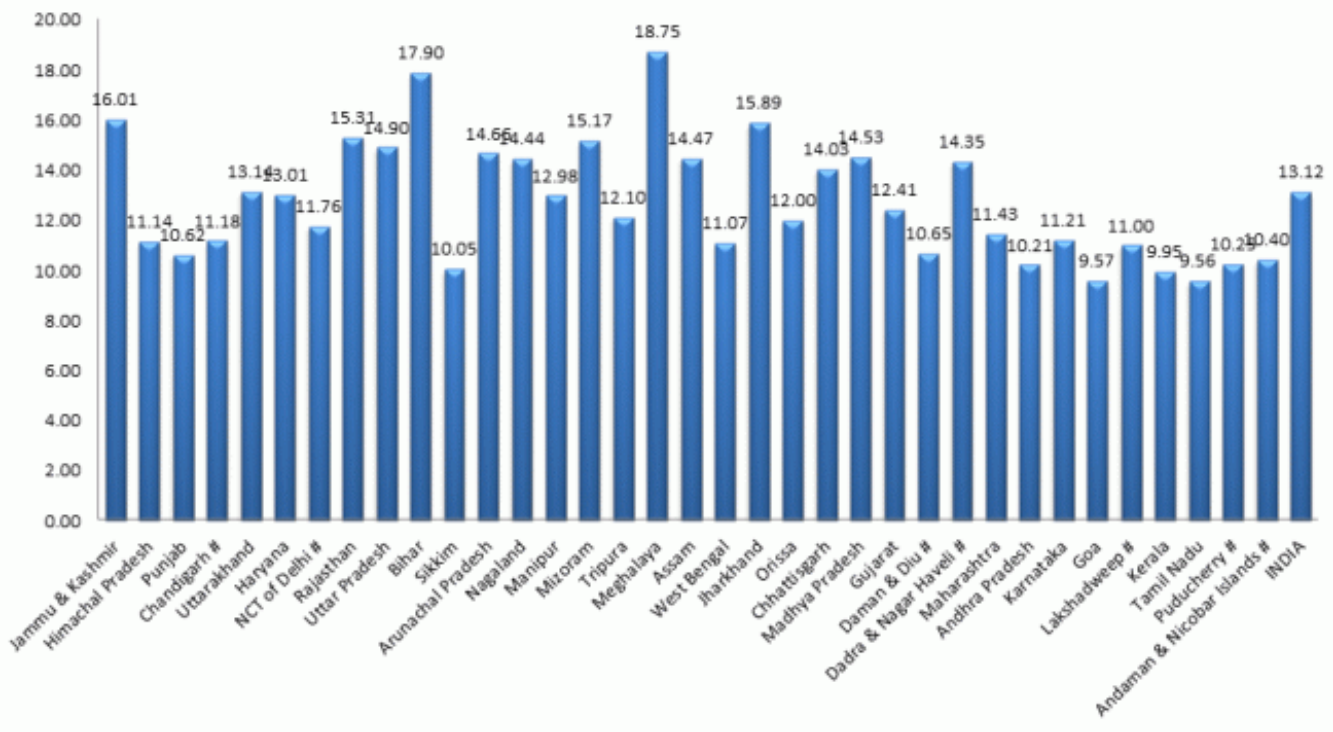
**Characteristics Of Under Developed Economy and Business Risks**

**High Growth Rate Of Population**  
A major characteristics of a underdeveloped economy is high growth rate of population and dependency burden. According to final census released by Home Ministry in April 2013, India's total population stands at 1.21 billion (as of 2011), which is 17.7% more than the last decade, and population growth

of females was higher than that of males. According to U.S. Census Bureau’s international data base, India will surpass China with 1.5 billion by 2025 and will still rise to touch 1.8 billion by 2050.

India, clearly over populated, has a tendency of dependency on large families as a support systems especially in rural areas. The thought process that more kids contribute to the earning kitty of the family has led to a rapid growth of population more in the rural areas than in urban cities. Rural areas with more illiterate population has a much higher growth rate than states with near to 100 per cent literacy.

**Percentage of child population in states of India**



Source : Census India 2011

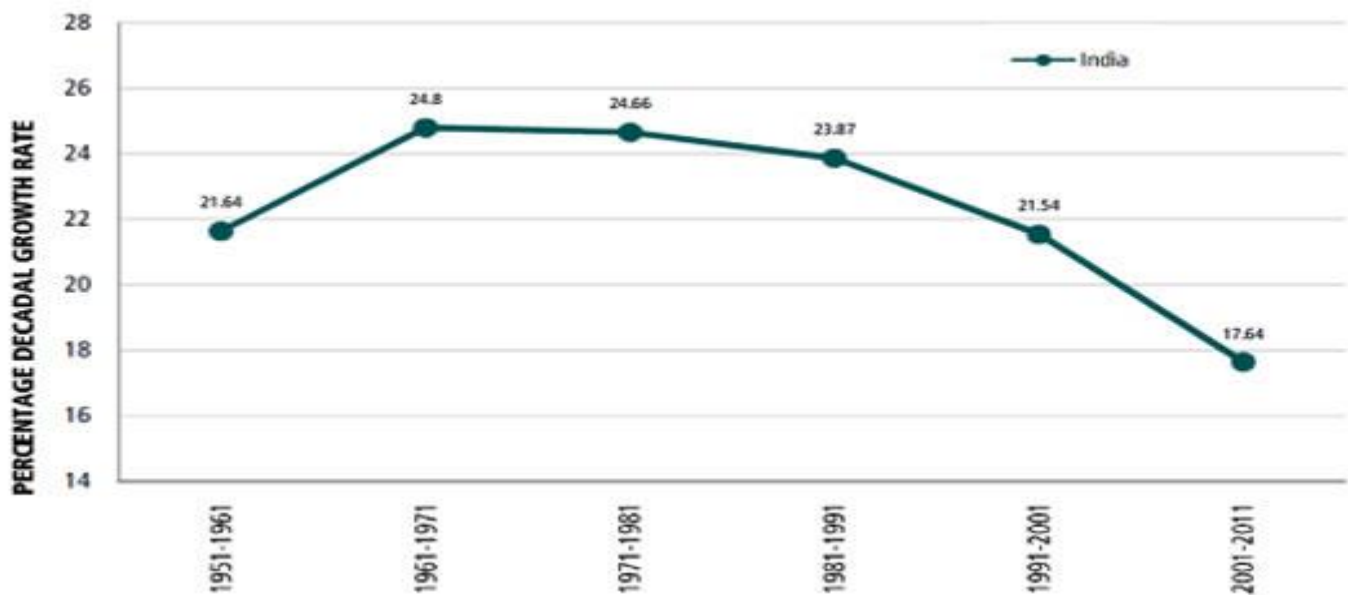
The above is a population growth chart with growth rates for individual states. Only five out of 35 states i.e. Uttar Pradesh, Bihar, Maharashtra, Madhya Pradesh and Rajasthan contributes 52% of child population in the country in the past 10 years.

It will not be possible to control India's population growth rate by 2050 due to the absolute size of the country's total population, there will always be a net

increase given the size of total population. Without any focus on family planning measures by the Governments after 1990, the net increase of population growth stands at 1.2% for India and for China it is 0.5% (World Bank, 2014) and the reduced % age for China is due to the strictly implemented one-child policy of Chinese Government.

India's state of emergency between 1975 and 1977 included a family planning initiative that began in April 1976 through

which the government hoped to lower India's ever increasing population. Late Sanjay Gandhi, son of Late Prime Minister Indira Gandhi was the initiator of strict family planning measures. Sanjay Gandhi was especially concerned with issues of overpopulation, but was largely criticised for the measures undertaken on family planning schemes. It is also said that Congress government lost favour with the masses both due to state of emergency and these measures.



Source :MedIndia 2014

As can be seen from the above graph, due to the family planning measures in the decade of 1971-1981, the overall growth rate of population had been declining. Late Prime Minister Rajiv Gandhi's Government again gave priority to family planning measures in the 1980's. Trade Liberalisation in the 1990's took away the importance of family planning and the entire focus of all Governments from 1990's have failed to advertise the importance of family planning and benefits of a small family. There are no more TV advertisements focusing on population control as in the 1980's.

A large population places pressure on the natural resources, which alternatively can be used for production purposes. While an increase in the population means larger

number of consumers for MNC's who can produce elsewhere and market its products in India, it is a bane for the country as all scarce resources such as land, natural resources are allocated to the existing population for necessities of shelter and hence less land available for manufacturing.

Indigenous production will be hampered with India's dependency upon imports increasing year by year. An increase in the population to 1.8 bio will put much more pressure on water, electricity and land which will also deter any foreign firms from starting production in India. Hence, while labour may be cheap, all other resources become costly for businesses and hence firms face a major business risk due to the ever increasing population.

### High and rising level of unemployment and under employment

Underemployment refers to a situation wherein a worker despite having the right qualification works in a less than standard job for a particular level of qualification.

The trade reforms of 1991 brought a boom in the service sector by increasing employment opportunities. Services includes the five sub-sectors on trade, hotels and restaurant; transport, storage and communications; finance, insurance, real estate and business services; public administration and defence; and the other services part of the community, social and personal services (consisting largely of personal services).(Nadkarni, 2012). With the rising literacy rate more and more young

generation opted for service sector jobs. The increasing population combined with increase in literacy rate became a boon to many multi-nationals who came in the form of BPO segment.

While the increasing population brought about an increase in the supply of labour, it did not result in the increase of skilled labour as per the requirements of different industries. The gap between required skill set for a particular job and skill set opted/chosen by the educated population has been continuously increasing. This has further given rise to unemployment and underemployment.

The job opportunities are created on account of growth in Gross Domestic Product (GDP), investment in infrastructure development, growth in exports in a country. While the literacy rate has increased, the GDP growth has not kept up and the manufacturing sector has not been able to absorb all qualified professionals.

As per the National Sample Survey Office (NSSO) in its report released in Dec 2012

has said, around seven crore people in the country are either unemployed or under-employed. The lagging manufacturing sector could not absorb all educated skilled youth. The share of services in India's GDP at factor cost (at current prices) rose from 33.3 per cent (1950–1951) to 56.5 per cent in 2012–13, as per advance estimates. (IBEF, 2014). This shows a movement of labour force from traditional agriculture industry towards knowledge based industry, unfortunately, overall it may not be a good impact on the Indian economy as a movement of labour force is shallow.

For a country's economy, manufacturing sector is the key to growth. Service sector is merely employing the excess labour force available at a low cost. India's also has a huge unorganised segment in service sector which is mostly retail and wholesale and is also unaccounted for.

The latest Indian Labour Journal, April 2014 report from Labour Bureau states that between 2000 and 2012, jobs have increased at an abysmal rate, just 2.2% per year. Agricultural employment, the

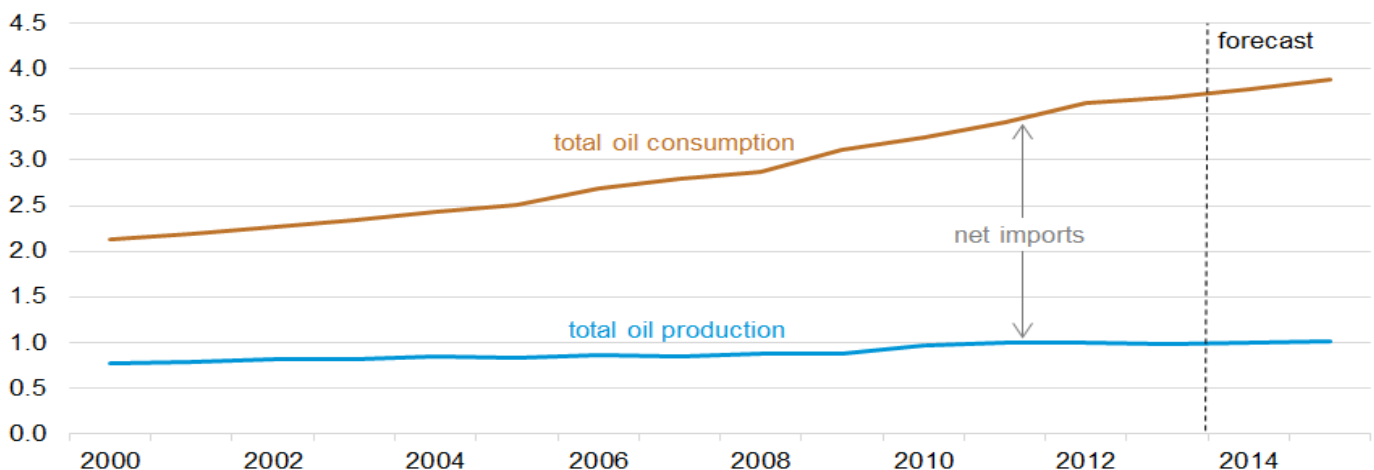
mainstay for over two thirds of the people, has practically not grown in these 13 years. Manufacturing jobs have grown just by 4% per annum as industry languishes. The one sector showing big growth is services, but as recently released survey findings from NSSO show, the bulk of it is in retail trade, construction and personal services, and these are transitory, low paying and tough jobs. Graduates are also perceived by business people as poorly equipped for the economy. This year, jobless rate is expected to rise to 3.8 per cent, according to the report 'Global Employment Trends 2014'.

### Market Conditions And Inflation

A major external risk is caused by economic factors which happened due to changes in market conditions. Inflation has always been an uncontrollable risk for business enterprises in India. While India has always been seen as a cheap source of labour and also a cheap source of raw materials, why do companies see this as a major risk. Would not both the factors of labour and raw material be always cheap in India even with a rise in inflation?

## India petroleum and other liquids production and consumption, 2000-15

million barrels per day



Source: U.S. Energy Information Administration, International Energy Statistics and Short-Term Energy Outlook June 2014.

While, labour may be cheap in India due to heavy supply of skilled labour and more and more population adopting for education, the main raw material required for running the economy, crude oil and its derivatives are

being imported. EIA (U.S Energy Information Administration) projects India's demand will more than double to 8.2 million bbl/d (barrel per day) by 2040, while domestic production will remain

relatively flat, hovering around 1 million bbl/d. The high degree of dependence on imported crude oil has led Indian energy companies to diversify their supply sources. To this end, Indian national oil companies



growth, which will further put disposable income in people's hand to spend on necessities such as education, eradicate poverty and this would cause a positive effects chain. But, this would require very strong corporate governance to eradicate all business risks present in the economy. Let's face the reality! Breaking the vicious cycle may not be possible within the next 6 years, but it is never too late to start.

#### Endnotes

1. The World Bank, January 2012, "Knowledge for Development(K4D)", [http://info.worldbank.org/etools/kam2/KAM\\_page8.asp](http://info.worldbank.org/etools/kam2/KAM_page8.asp), retrieved June 2014
2. Indian Labour Journal, April 2014, "Between 2000 & 2012 jobs grew by a mere 2% per year", Vol. 55, No 4, p 366.
3. Kremer, Murlidharan, Chaudhury, Hammer, Roger, "Teacher Absence in India, A snap shot", Journal of the European Economic Association, 9/15/04.
4. The World Bank, "Public spending on education, total(% of GDP)", <http://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS>, retrieved July 2014.
5. Forbes, Evans Bob, Brand Voice, 2011 "How India and Walmart will create 10 million jobs", <http://www.forbes.com/sites/sap/2011/12/02/how-india-and-wal-mart-will-create-10-million-jobs/>, retrieved July 2014.
6. National Highway Authority of India (NHAI), Indian Road Network, Modal Shift, <http://www.nhai.org/roadnetwork.htm>, retrieved June 2014.
7. Preservearticles.com, "common characteristics of underdeveloped countries", <http://www.preservearticles.com/2011103116271/what-are-the-common-characteristics-of-underdeveloped-countries.html>, retrieved July 2014.
8. NDTV, Press Trust of India, "India's total population is 1.21 billion, the final census reveals" April 13, 2013, <http://www.ndtv.com/article/india/india-s-total-population-is-1-21-billion-final-census-reveals-361056>, retrieved 2014.
9. EIA, U.S. Energy Information Administration, "Country :India", June 26<sup>th</sup> 2014, <http://www.eia.gov/countries/analysis/briefs/India/india.pdf>, retrieved July 2014.
10. Mail online India, "The myth of the great Indian middle class", RadhikaSaraf, 19<sup>th</sup> May 2013, <http://www.dailymail.co.uk/indiahome/indianews/article-2327182/The-myth-great-Indian-Middle-class-Roughly-30-Indias-population-lives-poverty-line.html>, retrieved July 2014.
11. MedIndia, "Population of India 2011", [http://www.medindia.net/health\\_statistics/general/indiapopulation.asp](http://www.medindia.net/health_statistics/general/indiapopulation.asp), retrieved June 2014.
12. The World Bank, "Population Growth annual percentage, 2009-2013", <http://data.worldbank.org/indicator/SP.POP.GROW>, retrieved July 2014.
13. Mitra&SherVeric, Youth employment and unemployment : An Indian Perspective, ILO Asia Pacific Working paper series, March 2013.
14. Nadkarni, Avadoot, "Service sector growth in India, Towards some dynamic explanations, March 2012.

## HRM Practices And Employees' Satisfaction In Auto Component Manufacturers In IMT Manesar

Manju Punia<sup>1</sup>

### Abstract

*Human resource management (HRM) is considered a critical organizational resource that helps an organization sustain its effectiveness. It is one important area that influences a number of employees' attitudes and behaviour, such as intent to leave, levels of job satisfaction, and organizational commitment. Increasing global competition, dramatic advances of Information and Communication Technology, changing mix, personal values and culture of the workforce, have created lots of challenges for the organizations. To cope with the challenges efficiently, firms have increasingly recognised the potential for their people to be a source of competitive advantage. Creating competitive advantage through people requires careful attention to the practices that best leverage these assets. This change in the mindset of executive decision-makers has spurred in attempting to reveal a relationship between HR practices and its performance.*

*Much of the researches has demonstrated statistically significant relationships between measures of HR practices and firm profitability. While these studies have been useful for demonstrating the potential value created through HR practices, but they have revealed very little regarding the processes through which this value is created. The focus of this study is to get an insight into the current HRM practices and their impact on employee's performance. The study will provide insight to organizations on the effect the various HRM practices have on employee performance, hence enabling them to take the necessary action in order to improve overall organizational performance.*

**Keywords** Human Resource Management, HRM Practices, Employees performance, auto component.

### 1. INTRODUCTION

Today's work environment is undergoing a major shift; factors such as globalisation, growing economies, and improved technology are constantly presenting new challenges and creating new opportunities for people. With these changes, people's perceptions regarding their jobs are also changing. In this grow-or-die marketplace, the success of any organisation relies on its workforce. Satisfied and committed employees are the most significant assets of any organization. In this competitive world market Auto industry has played a significant role with tremendous contribution to the Indian economy. The entry of global players has created huge challenges to the Indian companies. Owing to that Indian companies were forced to adopt and implement innovative changes in their HR practices.

They have realized that in today's competitive business market, human Resource practices is the one which forms the framework for the culture in the business management; create awareness towards the need to achieve the business goals by the employees in the best possible and ethical manner. It has become necessary to retain skilled workers in the organization by efficient HRM practices. Senyucel's (2009) sees HRM as a combination of people-centered management practices that recognizes employees as assets and geared to creating and maintaining skilful and committed workforce for achieving organizational goals. HRM practices are factor in determining the growth and prospects of any organization by effectively utilizing the existing manpower skill. Lack of

efficient HRM practices reduces employee's satisfaction and ultimately this affects their commitment towards to the organization. Organizations are adopting various HRM practices to influence their employees performance and satisfaction level.

#### 1.1 Objectives of The Study

The objectives of the study is to measure employees' satisfaction on the HRM practices of Auto manufactures in IMT Manesar. The specific objectives of the study are:

1. To provide an overview and analysis of HRM practices.
2. To determine the effect of HRM practices on employee satisfaction.
3. To examine weak points of HRM practices which affects employees' satisfaction?
4. To provide some suggestions for

<sup>1</sup> Jaipur National University

improving HRM practices and employee's satisfaction.

### 1.2 Significance Of The Study

This study is very important for HR managers in auto component Industries as they would get a clear idea about the relationship of HR practices and employees' satisfaction. By having more satisfied employees they can retain efficient employees in their organization thus leading to higher organization performance. It has both practical and theoretical significance. It advances understanding of how HR practices affect employees' satisfaction in auto component manufacturing companies at IMT Manesar; and it may also be used to assist other manufacturing organizations in formulating effective HR practices to increase satisfaction of the employees.

### 1.3 Scope And Limitation Of The Study

The study was conducted within Auto component manufacturing companies at IMT Manesar. Not all but only the few HR practices such as job design, Job security, training and development, supervisory support, working environment and compensation influencing employees' satisfaction was considered for the study. The study is limited to few HR practices affecting employees' satisfaction in Auto component manufacturing companies at IMT Manesar and it does not consider OEM manufacturers. All findings are based on the information provided by the respondents, and are subject to the potential bias and prejudice of the people involved. Also out of 110 sample size only 76 employees responses properly, the response rate is only 69 %.

### 2. Litreture Review

Armstrong M (2006) defines Human Resource Management (HRM) as a strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contributes to the achievement of the objectives. HRM involves all management decision and practices that directly affects the people, or human resources, who work for the organization. Lado and Wilson (1994, p.701) define HRM system as "a set of distinct but interrelated activities, functions, and processes that are

directed at attracting, developing, and maintaining (or disposing of) a firm's human resources."

Human resource management (HRM) is considered a critical organizational resource that helps an organization sustain its effectiveness. It is one important area that influences a number of employees' attitudes and behavior such as intent to leave, levels of job satisfaction, and organizational commitment (Lee & Heard, 2000). Whenever the employee is more contended, they have less intent to leave the job and ultimately turned towards loyalty .According to Macky & Boxall (2007), the scientific literature assumes a causal link flowing from HRM practices to organizational performance via the responses of employees. Organizations that do not pay equitably compared to others may lose their employee's because of the non-competitive compensation package (Adams, 1965). According to Lawler (2005), society has entered a new era in the relationship between organizations and their employees. In this new era, people are the primary source for a company's competitive advantage and organizational prosperity and survival depends on how employees are treated. Employees judge the organization from its HRM Practices. HRM Practices create the condition where employees become highly involved in the organization and work hard to achieve the organization goal. It is plausible that when employees judge the organization to be fair and supportive in their treatment particularly with regards to the availability and frequency of promotional opportunities, adequacy of pay and good supervision, positive feelings of well being will be created, which is likely to stimulate that to reciprocate by increasing their loyalty to the organization and reducing turnover (Nasurdin et. al., 2001).

Thus, a good HRM system consists of a coherent set of practices that enhance employee skills and abilities, provide information, empowerment and participation in decision-making, and motivation. Pfeffer (1998) suggested that soft or high commitment human resource management practices are those that generate trust in employees and these practices include giving employees

empowerment and involvement in decision making; extensive communication about functioning and performance of the employees service; designing training for skills and personal development of employees; selective hiring; team-working where idea are pooled and creative solutions are encouraged; rewards system that commensurate with effort; reduction of status between the management and staff and all workers are valued regardless of their role. The best Human Resource practices areas are recruitment and selection, socialization, job design, training, communication/participation, career development, performance management, employee reward and job security (Huselid, 1995). Buck and Watson's (2002) indicated nine important HRM practices such as decentralization, Compensation, Participation, training, development, employment security, social interactions, management style, communications, and performance appraisal.

On the basis of the above literature review, the study consider the following dimensions of HRM practices that have impacts on employees' satisfaction towards organization such as recruitment and selection systems, compensation package, job security, career growth, training and development, management style, job design and responsibilities, reward and motivation, and working environment.

### 3. Hypotheses Development

On the basis of the various HRM practices affecting employees' satisfaction, the following hypotheses are developed for the study:-

- H1: Employees' are satisfied on "Job Design".
- H2: Employees' are satisfied on "Compensation package".
- H3: Employees' are satisfied on "Supervisory Support".
- H4: Employees' are satisfied on "Motivation".
- H5: Employees' are satisfied on "Training and development".
- H6: Employees' are satisfied on "Working environment".
- H7: Employees' are satisfied on "Job Security".
- H8: HR Practices have significant association with employees'

Satisfaction.

**4. Methodology Of The Study**

This study is based on both primary and secondary data. Primary data were collected through a structured questionnaire. Random sample technique has been used to interview the employees. A sample of 110 employees was selected from Auto components manufactures in IMT Manesar. Out of this 110 employees, 76 responses properly, the response rate is 69 percent.

The questionnaire consists of different questions on Six HRM dimensions such as compensation package, training and development, supervisory support, job design and responsibilities, empowerment and participation and working environment. The questionnaire was developed by using a five point Likert

scale, whereas;  
 1= Dissatisfied,  
 2 = Somehow satisfied,  
 3 = Satisfied,  
 4 = Moderately satisfied,  
 5 = Highly satisfied.

But some secondary data have been used in the study. The secondary data used in the study have been collected from related journals, books, newspapers and internet, etc. Data was analyzed using descriptive statistics such as frequencies and percentages. Correlation analysis was done to establish the relationship between various HRM practices and employee satisfaction. Data was presented in form of tables, charts and graphs.

**5. Analysis And Findings**

**5.1 Response Rate**

Out of the 110 respondent that were issued questionnaire , only 76 of them responded the questionnaire. The response rate therefore was 69 %.

**5.2 Respondent’s Data**

Majority of the respondents were male (73%) while 27% were female . 48 % of the respondents were Bachelor degree holders, 33% had Diplomas/Certificate and 19 % were Others . Majority of the respondents (69 %) had served in the organization for a period of 0- 5 years, 24% for a period of 5-10 years and 6 % for a period of 10-15 years. All the respondents were middle level staff.

**5.3 Z Test**

Computation of Z value is done for all HR practices under study to identify employee satisfaction on these practices.

**Table 1 . Computation of Z value for HR practices**

HR VARIABLES	MEAN	STD.DEV	STD ERROR	Z CALCULATED VALUE	MEAN RANK
Job Design	2.84	0.98	0.11	1.404	3
Compensation	2.04	0.96	0.110	8.738	7
Supervisory Support	2.89	1.00	0.115	0.917	2
Motivation	2.08	0.96	0.110	8.340	6
Training and Development	2.20	0.97	0.111	7.241	5
Work Environment	2.93	1.04	0.119	0.553	1
Job security	2.50	0.90	0.103	4.833	4

**5.31 H1: Employees are satisfied on “Job Design”.**

It is assumed from the hypothesis that job is properly designed and employees have clarity about their role and they perform their task easily.

Table 1 shows that at 0.05 level of significance (two tailed test), table value (1.96) is greater than calculated value (Z =1.404). So, the null hypothesis is accepted and hence, we conclude that employees are satisfied on job design and responsibilities.

**5.32 H2: Employees are satisfied on “Compensation package”:**

This hypothesis indicates that employees

are satisfied with present salary, increment allocation method and other compensation packages. Table 1 shows that at 0.05 level of significance (two tailed test), table value (1.96) is less than calculated value (Z =8.73). So, the null hypothesis is rejected and hence, we conclude that employees are not satisfied on compensation package of their company

**5.34 H3: Employees are satisfied on “Supervisory Support”.**

The hypothesis indicates that employees receive fair treatment and overall quality supervision and support from boss. Table 1 shows that at 0.05 level of significance (two tailed test), table value (1.96) is greater than calculated value (Z =0.917).

So, the null hypothesis is accepted and hence, we conclude that employees are satisfied on Supervisory Support they have in their company.

**5.35 H4: Employees are satisfied on “Motivation”.**

The hypothesis indicates that employees are satisfied on various financial and non-financial motivation system is present in their company. Table 1 shows that at 0.05 level of significance (two tailed test), table value (1.96) is less than calculated value (Z =8.340). So, the null hypothesis is rejected and hence, we conclude that employees are not satisfied on motivation of their company



### 5.36 H5: Employees are satisfied on “Training and development”.

This hypothesis indicates that training and development program are available in the company and employees are satisfied on that program. Table 1 shows that at 0.05 level of significance (two tailed test), table value (1.96) is less than calculated value ( $Z = 7.241$ ). So, the null hypothesis is rejected and hence, we conclude that employees are not satisfied on training and development system of their company.

### 5.37 H6: Employees are satisfied on “Working environment”.

This hypothesis indicates that the physical working environment is very conducive for satisfaction at large. Table 1 shows that

at 0.05 level of significance (two tailed test), table value (1.96) is greater than calculated value ( $Z = 0.553$ ). So, the null hypothesis is accepted and hence, we conclude that employees are satisfied on working environment of their company

### 5.38 H7: Employees are satisfied on “Job Security”.

From This Hypothesis it is assumed that employees are satisfied with security to their job. Table 1 shows that at 0.05 level of significance (two tailed test), table value (1.96) is less than calculated value ( $Z = 4.833$ ). So, the null hypothesis is rejected and hence, we conclude that employees are not satisfied on job security of their company.

Above hypotheses testing shows that employees are satisfied on some dimensions of HRM practices such as working environment (mean rank-01), Supervisory Support (mean rank- 02) and Job Design (mean rank-03).The hypotheses test also shows that employees are not satisfied on some dimensions such as Job security (mean rank-04), Training and Development (mean rank-05), Motivation (mean rank-06), compensation package (mean rank-07). Therefore, it is clear that all dimensions are not equally satisfied to employees.

It is also very clear from the Table 2 which dimensions highly satisfied or dissatisfied to employees.

**Table 2 . Percentage of employees on different levels of Satisfaction of HRM dimensions**

	JD	CP	SS	M	TD	WE	JS
1 = Dissatisfied	10.5%	31.6%	10.5%	31.6%	23.7%	7.9%	9.2%
2 = Somehow Satisfies	22.4%	42.1%	19.7%	38.2%	44.7%	23.7%	47.4%
3 = Satisfied	42.1%	19.7%	43.4%	22.4%	22.4%	44.7%	30.3%
4 = Moderately Satisfied	22.4%	3.9%	22.4%	6.6%	6.6%	14.5%	10.5%
5 = Highly Satisfied	2.6%	2.6%	3.9%	1.3%	2.6%	9.2%	2.6%
Total	100%	100%	100%	100%	100%	100%	100%

## 5.4 Correlation

Correlation was performed to find out the pair wise relationship between the following variables.

- JD : Job Design;  
 C : Compensation  
 SS : Supervisory Support;  
 R : Motivation  
 TD : Training and Development;  
 WE : Work Environment;  
 JS : Job security  
 ES : Employees' Satisfaction  
 V: Variables

**Table 3. Correlation Matrix for HR practices and Employee Satisfaction.**

V	JD	CP	SS	M	TD5	WE	JS	ES
JD	1							
CP	0.914845	1						
SS	0.974477	0.921676	1					
M	0.90316	0.964741	0.907927	1				
TD5	0.877627	0.927291	0.890087	0.943157	1			
WE	0.9468	0.92828	0.943595	0.926602	0.904471	1		
JS	0.859462	0.856203	0.856595	0.859901	0.879694	0.876701	1	
ES	0.923325	0.895528	0.913576	0.898538	0.892541	0.944687	0.885779	1

Source: Primary Data

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

#### 5.41 H8: HR Practices have significant association with employees' Satisfaction.

The above shows that the factors JD, CP, SS, M, TD, WE and JS are independently positively correlated with ES and also highly significant at 1% level. Therefore, **Hypothesis H8 of the study is accepted.** Here the maximum correlation ( $r = 0.944$ ) is existing between WE and ES, followed by the association between JD and ES ( $r = 0.923$ ), SS and ES ( $r = 0.913$ ), M and ES ( $r = 0.898$ ), CP and ES ( $r = 0.895$ ), TD and ES ( $r = 0.892$ ), JS and ES ( $r = 0.885$ ). HR practices are pair wise positively significant at P-value 0.000. Among the seven practices the relationship between the JD and SS ( $r = 0.974$ ) is the highest, followed by the link between M and CP ( $r = 0.964$ ).

#### 6. Conclusion And Recommendations

The study reveals a strong association between HRM Practices and employees' satisfaction. In this study, we considered SEVEN factors of the human resources management practices followed by different automotive companies. From the correlation matrix, highest positive value of correlation ascending between WE, JD, SS, M, CP, TD AND JS which clarifies that Auto industries at IMT Manesar are required to focus on these HR practices for getting Satisfied and committed employees'. HRM dimensions exercised does not satisfied to the employees equally. Most of the employees are dissatisfied with compensation package followed motivation, training and

development and job Security.

It is apparent that HRM practices in Auto component manufacturing at IMT Manesar have not been fully developed. To increase the employee satisfaction and reduce high turnover in auto component there is urgent need to employ the services of HR professionals, consultants and researchers to help shape and develop new directional focus that will ensure an efficient and effective human resource practices. We suggest the following recommendations for doing better HRM practices in the auto component manufacturings

- The organization should provide employees with proper and favorable work environment and policies according to the satisfaction of the employees so that they can work with peace and joy.
- Various financial and non-financial benefits should be given to employees according to their performance. This will make them more devoted to the work and their satisfaction will be definitely high.
- Market competent compensation packages should be given to employees after the proper analyses of performance of the employees by adopting fair and effective method.
- Effective training and development techniques should be adopted to improve the

performance and satisfaction level of the employees.

- Motivational rewards to be provided which initiates the employees to work with enthusiasm and involvement.
- Management and superiors should supports the employee greatly to build their career so that they feel job security in the company

#### REFERENCES

- Adams, J.S. (1965). *Inequity in social exchange*. In Berkowitz, L. (ed.). *Advances in experimental social psychology*. New York: Academic press, pp.267-299.
- Buck, J.M., Watson, J.L. (2002). 'Retaining staff employees: The relationship between Human Resources Management Strategies and Organizational Commitment', *Innovative Higher Education*, 26(3), 175-93.
- Huselid, M.A. (1995). 'The impact of human resource management practices on turnover, productivity, and corporate financial performance.' *Academy of Management Journal*, 38, 635- 672.
- Macky, K., Boxall, P.(2007). *The relationship between 'high performance work practices' and employee attitudes: an investigation of additive and interaction effects*. *The International Journal of Human Resource Management*, 18(4), 537-567.
- Pfeffer, J. (1998). *The Human Equation: Building Profits by Putting*

- People First*, Boston, MA: Harvard Business School Press.
- Senyucel, Z. (2009). *Managing Human Resources in the 21st Century*. Available at <http://www.bookboon.com>. Accessed on 23/11/2009.
- Nasurdin A.M., Ramayah, T., Osman, M. (2001). *Job Satisfaction and Organizational Commitment among the Malaysian Workforce*, Malaysian Publications: April 2006.
- Lawler, E.E. (2005). *Creating high performance organizations*. *Asia Pacific Journal of Human Resources*, 43(1), 10-17.
- Lee, S. H. and Heard, A. (2000). *A managerial perspective of the objectives of HRM practices in Singapore: an exploratory study*. *Singapore Management Review*, 22, 65–82.
- M. Armstrong, “*A Handbook of Human Resource Management Practice*”, London & Philadelphia, Kogan Page Ltd, 10<sup>th</sup> edition, 2006.
- R. Donald, Cooper and Ramcis, S. Schindler, “*Business Research Methods*”, Tata McGraw Hill Publishing Company Limited, New Delhi, 2000.
- Armstrong, M. (2006), *A Handbook of Human Resource Management Practice*, 10<sup>th</sup> edition, London
- Lado, A. & Wilson, M. (1994), ‘*Human Resource Systems and Sustained Competitive Advantage: Competency-based Perspective*’, *Academy of Management Review*, Vol.19, pp.699-727.

## Concatenation Of Creativity, HR & Success The New Mantra In Business

Dr Neha Arora<sup>1</sup>

### Abstract

*If you go across in your daily life even in the heavy busy streets, you can almost always find the people who work for certain employers. It may be my weird sense of humour, but each time when I see any one of these people, I imagine the Human Resource person squeezing the new hire into a machine that wraps the person into a mould and then squeezes and scrapes away the parts that don't fit. Now, don't get me wrong. I'm not saying that a good organizational match between employee and company is wrong. What I am saying is that when there is too much "fit," there isn't any way to foster creativity. If creativity is finding new and useful ways of working then I do not believe that there is a single company industry or country that should not want to capitalise on creative activities. There is often a tendency within companies to add the word creative or innovation into the mission statement or the corporate values but then go no further. From mission and values to selection, induction, development and training, reward and remuneration, organizational structure etc everything remains unfold. Lets have a simple outlook how often employees have been encouraged to be creative but are than only provided with praise if everything went out perfect. Thus the key root lies in the fact how well the company fits its employees in the right place at the right time. Though it is wide responsibility of every department but an uphold responsibility of the human resource department which should foster such activities for better enhancement.*

*To understand scientific and technological creativity, one needs to analyse the interactions between individuals or groups and their environment. We put forward the concept of a creative environment to examine the environmental influences on individual and group creativity. After reviewing the research literature relevant to creativity, the paper identifies the main influences promoting creativity at different levels of organization. It also provides the success stories of the organizations that achieved higher returns and also provides suggestions as to how best to stimulate this creative environment. The paper concludes by identifying issues where further research is needed*

**Keywords** Success, Recruitment, Techniques, Organization, Environment, Technology, Human Resource, Creative, Inspiring, Innovation.

### Introduction

For many years, technology has supplanted people in the performance of many routine jobs and has increasingly assumed prominence in more sophisticated processes. The universal availability of inexpensive technology has created a highly competitive global marketplace and fueled the growth of robust, knowledge-based economies in developing countries, with India and China as the prime examples. Developed countries such as the United States can no longer claim a competitive advantage based on exclusive access to advanced technology and a well-trained

workforce. When merged with the word Success which itself gives thousands of volts of power to anybody. Some always strive for professional success and some love 'status quo' thinking that 'all is well'. These kinds of people also want to work hard and wish to climb the ladder of success. But they always take a back foot. Taking risks and critical decisions is not their cup of tea. Many suffer with this type of 'indecision syndrome'. It is because of lack of right kind of mentoring or the feeling of work load and inactive attitude. Success can be achieved by anybody and

everybody with proper planning and timely action.

To indemnify this fact as a global player, many business forecasters are predicting that workforce creativity and innovation will be the most important factors in establishing and maintaining a competitive advantage. Logic, linear thinking and rule-based analysis--functions located in the left side of the human brain--will remain important, but are no longer sufficient to succeed in the global economy. Many experts believe that, to succeed, organizations must place greater emphasis on right-brain functions: artistic, big-picture thinking and the ability to put things in context.

<sup>1</sup> Assistant Professor, SRMSCET, Bareilly

These concepts create a fundamental challenge for Human Resource professionals. The recruiting and retention of highly talented workers has long been a cornerstone of strategic human capital management. However, some leaders in the study of creativity are challenging the assumption that individual creativity is solely a question of talent and are looking at how the environment influences creative outputs. With creativity which is considered as a critical factor in organizational success, Human Resource professionals must develop strategies to enhance the creative environment of the workplace. They need to take into account a number of factors, including the best ways to identify creative tendencies, team vs. individual creativity, employee motivation and training.

Management practices that support creative thinking will undoubtedly be more challenging than managing task-oriented, routine jobs. However, they may ultimately prove to be more rewarding for Human Resource professionals because they produce an environment where creativity thrives and leads to greater employee engagement, motivation and productivity. Not incidentally, they also highlight the importance of effective human capital management. Creativity has traditionally been viewed as the gift of a small number of talented people. The concept that groups and organizations can function creatively reflects the growing importance of creativity as a driver of innovation and organizational success. HR has a critical role in establishing an environment that communicates organizational values and creates management practices that respect and support the unique skills and creative potential of every individual. To fulfil this role, these professionals will have to call upon their own creative and innovative abilities.

### **Creativity & Business Success Are They Interrelated**

Is creativity related your business? The answer to this complex question comes itself an years ago and as quoted in words of Einstein it, "**Imagination is more important than knowledge.**" Einstein was putting value on creativity. His theories and ideas were all about creativity. When he

made a box car for his son out of shoe string and some boxes; that was creativity. When he was down and out and needed money and posted an ad for tutoring lessons; that was creativity in making money. Since Einstein accomplished some of the greatest thoughts of our time, an argument could be made that he was one of the most creative people of all time. You can know more about your product than anyone and have more degrees than anyone you know, but if you don't have a little bit of creativity to take advantage of what you do have, then it is useless. Credentials and knowledge will do you little good if you lack the creativity to take advantage of them!

So you may ask yourself, "What is creativity?" Einstein said, "CREATIVITY is seeing what others see and THINKING what no one else has thought." Robert Kennedy said the same thing this way, "**I look at things that are and I ask why? I look at things that never were and ask why not?**" Robert Kennedy was talking about creativity, just as Einstein was. So how do you apply it? How do you model the creativity in today's business?

Let us take a simple problem related to Business

People go online to search for information related to a problem their product have as compared to that of the competitors. Your keyword research will show you exactly which problem your market is trying to solve and the specific phrases they're using to describe it.

You have to show visitors your site offers a solution to their problem. That's why you need a large, easy-to-read, very clearly defined headline at the top of your site. It should be the first thing people see when they arrive at your site, and it needs to present their problem and promise a solution in a bold way.

For Instance:

If you discover that your market is mostly looking for information on how to cope with memory problems during pregnancy, a creative headline might be something like this:

- "Pregnancy is a magical experience you'll want to remember for the rest of your life. But if you don't keep a record of your experience, you're at risk of losing those precious memories forever!"
- "It's a known fact that when you're pregnant, your memory is AWFUL, due to all the crazy hormonal changes your body is experiencing. If you don't write your experiences down, you'll forget them -- and never be able to recapture them."
- "Your body is going through amazing changes right now... and you need to keep track of them! The "While You Were Waiting" pre-birth journal makes it easy for you record important medical information that will help you AND your baby for years to come."
- "It's not just for you -- it's for your baby. It helps answer their most important questions, "Who am I?" "Where do I come from?"

### **Does a Creative Human Resource Add a Cherry of Success to Your Organization?**

The very first question that arises when any organization answer the above question is "**How Do We Recognize A Creative Person?**"

Some organizations say to find a creative person, look in the mirror. To an extent, every person is creative - we do find a creative person when we see our image in the mirror.

But is that sort of creativity the kind that makes new discoveries and makes a huge difference in the world?

World-changers - these are people who may be termed as creative but have one trait that most makes them different from other individuals - complexity. In a nutshell, exceptionally creative people:

- are smart but they are also "naive," sometimes asking what other people think are dumb questions;
- are often introverted in that they push people aside to retreat into their quiet state but they can also be somewhat manic in personality, displaying a

higher degree of both introversion and extroversion;

- are humble in that they will admit what they don't know as well as what they need to improve; however, they are also arrogant when they believe they've accomplished something superior;
- tend to be more androgynous than others: women are more assertive and men are less masculine; and
- are both conservative and rebellious at the same time.

You might ask, "So what? I'd still hire someone with those behaviours!" My answer is a question: which person out of these three would you most likely hire? Each person has graduated from a top tier university with similar marks and similar recommendations.

#### Applicant A

- female;
- confident;
- adeptly turned a negative to a positive when asked what she needed to improve;
- listed several accomplishments that showed her ability to work with others, as well as highlighting her skills and abilities when asked about her strengths and achievements;
- didn't seem either extroverted or introverted; and
- asked intelligent questions about the position.

#### Applicant B

- male;
- appeared somewhat introverted;
- when asked about strengths and achievements stated that he didn't think he had done anything that was particularly remarkable and that he had a lot to learn; when asked what he needed to improve, instead of turning a negative to a positive, openly admitted what needed improvement;
- seemed to find some things humorous that you didn't think were particularly amusing; and

- Asked some questions that you thought were good, but also several that you thought were just plain dumb.

#### Applicant C

- female;
- seems more aggressive and opinionated than other females in your organization;
- when asked about her achievements and strengths, she seemed almost arrogant about her intellectual ability;
- gave several areas for improvement when asked what she needed to improve;
- sometimes smiled when a smile wasn't appropriate; and
- Asked several "stupid" questions about the position and didn't seem to notice that these questions weren't appropriate.

How many people would hire Applicant A? I think most Human Resources officers would. And yet, Applicant B and C hint at traits which are common to highly creative and motivated individuals. But, you say, these people sound too much like troublemakers. How do we know they are going to be productive? The clue is that all three people had similar recommendations and marks. They all graduated from an excellent university. That shows to a certain extent that they can finish what they start and are equally productive.

"But people have to get along with others and they sound like they couldn't work in a team!" The question is: Does the tradeoffs between creativity and getting along more benefit the long-term interests of the company or the short-term interests of staff? I think most people learn that creativity and independent thought is punished right in elementary school. Study after study shows that teachers don't like creative children in the classroom because they make it harder for them to do their job. These children ask harder questions, they don't just accept the teacher's answers as truth; they want to experiment instead of following the rules. Right in elementary school when we see the creative child punished more, we decide: 1)

it isn't okay to be creative; and 2) creative people are problems.

#### Does This Carry On Into Business?

I think it does. Other research states that creative people spend more time getting ready to problem solve - they take longer to look at the problem. They also see the problem as more complex, having more layers than does the less creative person. In my experience this bugs the dickens out of non-creative people. Managers see it as a waste of time and money, and team members think the creative person is making a mountain out of a molehill. I've heard people tell extremely creative people, "You always make things so much more difficult than you need to!"

Creative people can be frustrating in other ways. For instance, they like change. Most people, when facing chaos want to return to the known and familiar. Not so the exceptionally creative. They want to create new structures instead of returning to the old. Most people I know find that irritating and don't understand it. Again, the creative person is thought of as a troublemaker by less creative managers and coworkers.

Another irritant - creative people are more self-critical than other people. Because of this, they can tend to view criticism differently. Most people become very defensive when someone doesn't like something they did. Because creative people are more self-critical, they are more likely to listen to the criticism with intense curiosity about what the person didn't like. They will start asking questions which the other person interprets as defensive behaviour (because that's how non-creative people react) instead of what is really the creative person's way to discuss how to improve a project. The exceptionally creative really do mean it when they say, "Tell me what you don't like - it doesn't bother me!" That's as long as the criticism is a reasonable, logical argument. However, if someone creative believes he/she did a good job on a project, no one is going to convince him/her otherwise! That's when they can appear arrogant or know-it-all.

In extension to the same, does the HR department more often than not pass up the

very creative? Do managers rate creative people lower on performance evaluations because they are more difficult to manage? Do these managers persuade their most creative people to quit and work in a "more creative" field in order to just get them out of their hair? Do they end up driving their most innovative staff to quitting and starting their own businesses? I think they do. And I've heard from people in the HR field that this happens all the time - most often, I've been told, to exceptionally creative women.

What does this mean for the continued success of these companies with conservative managers? Sure, maybe these organizations will survive but will they be like the Swiss watchmakers who didn't see digital technology for what it could be - and let the Japanese take over the market? Or will they be developing innovative products like Velcro and post-it notes?

If we want to do more than survive, perhaps we should be a bit more like Amazon.com - they actually ask personnel companies to send over the people that the other companies rejected! And that's something to think about.

### **Blockers & Enhancers of Creativity within Organization**

Companies that create environments not only inspire employees but it helps in maintaining creative workplaces. Creative thinking can't be turned on and off with the flick of a switch. Yet, this is exactly what some organizations seem to believe. The following approach seems all too familiar: OK, team. We've called this meeting to put our heads together to solve this overwhelming sales issue we're facing. Now, I want you to think creatively! Out of the box. Don't be shy - be innovative in your solutions. I've got the flipchart ready. Who wants to throw something out?"

Creativity and innovation are ubiquitous business buzzwords. Companies are lured into believing that if you tell team members to be creative, they will be. But creativity isn't something that just happens. Creativity is the result of inspiration. Innovative ideas are born from supportive, open and trusting environments.

There are several approaches to unleashing creativity in the workplace. Before they can exist and thrive in an environment, organizations must first understand what inspires creativity and what inhibits it.

### **Creativity Blockers**

When employees are not passionate about what they do on a daily basis, work can become repetitive, boring and possibly meaningless. This kind of feeling is hardly conducive to creative thinking. Humans are born to create. When the creative spirit is restrained, it fights back with negativity, lack of motivation and disrespect. This creates a breeding ground for corporate toxicity.

There are many things that can block a person's creativity on the job, but the two biggest barriers are fear and lack of passion.

When fear enters the workplace, creativity is stifled. Sometimes they are buried. Employees start to give less than 100 percent. They start keeping new ideas to themselves, or even worse, over time, they stop thinking of them at all. When fear is present, it blocks everything else. Employees are less passionate about what they do because they cannot realize their potential. When people are not passionate, they lack the desire to give any more than what is necessary. Their work becomes a job and a pay check that pays the bills.

In *Reclaiming Higher Ground: Building Organizations that Inspire Excellence* (McGraw-Hill, 1998), author Lance Secretan demonstrates this environment cleverly through the following story:

"Once upon a time, a number of creatures who were disenchanted with the current school system decided to start a new school. They overhauled the old curriculum and replaced it with their favourite activities: running, climbing, swimming and flying. To make it easier to administer and manage students were required to take every subject.

"The duck was a champion swimmer, even surpassing his instructor, and was also highly proficient in flying. He displayed a weakness in running, however, and try as he might, he wasn't able to become a champion runner. The duck's instructor persuaded him to drop his swimming course and take a

crash course in running. He studied hard, but his webbed feet became blistered and sore, which interfered with his swimming. He became an average swimmer, but since average seemed to be acceptable at school, nobody worried about it - except the duck.

"The rabbit started at the top of the class in running, but his performance deteriorated when he enrolled in psychotherapy sessions to deal with his low self-esteem, caused by, the psychotherapist believed, his poor swimming grades.

"At first, the squirrel was an outstanding climber. But he soon became frustrated when his instructor made him start from the bottom of each tree instead of leaping across the tops. He developed charley horses from overexertion and received a C in climbing and a D in running.

"The eagle spent much of his time in the principal's office, defending his unorthodox techniques. Although he was always the first to arrive at the top of the tree, he used unconventional methods that were not approved in the curriculum.

"At the end of the program, a snapping turtle, who was a brilliant swimmer and an adequate runner and flyer, graduated with the highest marks. He was able to pass flying by making his dives off rocks look like flight. The snapping turtle was elected valedictorian.

"The prairie dogs boycotted the school, campaigning against the school trustees for not including burrowing and digging in the curriculum. They lost every appeal and eventually apprenticed with a badger, later joining groundhogs, foxes and other creatures to start their own school with a new curriculum they developed."

Although this story may seem cute or funny, situations echoing its underlying theme are present in organizations worldwide. Hal Sperlich, the inventor of the minivan, experienced it firsthand. He states: "People who propose things that are different make more conservative people nervous, and the corporate environment doesn't reward people for challenging the status quo."

Today that's starting to change as more and more organizations realize that if they do

not capitalize on the ideas, creativity and strengths of their employees, they will never be competitive. With the shrinking workforce available to organizations today, potential employees know they can afford to be very choosy in where they decide to work. As Generation X (born between 1965 and 1981) and Generation Y (born between 1982 and 1998) employees flood the market, they will not even consider working for an employer who does not allow them to challenge the status quo. This thought process is not going anywhere.

Sperlich originally designed the minivan during his days at the Ford Motor Co. But no one at Ford bought in to it. After 20 years at Ford, Sperlich joined Chrysler Corp. in the late 1970s until Lee Iacocca became the chairman of Chrysler in 1979; the minivan remained just a creative idea. Iacocca worked with Sperlich to remove the creative binds that tied him for several years and Sperlich began to design the minivan. The minivan, which debuted in 1984, pulled Chrysler out of financial distress.

This is a classic example of the frustration that plagues creative employees. Until they are recognized for their creativity and their innovative ideas are given the proper attention, they will continue to be stifled and uninspired and to lack passion.

### Inspiring Creativity

If organizations create environments that inspire employees, they will build communities that balance people with profits. This environment is not fear-driven, and it supports new, creative ideas, sharing of information, open communication and attention to personal and professional growth. These types of organizations are the most creative and innovative.

Creativity and innovation are nurtured by cultures that are driven by strong, shared values. Employees need to feel empowered to offer creative thinking. They need to know that all ideas will be heard and respected, and that their ideas will prompt action. This increases self-confidence and nurtures one's ability to think creatively and openly.

Organizational leaders must remove all blocks to creativity. They must ask their teams, "What can I do to help you be more

creative? What inspires you, and how can I help bring that inspiration to your workday?" Employees who are inspired by a project or their work will be the most creative. They will be the employees who pitch in to do what is needed to make the outcome successful. Their passion for the work removes the fear of failure and pushes them to expand their capabilities. The energy these employees possess is contagious and co-workers feed off this positive energy to become inspired as well.

Creativity flourishes in organizations that support open ideas. 3M Corp. built its Innovation and Learning Centre to provide employees and teams with tools to help them spark creative thinking. The centre is a place where employees can go to find brainstorming exercises video tapes, or to take mental breaks to clear their minds and prepare for creative thinking.

IDEO Product Development is a celebrated design firm based in Palo Alto, Calif. Its founder, David Kelley, says he believes that large companies stifle creativity because they institute too many workplace rules. The greatest lesson he learned was that when you break the rules, creative ideas are born.

IDEO demonstrates this philosophy through hundreds of examples. The company hung indoor bike racks using a system of hangers and pulleys so employees would not have to park their bikes outside. It created "Spunk Spaces" where employees can listen to music without disturbing other employees. These ideas developed because managers took the time to find out what inspires each of their employees. They continually work with employees to remove barriers to creative thinking.

The cornerstone of IDEO's success is its method of creative brainstorming. Brainstorming rooms were built and placed throughout the organization. Meeting participants can draw, sketch and scribble almost anywhere - on whiteboard covered walls and on conference tables covered with butcher paper. Televisions, VCRs, projectors and video screens were placed in the rooms to allow for sensory stimulation or in-depth presentations. Camera copiers

take photographs of every drawing and note.

### Initial Steps to Enhance Creativity

The conditions that encourage creativity in organizations are based on a person's external surroundings and internal sources of inspiration. HR Department need to understand that creativity requires the removal of pressure, fear and judgment. Employees today want their work to inspire them. They want to feel good about who they are through the work they do when that happens, creativity and innovation flourish. It happens naturally.

Here are some beginning steps organizations can take to help create environments that inspire creativity:-

- Ask employees if they are passionate about their work. Work one-on-one with employees to find out what parts of their work they love, and which parts are least enjoyable. Try to make whatever changes possible, even if it means a change in position or department, to create a workload that is at least 80 percent inspiring. Remember, when employees are inspired and passionate about their work, they give more than 100 percent. An area may lose a "body" but the organization gains an inspired, creative soul.
- Help remove the blocks to creativity. Work with employees to change their work or methods so they have more room to be creative. What additions or changes would help?
- Help remove the blocks to creativity. Work with employees to change their work or methods so they have more room to be creative. What additions or changes would help inspire them? Is it music? Is it a different desk? What things can managers do today to help spark creativity?
- Make changes in the physical environment. Give face-lifts to office space by adding color, creating open work environments or by painting. Get employees involved in making suggestions and changes.
- Make work fun. Add energy throughout the office by implementing team-building events, outside recess breaks or ice cream breaks or by screening movies. Develop a "fun patrol"



committee or "culture control committee" like at Southwest Airlines that focuses on making sure that people are having fun on the job and that the corporate culture is always assessed and enhanced.

- Force mental breaks. When employees chain themselves to their desks or are racing all day to meet a deadline, their energy is drained. They lose inspiration and the drive or ability to be creative. Help them slow down by taking a mental break and clearing their minds. Encourage them to take a walk around the building or to go outside for some fresh air.
- Implement a daily moment of silence. Many companies are starting to implement "mindfulness breaks." At the same time every day, a bell rings and all employees, from the CEO down, stop what they are doing for five minutes and sit back to relax. They take deep breaths, close their eyes and clear their heads of the day's activities. Employees look forward to these breaks and make sure they are not involved in any meetings, telephone calls or other activities that might interfere with the company break. These breaks help employees focus and rejuvenate by slowing down and clearing their heads.

#### **Different Creative Actions Taken By Organizations For Enhancing Better Results**

- To identify new product ventures, Motorola has formed several in house venture teams. A team is typically composed of five to six employees one each from R& D, marketing, sales, manufacturing, engineering and finance. Larry Goldstein, a manager of venture team at Motorola, said that each venture team member must display openness to new ideas, a tolerance for ambiguity, and an eagerness for new experiences. In addition to venture teams, HR Department here also frames interdepartmental functional teams to develop new products. From the beginning, various functional groups are involved in the new product development process. A newly created product is thus cost effective to

manufacture, meets customer satisfaction criteria and can potentially bring the company large profits

- .
- 3MM often known as master of innovation also uses venture teams to develop new product. The employee who champions the idea of a new product forms a team comprising people with various skills and disciplines. At one time, team members commit themselves 100 percent to only one product venture, temporarily putting other projects on the back burner.
- To avoid the non invented here syndrome, Raychem introduced a "Non Invented Here Award." The idea is to encourage employees to steal and adopt ideas from other people within an organization. The person who steals another idea receives a trophy and a certificate which says "I stole somebody else's idea and I am using it". The originator of an idea will get a certificate "I had a great idea and so so using it".
- Hewlett Packard urges its scientists to spend 10 percent of their time on their own pet research projects providing 24 hours access to HP labs and equipments.
- Rubbermaid's objective is to generate 30 percent of its annual sales from products that were developed within the past five years. In one five year period Rubbermaid introduced 700 new products exceeding its target. A perfect way of increased profit through creative inventions.

#### **Does HR More Often Than Not Overlook Creativity In Candidates And Employees?**

**A question that has arises in many minds but cannot be satisfied till date.**

Do you feel that HR people are "programmed" to promote conformity and consensus as opposed to creativity and a certain amount of confrontation?

Do you feel that HR sometimes refuses to acknowledge development in employees' skills set and personality because "evaluations are valid for 3 years"?

Is there any change in the way HR operates since the introduction of Business Partner Programmes?

If you do - or don't – confront this question now we will never be able to achieve the heights of success we actually deserve to.

This also confronts an area of further research.

#### **Conclusion**

Remember, if an organization is going to build an environment that encourages creativity, it has to be willing to understand what inspires employees and how it can help supply that inspiration on a daily basis. Simple brainstorming activities and a few rounds of ice cream are not going to do the trick. Creativity comes from within. An organization must look within its employees and understand what they are passionate about. It is then that they will build creative environments which inspire employees while balancing people with profits.

#### **References**

- Ahmed, P. K.(1998), "Benchmarking innovation best practice", *Benchmarking for Quality Management & Technology*, Vol.5 No.1, pp.45-58.
- Ahmed, P. K.(1998), "Culture and climate for innovation", *European Journal of Innovation Management*, Vol. 1, No.1, pp.30-43.
- Andriopoulos, C. (2001), "Determinants of organizational creativity: a literature review", *Management Decision*, Vol. 39, No. 10, pp. 834- 840.
- Andriopoulos, C. and Lowe, A. (2000), "Enhancing organizational creativity: the process of perpetual challenging", *Management Decision*, Vol. 38, No. 10, pp. 734-742.
- Denton, K. D. (1999), "Gaining competitiveness through innovation", *European Journal of Innovation Management*, Vol. 2, No. 2, pp. 82-85.
- DiLiello, T. C. and Houghton, J. D. (2006), "Maximising organizational leadership capacity for the future Towards a model of

- self- leadership, innovation and creativity*", *Journal of Managerial Psychology*, Vol. 21, No. 4, pp. 319- 337.
- Hermel, P. and Pujol (2003), "An evolution of excellence- some main trends", *The TQM Magazine*, Vol 12, No. 3, pp.230-243
- Hillman, G.P. (1994), "Making self assessment successful", *The TQM Magazine*, Vol.6, No. 3, pp. 29-31.
- Jalan, A. and Kleiner, B. H. (1995), "New developments in developing creativity", *Journal of Managerial Psychology*, Vol.10, No. 8, pp. 20-23.
- Khandwalla, P. N. and Mehta, K. (2004), "Design of corporate creativity", *Vikalpa*, Vol. 29, No. 1, pp. 13- 28.
- Man, J. (2001), "Creating innovation", *Work study*, Vol. 50, No. 6, pp. 229- 233.
- Martensen, A. and Dahlgaard, J. J. (1999), "Strategy and planning for innovation management – supported by creative and learning organizations.", *International Journal of Quality and Reliability Management*, Vol. 16, No. 9, pp. 878-891.
- Politis, J. D. (2005), "Dispersed leadership predictor of the work environment for creativity and productivity", *European Journal of Innovation Management*, Vol. 8, No. 2, pp. 182-204.
- Roffe, I. (1999), "Innovation and creativity in organizations: a review of the implications for training and development", *Journal of European Industrial Training*, Vol. 23, No.4/5, pp. 224- 237.
- Tan, K. C. (2002), "Indian Society, total quality and Rajiv Gandhi National Quality Award", Vol. 21, No. 6, pp.417-426.
- Wang, C. L. and Ahmed, P. K. (2002), "learning through quality and innovation", *Managerial Auditing Journal*, Vol. 17, No. 7, pp. 417- 423.
- Wong, C. S. and Pang, W. L. (2003), "Barriers to creativity in the hotel industry- Perspectives of managers and supervisors", *International Journal for Contemporary Hospitality Management*, Vol. 15, No. 1, pp.29-37.
- Zhang, Q. and Cao, M. (2002), "Business process reengineering for flexibility and innovation in manufacturing", *Industrial Management & Data systems*, Vol. 102, No. 3, pp. 146- 152.

## Web Advertisement Analysis Based on Web Page Positioning (Usability)- A Green Marketing Approach

Pankaj Vishwakarma<sup>1</sup>  
Anjali Gautam<sup>2</sup>

### Abstract

*This research is based on the web advertisement placing on the web page. In this era of green business development this is very crucial technique to develop your business. In today's technological world when there are lot of techniques come into picture for advertisement then the web advertisement place a very crucial role for the business development. In this research we have analyze the advertisement based on the web page positioning. In this we analyzed that what are the position on the web page which can be very attractive to the user means where the user focuses more. Customer is not focuses on the whole web page while he/she is focuses on a particular area of the web page. So placing the advertisement at that places will increase the customer interest. Since the customers are very sensitive in nature so placing the advertisement in a random place on the web page is not a wise idea. So keeping the customer interest under consideration we analyze the portion if the web page where the user go to most of the times and focuses more as compare to any other area of the web page. We have analyzed this in our research where to place the advertisement on the web page.*

**Key Words** Usability, Advertisement, Web Advertisement.

### Introduction

Technological advancement relate to human welfare not only relate to ease the process but also provide the effective ways to solve the issue related to human health and wealth. A green approach incorporates the basic idea that is relate to environment sustainability factors. The factors which affect the users mind set when they are go for surfing online web such as placing the advertisement at the right place. If we consider the traditional advertising ways such as holding, poster advertisement and pamphlet etc. are based on environmental resources such as paper, print materials and chemicals which tends to affect the environment. The dynamically changes technological advancement created a new era of virtual world where web advertisement is a very common term. The online advertisement is the solution for problem associated with the traditional advertisement.

In this research we trying to find the ways which can enhance the web advertisement

usability so that it can be used widely instead of traditional way. For this research we have performed some task based on customized web tools to figure out the issue related with the positioning of the advertisement of the web page and based on our analysis try to suggest the effective solutions.

### Literature Review

Green marketing approach is new approach which is originated late 80s or early 90s. The AMA (American Marketing Association) held a workshop in 1975 on "Ecological Marketing" and after completion of the workshop the very first book for green marketing has been published titled as "Ecological marketing". Green marketing can be defined as marketing of that product which supposed to be more environmentally than other products. It includes a wide range of activities such as modification, modifying advertising, changes to the production

process and sustainable packaging. Green marketing which is used by companies seeks to go up and beyond classical marketing approaches by encouraging environmental base values in the aspiration that costumers will attach these core values with their business, company or brand. Involving in these sustainable actions can leads to creation of a new product line that serves to a new target market.

In recent ten years, environmentalism has gain increased interest in marketing and providing a consumer base which is anxious about "more than just the purchase and the consumption process" [1].

Instead of making environment-friendly goods and selecting eco-friendly places, there is essential requirement of 'Environmentally Friendly' understanding that must be integrated to the corporate world. Customers may confront with such terms as ozone-friendly, recyclable and eco-friendly goods in green marketing. Thus, green marketing is not only narrowed to these concepts but it is a much broader way

<sup>1</sup> MBA –IT, Indian Institute of Information Technology, Allahabad, India

<sup>2</sup> M.Tech-SE Indian Institute of Information Technology, Allahabad

of marketing process which is applicable to consumer products[2].

The effect of marketing on environment and natural resources was examined with the contribution of researchers, businessman and other contributor. Ecological marketing term was referred as follows: Surveys regarding negative or positive effects on earth pollution, power consumption and utilization of other natural resources as result of advertising[3].

Some researchers pays attention regarding an idea of “corporate social responsibility” when green marketing concept plays an important part [4] [5].

Managers and businessman are encountered with environmental issues as a part of decision making and they also thought about social values and ethics but their main aim is to achieve sustained economic success. [6].

By empirical point of view some researchers thought green marketing as an increasing body of quantitative analysis and tested it against linkage between performance firm and proactivity [7]

and some searches to find a positive linkage between mentioned above [8]

Thus a systematic review of empirical and quantitative study is carried out for analyzing the effect of green marketing on performance of any financial firm and some environmental variable are also introduced [9].

In 1953, it was concluded that green marketing is not the solution for all the problems of all corporate ills and it may cure the social corporate responsibility, but it was considered that it welcomes development of marketing techniques which needs encouragement and support. This research pointed out the businessmen social responsibilities that refer to policies and obligation of a firm without considering the consequences of social activities of firms one economic performance[10].

The mostly asked question is that the corporate social responsibility was the part of classical economic argument [11].

It is argued that the corporate social responsibility just an excuse for making money for its stakeholders and partners, but considering social responsibility a disruptive conviction that intimidated the very basis of free corporate society [12].

Some researchers made an attempt to show reconciliation between the financial and social interests of firms, also it is recognized that social responsibility of corporation is should be steady with shareholder interests and social responsibilities will always remain contradictory without demonstrating it [13].

**Therefore, using the “stakeholder theory” [14][15],**

after further research it is concluded that the difference between the corporate social and economic objectives is no longer related to each other, because the central goal is now only the survival of the company in the market, and now corporate decisions are not only controlled by shareholders, there is also contribution of other stakeholders such as staff members, employees, local governments and consumers [16].

Preventing contamination of natural resources by wastes of firm may enable the corporation to cut controlling measures costs, input, and power consumption, and recycling encourages the reuse of goods [17] [18].

Many approvals from organizations may allow eco-friendly organizations to advertise their management process as selling for their goods, and this create an average to distinguish their goods from their competitors [19].

Some analyzed that the integration of eco-friendly policies with corporate strategy by studying various firms like Procter and Gamble, [20].

### **Research Methodology**

Advertisement is word with which every industry is relating their product. Now the technological advancement increases the web advertisement to make it more customers centric so that it can useful for both the product and the customer. For this

purpose we have designed a process which we called HMA (Heat Map Analysis) and GPA Gaze Plot Analysis). We have used customized software for this purpose Tobii (Trial Version). With this software we have analyzed the website on based on user eye movement and the effective portions of web page. HMA: in this process we have designed a task in which we have asked a user to visit a web site on a particular time interval (60 seconds).

Through tobii software we have analyzed the human behavior and their eye movement by considering the cursor movement as an eye movement the most effective areas where user vision is more focused so that we can actually find the place where the positioning of a web advertisement can be useful. The following figures shows the heat maps and the gaze-plots.

GPA: in this process we analyzed the participant behavior like how much of time he has devote on a particular location on web page with the consecutive mouse location.

We have taken the 21 respondent for the task. We have defined a task for each respondent which is unique for all and the time period is also same for all. Each respondent has given the test one by one and we have record their movements by the help of tobii studio software.

In this research we have taken three random websites which are as follows:

1. Flipkart.com (Online Shopping website)
2. Times of India ( News/Current affairs websites)
3. Money Control ( Share market website )

### **Analysis:**

We have taken 21 respondents for our research purpose. We have given them a unique task to surf the all three websites one by one for a period of 60 seconds each. We perform this task to all the 21 respondent one by one and capture their response with the use of the Tobii software.

After collecting the data from each of the user we have done the analysis.

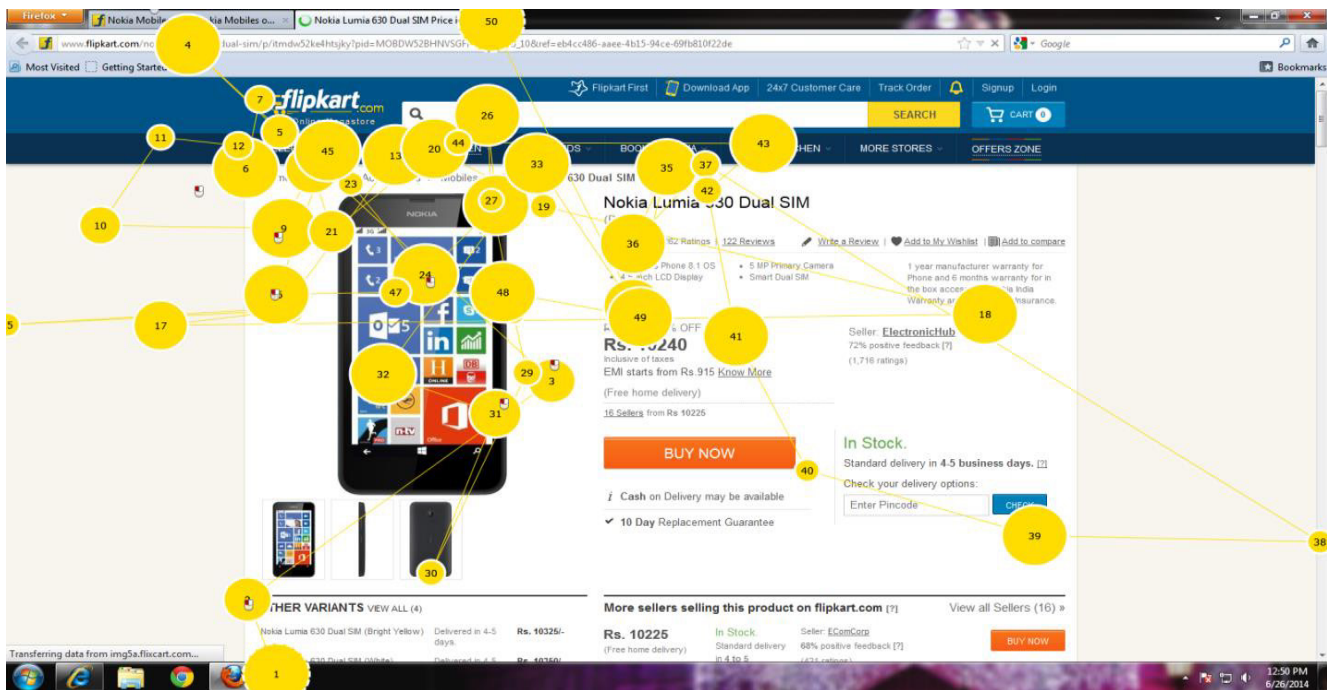


Figure 1: Gaze Plot (with mouse click) of the user activity on Flipkart.com (time=60seconds)

In above figure 1 the gaze plot with mouse click is shown in which we can easily identified that the respondent focuses more on the left side portion of the website rather than the right one.

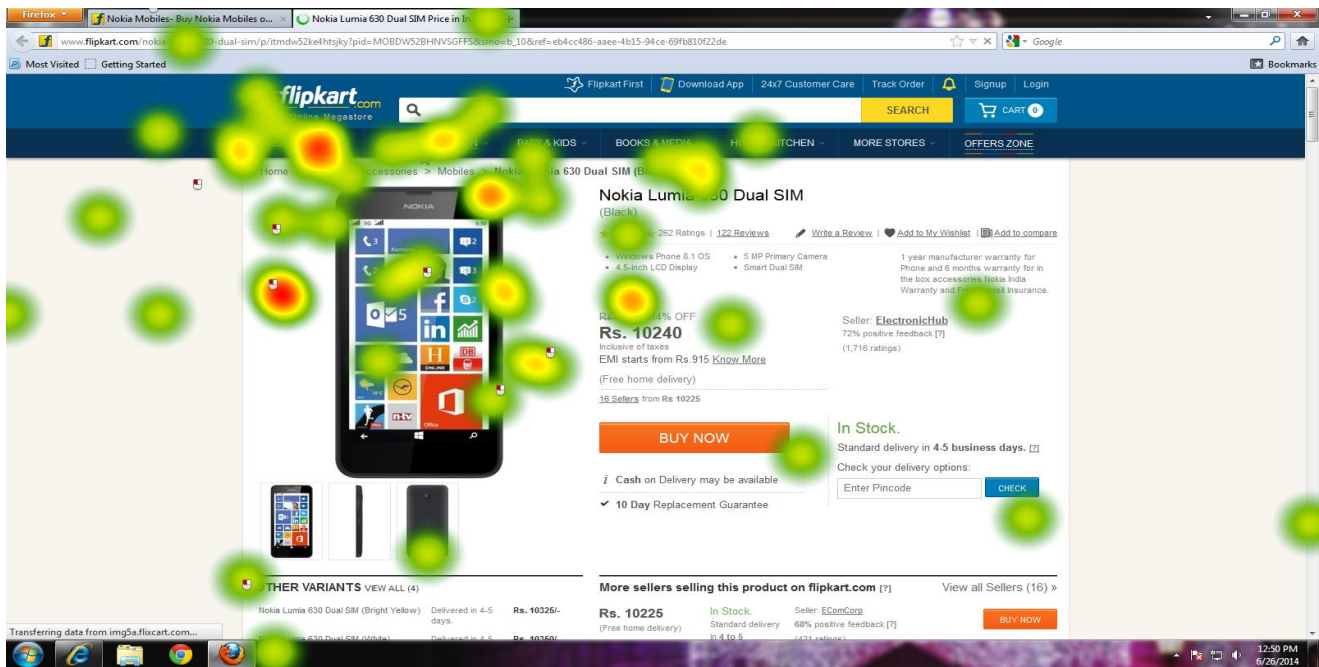


Figure 2: Heat Map(with mouse click) of the user activity on Flipkart.com (time=60 seconds)

Figure 2 shows the Heat map of corresponding figure1 which is an easy way to understand that the respondent area of interest on the webpage. So it can be seen easily that they are focusing more on left side rather than right side. One thing we easily find that the right portion of webpage is little bit empty so the user is not paying attention on the right side.

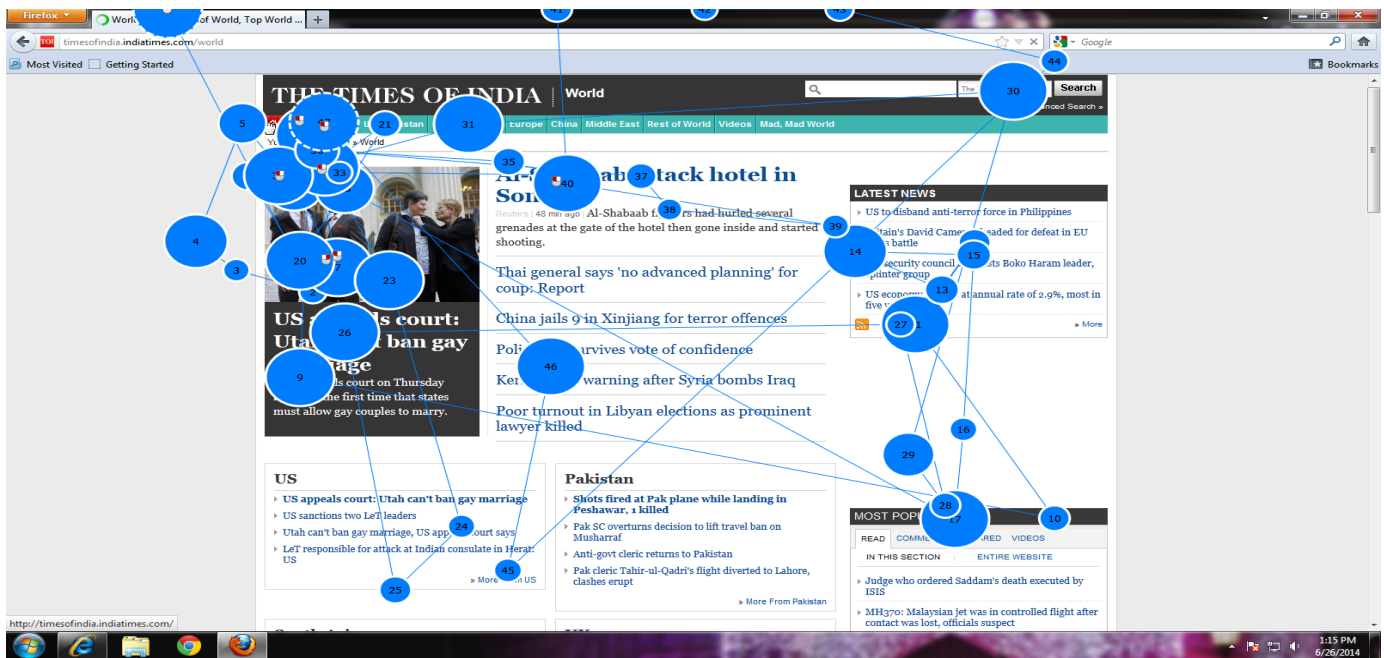


Figure 3: Gaze Plot (with mouse click) of the user activity on timesofindia.com (time=60seconds)

Figure 3 shows the gaze plot with mouse click of timeofindia.com. In this we can again also seen that the user focuses more on the left side portion rather than right side.

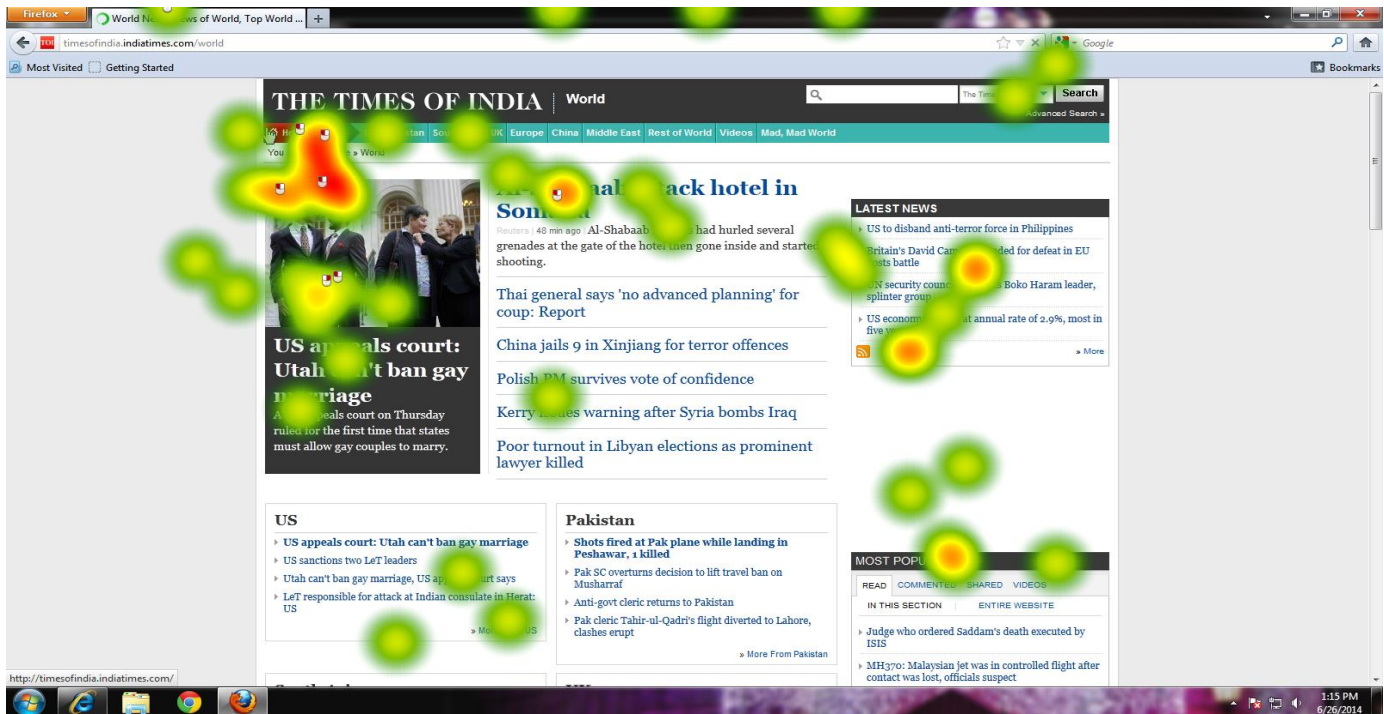


Figure 4: Heat Map (with mouse click) of the user activity on timesofindia.com (time=60seconds)

Figure 4 shows the heat map with mouse click on timesofindia.com and it can easily see that they concentrate on left side and not paying too much attention on right part of the web page.

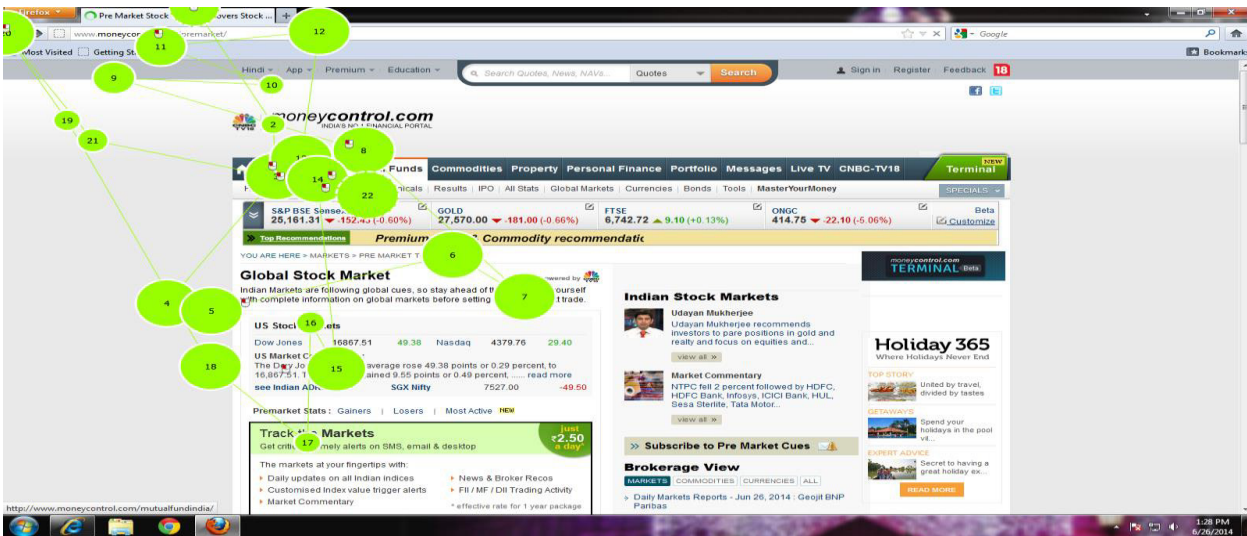


Figure 5: Gaze Plot (with mouse click) of the user activity on moneycontrol.com (time=60seconds)

Figure 5 show the gaze plot with mouse click on moneycontrol.com which is the famous web through which people can get the share market related information. In this web the respondent also paying their attention on the left side.

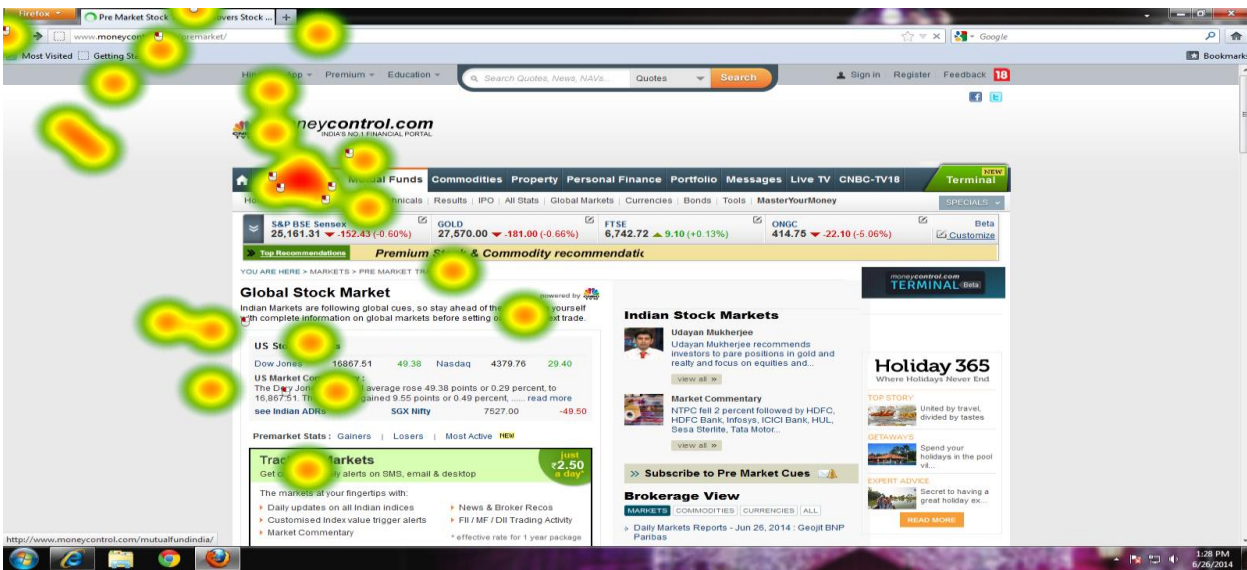


Figure 6: Heat Map (with mouse click) of the user activity on moneycontrol.com (time=60seconds)

Again figure 6 show the heat map of moneycontrol.com through which we again see that the right portion of the web page has more importance.

**Findings**

In our research after conducting the task on respondent we have found the following findings which may lead the green advertising:

1. The respondent focus more on the left side top portion of the web site which usually contains the logo of the website. The area around the top left portion is the

best place to deploy the most expensive advertisement.

2. The respondent do not pay more attention at right side of the page due to the less content so if we can place appropriate content on the web page right portion then we can also place some medium kind of advertisement.

3. The third thing what we have analyzed is the pop up advertisement are the best way since it is a forced advertisement kind of thing but work well in web advertising.

**Conclusion**

Since we already know that web advertisement is the best way of green advertising. By the use of this we can save

our environment to be polluted in some or different manner. Through this research we can say that we should place the advertisements on those place which are visited more and more. Since due to the technological advancement the web pages shape and formats may be change but the analysis way is just like the same. We have already shown the some places where the advertisement should be place for higher impact.

### References

- [1] Suchard, H.T. and Polonski, M.J. (1991): A theory of environmental buyer behavior and its validity: the environmental action-behaviour model. in Gilly, M.C. et al. (Eds), AMA Summer Educators' Conference Proceedings, American Marketing Association, Chicago, IL, 2, 187-201.
- [2] Erbaslar, Gazanfer. Yıl 3. "YeşilPazarlama" Ekonomi, SosyolojivePolitikaDergisi,(e-dergi), <http://www.paradoks.org>, ISSN 1305-7979 – Sayı:1, Accessed25.11.2010
- [3] Straughan, Robert, James A. Roberts .1999. "Environmental SegmentationAlternatives: A Look At Green Consumer Behavior In The New Millennium" Journalof Consumer Marketing, Vol:16,6 : 559-575
- [4]Lamond, D. (2007), "Corporate social responsibility: making trade work for the poor",Management Decision, Vol. 45 No. 8, pp. 1200-7.
- [5]Lamond, D. (2008), "Treading the lines between self-interest, cultural relativism and universalprinciples: ethics in the global marketplace", Management Decision, Vol. 46 No. 8,pp. 1122-31.
- [6]Ambec, S. and Lanoie, P. (2008), "Does it pay to be green? A systematic overview", Academy of Management Perspectives, Vol. 22 No. 4, pp. 45-62.
- [7]Judge, W. and Douglas, T. (1998), "Performance implications of incorporating natural environmental issues into the strategic planning process: an empirical assessment", Journal of Management Studies, Vol. 35 No. 2, pp. 241-62.
- [8]Melnyk, S., Sroufe, R. and Calantone, R. (2003), "Assessing the impact of environmental management systems on corporate and environmental performance", Journal of Operations Management, Vol. 21 No. 3, pp. 329-51.
- [9]Gilley, K., Worrell, D. and El-Jelly, A. (2000), "Corporate environmental initiatives and anticipated firm performance: the differential effects of process-driven versus product-driven greening initiatives", Journal of Management, Vol. 26 No. 6, pp. 1199-216.
- [10]Bowen, H. (1953), Social Responsibilities of the Businessman, Harper, New York, NY.
- [11]Lee, M. (2008), "A review of the theories of corporate social responsibility: its evolutionary path and the road ahead", International Journal of Management Reviews, Vol. 10 No. 1, pp. 53 73.
- [12]Friedman, M. (1962), Capitalism and Freedom, University of Chicago Press, Chicago, IL.
- [13]Wallich, H. and McGowan, J. (1970), "Stockholder interest and the corporation's role in social policy", in Baumol, W. (Ed.), A New Rationale for Corporate Social Policy, Committee for Economic Development, New York, NY.
- [14]Clarkson, M. (1995), "A stakeholder framework for analyzing and evaluating corporate social performance", Academy of Management Review, Vol. 20 No. 1, pp. 92-117.
- [15]Jones, T. (1995), "Instrumental stakeholder theory: a synthesis of ethics and economics", Academy of Management Review, Vol. 20 No. 2, pp. 404-37.
- [16]Jaffe, A., Peterson, S., Portney, P. and Stavins, R. (1995), "Environmental regulation and the competitiveness of US manufacturing: what does the evidence tell us?",Journal of Economic Literature, Vol. 33 No. 1, pp. 132-63.
- [17]Taylor, S. (1992), "Green management: the next competitive weapon", Futures, September, pp. 669-80.
- [18]Hart, S. and Ahuja, G. (1996), "Does it pay to be green? An empirical examination of the relationship between emission reduction and firm performance", Business Strategy and the Environment, Vol. 5 No. 1, pp. 30-7.
- [19] Hutchinson, C. (1996), "Integrating environmental policy with business strategy", Long Range Planning, Vol. 29 No. 1, pp. 11-23.
- [20]Rivera, J. (2002), "Assessing a voluntary environmental initiative in the developing world: the Costa Rican Certification of Sustainable Tourism", Policy Sciences, Vol. 35 No. 4, pp. 333-360.



## Web Advertisement Analysis Based on Web Page Positioning (Usability) - A Green Marketing Approach

Mrs. Priyanka Sharma Gurnani <sup>1</sup>

### Abstract

*This paper examines the impact of women entrepreneurs in poverty alleviation and sustainable national development. The population of the study comprised selected women entrepreneurs at Udaipur in Rajasthan. Stratified random sampling technique was employed in drawing a sample of 120 women entrepreneurs for the study. Two null hypotheses were formulated based on the role of women entrepreneurs in poverty alleviation and national development. Data collection was done using a structured questionnaire tagged Women Entrepreneurs and National Development (WEND). Independent t-test analysis was used in testing the hypotheses at 0.05 alpha level and 118 degrees of freedom. The results indicated significant contributions of women entrepreneurs to poverty alleviation and sustainable national development. Based on the findings, it was concluded that Indian women entrepreneur's impact significantly on sustainable development of the country. It was recommended, among others, that women in India should be encouraged to engage actively in entrepreneurial activities through enlightenment and empowerment.*

**Keywords** Poverty Alleviation , Sustainable Development, Women Entrepreneurs.

### Introduction

The Indian women entrepreneurs are unique in their contributions towards poverty alleviation and sustainable development of the country given their central roles both at home and the national economy. A woman entrepreneur is defined as “the female head of a business who has taken the initiative of launching a new venture, who is accepting the associated risks and the financial, administrative and social responsibilities, and who is effectively in-charge of its day-to-day management” (Lavoie, 2005:17). She is an owner-manager of an enterprise.

### Review of literature

Adeyemi (2007) found out in a study that most Indian women entrepreneurs are

enthusiastic, well-educated and married with children. They grows up in an entrepreneurial environment, has years previous business work experience of which she may likely be the sole or majority owner. She prefers to have her family members as partners or employees, at her first attempt at starting an enterprise, using mostly her own savings as start-up capital. She is motivated by personal factors to become an entrepreneur and may face a start-up problem such as labour, financial and economic problems. Most Indian women entrepreneurs are moderately successful in business and this is attributed to quality of service offered by the women, quality of human resource management and her own personal qualities. In the developing world, Women entrepreneurs tend to run small enterprises in the retail and service sector and could

eventually become enterprises, although they tend to have slow growth (Lee-Gosselin, H. & Grise, J. 2000). Lappen (2002) reported that only 10% of women business owners ran their businesses for more than 12 years while Colletterte P. and Aubry, P.G. (2001) remarked that about half of the women entrepreneurs remain in business for less than 5 years. Hisrich (2001) confirmed that 60% of women entrepreneurs operate their businesses for 1 to 5 years. Most women entrepreneurs start their businesses from the scratch or create their businesses, gaining confidence and the businesses gradually becoming more firmly established (Colletterte et al, 2001). Start-up capital Colletterte et al further observed was from personal and family savings of the women, investors and partners and banks. Women-owned businesses tended to have their spouse as partner. Most do not have any paid employees or were less inclined to employ others. If they do, the numbers of employees are few; they also tend to employ their spouse and children and use more female labour than male to run their

<sup>1</sup> Sector-47, Gurgaon (Haryana)

businesses (Nelton, 2009). Some researchers have attempted to study the relationship between education and entrepreneurial success. According to Bates (2000), highly educated entrepreneurs were likely to create firms that remained in operation. Osirim (2000) cited similar results that high levels of educational attainment led to successful entrepreneurship. Educated women entrepreneurs record more successes than the kunedukated class. Romano and Lourens (2002) reported that the duration and relevance of formal education was related to the firm’s survival in that “owners who had received formal education relating to the type of work in which the proposed business was engaged experienced greater growth than those without such education” and “completion of business/management courses by owners/managers was related to business success” (Williams, 2006). It was inferred in the paper that owner with more education could be more highly entrepreneurial in future prospects and be more receptive to new managerial initiatives. Other studies also revealed that fast expanding firms had managers who had tertiary and professional qualifications (Gudgin, Brunsjkill and Forthergill, 2006), but this might not be a sufficient condition for success (Lloyd and Dicken, 2007). Romano et al’ (2002) study of high and low

growth firms concluded that formal education was not an important factor in small business success. However, formal education made managers more receptive to business management (Johns, Dunlop and Sheehan, 2008).

**Objectives**

- The objective of this study to discuss the status of women entrepreneurs at Udaipur city of Rajasthan.
- The objective of this study is to examine the impact of women entrepreneurs in poverty alleviation and sustainable national development.
- The objective of this study is to reveal factors militating against the success of women entrepreneurs in India.

**Hypotheses**

The following null hypotheses were formulated to direct the study:

1. There is no significant difference in the mean responses of experienced and inexperienced women entrepreneurs in their contributions to poverty alleviation and sustainable development of India.

2. There is no significant difference in the mean responses of experienced and inexperienced women entrepreneurs with regards to the problems militating against the success of women entrepreneurs in India.

**Methodology**

Survey research design was adopted for this study. The population consisted of 120 women entrepreneurs in the Udaipur district of India, The stratified random sampling technique was used based on the six states in the region. A sample of 120 (67 experienced and 53 inexperienced) women entrepreneurs were used in the study. Two null hypotheses were formulated based on the variables in the study. Mean was used to answer the research questions and the hypotheses were tested at 0.05 alpha level, using t-test analysis. Data collection was done with the use of a structured questionnaire tagged “Women Entrepreneurs and National Development” (WEND). The instrument was duly validated and pilot-tested with a reliability coefficient of 0.73.

**Data Analyses and Results**

Table 1: Weighted Means and Ranking of the Contributions of Women Entrepreneurs to Poverty Alleviation and Sustainable Development in India.

S/N	Contributions of women entrepreneurs to poverty alleviation and sustainable national development	Experienced women entrepreneurs		Inexperienced women entrepreneurs	
		Mean	Ranking	Mean	Ranking
1	Improved family income	3.7	II	3.6	II
2	Improved standard of living	3.6	III	3.5	III
3	Improved family health	3.5	IV	3.4	IV
4	Improved family nutrition	3.4	VI	3.2	VI
5	More employment opportunities	3.2	VII	3.1	VII
6	Increased Gross Domestic product	3.1	VIII	2.9	VIII
7	Increased in internally generated revenue	2.9	I	3.7	I
8	Increased in internally generated revenue	3.7	IX	2.7	IX
9	High level of patriotism	2.7	X	2.4	X
10	Decrease in unemployment	2.4	V	3.3	V

Cut off point-2.5

Table 1 indicates agreement between the experienced and inexperienced women entrepreneurs in their ranking of the contributions of women entrepreneurs to poverty alleviation and sustainable development of India. Availability of more goods and services ranked first by both followed by improved family income, improved standard of living, high level of patriotism is ranked last by the two groups of respondents with weighted means of The respondents in table 2 generally agree in their ranking of the factors militating against the success of women entrepreneurs in India poor finance/start-up capital is ranked first by both respondents followed by low career entry expectation, legal problems, high level of competition and lastly relations with clients and employees.

Table 2: Weighted means & ranks of factors militating against the success of women entrepreneurs in India

S/N	Factors militating against the success of women entrepreneurs in India	Experienced women Entrepreneurs		Inexperienced women Entrepreneurs	
		Mean	Rankings	Mean	Rankings
1	Poor finance/start-up capital	3.9	I	3.8	I
2	Low career entry expectation	3.7	II	3.7	II
3	Lack of entrepreneurial experience	3.3	VI	3.2	VI
4	Poor education	2.8	VII	2.6	VIII
5	Legal problems	3.6	III	3.5	III
6	Poor motivation	3.4	V	3.3	V
7	Household chores	2.6	VIII	2.8	VII
8	High level of competition	3.5	IV	3.4	IV
9	Relations with clients and employees	2.2	X	2.1	X
10	Marketing problems	2.3	IX	2.4	IX

Cut off point = 2.5

Table 3: Weighted means and t-test of the responses of experienced and inexperienced women entrepreneurs regarding their contributions to poverty alleviation and sustainable national development

S/N	Contributions of women entrepreneurs to poverty alleviation and sustainable national development	Means		t-value	Remarks
		Experienced	Inexperienced		
1	Improved family income	3.7	3.6	0.97	NS
2	Improved standard of living	3.6	3.5	1.52	NS
3	Improved family health	3.5	3.4	1.01	NS
4	Improved family nutrition	3.2	3.2	1.04	NS
5	More employment opportunities	3.1	3.1	1.06	NS
6	Increased Gross Domestic product	2.7	2.9	1.11	NS
7	Availability of more goods and services	3.8	3.7	0.94	NS
8	Increased in internally generated revenue	2.6	2.7	1.66	NS
9	High level of patriotism	2.4	2.4	1.47	NS
10	Decrease in unemployment	3.3	3.3	1.32	NS

N1 = 67; N2 = 53; df = 118; t-crit = 1.96; Average t-cal = 1.21; S = Significant; NS = Not Significant

#### Hypothesis 1

There is no significant difference in the mean responses of experienced and inexperienced women entrepreneurs regarding the contributions of women entrepreneurs to poverty alleviation and sustainable development in India.

Table 3 indicates no significant difference in the mean responses of the women entrepreneurs in all their identified contributions to poverty alleviation and sustainable development of India, with t-values less than the critical t-values of 1.96. The null hypothesis was therefore retained.

Table 4 Weighted mean and t-test of the responses of experienced and inexperienced women entrepreneurs regarding factors militating against the success of women entrepreneurs in India

S/N	Factors militating against the success of women entrepreneurs in India	Means		t-value	Remarks
		Experienced	Inexperienced		
1	Poor finance/start-up capital	3.9	3.8	0.99	NS
2	Low career entry expectation	3.7	3.7	1.01	NS
3	Lack of entrepreneurial experience	3.3	3.2	1.11	NS
4	Poor education	2.8	2.6	1.21	NS
5	Legal problems	3.6	3.5	1.06	NS
6	Poor motivation	3.4	3.3	1.03	NS
7	Household chores	2.6	2.8	1.19	NS
8	High level of competition	3.5	3.4	1.01	NS
9	Relations with clients and employees	2.2	2.1	1.51	NS
10	Marketing problems	2.3	2.4	1.82	NS

### Hypothesis 2

There is no significant difference in the mean responses of experienced and inexperienced women entrepreneurs regarding the problems militating against the success of women entrepreneurs in India.

Table 4 shows no significant difference in the mean responses of the experienced and inexperienced women entrepreneurs regarding problems militating against the success of women entrepreneurs in India. The t-values in all the identified items were less than the critical t-values leading to the retention of the null hypothesis.

### Discussion of Findings

Data analysis in hypothesis one indicated no significant difference in the mean responses of both the experienced and inexperienced women entrepreneurs regarding the contributions of women entrepreneurs to poverty alleviation and sustainable development of India. The calculated t-values in all the identified contributions were less than the critical t-value of 1.96. This led to the retention of the null hypothesis. This implies that Indian women entrepreneurs contribute significantly to poverty alleviation and sustainable national development. This finding is confirmed in research question one with the mean values of the groups being above the cut-off point of 2.5.

The finding is supported by the works of other researchers. Adeyemi (2007) found out from a study that Indian women entrepreneurs are enthusiastic, hard working

and contribute meaningfully to sustainable national development. The finding is also in line with Birley (2009) whose study revealed that Indian women entrepreneurs impact significantly on national development through their enterprises contributions. The author concluded that women needed specific opportunities to develop their organizations in order to impact more on the national economy.

The analysis in hypothesis two revealed no significant difference in the mean responses of both the experienced and inexperienced women entrepreneurs regarding the problems faced by women entrepreneurs in India. The calculated t-values in all the identified contributions were less than the critical t-value of 1.96. This led to the retention of the null hypothesis. This implies that Indian women entrepreneurs are confronted with series of problem militating against their entrepreneurial success. This finding is confirmed in research question two with the mean values of the two groups of respondent being above the cut-off point of 2.5.

The finding is in line with Leo-Gosselin and Grise (2000). The scholars discovered the problems facing women entrepreneurs in India to include lack of confidence by banks, marketing, problem with associates and clients. As observed by McGrath

(2007), women have more difficulties in getting loans; hence have to finance their enterprises with difficulties and prejudice. Besides financial problems, other problems faced by women entrepreneurs in India include poor education, family problems

and lack of business experience (Thompson, 2007). These tend to slow down the rate of their entrepreneurial success and contributions to national development.

### Conclusion

- Women entrepreneurs contribute significantly to poverty alleviation of India by creating employment and contributing to household and national income.
- A number of problems are encountered by Indian women entrepreneur. These include poor finance, low career entry, entry expectation, and poor education, lack of entrepreneurial experience, poor motivation, and high level of competition and family problems.

### Recommendations

- More Indian women should be encouraged to undertake entrepreneurial activities. They should be motivated through appropriate legislations and incentives.
- Indian women who have identified themselves in entrepreneurship should be given recognition and honoured in order to encourage others.
- Appropriate legislations should be made to safeguard and protect women entrepreneurs in India.
- Problems militating against the success of women entrepreneurs in

India should be given adequate attention with a view to reducing such problems.

- Financial institutions should be made to develop confidence in women entrepreneurs.

#### References

- [1] Adeyemi, S. L. (2007). women Entrepreneurs and their personality Traits: center point journal of intellectual, scientific and cultural interests, University of Ilorin, Humanities Edition, Vol. 7 No. 2, pp. 179-188.
- [2] Bates, T. (2000). Entrepreneur Human Capital Inputs and Small Business Longevity. Review of Economics and Statistics, Vol. 72, No. 4, pp. 551-559.
- [3] Birley, S. (2009). The role of networks in the entrepreneurial process. Journal of Business Venturing, No.1, pp. 107-117.
- [4] Buttner, E. H. (2003). Female entrepreneurs: How Far have they come? Business Horizons, Vol. 36, No. 2, pp. 59-65.
- [5] Collette, P. and Aubry, P. G. (2001). Socio-Economic Evolution of women Business Owners in Quebec. Journal of Business Ethics (Netherlands), Vol.9 No.4,5 pp.417-422.
- [6] Gudgin, C. R., Brunsjkill, C. R. and Forthergill, F. L. (2006). The Entrepreneurial Decision: Dissatisfaction or Opportunity, Journal of Small Business Management.
- [7] ILO (1998). Gender Issues in Micro-Enterprise Development: A Briefing Note. The International Small Enterprise Programme (ISEP).
- [8] ILO (2003). Small and Medium Enterprise Development, Globalization and Gender Briefs Series, IFP/SEED, No. 3.
- [9] Kantor, P. (1999). Promoting Women's Entrepreneurship Development based on Good Practice Programmes: Some Experiences from the North to South" ILO Working Paper on Series on Women's Entrepreneurship Development and Gender in Enterprises (WEDGE) – Working, No. 9.



**Approved by AICTE, Ministry of Education, Govt. of India**

Plot A2, Sector 125, Noida - 201303

**Post Graduate Diploma in Management**