# ABS International Journal Of Management

## ABS

**GROWTH WITH EDUCATION**

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## MESSAGE FROM PRESIDENT DESK
## ASIAN EDUCATION GROUP



The 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 volume IV issue 2 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**

Dr. Lalitya Vir Srivastava
Director AEG/Chief Editor

## Editorial

It gives me immense pleasure to present you the volume IV issue 2 of ABS ISSN. This is an initiative of ABS Research & Development Cell that aims at Developing research capacity, sustaining it, & bringing the benefits to society.

Differences in demographics, economic structures and levels of economic development inform different countries' policies for training and skills development. India is going through a phase of demographic transition where in its young population dominates the labor force of the country. The mission is to build capacity for skill development in critical un-organized sectors (Such as construction sector, where there are few opportunities for Skill Training) and provide pathways for re-skilling and up-skilling workers in these identified sectors, to enable them to transition in to formal sector employment.

India has seen rapid growth in recent years, driven by the growth in new-age industries. However, there is a large shortage of skilled manpower in the country. In the wake of changing economic environment, it is necessary to focus on inculcating and advancing the skill sets of the young population of the country. Skill development was always in the agenda of the Indian Government since independence and various governments in India. One of the breakthroughs was created in this areas with the introduction of National Skill Development Mission by current Prime Minister Mr. Modi. India has a whole, realizing the sheer seriousness and importance of possessing a skilled workforce.

Equipping the workforce with the skills required for the jobs of today and those of tomorrow is a strategic concern in the India's national growth. New occupations are emerging and replacing others. Within each occupation, required skills and competencies are evolving. Skills development enhances both people's capacities to work and their opportunities at work, offering more scope for creativity and satisfaction at work.

The integration of this need of the hour in India is an imperative that higher education institutes must focus on as the youth gets their knowledge developed. Keeping this in mind, ABS invited contribution from Academia and Industry on the theme of Skill Development and the various research papers like; "Making Industry-Academia Interface Work Better for Filling the Skill Gap; & "To Study the Role of Higher Education in Enhancing Employability Skills" The research papers in the journal from academia, researchers, and industry; underline the requisites and opportunities in skill development in the country. It aligns with the current scenario and it will give revolutionary solutions to the existing problem in various sectors.

# Content

# MAKING INDUSTRY-ACADEMIA INTERFACE WORK BETTER FOR FILLING THE SKILL GAP: AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO MANAGEMENT EDUCATION

Dr. Arun Mittal

## Abstract

*The most important quality parameter in Indian B- schools is placement. Placement is an approval on the quality of students. It somehow confirms that the B-school's students are ready to serve industry. However, many a times it has been observed that by the industry that even after selecting the best manpower from the best B-schools there remains a gap in the set of attitude, skills and knowledge desired by the industry.*

*Academia- Industry Interface could be defined as interactive and collaborative arrangement between academic institutions and business corporations for the achievement of certain mutually inclusive goals and objectives. To make them work better proper analysis of objectives etc. should be analyzed in a proper manner considering all the desired aspects in mind. Academics and industry should keep aim, content, method, execution and evaluation of these programmes in a proper manner.*

*The present study is descriptive in nature. A sample size of 200 was taken (100 academicians and 100 industry persons). Data has been collected with the help of a structured questionnaire. Mean, t-test and multiple regression were applied to analyze and interpret the data and it was found that there is a need to make industry-academia interface a mandatory part of the course curriculum. There is a lack of funding by industry to academia and there is also a lack of industry participation in Faculty Recruitment.*

**Keywords:** Placement, Skills, Industry- Academia Interface.

## Introduction

The Success of higher education system can be assessed by employability of the students in the real world scenario as compared to the marks scored in university exams (Tiwari & Anjum). It is an approval on the quality of students and B-School. Placement confirms that the B-school's students are ready to serve industry.

Many a times Industry finds the gap in the set of, skills, attitude and knowledge desired by them in the fresh students even they have been selected best B-School. In such a case industry has to work a lot on the students which becomes a costly affair for the corporate. In such a competitive environment industry prefers to recruit form those b-schools who impart such education which already contains desired skills for a business professional. The list of these skills is not exhaustive; however some of them may be listed as - negotiation, leadership, team building, team management, communication etc.

This is widely accepted truth that 'skills gap' may be filled with the help of industry academia interface. This paper mainly discusses about the various kinds of industry academia interfaces and the tactics to make industry academia work better to fill the skills gap. Here, the basic assumption is that when industry and academia come closer to each other, it creates an opportunity for skills development for the students.

Academia - Industry Interface could be defined as interactive and collaborative arrangement between academic institutions and business corporations for the achievement of certain mutually inclusive goals and objectives.

1. Popular Industry Academia participations
2. Industry-Academia Interaction through guest lectures, seminars and conferences
3. Industry mentors for students
4. Industrial visits
5. Participation of Industry Experts in Curriculum designing
6. Shared Projects and Consultancy
7. Establishment of Incubation center with industry partnership

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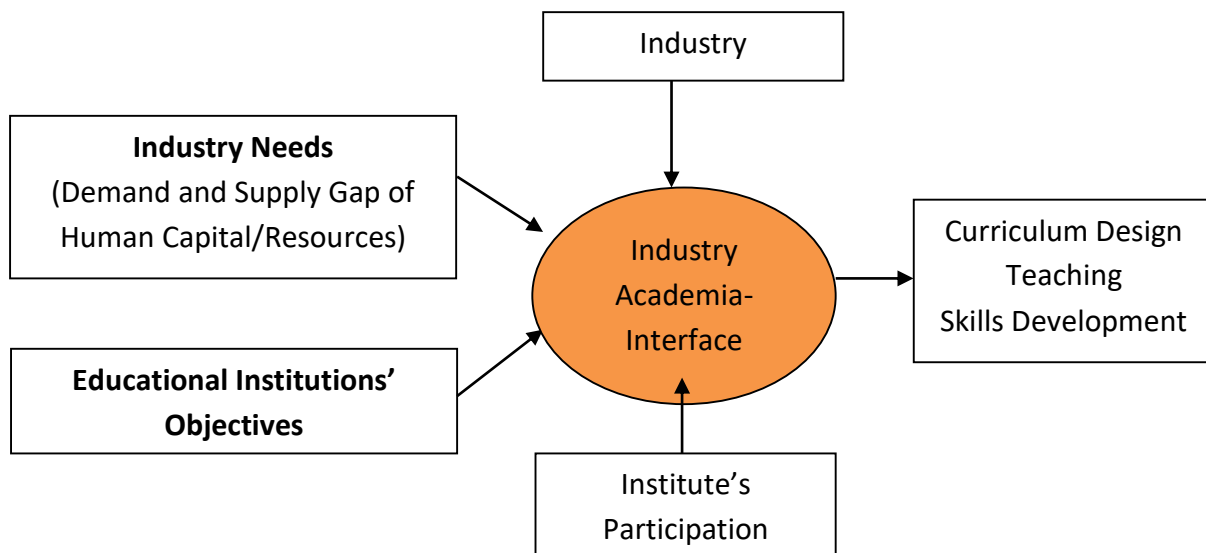
Source: Author's Work

**Figure 1 Industry-Academia Interface (IAI) and Participants**

Figure 1 shows the participants of industry academia interface. There are certain needs of the industry which are addressed by the academia such as Demand of human resources or human capital. Similarly Educational institutions have their own objectives. These objectives may be imparting quality education, placements and growth and these needs are fulfilled by the industry. Hence to understand each other better and to help each other, both meet at a platform which virtually named as Industry academia interface. Industry usually contributes in curriculum design, skills development and during teaching-learning process in the form of industry mentorship etc.

There have been a numerous discussions on the aspect of making industry-academia interface work better. A large number of studies have also been carried out on this aspect by industry and academia. Roy (2015) stressed up on addressing the following points for better Industry-Academia Interface:

- Openly discuss intended benefits, requirements and risks for both partners.
- Consider which mode of collaboration optimally fits joint objectives.

- Retain full transparency within the academic research group about the terms and conditions of the collaboration
- Build relationships grounded in mutual trust and respect; acknowledge and celebrate successes, learn from mistakes.

**Roy (2015)** found that it is widely recognized that interaction of industries with the knowledge base of academic science is very important for the advancement of technology. Rastogi (2001) blamed the lack of orientation and training of the young recruits who learn by trial and error for the poor quality of higher education. Edmondson et. al (2012) recommended the following for an effective Industry-Academia Partnership:

1. Keep the ship steady
2. Give universities the autonomy to operate effectively, and form partnerships
3. Reward activist, collaborative universities – and encourage more to be that way.
4. Help universities strive for excellence.

**Tiwari and Anjum (2015)** studied the role of industry-academia and found that poor industrial exposure along with weak industry collaboration is a challenge to be addressed

timely. Public universities should attract industry experts in the teaching assignments to improve the percentage of faculties with industrial exposure.

**2. Objectives of the Study**

- To find out the important activities being practiced under Industry Academia Interface in the Indian B-Schools
- To find out the factors that significantly affect the effectiveness industry academia interface programme

**3. Methodology**

The present study is Descriptive in nature. A sample size of 200 was taken (100 academicians and 100 industry persons). Data has been collected with the help of a structured questionnaire. Mean, t-test and multiple regression were applied to analyze and interpret the data and it was found that there is a need to make industry-academia interface a mandatory part of the course curriculum. There is a lack of funding by industry to academia and there is also a lack of industry participation in Faculty Recruitment. Response Rate was 91% (182 questionnaires were found complete and valid for the study). A purposive sampling

was used to collect the data wherein It was taken care that only those respondents fill the questionnaire who were directly involved in any of the industry academia interface activity.

## 4. Findings and Discussions

4.1 Demographic Profile and General Information of the Respondents:

**Table 1 Gender**

| Gender | No. of Respondents | % age |
|--------|--------------------|-------|
| Males | 129 | 70.88 |
| Females | 53 | 29.12% |
| **Total** | **182** | **100** |

From table 1 it is found that around 71% of the respondents were males and 29% respondents were females.

**Table 2 presents the Age profile of the Respondents. Maximum respondents belong to the age category of** 30 to 45, viz. around 47% followed by the age category, Above 45 (around 36%) and lastly the age category below 30 (around 18%)

**Table 2 Age**

| Age | No. of Respondents | % age |
|-----|--------------------|-------|
| Below 30 | 32 | 17.58 |
| 30 to 45 | 85 | 46.70 |
| Above 45 | 65 | 35.72 |
| **Total** | **182** | **100** |

**Table 3 Industry of Respondents**

| Academic/Industry | No. of Respondents | % age |
|-------------------|--------------------|-------|
| Academics | 91 | 50% |
| Industry | 91 | 50% |
| **Total** | **182** | **100** |

As per the table 3, equal numbers of respondents were there in the sample from Industry and Academics.

**Table 4 Core Area/Subject Area**

| Core Area | No. of Respondents | % age |
|-----------|--------------------|-------|
| Finance | 32 | 17.58 |
| Marketing | 42 | 23.08 |
| HR | 36 | 19.78 |
| Information Technology | 39 | 15.93 |
| General or Others | 43 | 23.63 |
| **Total** | **182** | **100** |

Table 4 presents the core areas or subject areas of the respondents. There was almost equal representation from all the areas. Maximum no. of respondents belong to the General or Other areas (23.63%), closely followed by Marketing (23.08). 19.78% were from Human Resource, 17.58% were from the Finance area and lastly 15.93% were from the information technology area.

**Table 5 Sector wise distribution**

| Academic/Industry | No. of Respondents | % age |
|-------------------|--------------------|-------|
| Public | 70 | 38.46 |
| Private | 112 | 61.54 |
| **Total** | **182** | **100** |

As per table 5, there were 38.46% respondents who were from Public sector and there were 61.54% who were from the private sector.

4.2 Activities conducted under Industry Academia Interface:

This section will analyze the magnitude of the activities conducted under the industry academia interface. Data was collected on a five point Likert scale. Mean and t-test have been used for the analysis of data:

**Table 6 Mean value and t-test Results of the Activities Conducted by Institutions under Industry Academia Interface**

| SL. No. | Statements | Mean | p value for One Sample t -test (3) |
|---------|-----------|------|-----------------------------------|
| 1 | Guest Lectures | 4.35 | .000* |
| 2 | Project Mentorship including Internship | 4.11 | .000* |
| 3 | Joint Research Projects (Faculty-Industry) | 3.50 | .000* |
| 4* | Curriculum Development | 3.08 | .691 |
| **5** | **Selection/Recruitment of Faculty** | **1.30** | **.000 (-)*** |
| 6 | Industrial Visits | 4.18 | .000* |
| 7 | Industry Mentors for the Students (except internship) | 3.26 | .026* |
| 8 | Incubation Center with Industry Partnership | 3.14 | .049* |
| **9** | **Financial Support from industry for Academic Activities** | **2.14** | **.000*(-)** |
| 10 | Industry participation in Board of studies | 3.88 | .000* |
| 11 | Executive Education Programmes | 3.95 | .000* |
| 12 | Consultancy | 3.74 | .000* |
| 13* | Joint Community Services | 2.94 | .712 |

As per the table 6, it is found from the analysis that the Guest Lectures are the most popular IAI activity conducted by the b-schools (mean value 4.35) followed by Industrial Visits and Project Mentorship including Internship with a mean value of 4.18 and 4.11 respectively. Executive Education Programmes and Industry participation in Board of studies are also popular activities (mean value 3.95 and 3.88 respectively). Consultancy has got bit lesser value still it is popular among the premier B-schools (mean value 3.74).

- *Null Hypothesis: The IAI activities are carried out to the satisfactory level in institutions*

*Alternate Hypothesis: The IAI activities are not carried out to the satisfactory level in institutions*

One sample t-test with a test value of 3 was applied to find out the significance of each of the activities. Out of the 13 activities carried on under Industry - academia interface the results of t-test shows that the value of 9 activities are positively higher than the test value. Hence it may be concluded that 9 activities have been carried out to the satisfaction level of the respondents.

T test results are neutral on two activities namely Curriculum Development and Joint Community Services as the mean values are very close to the test values. For rest of the two activities the t values are negative hence their mean values are significantly less than the test value. These activities are Financial Support from industry for Academic Activities (Mean Value 2.14) and Selection/Recruitment of Faculty (Mean value 1.30).

Referring the results of t-test shown in the table 6, it may be concluded that for 9 statements the null hypothesis has been rejected and it was found that the IAI activities are carried out to the satisfactory level (the significance value of t is below .05 for these statements).

Further, the statements for which significance value is above .05, or it's below .00 but the mean value is less than 3 then the null hypothesis have been accepted (a negatively rejected null hypothesis is considered to be accepted).

Overall the analysis shows that most of the Industry-Academia Interface activities have been conducted in a sufficient quantum (most of the t-test results are significant on a test value of 3).

Most of the academic activities are an integral part of the Management / Business education curriculum. There is a serious lack of industry participation in recruitment. There is also a lack of financial support from industry for academic activities.

## 4.3 Factors that significantly affect the effectiveness industry academia interface programme

There are many factors which affect the effectiveness of the industry academia interface programme. Here Multiple Regression Analysis is applied to find out the significant variables.

Following are the prerequisites of MRA such as data should be Metric (here the data is on 5 point Likert scale), Residuals should be normally distributed and No or little multicollinearity etc. All these were checked before deriving the conclusions.

*Regression Model (DVs and IDVs)*

**Dependent Variable: (1 variable)**

"If all the above points are addressed, how much the IAI be effective in your opinion consider the current academic and industry scenario" (Respondent on a 5 point scale where 5 is Effective and 1 be Ineffective)

**Independent Variables: (11 variables)**

Top Management Attitude, Well defined Objectives of Industry and Academia, Individuals' Initiatives, Regular Assessment of Activities, Optimum fit and fulfillment of joint objectives, Full Transparency between I and A, Exclusive training to people involved in IAI, Regular meetings of Industry and Academia, Incentives to IAI participants over and above Salary, UGC/ Government Policies making IAI activities Mandatory and Participation of Industry in Faculty Recruitment.

**Table 7 Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .893(a) | .797 | .770 | .51185 |

a = predictors

As per the table 7, the value of R square and adjusted R Square tells the % of variance explained by the independent variables of dependent variable. Here the value is 77% hence the model is robust.

**Table 8 ANOVA**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 52.677 | 11 | 3.099 | 11.827 | .000 (a) |
| | Residual | 21.483 | 170 | .262 | | |
| | Total | 74.160 | 181 | | | |

**Table 9 Multiple Regression Analysis Results**

| Dependent Variable: | Unstandardized Coefficients | | Std. Coeff. | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| Constant | 1.496 | .370 | | 4.043 | .000 |
| Top Management Attitude | .351 | .099 | .453 | 4.520 | .000 |
| Well defined Objectives of Industry and Academia | .320 | .060 | .466 | 5.367 | .000 |
| Individuals' Initiatives | .131 | .105 | .147 | 1.245 | .217 |
| Regular Assessment of Activities | .414 | .090 | .650 | 4.588 | .000 |
| Optimum fit and fulfillment of joint objectives | .163 | .080 | .214 | 2.049 | .044 |
| Full Transparency between I and A | .219 | .064 | .340 | 3.446 | .001 |
| Exclusive training to people involved in IAI | .018 | .081 | .026 | .225 | .822 |
| Regular meetings of Industry and Academia | .022 | .059 | .029 | .367 | .715 |
| Incentives to IAI participants over and above Salary | .333 | .069 | .349 | .480 | .000 |
| UGC/Government Policies making IAI activities Mandatory | .230 | .083 | .243 | .367 | .014 |
| Participation of Industry in Faculty Recruitment | .166 | .062 | .248 | 2.689 | .009 |

As per the table 8, referring the column significance it is found that the following 8 variables have positive impact on the dependent variable viz. **"If all the above points are addressed, how much the IAI be effective in your opinion consider the current academic and industry scenario"**:

Top Management Attitude, Well defined Objectives of Industry and Academia, Regular Assessment of Activities, Optimum

fit and fulfillment of joint objectives, Full Transparency between I and A, Incentives to IAI participants over and above Salary, UGC/Government Policies making IAI activities Mandatory and Participation of Industry in Faculty Recruitment

Three variables namely Individuals' Initiatives, Exclusive training to people involved in IAI and Regular meetings of Industry and Academia have no significant impact on the dependent variable. Hence the 8 variables which have significant impact may be further used to make the Industry Academia Interface better for skills development of the students in the b-schools.

**5. Conclusion and Implications:**

An effective industry academia interface is the demand for making students effective and fulfilling the skills gap. Industry always works on the fresh management graduates by giving them suitable trainings to fill the skill gaps. An effective IAI will not only reduce the efforts of industry but will also provide better employability to the management graduates.

The study has some consistent results with the other studies carried out earlier on Industry Academia Interface e.g. (Rizvi and Agrawal, 2005). The study gives significant inputs for academia and industry such as attention on optimum fit on joint objectives and incentives to participants of IAI. The present study also finds and highlights the major activities which are being practiced by institutions under Academia and Industry.

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# MICROFINANCE-LEADING TO SUSTAINABLE ECONOMIC GROWTH
# A STUDY WITH RESPECT TO INDIAN ECONOMY

Dr. Priyanka Gupta

## Abstract

*Microfinance is the provision of financial services to low-income, poor and very poor self employed people. (Otero, 2000)*

*The concept of micro financing is not new in India. Earlier there were money-lenders who used to provide ready credit to farmers and now there are organized formal institutions like NABARD, SIDBI, Grameen Banks, Regional Rural Banks(RRBs), Co-operatives, Microfinancial Institutions(MFIs) and various Self Help Groups (SHG)which provide micro financing services.*

*Few years back micro financing was viewed only as a source of providing rural credit to farmers, cottage industries and small scale industries who could not afford the high interest rates of nationalized banks and required very small ticket loans.*

*However, with the advent of the era of "Make in India" and "Start up India" the role of micro financing is evolving as a medium to provide cheap and easy credit to young entrepreneurs.*

*The diversification of the clientele of microfinance calls for some radical changes to be made in terms of its network, operations and regulations and introduction of innovative products to suit the requirements of changing times and to make micro financing a prominent tool which can help Indian economy attain a sustainable growth.*

*The paper begins with the introduction of the conceptual framework of microfinance in India, its growth and types of services offered in the present scenario, followed by structure of Microfinance Institutions (MFIs) in India.*

*A detailed analysis of the role played by these MFIs and their services in the economic development of Indian economy will be done. The need for sustainable economic growth, challenges faced and the innovative measures to attain the same will be discussed.*

*Also, the role of NABARD as a facilitator of microfinance will be looked into.*

*Lastly, the paper focuses on various suggestions to improve the conditions of MFIs and the need for a regulatory body to develop and guide MFIs will be highlighted.*

*The aim of this paper is to focus on the importance of microfinance as a new tool to stimulate Indian economy to attain sustainable economic growth in the era of skill development and capacity building..*

**Keywords:** Microfinance, Economic Growth, Sustainable Growth, Microfinance Institutions.

## Introduction

"Poverty is a situation of pronounced deprivation in well being.(World Bank, 2000-2001) It means those considered as poor lack access to food, shelter, clothing and basic education. They survive on meager income which often exceeds their expenditure. It makes this population highly vulnerable and exposed to unfavorable conditions where it becomes necessary for them to borrow money from money-lenders at high interest rates. This further worsens the situation as they are not able to pay these exorbitant rates and as a result, are caught in a vicious circle of huge amount of unpaid loans. Here comes the need and utility of an institution which could provide cheap and ready credit to these poor people. This is referred to as microfinance.

The National Microfinance Taskforce, 1999, in India has defined microfinance as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards."

### Research question

Due to the substantial surge in the area of microfinance and the public attention that it has been receiving, there appears to be a need for a two dimensional research: Firstly, the role of microfinance as tool to accelerate the growth of Indian economy needs to be examined, along with the challenges faced by microfinance institutions. And secondly, various suggestions and improvements to meet these challenges have been discussed. Thus, this paper investigates:

What is the role played by MFIs in the development of Indian economy which could help it attain a sustainable growth, and what are the challenges which needs to be taken care of to ensure smooth functioning of these MFIs? What are the various measures through which these challenges could be met?

## Methodology

As for the analysis of the current situation, the academic literature since 2004, as well as various industry publications have been reviewed in depth.

The approach chosen is purely qualitative due to fact that there is no agreed upon model or indicator to measure the risks inherent in outsourcing activities. A sample of top ten Micro financial institutions (including NABARD, SIDBI, SHGs NBFCs and NGOs) was selected which could sufficiently represent the universe.

The data consists of informal talks and discussions with the concerned people (majorly through references) who provided the requisite information on the condition of anonymity. Also, the information sought has been generalized to maintain the confidentiality of data of individual institutions. For the purpose of the study, references have also been taken from various researches that have been conducted in this field. The most important among them is the Bharat Microfinance Report 2011 by The Association of Community Development Finance Institutions (2011), Sharma and Tewari, Sustainable Financial Services for a Developing Rural Economy: Establishing Needs and Prospects for Growth through Microfinance Institutions (MFIs) (2014) , Report by NABARD, Status of Micro Finance in India (2012), RBI Guidelines on Priority Sector Lending (2016).

## Conceptual Framework

The concept of microfinance is not new. However, the credit of institutionalizing microfinance goes to Dr. Yunus who experimented with the concept of Grameen Bank in Bangladesh. The success of this experiment was noticed globally and Yunus, for his efforts, received Nobel Peace Prize in 2006. The model was soon replicated and various institutions on similar lines soon mushroomed around the world. It worked on the principle that "the clients should not go to the bank but rather the bank should come to them." (Tripathi,Vivek Kumar, 2014)

## Microfinance in India

As a part of the poverty alleviation program, microfinance in India, has operated through Self Help Groups(SHGs), Non-Government Organizations (NGOs) and Credit Agencies. But the actual thrust to micro financing initiatives came with the establishment of National Bank for Agricultural and Rural Development (NABARD) in 1992.

Prior to that the initiatives undertaken by various SHGs and NGOs failed to gather a mass momentum primarily due to high dependence of these SHGs and NGOs on donations and grants for their funding. An immediate need to channelize the savings of rural population was felt. For this purpose, ensuring a bank account to everyone was considered as a pre-requisite. This need was fulfilled by establishing specific, structured apex institutions like NABARD, Small Industries Development Bank of India (SIDBI) and Rashtriya Mahila Kosh (RMK).

At the ground level, this responsibility was entrusted to Regional Rural Banks (RRBs) and Co-operatives. Commercial banks were also directed to provide 40% of their lending to priority sector which includes agriculture and allied activities, micro and small enterprises and other low income group for various needs.

There are also some NGOs which lend credit to SHGs. The NGOs that support the SHGs include MYRADA in Bengaluru, PRADAN in Tamil Nadu, SEA in Ahmedabad, SPARC in Mumbai and ADITHI in Patna. Besides this, there are some NGOs that directly provide credit to the borrowers. It includes SHARE in Hyderabad, ASA in Trichy, RDO LOYALAM Bank in Manipur(Tiwari,2004).

## Types of MFIs in India

MFIs in India consist of the following-

1. Commercial Banks (including both Public and Private Sector banks)- Commercial Banks are directed by RBI to provide a specified percentage of their total lending to priority sector which includes agriculture and allied activities, small and medium enterprises, housing and education needs of low income group.

2. Regional Rural Banks – These are the local banks which have been set up to cater to the banking and financial services need of the people in rural and semi-urban areas. Their primary function is to ensure banking facilities in rural areas, execution of various Government policies and programs launched for the upliftment of the poor and providing micro credit to the needy.

3. Co-operative banks - Co-operative banks, in India are registered under co-operative Societies Act, 1912.It is a financial entity of likeminded people who come together and pool their capital which is used to provide various banking and financial services for the mutual benefit of the members.

4. Non-Banking Financial Companies (NBFCs)- It is a company registered under the Companies Act whose primary business is to provide financial and other banking services except that it does not have a banking license and is not involved in retail branch banking. It can be called as a MFI which provides loans and advances for profit making. These companies are a major source of funding for startups in India.

5. NABARD, SIDBI and RMK – These are the apex level micro finance institutions in India which provide sustained financial assistance to the rural population. They lend through SHG-Bank linkage program or directly to MFIs/NGOs providing small ticket loans.

## Role of Microfinance in Indian Economy

Microfinance has always been an integral part of Indian economy but in today's scenario its importance has increased manifold as it is looked upon

as a new tool to stimulate Indian economy and lead to sustainable economic development. The vital role played by microfinance in Indian economy can be highlighted through the following points:

- Upliftment of the poor – Microfinance acts as a strong mechanism which could meet the initial capital requirement of those who want to expand or start a new venture. Besides, it also acts as a source to provide them an extra income through which people living in rural areas can meet their healthcare needs and children education.
- Generating Employment- Small and micro level business and cottage industries get a huge financial support through micro financing. These businesses, in turn, generate ample employment opportunities. Increase in employment leads to financial stability and give boost to the economy in the form of higher GDP.
- Capacity Building and skill development- With the coming of the era of "Start-up India" and "Make in India" microfinance has gained a new momentum. It serves as a means to build and enhance the income generating capacity of the rural as well as new and young entrepreneurs. The MFIs also support these new entrepreneurs in sharpening their skill set by providing them with the right kind of training and exposure to new ideas.
- Channelizing savings- Microfinance act as an important tool to channelize small savings of poor people by including them into mainstream banking. This way the savings so mobilized can be used to provide easy credit to those in need.

**NABARD as a facilitator of microfinance**

Since its inception, NABARD has been continuously working towards rural development and rural prosperity in India. Till date it has financed a number of innovative projects on irrigation, agriculture infrastructure and other allied activities. It also focuses on knowledge building and knowledge sharing through Farmers' Club and Selh Help Groups.

Through programs like ARWIND (Assistance to Rural Women In Non-Farm Development) and MAHIMA (Marketing of Non-Farm Products of Rural Women) it is also working towards women empowerment. NABARD is also very active in undertaking various Research and Development initiatives in the field of agriculture and rural development.

**Sustainable Economic Growth**

Sustainable economic growth can be defined as a balanced growth which ensures economic development of the present generation keeping in view the requirements of the future generations. It requires a long term vision to maintain and conserve natural resources for the generations to come while making judicious and optimum use of the same for the purpose of economic development.

One of the important dimensions of sustainable growth is financial sustainability. This sustainability in the economic development can only be achieved through financial security and financial inclusion of rural India in the mainstream banking. Financial services like credit, insurance, bank accounts etc. should be made accessible to the people living in the remotest of areas. The key to sustainability lies at the bottom of the pyramid. Only when the base is strong the pyramid will be able to sustain itself.

Now, the issue lies as to how to financially include the low income strata in the mainstream. A lot has been done in this direction. However, there are certain challenges which have been observed in the journey so far. These challenges need to be addressed at a priority basis.

Some of these challenges are-

1. **Insufficiency of funds** – The savings of rural people mobilized by MFIs are not enough to meet the growing demand for credit. SHGs and NGOs largely depend on donations and grants form governments, NABARD and SIDBI for their funding. This insufficiency acts as a major bottleneck in the smooth functioning of the MFIs. Also it restricts the autonomy of the MFIs.
2. **Lack of transparency and performance standards**- Different MFIs follow different policies, procedures and performance bench marks. There is no uniformity in their style of working and measuring performance as there is a lack of standardized set of rules for them. As a result, their performances lack transparency, accountability and comparability.
3. **Non-standardized interest rates**- Different institutions charge different rates from different customers for different products. This makes the pricing confusing and difficult for the borrower to understand. Eventually, it reduces their bargaining power.
4. **High operating cost**- Financial inclusion of rural population into mainstream is a costly affair. It involves high operating cost in terms of adequate infrastructure like roads, transport system and communication network. When these requirements are borne by MFIs, their per unit cost increases and the customer to bound to pay a higher rate of interest.
5. **Limited area coverage**- Though microfinance has grown significantly in the past years, there still lies a latent workforce which is still outside the ambit of MFIs and needs to be included.
6. **Untrained Staff**- One of the biggest challenges in the growth of MFIs is the lack of quality staff which could cater to the needs of rural people. The products that are offered to rural people are customized as per the individual's requirement which increases its complexity. For this purpose, the staff needs to be highly competent and well trained.
7. **Risky affair**- Rural involves high credit risk as the rural people do not

have a regular source of income. This is because they are highly dependent on agriculture which in turn is dependent on a number of variables like- weather conditions, market forces, government policies etc. Also, most of the loans disbursed to them are unsecured which leads to high rate of delinquency and default by customers.

8. **Lack of regulatory and legal structure**- MFIs in India today are in dire need of a regulatory and legal framework. They need a centralized body to govern the various MFIs, NGOs and SHGs to protect the rights of various stakeholders.

9. **Lack of awareness amongst rural population**- Every year a number of schemes are launched for poor people but they are not optimally utilized as their target population is highly illiterate and totally unaware about these schemes. This problem of illiteracy also presents a major roadblock in execution and understanding of these schemes.

10. **Politically Driven**- Rural population forms a major part of the vote bank so to lure them, time and again, various schemes are launched at the time of election but unfortunately it remains on paper only. Besides, the schemes which see the light of the day are poorly executed because of corruption and disinterested officers.

**Suggestions and Improvements**

Long term growth and stability of MFIs is a pre-requisite for a sustainable growth of the economy. The MFIs need healthy and competitive environment to flourish. In the era of skill development and capacity building the challenges cited above restricts the pace of growth. Therefore, these challenges need to be looked into on an urgent basis.

Some of the suggestions and improvements to meet these challenges are listed below-

1. **Alternate mediums of financing**- To meet their funding needs, MFIs should look for alternate modes of financing which could be private equity, NRI funding, bank borrowings at subsidized rates etc. They should also be allowed to accept public deposits.

2. **Increasing transparency and accountability** – Standardized performance standards should be made for the MFIs which require adequate disclosures. This would ensure transparency and accountability. Also, it will lead to uniformity in policies and practices.

3. **Standardization of interest rates**- Too many products with different pricing makes the entire stuff highly complicated for a layman to understand. To simplify the process, interest rates should be standardized. This will not only reduce ambiguity in pricing but also ensure effective comparison and competitiveness.

4. **Provision of infrastructure**- To ensure that MFIs reach the remotest of areas, adequate and proper infrastructure should be put into place.

5. **One Nation, One Network** – A PAN India database and network of all the MFIs functioning currently should be set up. There should be a national call center from where the customer could get all the desired information. Also, various kiosks and help desks should also be placed in the close vicinity of people which can guide them in hour of need.

6. **Trained Quality Staff**- The staff should be well groomed, well trained and highly competent. They should have a rural orientation, willingness and intention to help their rural brethren.

7. **Diversified Portfolio**- To mitigate the risk involved in unsecured rural lending, MFIs should be allowed to lend a certain ratio of their lending to urban borrowers as well. It would ensure a regular sustainable earning for MFIs. Also, various incentives like- waiver of interest or a few EMIs should be provided to ensure timely repayment.

8. **Legal and regulatory framework**- An apex centralized body to regulate and supervise the functioning of these institutions should be formed.

It should be enacted by a proper law to give it a legal backing. It should have its own governing body consisting of representative from government, RBI, NABARD and other prominent institutions.

9. **Support beyond credit**- MFIs should come forward and support the poor people not only in meeting their financial needs but also by addressing their social needs-like skill enhancement, financial planning, capacity building, assessing the need for different financial services.

10. **Autonomous status**- A national institute for regulating the working of MFIs, issuing various standards and guidelines from time to time and meeting the training requirements of the personnel involved should be set up by an Act of Parliament. This will ensure an autonomous status and independent functioning of MFIs without any undue political intervention.

**Conclusion**

In the present times, when the focus of the entire nation is on self-sufficiency and capacity building, micro finance is fast emerging as an important tool to fund the dreams of young entrepreneurs and increase the earning capacity of their rural counterparts. However, with all the positives, microfinance also comes with its set of challenges which should be dealt with in a systematic manner. Only then it will be able to contribute effectively in India's journey to attain sustainable economic growth.

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# THEORY OF PLANNED BEHAVIOUR: FAIRS, FESTIVALS AND INDIAN YOUTH

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## Abstract

*The rich Indian heritage has been kept alive through the various fairs and festivals being celebrated in the country throughout the year. These fairs have long known to attract in-bound tourism. The paper explores how the tourists in India can be attracted to these fairs for growth opportunities and also to pass on the culture to the next generation. Research was conducted by holding focus group for the target audience to delineate their preferences and perceptions. This was then tested through questionnaire on larger audience base to check validity of the delineated constructs. Through the study it is found that youth have a positive attitude towards fairs. They are willing to invest time and money to visit fairs and the numbers can be enhanced provided certain dissatisfiers are managed. It is found that TPB is applicable and knowledge impacts attitude, perceived behavioural control, subjective norm and purchase behavior directly as well. With the 'westernization' of the youth there is a need to balance this with proper communication about our own traditions so that our distinctive world identity is maintained. This understanding can therefore give practical insights on how to communicate with the youth to influence them further. The study is unique as it provides insights into the Indian youth with reference to fairs.*

**Keywords:** Fairs, Culture, India, Youth, Perception

## Introduction

India is very often described as a country with unity in diversity. The diversity that one refers to is multi-dimensional, wherein the cultural diversity is very significant and unique in this second most populous country in the world. This cultural diversity gets manifested in Artifacts, behavior, feelings, values and beliefs. (The Cultural Onion, 2014). India is a country of continental proportions with physical diversity and cultural diversity. This gave rise to distinct sub-cultures with different languages, food habits, rituals, folk tales, fairs and festivals. These fairs and festivals are region-specific and happen during a particular period of the year.

Tayeb (2003) defined culture as "historically evolved values, attitudes and meanings that are learned and shared by the members of a community and which influence their material and non-material way of life." Shwartz (2006) views culture as "the rich complex of meanings, beliefs, practices, symbols, norms and values prevalent among people in a society. "Hofstede defines culture is defined as "the collective programming of the mind distinguishing the members of one group or category of people from others" (National Cultural Dimensions, 2014). Culture is the acquired knowledge that people use to interpret experience and generate social behaviour. This knowledge forms values, creates attitudes, and influences behaviour (Luthans, Doh, 2012). From these definitions it becomes evident the complex nature of culture. However, one can recognize culture as that is acquired and distinct, passed on from generation to generation consists of artifacts, norms, values, and beliefs, and influences behavior. Mahatma Gandhi, the apostle of nonviolence said that "a nation's culture resides in the hearts and in the soul of its people" (HPC Report, 2014).

Estimates by Tourism Australia show that by the year 2020 the outbound tourists from India would total fifty million travelers from 15 million in the year 2013 (Goyal, 2013). The potential for tourism among Indian masses is highlighted by the fact that even though world economy has seen turmoil in the last few years, outbound tourism has shown a consistent growth since the year 2001 with outbound departures being double the inbound arrivals. 'According to Amadeus-Frost & Sullivan tourism industry report, 2013, Indians travelling to Asia-Pacific alone spent $13.3 billion in 2011. This figure is set to zoom to $91 billion by 2030, making Indians the second-biggest spenders, after China, in the world on overseas travel' (Goyal, 2013). This shows that there are people willing to travel and spend money but marketers have not been able to target this segment with attractive offers to divert them to explore destinations within the country.

Fairs and festivals are specific to a place and represent the culture of the people residing there. A number of research studies have looked at the impact of tourism on fairs and festivals (Ray, Das, Sengupta and Ghosh, 2012; Sharpley and Sundaram, 2005; Jauhari, 2010;

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Agrawal, Choudhary and Tripathi, 2010). However, the youth today have a mind of their own and are questioning everything rather than blindly following tradition. The purpose of this paper is to highlight the mindset of the youth to understand their perceptions about and preference to visit various fairs which are held annually like SurajKundMela etc. in Delhi and NCR, PushkarMela in Rajasthan, Kumbhmela in Uttar Pradesh etc. These fairs have long known to attract in-bound tourism. There is however no study regarding the impact of these fairs and festivals on the local youth and how they perceive these festivals for tourism destinations. The paper explores how the tourists in India can be attracted to these fairs for growth opportunities and also to pass on the culture to the next generation.

**Fairs and Festivals of India**

India is a land of multitude of fairs, with every region having specific fairs. The National Portal of India provides links to fairs and festivals of Rajasthan, Gujarat, Haryana, Mizoram, Assam, Kerala, Sikkim, Goa, to name a few, and ancient cities like Varanasi. (Fairs and festivals, 2014). This confirms that India is a land of fairs with a wide variety of fairs happening in different regions of the country at any point of time. These fairs are not only a place to sell traditional products manufactured in a traditional way, but also are centers of demonstration of art-forms and traditional methods of manufacture – the material way of life, as described by Tayeb (2003). Fairs not only preserve traditions, but also inform and educate the present generation about the traditions, rituals, etc.

Some of the important fairs of Northern India are the "Pushkar Cattle Fair", the Camel Festival of Bikaner, The Desert Festival of Jaisalmer, Rajasthan, The Rajasthan Tourism website lists 43 fairs and festivals that are held in the state of Rajasthan. (Rajasthan Tourism Festival Calendar 2014-2020).

One of the important fairs sponsored and managed by the state of Haryana is the "Surajkund International Crafts Mela", (Mela means Fair) which is held every year from 1st to 15th February. It showcases regional and international crafts and traditions and celebrates the unique diversity of Indian culture and traditions. (Surajkund International Crafts Mela, 2014)This "Mela" was held for the first time in the year 1987 with a rural ambience (Past Mela, 2014). From then onwards it has become an annual feature and important fair in the tourism calendar of India. The vision of the Mela Authority is to preserve the arts and crafts of India and promote the skilled artisans of India.

Gujarat State Portal lists 10 fairs, like "Chitra-Vichitra Fair", "KutchhUstav", etc. (Fairs, 2014).

Even abroad fairs portraying culture and traditions are held regularly. The "Westcott Street Fair", USA is held annually to celebrate the diversity and uniqueness of Westcott neighborhood through its culture. Even though it is held only for a day visual and performing arts, food, etc are an integral part of the fair (2015 Westcott Street Fair, 2014).

"The Asian Fair" held annually on the South Florida Fairgrounds, is also an annual event started in 1992 that promotes the importance of cultural diversity in building a vibrant, prosperous and healthy community. It showcases the diverse Asian culture and heritage (Asian Fair, 2014).

In New Zealand, "World Food, Craft and Music Fair, held annually in the city of Palmerston North is also a fair to celebrate art, culture and lifestyle. A cuisine show called "A Taste of Culture" is also part of the fair (Festival of Cultures, 2014).

From the above one can infer that fairs are usually held to celebrate, propagate and inculcate the culture of a region or in Indian context a sub-culture.

**Literature Review**

Fairs mirror the socio-economic and cultural heritage of a particular society.

Fairs in Indian context are held due to various reasons like religious, harvest, based on certain historical happenings, but are a symbol of celebration. Fairs have several functions as enumerated by Mane, C. U. (2010). These are: firstly fairs offer a network of markets for village crafts and industry; secondly they help to connect economic interests with social and religious movements; thirdly they serve the ancient and modern routes of population movement.

Kulkarni. S and Bhopatkar, A (2013) argued that local festivals promote tourism activities in the area where they are held and creates the cultural environment in the area. They concluded that these festivals have a significant economic impact too.

Valle, P.O. et al (2011) in an article titled "The cultural offer as a tourist product in coastal destinations: The case of Algarve, Portugal" have stated that cultural products can add value to the core product of a destination and enhance its competitiveness. Focusing on coastal destinations they concluded that provision of a comprehensive set of high quality and diversified cultural attractions and events will increase the competitiveness of a coastal tourist destination and reduce the negative impact of the seasonality.

A case study of the impact of various types of sports, culture and business events on Korean undergraduates' attitudes toward Germany, by Woo Jun and Lee (2008), seems to show an interesting contrast between the impact of sports and cultural events. Both sports and general art events were found to positively influence attitudes towards the brand Germany, but no effect was found for business events and cultural festivals. However, the value of this study is limited as the events chosen to represent the two latter types turned out to be relatively unknown to respondents. As a result, the study offers no hard evidence of specific impacts associated with specific types of events, and concludes that only internationally renowned events impact country brands.

In a study carried out by Jun and Lee (2008) on the impact of sports, culture and business events on Korean students' attitudes towards Germany, it was found that sports and general art events had a positive influence on the attitudes towards brand Germany. However a major limitation of the study is the business and cultural events chosen were relatively unknown to the respondents.

Mason and Beaumont-Kerridge (2004) have concluded based on the literature review carried out in their study of Sidmouth International Festival that the majority of the research on festivals did not consider or gave less importance to socio-cultural, environmental or political impacts.

**About the study**

The current study focuses on how the Indian youth that is predominantly influenced by western culture looks at the fairs. Indian youth is exposed to the fairs from their childhood but what motivates them to visit the fairs and their feeling towards the same is of concern. Since fairs also pass on the cultural heritage to the next generation the attitude of youth towards fairs is important. Since there is a paucity of literature in this context, the paper focuses on qualitative research to understand the factors influencing the youth to visit fairs. These factors are then grouped into various attributes of Theory of planned behaviour (TPB) (Ajzen, I., & Fishbein, M. 1975)to study how these impact the behaviour of the youth in general. The results aim to highlight the factors that motivate the youth to make the final purchase that is visit these fairs.

The theory of planned behaviour looks at how attitude, subjective norm, perceived behavioural control, and knowledge impact behavioural intention and in turn the control over an individual's behaviour (Ajzen, I., & Fishbein, M. 1975). The theory of TPB has been used to predict a number of behaviors like academic misconduct (Kisamore and Stone, 2010); healthy

eating (Fila and Smith, 2006); work schedule, reliance on fast foods (Power at al., 2010) etc. and we hope to see how it predicts the attitude of youth towards fairs.

Figure 1: Proposed model for behavior towards fairs.
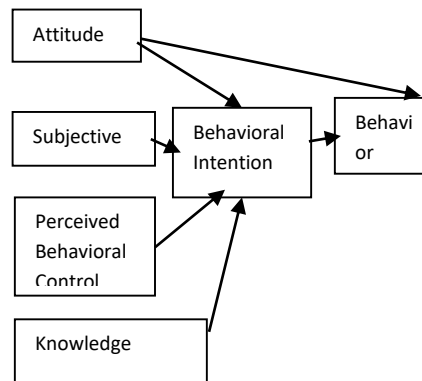


**Methodology:**

Focus groups of college and post graduate students were conducted to delineate their preferences and perceptions regarding various fairs that they have been visiting. The main findings were then used as observed variables for the TPB's latent variables. This was then tested through questionnaire on larger audience base to check validity of the delineated constructs. Data was analyzed with the help of SPSS and LISREL.

**Data Collection**

Three focus groups were conducted with 7 people each. Two focus group included youth in the age of 20-24. The third included working executives and two visiting professors from Austria who had visited the Surajkund fair at least twice in the past. A semi-structured interview was conducted to highlight the various drivers for visiting the fair along with suggestions for improvement. A questionnaire was prepared on the basis of focus group. This questionnaire included both open and close ended questions. Open ended questions included questions like the last time they visited the fairs, the name of the fairs visited, reasons for visiting/

not visiting the fairs etc and close ended questions included twenty six observed variables for the different latent variables of TPB which were highlighted from the focus group. Responses were collected from college/graduate students and post-graduate students including working executives who were pursuing their post graduate degrees. A total of 148 questionnaires were collected from various institutes from Delhi and National Capital Region (NCR) of which 126 questionnaires were complete in all aspects and could be utilized for the study. The open ended questions were analyzed through content analysis method and the close ended questions (where responses were captured on a five point likert scale) were subjected to factor analysis and path analysis using Lisrel 9.1

**Analysis and results**

**Qualitative analysis**

The focus groups and content analysis of the responses showed that the responses could be grouped in the following themes. The first theme that could be grouped under knowledge included the following aspects. Youth felt that fairs were important to continue the heritage of a place; people should participate in the fairs to showcase the culture of the place; it is important for individual customers to visit these fairs and consumers felt that they could have a meaningful impact in sustaining culture by visiting the fairs. The second theme that emerged was subjective norm. Two constructs could be identified under this and respondents felt that they could continue the tradition by visiting these fairs and also influence other people to visit these fairs when they purchase from the fairs. The other theme that emerged could be grouped under attitude and respondent felt that visiting fairs was a necessary and beneficial behavior and that people that are important to them agree with their behaviorof visitingfairs. The next broad category that emerged could be grouped in perceived beahvioural control and respondents felt that most people that are important recommended

a visit to the fairs and festivals and they would be excited and happy if they could revisit the fair. The other category to emerge was purchase intention. This showed that respondents really looked forward to visiting fairs and would be sad and angry if they would not be able to do so. Thus the last category was purchase behaviour which highlighted that respondents would be making a special effort to revisit the festival in the near future, spend time and money in the fairs. They would really like to revisit the fairs.

The 126 final respondents had all visited some fair or the other in the last two years. Of these 61% had visited a fair in 2013 and the rest had visited a fair as recently as 2014.

The fairs that had been visited both recently and regularly are Surajkund fair, Pushkar Fair, Kumbh fair, various fairs organized at the time of Diwali, Durgapooja, Teej, Dusshera, Fairs at Delhi Haat, Gadhi Fair at Silchar, Assam, bihumela in assam, Mango festival are the ones most visited among the respondents. Respondents felt that they got exclusive items at affordable prices in the fairs. The respondents majorly identified these fairs with traditional clothes, foods, animal rides, various games, handicraft items, hand-made products and especially with 'fun, excitement, activities, games, family or friends time'. All the respondents felt that these fairs reflected the unique culture through dresses, food, dances, games, animal rides, and the various traditional products on sale. All the respondents also felt that they were motivated to visit these fairs so as to get close to their culture and to bring awareness in their generation about our traditions and values. All the respondents also responded positive to the question 'do you recommend visiting a traditional fair to your friends and relatives' as it is a miniature India and we can see various cultures at the same place. They also felt that visiting fairs should be encouraged to 'know India in a better way in terms of culture and diversified deep heritage.'

The respondents had favourable views on these fairs and felt that 'fairs attract foreign tourists, they educate us and new generation about our traditions, is a place where we can taste all states foods in one roof, buy various types of things like clothes, handicrafts, ornaments musical instruments etc., it keeps one connected with our soil, does not let anyone forget their age old culture'. They felt that fairs promote cultural values, integrate producers and suppliers and bring together people from various backgrounds and were a great way to buy traditional handicrafts that were not available in malls. These fairs are a unique confluence of traditional and modern and offer unique experience of India's traditional bazaars and reflect India's culture pertaining to that state. They also felt that government should ensure good, hygienic environment with proper public utilities.One respondent felt that the fairs were to attract the foreign customers only, and two felt that mishaps might happen at such fairs like pick pocketing, and were de-motivated by the jousting of the crowd and long queues. Some respondents did not visit fairs regularly due to lack of information about the same.

All the respondents felt that the fairs should be continued as these fairs were primarily to pass on knowledge about our cultural heritage to the younger generation and this was true for all times and not for this century only. Fairs unite people of different region and this is important 'as people are forgetting traditional culture (especially in big cities like Delhi) and there is lack of unity between people.' Fairs motivate local artisans and show the'real India' to outsiders,

**Quantitative analysis**

TPB was applied to study how attitude, knowledge, subjective norm, perceived behavioural control affects purchase intention and ultimately the purchase behaviour towards fairs. The 26 potential indicators were subject to factor analysis where extraction method was Principal Component Analysis and rotation method was Varimaz with

Kaiser Normalizaiton. The rotation converged in 6 iterations and the indicators were reduced to 6 factors that comprised of 16 indicators (see table 1). These factors explained 69.388% of the total variance. This included three observed variables for attitude, two for subjective norm, four for knowledge, two for perceived beahvioural control, two for purchase intention and three for purchase behavior.

Table 1: Observed variables for the TPB Latent variables

| Factors | Latent variable | Observed variable |
|---------|-----------------|-------------------|
| 1 | Knowledge | 1. Fairs are important to continue the heritage of a place<br>2. People should participate in the fairs to showcase the culture of the place<br>3. It is important for individual customers to visit these fairs<br>4. I think I can have a meaningful impact in sustaining culture by visiting the fairs |
| 2 | Subjective Norm | 1. I feel I can continue the tradition by visiting these fairs<br>2. I think I can influence other people to visit these fairs when I purchase from the fairs |
| 3 | Attitude | 1. I think visiting fairs is a necessary behavior<br>2. I thing visiting fairs is a beneficial behavior<br>3. Most people that are important to me agree with that visit the fairs |
| 4 | Perceived Behavioral Control | 1. Most people that are important to me recommend that I visit fairs and festivals<br>2. If I revisit the fair I will be excited and happy |
| 5 | Purchase Intention | 1. If I can't revisit the fair I will be angry<br>2. If I can't revisit the fair I will be sad |
| 6 | Purchase Behavior. | 1. I will make an effort to revisit the festival in the near future<br>2. I am willing to spend time and money in the fairs<br>3. I would like to revisit the fairs |

To see if these are relevant the Cronbach alpha, Average variance explained (AVE) and square root of AVE were calculated as summarized in table 2. The Cronbach alpha for only perceived behavioural control is less than 0.5 and AVE for purchase intention is low and these need to be looked at further.

Table 2: Summary of findings for latent, observed variables and their factor loading, Cronbach Alpha, AVE (Average Variance Explained) and Square root of AVE

| Latent variables | Observed variables | Factor Loading | Cronbach alpha | AVE | Sq Root of AVE |
|---|---|---|---|---|---|
| Knowledge | Know_1 | 0.551 | 0.726 | 0.4762 | 0.69 |
| | Know_2 | 0.712 | | | |
| | Know_3 | 0.795 | | | |
| | Know_4 | 0.680 | | | |
| Subjective Norm | SubN_1 | 0.758 | 0.768 | 0.6041 | 0.7772 |
| | SubN_2 | 0.797 | | | |
| Attitude | Att_1 | 0.614 | 0.624 | 0.5489 | 0.7408 |
| | Att_2 | 0.742 | | | |
| | Att_3 | 0.848 | | | |
| Perceived Behavioral Control | PBC_1 | 0.926 | 0.164 | 0.8292 | 0.9106 |
| | PBC_2 | 0.895 | | | |
| Purchase Intention | PI_1. | 0.565 | 0.640 | 0.2802 | 0.5293 |
| | PI_2 | 0.491 | | | |
| Purchase Behavior. | PB_1 | 0.751 | 0.590 | 0.5983 | 0.7735 |
| | PB_2 | 0.779 | | | |
| | PB_3 | 0.790 | | | |

The resultant model produced good fit indices $\chi^2$ = 150.62, degrees of freedom (df) = 89, goodness-of-fit index (GFI) = 0.881, root mean square error of approximation (RMSEA) = 0.074 (well below the 0.08 guideline) adjusted goodness-of-fit index (AGFI) = 0.818, comparative fit index (CFI) = 0.959. The GFI is close to the norm of 0.9 and AGFI is also above the recommended value of 0.8. The ratio of $\chi^2$ and degree of freedom is 1.692 which is below the recommended upper cut-off value of 3 and so the model can be said to define consumer behavior towards fairs. The t values corresponding to all the items were significant (p is 0.00005 which is less than 0.001). The correlation and AVE have been highlighted in table 3. There is positive correlation between all the factors subjective norm and behavioral intention. To assess the discriminant validity, the square root of AVE should be higher than correlation between the constructs therefore the discriminant validity of all the constructs were supported. For assessing the convergent validity of the scales the value of AVE should be greater than 0.5(Kumar, 2010). Table 3 shows the AVE for the different constructs is more than 0.5 (except for purchase intention and knowledge) and therefore confirms convergent validity.

Table 3: Correlation and Square root of Average Variance Explained

| | Attitude | Subjective norm | Knowledge | Perceived Behavioral Control | Purchase intention | Purchase Behavior |
|---|---|---|---|---|---|---|
| Attitude | **0.69** | | | | | |
| Subjective norm | 0.49 | **0.78** | | | | |
| Knowledge | 0.39 | 0.43 | **0.74** | | | |
| Perceived behavioral control | 0.17 | 0.18 | 0.20 | **0.91** | | |
| Purchase intention | 0.44 | 0.42 | 0.52 | 0.35 | **0.53** | |
| Purchase Behavior | 0.49 | 0.54 | 0.49 | 0.23 | 0.47 | **0.77** |

The structural model derived from LISREL highlights that attitude, subjective norm, knowledge and perceived behavioural control all impact purchase intention and purchase behavior. The path estimates are given in figure 2. Solid lines here represent the original linkages and the dotted lines in the figure represent the impact from the study. There is significant positive relationship between knowledge and subjective norm (path estimate 0.76) and between knowledge and attitude (path estimate of 0.44) and also on perceived behavioral control (path estimate of 0.22). Also attitude and knowledge (both with path estimates of 0.62) are found to influence purchase behavior and purchase intention also has a positive (path estimate of 0.62) impact on purchase behavior. This shows that the consumers have a positive attitude and if they are informed about the various fairs as tourist destinations they would be willing to explore these places.

Figure 2: Resultant Structural Model derived from the study for consumer behavior towards Fairs among Indian Youth
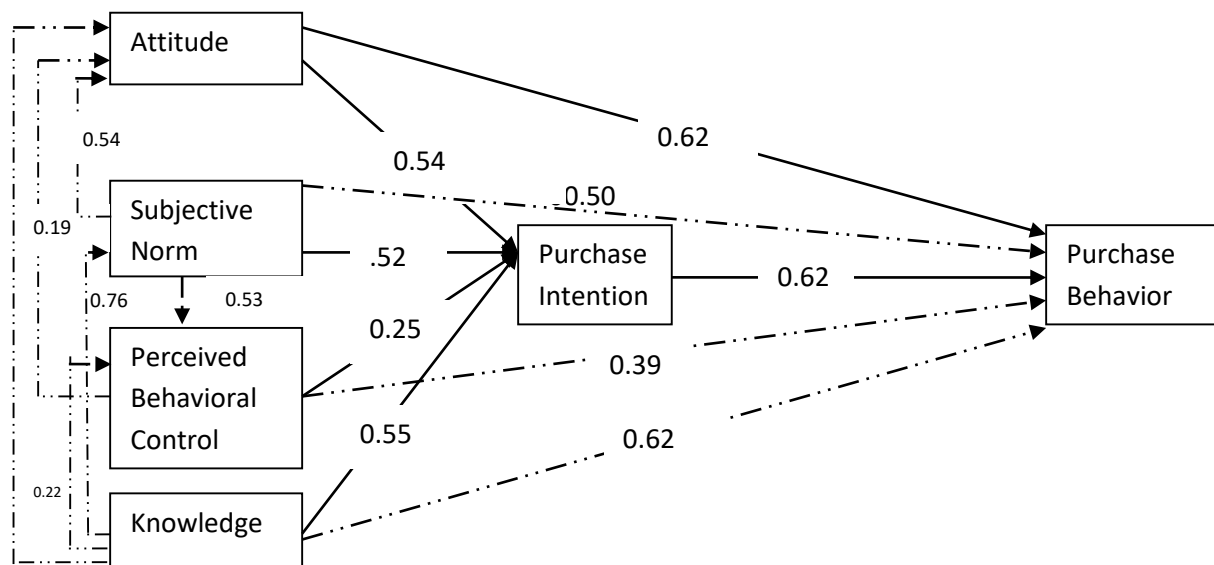


## Suggestions

India's rich cultural heritage is marked by many fairs and festivals celebrated across the length and breadth of the country. Fairs form the fabric of Indian culture and both are so tightly woven that it is can be said that fairs rose from culture and now form the culture of a place. In the words of one respondent 'Fairs provide a touch of our culture in a time when most of it is lost. It reminds us of our childhood'. Marketing these fairs as prospective tourist destination therefore makes sense as people connect to them and have been spending time and money there.

Qualitative research shows that people like to visit the fairs as it not only reminds them of their culture but also of culture of other states at one place. This touch of culture is lost in the daily hustle and bustle of life and is very relaxing for the respondents especially of metro cities. They also feel that malls and shopping centers are commercialized and 'brands' are prevalent everywhere. They have to make special efforts to get the ethnic products but at the fair they get ethnic products of all states at one place. Foodies also have a great time at the fair as they can taste the street food of different states and countries at one place. Cultural programmes are another attraction for them. For photographers the fairs provide a riot of colours and hence great photo-opportunities. Respondents also felt that they got great entrepreneurial ideas which requires less investment and planned to pursue the same in the near future. Thus there are a number of motivators which drive people to the fairs. Foreign tourists felt the prices for traditional products at the fairs was very reasonable compared to local shops (for example at Janpath).

The Government has to take note as the respondents felt that though there was complete security in the venue but these fairs (for example Surajkund) are located at off-beat places. The route to these places is unsafe specially in the evenings. They did not feel safe leaving from these places after sunset. Foreign visitors hiring taxis faced challenge as the taxi driver did not know the route to the fair which was not told to the toursits in advance. Foreign tourists had to tell the way from their smart phones and so were saved by technology. There were no indicators on the way. Thus government should ply buses from different metro stations to the venue. They should also ensure safety of the tourists by putting security measures in place outside the venue and till the metro station or till where traffic takes over.

Banks should set up mobile ATMs at these places as the visitors felt that if they ran out of cash they had to come back again the next day to make purchases which was tedious and many times not possible due to their hectic schedules.

Business schools can promote these fairs by motivating their students to visit these and come out with ideas as to how

they can help the people at the bottom of the pyramid. Each stall had the name of the funding agency and the fund received from them. The craftsmen are illiterate and students can help form bridges between them and different agencies like distribution, export agencies etc. In the process they will learn various problems faced by these craftsmen and help provide more opportunities for them.

Also these fairs are not promoted extensively and many times respondents remember once these are over. Thus government and other agencies responsible for organizing these fairs should promote them more – both nationally and internationally.

Fairs form an attractive tourism destination and have been used to draw tourism. However for the local youth there are a number of implications. Job creation and revenue generation has been explored in detail but the exploration of behaviour of youth as a customer is also important as they also form the target market. To explore the behaviour as a customer the use of theory of planned behaviour gives a complete study of how attitude, knowledge, subjective norm, impacts perceived behavioural control and in turn the purchase intention. It has been seen that knowledge has as significant direct and indirect impact on both purchase intention and purchase behavior. Knowledge impacts attitude, subjective norm, perceived behavioural control and purchase intention. It directly also impacts the purchase behavior. Thus the same should be built towards fairs and how it impacts the lives of the people across strata of society to show its benefits to the economy. The unique display of India's unity and diversity also attracts a number of foreign tourists which is also important for the economic growth.

Perceived behavioral control is found to impact attitude apart from the impact on purchase intention. It is found to impact purchase behavior directly as well. Thus marketers can highlight how visiting fairs creates happy moments for the customers and revisiting a fair will bring happiness and excitement.

Pride in ones culture and tradition and the need to preserve this and pass it on to the future generations can be highlighted as it forms the subjective norm. This subjective norm is found to influence purchase decision. It is also found that it influences perceived behavioural control, attitude and purchase behavior directly as well.

It is heartening to know that the youth has the right attitude towards fairs. They feel that visiting fairs is necessary and a beneficial behavior and their attitude impacts both purchase intention and purchase behavior.

The purchase behavior shows that consumers are willing to invest time and money in visiting fairs. Since these fairs are held at regular intervals of time, for the local consumers fairs should create differentiation in terms of quality and acceptance of offerings. The fairs like Surajkundmela should offer something new and exciting each time so as to keep the excitement alive and motivate people to visit.

The government should ensure good, hygienic environment with proper public utilitiesto encourage participation. Measures should be taken to ensure law and order so that people are not deterred by the crowd which is found to be the main reason why youth does not want to visit a fair. In short if managed well, it will result in three benefits: we can gift the tradition and culture to our youngsters, local business and people will be benefited and our heritage will be alive.

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# ERA OF SKILL DEVELOPMENT INSPIRE, INNOVATE AND INTEGRATE

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## Abstract

*The aim of skill development, particularly in case of women, is not merely to prepare them for jobs, but also to improve the performance of women workers by enhancing the quality of work in which they are engaged. The NSDC has identified a few of the major challenges, which need to be addressed for building a conducive ecosystem, of skill development for the women workforce. The large number of women who need to be trained since currently only 2% of the female workforce is formally trained, inadequacies in the quality and relevance of TVET (technical and vocational employment training in India), inadequate Infrastructure, acute shortage of trained women workers, poor quality of training, lack of mechanisms to judge and certify quality, inequity in access to TVET for women, low level of education of potential women trainees that limits training of women in the formal sector, lack of recognition of prior learning of potential women trainees, relatively high opportunity cost of learning involved for training women. The major challenges are few in number but represent a complexity of issues involved. Further we need to have developed HRD and training policy from a gender perspective, with an understanding of local customs and traditions.*

*Expansion of training institutes mainly in the remote regions of the country and to build basic gender specific infrastructure, making ITIs more accessible, particularly for women. private sector should also be responsible for skill development in the country by encouraging their contribution in curriculum development, provision of training and internships, and in assessment and the certification of training programmes. Employment opportunities to trainees should be provided after the completion of training to assure sustainable livelihood options. By this research paper we will analyses the actual women empowerment in our country. How skill development is important for economic growth of country. Through this paper doctrinal and empirical research will be done by observation and survey method. Facts will be discussed and at last final suggestion and conclusion will be presented.*

**Keywords:** Skill, Gender specific, Curriculum, Women Empowerment.

## Introduction

"There is no tool for development more effective than the empowerment of women" – Kofi Annan "Women are the largest untapped reservoir of talent in the world; When women participate in the economy, everyone benefits" – Hillary Clinton Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognise the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Economic empowerment increases women's access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. Women's economic participation and empowerment are fundamental to strengthening women's rights and enabling women to have control over their lives and exert influence in society. It is about creating just and equitable societies. Women often face discrimination and persistent gender inequalities, with some women experiencing multiple discrimination and exclusion because of factors such as ethnicity or caste. The economic empowerment of women is a prerequisite for sustainable development, pro-poor growth and the achievement of all the Millennium Development Goals (MDGs). Gender equality and empowered women are catalysts for multiplying development efforts. Investments in gender equality yield the highest returns of all development investments. Women usually invest a higher proportion of their earnings in their families and communities than men. A study in Brazil showed that the likelihood of a child's survival increased by 20% when the mother controlled household income. Women are in some contexts bearing the costs of recovering from the crisis, with the loss of jobs, poor working conditions and increasing precariousness. Increasing the role of women in the economy is part of the solution to the financial and economic crises and critical for economic resilience and growth. Education and training are essential components of any strategy to improve farm and nonfarm productivity and rural incomes. Learning about business skills, as well as life skills such as health management, decision-making, self-confidence, or conflict management among various other things like new products and markets, can make a big difference for many of the rural poor, particularly the

women folk. Women often have different training needs than men since they are more likely to work as contributing family workers, subsistence farmers, home-based micro entrepreneurs, or low-paid seasonal labourers, in addition to handling their domestic work and care responsibilities. Skills development is a key to improving household productivity, employability and income-earning opportunities for women and also for enhancing food security and promoting environmentally sustainable rural development and livelihoods. II. Need for the Study Women, in a country like India, are just seen as someone to look after the home and bear children and thus the treatment they get is below par with their male counterparts. In other words, they are treated as second-class citizens. While the men folk are involved in agriculture or unemployment, the women and girls are mostly involved in household chores, does not have any say in the family affairs. Excluded from receiving higher education and entirely dependent on their male counterparts, they have to bear the brunt of most of the evils like dowry, domestic violence etc. Being a masculine society, women and girls are not allowed to step out of their houses which lead to lower educational status, low confidence to face the world. In view of the financial constraints that a family faces, empowering them through skill-building programs would give them more avenues to earn their living and become in the process self-reliant. Such programs will also help them to raise their voice against the ill treatment accorded to them within the family or outside. All these clearly indicate that there is an imperative need to find out some alternative ways as mentioned above to tackle this burning problem; "Self Employment through skills-building" seems to be one of the effective ways. It implies that women, with inherent talents and having inner urge to fine-tune them to make them sources of their livelihood, indeed need some encouragement and help from various agencies working for the very cause. III. Review of Literature Esther Duflo (2011) observed that women's

empowerment and economic development are closely related: in one direction, development alone can play a major role in driving down inequality between men and women; in the other direction, empowering women may benefit development. Does this imply that pushing just one of these two levers would set a virtuous circle in motion? Asharani and Sriramappa (2014) in their study have observed that women are very good entrepreneurs and prefer to choose entrepreneurship as they can maintain work life balance. Educated women are involved in entrepreneurial activities in urban areas. Family support is found to be essential for successful entrepreneurship. The RUDSETIs and SHGs movement, banking facilities and skill awareness programs are helping in promoting women entrepreneurs. Palaneeswari and Sasikala (2012) have observed that a change has to be brought about not only in the status of women but in the attitude of the society towards them. Priority has therefore necessarily to be given to changing image of women, from a passive onlooker and recipient, to that of a positive doer and achiever. Basically, the rural women are having basic indigenous knowledge, skill, potential and resources to establish and manage enterprise. But now, what is the need is to create awareness among the rural women who are job seekers about the employment market situation, to motivate them to take-up self-employment ventures, to assist them in obtaining necessary inputs required for setting of self-employment ventures from different sources and to provide necessary follow-up assistance to the self-employed women for sustaining them in their market. Mohammad Badruzzaman Bhuiyan and Rubab Abdullah (2007) concluded in their study that in order to encourage women entrepreneurship, all banks and financial institutions should be asked to provide one fifth of their investment for women-owned enterprises and special training course for women entrepreneurs to improve skills. A nation or region can only be developed if its women are given ample opportunities. Developing entrepreneurship among women will be the right approach for empowerment of

women. Despite significant problems in a male dominated society, Indian women have found their way out for growth and empowerment either through self-help groups, NGOs, banks, government assistance and micro finance institutions or through private sectors. It was also observed that in the coming years the role of women will be of immense importance for competing with the developed world as they are main power source as well as diverse consumer group. Our need is to ascertain and assure the areas where women are still far from enjoying the minimum privileges and question of empowerment has been thrown to a very complex, integrated situation the access to resources, institution, decision making process and information etc., are the pertinent question in making the women empowered, confident, and accorded to the main stream social processes. Major factors which contributed for establishment and development of an enterprise are availability of specified skill to work on specific project (89%), self-confidence (78%), cooperation from husband/family at the time of start (63%), availability of loan (60%), favorable attitude of customers (40%) and adequate training (60%). Sathiabama (2010), in her study highlighted the empowerment of rural women through entrepreneurship and the advantages of entrepreneurship among the rural women. She felt that the economic empowerment of women led to development of family and community and the same is proved by a collective Micro Entrepreneurship in Tamilnadu. IV. Scope of the Study The present study examines the important role being played by the RUDSETI Unit at Vetapalem (now at Ongole) in Prakasam District of Andhra Pradesh in contributing to women empowerment through various EDPs and encouraging them thereby to establish their own small business enterprises by taking up self-employment with or without the financial assistance of banks and other financial institutions. V. Objectives of the Study The objectives of the study undertaken at RUDSETI, Vetapalem (now at Ongole) are - To examine

different EDPs offered by the RUDSETI unit to the unemployed youth with special focus on women for empowering them in the process. To analyse the reasons behind success of these EDPs in promoting wage and self-employment among the women-trainees; To record the feedback from some of the alumni on the training received which contributed to their economic development; VI. Methodology of the Study The current study is based on the data gathered from the primary sources (interactions with the Institute and some of the alumni of the institute who established their business ventures at some important places in Prakasam District) and secondary sources such as going through the monthly and annual reports, brochures of Vetapalem Unit and various kinds of documents available in the internet. The study is made in line with the objectives specified above and on analyzing the data collected from the monthly and annual reports of the institute for the period 2009-10 to 2014-15. The analysis of the data and the conclusions drawn speak of the efforts of RUDSETIs in empowering the women through their various kinds of EDPs and the unique handholding services for a period of two years during the post-training phase. VII. Women Empowerment Empowerment is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Empowerment of women means developing them as more aware individuals, who are politically active, economically productive and independent and are able to make intelligent discussion in matters that affect them. Women empowerment as a concept was defined as redistribution of social power and control of resources in favour of women. In its definition of women empowerment, the United Nations Development Fund for Women (UNDFW) includes factors such as (1) Acquiring knowledge and understanding of gender relations and the way in which these relations may be changed; and (2) Developing a sense of selfworth, a belief in one's ability to secure desired changes and the right to control one's

life. Empowered Women's Characteristics Empowered women – define their attitude, values and behaviours in relation to their own real interest; respond as equals and co-operate to work towards the common good; not only survive the harshness of their own subjugation but also transcend it by using their talent; work and contribute towards the empowerment of all women; and define their values and formulate their beliefs themselves. The process of empowerment has five dimensions, viz. Cognitive, Psychological, Economic, Political and Physical. i) Cognitive dimension refers to women having an understanding of the conditions and causes of their subordination at the micro and macro levels. ii) Psychological dimension includes the belief that women can act at personal and societal level to improve their individual realities and the society in which they live. iii) Economic dimension requires that women have access to, and control over, productive resources, thus ensuring some degree of financial autonomy. iv) Political dimension entails that women have the capability to analyse, organise and mobilize for social change; and v) Physical dimension tells about the ability to protect oneself against sexual violence to the empowerment process. Women attain the required mental and physical strength to swim against the stream from the process of empowerment, which can be promoted by providing proper education, health and nutrition facilities. Providing information, knowledge, skills for self-employment etc., is the important parameter of women empowerment. Some of the important objectives of Women Empowerment are - to increase awareness in women for their development to use their talent optimally not only for themselves, but also for the society as a whole and to develop the skills for self-decision-making capabilities in women and to allow them to present their point of view effectively in society. Women Empowerment in India The Indian Constitution not only grants equality to women, but also empowers the State to adopt measures of positive

discrimination in favour of women. Within the framework of a democratic polity, our laws, development policies, Plans and Programmes have aimed at women's advancement in different spheres. From the Fifth Five Year Plan (1974-78) onwards there has been a marked shift in the approach to women's issues from welfare to development and then from Eighth Five Year Plan emphasis was shifted from development to empowerment. Declaring 2001 as the Year of Women's Empowerment (Swashakti), the Government of India (GoI) passed the National Policy for the Empowerment of Women which has the goal to bring about the advancement, development and empowerment of women. The National Mission for Empowerment of Women (NMEW) was launched by the GoI with the aim to strengthen overall processes that promote all-round development of women. It has the mandate to strengthen the inter-sector convergence; facilitate the process of coordinating all the women's welfare and socio-economic development programmes across ministries and departments. One of the key strategies of NMEW is - investment in skill and entrepreneurship development, microcredit, vocational training and SHG development for economic empowerment of women. This subtly conveys that mere imparting literacy would not be sufficient; the women need vocational training or skills also to be able to stand on their feet and be the earning members of the family. Women have been taking increasing interest in recent years in income generating activities, self-employment and entrepreneurship that also lead to property rights, political representation, social equality, personal family development, market development, community development and at last the nation development. The various reasons for preference of self-employment to wage-employment are – it provides opportunities for using one's own talent; it is possible without large resources; it enables to have independent work and economic gains; it makes a person to become a job job-

creator;⟧ it gives sovereign status than a subservient role; and⟧ it provides an image of prestige and status and gives inner satisfaction⟧ Self-employment provides an opportunity to make the women economically empowered and they are in position to face any challenges in their lives. VIII. About RUDSETI and its Contribution to Women Empowerment through EDPs Rural Development and Self Employment Training Institute (RUDSETI), a unique initiative in mitigating the problem of unemployment, was taken in a small village Ujire near Dharmasthala in Karnataka way back in 1982 jointly by Sri Dharmasthala Manjunatheshwara Educational (SDME) Trust and two nationalized banks viz., Syndicate Bank and Canara Bank under the visionary leadership of Padmabhushan Dr. D. VeerendraHeggade, Dharmadhikari of Dharmasthala. The collective thinking had led to giving a shape and an institutional framework to the initiative taken-up in the form of RUDSETI in 1982, which was registered under Karnataka Societies Registration Act 1960. Encouraged by the success of Ujire experiment, RUDSETI has now established 27 units in 16 States. RUDSETI Unit, Vetapalem: This unit in Prakasam District of Andhra Pradesh was established in 1988 in Mandal Praja Parishath Complex with the special efforts of the then District Collector. The District Administration considered some special privileges such as rent-free accommodation to RUDSETI in Vetapalem to speed up the process of establishing their Unit which continued till June 2014 by when the Unit was shifted to Ongole, the headquarters of Prakasam District. Mission: To channelize youth power in wealth creation and empower youth to share economic progress equitably. Objectives: (1) Identify, orient, motivate, train and handhold the rural youth to take up selfemployment ventures; (2) To take up research and development activities in Entrepreneurship and Rural Development; and (3) Train village level workers to work in rural

development. Approach of RUDSETI: The broad thematic areas that fall under skill and EDPs of RUDSETIs are both farm and non-farm sector activities. The post training follow up for sustained motivation among the trainees happens to be the cutting edge of RUDSETI's approach. The effort to make them rise to peaks of their careers includes - two years follow-up through regular correspondence, individual contacts, unit visits, Village/ Taluk/ District/ Branch level meetings etc., and facilitating credit linkage with the banks for setting up of micro enterprises. The approach the RUDSETIs adopt in offering various self-employment or skill building training courses include important steps such as – (1) A meticulously designed selection process to identify and select only those people (youth) who have proactively learnt some basics of the skill which they want to make it as a life time business activity for their economic development; (2) A well-designed program schedule keeping in view the interest level and future growth opportunities for the candidate; and (3) Use of innovative training methodologies such as - experiential learning, group discussions and field level experienceand participation methods to impart training; (4) Effective use of market survey and interface with successful entrepreneurs to familiarize trainee with field level situation; and (5) Systematic follow up and monitoring system during the post training phase in the form of escort services (handholding)to provide counseling, support and liaison. Types of Entrepreneurship Development Programs (EDPs): RUDSETI offers around 70 types of Entrepreneurship Development Programs (EDPs) in various areas. All the programs are of short duration intervention ranging from one to six weeks. Mainly they are classified into four categories as shown below. (I) For First Generation Entrepreneurs S. No. Types-EDPs Scope / Objective Examples EDPs offered at Vetapalem Unit for Women 1 Agri. EDPs Focus: Both Agri and Allied Sectors Comprehensive Agri & Allied Activities, Dairy Farming, Poultry, Bee Keeping, Horticulture, Plant Nursery

etc. Dairy Farming, Bee Keeping (done earlier); Mushroom Cultivation; Emu Farming Sheep Rearing 2 Product EDPs Focus: Trained youth make a living by establishing small business enterprises. (Manufacturing) Dress Designing (Tailoring) for Women/Men, Agarabathi making, Candle making, Pickle making, Soft Toys making, Food Processing & Bakery Products, Embroidery & Fabric Painting etc. Dress Designing; Fruit preservation & pickle making; Leaf plate making; Bag making; Agarbathi making; Phenyl preparation; Multiproduct Manufacturing for Women; Zardosi& Maggam Work; Textile Fabric & Screen Printing; Bamboo Gift Article Making 3 Process EDPs Focus: Involve a detailed learning process (business activities under 'Service sector') Electric Motor rewinding & Pumpset maintenance, Beauty Parlor Management, Basic Photography & Videography, Multi Phone servicing, Domestic Electrical Appliances Repair, Two Wheeler Servicing, Computer DTP, Refrigeration & Air Free Hand Painting; Beauty Parlour Management; Sari Rolling & Fabric Painting; Fabric Painting & Maggam Work; Zardosi Hand Embroidery. Rural Entrepreneurship Development Program (REDP), EDP for Women, Prime Minister's Employment Generation Program (PMEGP-earlier PMRY-EDP) etc. Both men and women (II) For the Established Entrepreneurs 1 Skill Upgradation To improve the skills and enhance capability of the established trainees Offered to both men and women Example (For women): Offering embroidery / fabric painting training to those who settled under tailoring trade 2 Growth Programs A training-cum-counseling program which helps the established trainees in achieving high goals in life and business Offered to both men and women Reasons for Success of EDPs in Promoting Wage and Self-Employment among the Women Training Components: RUDSETI's technical training under a chosen skill is handled by an expert practitioner in the respective field. The other important components of EDPs viz., motivational, managerial, financial

planning (financial literacy) which account to 30% of the program-duration, are imparted by the in-house faculty (the deputed officer of the sponsor banks or the faculty member recruited by the RUDSETIs). Skill Segment: Detailed curricula for all the EDP-categories mentioned above are available at all¬ RUDSETIs. Further, they introduce innovative programmes every year to focus on programmes having demand and enlarge their course-offerings. Soft Skills (Behavioural) Segment: Topics coming under Effective Communication skills, Self management¬ skills, Interpersonal skills, Team work etc., form part of this segment. Business Management Segment: Topics covered are- What is Self-employment, Difference¬ between Self-employment and Wage-employment, Entrepreneurial competencies, Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, Ways to get innovative business ideas, Customer Service, Selling and Marketing, Market Survey, Steps in setting up of an enterprise (flowchart), Project report preparation, 'Whom to contact for what' during venturelaunching, Management of Seven crises, Importance of Public Relations in Entrepreneurship etc., Why to save, budget, why financial planning, understanding¬ important banking terminology, Key points to be remembered for getting bank facilities, What is interest? How moneylenders charge very high interest rates? How to be confident while communicating etc. Alumni's Feedback on the Training Effectiveness Ms. Sumitra, making a decent earning through a modern dress designing (Tailoring) Unit at Vetapalem, attributes her success to the timely support given by RUDSETI through its unique training methodology during the tailoring and embroidery (Skill Up-gradation program) training she received earlier. Ms. MekalaSrilakshmi, who hails from a poor agriculture family, now runs a beauty parlour in Vetapalem and gets a decent income from it. She conveys her gratitude to RUDSETI's timely advice and support. Similarly Ms. Chandrakala,

Ms. Bhoolakshmi who run Beauty Parlours at Chirala and Ongole, Ms. Mumtaz, Ms. U Sridevi,who established their tailoring units, Ms. Venkateswaramma who has a mini dairy unit and Ms. A Sridevi who found interest in rearing 'Emu Birds'convey their gratitude to RUDSETI's training system (a capsule containing skill, behavioural and managerial inputs), which they named it as a 'Unique Model', which had enabled them to have good economic progress. The success stories documented by the RUDSETI Unit and the settlement data available there speak of the services of the Unit in vivid terms. Table No. 1: Trained between 2009-10 and 2014-15 Year Trained Men Women 2009-10 492 155 337 2010-11 533 243 290 2011-12 494 252 242 2012-13 618 216 402 2013-14 468 182 286 2014-15 764 344 420 IJMSS Vol.03 Issue-06, (June, 2015) ISSN: 2321-1784 International Journal in Management and Social Science (Impact Factor- 4.358) A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories International Journal in Management and Social Science http://www.ijmr.net.in email id-irjmss@gmail.com Page 430 Source: Annual Reports, RUDSETI, Vetapalem Table No. 1 and the graph above present the picture of total number of unemployed youth trained during the periods 2009-10 to 2014-15 at RUDSETI, Vetapalem and the split-up of the same under "Men and Women" categories. The table and the graphical depiction make it clear that the women outnumbered men in getting trained under various EDPs during the period under study. Table No. 2: Settlement Picture of Trained Women (2009-10 to 2014-15) Year Settled (Total) Settled Men Women Settled Wage Employed Self-employed 2009-10 362 160 202 13 189 2010-11 388 161 227 8 219 2011-12 400 160 240 8 232 2012-13 389 163 226 14 212 2013-14 315 113 202 41 161 2014-15 467 200 267 15 252 Source: Annual Reports, RUDSETI, Vetapalem Table No. 2 and the graphical depiction given above speak of the settlement of women under wage

and self-employment who took advantage of various EDPs offered at the RUDSETI Unit during the period under study. The table clearly establishes the fact that women outnumbered men under settlement also. 0 200 400 600 800 1000 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 Trained Trained Men Women 0 50 100 150 200 250 300 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 Settled Women (Wage Employed and Self Employed) Settled Women Wage Employed Self Employed IJMSS Vol.03 Issue-06, (June, 2015) ISSN: 2321-1784 International Journal in Management and Social Science (Impact Factor- 4.358) A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories International Journal in Management and Social Science http://www.ijmr.net.in email id-irjmss@gmail.com Page 431 IX. Findings and Conclusions The major findings of the study undertaken are – The enrolments and settlements picture at the Unit as explained in the above section establish the• proactive nature of women in taking up self-employment ventures and helping their families in the process. • Majority of the settled alumni (women), who belonged to agricultural families of low and medium income groups, were in the age group of 25 to 35 years with low to medium level of educational backgrounds; Majority of the women, who got enrolled at the Unit, took up - garment making (tailoring), fabric• painting, zardosi and maggam work, saree rolling, hand embroidery, beauty parlour, dairy farming etc. Majority of the women who started their small business units soon after the EDP training at the Unit• had some basic knowledge in the respective trades. Women settled through various self-employment business ventures have been able to get average• income in the range of Rs. 8,000/- to Rs. 20,000/- per month. Some of the women were also able to generate moderate level of employment through their• enterprises. The success profiles developed by the Unit and the

interactions with some of the settled trainees• confirmed that the motivational and managerial inputs taught during the RUDSETI EDPs along with skill inputs gave them the needed amount of motivation and encouragement to start and sustain the business activities. The settled women through their correspondence and interactions confirmed that the handholding• support of the Unit for two years during the post-training phase remained as the highlight of the RUDSETI model. Conclusions: Rich knowledge base and the skills, which act as the driving forces for the economic growth and social development of a country, are essential for translating a country's vision of inclusive growth into a reality. Creation of job opportunities and development of entrepreneurship in the rural areas is the priority of the country to ensure development of the rural economy. RUDSETIs/RSETIs have been making selfless services to the unemployed youth particularly to the women through their innovative EDPs thus trying their best to empower women through skill-building process. Looking at the importance of the role women play in the development of a nation and the current progress the country is witnessing under the said women empowerment process, one can sense that there is a long way to go in that direction. Everyone needs to understand the essence of what Swami Vivekananda said about women - "There is no chance for the welfare of the world unless the condition of women is improved. It is not possible for a bird to fly on one wing." It is therefore the responsibility of every citizen of the nation, Financial Institutions, the corporate sector, the NGOs and other stakeholders of the society to lend their supporting hand in developing gender-responsive strategies for training and entrepreneurship development that respond to rural youth especially women who are no less than men in many spheres of life and have all the credentials to become a desirable demographic dividend in the days to come when treated with respect, purity, dignity and equal rights. X. Recommendations Poverty and

unemployment are the twin problems rural India has been facing for several decades.

**Conclusion:**

The percentage of unemployment among educated and qualified women is increasing on one hand and on the other, the opportunities of self-employment for rural youth especially women have also increased significantly. Therefore, it is necessary to encourage this hitherto disregarded segment (educated unemployed women) through entrepreneurship which not only promotes self-employment among them but leads to their creating employment opportunities also to other rural people in their respective areas. Though creation of favourable atmosphere by the policy makers is essential for a healthy development of entrepreneurship, the women have to come forward proactively to help themselves and their families by observing and acting on the opportunities available around, which sets the tone for this momentum.

After the period of globalization India has also started sending trained human resources outside the country. The global demand for skilled workers is growing, as is the population of entrants into the labour force one billion people will be of working age within the next decade. The great majority of those about to enter the workplace are in the developing world. In fact, young people aged 15–25 in developing countries represent 85 per cent of the world's population in that age group. Yet many are not prepared for the jobs of the future, and lack opportunities for such preparation. Efficient and effective technical and vocational training is needed that links public and private sector employers and is relevant to the local culture and economy. General principles should be taken into consideration in developing training programmes, including relevance to the labour market and communication with markets for their needs. Nearby public and private employers should take part in developing the curricula and invest in

it. A local market study is useful for learning about current and future employment needs. Training should be demand-driven. Gender capacity building and all teachers and employers participating in training, programmes should receive gender training so they avoid stereotyping and are aware of social constructions and norms. As part of developing competencies, there should be an analysis of the relative participation of young men and young women and equality of resources provided. One objective should be to promote each gender's participation in non-stereotypical areas. Development of competencies analysis of the necessary competencies and sub-competencies should be made nationally and locally. This will ensure they reflect the standardization necessary to make them nationally acceptable while also taking local context into account. The employers who will validate the skills developed by trainees should participate in certifying the competencies. Development of 'soft skills' is also required, Employers need workers with attributes such as timeliness, productivity, networking ability and teamwork. In many countries, it will take time to inculcate these qualities. Customs should be respected, but trainees need to learn the qualities that industries require. This also helps employers to adapt their practices and expectations to the local context. Long-term funding, funding from international donors is often short term, so other sources of funding must be found. But empowering young women and addressing long-standing gender discrimination requires long-term commitments. Ongoing government support is needed, and international funding agencies also should consider longer-term commitments to protect initial costly investments in infrastructure, materials and teacher training. But requiring trainees to pay might be counterproductive for females, because families who have to pay are more likely to pay for males. One possibility is a system of grants for girls' participation, which would help to motivate families. Access for trainees, easy and affordable access and

availability of transportation to the site are important, especially where the training centre is located at a distance. Mobile training centres can also be considered. Another way to reach trainees is to integrate vocational training into the formal school system. Plans for such an approach must consider the timing of the training to address security concerns that could affect the participation of young women and girls. Another issue to consider in skills development is the level of resources (capital) for development in the area of intervention. Capital in the following forms should be mapped before training needs are assessed or curricula developed  Human capital, individual capacities acquired through education and training, aided by health and adequate nutrition.  Social capital the resources of civil society, including a robust local government,. An important component of skills development is a labour market analysis, which identifies the supply of labour available for jobs. Gender issues need to be integrated into this analysis. Public and private partners must be committed to supporting the training and must be made aware that promoting female education and training reduces poverty and inequalities. The curricula should be developed in parallel with the labour market analysis, along with an action plan for implementation, with clear objectives and responsibilities. Participation in training must be planned to ensure equity, considering not only practical and immediate needs (such as for income) but also more long-term strategic needs (such as developing an equitable labour market). Young women and young men may have different training needs and objectives.

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# ATHLEISURE: A NEW CATEGORY EMERGES

Dr. Swati Singh

## Abstract

*Over the last couple of years, a new trend that has taken the apparel and accessory market by storm is - Athleisure. A fusion of two ends of the spectrum, athletics and leisure, the trend successfully balances form with functionality and comfort with 'chik'. The Athleisure market worth $97 billion worldwide comprises of wide array of players ranging from Lululemon, Yogasmoga to traditional sportswear giants Nike, Puma & Adidas as well as luxury marketers like Louis Vuitton, H&M, Gap & Dior. Changing lifestyles across the globe that stress on looking good at the same time being comfortable have fueled the trend worldwide, at the same time cultural shifts in workplace dressing brought about by new companies particularly the startups also made sneakers and sweat pants the ideal office wear. The trend is so ubiquitous that the word 'Athleisure' has been included in the year 2016's update of the Merriam – Webster dictionary. According to New York Times, Athleisure will be defined as 'casual clothing designed to be worn both for exercising and general use". This case attempts to study the emergence and growth of 'Athleisure' as a category as well as the strategies of various players to ride this trend.*

**Keywords:** Apparel & Accessory and Athletic and Leiswe, Athleisure.

## Introduction

We are surrounded by fascinating fusions and technological advancements. Whether its health or lifestyle – technology has intermingled into the various elements of our lives resulting in the emergence of a new category "Athleisure". With roots in two polar opposites, athletics and leisure this new trend has taken the world by storm. It was the athletic track pant that actually propelled the fad, as people began wearing the comfortable fabric to movies, spas and even to work. So much so that the yoga pants have become the 'new jeans'. With fitness becoming a way of life, fitness gear that was previously limited to gyms has now made inroads into other settings. The growing preference for clothes that provide a feel of luxury and at the same time have performance attributes that support an active lifestyle has further fueled the growth of the athleisure category. The high tech moisture – absorbing performance fabrics allow the wearer to multi task without the need for switching outfits to suit an occasion. Moreover, relatability of the athleisure concept has ensured its acceptability by a larger segment of society and hence creating its international appeal. The trend makes great sense monetarily for marketers as more and more people with no inclination towards sports are also buying athleisure gear. This all-encompassing trendy, transitional active wear clothing for non-active users as well includes athletic inspired leisure wear – leggings, sweatshirts, jerseys and jackets made of wrinkle free, breathable and innovative fabrics, that have given workout gear a stylish twist. In a Survey conducted by digital agency Deep Focus' Cassandra Report (2015) on health and wellness in the US with a sample size of 1700, over one third of millennial's admitted to reducing their expenditure so that they could spend more on health related purchases. Around 46% of women in the age group 19-34 years revealed that they have become more interested in athleisure wear in last few years1. Across the globe the athleisure trend has been adopted by millennials as well as Gen Z providing them clothing that is functional and at the same time apt for street wear.

## Major Players

As society is getting more fitness conscious, the athleisure trend has provided consumers with a perfect solution to their dressing up woes. The relatability of the trend allows its acceptance with a wider section of society across the globe. Another trend that has fuelled the growth of this category has been the wide acceptance of yoga across the globe. Over 200 million people around the world practice yoga, going by these estimates the market for yoga apparel is the US alone is more than $26 billion (2016), while the world market for yoga is about $60 billion 2. It is no wonder that a number of companies both old and new are attempting to mint this opportunity. Vancouver based Lulu Lemon is the market leader in the leisure cum sportswear category followed by PrAna,

Associate Professor, Bharatiya Vidya Bhavan's Usha Lakshmi Mittal Institute of Management, New Delhi

Yoga Shmoga, GAP Athleta, Nike, Reebok etc.

Lululemon: Vancuver (Canada) based Lululemon has been the first mover in athleaiure category. Founded in 1998 by Dennis J. "Chip" Wilson, it reported overall sales of $453 million in 2015 up 16% from the previous year. Unlike its counterparts Lululemon has attempted to change the way pants are sold, rather than traditional sizing it retails pants in categories like 'hugged', 'relaxed', 'tight' and 'held'. Each style serves a specific purpose in the consumer's life from fitness to casual wear 3. Nike: Among the traditional sportswear manufactures it is Nike that is leading the charge to gain maximum traction from the 'athleisure' trend. It is locked in heated battle with Lululemon and Under Armour in this fashion forward category that can be worn both to the office and gym with equal ease. Sales in apparel, footwear and accessories have seen year on year increase largely due to the active wear segment. Women in particular have taken to fashionable active wear with great enthusiasm. This has been one of the important reasons fuelling Nike's continued expansion of athleisure offerings, the company's stated goal is to increase sales to women and it hopes to reach $7 billion in women's apparel sales by 2017, a 40% increase from current levels. Nike paid attention to the growing trend for many years developing successful products like Flyknit sneaker, therms sphere max that comes with a men's hoodie, men's pant and women's training vest 4. Nike also created a digital marketing campaign "#BetterForIt" that featured everyday women as opposed to models or professional athletes. Its online community comprising of 70 million women has given the company a sizeable audience to pitch its athleisure products. Nike conducts round table discussions with athletes to gain better understanding of their requirements and much like ordinary people athletes too desire apparel that mix form with functionality. Boxer Marlen Esparza's told the Nike design team 'If I look good, I feel good, and when I feel good, I fight good,'. For now, the company is

poised to take full advantage of the trend 5. Yogasmoga: Yogasmoga started operation in the year 2013 in USA, selling yoga gear online. The company has expanded to include 12 brick and mortar stores and plans to increase number. Yogasmoga's shirts and pants are made from high end fabric called Aurum which is a blend of Lycra and Supplex. The company has its manufacturing facility in United States which allows it to respond to changing trends in real time. The company has also developed a unique Carbon 6 black dye for pants to improve quality of its products. The company claims it is committed to social causes, it has set up a non-profit organization that finances women's health, education and microfinance projects in India.7

The wide success of the 'athleisure' trend has also attracted luxury brands like Dior, Louis Vouitton, Givenchy and Alexander McQueen. These luxe brands have given the gym staple a more designer look mixing fabrics merging patterns and playing with texture. Retailing at $1,150 and $550 respectively, brands like Brunello Cucinelli and Donna Karan have even launched designer cashmere leggings. Dior launched beaded jumpsuits and dresses with slip on Velcro sneakers bejeweled with embroidery and colorful rubber soles. Chanel's Karl Lagerfeld introduced chiffon wrapped couture sneakers, with athletic soles and embroidered with lace, pearl and tweed, all embodying a sense of comfort and freedom a sign of these times and the women that live in it. 8

**Taking care of Athleisure gear**

Experts believe that athleisure will be one of the fastest growing segments by 2020, many marketers now believe that more than a trend it is a cultural and lifestyle shift reflected by obsession for healthier lifestyles and well-being. Ariel (detergent from P&G) along with Giles Deacon, renowned designer and fabric care fashion consultant with P&G explored the athleisure trend and the fabrics associated with it. A global survey commissioned by the company

for Ariel & Downy to explore popularity of the athleisure trend revealed the following:

a) Nearly 71% consumers considered active inspired clothes as part of their 'normal' everyday clothes.
b) Over 27% said that leggings were their most favored clothing for daily wear.
c) Many wear active inspired gear to run errands (56%), while travelling (47%), shopping (41%) and even while going out for dinner (16%).

Trends like athleisure have introduced fabrics like knitted, polyester, lycra etc to the laundry load. P&G saw considerable opportunity for its fabric care brands Ariel and Downy with the emergence of this category. The company launched Ariel advanced clean formulation to provide clothing care for natural and synthetic fiber mixes in athleisure wear.9

**Levis- Feeling the Heat**

One of the brands that has suffered the most with the advent of the athleisure category is Levi's. The brand that is practically synonymous with jeans has faced stiff competition from numerous avenues the latest salvo coming from athleisure. This is evidenced by rise in the number of people who now are comfortable wearing leggings or yoga pants anywhere. Compared to denims, leggings are cheaper more versatile and comfortable to wear. Lower prices have also encouraged purchase of leggings, while a jeans costs at least $40 or more, a pair of leggings may cost as little as $10. While cheap leggings will always fit, cheap denim will not fit as well. Levi's reported a 2 per cent drop in sales globally in 2014, the company also declared it would cut 800 jobs. 10 Women are increasingly preferring more elastic jeans, Levi's attempted to gain back some lost ground in 2015 with a host of new launches, first was Lot 700, a revamped line of jeans with new styles using a new fabric with up to 90% stretch this was followed by the launch of Commuter brand positioned for comfort, mobility and durability. 11

However both these launches failed to provide relief to the company.

## Athleisure and India

Wearing sportswear as casual wear went mainstream in Bollywood in the late 1990s, with leading actors like Shah Rukh Khan and Karishma Kapoor sporting Polo Sport hugging shirts and tank tops. In the recent years' Indian designers like Anand Bhushan have used neoprene and scuba fabrics to create new silhouettes which have made sportswear covetable as casual clothing. Amazon India Fashion Week for Spring/Summer 2016, saw Anamika Khanna showcasing an ethnic take on athleisure, her collection comprising of cotton, silk and chiffon fabrics were inspired by sportswear and also included the three stripes from Adidas, reinterpreted across dupattas and pyjama pants. 12 In India, brands such as Proyog, Bhusattya, Moral Fibre, Forever Yoga, Do U Speak Green and Urban Yoga have lined up to offer both the domestic and international market organic breathable yoga wear that merges comfort with fashion. Fuelling this trend in India are celebrities like Ranveer Singh, Deepika Padukone, Anushka Sharma, Kangna Ranaut, Saif Ali Khan and Kareena Kapoor Khan. Proyog: India based yoga startup Yogawear Pvt. Ltd that owns the brand Proyog was incorporated in 2013.The Proyog brand was launched officially on June 21, 2015 its birth coinciding with World Yoga Day. It counts amongst its founders Malika Baruah former head of design, Levi's Strauss, Priyanktha Iyengar, Sanjay Nayak former India president McCann Erickson Worldwide and serial entrepreneur Dave Banerjee. According to the founders, over 90% of the exiting yoga wear market comprises of polyester and nylon products which are not conducive for practicing yoga. The startup spent two years conducting extensive research for developing the ideal fabrics and styles of their yoga wear line. They consulted yoga teachers, textile engineers as well as yoga practitioners from 11 nationalities. Proyog claims to be the only company in the world that uses core – spun technology that wraps the lycra yarn with organic cotton prior to knitting, ensuring that lycra doesn't come close to the skin.13 Currently Proyog carries only women's line comprising of dhoti style shorts and pants, tank tops, capris, tunics and wraps. Since the yoga market in India is not that specialized and is a combination of both leisure wear and sportswear the company is expecting 90% of its revenue from outside India, with US and Canada being the primary markets. The brand intends to retail through e-commerce platforms both in domestic and international markets, and high end chains like Neiman Marcus, Saks 5th Avenue and Nordstorm in US. The company operates in the price range of Rs.1900 – 3900 and is expecting to reach revenue of Rs.300 crores by 2018.14 Other Indian yoga wear manufacturers have also ventured into this space with unique offerings. Mumbai based Fusion Clothing's flagship brand Do U Speak Green is made using fibers of bamboo and organic cotton, Ahmedabad based Bhusattva manufactures yoga pants and tops using fibers of bamboo, banana, milk and soybean protein.

## Conclusion

Compared to other numerous trends that have come and gone, athleisure is more about endurance and permanence, as it centers on the body and accordingly requires the user to make better decisions – about time and money. It encourages healthy habits in eating, exercising, adequate sleeping. Also, athleisure is aspirational, it presents the consumer with a version of themselves that they would aspire to be. How long the trend or 'cultural shift' is able to sustain itself or what more innovations it brings forth is yet to be seen but for now its ubiquitousness has earned it a place in the Merriam - Webster dictionary where it has been defined as "casual clothing designed to be worn both for exercising and general use". 15

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# MANAGING FOR EXCELLENCE & DEVELOPING GEN Y FOR HIGH PERFORMANCE TEAM BUILDING

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## Abstract

*Well-integrated, high-performing teams never lose sight of their goals and are largely self-sustaining. The team seem to take on a life of their own and it all comes down team leadership. The marketplace is changing, leading to fundamental shifts in the way companies compete now and into the future. Imparting a clear vision to Gen Y where they as a team should be headed, and inspiring its members to make it a reality, is fundamental to team success. In case of Gen Y it becomes more important to manage their ambitions and channelize their energies towards a meaningful goals and managing team building. Managers should operate in an organized and systematic way to build successful teams, and this does not only includes and involves what managers should say and do, but also what they should not say and do. It also involves working backwards—Managers should envisage the future before dealing with the present. Managers create a clear vision and describe it in simple language, take the time to get people to subscribe, or buy in, to that vision. Next, they assess the current situation, then work through the courses of action which are likely to yield results. It is the up-front work in getting to a clear end state that makes the process work. This foundation-laying aspect of Gen Y leadership is a determining factor in why some teams seem to grasp and then do their utmost to achieve organizational goals. It's all about how the manager continually visualizes a positive end result. So, when things get tough for the team (as they always do), these extraordinary Managers reintroduce the big picture.*

**Keywords**. Gen Y, Developing Gen Y, Team Building, Managing Excellence.

## Introduction

An important leadership competency for any size organization, the ability to build and lead high performing teams is especially critical in small-to-midsize businesses. Here, people must work closely together, wear many hats and work effectively across the organization to get tasks accomplished quickly enough to remain competitive.

Success in today's work world is more about team than individual performance. A team is more than just a group of workers, located together, doing their jobs. Real teams are interdependent. That means they must rely on one another to get the job done.

In order to understand the competencies needed to build and lead high performance teams, it is helpful to first define a team. Here is a simple but effective description from The Wisdom of Teams (Harvard Business School Press, 1993.)

"A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable."

Using this definition, we can outline three important competencies for the effective team builder and leader.

- Promoting understanding of why a group of people need to be a team. The team needs to understand its shared goals and what each team member brings to the team that is relevant and crucial to its overall successes.

- Ensuring the team has adequate knowledge to accomplish its task. This includes information relevant to the team's goals and individual job competencies.

- Facilitating effective interaction in such as way as to ensure good problem solving, decision making and coordination of effort.

Well-integrated, high-performing teams never lose sight of their goals and are largely self-sustaining. In fact, they seem to take on a life of their own and it all comes down to leadership. Teams always have a leader who creates the environment and establishes the operating principles and values that are conducive to high performance. The evidence for this is clearly seen in organizations where a leader who creates high performance moves to another part of the organization, or a different organization, and within some months they once again establish a high-performing team. These leaders operate in an organized, systematic way to build successful teams, and that the formula not only involves what leaders should

say and do, but also what they should not say and do. It also involves working backwards—leaders should envisage the future before dealing with the present. The four most significant behaviors consistently demonstrated by high-impact leaders are

a. defining clear goals, keeping in view overall organizational goals
b. creating action plan to achieve those goals
c. using effective communication to build trust, encourage forward thinking and create energy within the team
d. getting the right people

Imparting a clear vision of where the team should be headed, and inspiring its members to make it a reality, is fundamental to team success, considering Gen Yers it is fundamental because of the fact of very character of Gen Y. What high-impact leaders do especially with Gen Yers is to create a clear vision and describe it in simple language. They take the time to get Gen Y to subscribe, or buy in, to that vision and they work through the courses of action which are likely to yield results. It is the up-front work in getting Gen Yers to a clear end state that makes the process work. This foundation-laying aspect of leadership is a determining factor in why some teams seem to grasp and then do their utmost to achieve organizational goals. It's all about how the leader continually visualizes a positive end result. This foundation-laying aspect of leadership is a determining factor in why some Gen Y teams seem to grasp and then do their utmost to achieve organizational goals. It's all about how the manager continually visualizes a positive end result. So, when things get tough for the team (as they always do), these extraordinary Managers reintroduce the big picture.

Extraordinary leaders employ distinctive forms of verbal communication. It is what these leaders say and what they don't say that gives them an advantage in getting Gen Y teams to high performance levels. These leaders truly

mean what they say. They don't mix their messages, fudge meanings or use ambiguous words. Their conversations are always candid, clear, and followed by committed action. Using effective communication they make blueprints come alive and create positive attitudes and energy on the part of Gen Y team members. They also encourage mutual understanding between team members and the leader. An Effective Communication to Gen Yers typically progresses in four stages.

STAGE 1: High-impact leaders spend more time needed on forming a clear vision which makes possible its completeness, undisputed acceptance of its attainability to Gen Y team.

STAGE 2: This entails a very candid and clear discussion of what Gen Y team are thinking and feeling. The high-impact leader makes sure that every team member's agenda is heard and explored while ensuring that the conversation remains relevant to the big picture. Once this is done, the high-impact leader assesses the agenda.

STAGE 3: The high-impact leader now skillfully discusses with Gen Y team members the issues enmeshed in their proposed agenda. Leader can deepen his or her understanding of the team's goals and bring to the surface any hidden agendas. The high-impact leader describes scenarios linking future outcomes with the current situation, then proceeds to refine them. He or she continues to keep the process focused on the target future state, and helps the team to see how far it has moved and what progress it has made.

STAGE 4: The leader makes sure participants know exactly what steps need to be taken next, and that they are open about what they will do to turn their commitments into reality. The closing of a powerful conversation is also the time when a leader makes sure there is absolute buy-in, or belief in what the team is setting out to do, that team members' commitments are clear and accepted, that all action steps are well-defined and understood. In this

way, the high-impact leader ensures that the powerful conversation will produce results.

These are the four most significant behaviors consistently demonstrated by high-impact leaders. But these are not the only such behaviors what leaders should do to get Gen Y team to work together to attain organizational goals.

**Characteristics of High-Performance Teams**

To better understand how these competencies create effective teams, let's examine some characteristics of highly effective teams.

An effective team understands the big picture. In an effective team, each team member understands the context of the team's work to the greatest degree possible. That includes understanding the relevance of his or her job and how it impacts the effectiveness of others and the overall team effort. Too often, people are asked to work on part of a task without being told how their role contributes to the desired end result, much less how their efforts are impacting the ability of others to do their work. Understanding the big picture promotes collaboration, increases commitment and improves quality.

An effective team has common goals. Effective teams have agreed-upon goals that are simple, measurable and clearly relevant to the team's task. Each goal includes key measurable metrics (that are available to everyone on the team), which can be used to determine the team effectiveness and improvement. Understanding and working toward these common goals as a unit is crucial to the team's effectiveness.

An effective team works collaboratively, as a unit. In an effective team you'll notice a penchant for collaboration and a keen awareness of interdependency. Collaboration and a solid sense of interdependency in a team will defuse blaming behavior and stimulate opportunities for learning and improvement. Without this sense of

interdependency in responsibility and reward, blaming behaviors can occur which will quickly erode team effectiveness.

The accompanying model shows the six characteristics in abbreviated form.

- Common Purpose
- Clear Roles
- Accepted Leadership
- Effective processes
- Solid relationships
- Excellent communication

## Common Purpose.

The single most important ingredient in team success is a clear, common, and compelling purpose. Too often, a team's purpose is ill-defined, uninspiring, or foggy, leaving the team to figure out what success is supposed to look like. Teams are merely a means to an end — a method of achieving desired outcomes that are too big to reach through individual efforts; they are not the end itself. And it is team purpose that provides the reason for collaboration. A clear, compelling purpose gives reason for people to commit to a team. A common purpose not only calls the team together, it also holds the team together during the inevitable turbulence that will be experienced on the journey.

The power of a team flows from the alignment of each member to the purpose. Creating this alignment is one of the most important roles of leadership. Misaligned teams are often a clear indicator of poorly led teams. There are five key criteria essential for team alignment:

- Clear: I see it. The benefits of team effort are understood by everyone.
- Relevant: I want it. Team purpose and goals align to individual goals and interests.
- Significant: It's worth it. Team objectives are of sufficient

magnitude to make the work worth the effort.
- Achievable: I believe it. Everyone believes the team purpose is realistic and attainable.
- Urgent: I want it … now! A sense of timeliness drives behavior.

The above is straightforward. However, aligning to a common purpose is harder than it looks. A common mistake is to launch the team too quickly and push them into implementation before members have had the opportunity to coalesce around a purpose and ensure that everyone is aligned to it. In short: No team purpose, no team.

## Clear Roles.

How we apportion the team purpose will in large measure determine the team synergy. High-performing teams leverage individuals' different roles against the collective work products. Therefore, it is essential that every team member is clear about his or her own role as well as the role of every other team member. Roles are about the design, division, and deployment of the work of the team. While the concept is compellingly logical, many teams find it challenging to implement. There is often a tendency to take role definition to extremes or not to take it far enough.

If the team purpose is the reason for cooperation, then the development and division of clear roles is a team's strategy for cooperation. When teams divide the labour, they introduce a side effect called interdependence. If the team is to reap the rewards of interdependence, its members must collaborate. Collaboration is a choice, and despite the obvious logic of collaborating, many teams experience interdependent people acting independently.

An activity that team leaders often avoid or fail at is facilitating the discussion about roles, especially the issues of role clarity.

Achieving role clarity is accomplished through discussion - lots of it.

## Accepted Leadership.

High-performance teams need competent leadership. When such leadership is lacking, groups can quickly lose their way. Whereas a common, compelling task might be the biggest contributor to team effectiveness, inadequate team leadership is often the single biggest reason for team ineffectiveness.

In most organizational settings, it is the leader who frames the team purpose and facilitates discussions on its meaning and nature. The vision, commitment, and communication of the leader govern the optics through which individual team members see the team purpose and become aligned to it.

Because collaboration is a choice held by each team member, leaders must be capable of calling out the initiative and creativity that motivate exceptional work both by individuals and through collective performance. Leaders who must rely on positional authority and autocratic style to achieve desired outcomes seldom see the levels of team performance shown to leaders who act in service and support to the team.

There are five key qualities that make up the mind-set of effective team leaders:

- They appreciate the collective intelligence of the team.
- They believe in the power of diversity among team members.
- They see team leadership as a role by which to serve the team, not a position to be served.
- They see power as something to be released and shared rather than something to hold and control.
- They understand that teams are for achieving a team purpose.

Because collaboration is a choice, it is important that the team accepts its leader. Leadership acceptance, like so many dimensions of teaming, is not an on-off concept but rather a matter of degree. Team members can strongly support and accept the leader, accept the

leader with reservations, or reject the leader.

In every respect, team leadership may be the most challenging of all leadership roles.

### Effective Processes.

Teams and processes go together. It would never occur to a surgical team, construction crew, string quartet, or film crew to approach tasks without clearly defined processes. The playbook of a football team or the score sheet of a string quartet clearly outlines the necessary processes. Business teams have processes as well, which might include solving problems, making decisions, managing a meeting, or designing a product.

Hopefully, for every process, each team member has a clear, specific role based on function, skills, and expertise. In many business settings, however, processes are inadequate, ill-defined, or missing entirely. High-performance teams identify, map, and then master their key team and business processes. They constantly evaluate the effectiveness of key processes, asking, How are we doing? What are we learning? How can we do it better?

Organizations that leverage cross-functional project teams have learned that new team skills and well defined processes go hand in hand. Simply, there are two primary kinds of processes — working and thinking. Teaming efforts tend to focus primarily on implementation or work processes at the expense of thinking processes. Thinking processes are essential to high-performance teams. Yet teams often ignore thinking processes for expediency. Organizations that have built successful teams and a collaborative culture have made an investment to train teams in thinking processes that facilitate problem solving. In effect, these organizations have recognized the importance of addressing thinking processes with the same degree of deliberateness invested in working processes.

### Solid Relationships.

One of the biggest misperceptions in the world of teams and teamwork is the belief that to work and communicate effectively, team members must be friends. In fact, the diversity of skills, experience, and knowledge needed to divide tasks effectively almost precludes high levels of friendship, which is most often based on commonality — of the way people think, their interests, or beliefs.

Speaking of diversity, we find that the more differences that exist on a team, the smarter it can be. A team whose members look at the world through the different lenses of function, gender, ethnicity, personality, experience, and perspective has a decided advantage over a more homogenous group. The diverse group will be able to surround problems, decisions, and other issues with a brighter collective intelligence. They will see more creative solutions if they can channel their differences into synergy rather than strife.

Solid team relationships provide the climate needed for high levels of collaboration and are characterized by trust, acceptance, respect, understanding, and courtesy. Trust is clearly the non-negotiable element of interdependent relationships. Team leaders cannot mandate trust, they can only attempt to create an environment and opportunities that will facilitate its development among team members. People will not be interdependent with people they do not trust; therefore, without trust, high levels of collaboration cannot be achieved.

### Excellent Communication.

Communication is the very means of cooperation. One of the primary motives of companies choosing to implement teams is that team-based organizations are more responsive and move faster. A team cannot move faster than it communicates. Fast, clear, timely, accurate communication is a hallmark of high levels of team performance. High-performance teams have mastered the

art of straight talk; there is little motion wasted through misunderstanding or confusion. The team understands that effective communication is essential, and as a result, they approach communication with a determined intentionality. They talk about it a lot and put effort into keeping excellent team communication.

You will notice that the team model now circles back to common purpose, the first characteristic of a high-performance team. The connection is intentional, for a team cannot maintain unity of purpose without exceptionally good communication among team members. Once a team loses its ability to communicate well and thereby understand one another, it quickly loses its sense of purpose. Confused communication and unity of purpose cannot coexist.

When it comes to building high-performance teams, these six characteristics are the essential few. If a team gets these things right, it will raise the probability of success and therefore achieve its desired outcomes.

### The Roles of the Effective Team Leader

In order to encourage this level of collaboration and interdependency, the team leader must provide the necessary support and structure for the team, starting with putting together the right people. Team members should be selected and their tasks assigned with their natural skills in mind. Not every person is capable of doing every job.

The team must also have the resources and training required to develop the skills needed to do their jobs. This includes cross-training. Cross-training gives team members a greater awareness of how their jobs are interdependent, increasing the team's flexibility and improving response time.

The quality of the team's response is highly dependent on the timeliness of the feedback received from the team's leader, other team members and customers. Receiving timely feedback is

crucial to the effectiveness of the team. The effective team leader ensures that feedback reaches the entire team on its goals and metrics, as well as feedback to each individual team member. This feedback must be received in time to make adjustments and corrections.

Feedback is a form of constructive communication, another necessary tool in the effective team leader's tool chest. Timely and appropriately delivered feedback can make the difference between a team that hides mistakes and a team that sees mistakes as opportunities.

When a team views mistakes as opportunities for improving the team's process and results, it's a sign that the team leader has successfully created an environment that promotes problem-solving.

Creating an environment that promotes problem-solving is part of creating an effective team structure. Poor team structure can actually create negative, ineffective behaviors in individuals and impede communication. The responsibility for poor performance is usually a function of the team structure rather than individual incompetence; yet, it is individuals who are sent to human resources or training programs for fixing. If team members feel like they are pitted against one another to compete for rewards and recognition, they will withhold information that might be useful to the greater team. When a team has problems, the effective team leader will focus on the team's structure before focusing on individuals.

**Creating and sustaining a culture of high performance.**

**1. People need to feel safe in the workplace.**

Gen Yers need to know that they're physically safe. But they also need to know that they are emotionally and psychologically safe

A winning culture must include an environment where team knows that they will not be attacked emotionally,

and they need to know that they can openly and safely share ideas.

**2. People need to feel that they belong to something that matters.**

As humans, all naturally seek out something bigger than ourselves to belong to. Leaders can help fulfill this deep, human need by creating a workplace where Gen Yers are inspired by the work they do, and can see how their work is tied to the big picture.

Knowing how important this sense of belongingness is, when taking on new team members, leaders should also pay close attention to whether or not a person would be a good fit for organizational culture. If a person doesn't feel that they fit in, they could quickly become disengaged.

**3. People need to be appreciated frequently and authentically**.

People need to be appreciated for the tasks they accomplish, for their ability to display emotional mastery, and for their ideas.

Leaders of the most successful teams create a culture of catching people doing well in all three of these areas and they make it a point to offer some type of specific, genuine praise.

**4. Appreciation needs to be combined with accountability.**

Talented people don't want to be on a mediocre team. Appreciation is vital for creating a culture of excellence, but so is accountability.

Every member on a team needs to have clear expectations set forth and know who is accountable for what. Winning teams create a sense of mutual accountability, and have systems in place to regularly measure progress towards goals and determine what the team can do to ensure goals are met.

**5. Goals need to binary.**

Ambiguity will result in mediocrity. High performing teams set very

specific, binary goals. A binary goal is either achieved, or it isn't. There is no ambiguity or subjectivity. In addition to making expectations more clear, binary goals also reduce personal conflicts.

**6. Create more "A" players.**

All Gen Y employees need to be coached and mentored. But is there one group of employees that should receive a little more attention?

**High-performance Teams: Understanding Gen Y Team Cohesiveness**

Teams are the basic structure of how projects, activities and tasks are being organized and managed within companies worldwide. Global organizations striving for competitive advantage are increasingly incorporating the use of high-performance teams to deploy complex business strategies.

Work done in teams provides many advantages and benefits. The major advantages are the diversity of knowledge, ideas and tools contributed by team members, and the camaraderie among members. A characteristic commonly seen in high-performance teams is cohesiveness, a measure of the attraction of the group to its members (and the resistance to leaving it). Those in highly cohesive teams will be more cooperative and effective in achieving the goals they set for themselves. Lack of cohesion within a team working environment is certain to affect team performance due to unnecessary stress and tension among coworkers. Therefore, cohesion in the work place could, in the long run, signify the rise or demise of the success of a company.

Stages of Team Development

Gen Y Team development takes time and frequently follows recognizable stages as the team journeys from being a group of strangers to becoming a united team with a common goal. According to researcher Bruce Tuckman, in both group dynamics and the four stages of team development he popularized (forming, storming, norming,

performing), leaders must retain the motivation of team members in order to successfully overcome the challenges of the storming and norming stages (Figure 1).

Figure 1: Stages of Team Development
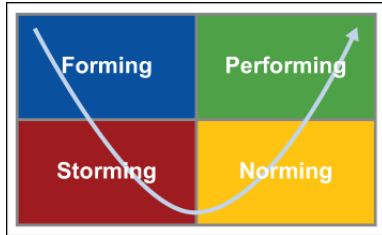


The forming stage represents the beginning, the honeymoon period; great expectations are shared from all team members. Relationships are developed, purpose is clear and ground rules are established. The storming stage is triggered once team members start jostling for position, stumbling from confusion, having arguments about leadership, strategy and goals. This is when team leadership becomes imperative. The leader must succeed at keeping the team motivated, addressing all concerns and clarifying purpose and goals. Once the storming stage is overcome the team is ready to establish open communications, stable positions and norms – the norming phase. Trust is finally gained, and "when the trust account is high, communication is easy, instant, and effective. These are the first steps towards cohesiveness. Once cohesiveness is achieved, teams will move from norming to performing and subsequently to highly performing.

**Best practices for effective Gen Y teams**

1. Define and Create Interdependencies. There is a need to define and structure Gen Y team members' roles.
2. Establish Goals. Gen Y teams need to be focused on shared goals and outcomes. Commitment to that goal is essential for success. Ideally, team goals should allow both the team as a unit and the individual members to achieve both personal and group goals.

3. Determine How Teams Will Make Decisions. Whether the leader makes the decision, or it is a democratic or consensus process, the Gen Y team needs to understand beforehand how decisions will be made. This reduces conflict within the team when a decision or choice has to be made.
4. Provide Clear and Constant Feedback. Gen Y teams need to know how they are doing in order to stay motivated and to correct performance problems or inefficiencies. Ideally, a system should be in place so that team members receive ongoing feedback while doing their jobs.
5. Keep Team Membership Stable. Particularly in complex tasks, it takes a lot of time for Gen Y team members to learn to work together at an optimum level.
6. Allow Team Members to Challenge the Status Quo. If innovation is important, it is critical that Gen Y team members feel secure in being able to challenge processes if they feel that there is a way to improve. In order to innovate, teams need to be open to considering and constructively criticizing existing practices when needed.
7. Learn How to Identify and Attract Talent. Just as processes sometimes need improvement, teams can get better by attracting new talent. Organizations that put a lot of resources into identifying and recruiting talent simply do better.
8. Use Team-Based Reward Systems. Too much emphasis on individual rewards can lead to in-fighting and resentment. For Gen Y teams a combination of individual and team-based rewards is often best.
9. Create a Learning Environment. Emphasize the development of the Gen Y team, learning through successes, but particularly through mistakes. A team with a culture of continuous improvement and where members are motivated to develop their skills and knowledge are high-performing teams.

10. Focus on the Collective Mission. Mission-driven teams and organizations perform better because they see beyond their individual workload and tasks and feel as if they are working for a higher purpose. It is imperative that Gen Y team members be committed to the shared mission, or they should be replaced.

These rules apply whether Gen Y teams have a formal, appointed leader, or whether they are self-governing. The key is to put in the time and energy needed to adhere to these best practices.

**Conclusion**

Gen Y willingness to participate collaboratively as a team member does not guarantee the desired outcome. Gen Yers thrown into a collaborative situation, especially those without experience operating in this mode, need assistance to guarantee success. Leaders who are skeptical of team participation to begin with often throw Gen Yers into an unplanned, unstructured decision-making process, responding with "I told you so" as they watch their team flounder. By contrast, leaders who focus on promoting good understanding, ensuring adequate knowledge and facilitating effective interaction, will watch the transformation of their job from one that required constant supervision, fire-fighting, and oversight, to one that allows the leader to focus on serving the needs of the team and each individual team member.

For high performance of Gen Y team leader has to able to show clear goals of where the team should be headed, and inspiring its members to make it a reality which is fundamental to team success. Leaders need to describe vision in simple language and give time to get Gen Yers to subscribe, or buy in, to the goals and make effective action plan which are likely to yield results.

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# TEACHER'S BEHAVIOUR TOWARDS MUTUAL FUND INVESTMENT – AN EMPIRICAL STUDY

Dr. Rekha Dhingra

## Abstract

*Mutual fund emerged in Netherlands in 18th century and brings in India by Unit Trust of India in1960s. The initiation of Mutual Funds changed the way the world invested their money. Mutual Funds investment gave an opportunity to the common man to anticipate high returns from their investments when compared to other traditional sources of investment. This study is based on teachers of business school. The main focus of the study is to understand the awareness, perception, and preferences of teachers regarding mutual fund investment. By adopting judgment sampling for 100 Faculty members of different institute and cadre; data is analyzed through Mean Rank and Cross tabulation. The present results outline that teachers are not so much aware about mutual fund investment. Furthermore, the teachers prefer PF/Pension plan as compare to Mutual Fund Investment. Since the mutual fund industry provides an option of diversified investment structure with varying degree of risk, it was supposed to be the most profitable market for teachers. It was believed that it would surely tap the savings of common teacher. However in practice it failed to become a primary choice for investment to Indian teacher.*

**Keywords:** Mutual Funds, Teachers, Preference, Behaviour

## Introduction

In this research study teacher's attitude towards mutual funds will be examined by different types of mutual fund. Mutual funds raise money by selling shares of the fund to the public, much like any other type of company can sell stock in itself to the public. Mutual funds offer choice, liquidity, and convenience, but charge fees and often require a minimum investment. For most mutual funds, shareholders are free to sell their shares at any time, although the price of a share in a mutual fund will fluctuate daily, depending upon the performance of the securities held by the fund.

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to sell their shares at any time, although the price of a share in a mutual fund will fluctuate daily, depending upon the performance of the securities held by the fund.

## Literature Review

Desigan et al (2006) found that women investor's basically are indecisive in investing in MF's due to various reasons like lack of knowledge about the investment protection and their various investment procedures, market fluctuations, various risks associated with investment, assessment of investment and redressal of grievances regarding their various investment related problems.

Dhiraj Jain and Parul Jain (2012) examined that most of the school teachers are investing in mutual funds for the purpose of their children's education, marriage and as security after retirement. Jambodekar (1996) conducted a study to assess the awareness of MF's among investors; he identified that Income Schemes and Open Ended Schemes are more

preferred than Growth Schemes and Close Ended Schemes.

Sikidar and Singh (1996) carried out that the salaried and self-employed formed the major investors in MF primarily due to tax concessions. King (2002) has highlighted the emergence of products like exchange traded funds, hedge funds, managed accounts etc. which offer competition to MF's. Rajeswari and Ramamoorthy (2001) have examined a study to understand the factors influencing the fund selection behaviour of 350 MF investors in order to provide some meaningful inferences for Asset Management Companies (AMC) to innovatively design the products. Sankaran (2004) examine the future direction for investors will be to invest in pension funds, as government is envisaging a policy to cover all kinds of investors. He further opined that MF industry will continue to grow in spite of competition and will be propelled in the right direction because of the investor friendly financial markets. Singh (2004) has studied that middle class salaried investors and professionals perfected to have

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disclosure of net asset value on a day today basis and wanted to invest in MF's in order to get higher tax rebates. Further, it is observed that small investors perceived MF's to be better investment alternative and public sector investments to be less risky. Sondhi and Jain (2005) have examined the performance of equity MF's classified on the basis of public sector and private sector.

**Objectives and Research**

**Methodology**

The study is aimed to achieve the following objectives:

a) To assess and examine the awareness level of teachers regarding mutual fund schemes.
b) To examine the investment preference of teaching community.
c) To examine the objective of investment in mutual fund schemes.

To examine the awareness level of teachers regarding mutual funds and behavior of teachers in mutual fund investment, primary data has been collected using questionnaire. The data has been collected through the faculty members of different business schools across NCR. The sample size of the study under consideration has been taken of 120 respondents. These respondents are the faculty members of Business School across west delhi business school. The sample has been taken on the basis of judgmental sampling. The analysis of primary data would be done using cross tab and mean rank.

**Reliability Test**

The reliability has been assessed by Cronbach's Alpha (α). Cronbach's Alpha came out to be 0.82 which shows a good reliability scale to measure the attitude of teachers towards investing in mutual fund.

**Table 1 - Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .821 | 33 |

**Results and Findings**

The analysis based on primary data has been carried out in terms of demographic characteristics of respondents, their source of information about the investment market, category of mutual funds preferred, Horizons for mutual fund investment, Risks perception about the mutual funds, Past performance about mutual fund investment, Factors affecting mutual fund investment and objectives of investment in mutual funds.

**Table 2 – Respondents Demographic**

| Dimensions of Respondents' Demographic | | No. of Respondents | Percentage |
|---|---|---|---|
| Age | up to 30 | 89 | 12.5 |
| | 30-45 | 16 | 13.3 |
| | above 45 | 15 | 74.2 |
| | Total | 120 | 100.0 |
| Gender | Male | 60 | 50.0 |
| | Female | 60 | 50.0 |
| | Total | 120 | 100.0 |
| Designation | Assistant professor | 78 | 65 |
| | Associate professor | 27 | 22.5 |
| | Professor | 15 | 12.5 |
| | Total | 120 | 100.0 |
| Monthly Income | Up to 50000 | 92 | 76.7 |
| | 50000 – 100000 | 24 | 20.0 |
| | above 100000 | 4 | 3.3 |
| | Total | 120 | 100.0 |

Table 2 examined that on the basis of age; the study found out that the percentage of respondents in the age group of less than 30 years is highest, ie.89% as compared to the age groups of 30-45 years and above 45 years. The score of 30-45 years is 16% and above 45 years is only 15% which shows teachers of less than 30 years invest more in Mutual fund investment as compared to elderly teachers. On the basis of gender the results revealed that percentage of male and female is same i.e., 50%. When we compare the results of designation the results found that the score of assistant professor is more than as compare to associate professors and professors. 65% of the respondents are assistant professor, followed by 22.5% associate professors and the rest 12.5% are professors. On the basis of income the results revealed that around 76.7%

of respondents are coming in the category of monthly income less than 50,000 followed by 20% of respondents who are coming in the category of monthly income between 50,000-1, 00,000 and only 3.3% respondents are in the category income above 1,00,000.

**Table 3 - Source of Information about the Investment Market**

| Items | Frequency |
|---|---|
| Television | 8(6.7) |
| Internet | 40(33.3) |
| Newspaper/Journal | 32(26.7) |
| Friends/Relatives | 32(26.7) |
| Sales/Representatives | 8(6.7) |
| Total | 120(100.0) |

The table 3 shows that internet has emerged most preferred sources of information followed by newspaper/journals and friends/relatives however the least preferred sources of information about mutual fund scheme are found television and sale/representatives, which may be due to poor awareness level or any other reason which should be further investigate.

**Table 4 - Category of Mutual Funds Preferred**

| Items | Frequency |
|---|---|
| open ended scheme | 68(56.7) |
| close ended scheme | 52(43.3) |
| Total | 120(100.0) |

From table 4 it can be revealed that open ended schemes are more preferred as compare to close ended schemes. The teachers are found more interested towards close ended schemes. This also reflects that awareness level regarding mutual fund scheme in teaching community is less.

**Table 5 - Horizons for Mutual Fund Investment**

| Items | Frequency |
|---|---|
| 1 to 3 yrs | 64(53.3) |
| 4 to 6 yrs | 40(33.3) |
| 7 to 10 yrs | 16(13.3) |
| Total | 120(100) |

Table 5 shows that 64% teachers are interested in the 1-3 years horizons as compared to others which show that teachers are found more interested in short term investment as compare to long term investment.

**Table 6 Risks Perception about the Mutual Funds**

| Items | Frequency |
|-------|-----------|
| Low | 16(13.3) |
| Moderate | 92(76.7) |
| High | 12(10.0) |
| Total | 120(100.0) |

The table 6 reflects that only 10% respondents are going for high risk associated with mutual funds followed by 76.7% respondent are associated with moderate. Therefore it can be said that very few of the respondents of

**Table 9 Preference of Investment Avenue**

teaching community take high risk for mutual fund investment. Teachers don't want to take risk and want to win through the benefits as compared to losses.

**Table 7 - Past Performance about Mutual Fund Investment**

| Items | Frequency |
|-------|-----------|
| Poor | 4(3.3) |
| Average | 76(63.3) |
| Good | 40(33.3) |
| Total | 120(100) |

The table 7 reflects that only 3.3% respondents are rating mutual fund investment in poor performance category as compare to 97% respondents. So in nutshell it can be said that the past performance of mutual funds is good. However performance of the mutual funds also depends on

selection of mutual funds and schemes of mutual funds.

**Table 8 Factors Affecting Mutual Fund Investment**

| Items | Frequency |
|-------|-----------|
| Bitter past experience | 24(20) |
| lack of knowledge | 44(36.7) |
| lack of confidence in services being provided | 16(13.3) |
| Difficulty in selection of schemes | 32(26.7) |
| Inefficient investment advisors | 4(3.3) |
| Total | 120(100) |

Table 8 reflects that the most involving factor makes respondent reluctant to invest in mutual fund is lack of knowledge which makes people conscious to invest in mutual fund and respondents also have difficulty in selecting the mutual fund schemes which are available in the market

| Investment Alternatives | 1 | 2 | 3 | 4 | 5 | Rank (Mean Rank) | Significance Level |
|------------------------|---|---|---|---|---|------------------|--------------------|
| Real Estate | 4 (3.3) | 6 (5.0) | 18(15.0) | 35(29.2) | 57(47.5) | 6(3.67) | |
| P.O Scheme | 8 (6.7) | 8(6.7) | 20(16.7) | 36 (30) | 48(40) | 3(4.14) | |
| Bank Deposits | 12(10) | 16(13.3) | 16(13.3) | 32(26.7) | 44(36.7) | 4(3.92) | |
| Mf Scheme | 8(6.7) | 16(13.3) | 24(20.0) | 32(26.7) | 40(33.3) | 5(3.80) | .000 |
| Shares | 4(3.3) | 12(10) | 12(10) | 32(26.7) | 60(50) | 7(3.12) | |
| Pension/PF | 4(3.3) | 8(6.7) | 36(30) | 36(30) | 36(30) | 1(4.73) | |
| Gold | 8(6.7) | 16(13.3) | 24(20) | 28(23.3) | 44(36.7) | 2(4.62) | |

Table 9 reveals that Real Estate and Share are least preferred investment avenues as compared to other. Further it can also be analyzed that Pension/PF, Gold and P.O. Scheme have been emerged as the most preferred investment avenue. The reason may be current market situation respectively and surety of safe returns. The mutual fund investments have been given fourth preference which may be due to low awareness level or etc. Overall it can be revealed that the results are found significant at 5% level of significant.

**Table 10 - Objectives of Investment in Mutual Funds**

| Reasons | 1 | 2 | 3 | 4 | 5 | Rank (Mean Rank) | Significance Level |
|---------|---|---|---|---|---|------------------|--------------------|
| Tax benefit | 40(33.3) | 16(13.3) | 36(30) | 20(16.7) | 8(6.7) | 3(3.05) | |
| Safety | 40(33.3) | 36(30) | 32(26.7) | 8(6.7) | 4(3.3) | 4(2.43) | |
| Good Return | 48(40) | 36(30) | 20(16.7) | 12(10) | 4(3.3) | 4(2.43) | .001 |
| Liquidity | 20(16.7) | 24(20) | 56(46.7) | 8(6.7) | 12(10) | 2(3.23) | |
| Diversification | 4(3.3) | 36(30) | 40(33.3) | 24(20) | 16(13.3) | 1(3.85) | |

Table 10 presents the objectives of mutual fund investment; tax benefit, safety, good return, liquidity and diversification. It has been observed that diversification, liquidity and tax benefit objectives are coming as an first, second and third preference respectively by the respondents whereas, safety and good return are least preferred. The results are also found significant at 5% level of significant.

**Table 11- Preferences towards Mutual Fund Schemes**

| Preferable Scheme | 1 | 2 | 3 | 4 | 5 | Rank (Mean Rank) | Significance Level |
|---|---|---|---|---|---|---|---|
| Growth scheme | 48(40) | 48(40) | 24(20) | 16(13.3) | 4(3.3) | 7(3.57) | |
| Balance scheme | 20(16.7) | 45(37.5) | 34(28.3) | 13(10.8) | 8(6.7) | 4(3.93) | |
| Income scheme | 14(11.7) | 52(43.3) | 32(26.7) | 13(10.8) | 9(7.5) | 5(3.92) | |
| Money market scheme | 12(10) | 50(41.7) | 39(32.5) | 10(8.3) | 9(7.5) | 2(4.21) | .034 |
| Tax\saving scheme | 24(20.0) | 36(30.0) | 32(26.7) | 20(16.7) | 8(6.7) | 3(4.07) | |
| Index scheme | 12(10.0) | 36(30.0) | 48(40) | 20(16.7) | 4(3.3) | 1(4.40) | |
| Fixed maturity scheme | 20(16.7) | 20(16.7) | 48(40) | 12(10.0) | 8(6.7) | 6(3.90) | |

Table 11 shows the preference of different kind of mutual fund schemes. It has been found that index scheme, money market scheme, tax saving scheme are most preferred as compared to fixed maturity and growth scheme. The balance scheme is moderately preferred.

## Conclusion

The lack of awareness of the offerings within mutual funds seems to be primary reason of mutual funds not finding a significant position in the investments of college teachers. The risk of investment in mutual fund is often considered too high as the performance of stock markets and therefore of equity based mutual funds have been volatile. The suggested measures to improve the situation can be to create awareness among the teacher community by conducting workshops and seminars to educate them on the importance of mutual funds in beating inflation and mutual fund companies should tie up with banks to adopt the suitable marketing strategy to start up a systematic investment plan with minimal time and effort being spent for it.

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# BEST PRACTICES IN TALENT MANAGEMENT AND THEIR IMPACT ON EMPLOYEE ENGAGEMENT AND EMPLOYEE RETENTION

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## Abstract

*One of the primary management tools in the 21st century human assets management is Talent Management. This paper includes the studies related to strategies and practices of talent management and their impact on employee engagement and as well as effectiveness of its execution. The paper also aims at the integrating research on talent management with employee attitudinal outcomes and organizational effectiveness. It will play a distinctive role in conceptualizing talent management activities and their impacts on employee work engagement, turnover avoidance, and value addition. The research is based on a thorough literature review focusing on concept of talent management, employee work engagement, turnover avoidance, and value addition. The literature review was conducted cautiously by studying research articles published in renowned journals. Talent management and related variables were thoroughly discussed in the research. After reading many research articles and book chapters, we accomplished the process of canvassing and synthesizing the core practices that colligates into talent management. This process led to restructuring the conceptual ideas discussed in the research. The paper also conceptualizes talent management and its effectiveness for organizations in the present competitive business environments. The study reveals that talent management has positive and significant influence on employee attitudinal outcomes and organizational effectiveness e.g. employee work engagement, turnover avoidance, and value addition. The researchers conclude that organizations, which are enthusiastic for gaining competitive advantage over their business rivals, need to manage their talent in vigilant and effective ways. This paper substantiates that the previous research on talent management helps in understanding the concept and its enhancement.*

**Keywords:** Talent Management, Employee Retention, Employee Satisfaction, Work Engagement, Turnover Avoidance, and Value Addition

## Introduction

To succeed in the most competitive and most complex global economy organizations knows the best talent. The requirement to hire, develop, and retain talented people, organizations are aware that they must manage talent as a critical resource to achieve the best possible solutions.

Trends for talent management, talent wars, talent raids and talent shortage, talent retention and stress on talent strategy are given in the literature, through various countries like USA, UK, Australia, Japan, India (Yeung, 2006; Ruppe, 2006, Dunn, 2006, Chugh and Bhatnagar, 2006, Lewis and Heckman, 2006, Lewis, 2005, Branham, 2005, Bennett and Bell, 2004). Talent management is gaining top priority for organizations across the world. Talent management was firstly designed to improve the process for recruiting and rising people with the main skills and aptitude to meet current organizational needs. Competition and the shortage of

highly talented and skilled employees make finding and retaining talented the employee are the major priorities for companies (Fegley, 2006). To attract and absorb the best talent anywhere in the world, an organization should have a strong and positive employer (Brewster et al., 2005). The numerous aspects of talent management are recruitment, selection, mentoring, performance management, career development, leadership development, emergency planning, career planning, rewards and recognition (Romans and Lardner, 2006, Heinen and O'Neill, 2004, Scheweyer, 2004). Brand interventions in recent research indicates talent management as a key driver for this kind of strategy, and are on the plan for HR executives in 2007 and beyond. It has become the important differentiator for human capital management and for competitive advantage. Within strategic HRM (Gratton, 2000, Becker et al. 2001), the talent management looks to be one of the key functions that HRM is playing strategically in organizations (Bhatnagar, 2004). Recent research

shows that the war for talent is intense due to labour market deficiencies (Branham, 2005, Brewster et al., 2005, Lawler, 2005, Boudreau and Ramstad, 2005 Cappelli, 2000, Nybo, 2004, Sparrow, 2004), yet very little research focus has been aimed at competitive talent management strategies. Pfeffer and Sutton (2006) reflected that the typical talent mindset, which looks at performance results as a chance for an assessment of ability, leads to low performance and unhappy staff who do not fulfill their potential and thus would reflect low talent engagement. Talent engagement (Fombrum, 2006) in fact, is an area which needs a special research focus. It raises questions such as: What is the engagement score, are engagement levels increasing over time, These questions need to be addressed through research. Organization with highly engaged employees articulate their values and attributes through signature experiences such as visible, distinctive elements of the work environment that send powerful messages about the organization

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aspirations and about the skills, stamina, and commitment employees will need in order to get succeed in these organizations (Erickson and Gratton, 2007, p. 1).

Employee engagement is an area where rigorous academic research is required (Cartwright and Holmes, 2006 Mclean, 2006, Luthans and Peterson, 2002). Employee engagement (Rothbard, 2001; Cartwright and Holmes, 2006), is a necessary outcome variable which research studies in India have not investigated. Fegley (2006) showed the trends in the Western world that the Indian HR community needs to look into. It is a key to the holding of talent (one-of-a-kind hire in 100 employees; Glen, 2006) is an area in which the lead has been taken by experts (Parsley, 2006, Baumruk et al., 2006, Woodruffe, 2005, Gallup Management Journal, 2006, Bennett and Bell, 2004, Hay Group, 2002). The relevance of the dynamic work environment post liberalization, this study becomes necessary is given in figure 1.
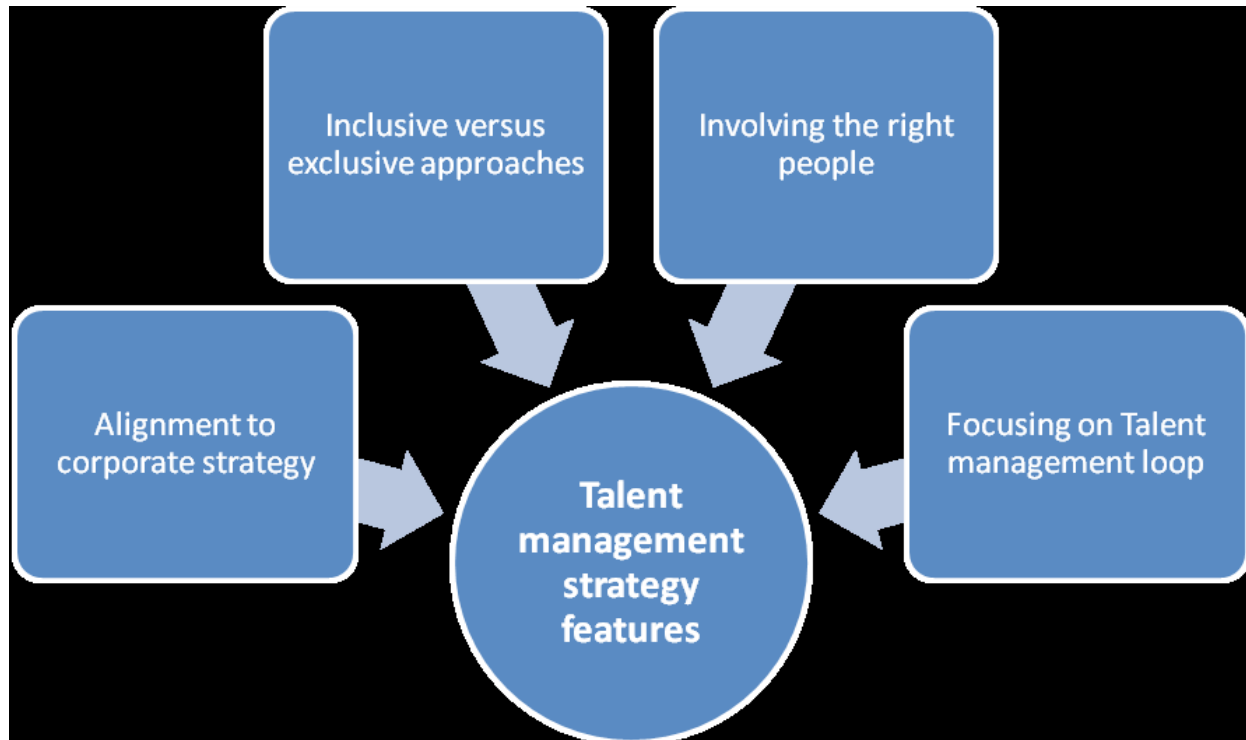


Fig.1.1 Talent Management strategy features

## Review of Literature

Organization's success depends upon the talent management in today's competitive marketplace. It is about the processes, systems and strategies and their implementation of those unified strategies which are designed to increase the productivity of the workplace by developing the improved procedures for attracting, utilization, development and retention of skilled people matching with the current and upcoming business needs. It is everywhere accepted that human resources adds value to the organizations. The best suitable way to attain competitive advantage for organization is to keep human resource as a strategic business partner in a way that it inhance the business performance. It not only considers the influencing strategy of the organization and at the same time contributes with few value additions which influences effectiveness (Lawler, 2008). It is probable by managing the talent effectively, associating it with the change management and adaptability of employees that how they respond to change.

Managers and executives consider the value of talent and its implication in organization and in this context they focus on organizational core need such as workforce development for the upcoming challenges and talent management makes it more improved while the left over individuals have liberty to choose their careers (Lawler, 2008). Talent management refers basically to the functional human resource management course of action which supports the alignment and managing of high- worth personnel or "the talented" but the rest others throws a light upon how the talent should be recognized. Organization dealing with the management of talent strategically and purposefully explained that how they attract, source, select, develop them by training and at last retain them by promotion and rotating them throughout the organization.

It is an approach and a process to view the things those entrust the talent management. Talent management not only works strategically as a part of overall business strategy but also

implements in the organizational routine processes all over the organization. It cannot be left whole on human resource department to attract and retain workforce instead of it shall be proficient at all levels of hierarchy along the organization.

Finding these star performers is not the only issue. A bigger difficulty is actually what to do with them (Cohn et al, 2008). Star performers are considered key asset of any organization and therefore, they attract special concentration. In this terminology, it is often referred to as talent positioning that shows the right talent at right time on right place with the required competencies and inspiration each levels and locations of the organization (Tarique and Schuler, 2010). According to a survey of corporations, 76% takes talent management a main concern. In addition to this 85% of human resource professionals of these organizations work and manage directly by implementing talent management strategies (Fegley, 2006).

Everyone should be aware of the organization's overall business strategic environment and plans, and also be aware of the competitive climate. The organization must maintain thoroughly to comprehend the plans for the enterprise's growth, merging, investment, new products or services and latest technologies that will immediately impact on the durable talent needs. In totaling, the company should know which specific factors that contributes in difficulties to attract and retain talent. In fact, the firm should base their interests on the realistic and actual apprehension of its employees. Uneven estimates on the employee turnover time period shows where retention problems exist but not accurately what these are. Though, it is vital to keep an assortment of retention issues in a good poise, especially the mix of rewards and non-monetary motivators.

Another important thing is to track turnover. It is mandatory to be acquainted with its costs and where they are supreme. Also, they should be conveyed to management in order to shore up the business case for talent retention. Organization promote its brand not only to the outsiders but also to the existing employees enthusiastically as to the outside market.

Underneath the talent management group, the two most vital business strategies that are used to build up and maintain talent are leadership development and succession planning. In the talent management area succession planning focuses on how the organization plan to replace key knowledge holders and how to ensure that high potential successors have been prepared to fill these key roles (Lengnick-Hall and Andrade, 2008). It involves continually recruiting, training and promoting employees is not only necessary to avoid a brain drain of business knowledge, but is also important in identifying required competencies and communication desirable skills (Jones, 2008).

Succession planning also involves preparing for the organization's senior team developing a talent pool for internal recruitment of talent management by cross skilling employees and confirming the organization is future proofed with respect to availability of skills (Hills, 2009).

Talent management rrquired to continue to train and develop high performers for potentially new roles, identify their knowledge gaps, and implement initiatives to enhance their competencies and ensure their retention (Cairns, 2009). Hills (2009) proposes five strategies for effective succession planning: Aligning succession planning with business strategy, evaluating leadership potential based on the 3Cs – competence, connection and culture, Involving talent in the succession planning process, Using a mix of experience, outside or executive coaching and formal learning experiences in talent development and, Drawing from a wider net of potential successors.

Many reward and recognition models are adopted by company including traditional compensation packages, executive compensation, flexible compensation, perks, and formal and informal recognition (Inskeep and Hall, 2008). For few employees, recognition of their knowledge actions that may take the form of providing career development programs that matches the individual's career aspirations (Lazarova and Tarique, 2005).

**Theoretical Framework and Hypothesis Development**



Fig 1.2 Theoretical Framework and Hypothesis Development

Relationship of Talent Management with Employee Work Engagement

It is quite understandable that employees remain engaged with their work in encouraging work settings because they are paid for it, but literature also hints that work engagement comes from jobs satisfaction which in most cases is derived from talent management practices. Effective talent management processes and systems explains the commitment of talent management to human resources causing lower rate of employee turnover with higher volume of employee commitment and engagement. Therefore, employee engagement has significant effect on productivity or output of employees and in retention of talent. In spite of many citations of an organizational lack of proficiency in talent management (Cappelli, 2008), a 2008 CIPD report, found that organizations are now placing greater scrutiny on their talent management processes (CIPD, 2010). A 2008 Hewitt survey showed that almost half of the companies studied planned to increase or sustain employee learning, their engagement and their development budgets during the economic slowdown (Beechler and Woodward, 2009).

H1: Talent Management is positively associated with the Employee Work Engagement.

**Relationship of Talent Management with Employee Turnover Avoidance**

In spite of the extensive studies on employee turnover, there are various resources which effectively bridges over the scholar confirmations that concerns with the employee retention and practices and efforts. There is a wide range of reasons of employee turnover which includes better income, leaving an obnoxious supervisor, getting fired etc. All the factors may take place when talent in not managed properly (Griffeth and Hom, 2001). Though there may be shared characteristics and results linked with every incidence of turnover there are different types of turnover, each with its own implications.

The turnover reduction of talented employees or individuals though particularly important for organizational success however improving retention beyond a certain point may present shrinking marginal returns (Boudreau & Ramstad, 2007). The highlights of the research says that dissatisfaction in job may not be the main reason of individual's turnover decision (Lee et al., 1999). Research could uncover that the turnover decisions of a particular subgroup of employees are more strongly influenced by certain issues or interventions.

H2: Talent Management is positively associated with the Employee Turnover Avoidance

**Relationship of Talent Management with Employee Value Addition**

Talent management is concerned mainly with identifying the core designation arrangements which have the prospective to differentially effects on the organizational competitive advantage and consecutively, fill these with A performer (Huselid et al. 2005). Employees skills and capabilities that add varying degrees of value to the organization, hence the "everybody counts mantra" (Lepak and Snell, 2002) is a simplified view of organizational talent. At last, this is where talent management differs from other human resource approaches.

Talent management practices for identifying key knowledge workers comprises initially how individuals can help the organization to achieve its vision, mission and strategic goals, and highlighting what skills and talents are required (Jones, 2008). The organization's strategic direction determines which jobs and which employees are very necessary in achieving success. To ensure that the most appropriate talent is effectively employed the human resource throughout the organization, some researchers (Collings and Mellahi, 2009) focuses on those pivotal talent positions that may impact on organizational competitive advantage.

This is related to the Exclusive Positions perspective of talent management which seeks to fill A positions with A player, fill support positions with B players, and outsource C players (Iles et al, 2010).

H3: Talent Management is positively associated with the Employee Value Addition.

**Drivers for the current emphasis on Talent Management**

Most of the organizations have the link between great employees and superior organizational performance for years. So the current emphasis is on managing the talent. There are several drivers working on this emphasis:

1. There should be a demonstrated relationship between better talent and better organizational performance.
2. Talent is a quickly increasing source of value creation.
3. The context in which organization do business is more complex and dynamic.
4. Boards and financial markets are expecting more.
5. Employee expectations are also keeps on changing.
6. Workforce demographics are evolving. Organizations faces a new "war for talent" these days.

Organizations around the world achieve superior business results through hiring, developing, and retaining exceptional talent. From both this experience and extensive research, we identified a number of best practices we believe must assist as the foundation for a talent management system.

*Best Practice 1: Talent strategy must be tightly aligned with business strategy*

Effective talent management needs that business goals and strategies drive the quality and quantity of the talent that one needs. Procter & Gamble, for example, view business decisions and talent decisions as one. Research put forth by the Aberdeen Group showed that best-in-class organizations are 34

per cent more likely to connect succession management strategies with organizational strategies.

### Best Practice 2: Talent management specialists need to move.

When groups of HR professionals gather for the events, they have own talent management. They always point towards senior management. Many have a seat at the table, where they are involved in discussions about business and leadership strategies that were previously held behind closed boardroom doors. Talent managers required to own parts of the process and serve as partners, guides, and trusted advisors when it comes time to talk talent.

### Best Practice 3: You must know what you're looking for.

Various studies show that companies that have better financial performance are more likely to use competencies as the basis for succession management, external hiring, and inside promotions.

### Best Practice 4: The talent channel is only as strong as its weakest link.

Value creation not come from senior leadership alone. The capability of an organization to compete is depending upon the performance of all its key talent and its ability to develop and promote that talent.

### Best Practice 5: Talent Management is not a democracy.

Many companies do opposite and make mistakes by trying to spread limited resources for development equally across employees. Organizations realize the best returns when promising individuals receive a differential focus when it comes to development dollars.

### Best Practice 6: Potential, performance and readiness are not the one thing.

Most of the organizations understand the idea of a high-potential pool or a group of people who receive more developmental attention. Sometimes, they fail to consider the differences between potential, performance, and readiness. A brilliant analogy to consider when examining the differences between potential and readiness is the early career of an athlete. They're ready to compete, and equipped to win. But they achieved success through ages of practice with attention from trainers and countless hours of preparation and practice.

### Best Practice 7: Talent management is all about the right people in the right place.

Douglas Grey gave a statement If you have one dollar to spend on either improving the way you develop people or improving your selection and hiring process, prefer the latter. Training helps people to improve their judgment, learning agility, adaptability, all core requirements for most of the talent hired today is difficult, but not impossible. Hiring for the right skills is more efficient than developing the skills.

### Best Practice 8: Talent management is more about the How's than the What's.

Organizations have several what's relative to talent management, including executive resource boards, software platforms, development plans, and training, training and more training, ninebox grid comparing potential to performance.

### Best Practice 9: Software does not equal talent management.

It is a bit like a food processor will produce a five-star meal while claiming a piece of software that provide a full talent management system. These tools are important in support of a good plan. The correct tools clear the path for smoother execution and may improve the end product. But tools mean nothing without the right expertise and the right talent behind them

### Conclusion

Talent management never been more of an immediate concern than it is right now. In the rush to fill a perceived talent management gap, organizations should be careful not to panic into implementing initiatives or programs that are more about taking action than about implementing a well-crafted solution.

Extensive reviews of the literature conducted through human resource reveals that talent management helps organization to identify succession and talent gaps, planning goals, developing strategies for critical performance evaluation, average previous experience, skills, average tenure, retirements and turnovers. It is the distinguished that the key driver of organizational performance. It allows the organizations to integrate their human capital processes to talk their urgent talent challenges faced by management. Talent management gaps in a business organization open doors for fresh recruitment, talent management for appealing future employees. Preceding talent in organizational accumulation inspires the already availability of the required skills to attain the organization's short-term and long-term business goals. It is implemented on purpose as it is an orderly effort to support individual advancement and ensures flow in main positions, including management, technical, and professional specialist roles across the professional sectors of human resource. Talent Management is an important strategy that focuses on many of the organizational issues such as increasing retirement rates, advanced turnover, tight labor market, limited competitiveness, and fast-paced shifts in working styles and culture. Each organization today is interestingly concerned with selecting and retaining competent, committed people who are exclusively known as knowledge workers. Knowledge worker refers to a person who knows about the wholesome of his/her job than anyone else in the organization.

Findings discloses that talent management initiatives seek to develop the talented employees' capacity so that they might remain engaged with their works to produce maximum returns. All

the level of management should be updated with the strength of talent management strategies that specifically conduct the strategies. This supports an organization to identify and focus on new competitive circumstances (de Pablos and Lytras, 2008). The encouragement is further supported if the pay is also accompanied by social recognition or adds value to the processes of self-development such as feedback, coaching, job rotation, and provision of employee training and developing a incorporated standard (Osterloh and Frey, 2000). So, employees demand for motivation on continuous basis.

Employee turnover is a complex phenomenon that comes in many shapes and sizes. It is not constantly destructive. In several cases may even be beneficial for organizations. Creating and utilizing effective guidelines and strategies for refraining turnovers have many requirements. As, human resource managers have a linked comprehension and structure for understanding what turnover is and how it affects the organization it is important to create an omniscient understanding that describes the types of turnovers, understands the costs and benefits associated with them, and identifies the importance of turnovers to an organization. As a result, most managers hold important misconceptions about turnover. The misunderstandings among workers can be harmful to organizations and to managerial authorities since they may lead managers to enact unprofitable strategies that fail in decreasing turnover, that are not cost friendly or even those that encourage the wrong employees while removing the most productive ones. HR managers required to implement more strategic roles to set up new organizational systems (Ringo et al., 2010).

At last, all the firms should have realized the importance of managing their core talent, and have initiated new human resource practices which motivate the talent management as the main priority which respond to the change or crisis that arises due to enhancements in knowledge based economic society. The main focus of talent management is on the attraction, deployment, retention, development and utilization of talent and implementation of support structure like information technology systems and performance management in the organization. Researchers highlighted the consequences of talent management and suggested many strategies to ensure the retention of key talent, employee engagement and value addition.

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# ANALYZING THE SHIFT IN CONSUMER DECISION WITH RESPECT BUYING BEHAVIOR THROUGH BIG DATA ANALYSIS

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## Abstract

In today's commercial world, organizations are facing severe competitions from various aspects such as technological, global forces of recession and the like. In such a scenario, the fusion of information technology with the data generated by business processes of the organization provide vital insights into the means and mechanism for analyzing the consumer behavior with respect to buying decisions. This paper is an attempt to discuss the issues of Big Data which can be utilized to achieve the objective of analyzing the consumer decision of buying the product or not. The design of the paper follows a structured approach. It starts with the basics of Big Data gradually covering the Big Data analytics portion and finally moving to the practical aspects of the analysis. In order to bring out the conceptual clarity, the paper presents a practical implementation and usage.

**Keywords**: Analytics, Big Data, Competition, Objective

## Introduction

The business world of today is hyper competitive and complex. Hyper competitive in the sense that the business units are always trying to live up to the phrase what my competitor can do? I can do the same thing 10 times better. In other words the bottom line is "the competition in business is here to stay" and "with a pace that is mind boggling". In other words, business units must equip themselves to brace this competition. For, the competition is not confined to any single source. It can creep in from the happenings across the world such as global warming and green peace tribunals or it can barge in from the financial crisis faced by nations in Europe such as debt crisis faced by Greece or it quietly make its impact in the form of technological advancements of Information Technology. In other words, competition has multiple avenues from the most unexpected quarters and the only viable solution for the business units is to ensure that they adopt pro-active measures to stand upto the challenge impose on them.

One of the ways in which the business units can withstand the challenge is to apply the power of information technology and utilize the past and the present results which will prompt them to come up pro-active measures that will provide some sort of leadership position. For, it has been observed that when Information technology has been applied on the past results or outcome i.e. the data, it has produced stupendous insights on which the organizations did adopt pro-active measures and have been able to attain leadership position in the market. For, example weather forecasting utilizes the power of information technology and the past data to make weather predictions.

Thus, we have the concept of Big Data wherein in large data sets are subjected to the power of Information technology to generate insight from that data so that pro-active measures can be formulated for onward processing so that facing the competition becomes relatively easy.

Worth mentioning is the fact that Big Data Analytics is widely being used across several organizations and commercial units. For, corporate stalwarts are required to take crucial decisions and these decisions must be based on data the concept and application of Big Data just provides them the matter that they ardently look for.

### Defining Big Data

The term Big Data is a generic term. Generic in the sense that big data has several concomitants to it meaning that depending on what one looks at, the definition of big data takes the shape.

For example, to a technical person the concept of Big Data will mean the volume of the flow of data. For example in the case of railway ticket booking under tatkal tickets booking time , the volume of data is very large that is maximum number of persons are trying to get their tickets confirmed. Thus, Big Data in this case is the maximum flow of data. In another case, the term Big Data means the size of the details required to be filled in. For example, in the case of admission to a hospital, the patient details contains many fields covering the details of disease including the details of past surgery, treatment, operation etc.

For commercial units, the term Big Data is construed to mean the data in terms of time period covering several aspects of the customer. For example, the details of the various customer for the last 2 years who have been frequenting the departmental store and have been purchasing specific items or have been enquiring for items which are unavailable in the store though they are available elsewhere.

### Defining Big Data Analytics

Having defined the word Big Data let us now move to define the term Big Data Analytics. The term Big Data Analytics is used to refer to the output generated by applying the means and mechanism

by utilizing the power of Information technology so as to develop action plans which will at least provide some sort of competitive advantage when these action plans are actually implemented meaning that action has been taken. In other words, it is the action which really provides the thrust for gaining competitive advantage. If there is no action, then the real advantage of Big Data analytics is lost.

Using Big Data for analyzing consumer decision and buying behavior
Having understood the basics of Big Data and Big Data analytics, let us now move to the application of Big Data for analyzing the consumer decision and buying behavior.
For a commercial business unit, consumer is the most important entity due to the fact that it is the consumer which ensures the survival of business unit. If there is no consumer, there is no business unit. Hence, it becomes imperative to analyze the consumer decision with respect to buying behavior. Easy as it sounds, when it comes to the practical implementation of analyzing the buying behavior of the consumer, there are several points which need to be take care off while using Big Data.

The following are some of the points which needs to be into consideration are enumerated below:

- **Setting the objectives of the analytics program**. This is the crucial aspect of the program when dealing with Big Data. This translates to the fact in answering the question "What is it that we really want to come out of this Big Data Analytics Program". For example, the executive management may have data pertaining to the types of the products purchased by school going children in the age group of 12-15 years. But, the management has to answer the question "What is it we want to extract from this data". Once this basic question is answered, the rest of the process of analyzing the consumer buying decision becomes relatively easy.
- **Identifying the parameters which will lead to objectives of the program**. This is another crucial step which must follow the objective setting of the program. In essence, this step is used to answer the key question "What are the parameters required to reach to the defined objective". For example, if the objective of the business unit is to analyze the buying behavior of FMCG products of school going children then this step will involve answering the question "What types of FMCG products" i.e. whether it is toothpaste or Noodles and the like. This is crucial. For, the commercial unit may have the Big Data but it is devoid of this information. In that case, different parameters must be identified. Alternatively, the commercial unit may want to maintain the information they may design the system.
- **Performing Analytics on the data based on the identified parameters**. This is the most important aspect of the Big Data Analytics program on account of the fact that this provides the visibility on the patterns and trends of the data to the executive management to take further action.

The table1, below depicts the concept discussed above

| Objective | To study the buying behavior of FMCG products of school going children in the age group 12-15 yrs. | |
|---|---|---|
| **Reason for this objective** | School going children offer the greatest potential for purchase of FMCG products thereby indirectly contributing to revenue | |
| **Time period of Analytics Program** | 6 months *Data Analytics beginning July, 2015* | |
| **Parameter Identified** | **Category** | **Reasons** |
| FMCG | Toothpaste | • Used Daily by students<br>• Promoted by School Authorities<br>• Eat too much chocolate, toffees etc. |
| | Noodles | • Students love to eat<br>• Quite popular because of taste |
| **Parameter Identified** | **Category** | **Analytics to performed** |
| FMCG | Toothpaste | • Overall Mean purchase per month<br>• Mean purchase per month per category<br>• Mean purchase per month of competitors product |
| | Noodles | • Overall Mean purchase per month<br>• Mean purchase per month per category<br>• Mean purchase per month of competitors product |

*Table 1, Depiction of Big Data Analytics program*

The screenshot given below depicts the *Big Data* information maintained in a *Data Warehouse*

| Student | Age | Gender | Class | Toothpaste Brand | School | Area |
|---------|-----|--------|-------|------------------|--------|------|
| Mukesh | 12 | Male | 6 | Colgate | GreenField Public | Rohini |
| Sachin | 13 | Male | 7 | Pepsodent | Hansraj | Pitampura |
| Fatima | 14 | Female | 8 | Colgate | Lancer | Noida |
| Surendra | 12 | Male | 7 | Colgate | GreenField Public | Noida |
| Harpreet | 13 | Male | 6 | Pepsodent | GreenField Public | Rohini |
| Suresh | 12 | Male | 8 | Forhans | Hansraj | Pitampura |
| Ramesh | 13 | Male | 7 | Forhans | Lancer | Noida |
| Suman | 14 | Female | 7 | Colgate | Lancer | Noida |
| Mukesh | 15 | Male | 6 | Colgate | Lancer | Rohini |
| Fahima | 15 | Female | 6 | Forhans | GreenField Public | Pitampura |
| Kishore | 15 | Male | 6 | Forhans | GreenField Public | Noida |
| Ganesh | 15 | Male | 8 | Pepsodent | GreenField Public | Noida |
| Yogesh | 12 | Male | 8 | Pepsodent | Hansraj | Rohini |
| Prerna | 12 | Female | 8 | Colgate | Hansraj | Pitampura |
| Sonali | 12 | Female | 7 | Forhans | Hansraj | Noida |
| Kamini | 13 | Female | 7 | Pepsodent | GreenField Public | Noida |
| Rupali | 14 | Female | 6 | Pepsodent | Hansraj | Rohini |
| Usha | 15 | Female | 7 | Colgate | Hansraj | Pitampura |
| Sumesh | 12 | Male | 8 | Colgate | GreenField Public | Noida |
| Kamesh | 15 | Male | 8 | Colgate | GreenField Public | Noida |

The following tables depict the various analytics that can be generated from the above screen shot comprising of sample size 20

| Student | Age | Gender | Class | Toothpaste Brand | School | Area |
|---------|-----|--------|-------|------------------|--------|------|
| Mukesh | 12 | Male | 6 | Colgate | GreenField Public | Rohini |
| Fatima | 14 | Female | 8 | Colgate | Lancer | Noida |
| Surendra | 12 | Male | 7 | Colgate | GreenField Public | Noida |
| Suman | 14 | Female | 7 | Colgate | Lancer | Noida |
| Mukesh | 15 | Male | 6 | Colgate | Lancer | Rohini |
| Prerna | 12 | Female | 8 | Colgate | Hansraj | Pitampura |
| Usha | 15 | Female | 7 | Colgate | Hansraj | Pitampura |
| Sumesh | 12 | Male | 8 | Colgate | GreenField Public | Noida |
| Kamesh | 15 | Male | 8 | Colgate | GreenField Public | Noida |

This figure depicts the *Big Data* Analytics for those students who use Colgate toothpaste. We may further drill down this data as

| Student | Age | Gender | Class | Toothpaste Brand | School | Area |
|---------|-----|--------|-------|------------------|--------|------|
| Mukesh | 12 | Male | 6 | Colgate | GreenField Public | Rohini |
| Surendra | 12 | Male | 7 | Colgate | GreenField Public | Noida |
| Sumesh | 12 | Male | 8 | Colgate | GreenField Public | Noida |
| Kamesh | 15 | Male | 8 | Colgate | GreenField Public | Noida |

The details of the students using Colgate toothpaste and are studying or have studied in Greenfield public school.

We may drill this information further as

| Student | Age | Gender | Class | Toothpaste Brand | School | Area |
|---------|-----|--------|-------|------------------|--------|------|
| Mukesh | 12 | Male | 6 | Colgate | GreenField Public | Rohini |
| Surendra | 12 | Male | 7 | Colgate | GreenField Public | Noida |

Details of students who use Colgate toothpaste, are studying in class 6th and class 7th and are studying in Greenfield Public School. We may further depict the details of the competitor product as per the objective assuming that perpsodent and Forhans are our competitors

| Student | Age | Gender | Class | Toothpaste Brand | School | Area |
|---------|-----|--------|-------|------------------|--------|------|
| Sachin | 13 | Male | 7 | Pepsodent | Hansraj | Pitampura |
| Harpreet | 13 | Male | 6 | Pepsodent | GreenField Public | Rohini |
| Suresh | 12 | Male | 8 | Forhans | Hansraj | Pitampura |
| Ramesh | 13 | Male | 7 | Forhans | Lancer | Noida |
| Fahima | 15 | Female | 6 | Forhans | GreenField Public | Pitampura |
| Kishore | 15 | Male | 6 | Forhans | GreenField Public | Noida |
| Ganesh | 15 | Male | 8 | Pepsodent | GreenField Public | Noida |
| Yogesh | 12 | Male | 8 | Pepsodent | Hansraj | Rohini |
| Sonali | 12 | Female | 7 | Forhans | Hansraj | Noida |
| Kamini | 13 | Female | 7 | Pepsodent | GreenField Public | Noida |
| Rupali | 14 | Female | 6 | Pepsodent | Hansraj | Rohini |

Thus, we observe that the possibilities are many and Big Data can be tuned to provide several views of the information which we are looking for.

**Limitations of Big Data**

We have discussed the various issues related to Big Data analytics program. However there are certain limitations and apprehensions to the usage of the Big Data.

This limitation and apprehension is due to the fact that when it comes to data handling, certain precautions must be taken such as data verification and validation that is whether the data is correct or not, the frequency of updating the data that whether the data is the current data or not and above all ensuring that the data so captured or available is based on the identified parameter or not with respect to the objectives of the data analytics program.

**Conclusion:**

From the above discussions, we infer that Big Data is here to stay and the commercial units must be equipped in applying Big Data analytics program so as to gain competitive advantage and thus thwart the marauding and cataclysmic effect of hyper competition. The only thing worth remembering is the fact that the results must of Big Data program must be translated into effective action program or else the entire exercise would be a failure.

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# DEVELOPING A FRAMEWORK FOR MEASURING THE EFFECTIVENESS OF INNOVATIVE MEASURES ADOPTED AT SECONDARY EDUCATION LEVEL TO OVERCOME THE PHOBIA OF LEARNING AND APPLYING MATHEMATICS IN REAL LIFE SCENARIOS

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## Abstract

*India, as of today, is under the process of transformation and this transformation is visible at several dimensions such as education, transport, textiles and the like. However, in order to manage the transformation process (or in fact any process), we need numbers. For, unless and until we have numbers, we cannot manage the direction nor can we control or assess the rate of progress of transformation. But, to deal with numbers, is a complex and intriguing task on account of the fact that somehow or the other there exists a sort of phobia towards mathematics and the genesis of this phobia goes back to our secondary level education system (for mathematics at primary level was limited to learning by heart few tables and counting of numbers and the like).In fact, if we were to ponder, we find that mathematics was boring; somehow or the other we seem to struggle and adopt innovative measures such as learning the answers of the questions or resorting to guide books or reference books and what not. But, mathematics always won. We may have cleared the mathematics paper somehow or the other but its application is always following us every now and then and there are numerous examples to corroborate what is being talked about. For example, the management of our organization always questions us what is the rate of return of this initiative and this is calculus. And this goes on and on.*

*This paper addresses the issues related to implementing innovative measures so that phobia of studying mathematics at secondary level education is reduced to a great extent.*

**Keywords**: Education, Mathematics Phobia

## Introduction

The commercial world of today is hyper competitive due to several factors that directly or indirectly affects the normal functioning of the business operations. For, today, we find that pace of innovation is tremendous. For, the new product that came into the market yesterday is replaced by an improved version today and this improved version would be obsolete tomorrow. In other words, there is always an struggle to manage the process of innovation as well to manage the rate of innovation. Further, in order to manage we need numbers. In fact, numbers provide the necessary thrust and liveliness in our live. And, worth mentioning is the fact that these numbers are always pestering us every now then. For example, our boss most of the time quipping us with the familiar phrase 'How long will you take to complete this task?'. We struggle and falter to answer this question and yet we utter some number just to ensure that boss spares us for the moment. The story does not end here, in fact it trails

to our homes also wherein the little master of the house comes in asks the 'daddy how far is the moon from the earth' or 'Daddy how much it costs to get the same model of the car which my friend's father has?' The questions are numerous but the commonality to all these questions is the averseness that is demonstrated for ensuring that these numbers somehow of the other leave us so that we may live in peace at the moment. In other words, the phobia of mathematics that was there while at school level continues to this day.

This paper is designed to address the issues related to the implementation of innovative means and mechanisms at the secondary education level so that phobia which the students have towards mathematics is reduced to a great extent when innovative measures are deployed for teaching and applying mathematics in day to day operations.

**Basic terminologies**
Before, we proceed further in this paper; let us cover some basic terminologies.

For, a clear understanding of these will provide a level of comfort in understanding the paper as there may be slight variations on the accepted, or standardized or understanding of these terms.

I.  Phobia. The term phobia, as used in this paper refers to the adoption of a mindset, a pattern of thinking wherein a student tries to develop feelings of insecurity and abhorrence. This feeling of insecurity may be demonstrated through helplessness or nervousness or avoidance or any other form of behavior wherein the student tries to escape or run away from the problem which has been presented to him.

II. Mathematics. It is a branch of study which deals with numbers and the process of arriving at these numbers is dependent on the context and of the means and mechanisms adopted. For, example, in order to determine the rate of Return, we may use calculus or to calculate the

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Compound Interest we have to use formula for compound interest or we may adopt simple step by step approach

III. Application of mathematics. It is the process wherein we use numbers for solving the problems involving day to day operations. For example, we use cumulative frequency distribution (again set of numbers) to arrive at the information about the number of students who or less than or more than a particular number.

IV. Framework. It is the structured block which simultaneously use numbers against the parameters which are required to be managed or evaluated so that information as whole pertaining to context can be determined

V. Effectiveness. It is the degree which uses demonstrable indicators to show that the process or activity which is conducted is producing some evidence of results either in increasing form or nearer to increasing form.

VI. Secondary education. It is the traditional education level wherein the student is on the verge of entering the college level of education.

VII. Innovation. This is the construed to ensure that a completely new product or a transformed product is introduced. The new product is an improved version of the existing product, if any.

**Design of the paper**

Having understood the basic terms let us now move ahead to the process of designing the paper. The process that is followed for the construction of the paper is step by step approach. The following are the steps for constructing the paper.

I. Identifying the parameters of mathematics phobia.
II. Once the parameters of phobia are identified they are now required to supported with plausible reasons as to why this is included in the process for determining the effectiveness
III. Based on the above steps appropriate weight age are assigned
IV. The ratings are given by the authorized person
V. Once the ratings are given then the evaluation process begins which will demonstrate the effectiveness of innovative measures

**Identifying the parameters of mathematics phobia**

Having defined the step by step measures, let us now dwell further into the process of identifying the parameters which induce an inherent phobia towards mathematics among the secondary level students. Based on the review of primary data collection among the parents and the students as well as teachers of secondary school, the following parameters have been identified.

I. Incapability of students which includes shyness, excessive timidity, extreme nervousness, inability to learn, retain and apply the basic principles of mathematics
II. Inadequate aptitude towards mathematics
III. Examination pattern inappropriately designed
IV. Home environment which penalizes students for low scoring marks and other factors responsible for generating deterrent towards mathematics

Thus, having obtained the parameters which are responsible for inducing mathematics phobia let us discuss the process of assignment of weights to

these parameters. In particular, the following is the criterion for assignment of weights along with the reasons as to why these parameters have been given the weight ages

- Highest weight age is to be given to those parameters which have an element of intrinsic characteristics. In other words, a student who has an element of inadequacies since birth is to be given highest weight age. This is due to the fact that is a single parameter which will require more effort by the teacher and that the process of effectiveness of an innovative measures will be slow

- An examination system which is heavily focussed on the outcome rather than the process for solving mathematical problems. This is one of the most important factor for generating phobia as the student surrenders to the application of basic principles instead he resorts to just mugging up the answers to the questions which are similar in nature or which have been taught in class

- The element which has an element of aptitude will require next weight age after personality defect. This is due to the fact that with little more efforts by the teachers as well as by the student the aptitude can be developed.

- Home environment factors will be next in sequence of allocation of weight ages. This is due to the fact a hostile home environment generates disinterest among the students even though the student has an aptitude towards mathematics. The hostile environment acts as a deterrent.

Thus, with the basic criterion for allocation of weight ages in place, table 1 depicts the allocation of weight ages to the identified parameters

Table 1: Depiction of allocation of weight ages to the identified parameters

| Sr. No. | Parameter | Weigh age (out of a scale of 100) |
|---|---|---|
| 1. | Incapability of students which includes shyness, excessive timidity, extreme nervousness, inability to learn, retain and apply the basic principles of mathematics | 45% |
| 2. | Examination pattern inappropriately designed | 10% |
| 3. | Inadequate aptitude towards mathematics | 25% |
| 4. | Home environment which penalizes students for low scoring marks and other factors responsible for generating deterrent towards mathematics | 20% |

We will now dwell on the criterion for measuring the effectiveness of innovative measures. In particular, the effectiveness of the innovative measures will be determined on the basis of the following criterion as enumerated below

I. The effectiveness of innovative measures would be determined on the basis of visible or demonstrable indicators. In other words, rating would be given on the basis of these indicators

II. The demonstrable indicators which involve the application of critical thinking must be given highest ranking. However, this aspect of critical thinking parameter is not applicable in the cases wherein shyness, excessive timidity, extreme nervousness, inability to learn, retain and apply the basic principles of mathematics and the like

III. The students who demonstrate rote learning such as cramming etc. would be given lowest rating irrespective of the fact that whether he has an aptitude or not

IV. The rating is to be given by head of the institution and which would be vetted by a member of the management body

Table 2: Depiction of applied template for measuring the effectiveness of innovative measures

| Sr. No | Target Parameter | Assigned Weights | Innovative measures inducted | Visible or demonstrative indicators | Rating | Total |
|---|---|---|---|---|---|---|
| 1. | Incapability of students to apply the basic principles of mathematics | 45% | Linkage of Mathematics with day to day activities | • Students able to apply the concepts of permutations and combinations while forming groups for extra-curricular activities such as selection of team members for group related tasks<br>• Students able to understand the application of basic trigonometry by observing slope of buildings; Construction of Sundial in Jan Mantar Buildings and the like<br>• Other examples of day to day examples such as application of differential calculus in the working of escalators; the force required at different level of elevation to pull materials of such as wooden logs, concrete corridor during construction of metro elevated track | 8 | 3.6 |
| 2. | Examination pattern inappropriately designed | 10% | Questions designed to address critical thinking | • Students were able to apply critical thinking skills such as selection of cricket team members based on the data available such as mean and standard deviation of individual team members<br>• Students were able to determine with justification on the application of usage of various measures of central tendency such as mean, media, mode and the like in a given situation or scenarios<br>• Students were able to interpret the measure so obtained | 7 | 0.7 |
| 3. | Inadequate aptitude towards mathematics | 25% | Play method to generate interest | • Students were able to determine with justification the correct mathematical technique which is to be applied based on the current situation such as determining the top 75 percentile students in a competition<br>• Students are able to determine the difference between the samples and among the samples from a set of data for percentage of marks of 3 to 4 classes and interpret the significance of that difference on the ultimate result | 4 | 1.0 |
| 4. | Home environment which penalizes students | 20% | Frequent interaction with parents | • Parents were requested to adopt the pro-active method in generating interest in the student such as what mathematical or statistical technique to be applied in the situation at hand<br>• Parents to ensure that they reward the student for applying mathematical or statistical techniques in real life situations | 3 | 0.6 |

**Total Effectiveness = 3.6 + 0.7 +1.0 + 0.6**
$$= 5.9$$

**Interpretation of the effectiveness index**

Having constructed the framework and after having arrived at a number which denotes the effectiveness co-efficient, let us now interpret the value so obtained.

- The value of 5.9 indicates that the degree of the innovative measures and their effectiveness requires concerted efforts in the sense that the figure fails to demonstrate a healthy number. In general the value of 6.5 or more is considered as an average
- The figure on the whole indicate that the authorities have adopted measures but there needs to be sustained and implemented on continuous basis. The figure will fail to improve unless these measures are adopted on sustained basis

**Future Recommendations**

The value can be interpreted as under

- This number can be utilized as a benchmark which will depict the minimum points which need to be addressed by the institution so as to emphatically say that the measures so deployed are effective in manner
- The low scoring parameter can be given more attention to ensure that this is areas of concern requires more attention from all the concerned
- This value can be used to compare other institutions so as to draft a common measurement system across the branches or cities

**Conclusion**

The framework developed in this paper provides a means and mechanism to determine the degree and depth of the innovative measures that can be implemented to remove the maths phobia among the students. The point that this framework highlights is the fact that this can be implemented at several

levels such as across the institute and across several branches of the institute.

By appropriately modifying the parameters and the weight ages this framework can be customized for other subjects as

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# SKILL DEVELOPMENT IN INDIA: PROBLEMS AND PROSPECTS

Dr. Vineet Prakash

## Abstract

*Paucity of skilled workers is a major roadblock in India becoming a global economic powerhouse. This lack is instantly obvious when we compare the workmanship of our craftsmen and their commitment to work with their compatriots in a city like say New York or London. Be it a plumber or electrician or any other trade, the difference in the quality of work and the attitude towards work is distinctly visible. I remember a friend once telling me that if a plumber installs a faucet here (London) there would not be any complaint for 5 years but the same would not be the case in India. We can often hear people lamenting about 'Politics' as being the mother of all problems. Fortunately for us, 'Politics' also provides solutions to problems. This paper is an attempt to look at the problem of inadequacy of skilled workers in India from a political perspective. It analyses the situation to identify the factors which contribute to the problem of scarcity of skilled workers and what role politics has to play in this. Thereafter, it looks at the possibilities of finding solutions to the problems which have hampered the emergence of a base of skilled workers in our country.*

## Introduction

To explain how politics works, David Easton developed a model of a political system. Easton defined politics as 'authoritative allocation of values' which broadly constitutes the political process. This does not take place in a closed circuit; its ends are connected with the social process. This political system works on the basis of demand and supply. Allocation of values is made because there are corresponding demands from the society. The political system receives inputs from the environment in the form of demands and support; it produces outputs in the form of policies and decisions. The outputs flow back into the environment through a feedback mechanism, giving rise to fresh demands. Demands are the raw materials out of which finished products called decisions are manufactured.

In this paper, an effort is made to understand the problem of lack of skilled professionals in our country by exploring how our political system works. There are two aspects in this analysis. Firstly, we take a look at the nature of demands made in our political system and their relationship to skill development. Secondly, we try to decipher the attitudes of the decision makers in our political system and how they affect the scenario of skill development in our country.

We have had a great tradition of skilled craftsmen in our country and there was a huge demand for the products made by them in the world market. According to various estimates, India had a share of roughly thirty percent of world trade at the time of beginning of colonial rule. During colonial rule, various crafts practiced in India declined for various reasons produced by the peculiar nature of the colonial economy. As a result people flocked to agriculture which became overburdened and led to the subsequent ruin and impoverishment of our country.

The British government in India had no incentive of changing this situation. Their only motive was to enrich themselves by exploitation of Indian economy and they limited their scope of activity only to the extent that it would aid and abet this process. Thus it was no surprise that even the education system which they developed was geared at producing clerks to facilitate the running of the colonial administration. Skill development was nowhere in their list of priorities. Thus the only respectable source of employment which emerged was the few government jobs which were open to Indians.

Unfortunately for us, the long shadow of the British colonial state continues to haunt us even after we became independent. Some critics even go to the extent of saying that what happened at independence was 'brown sahibs' taking over from 'whites sahibs' and essential nature of the state remained unchanged. The neglect towards development of human resources witnessed displayed by the colonial state has continued into independent India with some minor changes. Minor because some great institutions such as IIM's and IIT's did come up but it was too little to make a major impact considering the size and population of our country. Further the continued preference of people for a secure government job is also derived from the colonial experience.

The process of economic liberalization started to make a change in this situation, but so far success has been limited. Infact, the most serious factor limiting Indian economy from achieving its full potential is the lack of skilled professionals to drive forward the process of growth.

Due to the conditioning of our mindsets during the colonial rule, the only job worth doing and respected in society was when you were exercising government power. Even today, a Sub Inspector of Police would get more

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respect among his village folks than a professor in a University. So deeply ingrained is this mindset that it has almost become a cultural thing. It is something like preference for a son in Indian society. We all know that it is absurd but changing it is not going to be an easy task.

As a result of this mindset, right from the time of getting independence from colonial rule, there was no demand from the general public on the political system to train and skill people and make them employable. Instead the focus was on capturing the maximum number of existing government jobs for your community. If you are unable to secure a government job then you are doomed and will have live the hard lowly life of a farmer. The demands for reservation in government jobs and more recently the clamour displayed by some communities to get themselves declared as backward castes to get benefit of caste based reservation are reflective of this mindset. Since there was no demand to skill people there was no pressure on the political system to do anything about the matter. Infact the quality of existing government infrastructure in the education sector has declined across the board. There was a time when a child from a poor family having studied in a government school could have hoped to do well in life but the same is no longer the case. On the other hand, the growing ambit of reservation in government sector employment and services points in the direction of a demand from the general public to which the political system is responding. Skill development is a requirement but it is not a priority for politicians and political parties because it would not win them elections.

This brings us to the second part of the problem, the politicians who wield power. What role do they have to play in this problem of lack of skill development in India.

Our political system is based on the model of a patron-client relationship. This again has its roots in our colonial history. Colonial State was structured as a 'mai-baap' state which would take care of the needs of people provided they recognized British sovereignty. Upon independence this role was taken over by the elites who took over power from the Britishers. Along with it came the British mindset of ruling over people and the 'mai-baap' mentality. The notion of India becoming independent and establishing a government of the people for the people and by the people remained a notion only.

This patron client relationship is surviving and thriving even after almost seven decades of existence as a free country. How does this patron-client relationship operates. A politician comes to power by building a base of supporters by promising them benefits. He also has to establish that only he is capable of providing these benefits. Once in power, he has to maintain this base of support if he wants to continue in power. This is done by obliging people, who are significant for his objective of keeping his powerbase intact, by providing them with benefits derived from his position in power. Most of these benefits are in the form of financial incentives and subsidies doled out by the state. So if Modi is in power then Adani will benefit-and so goes the assumption. Another key element is depriving non-supporters of these benefits which are derived from his position in power. So JayPee would suffer now that Mayawati is out of power. And that is how political system works.

Now in this kind of a system, there is no incentive for the political class for doing something like enhancing skills of people to make them more employable. Apart from the fact that it is not going to win elections, there is another reason which strongly limits such kind of activity. If people become capable and skilled as in this case, then their dependency of the political master would end. With that would end the reign of the political class which is clinging to power by distributing benefits. Status quo suits the political elites and their cronies. It is another matter that the whole country would benefit if human resources are developed in a comprehensive manner. So it is a question of choosing between immediate gains and long term benefits for the political class.

To sum up, real movement in the direction of skill development will take place when the mindsets of people are changed. We need to create an environment where all kinds of work are respected and people start taking pride in their work and the quality of work they are doing. Today, a farmers son would not want to become a farmer. This situation need to be changed by making, in this case, farming both respected and remunerative. Once this attitude shift takes place, it would lead to a demand on the political system to devote resources towards skill development and improving the quality of human resources. Politicians are focused on what would win them power, and not what is good for the people. Also the people themselves do not know what is good for them. They are happy with the crumbs thrown at them and really do not know how their lives would be transformed if their full potential is developed.

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# CONSUMER RESISTANCE TO INNOVATION: MARKETING PROBLEMS AND SOLUTIONS

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## Abstract

*Despite company efforts to adopt consumer-oriented innovation development processes focused on delivering added value to the consumer, most commercial companies are faced with high rates of innovation failures. This paper seeks to explain why customers resist innovations, when otherwise these are considered necessary and desirable in order to have competitive edge over their competitors and survive in the market.*

*The reason to study and understand consumer resistance to innovations lies in the fact that most business organizations are faced with a very high rate of new product failures at early introduction stage of product life cycle and only very small fraction of these innovative ideas are successful in tapping the market effectively.*

*We have seen in the past the customers were reluctant in adopting internet banking because of the risks and security concerns associated with it and initially resisted to accept this innovation. One of the major causes for market failure is the resistance they encounter form the consumers to new innovations and new product developments.*

*Yet, very little research has been done on this subject as mostly the studies are focused on successful innovations and their rate of diffusion into the marketplace.*

**Keywords**: Consumer Resistance, Innovation, Diffusion

## Introduction

Resistance to innovation is a new concept being appeared and which is rather difficult to define. A loose definition for consumer resistance to innovation would be the negative reaction towards innovation because of its potential changes made to a satisfactory status quo or because it is in conflict with their belief structure (Ram & Sheth, 1989).

Thus, we can say that resistance to innovation is how consumer react to new or improved products introduced into the market, whatever they may be.

### Consumer Resistance Defined:

- The fact of people disliking or being unwilling to buy a particular product or service (Cambridge Business English Dictionary).

- The unwillingness of consumers to adopt a particular product, service, or change (Collins English Dictionary).

- The lack of interest by consumers in buying a new product.

Despite company efforts to adopt consumer-oriented innovation development processes focused on delivering added value to the consumer, most commercial companies are faced with high rates of innovation failures. This is puzzling, as innovation adoption research has stressed that relative advantage is a dominant driver of consumer adoption.

Nevertheless, many innovations still meet resistance (Garcia & Atkin, 2002; Molesworth & Suortti, 2002). The reasons for this resistance vary and have not as yet received a significant amount of study, but examples illustrate the diversity of innovations which meet resistance.

For example, consumers expressed moral objections against genetically modified food, and actively campaigned against the introduction of these innovations (Bredahl, 2001; Fortin & Renton, 2003).

Consumer resistance also appears in the case of simpler innovations. For example, many wine drinkers steadfastly refused to accept the screw cap as an acceptable replacement for the traditional cork on wine bottles (Garcia & Atkin, 2002).

The objective of this paper is to develop insight into the topic consumer resistance to innovation-marketing problems and solutions.

The paper mainly focuses on explaining the reasons why consumers resist to innovation, the possible potential barriers to innovation, marketing strategies should be adopted to deal with these barriers to innovation and appropriate day to day life examples of innovation failures due to consumer resistance to innovation.

Finally, limitations and directions for future research are detailed.

## Literature Review

While several authors have supported the notion of consumer resistance (Gatignon & Robertson, 1989; Ram, 1987; Sheth, 1981) and implicitly or explicitly acknowledged the importance of 'negative' or 'anti' consumption (e.g. Bredahl, 2001; Garrett, 1987; Herrmann, 1993; Kozinets & Handelman, 1998; Saba, Rosati, & Vassallo, 2000), there is little attention devoted to the thorough conceptualization of the concept of

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individual consumer resistance (Lapointe & Rivard, 2005; Penaloza & Price, 1993).

Innovation resistance is a response based on a conscious choice (Szmigin & Foxall, 1998), defined by Ram and Seth (1989) as ''the resistance offered by consumers to an innovation, either because it poses potential changes from a satisfactory status quo or because it conflicts with their belief structure.'' Nevertheless, this broad definition of innovation resistance is not particularly illuminating, being as it essentially defines innovation resistance as 'resistance to innovation'. One key issue of concern is that resistance includes not trying the innovation (Nabih et al., 1997; Ram & Sheth, 1989; Szmigin & Foxall, 1998).

This is problematic because Rogers (2003) points out that initial objections toward an innovation can sometimes be overcome by offering consumers the opportunity to try the innovation for a certain period of time. Moreover, existing literature (e.g. Ram & Sheth, 1989; Szmigin & Foxall, 1998) suggests that innovation resistance can be further delineated from the basic 'not-trying' of the innovation into three distinct types of consumer behavior: rejection, postponement, and opposition.

Rejection: Rejection is not driven by a simple lack of awareness or ignorance about the innovation on the consumer's part.
Rather, this form of resistance implies an active evaluation on the part of the consumer, which results in a strong disinclination to adopt the innovation (Rogers, 2003).
 Lee and Clark (1996–1997) recognize that this reluctance is often induced by a suspicion of new and unproven innovations. In addition, Hirschheim and Newman (1988) contend that rejection is intertwined with an innate conservatism, i.e. a reluctance to change the status quo.

An example of a food innovation that was rejected by the American market is McDonalds' 'Arch Deluxe' burger, which had the slogan the ''Burger with the Grownup Taste''. While McDonalds positioned this new burger as a more sophisticated food product for adults, consumers did not really consider McDonalds as a provider of

sophistication, but of convenience (Haig, 2003).

Postponement: Although consumers find an innovation acceptable in principle, they may decide not to adopt it at that point in time, for example until the circumstances are more suitable. In this case the decision is not final, and thus this definition is similar to Greenleaf and Lehmann's (1995) ''delay'', as a form of consumer resistance. For example, many consumers are waiting for voice over internet protocol (VoIP) technology to become more mainstream before considering adopting this technology. Currently, software and hardware for VoIP is readily available (e.g., Skype) and is in fact very easy to use.
However, it is not regarded as a standard yet, and most consumers are still suspicious of what they regard as ''unproven technology'' (D'Errico, 2005).

Opposition: Consumers may be convinced that the innovation is unsuitable and decide to launch an attack – for example negative word-of-mouth – against its launch. Davidson and Walley (1985) describe this as innovation sabotage, where consumers actively engage in strategies to prevent the innovation's success. Such forms of opposition, also referred to as ''active rebellion'', are most likely to affect market mechanisms (Fournier, 1998).

The factors that drive consumer resistance can be split into two main types (e.g., Gatignon & Robertson, 1989; Herbig & Day, 1992; Martinko, Henry, & Zmud, 1996; Ram & Sheth, 1989).

First, innovations which require a change in consumers' established behavioural patterns, norms, habits and traditions are likely to be resisted. Second, innovations which in some way cause a psychological conflict or problem for consumers are likely to be resisted.
Similarly, Tornatzky and Klein (1982) conclude that compatibility, defined as the degree to which an innovation is perceived as consistent with existing values, habits and past experiences of the potential adopter, is one of the few factors of Rogers' theory that consistently relates to adoption.

Considering traditions and norms, any behaviour that is contrary to group

norms, or societal and family values, creates a barrier (Herbig & Day, 1992).

Also, several researchers (Foxall, 1993; Foxall, 1994; Ram, 1987; Sheth, 1981) argue that when consumers are satisfied with their current situation, they have no desire or reason to change. Sheth (1981) points out that resistance is sometimes a consequence of habits. These habits are formed when a customer uses a product frequently over a long period of time.

Thus, it is not surprising that innovations which conflict with the usage patterns of competing and well-established products (e.g., a piece of software not compatible with Microsoft Windows), or that contradict well-established workflows, practices, or habits, will face resistance (Hurter & Rubenstein, 1978; Oreg, 2003). In this situation, other routine behaviours must change before the innovation achieves acceptance.

In terms of psychological variables, theory suggests that the perceived product image of an innovation should have an influence on resistance. In particular, when studying innovation resistance, image serves as an extrinsic cue that consumers use as a signal to base their decisions on. This is line with Bearden and Shimp (1982), who argue that extrinsic product cues are important for consumers to assess new products.
As the actual product characteristics and functioning of an innovation may be hard to observe, the image is likely to be derived from stereotypes, rumour or other indirect, non-experiential, sources (Ram & Sheth, 1989).
Additionally, a certain identity might be obtained from the innovation's origins, for example the product class or industry which it belongs to, or the country of origin. Recent research has also suggested that negative media coverage can induce negative image perceptions
of innovations (Fortin & Renton, 2003) that lead to resistance (Ram & Sheth, 1989).
Resistance towards innovations is also influenced by consumers' awareness of the perceived risk of adopting an innovation (Shoemaker & Shoaf, 1975). Consumers often experience many uncertainties about the adoption of innovations, especially with regard to performance (Garcia & Atkin, 2002), and consequently assume the likely outcome of innovation usage to

be negative (Martinko et al., 1996). It is consumers' evaluation of the likelihood of these negative outcomes which constitutes their perceived risk. Literature has defined several forms of risks, of which physical, economic, functional, and social risk have been mentioned in relation to consumer resistance (Bredahl, 2001; Ram & Sheth, 1989; Saba et al., 2000).

In turn this illuminates a number of quandaries in our present understanding of the underlying forms of consumer resistance to innovations.

## Why Innovation Resistance?

We humans are a funny bunch around new ideas. Yes, we're excited to hear about them.                    But far less keen to act on them.

Certainly, there are many possible reasons for consumers showing resistance to innovation:

First, an innovation may have an impact on the consumer day-to-day existence and disrupt their daily established routines. The very start of the e-commerce in India met with the high degree of consumer resistance because of the changes it created in the shopping behaviour. Consumers could not interact with the store personnel and could not get the real feel of the product which in present in market shopping. Even today majority of middle aged Indian consumers are resisting the online shopping mode.         Also, certain consumers are happy with their present condition or habit (Status quo) and thus shows resistance to new innovations.

Second, the Semmelweis Reflex is a metaphor for the reflex-like tendency to reject new innovation, evidence or knowledge simply because it contradicts established norms, beliefs or paradigms. It simply means innovation may conflict with the consumers prior belief structure or well established norms and principles. Like, it is believed by the my countries across the globe that products produced by China are of inferior quality and are against their established beliefs, norms and standards. Also, many innovative products (medicines) produced in India are being rejected by Americans because it conflicts with their prior norms and standards.

Third, the Mere-exposure Effect is a psychological phenomenon where people tend to develop a preference for things merely because they are familiar with them. It can be something as simple as preference for a face you're familiar with, or 'warming' up to an idea only after being exposed to it a number of times. It simply means people develop preferences to things they are familiar off and offer resistance to things they are non-familiar to. Like many people don't buy expensive products quickly or on single go and buy them only after getting familiar or adept to it only.

Fourth, Loss Aversion refers to people's tendency to strongly prefer avoiding losses over acquiring gains. Studies have suggested that losses are twice as powerful, psychologically, as gains – people would hate to lose $100 much more than they would feel great about winning $100.     Thus, people show resistance to new innovation in fear of

loss they may have to bear while they purchase the newly innovative product. Many consumers show resistance to newly launched tech gadgets and products because of failure and loss associated with it.

Fifth, the Knowledge Bias refers to the tendency of people to choose the option they know best, rather than the best option. This includes well-known principles like the curse of knowledge, when having in-depth knowledge of a subject prevents people from thinking about it from a less-informed perspective. Like people buying Samsung mobile phone when there are better options available with Micromax, Lava, Motorola in the same price range.

Sixth, Anchoring is the tendency to rely too heavily on a past reference or one piece of information when making judgments. Thinking of how people judge a "good" price for a product based on the first price they see – any subsequent price they see is judged high or low based on the first price. Many people while purchasing new products refer to their past experiences or rely on past piece of information, like people buying groceries to a store having appropriate and consistent price of items and resist a store which changes its price of items too frequently.

Seventh, Hyperbolic Discounting is the preference for rewards that arrive sooner rather than later. And the longer the delayed reward, the lesser the value is. Example: thinking of long-term payback through energy efficiency versus immediate reward via lower equipment price.

## Adoption of Innovation

The innovation adoption curve of Rogers is a model that classifies adopters of innovations into five categories namely innovators, early adopters, early majority, late majority and laggards. Each of these groups have different level of tolerance to the innovation and the variation in level affects the timing of adoption.



**Figure 1: Rogers Innovation Adoption Curve**

**Innovators:** Brave people, pulling the change, they exhibit no resistance to innovation and are the first to adopt.

**Early Adopters:** Respectable people, try out new ideas, but in a careful way.

**Early Majority:** Thoughtful people, careful but accepting change more quickly than the average.

**Late Majority:** Sceptic people, will use new ideas or products only when the majority is using it.

**Laggards:** Traditional people, caring for the old ways, are critical towards new ideas and will only accept it if the new idea has become mainstream or tradition.

**Factors affecting adoption of innovation by majority of consumers:**

I. **Awareness:** The adoption or rejection of an innovation begins when consumer becomes aware of the innovation (Rogers & Shoemaker, 1971). Lack of awareness is the most important factor in the adoption of an innovation. The average consumers are not adopting internet banking services due to unawareness of the availability of the service and benefits it offers.

II. **Ease of Use:** The adoption of new innovation very much depends upon the ease of use of the particular product or service. The success of new innovation depends upon the ease by which it can be used or how easy the person gets adept to it. There are various instances where innovations were resisted by the consumers due to its complexity. For example qwerty mobile phones were resisted by the consumers because of their complexity in use and hence there sales went down in comparison to normal mobile phones.

III. **Complexity:** is the degree of ability to understand or use a new product. The more complex is the product for the consumers, the more complicated would be the process of getting appreciation and becoming attractive to them. Complexity becomes especially important when attempting to establish market acceptance for high tech goods. To be more particular, there exist "technical fears" that can become a barrier for consumer acceptance of a new product. These fears include: the fear of technical complexity of the product; the fear of becoming out-of-date quickly; the fear of public reaction; the fear of doing physical damage to the product.

IV. **Relative advantage:** is the ability of a new product to better meet consumer needs in comparison with other products existing currently in the market. For instance, the cell-phone as a means of wireless communication provides easily accessible communication and has obvious relative advantage over the landline telephone.

V. **Compatibility:** is one of the most important factors of a new product acceptance. The degree of conformity of a new product with the needs and values of potential consumers, their practical experience and with the products already existing in the market is called compatibility. For example, nowadays the most popular operating system in the world is Microsoft Windows, although there exist other systems, such as Mac OS, Linux.

VI. **Possibility to try the product:** is the degree to which a new product can be tested in limited amount of time. The higher the possibility to try the product, the easier it is for consumer to evaluate and accept it. For example, the producers of cosmetics are giving the chance to try their new products (such as creams, balms, lotions) by giving people free samples of it.

**Barriers of Consumer Resistance to Innovation**
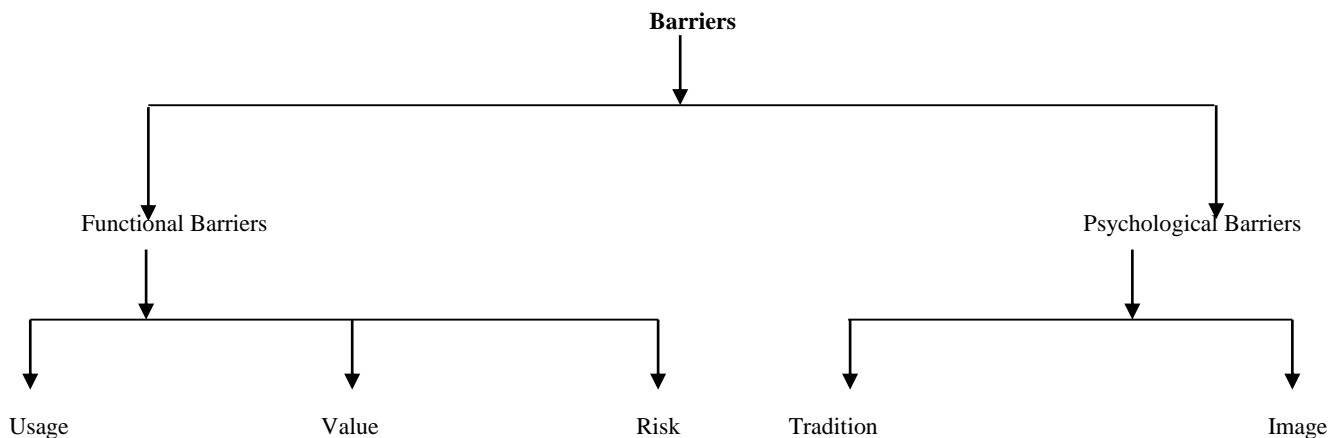


**Functional Barriers:**

a) Usage Barrier: Innovations which are not compatible with the existing habits of consumers. Unless the usage of the product is made easier, it will continue to face resistance. Example: electric cars, Mac OS, Linux operating system.

b) Value Barrier: It refers to the value of the innovation, Price versus performance measure of the innovation as compared to the existing substitutes. Thus an innovation should offer a strong performance-to-price value compared with product substitutes there is no reason with the consumers to change. Example: CORFAM by DU POINT, CDs versus pen-drives (pen-drives are easy to use, can store lot of data compared to CDs).

c) Risk Barrier: It refers to the potential risk associated with the innovation. Consumers are likely to postpone an innovation until they are aware of it. Example: If product innovation is of 1st generation with high cost associated with it there is uncertainty for consumer to wait

longer for the stable product or buy, like in case of I-Pads.

There are four main types of risks inherent in an innovation namely physical risk, economic risk, functional risk and social risk.

I. Physical Risk: harm to person or property that is associated in the innovation, example: new drugs, electrical iron or equipment etc.
II. Economic Risk: The higher the cost of innovation, higher is the financial risk associated with it. Examples: Costly gadgets, mobile phones, machines, etc.
III. Functional Risk: It refers to the uncertainty in the proper functioning of the innovation and the consumers are afraid or uncertain about the proper functional performance of the new innovative products. Examples: Newly launched cars, bikes, equipment etc.
IV. Social Risk: It refers the potential societal resistance or objection to an innovation. Consumers resist an innovation because they feel they are against the societal norms and are not acceptable in the society or social scenarios. Example: Whether to eat beef products or not.

**Psychological Barriers:**

a) Tradition Barrier: It refers to the deviation in tradition of the consumers with the introduction of new innovation, the cultural change which occurs for the consumer due to innovation. The greater the cultural or tradition change, the greater is the resistance towards the new innovation. Example: not all people find it socially acceptable to drink and smoke it is against their traditions, similarly in food habits, many people abstain from eating onion and garlic it's against their culture.
b) Image Barrier: Every innovation has its certain identity, a class, a set of qualities associated with it or a unique personality. An innovation has it origin, country where it is developed or the innovative product being manufactured.

Thus, if the identity or class or qualities, personality does not match the qualities or class of the consumers or with the image of the consumer that innovation faces a resistance. Every consumer perceives to have certain expectations from an innovation or perceived qualities or image about the innovation and if that image does not goes with the innovation the consumer declare it unfavorable and show resistance towards it. Example: Indian Start-ups are changing the face of the country, decentralized organizations are not always more efficient than centralized organizations and China products are always of cheap quality.

**Marketing Strategies for Overcoming Barriers of Consumer Resistance to Innovation**

| Type of resistance (Barriers) | Marketing Strategy Components | | | |
|---|---|---|---|---|
| | Product Component | Communication Component | Price Component | Sale Component |
| Functional Barriers a) Usage Barrier Barriers in the use of innovation. | Modification & improvement in the new product so that it provides easy use and adequate level of service. | | | Policy of market development and adaptation of product to consumer needs and wants at all points of sale. |
| b) Economic / Value barrier. | Improving the presentation of the product ( modification & development), distinctive features, adding value to the product, product quality. Improving product positioning. | Effective communication signifying the effective price of the product in relation to its competitors. | Employing effective pricing strategies such as market penetration pricing and cut down product manufacturing costs. | |
| c) Risk Barrier | Following well known policies of trademarks, obtaining certificates of quality, ISO certificate, etc. Providing guarantee of products. | Using informational and self explanatory advertisements. Focus on clear and informative messages via all channels. | | |

| Psychological Barriers | | Informing consumers about the use of the product, creating awareness about the usage in right manner. | | Using sales and industrial agents effectively. |
|---|---|---|---|---|
| a) Tradition barrier | | | | |
| b) Image barrier | Efficient use of trademark policies and quality certificates. | Emphasis in communication on the importance of the quality parameters, certificates and trademarks. | | |

**Table 1: Marketing strategies for resolving barriers of consumer resistance to innovation.**

### Marketing Solutions to Consumer Resistance to Innovation

1. The higher competitiveness of the supplier, the higher the level of innovation diffusion into the market. Enterprises that aim at becoming highly competitive in the market should be using more and more aggressive pricing strategies and attract more and more resources to the release the new products.
2. The better the reputation of the firm the faster is the initial diffusion of the product. Good reputation increases trust to the product, because it lowers the risk during the decision-making process by the consumers during purchase.
3. Products are faster diffused in the market when standardized technology is used. Consumers usually consider purchase of innovation more risky if they are not sure of whether the technology used in the product will become standard or not. If this risk is reduced or eliminated, more consumers will be eager to purchase the product. Hence, standardized products should be manufactured.
4. Targeting the consumers which are fast at adopting the new innovation such as innovators and the early adopters of the Rogers innovation adoption curve.
5. Trying to achieve sustainable competitive position in the market, an enterprise should aim at satisfying consumers' needs and develop new products in accordance with consumers' demands.
6. The enterprises beside using traditional marketing tools should also master new marketing technologies for overcoming resistance to innovations and use various means of spreading the information about the innovations, such as: perkonomics (loyalty programs), viral advertisements, social media marketing, brand ambassadors and integrated marketing communication efficiently.
7. Use of effective pricing strategies such market penetration pricing, High low pricing, every time low pricing , etc to tap the market and increase the acceptance rate of new innovations by the consumers.
8. The firms should use its resources wisely and focus on quality of products and must fulfil all quality standards and obtain ISO certificates.
9. The firms should focus on distinctiveness while manufacturing products and thus helps in reducing the resistance to innovation by the consumers.
10. The firm should prevent all type of functional (usage, value, risk) barriers and psychological (tradition and image) barriers while developing new innovations.

### Some Examples of Failed Businesses due to Consumer Resistances to Innovation and Wrong Marketing Strategies Adopted by the Firms:

**DoneByNone** – This Gurgaon based e-commerce venture operated as a women's only fashion brand. The venture started out as HandsPick.com and later changed its name to DoneByNone. It was started by Amarinder Dhaliwal and Vijesh Sharma who were earlier with Bennette, Coleman & Co. Ltd in February 2011. The company managed to raise funds from early stage investor, Seed fund. After customer satisfaction related issues were pointed out in late 2014, the company shut down its operations in early 2015.

**Dazo** – India's first app-based meal delivery service shut down operations in October 2015 after raising seed funds from a flurry of investors ranging from Rajan Anandan (MD, Google India), Amit Agrawal (Country Manager, Amazon India), Sumit Jain (Co-founder, Commonfloor),Aprameya Radhakrishna (co-founder, TaxiForSure) and others. The Start-up failed due to poor food quality and efficiency and was resisted by the consumers.

**Indiaplaza.com –** One of the first e-commerce companies in India (pioneer of its times), starting out in 1999 as Fabmart.com. It was renamed Fabmall.com and later Indiaplaza.com, after Fabmall acquired US based Indiaplaza in 2007. An investee company of Kalaari Capital and founded by Mr K. Vaitheeswaran, Indiaplaza raised $8 mn in funding from 2004 to 2011. The company stopped its operations in mid-2013. The company failed because of usage barrier, it was ahead of its times, also because of little focus on consumers, lagging in adoption rate and non adaptability towards the changing market dynamics.

**Even before whatsapp -A kind of a social networking site On Mobiles-** Dodgeball was a mobile location based social networking started in year 2000 by Dennis Crowley's was doomed as everything happened via text message, which was not very user friendly.

**Zeppery** -Founded in 2015 by Utkarsh Srivastava and Lalit Vijay, funded by Suyash Sharma ($77k) it was food pre-ordering app that allowed users to pre-order food at restaurants and other outlet. Company struggled to retain customers and had to close its operation in just six month. That was fast.

According to founders the concept of food pre-ordering was too early for Indian market.
(*Source: Google internet.)

## Conclusions

Innovation are the main source of competitive advantage and will continue to remain the major factor for any firm's success, but innovating successfully and without facing any consumer resistance is a troublesome task and needs lot of firm's efforts and specially role played by a marketer in successful implications of these innovations. This paper tries to establish successful conceptual framework in understanding the resistance to innovation by consumers and the possible market problems and their effective solutions.

The consumers are resisting to new innovations and the possible reasons for this includes status quo, semmelweis reflex, mere-exposure effect, loss aversion, knowledge bias, anchoring and hyperbolic discounting. While there is timing of innovation introduction for its successful adoption and depends upon many factors such as awareness, ease of use of innovation, relative advantage, complexity, compatibility, etc.

The innovation barriers are broadly classified into two broad categories namely functional and psychological barriers. The functional barriers include the usage, value, risk barriers and the psychological barriers include tradition and image barriers and these must be resolved strategically and effectively by employing efficient marketing strategies involving following components namely product, price, communication and sale components.

The marketers must employ suitable strategies to resolve and solve the problems of innovation resistance and may involve strategies like understanding consumer needs, effective pricing strategies, communication strategies, using standardized technology- certificates and quality benchmarks, etc.

We have also seen the failure of many businesses because of resistance of consumers towards new innovation such as failure of firms like Donebynone, Dazo, Indiaplaza.com, Dodgeball and Zeppery.

The key point lies in the fact that it is not only the role of the firm or the marketer to resolve these innovation barriers effectively but to understand the possible reasons of resistance to innovation by the consumers well in advance and accordingly design marketing strategies and manufacture or introduce new innovations into the marketplace for the successful adoption of these innovations by the consumers.

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# INNOVATIVE APPROACHES FOR PROMOTING ENTREPRENEURSHIP

Barkha Gupta

## Abstract

*The budgetary allocation towards development of multi skill development center reinforce the government's commitment to the skill India mission. A lot of positive developments have taken place to the Indian economy during the last two years; many of these developments have gone unnoticed because of the tepid global growth particularly in some of the advanced economies in Europe and in China. The Indian economy might not be growing to its full potential as yet but none can deny the fact that a derailed economy during the last few years has been put back on rails.*

**Keywords**: Innovation, Indian Economy, Positive Development, Entrepreneurship

## Introduction

The 2016 Union Budget is different in approach and thrust for transforming India. Since liberation in 1991 nobody has seen a budget that is farm, rural and people centric. It makes a new start with nine pillars and ample measures to boost growth and employment. The budget is oriented to the youth and creation of jobs and entrepreneurship, the budget opens up FDI for farming and food sector. It has proposed to allow 100 percent FDI in marketing food products the government says it would create vast employment opportunities.

The budgetary allocation towards development of multi skill development center reinforce the government's commitment to the skill India mission, it has imparted training to 76 lakhs youth. [1]

A lot of positive developments have taken place to the Indian economy during the last two years; many of these developments have gone unnoticed because of the tepid global growth particularly in some of the advanced economies in Europe and in China. The Indian economy might not be growing to its full potential as yet but none can deny the fact that a derailed economy during the last few years has been put back on rails.

The economic slowdown has bottomed out and the economy is on revival mode and surging towards high 8 to 10 percent annual growth in the coming years. India's GDP grew by 7.6 percent in 2015-16 and 7.2 percent in 2014-15 making the country fastest growing economy in the world [2]

## What is Entrepreneurship?

Entrepreneurship is the willingness to take risk, develop, organize and manage a business venture in a competitive global marketplace that is constantly evolving. An entrepreneur team is a group of people that help and spread out the risk of new ventures and also bring in different talents and skills set to it, a friend who majored in marketing and who majored in Accountancy, may come along with him and bring their skills and cash to build the right team, he can create a synergy where the group can achieve more together than they can apart.

## Characteristic of Entrepreneurship

✓ Risk-taking
✓ Creativity
✓ Initiative
✓ Independence

This paper draws together knowledge from variety of fields to propose that innovation can be viewed as a form of organizational capability, excellent companies invest and nurture this capability, from which they execute effective innovation process leading to innovations in a new product, services, process and superior business performance result.

**Some of the major objectives of Entrepreneurship Development Program (EDPs) are: -**

**1.** To create awareness about entrepreneurship and inculcate entrepreneurial values in the society.

**2.** To orient and motivate people to think in terms of entrepreneurship as an alternative career path.

There could be three major stages of training intervention for promoting entrepreneurship are *pre start-up stage, Start-up stage, survival and growth stage*. Accordingly, all the entrepreneurship Development related interventions could be classified into following three categories:-

1. Entrepreneurship orientation program (EOPs) and Entrepreneurship awareness Program (EAPs)
2. New enterprise creation program (NEC)
3. Existing entrepreneur program for small business survival and growth (EEP)

(EOPs) mostly focus on general information about entrepreneurship so that the participants may start thinking in terms of taking up entrepreneurship as a career these programs are through ITI, Polytechnics, graduate colleges and university level program.

(EAPs) normally refer to short term courses, for generating interest in

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entrepreneurship, as a career among participant who come from outside the education system, but are willing to do something which makes them their own masters.

(NEC) program is a comprehensive training package evolved to develop competencies in trainees which would lead to self-employment.

(EEP) are addressed to existing entrepreneur who are interested in survival and growth of the enterprise these program fulfills specific needs of the client, in different sectors.[3]

## Innovative Approaches for promoting Entrepreneurship

Some of the effective approaches for the promotion of entrepreneurship launched by Prime Minister Shri Narendra Modi are as follows: -

## Make in India Approach

The **"key challenges"** is to make India the easiest and simplest place to do business, a goal which the government is determined to achieve. There is a need to push for greater momentum to domestic companies in India. Make in India campaign was aimed at changing the mindset of the people to tap their entrepreneurship potential. Prime Minister Mr. Narendra Modi launched the **"Make in India"** campaign on **September 25 2014** aimed at reviving the job creating manufacturing sector, The Make in India Initiative will push the country's manufacturing from the present 16% to 25% of GDP in the next 5-10 years.

Our present Prime Minister had invited global companies to set up manufacturing units in India to supply to rest of the world, the objective set out for Make in India is to take manufacturing growth on a sustainable basis to 10 percent over the long term, Make in India 's proceeding in mission mode as India clearly appears to be the land of opportunities, the government has said that it has so far received Rs. 1.10 lakh crore worth of proposals from various companies that are interested in manufacturing electronics in India. Companies like Xiaomi, Huawei have already set up manufacturing units in India while iphone, ipad manufacturer Foxconn is expected to open a manufacturing unit soon. Recently, Lenovo also announced that it has started manufacturing Motorola smartphones in a plant near Chennai.

## Major Policy Initiative under Make in India:

### New Initiative:
This Initiative is to improve the ease of doing business in India, which includes increasing the speed with which protocols are met with, and increasing transparency, what the government has already rolled out: -

- Environment clearance can be sought online
- All Income tax return can be filled on line
- Validity of industrial license is extended to three years
- Paper registers are replaced by electronic registers by businessman
- Approval of the head of the department is necessary to undertake an inspection

### Foreign Direct Investment (FDI)
The government has allowed 100 percent FDI in all the sectors except space (74 percent) Defense (49 percent) and News Media (26 percent), while the FDI limit in defense sector has been raised from the earlier 26 percent to 49 percent currently.

### Intellectual Property Rights (IPRs)
The government has decided to improve and protect the Intellectual Property Rights of innovators and creators by up grading in fracture, and using state-of-the-art technology.
The main aim of IPRs is to establish a vibrant intellectual property regime in the country.

### Types of various IPRs
- **Patent:-** A patent is granted to a new product in the industry.
- **Design:-** It refers to the shape, configuration, pattern, color of the article.
- **Trade mark:-** A design, label, heading, sign, word, letter, number, emblem, picture which is the representation of the goods or services.
- **Geographical Indications:-** It is the indication that identifies the region or the country where the goods are manufactured.
- **Copyright:-** A right given to creators of literary, dramatic, musical, and artistic works.
- **Plant variety Protection:-** Protection granted for plant varieties, the rights of farmers and plant breeders and to encourage the development of new varieties of plants.
- **Semiconductor Integrated circuits Layout-Design:-** The aim of the Semiconductor Integrated circuits Layout-Design Act 2000 is to provide protection of IPRs in the area of Semiconductor.[4]

## National Manufacturing
The vision includes:-
1. To increase manufacturing sector growth to 12-14 percent per annum over the medium term.
2. To increase the share of manufacturing in the country's gross domestic products from 16 to 25 percent by 2022
3. To create 100 million additional jobs by 2022 in manufacturing sector
4. To create appropriate skill sets among rural migrants and the urban poor for inclusive growth
5. To increase the domestic value addition and technological depth in manufacturing
6. To enhance the global competitiveness of the Indian Manufacturing sector
7. To ensure sustainability of growth, particularly with regards to environment.

The Make in India policy clearly meets most of the aspirations of a young entrepreneur. The new de-licensing and deregulation measures will surely reduce complexity and significantly increases speed and transparency. The digitalization of the procedure will make everything hassles free.

## Skill India

More than 1.04 crore youth have been trained under the Skill India Mission in the year 2015-16 which is 36.8 % higher than the previous year's recorded data. Presently, 60 percent of the trainings are directly under **Ministry of Skill Development and Entrepreneurship** while 40 percent are across other Central Ministries. **Pradhan Mantari Kaushal Vikas Yojana (PMKVY)** which was launched on **July 15 2015** by the Prime Minister Shri Narendra Modi, alone has witnessed more than 20 lakhs people of which 40% are women candidate, being trained in their choice of skills.

In the last two years, the skill training and development ecosystem has been

transformational change through concentrated efforts in terms of initiatives such as PMKVY, new ITIs with private industry/industry partnership, infusion of new ideas and finance through World Bank assistance a paradigm shift in entrepreneurship education and development, amendment in Apprenticeship Act for increasing opportunities for the youth etc. These have for the first time, bought in a new focus to skill development in the country.

**Government Initiatives for Skill India**
According to Union Minister of State for skill development and entrepreneurship **Mr. Rajeev Pratap Rudy** there has been a consistent effort on coordination and convergence of innumerable schemes run by various ministries and departments across sectors and states so as to bring them in conformity with the National Standard. Today there are more than 1500 courses that have being aligned to National Skill Qualification Framework **(NSQF)**
Mr. Rudy further mentioned that provision of skilled workforce is a pre-requisite for a growing economy and success of various other initiative of the government such as Make in Indi, Digital India, Smart cities, Rapid Highway constructions, and his ministry is ensuring endeavors in this direction, he further added that there have been MOUs with central ministries which also includes Railways, Defense, Health, Telecom, Power, Coal to leverage existing infrastructure and opportunities for skill development across sectors.[5]

He added that 52 skill centers in railways premises have been identified of which 12 are already operational. The Ministry has also created a new model for skilling of retiring defense personnel to meet the trainers demand in the ecosystem has successfully completed a pilot with 56 IAF officers and provided them with training and placement letters.

Following are the achievements in the last two years; -
- Number of it is in the country has increased from 10,750 in May 2014 to over 13,105 in May 2016 and these will be further scale up to 18000 by September this year.
- 1141 number of new center have been added and 1.73 seats have been increased in the last one year.

- Ministry of Skill Development and Entrepreneurship (**MSDE**) have enabled the opening up of five new RVTIs for women in skill development.
- Ministry is working towards the establishment of one Model Skill Centre in each district of the country, which would be operational in more than 500 districts by March 2017, these will be high quality centers which will help make skill development aspirational and accessible.
- The Ministry of skill development and Entrepreneurship is aiming extensive modernization of the existing **ITI** eco system and establishment of new ITIs and Multi Skill Training Institute (MSTIs) so that more and more people get skills of recognized standards which will help them become more employable for the industries.
- **MSTIs** will be set up in the unserved areas/blocks to improve the outreach of the skill India Initiative.
- Ministry is working towards the establishment of one **Model Skill Center** in each district of the country, which would be operational in more than 500 districts by March 2017 these would be high quality centers which will help make skill development aspirational and accessible.
- Not only Government sectors but in private sectors too skill ecosystem catalyzed by National Skill Development Corporation (**NSDC**) 11 new sector skill councils have been added making it to 40 sectors now and an additional of 151 training partners in the ecosystem making the total to **267** partners.

The formation of the proposed **National Skill Certification Board** will result into a new era of training, assessment and certification where both government and industry will collectively enable a joint frame work for quality skill training and certification.
Union minister of State for skill development and Entrepreneurship emphasized the need for promoting Entrepreneurship in the light of **Stand up India and Start up India** announced by the government, he further said that his ministry will work to deliver Entrepreneurship Education

and Training in **2200 colleges, 300 schools 500 government ITIs and 50 vocational training centers,** aspiring entrepreneurs will be connected to mentors and credit markets **till date 4,82,079** entrepreneurs training have been done by National Institute for Entrepreneurship and small business development **(NIESBUD)** 83 percent of these have been trained through digitized entrepreneurship orientation programs**.**

**Digital India**

Digital India is aimed at Utilizing India's prowess in Information Technology and software to make India easy place to do business and improve governance and reduce corruption by digitalizing most of the government operations. India's service sector accounted for nearly 60 percent of GDP and it is among the leaders in IT and IT enabled services.

Various factors are responsible which initiated the need for digitalization in the economy as the people of lower income group, illiterates, those who are not updated by the latest upcoming projects of the governments, their benefits, rights and various other schemes of the government, were being harassed by the middleman in the society, so the ultimate purpose of the government to serve the deserving people was overlooked, so digital India will go a long way in improving the lot of rural India and farmers as exploitation by the middleman will get phased out with implementation of **Jan Dhan Yojana** and the decision on payment of cooking gas subsidy directly into the bank account of consumers has helped the government save Rs. 21,000 crore in the last two financial years by eliminating duplicate connections and diversions.

This is also a step towards digitalization of governance in India, which is expected to reduce human interface, thereby improving governance in all spheres of activities. Tax administration has been greatly digitalized, money transfers have got digitalized with implementation of Jan Dhan Yojana, Aadhar and mobile, the government has also promoted Green Energy in a big way, up to 100 percent foreign direct investment(**FDI**) is allowed under automatic route for power generation from renewables a schemes "**Prakash Path**"- way to light, was launched by

the prime minister under which energy efficient Light emitting diode bulbs will be distributed for domestic efficient lighting program in Delhi.

## Foreign Direct Investment (FDI)

India aspires to be among the super powers of the world by 2050 and has a unique strength of **3 Ds** Demand, Demography and Democracy as mentioned by our Hon'ble Prime Minister. Being among the youngest nation of the world and among the largest emerging markets, India is a land of opportunities for citizens and the world alike. To optimize on these strength of India it is important to create an employment generating model of growth.

Foreign Direct Investment (FDI) compliments domestic investments and fills the gap between resources available and required domestically; it not only brings capital but also transfers technology, organizational and other skills to the country. The government is progressively opening sectors/industries for FDI and increasing the limit of FDI in existing sectors. A transparent, predictable and easily comprehensible FDI policy is put in place.

FDI policy list sectors where FDI is prohibited and also the sectors where FDI is permitted subject to investment limits, entry routes and other conditions. Recently, measures taken to promote FDI inflow include FDI policy reforms, measures taken to create ease of doing business and building world class infrastructure in the country, in order to promote FDI which would result in increase of entrepreneurship development.

## Start Ups

Startup capital refers to the money that is required to start a new business, whether for office space, permits, licenses, inventory products development and manufacturing, marketing or any other expenses. Startup capital is also known as **"seed money"**

## Definition of Start-up

A strong point of the Action Plan is a clear definition of what a start-up is. The documents says "an entity incorporated or registered in India not prior to five years, with annual turnover not exceeding Rs.25 crore in any preceding financial year, and working towards innovation, development, deployment, or commercialization of new products, process or services driven by technology or intellectual property" Thus it makes clear that a start-up should have something new to offer by way of product or service.

Prime Minister Shri. Narendra Modi had announced the **"Start-up India"** Initiative. This initiative aimed at fostering entrepreneurship and promoting innovations by creating an ecosystem that was conducive for growth of Start-ups. The objective was that India must become a nation of job creators instead of being a nation of job seekers. This initiative was formerly launched in January, 2016 Government of India had organized a global workshop on "Innovation and start-ups " on the launch event with a view to provide a platform to bring together all stakeholders, stimulate dialogue on key challenges that the Indian innovations ecosystem faced, and provide the potential solutions to address those issues. Government of India's commitment in making India the hub of innovation, design and Start-ups on the launch event with a view to provide a platform to bring together all stake holders, stimulate dialogue on key challenges that the Indian innovation eco system faced, and provide the potential solutions to address those issues.

In a push to the government's startup India campaign, the union cabinet has recently approved Rs.10, 000 crore Fund of Funds for startup to support them with an aim to generate employment for 18 lakh persons. The cabinet has approved the establishment of **"Funds of Funds"** for startups at Small Industries Development bank of India (**SIDBI**) for contribution to various alternative Investment Funds (AIF) registered with Sebi which would extend funding support to startups, the statement added "This would provide a stable and predictable source of funding for startup enterprises and thereby facilitate large scale job creation"

According to SIDBI Chairman and Managing Director Kshatrapati Shivaji centre approving Rs.10,000 crore 'Fund of Fund for Startups" the small Industries development banks of India (SIDBI) has ramped up the startup funding operation to boost 'Start-up India' initiative with the launch of funds like unique India Aspiration Fund and Fund of Funds operations.

Government has made Start-ups easy for people to follow in some of the simplified steps which leads to Certification, Ease of procedures, Registration, self-certification compliance, IPRs Public procurements, Exit process, Funding, Exemption from Capital gains tax, exemption from Income–tax, Start-up Fests, Innovation and self-employment, Incubators, World Class incubators, Biotechnology sector, Scientific research.

Thus, to conclude this topic we can say that in the present scenario government is taking various efforts globally in order to enhance the individual for the promotion of entrepreneurship development.

The most assuring among the government announcement was the Prime Minister's speech which is sure to galvanize the start-up movement. He said those wanting to launch their own startups were not driven by money motive but had a desire to bring about a change. It was this spirit of adventure that the society had to respond to, he said. The country would welcome a startup even if it created five jobs only, be it related to agriculture, medical technology, handicraft sector, and not necessarily IT, he said.

The objective should be to solve the problem; the subject of business should not bother an entrepreneur, according to the Prime Minister. Here are some of the latest examples of people who have realized entrepreneurship is a boon to the society, they can turn the history upside down, through entrepreneurship, that sky is the limit for those who work hard in achieving their goals of life through various approaches of entrepreneurship: -

## Mr. Nitin Saluja's

In the final year of college in 2006, Nitin was pretty sure that he didn't want to get into a dull job routine. He got along with a few friends and started a robotics company, gradually he started realizing that this is not his cup of tea luckily he was introduced to his friend Raghav Verma and the two hit it off straight away and formed The tagline of **"Chaayos"** reads experimenting with chai and it reflects when you look at their menu where you'ii find teas like

"aam papad chai' rose cardamom chai launched in November 2012 **Chaayos** currently has eight outlets in NCR and is now planning to expand to Mumbai and Banglore, Chai was always a crucial part of NITIN SAluja's life but he had never thought of opening a chai outlet especially not after getting through IIT – Bombay! But life always has interesting cards to deal out; one only needs to be open to possibilities, **Chaayos** which has presently 440 employees in the enterprise.[6]

**Aakanksha Bhargava**

People still associate moving with non-professionals walking in their house with un hygienic & tacky look with no sense of responsibility, they feel scare and troubled this gave her an idea to get into the business of P.M Relocations-is a Small-Medium Enterprise is a one stop solution for mobility needs with respect to any body relocating within India or overseas As they don't just move belongings but lives and sentiments! [7]
Amit Tyagi

Bengaluru based Startup, "It's My Time" is an exclusive platform for buying and selling pre-owned luxury Swiss watches. The mission is to be India's best platform for Pre-owned luxury watches as well as the most sought after portal for new luxury collection too. This company had recently launched its portal www.itsmytime.co.in. This platform will make covetable timepieces accessible to all connoisseurs of luxury in India. Authenticity and impeccable quality of all products on sale are a promise on its part. The uniqueness lies in the fact that in our pre owned section, we offer the best of the brands at very good prices and in our new collections we are offering the best brands, which are only with us in India. [8]

Last but not the least would conclude that in spite of so many permutations combinations made by the government and private companies as well, various facilities given by the different departments in order to ensure comfortable and easy methodology for the upcoming new entrepreneurs so that they might take interest in the startup of the projects, we are unable to design a formula for developing entrepreneur, it is yet to be tailored to suit the target group.
Thus the approach should be flexible enough to accommodate the necessary changes.

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# IMPACT OF MARKETING INNOVATION ON CONSUMER BEHAVIOUR

Archana Upadhyay

## Abstract

*Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.*

*This study analyses consumer behavior and the interaction between consumers and businesses in the Innovative environment. As the today's issue is that how consumers get benefited from the innovative environment and whether and how they change their purchasing behavior according to the technological advancements. A number of barriers to e-commerce and a more integrated Indian market are identified and specific policy recommendations are provided.*

**Keywords**: Consumer behavior, Innovative environment, Ecommerce.

## Introduction

Consumer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behavior is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behavior analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

Each method for vote counting is assumed as social function but if Arrow's possibility theorem is used for a social function, social welfare function is achieved. Some specifications of the social functions are decisiveness, neutrality, anonymity, mo notonicity, unanimity, homogeneity and weak and strong Pareto optimality. No social choice function meets these requirements in an ordinal scale simultaneously. The most important characteristic of a social function is identification of the interactive effect of alternatives and creating a logical relation with the ranks. Marketing provides services in order to satisfy customers. With that in mind, the productive system is considered from its beginning at the production level, to the end of the cycle, the consumer. Consumer buying behavior can be defined as the way in which consumers or buyers of goods and services tend to react or behave when purchasing products that they like. Buyers tend to exhibit different types of buying behavior when they are in the process of purchasing goods and services and the behaviors witnessed are influenced by the type of product he/she wants to buy. Consumer buying behavior involves a long process where the buyer has to identify the product, study well its features, the pros and the cons and lastly deciding on whether to purchase it or not.

## Consumer Behavior

The study of Consumer Behavior is quite complex, because of many variables involved and their tendency to interact with & influence each other. These variables are divided into three major sections that have been identified as the most important general influences on Consumer Behavior. Imagine three concentric circles, one at the outer most, one in the middle & one at the inner most, and they represent the following:

**External Environmental Variables Influencing Behavior**:

These are the factors controlled by external environments like the following form the basis of external influences over the mind of a customer (outer circle):

- Culture, and Sub-culture,
- Social Class, and Social Group,
- Family, and Inter-Personal Influences,
- Other Influences (which are not categorized by any of the above six, like geographical, political, economic, religious environment, etc.).
- Individual Determinants of Behavior: Major individual determinants of Consumer Behavior are portrayed in the middle ring. These are the human mind and its attributes. These variables are personal in nature and they are influenced by the above set of external factors and in turn influence the way consumers proceed through' a decision making process regarding products &

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services. They are: Personality & Self-concept,

- Motivation & Involvement,
- Perception & Information Processing,
- Learning & Memory,
- Attitudes.
- Problem Recognition,
- Information Search,
- Evaluation of Application,
- Purchase Decision,
- Post-Purchase Behavior.
- The Consumer Decision Making Process: The buying decision comes as a product of the complex interaction of the external factors and the personal attributes. The inner most circle denotes the consumer decision making process regarding products & services, whose major steps are:

Marketers are frequently uncertain about the variables that are at play influencing & affecting consumers. Sometimes this occurs because they don't clearly understand the extent of variables that might be having an influence. The details of all external, internal, environmental, economical etc. are discussed above. Sometimes some variables are not directly observable. Other times variables are known to the marketers but their exact nature & relative strength of influence is not apparent. In these circumstances, it is useful to understand the above mentioned concepts and how the consumers behave, so that their decision making process can be predicted to a reasonable extent. The human mind being as complex as it is, the understanding of the buying behavior of the consumers becomes a continuous activity of application of various theories & concepts by the marketers.

Consumer behavior, like all human behavior is very complex. But the consumer behavior theory, like all theories is a simplified & abstract representation of reality. The more simplified picture of consumers provided by the theory helps us enormously to understand the consumers. It not only helps us to think about consumers, but also provides us with a language to talk about them. This language is very useful, because to be effective in an organization - for profit or non-profit - one has to persuade others to accept his ideas. And in fact, lack of this language has been one of the greatest drawbacks of the modern marketers.

Market Research or Marketing Research (MR) has been developing since "MARKETING" which brings together all customer elements, grew out of the concept of "SALES" in the early fifties. The theory of consumer behavior draws heavily upon the famous psychologist Sigmund Freud, particularly with respect to the emotional, psychological, mental, subjective or non-utilitarian aspects of buying decision or behavior of a consumer. The theory represents the hidden order in this very complex activity, which we call consumer behavior. On the surface, this highly complex & varied display of behavior by consumers seems essentially unexplained. But slowly as the theory develops, the hidden pattern emerges, describing the order we suddenly see, and explaining why the behavior pattern takes place.

Now, what is the magic stuff called consumer behavior theory that does all these wonderful things. It's not just a theory, as explained earlier, but more than that. It helps us to make better marketing decisions for profit & non-profit organizations. Thus we can examine the characteristics of a theory that enables us to do so. Researchers G Zaltman and M Wallendorf have come out with the most important attributes of a good & sound theory, after very close and careful thought. **These are the following**:

- A theory which does both: explains how consumers buy & predicts what consumers will buy.
- It unifies previously unrelated areas of knowledge, for example, it relates to information that consumers get from advertising so as to decide what brands they buy.
- The theory is simple. If not, it can be so complex that we can't understand well enough to apply it to our practical problems.
- It is testable so that we can verify whether the theory is valid and therefore dependable.
- Implied in the previous characteristic, it is supported by the facts. This means, to lay the theory up against data describing how consumers buy in the market and thereby determine if the facts confirm the theory. If they don't, then either the theory should be modified till the facts do verify it or abandon the theory.
- The theory is general, which means that it can be applied to a wide range of products & services. If it is not, then it won't be very useful.

- It has heuristic value, meaning that it poses new questions for us that had not been previously asked. While trying to answer these questions, new knowledge is created and that becomes the part of the theory.
- It is original. If not, it adds little to the existing knowledge.
- It is plausible. If not, it can't be seen by others as making any sense, and hence, they will not likely to accept the theory and so it won't be useful.
- And if all the above ten points are in order, and then it can be applied to designing marketing strategy and marketing plans.

The study of consumer behavior involves search, evaluation, purchase, consumption and post purchase behavior of the consumers and includes the disposal of purchased products keeping environment and personal characteristics in mind.

Consumer buying behavior would make a certain buyer to purchase product A as opposed to product B or whether to purchase a certain product or leave it alone and all that is as a result of the buying decisions made by the buyer as to whether the product suits his/her needs and requirements. Consumers of goods and services may possess different types of consumer buying behavior that are unique to themselves. The buying behavior of consumer A may be different from those of consumer B and the difference may very well boil down to varying buying decision made by a consumer.

**Types of buying behavior: -**

**1. Complex buying behavior**
This involves a consumer buying behavior that is associated with rigorous and detailed involvement by the buyer as different brands of the commodity are competing for his/her buying attention. Normally a complex buying behavior is witnessed when the product in question that the buyer intends to purchase is somehow expensive, purchased once in a blue moon or carries itself with a massive risk factor. As a result of this the consumer will tend to be very careful in purchasing the product. He has to learn about the good and bad side of the said product, evaluate whether it suits his needs and finally makes a well-planned and thoughtful choice in whether to purchase it or not. Typical examples of products that result in complex buying behavior include

**buying a laptop, house, television, microwaves e.t.c.**

### 2. Habitual buying behavior

As the name suggests habitual buying behavior in consumers results when the products in question have few or no significant and major perceived differences and as such the consumer goes for and purchases the product that he/she has been using for some time without having to think of switching to another brand. It's a sort of a habit in that when the consumer is presented with a choice between two substitute products that have the same features and characteristics; he/she will go for the one that he has been using before as he is familiar with it. Habitual buying behavior can apply to products like bread, margarine, sugar etc.

### 3. Dissonance reducing buying behavior

This type of consumer buying behavior is witnessed in situations where the product is expensive or has a risky factor in its purchase but there are different brands that have less or no difference to talk about. For example, a buyer purchasing a smart phone (there are many different brands) may encounter a big challenge on whether to purchase it or go for a smart phone of a different brand. They develop a sense of dissonance or feeling a discomfort after they purchase they product in the sense that they fear for the product to become a failure when they have already spent a lot of money on it.

### 4. Variety seeking buying behavior

Variety seeking consumer buying behavior takes place when the consumer has much different product choice that tends to serve the same purpose. Since the different brands of the same product serve the one and same purpose consumers will find themselves buying any given brand at a given time without having to make a choice between them. A good example of this could be cooking fat. There are indeed many different brands of cooking oil but the thing that is for sure is that they all serve the same purpose; cooking. For this reason, a consumer may randomly buy cooking oil A in a given day, then cooking oil B in another day and yet cooking fat C in another instance. Consumers see no significant difference in them and hence purchase the one that comes to their sight first.

**Innovation and Consumers**:

With the improving economic conditions because of liberal economic policy, India has been gaining importance as a high potential lucrative market for global retailers. In 2009 Indian retail market size was ranked as the 5th largest globally, and was valued at US$400 billion. A recent industry report by global consultancy Northbridge Capital stated the growth of India's retail industry to be US$700 billion in 2010. The per capita income in India has gone up (Hubacek et al., 2007) as much as 14.2% (2006-07) after the recent economic reform, resulting in an increasing number of Indian consumers with an affordability to use Internet service (at home, cyber cafes, or on a phone, etc.) (www.tradechakra.com, 2008). This supports industry statistics by Internet and Mobile Association of India (IAMAI), showing 30% growth (2.15 billion USD) of e-commerce and mobile industry in 2008 alone. In spite of a number of evidence showing the Development of Internet usage by Indian consumers, Internet sales show less than 1 percent of the total retail sales in India. This may represent a great potential to grow yet some obstacles to overcome for online retailers. Many Indian consumers have low self-efficiency in using Internet and feel shopping online to be unconventional. It seems that even for those, who use Internet on regular bases; Internet is mainly for searching product information, comparing prices, and/or checking consumer reviews rather than making a purchase.

**Factors affecting consumer behavior**:

Consumer behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behavior. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the consumer makes an estimate of the available money which he can spend. Lastly, the consumer analyzes the prevailing prices of commodities and takes the decision about the commodities he should consume. Meanwhile, there are various other factors influencing the purchases of consumer such as social, cultural, personal and psychological. The explanation of these factors is given below.

### 1. Cultural Factors

Consumer behavior is deeply influenced by cultural factors such as: buyer culture, subculture, and social class.

**• Culture**

Basically, culture is the part of every society and is the important cause of person wants and behavior. The influence of culture on buying behavior varies from country to country therefore marketers have to be very careful in analyzing the culture of different groups, regions or even countries.

**• Subculture**

Each culture contains different subcultures such as religions, nationalities, geographic regions, racial groups etc. Marketers can use these groups by segmenting the market into various small portions. For example, marketers can design products according to the needs of a particular geographic group.

**• Social Class**

Every society possesses some form of social class which is important to the marketers because the buying behavior of people in a given social class is similar. In this way marketing activities could be tailored according to different social classes. Here we should note that social class is not only determined by income but there are various other factors as well such as: wealth, education, occupation etc.

### 2. Social Factors

Social factors also impact the buying behavior of consumers. The important social factors are: reference groups, family, role and status.

**• Reference Groups**

Reference groups have potential in forming a person attitude or behavior. The impact of reference groups varies across products and brands. For example, if the product is visible such as dress, shoes, car etc. then the influence of reference groups will be high. Reference groups also include opinion leader (a person who influences other because of his special skill, knowledge or other characteristics).

**• Family**

Buyer behavior is strongly influenced by the member of a family. Therefore, marketers are trying to find the roles and influence of the husband, wife and children. If the buying decision of a particular product is influenced by wife then the marketers will try to target the women in their advertisement. Here we should note that buying roles change with change in consumer lifestyles.

• **Roles and Status**

Each person possesses different roles and status in the society depending upon the groups, clubs, family, organization etc. to which he belongs. For example, a woman is working in an organization as finance manager. Now she is playing two roles, one of finance manager and other of mother. Therefore, her buying decisions will be influenced by her role and status.

## 3. Personal Factors

Personal factors can also affect the consumer behavior. Some of the important personal factors that influence the buying behavior are: lifestyle, economic situation, occupation, age, personality and self concept.

• **Age**

Age and life-cycle have potential impact on the consumer buying behavior. It is obvious that the consumers change the purchase of goods and services with the passage of time. Family life-cycle consists of different stages such young singles, married couples, unmarried couples etc which help marketers to develop appropriate products for each stage.

• **Occupation**

The occupation of a person has significant impact on his buying behavior. For example a marketing manager of an organization will try to purchase business suits, whereas a low level worker in the same organization will purchase rugged work clothes.

• **Economic Situation**

Consumer economic situation has great influence on his buying behavior. If the income and savings of a customer is high then he will purchase more expensive products. On the other hand, a person with low income and savings will purchase inexpensive products.

• **Lifestyle**

Lifestyle of customers is another import factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in his/her surroundings. It is determined by customer interests, opinions, activities etc and shapes his whole pattern of acting and interacting in the world.

• **Personality**

Personality changes from person to person, time to time and place to place. Therefore, it can greatly influence the buying behavior of customers. Actually, Personality is not what one wears; rather it is the totality of behavior of a man in different circumstances. It has different characteristics such as: dominance, aggressiveness, self-confidence etc which can be useful to determine the consumer behavior for particular product or service.

## 4. Psychological Factors

There are four important psychological factors affecting the consumer buying behavior. These are: perception, motivation, learning, beliefs and attitudes.

• **Motivation**

The level of motivation also affects the buying behavior of customers. Every person has different needs such as physiological needs, biological needs, social needs etc. The nature of the needs is that, some of them are most pressing while others are least pressing. Therefore a need becomes a motive when it is more pressing to direct the person to seek satisfaction.

• **Perception**

Selecting, organizing and interpreting information in a way to produce a meaningful experience of the world is called perception. There are three different perceptual processes which are selective attention, selective distortion and selective retention. In case of selective attention, marketers try to attract the customer attention. Whereas, in case of selective distortion, customers try to interpret the information in a way that will support what the customers already believe. Similarly, in case of selective retention, marketers try to retain information that supports their beliefs.

• **Beliefs and Attitudes**

Customer possesses specific belief and attitude towards various products. Since such beliefs and attitudes make up brand image and affect consumer buying behavior therefore marketers are interested in them. Marketers can change the beliefs and attitudes of customers by launching special campaigns in this regard.

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# FINANCIAL INCLUSION AND WOMEN EMPOWERMENT IN INDIA

Pratibha Maurya

## Abstract

*Women account for half of human population but there is discrimination in status in terms of birth, education, health, employment rights and remuneration. Over the past decade, women empowerment is a matter of great decade in India. Women empowerment is the process of creating an environment where women can take their own decision for their benefits. Financial soundness and financial literacy of a female is one of the major indicators influencing the decision of women. This paper argues about the role of financial inclusion towards women empowerment in India. The objectives of this paper therefore, are to (i) examine the goal and policies adopted by government under the scheme of financial inclusion, (ii) To discuss the weightage of government policies and various schemes contributing in financial inclusion and (iii) To assess the contribution of all these policies and schemes for promoting financial literacy and women empowerment in India.*

**Keywords**: Financial Inclusion, Women Empowerment, Financial literacy.

## Introduction

Khan Commission was set up by Reserve Bank of India in 2004 to look into the ignited matter of Financial Inclusion and the recommendations of the commission were incorporated into the Midterm review of the policy (2005-06). With an ambitious initiative in response to the committee report, Reserve Bank of India has planned to solve the complexity of financial literacy and tried to diminish the stigma financial exclusion.

*"To eradicate poverty, we must end financial untouchability,"*

*------Said the Prime Minister (Narendra Modi)*

Arun Jaitley Finance Minister of India presented the Union Budget 2014-15, he listed several steps which should be taken and will go a long way in boosting financial inclusion in a country where about 60 percent of the population does not have bank accounts.



**Number of Households Availing the Banking Services**
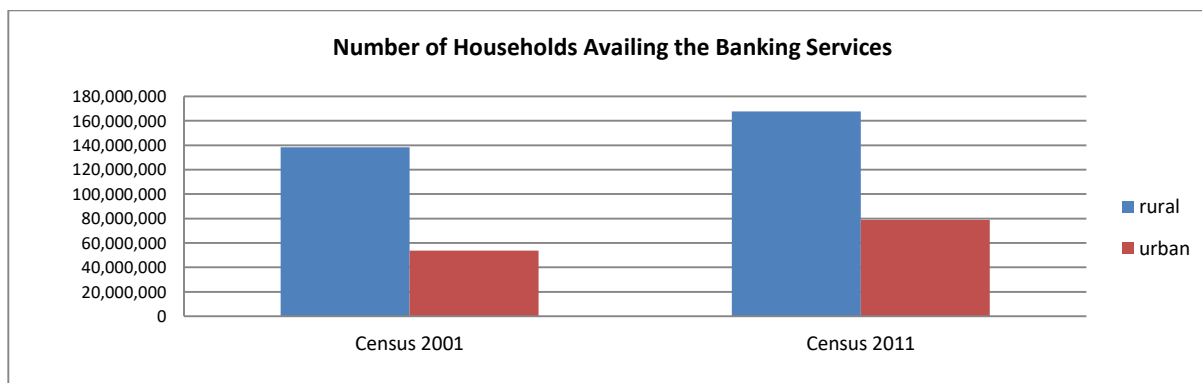
Source: Publications of Ministry of Finance.

According to censuses 2001, only 30 % of rural households were availing banking services, this percent increased to 54 % in the census 2011. Whereas, in case of urban area the condition is much better where the percent increased to 67 % from 49 %, reveals the census 2001 and 2011 respectively. CRISIL-Inclusix reports reveals that 73% of farmer households have no access to formal sources of credit.

In the year 1969, Indian banks were nationalized and India took a major step toward financial inclusion. Some of the major milestones of financial inclusion are; Establishment of priority Sector Lending Banks in 1971, Establishment of Regional Rural Banks in 1975 to provide sufficient banking facility to agriculture and other sectort, Establishment of NABARD in 1982-

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Apex development Bank in India for aggriculture, Launching of the Self Help Groups bank Linkage Program in the year 1992, NABARD in 1998 sets a goal for linkage one million SHGs by 2008, Establishment of SIDBI foundation for Micro Credit 2000, One million SHG linkage target in the year 2005, committee on Financial Inclusion, Proposed Bill on Micro Finance Regulation introduced in parliament in 2007, etcetera.

Inclusive financing aimed at providing financial services at affordable cost to each and every segment for the society; especially low-income segments. Thus, banks allocated villages of various district under financial inclusion programs to promote rural and poor population. Mangalam Village became the first village in India where all households were provided banking facilities.

Ample of programs and yojanas were formed especially for women to promote participation of females and few of the schemes are: Rastriya Mahila Kosh, Dhan Lakshami Yojana, Indira Gandhi Matritva Sahyog Yojana, Pradhan Mantri Jan Dhan Yojana, special bank for women-baharatiya Mahila Bank.

**Financial Inclusion Plan Of Banks**

The Reserve Bank had advised from 2010 to 2013, all public and private sector banks to prepare and submit their board approved financial inclusion plans (FIPs). These FIPs contained self-set targets in respect of opening of deployment of business correspondents (BCs), rural brick and mortar branches, coverage of unbanked villages through various modes, Kisan Credit Cards (KCCs),opening of no-frills accounts and General Credit Cards (GCCs) to be issued etc. The government of India announced "Pradhan Mantri Jan DhanYojna," in the year 2014, a national financial inclusion mission which aims to open bank accounts to at least 75 million of population by January 26, 2015. To achieve this target, it's important for both service providers and policy makers to have readily available information outlining gaps in access and interactive tools that help better understand the context at the district level.
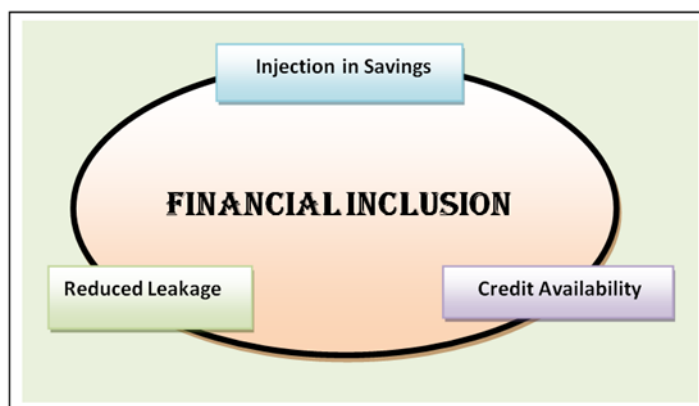


**Financial Inclusion And Women Empowerment:**

Government of India has always listed women empowerment in priority area. The policy makers have also paid their special attention toward it. The statistics of financial exclusion is much stronger than financial inclusion of women in India. In India only 26 percent of women have their account in any financial institution compared to 46 percent of men. There are multiple reasons which are responsible for this skewed data and the government is continuously trying to reduce this lag and make the difference minimum with maximum efforts. With the passage of time, India has also improved its statistics and produced several accomplished women. A recent global survey of top 50 women business leaders in the world includes only 4 Indian businesswomen. There is a wide diverse area of science, medical, business, sports, policies where Indian females fixed milestones of their success with prominent role from being freedom fighter, queen of forts to Prime Minister and speaker of Lok-Sabha. On the other hand, the story is completely different; there is a poor India where females in Rural India are working hard to earn to meet their basic necessity of life. There are several maid servants, women vegetable vendors and other doing small business which are compelled to pass their earning either to their families or to the male members than to spend according to their necessities. These women do not have their own account in any financial institution. They are completely financially excluded. Government is trying hard to achieve the target of complete financial inclusion by including marginalized people. The main aim of this paper is to check that there is any improvement in the status of women by the scheme and policies specially made for women. Some policies focusing on females are discussed below providing the evidence of women empowering by the program of financial inclusion or not.

**Literature Review:**

Massey, (2010) analyzed that; role of financial institutions in a developing country is decisive in promoting financial inclusion. The role of government in the promotion of financial inclusion can be more improved by active participation of the capital market players as well as the financial institutions, as financial institutions have a very fundamental and a wider role to play in development of financial inclusion.

**Alfred Hannig and Stefan Jansen, (2010**) advocated financial inclusion attracts abundance of opportunities to enhance financial ability. This study also shows a more significant positive impact of savings accounts for women than for men. The paper also exposes the risk associated with financial inclusion tends to financial crisis. Stronger social cohesion helps prevent political instability and permits undivided attention to crisis

management. Social safety nets can concurrently enhance financial inclusion when benefits are delivered through basic bank accounts in the formal financial sector. With the subprime meltdown illustrating the dangers of reckless lending practices, consumer protection has surfaced on the policy agenda.

**Amtul Waris and B. C. Viraktamath( 2013)** worked on the gender gap in India and checked the literacy rate, sex ratio, work participation, type of works having gender gap and founded that the policies need to be improved for women.

**V.Ganeshkumar, (2013)** explained that branch density in a state actually a strong measures of the opportunity for financial inclusion in India. Literacy is a precondition for creating investment awareness, and hence spontaneously it seems to be important tool for financial inclusion. Still the observation states that the literacy alone can never be a suitable guarantee of the high level of financial inclusion in a particular state. Branch density has significant impact on financial inclusion. It is not possible to achieve financial inclusion only by creating investment awareness, without significantly improving the investment opportunities in an India.

**Anju Batra, (2013)** revealed that in districts of Punjab, microfinance services have been offered largely as there are enough provisions made by the banks. But, women are using around 31% of the aforesaid services. On the contrary, the performance of SHGs is remarkable with respect to credit availability, employment generation, income generation and training, marketing linkages, confidence building and women empowerment.

**Apurva & Chauhan, (2013)** concluded that India is at moderate level regarding financial inclusion as compared to other countries regarding number of branches, ATMs, bank credit and bank deposits. RBI have adopted various strategies such as no-frill account, use of regional languages, simple KYC norms etc to strengthen financial inclusion. By looking at the various milestones achieved by Axis bank regarding financial inclusion, it can be said that the banking sector plays a crucial role in promoting financial inclusion. To cope up with the challenges to spread financial inclusion, there is a need of viable and sustainable business models with focus on accessible and affordable

products and processes, synergistic partnerships with technology service providers for efficient handling of low value, large volume transactions and appropriate regulatory and risk management policies that ensure financial inclusion.

**Arulmurugan, Karthikeyan & Devi (2013)** analyzed that access to financial services such as savings, insurance and remittances are extremely important for the poverty alleviation and development of a country. With the intention of achieving the target of total financial inclusion, policy makers, MFIs, NGOs and regulators have to work together. The issue of financial inclusion has acknowledged large importance in India during the recent years. The study explored a fact that that India had invested a huge amount of its resources in the expansion of the banking networks with the aim of reaching to the target people. During the last 50 years huge infrastructure has been created in the banking sector. However, this large infrastructure that has pampered even remote rural areas has been able to serve only a selected part of the prospective regular customers

**Arpita Manta, (2014)** studied the extent to which financial inclusion for women has been taken place in India and the period of study was from 1996 to 2006. There are unlimited opportunities to enhance the potential of women toward the direct contributors of economic growth but they are still the financially excluded lots and the northern region needs more attention.

**Need/Importance Of Study:** Financial Inclusion is inversely related to poverty and poor people in general are financially excluded. In developing countries like India the frequency of women are more excluded. Women's using the financial products and services can better serve the purpose of financial inclusion in India. Significant increase in the contribution toward GDP and economic growth by women financial inclusion has been noticed in recent years. The study emphasizes the financial deepening of inclusive growth for women through the usage of financial products and services. This will provide a stable and strengthen environment in term of finance. The importance of financial access for women has been realized as male and female both have different economic as well as social conditions.

**Objectives of the study:**

- To discuss the weightage of government policies and various schemes contributing in financial inclusion.
- To assess the contribution of all these policies and schemes for promoting financial literacy and women empowerment in India.

**Methodology:** To meet the objectives, secondary data has been collected from different secondary sources i.e. websites of the Reserve Bank of India, Publications of Ministry of Women and Child Development and also taken from various committee reports submitted to Government of India on Financial Inclusion. Addition to this the published articles, journals, news papers, reports, books and websites have also been taken into account.

**Strategies Adopted By Rbi Strengthening Financial Inclusion**
In India, RBI has initiated several measures to achieve greater financial inclusion. These schemes are made for the whole population but play a vital role in providing financial stability especially to the low income group women in rural area.

- **Simple KYC norms:** One of the major constraints faced by the public in getting linked to the formal and strict financial system was the Know Your Customer (KYC) norms approved for opening bank accounts. Relaxing KYC norms has reduced the burden and hesitation of females. Because the literacy rate of female is lower than of male in India, women feel uncomfortable by strict norms. With the simple norms of KYC they are coming forward and there is a hike in number of females availing banking services. But relaxing noms of KYC can also invite a fraudulent activity from the customer. Hence, the scheme should be relaxed in a balanced way

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- **No-Frill accounts:** No-Frill scheme allows the customer to open a savings account which requires no or negligible balance leading to lower costs which enables excluded people to open a savings account. This scheme accommodates those unbanked rural people whose income is very low to get account opened earlier.

- **Easy credit facilities:** Easy credit facility will promote women entrepreneurship. RBI asked banks to consider introducing General purpose Credit Card (GCC) facility up to Rs. 25,000/- at their rural and semi urban branches. Various small and micro-loans helps the women to concentrate and focus on their work. GCC is in the nature of rotating credit entitling the holder to withdraw up to the limit sanctioned. The interest rate on the facility is entirely deregulated. But when a bank eases the credit facility the danger of Non-Performing Assets increases which is a bane for any bank. Therefore, the ease should be at its equilibrium.

- **Other rural intermediaries:** Banks were permitted in January 2006, to use other rural organizations like Nongovernmental organizations, self-help groups, microfinance institutions etc for furthering the cause of financial inclusion.

- **Simplified branch authorization:** To address the issue of uneven spread of bank branches, in December 2009, domestic scheduled commercial banks were permitted to freely open branches in tier III to tier VI centers with a population of less than 50,000 under general permission, subject to reporting. Females in rural as well as sometimes in urban areas unable to travel very long distance for banking facilities due to various reasons, even sometimes their health or family members does not allow so. So, the bank's branches are expanding with an objective to reach at every corner.

**Government Achievements Towards Women Empowerment Under Financial Inclusion:** There were various schemes which just extended the financial services and became the medium of empowering the women. This scheme played an important role to push unbanked women to use the financial services at affordable cost.

- ➢ **Rashtriya Mahila Kosh**: It was establish way back in 1993 under the Ministry of Women and Child Development to provide micro-loans to bring socio-economic upliftment of lower income group women in India. As per annual report of Ministry of Women and Child Development the scheme started with the initial corpus of 31 crore which has grown over 186 crore with the help of additional budgeting allocation of 69 crore to fulfill the credit need of poor and asset less women in informal sector. Various schemes have been introduced for promoting small loan with a maximum limit of 10 lakh to make the females potentially capable and self dependent. A facility of 100% refinance to Mahila Urban Co-operative banks, gold credit passbook scheme, housing loan scheme have also been provided.

Figure [ 1]: Loan Distributed by Rastriya Mahila Kosh.
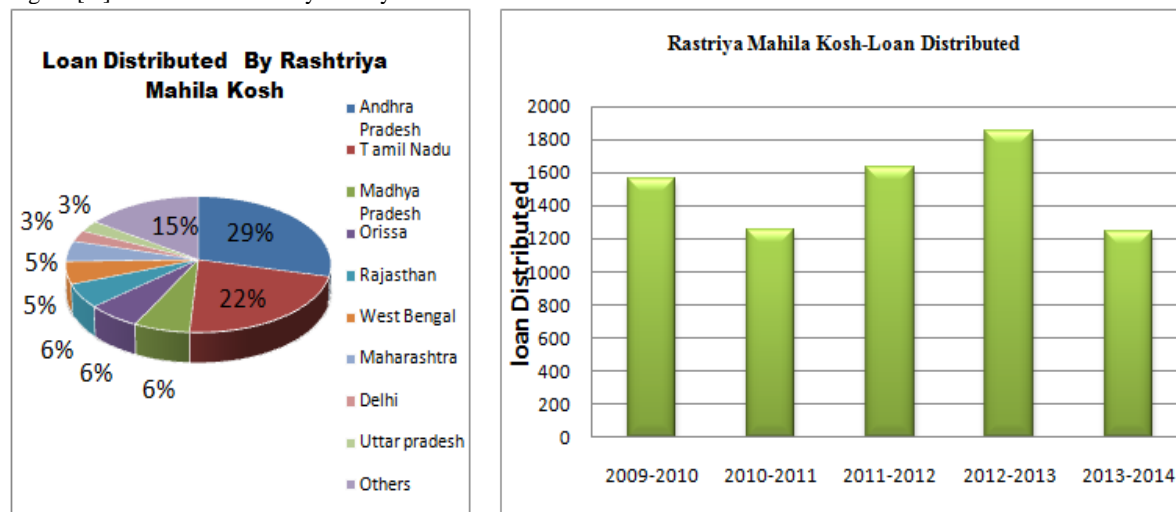


Source: Compiled by author from Annual Report, Ministry of Women and Child Development, Government of India.

State wise distribution of financial support by Rashtriya Mahila Kosh is most popular in Andhra Pradesh Followed by Tamil Nadu, M.P, Orissa, Rajasthan and many states. Theory also reveals that the females are more empower in these states as compared to other states.

- ➢ **Conditional Cash Transfer (CCT) Scheme for girl child with insurance cover (Dhanlakshmi):** Conditional Cash Transfer (CCT)

Scheme for girl child with insurance cover scheme was launched in the year 2008 with an objective to provide financial incentives to promote families to retain and educate girl child. This is a Central Sector scheme being implemented on a pilot basis in 11 blocks of 7 States viz, Andhra Pradesh, Bihar, Jharkhand, Uttar Pradesh, Punjab, Chattisgarh and Odissa. The target of dhanlakshmi scheme was to

eliminate the discrimination against girl child. Direct cash transfer was provided to the family (head) of the girl child preferably to the mother of that girl child provided on the conditions of registration at time of birth of the girl child, immunization, enrolment to school and retention in school.

At Birth and registration of girl child direct cash Rs. 5000 will be transferred under this scheme with additional Rs. 1250 for

Immunization. From life Insurance Corporation of India, Rs 1 lakh will be given to families that guarantee their girls reaching the age of 18.

- **Financial assistance and support services to victims of rape**:
  The Hon'ble Supreme Court as per Article 38(1) has directed National Commission for women to evolve a "scheme so as to wipe out tears of unfortunate rape victims". Under this scheme a financial support of Rupees two lakh is to provide to the rape victim. The amount of money is given to the women or the girl. In case of Injuries compensation upto rupees 1 lakh( subject to maximum limit three lakh) transferred to the rape victim by Ministry of Women and Child development under " State Criminal Injuries Relief and Rehabilitation Board".

- **Indira Gandhi Matritva Sahyog Yojana (IGMSY) – a Conditional Maternity Benefit (CMB) Scheme:** IGMSY is a centrally sponsored scheme for state government and union territories. It was introduced in the year 2010-2011featured by maternity benefit scheme and the pregnant and lactating women. Under this scheme pregnant and lactating women 19 year and above for their first two live birth will get the direct cash transfer of rupees 4,000/- in three installments (1,500 rupees at the registration within four months of pregnancy, 1,500 rupees transferred after three month of delivery for child registration, immunization and counseling session and remaining 1,000 rupees transferred to the beneficiary's account after six months of delivery). The scheme targeted to address short term income support objectives with long term objective of behavior and attitudinal change.

- **Mahila Samakhya Programme (MSP):** MSP launched in 1989, which was a mean for education women equality under Ministry of Human Resource and Development in the states of U.P, Gujrat, Karnatak, etc. This scheme has been particularly targeting out the school girls by working with community to create learning opportunities in alternative centre and early childhood development. It strives to make women aware, empowered, capable and self reliant. As per report of Mahila Samakhya Program- A National Review, MSP coverage exists across 42,398 villages in 126 districts of 10 states and planned to expand for 60-65 new districts.

- **Pradhanmantri Jan Dhan Yojana:** As the financial inclusion program is a gateway to empowerment of public, particularly women and people belonging to below poverty line. PMJDY is recently announced scheme with an objective of providing universal access of banking accounts with an overdraft facility and Ru-Pay Debit card to all household. This was a fully loaded scheme with technological innovations like Ru-Pay, mobile banking, etc.

- A bank supposed to be for women of the country, where men can't only be employee, but also have an account opening facility. Promoting financial inclusion plus empowering women with a single tool adopted by the government. Starting with seven branches BMB extended its work and at present the number of branches reached to 20. BMB started various schemes open fixed deposits, recurring deposits, tax savings products through online and some special schemes such as Komal Kali for bank's unique recurring deposit product for girl children can also be opened through BMB smart banking, addition to this bank has also designed and developed special products like BMB Parvarish, BMA Annapurna and so on.

- **Discounted Home loan for women:** Few of the country's leading banks like SBI and HDFC have discounted their interest rates for females on both individual and joint loans where women are the first borrower. SBI offered 5 basis point concessions to the women borrower. Of, course such schemes will magnetize the attention of public to have women in the priority list to participate in financial activities.

- **Bharatiya Mahila Bank:** BMB was launched in November, 2013 and the bank has opened 23 branches to support and empower women folk who want to become entrepreneurs. The BMB has also launched special programs for women listed in Table [ ].

**Conclusion:**

Financial inclusion for women remains a complex and puzzled area for research. Financial inclusion in India is an ignited issue involving the new concepts and ideology with a considerable scope for development of better products, technologies and models. However women empowerment through financial inclusion attracted the attention of researchers and policy makers but still more research needed to broaden the study the scope of financial inclusion of women in India.

There are unlimited opportunities to tap the potential of women as direct contributors of economic growth and are still the financially excluded lots (Manta, 2014). Schemes under Financial Inclusion have been identified which plays an important role in empowering women. Home loan at discounted rate for women will provide a financial stability and empowerment. These regions need special attention in terms of financial access from all the government, financial institution, Self Help Groups and the community at large.

Various strategies adopted by RBI in relaxing the norms by RBI have also been studied. State wise analysis have also been done and the result shows that Andhra Pradesh, Tamil Nadu, M.P, Orissa, Rajasthan, West Bengal are quite satisfactory, but other states needs special attention in terms of financial access to women in India. The trust deficit between financial sectors and women population should be looked into. Building trusting relationships is the crux of financial inclusion to be adopted for women.

Table [ 1]: Schemes run especially for Females by Bharatiya Mahila Bank.

| Schemes | Features |
|---|---|
| BMB Shringaar – Loan for Beauty Parlour /Saloon/Spa | ✓ For assisting women to establish their own parlor.<br>✓ For purchase /construction of shop purchase of tools and equipment, meeting day to day expenses of business.<br>✓ Collateral free to be covered under CGTMSE<br>✓ Tie up with Naturals, Cavin Kare and Lakme ltd.<br>✓ Loan repayment in 7 years<br>✓ Age of applicant min 20 years and max 60 years |
| BMB Annapurna Loan – Food Catering | ✓ For assisting women to establish food catering unit for selling tiffin/lunch packs<br>✓ Nature of loan-Term Loan<br>✓ Age of applicant min 18 years and max 60 years<br>✓ Collateral Free to be covered under CGTMSE<br>✓ Loan repayment in 3 years |
| BMB Kitchen Modernization Loan | ✓ For working women and housewives<br>✓ For renovation of kitchen<br>✓ For purchase of kitchen electronic items, kitchen furniture & utensils etc<br>✓ Loan repayment in 7 years<br>✓ Age of applicant min 21 years and max 60 years (for salaried) 55 years (for others )<br>✓ Minimum Rs. 50000/-, Maximum Rs. 5.00 Lacs |
| BMB Parvarish – Loan for Day Care Centre | ✓ To assist women to establish Child day care centre, for purchase of utensils, equipment etc<br>✓ Collateral Free to be covered under CGTMSE<br>✓ Loan repayment in 5 years<br>✓ Age of applicant min 21 years and max 55 years |

Source: Compiled data of Bharatiya Mahila Bank by author.

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# ISSUES AND CHALLENGES OF WOMEN EMPOWERMENT IN INDIA

Habiba Abbasi

## Abstract

*Empowerment of women has been a major concern of the 21st century. Even today in our daily life we see how women are targeted and become victim by various social evils. India is the second most populated country in the world having 49% of female population. But if we compare the position of Indian women with other countries having lesser female population it is worst. The reason being Indian females have to face various types of barriers in the society. Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally underprivileged ones, in the society. It is the process of guarding them against all forms of violence. The present paper attempts to study the status of Women Empowerment in India and highlights the Issues and Challenges faced by them.*

**Keywords**: Empowerment, Barriers, Victims

### Introduction

Empowerment is a multi-dimensional process which should enable individuals or a group of individuals to realize their full identity and powers in all spheres of life.

According to Webster's dictionary the word empowerment indicates the situation of authority or to be authorized or to be powerful. In other words empowers means to authorize so empowerment is a process which gives women power or authority to challenge some situation. The term empowerment indicates a process of giving to developing conditions for generating power within. Therefore, conceptually the term empowerment has multi-dimensional focus and can be described as a process wherein a group or individuals are an bled to enhance their status in the society on the hand and overall participation and growth in the other. Empowerment is active multi-dimensional processes which enable women to realize their identity, position and power in all spheres of life. Empowerment provides greater making process at home and in the matters autonomy in the decision making process at home and in the matters concerning society and freedom from customs, beliefs and practices.

Empowerment demands drastic and basic changes in the system or marriage and family, husband and wife relationship and attitude towards the socialization a remarriage. Empowerment is a process that gives a person freedom in decision making.

Women empowerment means emancipation of women from the vicious grips of social, economic, political, caste and gender-based discrimination. It means granting women the freedom to make life choices. Women empowerment does not mean 'deifying women' rather it means replacing patriarchy with parity. In this regard, there are various facets of women empowerment, such as given here under:

*Human Rights or Individual Rights* A woman is a being with senses, imagination and thoughts; she should be able to express them freely. Individual empowerment means to have the self-confidence to articulate and assert the power to negotiate and decide.

*Social Women Empowerment* A critical aspect of social empowerment of women is the promotion of gender equality. Gender equality implies a society in which women and men enjoy the same opportunities, outcomes, rights and obligations in all spheres of life.

*Educational Women Empowerment* It means empowering women with the knowledge, skills and self-confidence necessary to participate fully in the development process. It means making women aware of their rights and developing a confidence to claim them.

*Economical and occupational empowerment* It implies a better quality of material life through sustainable livelihoods owned and managed by women. It means reducing their financial dependence on their male counterparts by making them a significant part of the human resource.

*Legal Women Empowerment* It suggests the provision of an effective legal structure which is supportive of women empowerment. It means addressing the gaps between what the law prescribes and what actually occurs.

*Political Women Empowerment* It means the existence of a political system favouring the participation in and control by the women of the political decision-making process and in governance.

### The position of Women in India:

The position enjoyed by women in the Rig- Vedic period deteriorated in the later Vedic civilization. Women were denied the right to education and widow remarriage. They were denied the right to inheritance and ownership of property. Many social evils like child marriage and dowry system surfaced and started to engulf women. During Gupta period, the status of women immensely deteriorated. Dowry became an institution and Sati Pratha became prominent.

During the British Raj, many social reformers such as Raja Rammohun Roy,

Ishwar Chandra Vidyasagar and Jyotirao Phule started agitations for the empowerment of women. Their efforts led to the abolition of Sati and formulation of the Widow Remarriage Act. Later, stalwarts like Mahatma Gandhi and Pt. Nehru advocated women rights. As a result of their concentrated efforts, the status of women in social, economical and political life began to elevate in the Indian society.

Based on the ideas championed by our founding fathers for women empowerment, many social, economic and political provisions were incorporated in the Indian Constitution. Women in India now participate in areas such as education, sports, politics, media, art and culture, service sector and science and technology. But due to the deep-rooted patriarchal mentality in the Indian society, women are still victimized, humiliated, tortured and exploited. Even after almost seven decades of Independence, women are still subjected to discrimination in the social, economic and educational field.

**Issues and Challenges:**

**Perspective:** The most widespread and dehumanising discriminations against women are on the basis of the biassed perspective. The discrimination against the girl child begins from the birth itself. Boys are preferred over girls; hence, female infanticide is a common practice in India. The ordeal that an Indian girl faces at birth is only the beginning of a lifelong struggle to be seen and heard.

**Patriarchate Bottlenecks** The traditional Indian society is a patriarchal society ruled by the diktats of self-proclaimed caste lords who are the guardians of archaic and unjust traditions. They put the burden of traditions, culture and honour on the shoulders of women and mar their growth. The incidences of "honour killing" reveal the distorted social fibre in the male-dominated society.

Economic Backwardness: Women constitute only 29% of the workforce but forms majority of the destitute in the country. There has been a failure in transforming the available women base into human resource. This, in turn, has hampered not only the economic

development of women but also of the country' as a whole.

**Implementation Gaps** Through all these years, the attention is only on developing and devising new schemes, policies and programmes and have paid less attention to the proper monitoring system and implementation short-sightedness, for e.g. despite the presence of The Pre-Natal Diagnostic Technologies Act and various health programmes like Janani Suraksha Yojana and National Rural Health Mission (NHRM), our country has a skewed sex ratio and a high maternal mortality . rate (MMR).

**Loopholes in the legal structure** Although there are a number of laws to protect women against all sorts of violence yet there has been the significant increase in the episodes of rapes, extortions, acid, attacks etc. This is due to delay in legal procedures and the presence of several loopholes in the functioning of a judicial system.

**Lack of Political Will**: The still-pending Women's Reservation Bill underscores the lack of political will to empower women politically. The male dominance prevails in the politics of India and women are forced to remain mute spectators.

Way ahead starts with bridging the deep-rooted biases through sustained reconditioning. It is only possible by promoting the idea of gender equality and uprooting social ideology of male child preferability. This concept of equality should be first developed in each and every household and from there, it should be taken to the society. This can be achieved by running sustained awareness programmes with the help of Nukkad natak or dramas, radio, television, Internet, etc. across the country.

**Replacing 'Patriarchy'** with Parity: A strong patriarchate society with deep-rooted socio-cultural values continues to affect women's empowerment. The need of the hour is an egalitarian society, where there is no place for superiority. The Government should identify and eliminate such forces that work to keep alive the tradition of male dominance over its female counterpart

by issuing inhumane and unlawful diktats.

Education is the most important and indispensable tool for women empowerment. It makes women aware of their rights and responsibilities. Educational achievements of a woman can have ripple effects for the family and across generations. Most of the girls drop out of schools due to the unavailability of separate toilets for them. The recently launched 'Swachh Bharat Mission' focusing on improving sanitation facilities in schools and every rural household by 2019, can prove to be very significant in bringing down the rate of girls dropping out of school.

**Political Will:** Women should have access to resources, rights and entitlements. They should be given decision-making powers and due position in governance. Thus, the Women Reservation Bill should be passed as soon as possible to increase the effective participation of women in the politics of India.

**Conclusion:**

Empowering women socially, economically, educationally politically and legally is going to be a prodigious task. It is not going to be easy to change the culture of disregard for women which are so deep-rooted in Indian society. But it does not mean that it is implausible. Only revolutions bring changes in a day, but reforms take their time. This one, in particular, will take its time as well. The idea of women empowerment might sound hard by the yard, but by the inch, it is just a cinch. All we need is a concentrated effort focused in the right direction that would rest only with the liberation of women from all forms of evil.

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# SKILL SCENARIO FOR THE FINANCIAL SERVICE SECTOR

Sameer Kathuria

## Abstract

*The shortage of appropriately skilled labour across many industries is emerging as a significant and complex challenge to India's growth and future. What we have today is a growing skills gap. The accelerated economic growth has increased the demand for skilled manpower that has highlighted the shortage of skilled manpower in the country. The lacks of available applicants, shortage of hard skills and shortage of suitable employability, including soft skills, are some of the key reasons in finding a suitable candidate for available jobs in the country.*

*The financial services make up a high-skill sector well above the standards of other industries. Banking & Financial system of the country plays a substantial role in promoting the long term growth of the economy. The major segments of the Industry are Banking, Insurance and Mutual Funds. Acknowledging the formidable scale of challenge in the financial service sector there is a need to analyze the skills requirement and the skills gap in the various segments. The study is to show various challenges that are faced in imparting quality skill training to the youth of the country. The government has a critical role to play in managing the sector in the medium-term and is currently formulating its response to the crisis. The government's response will shape not only the structure of the sector and its competitiveness, but ultimately will impact upon levels of employment and the types of skills that will be required. The final phase involves the suggestion to build a long-term strategy for skills and competences which is able to reduce the risks of such a crisis happening again.*

**Keywords**: Financial Service Sector, High Skill Worker, Banking.

### Introduction:

Indian economy has been growing around 5 to 9 percent in the last five years. The financial services make up a high-skill sector well above the standards of other industries Many factors have helped the growth of Financial sector, namely, liberalized policy of RBI with licenses to new banks, improvement in the banking Services in the rural areas and financial infrastructural development by funding the private sector. The shortage of appropriately skilled labour across financial sector is emerging as a significant and complex challenge to India's growth and future. What we have today is a growing skills gap. The accelerated economic growth has increased the demand for skilled manpower that has highlighted the shortage of skilled manpower in the country. The lacks of available applicants, shortage of hard skills and shortage of suitable employability, including soft skills, are some of the key reasons in finding a suitable candidate for available jobs in the country. The financial services make up a high-skill sector well above the standards of other

industries. Banking & Financial system of the country plays a substantial role in promoting the long term growth of the economy. The major segments of the Industry are Banking, Insurance and Mutual Funds. Acknowledging the formidable scale of challenge in the financial service sector there is a need to analyze the skills requirement and the skills gap in the various segments. The study is to show various challenges that are faced in imparting quality skill training to the youth of the country. Imacs has covered the following segments in analyzing the human resource and skill requirements in the Banking and Financial Services Industry:

1. Banking
2. Insurance
3. Non Banking Financial Companies (NBFC)
4. Mutual Funds
5. Financial Intermediaries

Most of the Banking and Financial Services Industry employs highly skilled people with specialized educational qualifications for most of its functions. There are several challenges

that are faced in imparting quality skill training to the youth of the country. These challenges include: Maintaining quality and relevance, Creating effective convergence between school education and the government's skill development efforts, creating institutional mechanism for research development quality assurance, examinations and certification, affiliations and accreditation, Mobilizing adequate investment for financing skill development

It is a sad reality that even today people perceive skilling and vocational training as measures of last resort—meant for those who have not been able to progress in the formal academic system in a country like India

Its high time now for us to reboot the India education system and joint initiatives by the industry and academia will play an important part in plugging the talent gap in the years to come. Training individuals for the jobs of the future and allowing them to visualize what it possible today will not only make a difference in their lives but will

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enrich our communities now and for the future.

## Research Methodology

The study is exploratory in nature as it investigates the area and provides insight into understanding the problem. Present study s based on secondary data. The secondary data have been collected from journals, newspapers, internet, books and other literature available in the field. The data has been edited, classified and tabulated as per the requirement of the study. The following research objectives were derived to guide this study.

1. To understand the skill gaps and requirements in various finance sectors
2. To find out the challenges in imparting skills
3. To study the significance of government in developing skill in contemporary world

## Literature Review

India, as a whole, realizes the sheer seriousness and importance of possessing a skilled workforce There are several programs and schemes initiated to address this issue. However, considering the rate at which the eligible working population of India is growing, these skilling initiatives would fall short by a severe amount. India is perceived to be emerging as a service-driven economy with quality human capital as its competitive advantage. For continuing this growth in the service sector and achieve competitive advantage in manufacturing, it is imperative that the human capital asset is developed further. The future prospects give birth to a serious concern of inadequate educational facilities of the nation. The opportunity of "demographic dividend" may be lost if the upcoming working population does not have access to quality education. Both the government sector and the private sector have realized the critical role education plays in building skilled manpower and in turn boosting economic growth. India has a healthy enrolment ratio for primary education; however, few of these enrolments (students) pass over to secondary schools and even fewer to high schools, resulting in a high dropout rate. It is therefore evident that numerous young people are exposed to only primary education and are thus unaware of the options available to them after dropping out from school. When this section of the population reaches the working age, the youth usually find themselves underemployed or unemployed as they do not offer the working world a value skilled set.

According to a report by National Skill Development Corporation (NSDC), the Banking and Finance sector in India has evolved significantly over the years and has been a key driver for business growth in the country. The country has a huge demographic dividend which it can reap since 60.3 of the population is in the work age group of 15 to 59 years. While there is a big population that the country has, there is also huge under penetration with only 58.7% of households in banking network. With the high disposable income, the banking sector recorded double digit growth in excess of 15% in each of the last 5 years. The main challenge for the banking industry is the scarcity of skilled manpower to meet the growing needs of economy. The problem will increase due to retirement of experienced bankers in public sector. Besides, only 30% of populations are covered by formal banking. This means that new licenses for branch expansion with needed skill are going to increase manifold.

## Data Analysis and Interpretation

Banking & Financial system of the country plays a substantial role in promoting the long term growth of the economy. The major segments of the Industry are Banking, Insurance and Mutual Funds.

## Banking

The banking activity in India is currently concentrated primarily in the metro and urban areas. The banking operations can be categorised under the following three broad categories:

Corporate Banking – Also known as wholesale banking, it caters to corporate clients and also include investment banking functions

Retail Banking – Retail banking is primarily branch based banking and it caters to retail public at large

Treasury – Treasury function focuses on the asset liability management of the bank and covers activities in various markets i.e., G-secs, forex, interest rates, bullion, equity and alternative assets.

Traditionally banking industry employs highly skilled people with specialized education qualification for most of its functions. However, over the last few years there has been an increasing trend to outsource some of the activities through DSAs. This outsourcing has resulted in creation of employment opportunities for minimally educated people which were not earlier part of the banking system in the form of customer care support and tele marketing/ tele sales persons. These people are expected to possess good communication (spoken, written) skills, high level of perseverance, high energy level, emotional intelligence, and aptitude for repetitive work, integrity and managing customer's expectations. The skill requirements and gaps across various functions and levels in the banking organization

*Table 1: Skill requirements and skill gaps in retail banking*

| Executive - Sales | Detailed understanding of various retail banking product *Understanding of the bank procedures and documentation related with each products *Awareness of regulatory norms Orientation towards generating high volumes *Ability to work in regulated environment *Good communication skills *Ability to meet and chase targets *Ability to understand customer need | Knowledge of the Banking Industry (understanding the role of banking in Indian economy, players in the market, public vs private banks, different kind of customers like urban, rural and their needs) is poor Selling skills – ability to present bank products in an attractive manner, highlight key positive features, understand and capture the customer needs quickly, ability to establish credibility, cross-selling, up-selling, follow up, humility *Sales effectiveness – how to convert |

| | | |
|---|---|---|
| | and suggest suitable product<br>*Patience and perseverance<br>*Presentable and pleasing personality | opportunity into sales with minimum effort, ability to distinguish prospective customer with a 'window shopper', networking<br>*Presentation - communication skills, self-presentation, understanding of customers' background and exact needs |
| Executive - Operations | Complete understanding of banking operations<br>*Understanding of regulations governing banking operations<br>*Sound understanding of standard operating procedures<br>*Bank MIS System<br>*Good accounting skills (in case of back office)<br>*Knowledge of banking software like Finacle<br>*Preparing reports, MIS etc<br>*Basic knowledge of computers<br>*Ability to detect fake notes by usage of UV ray technology<br>*RBI clean note policy<br>*Orientation to pick up KYC norms<br>*Adherence to processes | Understanding of banking operations<br>*Lack of knowledge on Banking law and practice - Knowledge of Negotiable Instruments Act, application of laws to day-to-day operations, ability to leverage on different aspects of application of law<br>*Ability to work in regulated and stressful environment |
| Branch Manager | Complete knowledge of banking operations, regulations and products<br>*Legal norms<br>*People management<br>*Deciding on sales targets for individual executives based on overall branch target<br>*Focus on branch profits<br>*Trouble shooting<br>*Motivating people<br>*Escalating critical issues zonal/regional office | *People management<br>*Not much technical skill gaps as they are experienced and well versed with banking system |
| Field executive (under DSA) | Knowledge of the various products<br>*Knowledge of the various documents including KYC<br>*High level of perseverance<br>*High energy level<br>*Emotional intelligence<br>*Aptitude for repetitive work<br>*Integrity<br>*Managing customer's expectations<br>*Selling skills<br>*Good communication (spoken, written) skills | Poor knowledge of banking products<br>*Poor communication skills<br>*Poor selling skills |

*Table 2: Skill requirements and skill gaps in corporate banking*

| Role | Skills required | Skill Gaps |
|---|---|---|
| Relationship Manager | Detailed understanding of various banking product available for the corporate and product structuring<br>*Institutional sales<br>*Understanding of the bank procedures and documentation related with each products<br>*Day to day interaction with the client<br>General economic awareness and awareness specific to the industry of the client<br>*Awareness of regulatory norms | Awareness about product structuring<br>*General economic awareness and ability to establish a dialogue with the client<br>*Communication skills |

| | | |
|---|---|---|
| | *Orientation towards generating high value deals<br>*Ability to work in regulated environment<br>*Very good communication skills as they are required to deal with senior people from the company<br>*Ability to meet and chase targets<br>*Presentable and pleasing personality | |
| Senior Relationship Manager | People management<br>*Relationship management of large corporate client<br>*Handling of big ticket transaction<br>*Deal origination<br>*Supervision of transaction | Not much skill gaps experienced as they are fairly experienced and competent |

*Table 3: Skill requirements and skill gaps in treasury*

| Role | Skills required | Skill Gaps |
|---|---|---|
| Manager - Treasury | Understanding of asset liability management concept<br>*Complete understanding of the all asset classes<br>*Quick with numbers<br>*Analytical bent of mind<br>*Quick decision making ability<br>*Ability to work under pressure | Awareness of asset liability management concept<br>*Understanding of all the asset classes<br>*Quick decision making ability |
| Assistant Manager / Manager | Sound understanding of accounting concepts for credit appraisal<br>*Knowledge of various laws and regulations to ensure compliance<br>*Risk management concepts<br>*Ability to coordinate with teams from other departments<br>*Aptitude for compliance and documentation | Accounting concepts and credit evaluation<br>*Knowledge of various laws and regulations governing banking operations<br>*Risk management |

*Table 4: Skill requirements and skill gaps in support function*

| Role | Skills required | Skill Gaps |
|---|---|---|
| Assistant Manager / Manager | Sound understanding of accounting concepts for credit appraisal<br>*Knowledge of various laws and regulations to ensure compliance<br>*Risk management concepts<br>*Ability to coordinate with teams from other departments<br>*Aptitude for compliance and documentation | Accounting concepts and credit evaluation<br>*Knowledge of various laws and regulations governing banking operations<br>*Risk management |

### Insurance

An estimated 0.2 - 0.3 million people are employed as on-rolls employee in the insurance industry. On the other more than 2.5 million people are employed as intermediaries, either in the form of agents or brokers, in insurance industry. Thus the major employment in the insurance industry is driven by intermediaries who sell the insurance policies for the companies on commission basis. Various forms of intermediaries employed in the industry are
Individual agents
Corporate agents (including Banks)
Insurance brokers

Among the above the majority category is individual agents. As per Insurance Regulatory and Development Authority (IRDA), currently 2.5 million individual life insurance agents are employed in the industry. The number of life insurance corporate agents and brokers are 2415 and 281 respectively. Non-life insurance also has a similar structure; however, as life insurance intermediaries can also sell non-life insurance products, there will be very few standalone non-life insurance agents.

Thus we have not considered non-life agents separately for employment estimation. Also two major segments of non-life insurance, auto & health insurance, is covered separately under the auto and healthcare sector reports.

Thus we have focused on life insurance for our analysis Majority of the employment (on-rolls) in insurance industry is in highly skilled class with specialized job responsibilities. Apart from the on-rolls employment there is huge number of people employed as selling agents and advisors and they require basic knowledge on insurance, finance and selling skills

The major employment potential exists in the agent/advisors function in insurance industry.

*Table 5*

| Function | Level | Skills required | Skill gaps |
|---|---|---|---|
| Product development | Manager – Product Development | Understand the changing needs of the consumers *Ability to conceptualize new product based on the market survey *Co-ordinate with the actuarial team to convert the idea into product *Co-ordinate with the product committee to get the approval for the product *Ability to frame policies appropriate to the product | Generally, very experienced senior people are involved in this function and no major skill gaps |
|  | Actuary | Ability to convert the basic design into marketable product *Determine the commercial considerations and risk factors *Develop models for pricing and profit testing *Address regulatory aspects on the product design and pricing | This is a specialised role and not much skill gaps exists here. However, there is lack of |
| Sales & Marketing | Marketing Manager | Sound understanding of the insurance concept *Understand competencies required to become an agent/advisor and bring agent/advisor on-board *Train the agents/advisors and monitor their progress *Understanding of the organization requirements and pushing and promoting the required product mix *Direct selling in case of group policy *Ability to handle multiple sales channels – e.g. through dealerships, agents, bank partners, referrals, brokers and other intermediaries *Leadership and team | Understanding of the insurance industry *Understanding of the competencies require to become agent/advisor and bring on-board the right set of advisors/agent |

| | | | |
|---|---|---|---|
| | | management skills<br>*Excellent motivation and communication skills | |
| | Advisors/Age (Intermediary) | Understanding of the insurance domain<br>*Complete understanding of the insurance products<br>*Financial concepts such as IRR, PV etc.<br>*Financial planning and ability to understand the need of the customer<br>*Asset classes awareness<br>*Generate leads and convert it into business<br>*Documentation and compliance knowledge<br>*Good communication skills<br>*Presentable and pleasing personality | Understanding of the insurance domain<br>*Lack of product knowledge<br>*Financial planning and concepts<br>*Communication skills<br>*Asset classes awareness<br>*Presentation skills<br>*Aptitude to compliance |
| Operations | Claims Management | Knowledge of the underlying insurance product to evaluate and analyze the claim<br>*Knowledge of the documents required for verification of claims<br>*Basic understanding of legal terminology used in the policy Aptitude for documentation and compliance<br>*Good coordination skills to coordinate with various teams to settle the claims<br>*Excellent computer and time management skills to maintain the turnaround time | Lack of product knowledge<br>*Aptitude for compliance<br>*Time management skills |
| | Administration | Basic computer knowledge and typing skills<br>*Knowledge of accounting concepts for premium accounting<br>*Detailed understanding of the company's MIS systems, related trouble shooting<br>*Basic aptitude for documentation and compliance<br>*Coordination skills (especially with the sales team)<br>*Timely deposit of cheque for claims | Usage of the MIS system, how to generate reports, trouble shooting<br>*Insufficient awareness of regulations, compliance, company values and objectives and company culture<br>*Basic aptitude for documentation and compliance |
| Asset Management | Portfolio Manager | Very good portfolio management skills<br>*Sound understanding of the risk appetite of the company | Generally, very experienced senior people are involved in this function and no major skill gaps |

| | | *Ability to determine the right asset mix *Knowledge of the liquidity requirements of the company based on historical claims data | |
|---|---|---|---|

**Non-banking Financial Companies (NBFC)**

The activities of a NBFC company are very similar to a banking organization; however, NBFC's are less regulated as compared to a banking company. The following table presents the skill requirements and gaps across various functions and hierarchical/reporting 'levels' at a NBFC.

*Table 6 : Skill requirements and skill gaps at NBFC*

| Function | Level | Skills required | Skill gaps |
|---|---|---|---|
| Sales and customer support | Senior sales executive | Understanding of products offered by the NBFC *Knowledge of RBI rules and guidelines applicable to NBFC *Ability to guide junior sales executives and drive them towards getting more business *Ability to convince to buy from NBFC *Good communication & motivation skills *Presentable and pleasing personality | Knowledge of the NBFC industry and products offered *Leadership skills *Ability to convince to buy from NBFC *Communication and motivation skills |
| | Junior sales executive | Ability to efficiently check that all documents required for loan processing has been correctly submitted by the customer *Detailed understanding of the products so as to be able to explain the same to the customer *Understanding of the procedures related with each product *Knowledge of documentation related with loan products *Communication skills | Limited knowledge of the local language tends to be a hindrance *Insufficient knowledge of competitors' products and hence limited ability to highlight the benefits of the own products as against competitors' products |
| Credit appraisal and evaluation | | Ability to decide what percentage loan to offer to the customer based on the customer's ability to repay the loan *Ability to check the standing of guarantors provided by the customer *Ability to interview customers who have applied | Ability to decide what percentage of financing can be done |

| | | | |
|---|---|---|---|
| | | for the loan and determine their capacity to repay the loan *Knowledge of RBI rules and guidelines applicable *Ability to decide the loan term *Ability to determine the percentage interest to be charged to customers based on various parameters *Reading balance sheet and understanding ratios | |
| Collections and recovery | | Ability to keep track of collections being receivable from customers *Ability to determine which customers are defaulting *Ability to identify which customers are expected to default based on past history of payment *Ability to segregate customers into various categories based on them level of default and take appropriate actions for collections – e.g. Reminder calls to customers who delay payments, legal warning to customers who successively default on payment | Limited knowledge of laws and their application on a case-basis *Inadequate relations with local police |
| Product design | | Ability to track the market and study what auto loan products are being offered by competitors *Ability to design loan products addressing needs of customers according to their profile and the product being purchased *Ability to build in maximum profitability in designed loan products | Limited ability to track the market and understand customers products |

**Mutual Funds**

A mutual fund is the trust that pools the savings of a number of inventors who share a common financial goal. Anybody with an investible surplus of as little as a few hundred rupees can invest in Mutual Funds. The money thus collected is then invested by the fund manager in different types of securities. These could range from shares to debenture to money market instruments, depending upon the scheme's stated objective. It gives the market returns and not assured returns.
In the long term market returns have the potential to perform better than other assured return products. Mutual Fund is the most cost efficient distributors of financial products

**How Mutual Fund works?**
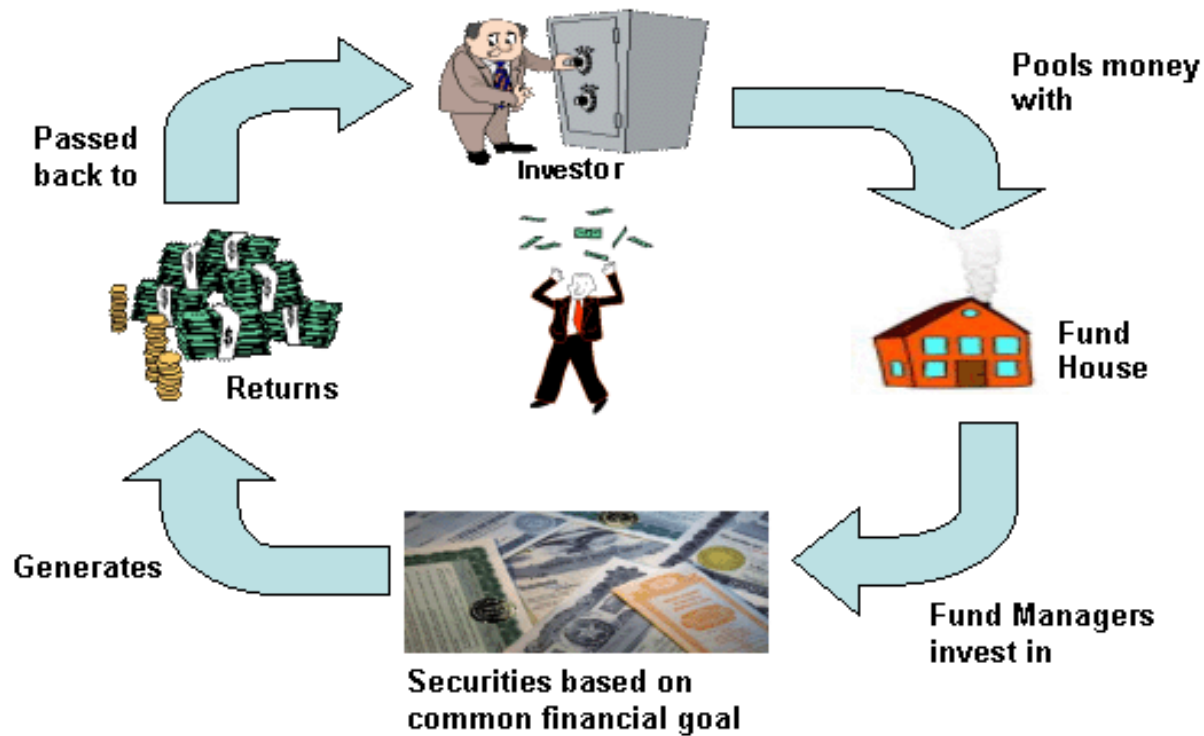


The majority of the sale in the mutual fund business is driven by the intermediaries and thus they are very important participant in the mutual fund industry. Given the critical role the intermediaries play in the mutual fund industry, the intermediaries are required to clear a exam conducted by the Association of Mutual Funds in India (AMFI) and obtain the necessary certification.

The skill requirement and skill gaps in the mutual fund industry are discussed in the table below:

*Table 7: Skill requirements and skill gaps at NBFC*

| | | | |
|---|---|---|---|
| Investment & research | Fund Manager | Portfolio management skills *Awareness of the various asset classes *Ability to identify buying and selling opportunity *Understanding of risk return tradeoff *Knowledge of the liquidity requirement *Expertise in the respective industry sector or asset class | The fund managers are fairly experienced and senior and no major skill gap exists at this level |
| | Research Analyst | Understanding of the industry sector that is being tracked *Excellent financial knowledge for valuation *Excel modelling *Awareness of the critical issues affecting the company being tracked | Specialized job and highly skilled people with specialized degree in finance employed. No major skill gaps in this category |

| Sales (Through intermediary) | Advisory/ Financial planner | | Understanding of the mutual fund industry and concept *Complete understanding of the products *Financial concepts such as IRR, PV, etc *Financial planning and ability to understand the need of the customer *Ability to communicate clearly the associated risk of the product *Ability to communicate clearly the expenses and fund management charges associated with the product Asset classes awareness *Generate leads and converting it into business *Documentation knowledge *Good communication skills *Presentable and pleasing personality | Financial planning and concepts *Communication skills *Asset classes awareness *Presentation skills |
|---|---|---|---|---|

## Financial Intermediaries

The financial intermediaries are a major category of employment in the financial sector and play an important role in the industry. They help to take the product to masses and thereby achieve penetration in the retail segment. The major categories of intermediaries are:
- Insurance agents/Advisors
- Direct Selling Agents (employed generally by bank and NBFC)
- Mutual fund distributor/Advisor

Among the above, insurance agents is the major category and employs the maximum chunk of people.

Also the above roles are not standalone and people generally play multiple roles. For example, an insurance agent might also be selling mutual fund products.

As regards the skills, the skill expectations are basic as specified below
- ➤ Basic understanding of the industry
- ➤ Knowledge of the respective products
- ➤ Awareness of the asset classes
- ➤ Basic financial concepts such as compounded return, IRR, etc.

- ➤ Soft skills such as communication and selling skills

The above skills are basic and can be imparted to a class-12 pass outs in short duration course ranging from 1 month to 3 months. However, there is no structured training institute or programme to cater to this category of people

## Roadblocks to Quality Skill Training

There are several challenges that are faced in imparting quality skill training to the youth of the country. These challenges include:
a) Maintaining quality and relevance
b) Creating effective convergence between school education and the government's skill development efforts
c) Creating institutional mechanism for research development quality assurance, examinations and certification, affiliations and accreditation
d) Mobilizing adequate investment for financing skill development

## Government Focus On Skill Development

Skill development is one of the priority agendas of the government for the Twelfth Five Year Plan. The government plans to set up sector skill councils to prepare standards required for training programs. The industries are also proactively taking steps to partner with the government and reduce the skill gap. The government is continuously increasing the financial support for skill development The various ministries have created infrastructure for skill development such as ITIs, polytechnics, community polytechnics, secondary schools (in association with private sector). Some of the key initiatives of the government are as follows
- ➤ Establishment of new ITIs in underserved regions and the existing ITIs being upgraded to centers of excellence to
- ➤ produce multi-skilled workforce of world standards
- ➤ MoUs with states and it is defining outcomes and reforms and imposing an obligation to transfer autonomy to PPP
- ➤ Setting up more polytechnics in the PPP mode and 400 government polytechnics being upgraded
- ➤ Expansion of vocational education from 9,500 senior secondary

schools to 20,000 schools; intake capacity to

- ➢ increase from 1 million to 2.5 million
- ➢ Establishment of 600 rural development and self-employment training institutes (RUDSETI)
- ➢ To set up a virtual skill development resource network linking 50,000 skill development centers (SDCs)
- ➢ Skills training has been made more affordable by exempting vocational education institution from paying service tax

**What is the Way Forward?**

To make India internationally competitive and further boost its economic activity, a skilled workforce and a functioning labor market are essential. Technical and vocational education in a broad sense lay down the foundation for innovation and knowhow. Technical expertise, combined with innovation, can pave the path for India toward being a developed nation.

By improving the learners' employability, the public and private sector create a substantial labor market, thus contributing toward reducing unemployment and underemployment.

Some of the recommended steps that can be taken to make skill training fully inclusive and achieve the skill developments are

- ➢ Provide voucher-based support to the learner to pursue skill training
- ➢ Collaborate with NGOs/panchayats to inform women and their families regarding VET (vocational education and training)
- ➢ Introduce regional career and counseling windows
- ➢ Provide learner-centric training

The need of the hour is to synergize the efforts and resources to provide a feasible platform for vocational education and skill development. The ideal way forward will be to seek partnerships that will strengthen the process of quality and inclusive education.

**Conclusion**

The work conducted in this skills scenario study showed the importance of a profound knowledge of evolutions in different functions, occupations, professions and skills. This knowledge needs to be developed at different levels: The financial services make up a high-skill sector well above the standards of other industries Taking the present world financial crisis into consideration, the endeavour to formulate skills scenarios for the financial services sector appears to be courageous, if not pretentious. The government has a critical role to play in managing the sector in the medium-term and is currently formulating its response to the crisis, both in terms of regulation and remuneration and in terms of its role in supporting banks as a shareholder or a lender of last resort. The government's response will shape not only the structure of the sector and its competitiveness, but ultimately will impact upon levels of employment and the types of skills that will be required. It is a sad reality that even today people perceive skilling and vocational training as measures of last resort—meant for those who have not been able to progress in the formal academic system in a country like India Its high time now for us to reboot the India education system and joint initiatives by the industry and academia will play an important part in plugging the talent gap in the years to come. Training

individuals for the jobs of the future and allowing them to visualise what it possible today will not only make a difference in their lives but will enrich our communities now and for the future.

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# INDUSTRY-ACADEMIA SKILL GAP (2014-17): CORPORATE SOCIAL RESPONSIBILITY

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## Abstract

*In higher education and technical institutions across the globe; Teaching, Research and Development constitute a chain of corporate social responsibility to fill the industry academia skill gap. This is our responsibility to enhance this chain of global man power solution through three major components of our Management Education System i.e.: Teaching, Research and Extension. Each and every component is so linked and integrated with the other that lack of one, leads to illogical, impractical and irrelevant result. Naturally, we all inherit a commitment towards an organizational culture to contribute economic development to enrich or strengthen the existing culture of community or society at large, which is more coherent with the short and long term objectives of the CSR. When no culture exists, we try to develop a particular culture required to fulfill the set objectives and the ultimate goals of the CSR. In the context of the teaching-learning environment, what sort of research culture should prevail in the institution to develop the social economy has been studied in details. The present study is a modest attempt to find out how one can possibly inject a research culture in an academic institution for enhancing and sustaining the talents and trade in the form of quality business graduates for global business solution. Effective and efficient research driven teaching by intellectual capitals and active participation of students in such research & consultancy endeavors of institutions will overcome the skill gap and further lead to economic development.*

**Keywords**: Skill Development CSR, Management Dissertation, Research Oriented Internship, Human Capital Vs Research Education

## Introduction:

The idea of CSR (Corporate Social Responsibility Voluntary Guidelines 2009) first came up in 1953, when it became an academic topic in HR Bowen's "Social Responsibilities of the Business". Since then, there has been continuous debate on the concept and its implementation. Although the idea has been around for more than half a century, there is still no clear consensus over its definition.

One of the most contemporary definitions is from the World Bank Group, stating, "Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for industries, business, society and development."

The 21st century is characterized by unprecedented challenges and opportunities, arising from globalization, the desire for inclusive research & development and the imperatives of climate change. In the era of fast-paced technology charged and changed environment, society is expected to update and strengthen its knowledge base through continuous studies and latest research inputs. Meeting this expectation by the academic fraternity, a part of the society, under the core element of CSR calls for continued updating of their subject matter knowledge reservoir. Since research is one of the important components of higher and technical education, and education being the utmost necessity to create, establish and sustain a research culture in academic institutions. However, undoubtedly developing a research culture in an academic institution is a very systematic, long drawn and painstaking process undertaken with a lot of perseverance and resource allocations by an academic institution.

Indian business or service sector, which is today viewed globally as a responsible component of the ascendancy of India, recognized that this status will be achieved by grooming our graduates with situational brainstorming activities i.e research, the world over that integrating social, environmental and ethical responsibilities through industry academia collaborations into the governance of businesses ensures their long term success, competitiveness and sustainability. This also makes business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

The corporate university or learning department seems to be the preferred lever of corporate responsibility, from the social and industrial perspectives. This educational structure that is principally focused on aligning skills with business strategies also should promote CSR education policy to encourage this sort of behavior, which ultimately has a positive effect on the bottom line. The relation between academia and industry is in its infancy and will need to be developed with pragmatism, passion and intelligence, giving the corporate institutes the responsibility for reducing industry-

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academia skill gap under CSR education policies.

## Literature Review

According to Lord Holme and Richard Watts "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" As globalisation accelerates and large corporations serve as global providers, these corporations have progressively recognized the benefits of providing CSR programs in their various institutions.

CSR Initiatives in India is a blend of European focused on core business and American philanthropic models. CSR is about building sustainable businesses provided by ready business graduates, which need healthy economies, markets and communities comprising education institutes playing major role.

Skill as per respondents, studied by Blooms taxonomy (1956) consist of three dimensions' Affective skill, Cognitive Skill and Psychomotor skill that contribute to overcome industry academia gap.

Competency = Knowledge + Skills + Attitude

Management education can only develop competency when overall KSA is developed. One cannot ignore the role of faculty and their experience has a direct impact on the Management Education and its quality. (Kishore and Majumdar,2012). To bridge the gap, learning has to be more in sync or linked with corporate development, there has to be partnership between business and business development, the real time scenarios need to be the centre of the learning experience and therefore a regular and active involvement of corporate with the academics is way to go (Ghoshal, Sumantra 1992). Cappelli (2008) indicated that the talent problems of employers and employees are twined together. But the past studies revealed that management institutes do not impart Employability skills in their students as per the expectations of Corporate (Fugate and Jefferson, 2001).Vadivu, Bala and Sumathi (2011)Empirical evidence that the management education institutions does

an inadequate job of developing analytical, evaluative and creative business graduates.

Research culture in education is the requirement of Triple Bottom Line-concept of CSR and simultaneously sustainable development of higher management Education System in India. Research with industrial needs will lead to better pedagogy and skilled knowledge base that can be correlated with the curriculum. (J D Singh August 2013). Management education should be transformational. The transformational effect of management education will only emerge when the learning shifts its centre of gravity from being theoretical to action based/ Research oriented. The key challenges that Indian Management education is facing currently are: well trained professionals except the few like IIMs and IITs, Highlighting the importance of analytical skill, interpersonal interactions and soft skills, and last but not the least meeting quality standards to achieve successful human resource creation and management. (Maharishi, Niharika, Arora, Lokesh, Chaturvedi, Richa, January 2013).

Important aspects to be incorporated in Management Education • Vision to create talented individuals of the corporations with logical and analytical bent of mind. • A Dissertation Project guidelines compatible to understand the industrial dynamics. • Research & development cell and Incubation centre with continuous project consultancy engaging students and faculty internship management program.

## Objectives

1. To highlight the role of CSR Training activities as an essential feature for Industry Academia linkages/Partnership.

2. To focus on the need for Corporate Social Responsibility to play a major role in Research driven Management Education in India.

3. To stress the inter-relationship between the roles of Government, corporate and Research driven Management education in India.

4. To find out importance attached to dimensions of skill companies expect and management institutes impart in their graduates.

5. To study the role of companies in generating customized Human Resource capital with respect to major CSR drivers (e.g. NTPC, IOC, BHEL, TATA etc).

## Conceptual Framework:

Identify the CSR activities under education policy to overcome the skill gap between management graduates and corporate expectations. Conducting an exploratory study under CSR policy to find importance of skill perceived as significant by corporate organizations. Evaluating competency among CSR activities□ survey on major CSR driver institutes □Energy Sector□ Information Technology sector. Based on survey on corporate and management research education analyze the gap under CSR core elements policy (No. 11 /RN/Ref./2013)

## Research Hypothesis

In consonance with the laid down objectives following null hypothesis were drawn for the sake of the present paper. Only the 4th &5th hypothesis was tested with the help of statistical treatment of the empirical data

1. CSR activities under education and skill development policy has significant role in Industry Academia Linkages.

2. Major CSR drivers play significant role in research driven education system in India.

3. Government, Corporate and Research education in India have significant relationship.

4. There is difference in skill factors corporate expect and management institutes impart in their graduates with respect to employability.

5. There is difference in importance of skill factors corporate expect and management institutions impart in their graduates.

## Research Methodology

The present investigation carried out by second author with the above mentioned objectives, research methodology followed is primary data and secondary data is used to find the related literature. An exploratory research was conducted to identify the affective cognitive and psychomotor skill sets perceived in

management graduates as per expected by corporate MNC's and PSU's (Govt. undertakings). Taking the same variables, a questionnaire was drafted, validated and data was collected from management students based on the perceived skill sets they possess. The data was further analyzed using SPSS and different statistical tools. The interpretation of the data in this thesis is performed using SPSS tool such as Freidman Chi-Square Test, Independent sample T test, Descriptive Statistics. Freidman Chi-Square test to find whether there is significant association and independent sample t- test is done for comparison of means of both the verticals i.e. MNC/Govt.(Energy) companies and Management Institutes.

## Sampling

In this research paper, the entire population consists of B- school students undergoing dissertation

projects in the final semester and the corporate major CSR drivers that have recruited the students of B schools in New Delhi/NCR. But the potential respondent's students (elements) are selected from known business school and the Corporate that have recruited these students. The sample size is 50 corporates who have recruited these fresh B-school graduates and 111 students from final year B-schools in Delhi/NCR. Moreover, to find out the companies and management institutes compatibility for skill gap analysis of

potential respondents from management institutes affiliated to universities or autonomous bodies were selected companies from Energy & IT sector.

## Data Collection
### Primary source
The researcher collected the primary data through Questionnaire

### Secondary source

The researcher collected the secondary data through Published and printed sources such as research papers, articles, newspaper, magazines, websites

### Measurement of Instrument
A questionnaire was drafted to identify the skill sets based on five variables identified interpersonal skills, communication skills, analyzing skill, decision making and problem solving and ethics. A five point likert scale was used to measure these variables. The demographics in form of gender, specialization and basic graduation was used to identify the skill sets. The reliability of the instrument was found Cronbach's Alpha (.996). Reliability of the questionnaire used for the corporate survey Reliability Statistics calculations based on primary data. Further to identify the skill gap between B-school graduates and corporate expectations Cronbach's Alpha (.742) Based on Standardized Items (.770) reliability of the questionnaire used for the student

survey Reliability Statistics as per calculations based on primary data.

## Sample Description / Sampling Technique

In the given sample of management students, the percentage of sample for males is 66% and Female is 34%. In the specialization category the statistics of student from marketing are 36%; finance is 33%, human resources are 20%, operations are 6% and from IT are 5%. In Graduation BBA, and BMS are 40%, B Com are 33%, BE, B. Sc, BCS are 20% and 7% are from other streams.

Hunt and Tyrell (2004) argue about stratified random sampling technique that it involves the breaking of the sampling frame into homogenous, non-overlapping, groups in terms of criteria such as geographical areas, age group or genders, qualifications, designations. The main intention in this research was to use Stratified Random Sampling as the population was categorized on the base of geographical area, nature of Company and Course of Institutes. Only the Institutes which impart management education were selected among the cities. The lists of these Institutes were obtained from university websites. The companies selected in city are National Stock Exchange listed, as they follow entire recruitment procedure. The list of Energy/IT sector service companies was obtained from the list of major CSR drivers.

## Data Analysis and Findings
Hypothesis Testing for Variables of Skills expected by Corporate

| Variables | Number | Mean | Std. Deviation |
|---|---|---|---|
| Inter-personal skills(Affective Skill) | 50 | 4.0952 | 3.91142 |
| Communication(Psychomotor Skill) | 50 | 4.0595 | 3.80064 |
| Attitude(Affective Skill) | 50 | 4.0714 | 3.86858 |
| Ethics , (Psychomotor Skill) | 50 | 4.1429 | 3.91781 |
| Decision making & problem solving skills Knowledge, Formulation (Cognitive Skill) | 50 | 4.1518 | 3.84198 |
| Valid N | 50 | | |

All calculations based on primary data interpret that the highest mean score of 4.1518 has been revealed for decision making & problem solving skills and ethics which has a mean

score of 4.1429 which is very close which implies that corporate have rated students highest on the above two skill sets. The decision-making and problem solving skills that have

been rated highest. Reasons for the same could be: that the admissions of B-school students are based on assessment of certain identifiable competencies in GD/Personal

Interview conducted and during course of the 2-year **program student's decision making and problem solving skills** are improved.

Hypothesis Testing for Variables of Skills perceived by Management Graduates

HO: There is no significant relationship between Skills sets and Gender H1 : There is a significant relationship between Skills and Gender

| **Independent Samples Test** | | | | | | |
|---|---|---|---|---|---|
| **Variances** | **Levene's Test** | **For Equality** | **of** | **t-test for Equality of Means** | |
| | | F | Sig. | T | df |
| Interpersonal skills (Affective Skill) | Equal variances assumed | 0.076 | 0.783 | -0.323 | 110 Accepted |
| | Equal variances not assumed | | | -0.326 | 76.959 |
| Communication skills (Psychomotor Skill) | Equal variances assumed | 1.77 | 0.186 | -1.197 | 110 Accepted |
| | Equal variances not assumed | | | -1.251 | 84.334 |
| Attitude(Affective Skill) | Equal variances assumed | 2.356 | 0.128 | -0.575 | 110 Accepted |
| | Equal variances not assumed | | | -0.632 | 96.003 |
| Decision making & problem solving skills Knowledge, Formulation (Cognitive Skill) | Equal variances assumed | 0.04 | 0.842 | -0.263 | 110 Accepted |
| | Equal variances not assumed | | | -0.262 | 74.211 |
| Ethics , (Psychomotor Skill) | Equal variances assumed | 0.656 | 0.42 | -1.258 | 110 Accepted |
| | Equal variances not assumed | | | -1.324 | 85.909 |

(Analysis of Gender) Source: Calculations based on primary data

As the Sig t Value is less than .05 we accept the null hypothesis and reject the alternative hypothesis i.e. there is no significant relationship between Gender and Skills. The value of t is -.323 and the Sig t value is .783 as the t value is less than sig value we accept the null hypothesis. There is no relationship between the Interpersonal skills and the gender. The value of t is -1.197 and the Sig value is .186 as the t value is less than sig value we accept the null hypothesis. There is no relationship between the Communication skills (Affective Skill) and the gender, i.e there is no variation between communication skills in females and males. On similar basis other variables

like attitude(Affective), decision making & problem solving(Cognitive) and Ethics (Psychomotor Skills) are also scoring hence. it is proved that there is no significant relationship between attitude, decision making & problem solving and ethics and gender. Also it is studied that no significant relationship between the female skill sets and the male skill sets. Reasons for the same could be that the admissions of B-school students are based on assessment of certain identifiable competencies.

Hypothesis Testing for Specialization Choice and skill set

H0a: There is no significant relationship between Specialization and skill sets. H1a: There is a significant relationship between Specialization and skills sets.

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| Interpersonal skills (Affective Skill) | Between Groups | 1.738 | 4 | 0.434 | 1.403 | 0.238 |
| | Within Groups | 33.142 | 107 | 0.31 | | Rejected |
| | Total | 34.88 | 111 | | | |
| Communication skills (Psychomotor Skill) | Between Groups | 1.025 | 4 | 0.256 | 0.84 | 0.503 |
| | Within Groups | 32.654 | 107 | | | Null Accepted |
| | Total | 33.679 | 111 | | | |
| Attitude(Affective Skill) | Between Groups | 1.526 | 4 | 0.382 | 0.994 | 0.414 |
| | Within groups | 41.092 | 107 | 0.384 | | Null Accepted |
| | Total | 42.618 | 111 | | | |
| Decision making & problem solving skills Knowledge, Formulation (Cognitive Skill) | Between Groups | 2.758 | 4 | 0.689 | 1.974 | 0.104 |
| | Within Groups | 37.365 | 107 | 0.349 | | Null Accepted |
| | Total | 40.123 | 111 | | | |
| Ethics , (Psychomotor Skill) | Between Groups | 1.795 | 4 | 0.449 | 0.495 | 0.739 |
| | Within Groups | 96.919 | 107 | 0.906 | | Null Accepted |
| | Total | 98.714 | 111 | | | |

Anova (Analysis of specialization) Source: calculations based on primary data

The above table states that f value is 1.403 is more than the significant f value i.e. .238, we reject the null hypothesis and accept the alternative hypothesis i.e. there is a significant relationship between Specialization and Interpersonal(Affective) Skills . The above table states that f value is more than the significant f value for the variables communication (Psychomotor Skill), decision making(Cognitive), attitude(Affective) and ethics(Cognitive) Psychomotor Skill we reject the null hypothesis and accept the alternative hypothesis i.e. there is a significant relationship between Specialization and Communication Skills. The above table states that f value is .495 is more than the significant f value i.e. .739, we accept the null hypothesis and reject the alternative hypothesis i.e. there is a significant relationship between Specialization and Ethics.

Hypothesis: Research and Skill sets

HOa: There is no significant relationship between skill sets and Research. H1a: There is a significant relationship between skill sets and Research.

| Variables | | Sum of Squares | df | Mean Square | F | Sig. | |
|---|---|---|---|---|---|---|---|
| Interpersonal skills (Affective Skill) | Between Groups | 0.621 | 3 | 0.207 | 0.653 | 0.583 | Null Accepted |
| | Within Groups | 34.259 | 108 | 0.317 | | | |
| | Total | 34.88 | 111 | | | | |
| Communication skills (Psychomotor Skill) | Between Groups | 0.407 | 3 | 0.136 | 0.44 | 0.725 | Null Accepted |
| | Within Groups | 33.271 | 108 | 0.308 | | | |
| | Total | 33.679 | 111 | | | | |
| Attitude(Affective Skill) | Between Groups | 1.429 | 3 | 0.476 | 1.249 | 0.296 | Null Accepted |
| | Within Groups | 41.189 | 108 | 0.381 | | | |
| | Total | 42.618 | 111 | | | | |
| Decision making & problem solving skills Knowledge, Formulation (Cognitive Skill) | Between Groups | 2.587 | 3 | 0.862 | 2.481 | 0.065 | Null Accepted |
| | Within Groups | 37.536 | 108 | 0.348 | | | |
| | Total | 40.123 | 111 | | | | |
| Ethics , (Psychomotor Skill) | Between Group | 0.93 | 3 | 0.31 | 0.342 | 0.795 | Null Accepted |
| | Within Groups | 97.784 | 108 | 0.905 | | | |
| | Total | 98.714 | 111 | | | | |

Anova (Analysis of Research) Source: calculations based on primary data

The above table states that f value is .653 is more than the significant f value i.e.583, we reject the null hypothesis and accept the alternative hypothesis i.e. there is a significant relationship between Research and Interpersonal Skills(Affective Skill), Research and Attitude(Affective Skill), Research and Decision making & problem solving skill(Cognitive Skill) .The above table states that f value is .440 is less than the significant f value i.e. .725, we accept the null hypothesis there is no significant relationship between Research and Communication Skills also there is no significant relationship between Research and Ethics.(psychomotor Skill)

**Sampled Population of management Institutes**

| City | Univ. Affi. Mgmt Instt. | Autonomous Instt. | Total Population | Sample |
|---|---|---|---|---|
| Delhi/NCR | 75 | 46 | 121 | 60 |
| Noida | 15 | 5 | 20 | 10 |
| Gurugram | 30 | 15 | 45 | 20 |
| FARIDABAD | 20 | 10 | 30 | 10 |

**Hypothesis 4** - A Freidman Chi Square Test conducted on skills Corporate attach to the factors influencing job selection revealed that the most important employability skills are Communication Skill(psychomotor Skill), Responsibility Skill, Learning Skill(Affective Skills) and relatively less important are Work Performance Skill, Techno Savvy, and Operational Skill(Cognitive skills).

| Sampled Population of Corporates | | | | |
|---|---|---|---|---|
| City | Energy Companies | IT sector | Total Population | Sample |
| Delhi/NCR | 50 | 50 | 100 | 20 |
| Noida | 25 | 10 | 35 | 10 |
| Gurugram | 20 | 15 | 35 | 10 |
| FARIDABAD | 20 | 10 | 30 | 10 |

**Hypothesis 5** - A Freidman Chi Square Test conducted on importance Management Institute attach to the factors influencing Job selection revealed that the most important employability skills are Communication Skill(psychomotor Skill), Responsibility Skill and Learning Skill(Affective Skills), and relatively less important are Techno Savvy, Appearance Skill, Task Perseverance Skill. Cognitive skills).

**Findings**

During the study and the statistical analysis of primary data collected by the corporate and the students establish the gap between the competencies self assessed by students and rated by the corporate.

According to corporate assessment, decision making & problem solving skills along with ethics scores maximum and states that Applied Experiential Knowledge to solve real time problems is what helps B-school graduate to carve a niche and make an impact at global business solutions.

It is evident that choice of specialization has a significant impact on the interpersonal skills, communication skills, decision making & problem solving skills. For e.g. a Marketing specialization B-School graduate will be comparatively high on communication skills when compared to other specialization graduate where as an Operation specialization B-school graduate would be high on decision making & problem solving skills.

Research has a significant relationship with the interpersonal skills(Affective Skill), communication skills(Psychomotor), attitude(Affective Skill) and decision making & problem solving skills(Cognitive Skill). Depending on the Research **these skills get eveloped and the student's** competency evolves. For e.g. a student who is management graduate will have higher decision making & problem solving skills as compared to an arts graduate. Study also indicates that gender has no significant relationship with identified competency skill set. B-school graduates are selected on the basis of pre-defined competencies and certain parameters of aptitude and hence it is safe to nullify the significance of gender in this scenario.

**Research and Innovation**

Study also states that three dimension of skills Affective, Cognitive and Psychomotor can only be enhanced in graduates by undergoing productive dissertation and continuous engagement in research culture developed at management institutes, moreover research and skills are complementary to each other.

1. CSR programmes should contribute a bulk of their resources to research education.

2. Investments in research, spread of information and communication technology is the need of the hour.

3. Collaborations between Government, educational institutions and corporate will accelerate educational reform and thus bring about the desired social development.

In fact it is the research endeavors of the stakeholders of education system, which keep them abreast and updated their knowledge and development in the particular subject domain. Applied Research culture will only produce the required talents by the employers to sustain in global market and maintain the economic status.

Thus, two key areas Talent and Trade can be managed by corporate institutions, along with governments in the process of globalization, Talent acquisition (experienced business graduates demand) from Management Institutions and Trade from Global Industries.

Contribution Of some Major CSR Drivers few to be :

1. **NTPC** School of Business **(NSB)** is floating its flagship program **Executive PGDM** which is aimed at enhancing the capabilities and competencies amongst managers and executives working at different levels in power & energy sector

2. NTPC Energy Technology Research Alliance **(NETRA)** It is good to see that NETRA has collaborated with various premier academic institutes and research establishments of the country to work in chosen focus areas.

3. **IiPM (The Indian Oil Institute of Petroleum Management** is a training institute of **Indian Oil**

**Corporation**) aims to create a vibrant bridge of knowledge managers to lead the Indian energy companies.

## Conclusion

Global job opportunities require global professionals. Carrying out a strategic analysis of the company's culture of global responsibility: The University must be able to answer this question: Is corporate responsibility part of the company's DNA? Which further derive potential graduates from management institutions.

Carrying out an analysis of the university's mission and guiding principles:

The question is to establish whether the university has a legitimate right to become involved in promoting CSR.

Now is the time to take account of our B-School graduates and the kind of job opportunities that await them. Indian global market has raised the bar and therefore we need to identify the skills that are lacking and holding our B-school graduates back from exploring the new heights of quality professionalism. Research plays an important role in future competency development at the same time the choice of specialization also hones in the various competency of an individual. Competency development by itself is not enough; the interpretation and integration of knowledge is what adds value to the B-school graduates. Ethical value system and informed decision making are the key skills sets that are desired by the corporate. B- Schools need to incorporate different approaches that will evolve these aspects and develop them through innovative pedagogy and regular updating of syllabus so as to bridge the gap between the desire and delivery.

Research based education system and CSR in the context of Globalisation

'Research Culture' is a well conceived structural framework that allows understanding and evaluating

research endeavors of the institution. It reflects the underlying philosophy, values and the beliefs systems about research within the system of an institution, talent acquisition and management policies, research projects

and activities and the research symbols of the institution. In such a given

academic ambiance, the overall scientific temper, and inquisitiveness and conduct of the faculty facilitate transfer of information, knowledge and skills to students not only in the context of today's

expectations of the society including the prospective employers but also develop their analytical abilities to cross-examine evidences in the context of tomorrow. Therefore, research culture is the

'cornerstone' in the overall image of an CSR and institution sustainable development.

Generally, research involves either searching for, or reviewing or evaluating information. Research requires organizational structure, resourcefulness, reflection, synthesis, and above all, the time.

The University has mentioned following reasons for doing research under CSR policy:

1. Research helps to gain appreciation in global corporate world, the practical applications of knowledge and step in the corporate world to learn theories, tools, resources and ethical issues that scholars and professionals encounter on a daily basis in global commerce industries.

2. Research develops independent thinking, creativity, effective time-management and confidence in academic and career goals. It gives students an opportunity to connect with faculty on projects of their interests, evaluate the information gathered, and develop decision-making skills on different issues that come across in everyday life.

3. Research helps to learn how to formulate questions, design plans to find answers, collect and analyze data, draw conclusions and share the findings with the community for business solution.

## Recommendations

The following recommendations have been made to bridge the Industry Academia Skill Gap between corporate

expectations and the student's self-assessment on skill set under CSR Education Policy:

1. Innovative Pedagogy of Adopting CSR, its codes and terminology - To be credible, the

2. university must first acquaint itself with all aspects of CSR and understand what's hidden behind the semantics used in "corporate social responsibility," "corporate responsibility," "sustainable development" and other terms that define the scope — which is hazy, to say the least — of responsibility beyond the classroom,

3. Developing and deploying an ad-hoc program: Once the preceding steps have been completed, the next logical step in this well-managed and well-developed process will be to enable the university to devise and implement an effective and appropriate plan of action.

4. Enlightened self-interest - Creating a synergy of employers and future employees' ethics

5. (new knowledge), a cohesive society (Education System) and a sustainable global economy where market research, labour (Human Resource) and communities are able to function well together.

6. Social investment - Contributing to physical infrastructure and social capital is a necessary part of doing research education business.

7. Transparency and trust - Business has low ratings of trust in public perception. There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas with an earned and

8. skilled analysis procedure of research by management institutions. Natural synergy between the academic and the industry researcher – academician can lend the conceptualization and generalization skills and the industry can provide the practical reality in which the conceptualization can be rooted

9. Increased public expectations from corporate business - globally companies are expected

10. to do more than merely provide jobs and contribute to the economy through taxes and employment."

11. Producer-Consumer Interaction Explore beyond the realms of classroom boundaries and

12. explore innovative approaches like use of technology, role reversal, more of industry projects.

13. Industry in India often looks for "consultants" in academic community – basically experts whocan guide them in solving their problems

14. Collaboration in Continuing Education Bring in more participation of the corporate in our teaching methods so as to be able to synch our teaching as per industry need.

15. Collaboration in Research Today in the world driven by Intellectual Property, there is an increased interest in collaboration in the area of research. For the purposes of our discussion, research can be considered as the activity of creating new knowledge. Collaboration in this area is possible only if the industry has a need for research A technology player whose business depends on pushing technology advances needs research simply to develop new technologies that it can then use to bring out newer products in the market place.

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**Scope for future Study**

Academic research is driven by the impact it will have on the global research community, and the measures of success are largely based on publications. Research in a company, on the other hand, is driven by the impact it will have on the company, and the measures of success are largely based on the long and short term value it creates for the company. Though these two objectives seem quite at odd with each other, in practice they are not so. Though publications are often not the objective in a company, many companies have also found that often it is hard to evaluate the work without

subjecting it to the reviews and eyes of other researchers. Due to this, often companies do publish parts of their work (after camouflaging the confidential parts). This brings in commonality of goals among the academic and industry researchers. With this alignment of goals and nature of research, there is a clear possibility of collaboration between academicians and industry. So, we can safely say that need for research in Indian companies is increasing. Let's look at the nature of research. Research can be basic or applied. Applied research is where the knowledge is being created with the intent that it will be used for commercial gains.

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# CRITICAL STEPS FOR ENTREPRENEURS TO BRING INNOVATIONS TO THE MARKET PLACE RESEARCH AGENDA FOR ENTREPRENEURSHIP

Prachi Sharma

## Abstract

*Great help by the government is extended by set ups of many organizations like SIDO, NSIC, NISIET, NIESBUD, IIE Guwahati etc for helping SSI's and entrepreneurs. The advocacy in favour of entrepreneurs – promotion of economic well-being of masses, decentralization of economic power, diffusion of industrial growth, removal of regional disparities, quick response & production techniques, capital saving, import substitution & export promotion, savings of foreign exchange.*

**Keywords**: Entrepreneurship, Recognition, Transform.

**Introduction**: Entrepreneurship is the act of being an entrepreneur or "one who undertakes innovations, demonstrates finance and business acumen in an effort to transform innovations into economic goods". Entrepreneurship in the academic literature is generally accepted as extending well beyond the small business owner-manager sector, with which it is popularly linked. In other words, there can be entrepreneurial behaviour in large organizations - termed 'intrapreneurship' - and in many walks of life, not just business. For example, there is growing attention being paid to social, civic and artistic entrepreneurs (Leadbeater 1997). Entrepreneurship is also generally understood to imply a growth orientation. In other words, a small business that wants to stay small is often excluded from the category of entrepreneur. Similarly, some commentators suggest that initiatives that are not really different or distinctive - perhaps because they replicate something which exists. This may result in a new organization or may be part of revitalizing mature organizations in response to a perceived opportunity. It is also a field of scientific enquiry which has drawn attention and momentum only in the last few decades. According to the 2006 Summary Results of the Global Entrepreneurship Monitor (GEM) project, "Regardless of the level of development and firm size, entrepreneurial behavior remains a crucial engine of innovation and growth for the economy and for individual companies since, by definition, it implies attention and willingness to take advantage of unexploited opportunities." The GEM project is a multi-country study of entrepreneurship and economic growth. Founded and sponsored by Babson College (USA) and the London Business School in 1999, the study included 42 countries in 2006.

Great help by the government is extended by set ups of many organizations like SIDO, NSIC, NISIET, NIESBUD, IIE Guwahati etc for helping SSI's and entrepreneurs. The advocacy in favour of entrepreneurs – promotion of economic wellbeing of masses, decentralization of economic power, diffusion of industrial growth, removal of regional disparities, quick response & production techniques, capital saving, import substitution & export promotion, savings of foreign exchange.

Significance of Entrepreneurs in various context is:

- -To decentralize the economic power
- -To reduce the income inequalities
- -To increase the country's income
- -To transform the economy to industrial economy
- -Employment generation
- -To increase exports
- -To increase emphasis in other areas other than agriculture

As per Peter Drucker (1998), there is far more to entrepreneurship than systematic innovation – the very foundation of entrepreneurship as a practice and discipline is the practice of systematic innovation. Finding the opportunities & exploiting them with focused practical solutions, requires disciplined work. Rao and Pareek (1982), describe entrepreneurship as a creative and innovative response to the environment. Such responses can take place in any field of social endeavor – business, industry, agriculture, and education, social work and alike.

Babson College and the Arthur M. Blank Centre for Entrepreneurship explains entrepreneurship as identifying as opportunity regardless of the resources currently available and executing on opportunity for the purpose of wealth creation in the private, public and global sector. The center has given the essentials of entrepreneurship as follows:

- -Communication – an important aspect in all the sectors.
- -Creativity to improve goods & services
- -True leadership for motivation
- -Opportunity focused: recognition, assessment and shaping
- -Creative resources marshaling
- -The entrepreneurial mind & thought process
- -The entrepreneurial team & a team locus of control
- -Extended enterprise management

"Next generation" paradigm of Indian scenario: Entrepreneurs in India are taking control of their current generation's intellectual, physical assets as in west the firms are finding them

costly to deploy. In this endeavor, the entrepreneurs are transforming the next generation's assets by making them accessible to even the grassroots markets. As Indian entrepreneurs make assets accessible to a variety of markets, they are also examining how grassroots can serve global markets and are trying to discover how they can use their unique culturally-embedded knowledge, which, until now, has been invisible.

Between 1993 and 2004, the average income for the bottom 20% of the population grew by 10%. This is nearly at par with the 12% for the top 20% of the population in rural and urban areas. A new study by Debroy and Bhandari (2007) has found that 52% of the workforce in India is self-employed. Indian entrepreneurship is thus helping to create new sources of income for even the poorest members of society. Both population strata have high rates of self-employment. However, although many areas of India are experiencing an income growth, fixed-income towns experience it the least.

Overall, many, such as Turner (2007), dismiss India's recent dynamism as a temporary phase. For instance, they attribute this dynamism to

1) The returning Indians who have held leadership positions and/or have access to leading edge technology and exposure to global operations

2) The US-born children of Indian immigrants leading the new generation of high tech entrepreneurs. Therefore, it would be fruitful to examine the origins of the various emerging forms of entrepreneurship in India.

However, on the other hand there are various problems & constraints faced by entrepreneurs like lack of proper infrastructure, raw material supply, financial constraints, marketing linkages, high cost of production, problems in forward & backward linkages, threat from established competitors, high tax structure, lack of standardization, absence of promotional tools, absence of brand establishment, exposure to technological advancements etc.

## CHALLENGES FACED BY ENTREPRENEURS

**Goal And vision:** Most of the business when started does not finalize the mission and vision of their business , neither do they bother to understand the long term goal and the company's potential according to the realistic vision. They generally overestimate sales revenues, thereby underestimating their costs.

**Competitors and other team members:** Since there is lot of competition on this level of business the people involved in starting up the business really feel insecure about their competitors in terms of product development, new designs, tooling, marketing efforts and so on. They do not even share their views about the possibilities for cost reduction processes. Also if the business is to be shared then they need to consider many factors, including each entrepreneur's personal qualities and skills and the nature of the planned business.

There are advantages to start a firm with other entrepreneurs. Team members share decision making and management responsibilities. Emotional support, to company members can help reduce individual stress. Companies also formed by team or more than one member have somewhat lower risks. If one of the founders is unavailable to handle his or her duties, another one can step in. Team interactions often generate creativity as compared to single thinking. Members of a team can share ideas with each other and "brainstorm" solutions to problems. Studies show that investors and banks seem to prefer financing new businesses started by more than one entrepreneur. Other important benefits of teaming come from combining monetary resources and expertise. Team members come up with complementary skills. One of the team may be expert in technological competency, whereas, the other may be an expert in production operations.

At the same time entrepreneurial teams have potential disadvantages also. In general, entrepreneurs do not offer to share ownership unless the potential partner can make a significant contribution to the venture. Teams share control in decision making. This may create a problem if a team member has poor judgment or work habits. Most teams eventually experience serious conflict arising from goals, management plans, or operational procedures. Sometimes conflicts can be resolved; in others, a conflict can even lead to failure resulting in even shut down and bankruptcy. Decision making is important for a entrepreneurs to be aware of potential problems while considering the advantages of working in teams with time bound goals. Choosing of right product i.e. the product according to the needs of the market and consumers and the perceptions.

**Branding**: Branding here focuses on the more general elements of branding, while addressing the specific and unique characteristics and problems associated with small firms. A review of the literature reveals that a number of additional important factors emerge which entrepreneurs need to be aware of; budget restrictions, management and staff, customers, communication and brand equity. Traditionally it has been assumed that they could not expect to use branding techniques at the highly sophisticated levels of larger companies, given their inherent limited resources and budgets (Keller, 2003). In addition, they do not have the luxury of making mistakes and therefore need to implement marketing programs more carefully (Keller, 2003). However, Inskip (2004) found that although branding does cost money, successful entrepreneurs are willing to pay for branding. Calabro (2005) established that if small firms brand properly, the costs of sales and customer acquisition drop dramatically, profits rise, and the owner/manager workload may fall.

Branding strategy is a policy for creating and nurturing sustainable competitive advantage by extending the explanation of branding and its distinguishing values (Abimbola, 2001). Entrepreneurial branding is a process that needs to be fast, flexible and focused on the key issue of the translation of the owner vision (Inskip, 2004). In extending this explanation certain core branding, service branding and branding components are utilized; such as brand building, the role of management and staff, customer importance, communication and brand equity (Krake, 2005; Wong and Merrilees, 2005; Grace and O'Cass, 2005; De Chernatony and Segal-Horn, 2003; O'Cass and Grace,(2003).

**Communication**: The methods and modes of communication within the business and to the consumers is important. As the mode of promotion contributes towards the segment, it is well defined to identify the advertising technique for the target segment. Marketers suggest the dominant factor in designing a brand and deciding what a company is and how it wants its customers to perceive it (FSB, 2004). Wong and Merrilees (2005) suggest

that the message and method chosen must be communicated in the most consistent fashion in order to build brand. An increasingly competitive market has motivated smaller companies to invest in brand-building strategies in order that they might become more conspicuous in the crowd and thus enhance sales (Calabro, 2005). Consequently, small companies are recognizing the importance of bolstering their brand (FSB, 2004). Marketing communications for strong brands are read and processed more deeply, and understood more fully, when coming from a dependable source, which can be achieved through the use of public relations (Campbell, 2002). It is evident from research that it is worthwhile for small firms to invest in branding, however, some experts contend that traditional advertising is not something small companies necessarily should pursue or employ (Calabro, 2005).

**Access to Capital:** The process of starting or organizing a business, however, requires many different skills and resources. The entrepreneurial process involves obtaining and marshalling resources from both internal and external sources. Limited internal resources, such as the entrepreneur's human and financial capital, may pose significant challenges to the start-up effort. As such, entrepreneurs might be expected to turn to other individuals and/or organizations for assistance. These individuals or organizations may include members of the start-up team, members of the entrepreneur's personal network, and public agencies or other assistance organizations. The programs offered by these assistance organizations typify the policy approach used by many local, state, and national governments for promoting and encouraging entrepreneurship and entrepreneurial activity. While most assistance programs are provided by the public sector, they may also be provided by semi- or quasi-public agencies or by private sector organizations. Assistance can also be delivered by private sector organizations that are partly funded by government entities.
Research has shown that use of outside assistance enhances start-up success, survival, performance, and growth. Jansen and Weber (2004) cited evidence from Germany that public advice and training programs for entrepreneurs

have had a positive effect on the success of new firms. A survey by Smallbone et al. (1993) of small- and medium-sized enterprises in the manufacturing sector found that 21 percent of the firms obtained outside assistance from public or semi-public agencies. Similarly, Ram and Sparrow (1993) identified that three-fourths of firms in their sample of Asian businesses in the UK neither used consultants nor engaged in any form of external management training. Furthermore, a critical issue to be answered is whether assistance programs reach those entrepreneurs and start-up firms that need advice and training the most. Part of answering this question involves determining why only some entrepreneurs seek outside assistance and others do not. This is a key question for government policy makers and those stakeholders interested in encouraging entrepreneurial activities

**Management and staff:** The role of staff and the internal organizational culture is something that cannot be underestimated by owner/ managers given that management skills are key to improving the operating effectiveness and efficiency of the company (Wong and Merrilees, 2005; NCC, 2004). If a small business wants to successfully grow then a framework must be created in which a culture can develop thereby building a brand that represents the company (Smith, 2000).Corporate branding is concerned with giving an organization a clear and publicly stated sense of what it stands for (Inskip, 2004, p. 358).
Krake's (2005) "Funnel model" explores the role of internal management, and concludes that the owner determines the level of attention branding receives within the organization, but also highlights how the owner is often the personification of the brand.

**Strategic decisions**: The challenge is to balance decision with risk—to become person of action who before seizing an opportunity does not procrastinate—and at the same time, to be ready for an opportunity by having completing all the preliminary possible judgments to reduce the risks of the new endeavor. Preparatory work includes evaluating the strengths of the company and accordingly market opportunities, developing the product or service, preparing a profitable business plan, budgeting, and capital arrangements.

Economists have identified key factors of entrepreneurs through careful analysis about their successes and failures, for upcoming business owners to monitor closely. By considering them the new owners can reduce risk. In contrast, paying no attention can result in the downfall of a new enterprise.
**Women as entrepreneurs:** Market linkage has been cited by various researchers as a deterrent for economic activities in rural part of the country and entrepreneurial activity by women would not be exception to it. With this in mind, we try to explain the process of market linkage as a facilitator for entrepreneurial activity by women for sustainable empowerment. The economic aspect would comprise, the ways by which one can increase the income level of women and also improve their participation in the decision making of the family or community in economic matters. While we recognize the importance of household work done by them, we do not assign any economic value to it. All the more reason why we need to create an environment that provides opportunities to increase income for such women without comprising on their domestic responsibilities. Lower female Total Entrepreneurial Activity (TEA) levels are evident at either end of the economic development scale. The Middle East and North Africa (MENA)/Mid-Asia region reports the lowest average TEA levels among women (4%). Developed Europe and Asia, and Israel also show low rates (5%) (Kelly et al., 2012).Although there is no direct link between women entrepreneurship and level of development of nation; it definitely will help in increasing the economic growth of the individuals. Research has been done to identify motivations propelling women to start new businesses and obstacles to their success. Women are one of the most vulnerable groups for poverty, and entrepreneurship is one of the ways to get them out of it or to prevent them from getting into it.
There have been continues efforts to Increase Entrepreneurship in India:

➢ Role of Ecology and Economic Development - Biogas production has also been linked to economic development in ways that empowers local entrepreneurs while protecting the environment. Biogas technology has significant benefits in alleviating wood-based fuel shortages and can lower costs for the small farmer and

entrepreneur (Laichena and Wafula, 1997; Srimalee, 2003). A number of organizations active in India have recently begun to address the problem of negative ecological effects from large-scale economic development projects through a variety of programs, including adaptation of traditional, sustainable agricultural resources, knowledge and methods in lieu of adopting Western agri-business practices (Shiva, 1999).

➢ The role of Multinational Corporations (MNCs) - For many years, the lack of success of many multinational companies in countries such as India has been related to MNCs' insensitivity to host countries, including a failure to adapt products to local needs, lack of recognition of negative effects of their products on local social and economic conditions, and notably, a failure to find ways for local businesses to participate (Dawson, 1985). A variety of institutions have addressed the need to increase entrepreneurship in India. Some MNCs today follow a variety of practices to address these concerns, including adapting product and marketing strategies to local situations, hiring local employees whenever possible and using local enterprises as suppliers and distributors. However, the latter of these practices has often been limited in application. To the extent that India's economy since independence has been closed, there has been less involvement of MNCs than could have been the case. Some observers welcome the recent increase in the openness of the Indian economy and would like to see it become more so, while others are more critical of the role MNCs are playing in India. With respect to gender, there has been little attention paid by MNCs to the empowerment of women entrepreneurs, but MNC critics have noted that many of the small-scale enterprises disrupted by MNC activities either often employ women or are run by women (Sharma, 2003; Shiva, 2005, 1999).

➢ Involvement of government - The Indian government has been involved in efforts to increase local entrepreneurship since the 1950s including a government program of reservations and a subsidy system for university graduates. These efforts have been criticized as both ineffective and more concerned with patronage networks and bribery than with a strong small business sector. The government has also been criticized for the many regulatory bottlenecks and for its failure to make sufficient progress on infrastructure improvements (Sharma, 2003). More recently, the Ministry of Industry established the National Institute for Entrepreneurship and Small Business Development, which has focused on entrepreneurship development through training programs, and has produced educational manuals and videos. It is an effective effort of the Indian government in the area of entrepreneurship to adequately address the particular needs of women (Dana, 2000).

➢ Microcredit programs and economic development - Microcredit programs in the economic development context refers to the extension of banking financial services to the poor, who otherwise would be unlikely to have access to services such as small loans and taking deposits (Economist, 2004). When traditional banks are involved, microcredit is typically provided in a conventional manner, with the poor becoming customers of the bank. When governments have subsidized credit programs with the goal of reaching the poor, there is evidence that such programs have been subverted, with the wealth in the society reaping the benefits from the subsidies (Dutt, 1991). There are also some examples of foreign companies using microcredit programs for local entrepreneurs to gain access to rural markets by extending credit to small distributors of their products, which are sometimes either sold in smaller units or in simpler forms in order to increase their usefulness to poor, rural customers (Prystay, 2005; Kripalani and Engardio, 2002). When NGOs (non-governmental organizations) are involved, the poor may participate in a revolving loan fund, where the NGO may put up the initial seed money for the loan fund, and the clients repay loans that are then re-loaned to other small entrepreneurs so that the community is essentially acting as its own bank. This has been referred to as "village banking" (Woodworth, 2000). Recently, the 2006 Nobel Peace Prize was awarded to Bangladeshi economist and banker Muhammad Yunus for his work with micro-credit in Bangladesh and he brought nine women borrowers with him to Norway to accept the prize (Yunus, 2006).

➢ Role of NGOs - Perhaps the most effective type of organization in the efforts to foster entrepreneurship in India in general, and among women especially, has been the NGO (non-governmental organization). A number of NGOs have initiated programs related to entrepreneurship, including microcredit or microfinance programs for small-scale entrepreneurs; training and technology transfer projects; and direct assistance with small business start-ups. With due respect to women, NGOs sometimes offer programs targeted specifically at women, since women may have limited or no access to more generalized development programs. NGOs operating in developing countries such as India, whether based in India or abroad, often focus on small entrepreneurs and/or the special development needs of women by providing training, workshops, technical assistance, job opportunities and help with start-up of small businesses. Often, NGOs receive funding or other assistance from government, charitable or corporate organizations. In India, these efforts have ranged from the Indian government's National Institute for Entrepreneurship and Small Business Development (previously mentioned) to the non-profit, locally-based Self-Employed Women's Association (SEWA) and Hindustan Lever, Ltd.'s corporate-based program to encourage distribution of its products through local entrepreneurs (Serril, 2005; Prystay, 2005).

## Managerial Implications And Applications

The implications of this research for owner/managers focus on the need to address the issue of intangibility by implementing strategies to make the business successful. In addition, although the owner/manager may

incorporate a personalized management style, the study confirms the significant role of management and staff in branding. In order to maximize such role benefits owner/managers should be encouraged to increase delegation of branding decisions, cultivate enthusiasm and incorporate the entire team when branding the product. The wider implications for mainstream small business support agencies, arising from the study, focus on the development of soft supports to help entrepreneurs exploit inherent but underdeveloped competitive advantage. This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. We are often told that branding results in added value, competitive advantage and customer retention. It is often seen that many people who run small and medium sized enterprises (SMEs) believe it but do little about it? Why is it that entrepreneurs do leave the branding to the big players? Although branding does cost money, successful SMEs are willing to pay for it. If small firms brand properly the costs of sales and customer acquisition drop dramatically, profits rise, and the owner/manager workload may fall. An increasingly competitive market has motivated smaller companies to invest in brand-building strategies in order that they might become more conspicuous in the crowd and thus enhance their sales. The role of staff and the internal organizational culture can not be underestimated by owners/managers given that management skills are key to improving the operating effectiveness and efficiency of the company. If a small business wants to successfully grow then a framework must be created in which a culture can develop, thereby building a brand that represents the company. Standard, competencies and image of the entrepreneurs can be communicated to consumers by a brand. Knowing the customers' attitude and their association with the brand is fundamental and can also lead to a better relationship with the customer. This suggests that a brand not only provides benefits to the customers but is a way to differentiate a product or service from that of the competition.

Increasing understanding of management perspectives in branding is essential, given the impact of the entrepreneurial personality on branding, which in turn augments the sustainable value of both the company and its products and services, supporting the creation of differentiation and growth. In "Exploring management perspectives of branding in service Gillian Horan et al. Studied businesses in Ireland and discovered that, from a management perspective, branding in service SMEs is dominated by four variables:

1    the inherent characteristics of the SME;
2    the role of customer importance;
3    the role of management and staff; and
4    brand equity.

Budgetary constraints impacted the SMEs' branding activities and practices as did procrastination, desire for success and the influence of the owners/manager on change. The implications for mainstream small business support agencies and for owners/managers highlight the need to address the issue of intangibility by implementing strategies to make the intangible values tangible in a brand or in service. In addition, although the owner/manager may incorporate a personalized management style, the study confirms the significant role of management and staff in branding. In order to maximize such role benefits owners/ managers should be encouraged to increase delegation of branding decisions, cultivate enthusiasm .

In India also, lack of market linkage has forced many producers to leave their occupation. Market linkage being a sensitive issue, as the goods manufactured if are not sold – the demand does not arise will lead into material inventory and losses. Therefore a need is required for backward and forward linkages which government institutions can provide as a platform for the small business owners in order to support them in their marketing of goods and services.

Every entrepreneur should also be aware of intellectual property rights in order to protect these assets in a world of global markets. An intellectual property lawyer can provide information and advice. The main forms of intellectual property rights are:

• Patents: A patent grants an inventor the right to exclude others from making, using, offering for sale, or selling an invention for a fixed period of time - in most countries, for up to 20 years. When the time period ends, the patent goes into the public domain and anyone may use it.

• Copyright: Copyrights protect original creative works of authors, composers, and others. In general, a copy- right does not protect the idea itself, but only the form in which it appears - from sound recordings to books, computer programs, or architecture. The owner of copyrighted material has the exclusive right to reproduce the work, prepare derivative works, distribute copies of the work, or perform or display the work publicly.

• Trade Secrets: Trade secrets consist of knowledge that is kept secret in order to gain an advantage in business. Customer lists, sources of supply of scarce materials, or sources of supply with faster delivery or lower prices may be trade secrets. Certainly, secret processes, formulas, techniques, manufacturing know-how, advertising schemes, marketing programs, and business plans are all protectable. Trade secrets are usually protected by contracts and non- disclosure agreements. No other legal form of protection exists. The most famous trade secret is the formula for Coca- Cola, which is more than 100 years old. Trade secrets are valid only if the information has not been revealed. There is no protection against discovery by fair means such as accidental disclosure, reverse engineering, or independent invention.

Trademarks: A trademark protects a symbol, word, or design, used individually or in combination, to indicate the source of goods and to distinguish them from goods produced by others. For example, Apple Computer uses a picture of an apple with a bite out of it and the symbol (®) which means registered trademark. A service mark similarly identifies the source of a service. Trademarks and service marks give a business the right to prevent others from using a confusingly similar mark. In most countries, trademarks must be registered to be enforceable and renewed to remain in force. However, they can be renewed endlessly. Consumers use marks to find a specific firm's goods that they see as particularly desirable — for example, Barbie dolls or Toyota automobiles. Unlike copy- rights or patents, which expire, many business's trademarks become more valuable over time.

Consortiums and self-help centers can be formed for helping the small business owners and entrepreneurs. The pooling of technical resources, skills, knowledge

can help the owners in various fields for expert reviews and discussions.

Women empowerment has been an area of thrust by the Government as well as non-Government agencies for a long time. Conditions of women in general and particularly rural women require special attention. In rural areas, women are comparatively more at a disadvantage because of societal constraints. Economic freedom is one of the important ways to empower them; it has a multiplier effect and improves conditions in other spheres of life. Entrepreneurship is one of the sustainable ways to do so. Entrepreneurship and empowerment approach overlap in the sense that both concepts believe in taking initiatives by the beneficiaries themselves to come out of the disadvantageous position. So, promoting entrepreneurship among women would be a great tool to empower them. Among the entrepreneurial requirement, market linkage has been an important factor for its success. It has helped entrepreneurs to remain in the business.

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# INDIA AND ITS SOCIAL ENTREPRENEURSHIP

Dr. Ritu Talwar

## Abstract

*Social entrepreneurs are society's change agents, creators of innovations that disrupt the status quo and transform our world. By identifying the people and programs already bringing positive change, we empower them to extend their reach, deepen their impact and fundamentally improve society. They are Ambitious: Social entrepreneurs tackle major social issues, from increasing the college enrollment rate of low-income students to fighting poverty. They operate in all kinds of organizations: innovative nonprofits, social-purpose ventures, and hybrid organizations that mix elements of nonprofit and for-profit organizations. Mission driven: Generating social value —not wealth—is the central criterion of a successful social entrepreneur. While wealth creation may be part of the process, it is not an end in itself. Promoting systemic social change is the real objective. Strategic: Like business entrepreneurs, social entrepreneurs see and act upon what others miss: opportunities to improve systems, create solutions and invent new approaches that create social value. And like the best business entrepreneurs, social entrepreneurs are intensely focused and hard-driving in their pursuit of a social vision. Resourceful: Because social entrepreneurs operate within a social context rather than the business world, they have limited access to capital and traditional market support systems. As a result, social entrepreneurs must be skilled at mobilizing human, financial and political resources. Results oriented: Social entrepreneurs are driven to produce measurable returns. These results transform existing realities, open up new pathways for the marginalized and disadvantaged, and unlock society's potential to effect social change.*

**Keywords**:. Social Entrepreneurs, Social, Skills, Economy, Strategic

## Introduction

When it comes to social entrepreneurship, India is often referred to as the epicenter of impact investing, and the world's laboratory for testing new ideas. Akshat Mittal, the teenage social entrepreneur, who had developed www.odd-even.com last year, is again ready with a new venture. This time he is determined to bring a social change in the country with a website - www.changemyindia.org.The ChangeMyIndia is an initiative to bring about change in country which people want, said the teen entrepreneur. He said that the country has some social problems. "Some people try to solve the problems but some people just curse and hope that someone someday will solve these issues. I have made a platform where the people who want to see the change and who are bringing the change come together. They will share their experiences and success stories. This will inspire others to make a better world," said Akshat, a class IX student of Amity International School, Noida Sector 44. Akshat said that he always thought about solving problems of the society. With a billion dollars waiting to be invested in social enterprises and success stories like Husk Power Systems, Rangsutra, dLight, Waterlife and Vaatsalya Healthcare regularly making the rounds in global social entrepreneurship circles, the country is clearly a very important market. Unlike other countries like the UK, Italy, Korea and Singapore where the agenda is being driven by government and large private enterprises (especially Korea), India's journey into the world of social entrepreneurship has been led by the vision and energy of outstanding individuals. Social entrepreneurship is the application of business acumen, strategies and entrepreneur skills not for profit but to improve the conditions of human beings and the environment, and India does need it for effective social change, growth and reforms.

Despite the best efforts of the government and other organizations, about 400 million Indians live on less than $1 per day. The HDI (human development index) report for countries indicates a poor ranking of 136 out of 187 for India. India has the world's second largest labour force of 516.3 million people and although hourly wage rates in India have more than doubled over the past decade, the latest World Bank report states that approximately 350 million people in India currently live below the poverty line. With an estimated population of 1.2 billion people, this means that every third Indian is bereft of even basic necessities like nutrition, education and health care and many are still blighted by unemployment and illiteracy. Social entrepreneurs can help alleviate these issues by putting those less

fortunate on a path towards a worthwhile life. Rather than leaving societal needs to the government or business sectors, they can solve the problem by changing the system. Social entrepreneurs are those adventurous, dare devils who drive deep into the pressing problems of society and try to find solutions to them, not by leaving the responsibilities in the reins of the government or business, but by trying to change systems as a whole and persuading societies to take new initiatives.

## Growing number of social entrepreneurs in India

Social entrepreneurs are individuals or groups of people or organizations that provide time and solutions to alleviate the society's myriad problems and long standing issues that remain unresolved by the institutional and government sector. As in other countries, India too, social entrepreneurs are a growing phenomenon bringing positive change to several social areas ranging from education to healthcare, renewable energy, waste management, e-learning and e-business, housing and slum development, water and sanitation, violence against women, other issues related to women, children and the elderly etc. The key aim of these Social enterprises is to introduce sustainable and dignified living to the under privileged and the marginalised citizens of India.

Social Enterprises Social entrepreneurs do not have a formal recognition as a sector. While this may deprive them from and sector specific benefits such as incentives or tax breaks, there are growing numbers of investors and handholding companies that incubate social entrepreneurs. There is also a growing number of women social entrepreneurs as well as those from the Indian diaspora. Most of these entrepreneurs are highly educated and sector specialists, most of whom may have left lucrative jobs in India or overseas to pursue their commitment towards a social cause or improving the lives of their fellow citizens. India is said

to have the largest number of social enterprises in the world. A sum of US$ 1 billion is expected to be coming into the Social Entrepreneurship space in the next five years1. The 'Bottom of the Pyramid' Approach by Dr. C.K. Prahalad is a widely used concept in Social entrepreneurship. This strategy encourages enterprises to approach the market with 'small unit packages, low margin per unit, high volume, and high return on capital employed'.

## Typical sectors of investment of social enterprises

Affordable Healthcare - The affordable healthcare sector in India is at a nascent stage. Affordable healthcare providers reduce the cost of service delivery through innovative operating models. Over 60 per cent of the population in India lives in villages and small towns while 70 per cent of medium-to-large hospitals are located in metros and large towns. In addition, 80 per cent of the demand is for primary or secondary care and only 30 per cent of hospitals provide these. Thus availability and affordability remain a key concern in healthcare coverage.

Affordable housing - According to the Twelfth Five Year Plan document, the gap in the urban housing market is estimated at 18.8 million dwelling units. Moreover, about 73 per cent of the self-occupied units are in bottom 40 per cent of the urban households. Affordable housing developers create economic value by minimizing construction cost and completion time through integrative technical solutions and process innovations.

Water and Sanitation - Water sector can be broadly classified into three areas: water harvesting and storage, water supply and distribution, and piping and waste management. Social Entrepreneurs in water space are both for and not-for profit enterprises. Social entrepreneurs are typically involved in rain-water harvesting, community water treatment, point-of-use filtration,

and small-scale water networks. Typical working models for sanitation management are household toilets, pay-and-use community toilets and 'ecosan' toilets where toilet waste is used to create biofuel.

Agriculture - Agriculture and allied sectors provide livelihood to over 70 per cent of the rural population in India. Social enterprises working in this sector create economic and social value by eliminating inefficiencies from the current value chains. These enterprises are broadly categorized as: those supporting the value chain pre-harvest or post-harvest market links as well as those involved in the dairy production and market linkage.

Energy – Social enterprises enter this space in order to enable access to environmentally friendly, affordable energy. They play a key role in improving living standards of poor households. Roof-top solar lighting and low smoke cook stoves are some of the initiatives in this space.

Education - It is estimated that 4 per cent of children never start school, 58 per cent do not complete primary school education because of reasons ranging from inadequate infrastructure to lack of motivation, and poverty. Social enterprises are very active in the education of the under privileged children. They work around these challenges through advocacy and capacity enhancing solutions. These enterprises cater from early childhood to adulthood and exist in formats such as pre-schools and after-school classes, e-learning and vocational and skill development institutes.

Livelihood promotion – Social entrepreneurs in this space are broadly classified into two categories: entities that promote livelihoods and those that facilitate skill development. In most livelihood enterprises, the producers or artisans hold majority ownership. Entrepreneurs in the skill development sector are mostly

structured as for-profit entities, but with low or subsidised or free education to the beneficiary.

Microfinance Institutions (MFIs) act as financial intermediaries, offer products and processes aimed at serving economically weaker sections of the society. At present, only 10 per cent of the total demand for microcredit is met by MFIs. The Self-Help Group Bank Linkage Program by the RBI promotes financial transactions between commercial banks and self-help groups (SHGs). There are four stages in a SE life cycle – Pilot, Start up, Growth and Steady phase.

Key sources of capital for social enterprises are non-institutional debt, equity (mostly self-finance), institutional debt, and grant funds. The transformation of many not-for-profit models into for-profit models is a growing and this helps them secure financing to scale up over time.Impact investing started with 'Ashoka Foundation' in 1982 that provided grants to Indian social entrepreneurs. Grassroots Innovations Augmentation Network (GIAN) is India's first non-profit socially minded Venture Capital Fund (VCF) started in 1997, with support from Government of Gujarat, Society for Research and Initiatives for Sustainable Technologies and Institutions (SRISTI) and Indian Institute of Management Ahmedabad. In 2001, 'Aavishkaar' became the country's first for-profit counterpart. UnLtd provides incubation support to young and new social entrepreneurs. For each rupee provided by UnLtd to the investees the earning has been about Rs. 14.50.Some of the largest players in the field include the Omidyar Network, Aavishkaar, Acumen Fund and Elevar Equity. The India Innovation Fund (IIF) has been promoted by NASSCOM and IKP Knowledge Park with focus areas of Information and Communication Technologies and Life Sciences. The World Bank's Development Marketplace (DM) is a competitive grant program that funds SEs with projects that aim to deliver a range of projects for the economically low-income groups.

Social incubators provide existing and new entrepreneurs the tools to drive their business. Some of the top incubators in India are Centre for Innovation, Incubation and Entrepreneurship (CIIE), Dasra, Deshpande Foundation, Khosla Labs, Rural Technology and Business Incubator (RTBI), Gray Matters Capital, UnLtd India, VenturEast and Villgro Innovations Foundation.The Government has initiated many public-private partnerships in key development sectors. The National Innovation Council, in partnership with the Ministry of Micro, Small and Medium Enterprises (MSME) has launched the India Inclusive Innovation Fund (IIIF), an impact investment fund with a corpus on Rs. 5,000 crore that will invest in ventures catering to the country's economically weaker sections.

**Some established Social Enterprises are:**

**Vaatsalya Healthcare**

Founded in 2004 by Dr. Ashwin Naik who practiced across the US for over 10 years and Dr. Veerendra Hiremath who worked with the Hinduja Group and Medicom in Malaysia.

States in which Vaatsalya is present – Karnataka, Andhra Pradesh

Operates a network of hospitals to provide affordable primary and secondary care in rural and semi-urban India.Largest hospital network in India across Tier II and III towns.Standardized operations, no-frills but high quality services, recruiting, training and retaining healthcare personnel (doctors, nurses, technicians etc.) and renting buildings. Low operating cost by centralized purchase of equipment and consumables. These hospitals break-even in 18-24 months.Grown to 17 hospitals across Andhra Pradesh and Karnataka from 4 hospitals during 2009; opening soon in Maharashtra and Tamil Nadu.Serves an average of 280,000 patients per annum which is expected to increase as new hospitals are opened.

Awards – Inaugural Porter Prize in India for Value Based Healthcare in 2013, Frost and Sullivan Award for Healthcare Excellence in 2010, Sankalp Award for Healthcare Inclusion in 2009, BiD challenge India in 2007 and LRAMP award in the enterprise category in 2008.

**Khosla Ventures**

Founded in 2004 by Mr. Vinod Khosla, co-founder of Sun Microsystems; Headquartered in California, USA.Provides venture assistance and strategic advice to entrepreneurs working on breakthrough technologies.US$ 3 billion worth assets under management.Focus is on building profitable technology products that solve large scale problems in financial inclusion and unorganized retail.Current focus areas: mobile payments and banking, retail efficiency, big data analytics and healthcare.Portfolio consists of companies such as Climate Corporation, Ayasdi, EcoMotors, Fundera, HackerRank, HealthTap, Piazza, Metamarkets, LanzaTech and Quanttus.Khosla Labs has been set up in India during 2012 for start-up incubation with focus on Mobile Payments and Banking, Retail Efficiency, Healthcare Delivery and Big Data Analytics. State: Khosla Labs is based in Karnataka but provides pan-India assistance.

**Milaap**

Founded in 2010 by Mr. Sourabh Sharma – a Computer Science honours graduate from National University of Singapore (NUS), Mr. Anoj Viswanathan – Bachelor's in Engineering and Minors in Economics and Technology Management from NUS, and Mr. Mayukh Choudhury – Electrical Engineer from IIT Madras and a PGDM from IIM Lucknow.

State: Based in Karnataka but funds projects across India.

Online fund-raising platform that enables people worldwide to fund and impact communists in need of basic facilities in India.Powering the next generation of livelihood-

focused credit programs by attracting a new class of "crowd sourced, low-cost, risk tolerant" capital.Milaap and its field partners (NGOs and MFIs) facilitate and disburse the loans from online lenders to the borrowers. The loans are given out to borrowers at interest rates that are 50 per cent lower than existing interest rates available to microcredit borrowers. These loans give people access to basic needs like clean drinking water, sanitation and renewable energy, as well as skills development via vocational training.

**Enzi**

Enzi was founded by Ms. Ashni Mohnot, an international student at Stanford, who had no access to federal loans interest rates available to US citizens. Ms. Mohnot is a 2010 Echoing Green fellow and attended Stanford University where she studied Human Biology with a focus on International Health. Ms. Mohnot blogs for PopTech on social entrepreneurship and has worked for two social ventures - Mobile Metrix and Gumball Capital. Currently she works as Director of Education for Stanford's Martin Luther King, Jr. Research and Education Institute.Enzi provides assistance to students of all Indian states.Enzi helps increase the numbers of students opting for tertiary education in India, helping them acquire technical skills and improve their employability.

**Earthen Life**

Earthen Life provides a sustainable and a decentralized waste management solution by converting organic waste to renewable energy at source while taking an inclusive approach of integrating the waste pickers and other low income communities in the value chain.

State: Earthen Life is based in Maharashtra with offices at Mumbai and Pune.

**Akanksha Foundation**

Ms. Shaheen Mistri graduated with a Bachelor's degree in Sociology from St. Xavier's College, University of Mumbai and later obtained a Master's in Education from the University of Manchester. Before launching the Akanksha Foundation, Ms. Mistri's interest in children's education led her to volunteer as a teacher in various organizations across Mumbai, such as the 'Happy Hom' and 'School for the Blind' and the 'E.A.R. school for the Hearing Impaired'.

State: Akanksha is based in Maharashtra. Akanksha also has offices in the US, the UK and Canada.Awards for Ms. Mistri-Ashoka Fellow (2001), Global Leader for Tomorrow at the World Economic Forum (2002) and Asia Society 21 Leader (2006).

The Akanksha Foundation is a non-profit organization with the vision to equip all students with the education, skills and character they need to lead empowered lives. Akanksha works primarily in the field of education, addressing non-formal education through the Akanksha centre and also formal education by initiating school reform through 'The School Project'. At present, Akanksha reaches out to over 4,600 children through two models: the after-school or Centre model and the 'School Project'. Akanksha has 15 centres and 15 schools in Mumbai and Pune.

**Samasource**

Ms. Leila Janah is the Founder and CEO of Samasource. Ms. Janah graduated from Harvard with a degree in Development Studies, researching with the World Bank and Ashoka, and directing non-profit efforts in the USA and the U.K.

Samasource is a non-profit organization founded in 2008 that utilizes a unique micro-work model to bring the poor women and youth to dignified employment in the digital economy by breaking down small computer-based tasks from larger projects.Headquartered at San Fransisco, California and provides employment with in-country partners in Haiti, India, Kenya, Pakistan, South Africa and Uganda.Has support from leading individual donors and philanthropic organizations including The MasterCard Foundation, The Rockefeller Foundation, Ford Foundation, the U.S. Department of State, Cisco Foundation, eBay Foundation and Google.org. Ms. Janah was named one of the Most Influential Women in Technology by Fast Company in 2009. In 2010, she received the Prix NetExplorateur from the French Senate and a World Technology Award for Social Entrepreneurship for her work with Samasource.

**Frontier Markets**

Ms. Ajaita Shah is the Founder and CEO of Frontier Markets. Ms. Shah's mission is to bring high quality and affordable products to bottom of the pyramid and rural households in India. Ms. Shah has been working in India for eight years in microfinance and clean energy distribution. She is a 2006 Clinton Service Corp Fellow, 2012 Echoing Green Fellow and 2013 Cordes Fellow, has been awarded the most influential award in MFI for people under 30, and Business Week's 30 under 30 award, and most recently, Forbes Magazine's Top 30 Under 30's Social Entrepreneur of the Year. Ms. Shah is an active member of the UN Practitioner's Network, Asian Development Bank's 'Energy For All Partnership'. She holds a B.A. degree in International Relations from Tufts University.Frontier Markets responds to the market failure to provide rural BOP villagers in India with access, training, and servicing for clean-energy products. Frontier Markets offers a unique distribution model as part of its inclusive business commitment, partnering with local entrepreneurs who sell clean-energy products under the brand name 'Saral Jeevan. State: Frontier Markets is based in Rajasthan.

**Thinkchange India**

Ms. Shital Shah completed her Bachelor's degree at Northwestern

University and her Master's in Public Administration at NYU and then went on to work in different capacities with organizations like the United Nations, Oxfam, the World Bank, and Acumen Fund. Ms. Shah now works as a strategy consultant focused on mobile money start-ups globally with ShoreBank International.

Ms. Shah helped start ThinkChange India (TC-I), the one-stop website for keeping up with social entrepreneurship and social innovation in India. Through this effort, she started developing networks and relationships with social enterprises, making TC-I a demanded media partner in the country. The website had achieved 150,000 page-views, and averages more than 4,000 unique hits a week. She is now interested in cultivating an intentional start-up ecosystem in her base of Ahmedabad, India.TC-I merged with online platform – YouStory.in during June 2013.

### Samhita Social Ventures

Ms. Priya Naik is the Founder and Managing Director of Samhitha Social Ventures. She has three Master's degrees – from Yale University, University of Michigan-Ann Arbor and University of Mumbai. She has worked at the Poverty Action Lab, Massachusetts Institute of Technology and Arthur Andersen among several other ventures. Prior to Samhita, Ms. Naik co-founded The Spark Group, an education company that delivered affordable education to low income communities. Samhita is a philanthropic initiative of the Nadathur Trust, the philanthropic arm of Nadathur Group. Since 2009, Samhita has provided structured and professional services to enable companies, donors and NGOs to collaborate with each other. Through the "Samhita ecosystem", the organization provides a credible platform and thought leadership to enable NGOs, companies, donor agencies, individuals, philanthropists, foundations and researchers to achieve their specific goals and make informed decisions

that translate into purposeful action and large-scale social impact.

State: Samhita is based in Maharashtra.

### Desicrew

Ms. Saloni Malhotra is the founder of DesiCrew, a for-profit organization employing over 300 people that is focussed on creating knowledge-based livelihood opportunities in small towns and rural areas. Ms. Malhotra is an engineer from the University of Pune.

State: DesiCrew was initially started in Tamil Nadu and is now present in Karnataka and Haryana.

Ms. Malhotra has been nominated for Business Week Asia's Best Youngest Entrepreneurs, MTV Youth Icon 2008, E&Y Entrepreneur of the Year 2008 and also facilitated in the presence of the President of India by the CII. She is the recipient of FICCI's Best Women Social Entrepreneur Award (2009) and TIE Stree Shakthi Award (2011). Ms. Malhotra stepped down as the CEO in March 2012 to hand over to a professional management team and continues to participate on the Board.DesiCrew was started in 2005 as a test project sponsored by Mr. Ashok Jhunjhunwala's TeNet group from IIT-Madras. DesiCrew was incubated by the Rural Technology Business Incubator (RTBI) of IIT-Madras. Its business model involves setting up delivery centres in rural India and servicing the clients across different countries.Services of DesiCrew include Data Management, Digital Supply Chain and Customer Experience Management.

### M.Paani

Ms. Akanksha Hazari graduated in Politics from Princeton University and an MBA from the University of Cambridge. She led the Cambridge team that won the Hult Prize in 2011, and was honoured by former President Bill Clinton and the Clinton Global Initiative.

Ms. Hazari founded m.Paani, a social venture that designs and implements mobile-based loyalty programs for underserved communities. m.Paani harnesses the power and reach of mobile phones to address access to key basic services including safe water, education, healthcare, energy, and nutrition. The firm designs and implements mobile-based loyalty programs, where users are awarded loyalty points based on their spending on products used for daily use. These loyalty points, which can be shared with family members as well, can be redeemed for rewards in areas such as education, healthcare, safe water and energy. The firm has won awards from Sankalp Forum, Echoing Green, and Conquest.m.Paani took its business to Africa, before turning to India. Starting with a seed capital of US$ 500,000, m.Paani launched formally in 2013 with a pilot project in Mumbai. As a firm, m.Paani receives its revenues from the partner organization that buys the loyalty programs from it.

State: m.Paani is based in Maharashtra.

### Make A Difference

Make A Difference (MAD) was founded in 2006 by Ms. Gloria Benny, Mr. Jithin C Nedumala and Mr. Sujith Abraham Varky. Ms. Benny has worked with Google for five years before she co-founded MAD.MAD is a platform that empowers youth to take responsibility and provides children at risk a positive learning ecosystem that will help them unleash their potential.MAD volunteers implement projects that provide children with required skills for securing mployment, role models they can relate to and exposure that helps them dream big. Programmes include English Programme, Placements Programme, Infrastructure Projects, Life Skills Project, Youth Development Project and Innovation Hub.

State: MAD is headquartered in Karnataka. MAD was initially started in Cochin, Kerala and now

has spread its wings to 22 other cities in India.

MAD has won many recognitions such as Ashoka: Innovators for the Public Staples Inc. Youth Social Entrepreneur competition, 2008, Indiya Shines Competition, organized by GreatNonProfits.com, 2009, Noble Laureate of the Karmaveer Puraskaar awarded by Icongo, YouthActionNet Global Fellow, 2010, Cordes Fellowship, 2010 Opportunity Collaboration and 'Leader in Volunteer Engagement' Award at the iVolunteer Awards 2012.

### Shanti Life

Ms. Sheetal Mehta Walsh is the founder of a Shanti Life, a unique microfinance platform serving the poor in Gujarat villages and slums so that they can create sustainable businesses. With over 15 years of experience working in technology, venture capital and social entrepreneurship, Ms. Walsh has worked with many entrepreneurs around the world. Ms. Walsh has a Masters in International Relations (Economics) at the London School of Economics and a BA (Honours) in International Politics at the University of Alberta, Canada.

State: In India, Shanti Life has an office in Gujarat. Overseas offices are at UK, USA and Canada.

Shanti Life aims to promote sustainable living and non-dependence on the MFI loan cycle. Their intention is to make people to graduate out of microfinance and become bankable. Through planning, consultation, training, mentoring, larger loans and go-to market opportunities, the organisation provides a holistic approach.Shanti Life loans are larger generally Rs. 5,000 plus and their interests are capped at 12 per cent though are sometimes as low as 7 per cent. Businesses include: tailoring, sewing, embroidery, selling cooking oil, vegetable or fruit carts, hand cart purchase, small grocery store, milk and paper vending business, cycle repair shop, repairing shop, rickshaw driving and catering.

### Nextdrop

NextDrop was founded in 2010 by Ms. Anu Sridharan, Mr. Quijano Flores, Mr. Nishesh Mehta, Ms. Pronita Saxena and Mr. Devin Miller.

The organization that started in Hubli-Dharwad used text messages as a launchpad for what it calls a "water smart grid lite" data system, which helps bring water more efficiently to consumers. The nearly people of Hubli get water only every three to five days, for about four hours a day.With the help of local government, NextDrop devised a mobile phone system which connects valvemen to engineers and customers. The valvemen text the customers, letting them know exactly when water will be released. NextDrop charges Rs. 10 per month for their service. The organisation is now in Bangalore too.

State: NextDrop is present in Karnataka and caters to the state only at present.

Ms. Sridharan has a Bachelor's degree in Civil Engineering and a Master's in Civil Systems Engineering from the University of California, Berkeley.

### Conclusion

Social entrepreneurship holds the key for future development in India. In the days to come, Social entrepreneurs will play a crucial role in the advancement of social changes.

The best thing about Social entrepreneurship is that success is not mentioned by financial gains, but by the number of people these enterprises are able to reach and create a positive impact. In the coming days, Social entrepreneurship and Social businesses will be in the mainstream substantially, which will hopefully impact the society positively. Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems and then implements them on a large scale.Social entrepreneurship is here to stay and could well be the major economic growth factor for India and to achieve the 'Indian dream - sarvajana sukhonobhava', ie, let everyone be happy.

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# TALENT MANAGEMENT –A PARADIGM SHIFT IN CONTEMPORARAY CORPORATE SCENARIO

Dr. Tanu Kashyap

## Abstract

*There is a paradigm shift in understanding developing and enhancing the techniques for Talent Management. The companies are now willing to work on various aspects to retain, train and gain from the Talent within the company. This paper presents an interesting study.*

**Keywords**: Talent Management, Developing & Enhancing Technique.

### Introduction

What's driving the current emphasis on talent management? Organizations have been talking about the connection between great employees and superior organizational performance for decades. There is a demonstrated relationship between better talent and better business performance. Increasingly, organizations seek to quantify the return on their investment in talent. The result is a body of "proof" that paints a compelling picture of the impact talent has on business performance.

- To highlight just a few: A 2007 study from the Hackett Group3 found companies that excel at managing talent post earnings that are 15 percent higher than peers. For an average Fortune 500 company, such an improvement in performance means hundreds of millions of dollars.
- A study from IBM found public companies that are more effective at talent management had higher percentages of financial outperformers than groups of similar sized companies with less effective talent management.
- Similarly, a 2006 research study from Mc Bassi & Co. revealed that high scorers in five categories of human capital management (leadership practices, employee engagement, knowledge accountability, workforce organization, and learning capacity) posted higher stock market returns and better safety records—two common business goals that are top of mind for today's senior leadership.
- Talent Management is a critical process that ensures organizations have the quantity and quality of people in place to meet their current and future business priorities. The process covers all key aspects of an employee's "life cycle:" selection, development, succession and performance management.

### Literature Review

After going through a lot of books, certain key areas were identified which included - A clear understanding of the organization's current and future business strategies. Identification of the key gaps between the talent in place and the talent required to drive business success. A sound talent management plan designed to close the talent gaps. It should also be integrated with strategic and business plans.

The creation of Talent Management mechanism needs a lot of in depth understanding-

The company should have accurate hiring and promotion decisions.

There has to be connection of individual and team goals to corporate goals, and providing clear expectations and feedback to manage performance.

The policy regarding development of talent should be in place to enhance performance in current positions as well as readiness for transition to the next level.

There is a paradigm shift in focus is not just on the talent strategy itself, but the elements required for successful execution. Most of the companies are following the model given below-

**Talent Management Model**



The Talent Management model illustrates key talent management processes that have been designed and developed to ensure that we attract, retain, and engage talented faculty and staff. Talent Management can be done

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**Workforce planning** – The intentional and strategic projection and planning of access to talent (either internal or external) with the skills, knowledge, and behaviors essential for the achievement of the university's strategic objectives and/or demands.

**Recruiting** – The ability to successfully attract and hire key talent for current and future organizational needs through competency-based advertising and interviewing efforts. The website provides links to the most current applicant information and is the convenient and sole method for s

**On boarding** – The process of acclimating new hires and ensuring that they quickly feel welcomed, and valued by the organization. This process enables new employees to become productive members of the organization, who understand expectations for their job roles. On boarding goes beyond traditional "orientation" programs which focus mainly on managing policies, forms, and procedures

**Strategic plan/goal alignment** – The process of developing and implementing plans to reach an organization's long-term goals and objectives. It is the roadmap to lead an organization from where it is now to where it would like to be in 3-5 years.

**Performance management –** An ongoing, continuous process of communicating and clarifying job responsibilities, priorities, performance expectations, and development planning that optimize an individual's performance and aligns with organizational strategic organization.

**360° assessments** – 360-degree feedback is an assessment tool that provides faculty and staff leaders with feedback about their performance. Supervisors, peers, and direct reports answer questions based on their perceptions and observations of the leader's skills and attributes.

**Executive coaching** – A helping relationship between a client and a consultant, who uses a wide variety of behavioral techniques and methods, to assist the client to achieve mutually identified goals to improve professional performance and personal satisfaction in an effort to improve the effectiveness of the client's organization. (As adapted from Richard R Kilburg in Executive Coaching: Developing Managerial Wisdom in a World of Chaos, pages 65 and 67.)

**Leadership development** – Intentional goal-driven activities that enhance the quality of leadership abilities or attitudes within an individual or organization. Click here to learn more about leadership development opportunities.

**Professional development** – Process of establishing training goals and plans that link to individual goal attainment, career planning, and possible.

**Recognition programs** – A method of acknowledging, honoring, encouraging, and supporting individuals and teams who contribute, through behaviors and actions, to the success of the organization.

**Compensation** – A way to reward individuals for important work accomplishments, contributions to the goals of the university, and increased skills and competencies in their jobs.

**Succession management** – Succession management is a process for identifying and developing internal personnel with the potential to fill key or critical organizational positions. Succession management ensures the availability of experienced and capable employees that are prepared to assume these roles as they become available.

**Diversity/Inclusion** – Diversity represents a group comprised of individuals with similar and different experiences and backgrounds. Some of these differences include race, color, religion, gender, national origin, sexual orientation, age, disability, veteran status, and ethnicity, but there are many other dimensions of diversity. "Diversity" does not address how people with different backgrounds and experiences function or work together. "Inclusion" is a sense of belonging: feeling respected, valued for who you are; feeling a level of supportive energy and commitment from others so than you can do your best work."

**Engagement** – The extent to which employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being.

**Competencies –** Those measurable behaviors, characteristics, abilities and personality traits that identify successful employees against defined roles within an organization.

**Retention** – A systematic effort focused not only on retaining an organization's talented performers but also to create and foster a welcoming work environment and high-retention culture. The end result is an organization that operates more effectively and efficiently, while becoming a great place to work.

**Research Methodology-**

The purpose of this research paper is to validate the nine best practices. This study is based on primary data and its purpose was to find out the how the corporate works in terms of finding the functionality in terms of Talent Management.

Organizations know that they must have the best talent in order to succeed in the hypercompetitive and increasingly complex global economy. Along with the understanding of the need to hire, develop, and retain talented people, organizations are aware that they must manage talent as a critical resource to achieve the best possible results. Few, if any, organizations

today have an adequate supply of talent.

Gaps exist at the top of the organization, in the first- to mid level leadership ranks, and at the front lines. Talent is an increasingly scarce resource, so it must be managed to the fullest effect. During the current economic downturn we may experience a short ceasefire in the war for talent, but we're all seeing new pressures put on the talent running our organizations. Are today's leaders able to do more with less?

The A-players can, and there should be a strategic emphasis on keeping those leaders—and developing their successors. Many organizations are reducing their workforces, but let's be careful not to cut so deep that talent is scarce when the economy rebounds. The idea of managing talent is not new. Four or five decades ago, it was viewed as a peripheral responsibility best relegated to the personnel department. Now, talent management is an organizational function that is taken far more seriously

Objective of this paper is to find out how Talent Management impacts Business and workforce effectiveness measurement during and after implementation.

Talent management requires that your business goals and strategies drive the quality and quantity of the talent you need. Procter & Gamble, for example, views "business decisions and talent decisions as one." And research put forth by the Aberdeen Group showed that best-in-class organizations are 34 percent more likely to connect succession management strategies with organizational strategies.

Below are statements made by organizations whose specific business goals and strategies drive their talent needs:

"We acquired one of our largest competitors and have redundant talent. How will we ensure we retain the best? Who will oversee the integration? What is the right management team for our new company? Who will help us focus on quality and cost containment, while pursuing new markets? And which employees will best fit the new culture?"

"We are a global automobile manufacturer that has steadily lost market share. What sort of talent are we going to need to shake up the status quo, rejuvenate our brand, and give us the action-orientation required to turn things around?"

"We are introducing a 'blockbuster' drug that requires us to double our sales force in the next eight months. In addition to sheer numbers, we also need to add the right kind of talent—sales reps who take a consultative approach with physicians." The real scenarios described above represent clear-cut examples of why matching talent to business needs is so powerful.

These organizations all hold a common belief that business success hinges on having the right talent in place—at the right time. Each of the organizations described above is proactively addressing its talent needs. But far too often, the connection between talent and business strategy is considered long after strategic plans are inked. When we gather groups of HR professionals for events, we often ask them who owns talent management. They point to senior management.

CEO Involvement in Talent Management- If talent management is a core part of any organization— if it can be hard-wired into the fabric and operations of an organization's most essential functions—HR and senior leadership must work together. The most successful initiatives are driven by HR with active and enthusiastic support from the CEO and other senior leaders— who provide the resources, the budget, the communication and support necessary for success. But HR needs to step up and play a critical role— more so than in the past.

One wouldn't question who owns the marketing process or the financial oversight of an organization—that's clearly the domain of the top marketing or financial officer and their teams. Likewise, HR needs to own and put in place professional talent management processes. And they need to get close.

One way to do this: Work with line managers to develop business plans that integrate talent plans, including advice on the ability to meet the business goal with the talent on board. When gaps exist, talent management professionals need to offer solutions to close them. In short, talent management professionals have to be trusted business advisors that execute the organization's talent management process.

You must know what you're looking for—Numerous studies show that companies with better financial performance are more likely to use competencies as the basis for succession management, external hiring, and inside promotions. Research highlights include: The Aberdeen Group found 53 percent of best-in-class companies have clearly defined competency models, compared to just 31 percent of other organizations (which post less impressive performance).

Aberdeen research also shows that best-in class organizations are 45 percent more likely to have models for key positions16 and 64 percent more likely to have models for all levels of their organizations than other organizations.

There are two reasons this approach is more effective than mere competency models. First and foremost, Talent Management is designed to manage talent in relation to business objectives— they should reflect key plans and priorities as well as change with new strategies. Additionally, they go beyond just competencies to include four complementary components:

**Competencies**: A cluster of related behaviors that is associated with success or failure in a job.

**Personal Attributes**: Personal dispositions and motivations that relate to satisfaction, success, or failure in a job.

**Knowledge**: Technical and/or professional information associated with successful performance of job activities.

**Experience**: Educational and work achievements associated with successful performance of job activities. The end result: detailed definitions of what is required for exceptional performance in a given role or job. Success Profiles can be used across the entire spectrum of talent management activities—from hiring and performance management to development.

The talent pipeline is only as strong as its weakest link. Many organizations equate the concept of talent management with senior leadership succession management. While succession planning is obviously important, our belief is that talent management must encompass a far broader portion of the employee population. Value creation does not come from senior leadership alone. The ability of an organization to compete depends upon the performance of all its key talent, and its ability to develop and promote that talent.

Effective talent management requires not only developing people for their current roles, but also getting them ready for their next transition. For example, individual contributors being considered for frontline leadership positions must make a critical transition from defining success based on their own performance to the performance of the team they manage. Similarly, the operational leader being groomed for a strategic leadership position must shift from a business unit or functional perspective to that of an enterprise guardian. A planned approach to transitions is especially important as organizations place more emphasis on "growing their own leaders" rather than making often risky outside hires. The bad news is that few organizations have proactive succession processes in place at lower leadership levels. Our Global Leadership Forecast study revealed that only 28 percent of the companies we surveyed have a system in place for key individual contributors and just 38 percent have one for frontline leaders.

**Talent Management is not a Democracy**-Bank of America has a philosophy: Invest in the Best. Many companies do the opposite, and make a mistake by trying to spread limited resources for development equally across employees. We've found that organizations realize the best returns when promising individuals receive a differential focus when it comes to development dollars. So who should get these benefits? Two major categories: high-potential leaders and individuals who create value for their organizations. For example, Sunoco places special emphasis on mid-level plant managers because these leaders are, for the first time, managing multiple functions. Extra development increases their success in these pivotal roles.

Countless other organizations mine their mid-level ranks for leaders with the potential to advance into strategic or senior roles. And some companies focus on value creators such as engineers or sales associates whose results are most beneficial for their employers. These groups are most likely to return the most on any investment in their development.

**Potential, performance and readiness are not the same thing**. Many organizations understand the idea of a high-potential pool or a group of people who receive more developmental attention. But sometimes, they fail to consider the differences between potential, performance, and readiness.

If organizations—like athletics—don't scout for talent and then prepare individuals for top performance, how can they expect to have a winning team in the future? Talent management is all about putting the right people in the right jobs.

The late Douglas Bray, Ph.D., a revered thought leader in the field of industrial and organizational psychology, devoted much of his career to one of the most famous and respected studies ever done on talent management: The AT&T Management Progress Study. Bray followed AT&T managerial talent throughout their 30-plus-year careers, marking changes in their skills and motivations over time. More than a decade ago, he made a statement that stuck with one of the authors of this white paper: "If you have only one dollar to spend on either improving the way you develop people or improving your selection and hiring process, pick the latter." Why should an organization place the higher priority on selection rather than development?

Training people to improve their judgment, learning agility, adaptability—all core requirements for most of the talent hired today—is difficult, if not impossible. Lack of motivation for a specific role or a poor fit between employees' values and those of the organization leads to poor performance, and no classroom experience or learning activity will change this fundamental mismatch. But you can get a read on these areas during a well-designed hiring/promotion process.

Hiring for the right skills is more efficient than developing those skills. What about the areas that are developable, like interpersonal skills, decision-making, or technical skills? Assessing those areas at the time of hire is likely to cost less than developing them later.

**Conclusion**

The following are the findings of this research paper-

Talent management is more about the "hows" than the "whats." Organizations have many "whats" relative to talent management,

including executive resource boards, software platforms, development plans, and training, training and more training. These "whats" promise nothing on their own. Guarantees come from "hows" instead. Our five realization factors for sound execution are:

**Communication—**Links the talent management initiative to the business drivers, puts forward a vision the organization can rally around, and sets expectations for what will happen in the organization.

**Accountability**—The importance of role clarity so that each individual in the talent management initiative knows what is expected of them.

**Skill—**Developing the right skills and providing coaches and mentors for support. > Alignment—Must align talent management initiatives to the business drivers but also need the right kinds of systems to identify high potentials, to diagnose for development, to link to performance management, and to do development that really changes behavior.

**Measurement**—One can't manage what one doesn't measure. It creates the tension, and objectives become clearer to help execute a talent strategy. The most effective measurements go beyond mere statistics to quantify what's working in talent management, why those initiatives are effective, and what impact they have on the organization. if we compared the effectiveness of organizations' leadership development efforts and how well they used the five factors of realization. Organizations with the most effective leadership development programs in place also used the realization factors most effectively to execute development strategies—outperforming organizations with the least effective development programs by 28-62 percentage points.

**Software does not equal talent management-** Claiming a piece of software can provide a full talent management system is a bit like a food processor will produce a five-star meal. These tools are valuable in support of a good plan or recipe. The right tools clear the path for smoother execution and may improve the end product. But tools mean nothing without the right expertise and the right ingredients behind them. A recipe for five-star talent management includes a potent blend of content, expertise, and technology. It takes best-in-class content to drive the assessment and development of people, and a system constructed by knowledgeable experts who have seen a range of implementations— they should know what works, and what doesn't. Software should support the process, but it can't stand alone.

Organizations want to ensure their supply of leaders meets demand, so identifying and addressing future gaps has to be part of the plan today. Finally, analysis of the organizational situation discerns the state of talent management within a company. It defines who owns talent management, how it is supported by senior leadership, what systems will support individual initiatives, and the role of HR in executing the strategy. After talent implications, the focus turns to the "growth engine." These initiatives are most effective when they are built on common competency models.

**The value of planning** – Talent management has never been more of an immediate concern than it is right now. But in the rush to fill a perceived talent management void, organizations must be careful not to rush into implementing initiatives or programs that are more about taking action than about implementing a well-crafted solution. Careful planning, culminating in a sound talent strategy that is tightly connected to the organization's overall business strategies and business needs, is required for talent management to become ingrained in an organization's culture and practices. Only when this happens is it possible for talent management to be both effective and sustainable.

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**Research Questionnaire**

Research questions are broad based inquiries which are framed from the theoretical and research knowledge of the researcher in the chosen field of study. Based on the literature review and theoretical insights drawn on the research theme (Talent Management Practices) the following research questions are framed:

1. Whose burden it is to have the organisations' employee-retention strategy evolved for the future?
2. Does the effort of organizations in recruiting right persons for the right job get reflected in the performance of employees, namely the integration of recruitment and performance?
3. Is it difficult to retain the senior or the middle or lower level executives?

4. What style of management is most appealing to employees?
5. What type of executives, the organizations are interested to retain at all cost?
6. Though it seems to be a challenge to retain employees in organizations, what are the issues contributing to high attrition?
7. As a corollary to the previous question what are the issues which will help retain the employees?
8. Between competitive remuneration and career progression as motivating factor for retention of employees, what is more important?
9. Why does a fresher leave an organization sooner than the others?
10. When people leave the organization what causes the greatest concern for the manager?
11. What is the acceptable rate of attrition in these industries?
12. What are the challenges faced by managers to attract/retain employees?

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