COSMOS

BI ANNUAL JANUARY 2014 ISSN : 2249 - 6408

A Compilation of Research Papers on Contemporary Issues in Commerce Management and Economics

ARTICLES

Published by
M.C.E. Society's
Abeda Inamdar Senior. College of Arts, Science & Commerce,
Azam Campus, Camp, Pune - 411001.

Original Research papers for publication in COSMOS should be Emailed to *aiscgseminars@gmail.com*

ISSN : 2249 - 6408

THE IMPACT OF GLOBALISATION ON TOURISM AND HOSPITALITY INDUSTRY IN INDIA

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Introduction

Tourism and Hospitality Industry is one of the very important and promising industries in the world economy today. It is equally important for the developed countries like USA, UK to sustain and grow their economy as it is to the developing countries like India to grow and strengthen their economy.

Nowadays, the importance of tourism and hospitality industry is growing rapidly all over the globe as it helps to generate employment and money on one hand and boosts other associated industries and service sectors on the other. It is because of globalization, India is getting more and more foreign tourists. The number of arrival and receipts is increasing every year contributing a great deal to the Indian economy.

This paper focuses on managing the impact of globalization on tourism and hospitality industry in India with respect to its present socio-economic context and available resources. It also deals with the available infrastructure that serves tourism and hospitality industry at present, and the future projects to be undertaken to boost this industry. The paper also covers the availability of the Indian qualified labour force needed for tourism and hospitality industry and problems associated with this industry along with their proper solutions and important recommendations. There is also a mention of the role of private and foreign investors and their benefits from tourism and hospitality industry in India. This study also focuses on the security problems of tourists and the related establishments with their possible solutions and important recommendation.

Statement of the Problem

India has many attractive resources with all their varieties for tourism and hospitality industry which can enable India to be one of the finest tourist centres in the world. This industry can prove to be a great boon for India in socio-economic spheres. The location of India and its variation in its geographical factors such as hills and mountains, valleys and islands, coastal lands and deserts and its atmosphere provide India with ample of opportunities to be one of the greatest tourist centers in the world. India's culture and civilization, crafts and arts, customs and traditions can give rise to multidimensional tourism comprising cultural tourism, historical tourism, environmental tourism and so on.

It becomes necessary to review the potential and prospects of tourism industry in this country. It will be appropriate to know the scope for development of this expanding industry. Initially the tourism industry was growing within the limited framework and at the same time many government rules, regulations and restrictions were not so encouraging for this industry. Further, the vision of the planners of this industry was narrowed too. The sudden emergence of globalization not only changed the scenario but it also boosted the tourism industry. Due to globalization, tourism and hospitality industry in India have become highly promising and rewarding. Hence, it is important to take a review of the entire tourism and hospitality industry in India with the backdrop of the t changing scenario.

Need, Significanceand Scope of the Study

The Indian government is aware of the importance of tourism and hospitality industry and the tourist resources that India has which have enabled it to be one of the most attractive tourist centers in the world. So, it gives a great consideration to the management and services in the tourism and hospitality establishments, historical cities, and tourist centers and so on. It also involves the basic environmental structure of tourism and also the security aspects of the tourist. The Indian government is encouraging the local and international tourism and putting efforts to tourism marketing inside and outside the country. In additions to this new hotels and tourist resorts and hospitality Institutes are opened in all most all the states of the country for imparting education and training in tourism and hospitality to meet the needs of the industry effectively.

Inspite of these actions and efforts that the government of India has put in to develop and manage the tourist and hospitality industry in India, the industry faces certain problems and difficulties namely the problem of management and services, lack of planned infrastructure, shortage of trained and qualified staff in specialized fields of tourism and hospitality.

This paper focuses on six cities in India, namely, Delhi, Mumbai, Goa, Hyderabad, Pune and Agra where establishments like tourist hotels and resorts, restaurants and clubs and travel and tourism agencies in these cities have helped in providing the necessary information and data for this paper.

Forms and types of Tourism in India

There are various types of motivation and purposes of tourists to visit India. It has been observed that some tourists visit India for the sake of recreation or to dissolve the stress of work whereas some visit India for interpersonal reasons and still some others visit India to study the great culture and heritage of India. In brief the driving force or intention of tourist visiting India cover a broad spectrum comprising culture, health, religion, business, wildlife, sports and adventure and so on. This phenomenon gives rise to different forms and types of tourism in India.

Impact of Tourism on the Economy of India

Tourism and Hospitality Industrycontributes significantly to the economic development of India and for this reason government is prepared to invest public funds for the development of tourism. Public funds are invested in developing infrastructure such as construction of roads, airports, etc and private investors are encouraged to construct hotels, resorts and transportation facilities because of the perceived economic benefits of tourism. India's GDP has been growing at a over 8% on an average since 2008 and is expected to touch the 10 % mark in the coming years. Tourism and hospitality industry contributes about 6.5% to the Indian GDP. The government is also encouraging the private sector to invest in accommodation, entertainment, food and beverage sectors. Tourism promotion can be a very effective tool in boosting economic development of India through creating new jobs and income generation opportunities. Earning of a substantial amount of foreign exchange from foreign tourists is possible as a result of globalization.

The booming success of Indian tourism industry has led to a drastic change in the hospitality department as well. The increase in the ration of tourists resulted in the increase of room rates and also there is a rise in setting up of wide range of hotels and also service apartments. A number of international hotels such as Hilton, Marriot International, Accor etc have professed about making some large scale investments to append 65,000 additional rooms to suffice the needs. India is most likely to set up 40 hotels of global brands by 2013. The hospitality segment in India is assumed to reach USD 12 billion in the coming two years. The positive impact of tourism on society is that it develops entrepreneurship and provides jobs and improves the quality of life.

The tourism and hospitality industry has tremendous capacity to generate direct, indirect and induced employment. The tourism provides a broad spectrum of jobs ranging from highly trained managers in 5 star hotels and resorts to general employees working in local hotels and small resorts. There are almost 1.85 million people working in restaurants across India. Employment is forecast to increase to 2.73 million by the year 2020. In addition there are more than i.3 million people employed in small restaurants and on the state and national highways. Almost 20% of them were employed in F & B service of conventional restaurants, cafes and fast food outlets are diploma holders from private hotel management institutes or from food craft institutes. Generally dhabas largely employ untrained manpower.

Tourism activities are also an important source of taxation revenue. Tourism generates both direct and indirect revenue for the government. Tourism contributes to government revenue through airport taxes, entrance fee attractions, fees and licenses for example liquor licenses, import duty on items directly imported for tourism sector, etc.

Tourism has emerged as one of the largest foreign exchange earning economic activities in India. Foreign exchange earnings from tourism are computed by the RBI as part of its exercise to collect balance of payment statistics. Hence, tourism has been rightly called an invisible export in earning foreign exchange.

Tourism creates jobs in the underdeveloped regions and in rural areas which indirectly promotes rural development. Infrastructure at the destination is also one of the basic requirements for successful tourism. Tourism stimulates infrastructural development like good airports, better network of roads, good sanitary systems, better water purification plants, etc which not only benefits the tourists but also the hosts which ultimately makes tourism an enjoyable and comfortable activity.

The major impact of economic benefit of tourism and hospitality industry is the increased GDP. The government encourages the development of tourism because of the income it can generate especially in terms of foreign exchange earned. The income generated by tourism has a positive impact on the country's GDP, balance of payments and government revenue.

Impact of Hospitality Industry on the Indian Economy

The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates. Hospitality recently has witnessed a large increase of foreign direct investment inflows. A large number of FDI's have been channelized towards development of hotels and tourism. The hospitality industry has also been receiving increasing interest from the private equity sector. Several global hospitality giants such as Hilton, Marriot International and Intercontinental group of hotels have already announced major investment plans in India in recent years.

Thus, the impact of tourism and hospitality industry on Indian economy with its varied aspects discussed above will help in understanding the impact of globalization on Hospitality industry in India.

Impact of the National Tourism policy of the Government of India

The objectives of the National tourism policy were formulated in the year 2002 which mainly focused on domestic tourism as a major driver of tourism growth. The policy also harnessed the direct effects of tourism for employment generation, economic development and providing impetus to rural tourism. The policy also positioned India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination. The policy also focused on India's unique civilization, heritage an d culture in partnership with states, private sector and other agencies.

If the government of India implements the above mentioned strategies to fulfill the above objectives mentioned in 'National Tourism Policy' then India can certainly benefit in many ways from its tourism and hospitality industry but alsocan easily manage the impact of globalization on this rapidly growing industry.

Concluding Remarks

The findings, recommendations and suggestions include the position of India in various perspectives like tourist arrivals and receipts, GDP growth of India, contribution of India's tourism and hospitality industry in providing employment and other related issues.In a nutshell the major findings are:

- India share in International tourist arrivals has increased considerably whereas India's share in International tourism receipts has steadily increased.
- India's GDP has been growing consistently at over 8% on an average and is expected to touch 9-10% mark in the coming years.
- India's tourism and hospitality industry is providing employment to about 41.8 million people.
- As per estimates from ministry of tourism of India, on an average 3.1 million additional jobs per year have been created directly and indirectly in the tourism sector in the last 5 years.
- Huge foreign direct investments have been channelized towards development of tourism and hospitality industry of India.
- Branded hotels would require more than 1lakh fresh employees in the next five years.
- Tourism and Hospitality industry has been receiving great interest from the private equity sector investments.
- There is an increase in the training courses required by travel and tourism industries and by the tourist hotels and resorts.
- There is full support from the government to tourist hotels and resorts and to the travel and tourism agencies in India.
- The relationship between the tourist establishments and other related offices with tax offices, municipality offices and government tourism offices is optimum.
- The government is promoting education in tourism and hospitality in an optimum manner.

In conclusion it can be said that the tourism and hospitality industry is one of the very important and promising industry not only in the Indian economy but in the world economy as well. It is growing rapidly all over the globe. It has a lion's share in the growth of India's economy as it not only generates employment and money but it also boosts other associated industries and service sectors. Further, globalization has really boosted this industry in India and so managing the impact of globalization of tourism and hospitality in India and so managing the impact of globalization on tourism and hospitality in India automatically gets immense importance and top priority. In fact, there is a dearth of research and development in this area in India. The focus should be on developing high quality and an inspirational vision for tourism and hospitality education. We want employees and managers to work in this industry who are experts in academia as well as operations. They should have not only intellectual competence but also a knack of serving guests to meet the expectations of international tourists effectively. Hence effective management in tourism and hospitality industry is the need of the day.

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"Rural Non-farm sector and poverty alleviation Programs In India – since – 1991"

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1) Introduction:

Mahatma Gandhi " The Father of the Nation" advocates that India's true sprits live in the rural areas. He believes that, although the Industrialization can increase productivity of commodities, it cannot generate employment in rural areas. He introduced the concept "Chakha" as a symbol of self-employment of rural households through rural non-farm sector. After independence, the planning commission of India has taken initiatives for the improvement of the condition of rural areas by creating infrastructure facilities and employment opportunities for rural population of the country.

Turning to rural non-farm sector, it is recognized that this sector is important both in generating productive employment and alleviating poverty in rural areas as agriculture and urban areas cannot absorb the increasing workforce. Within agriculture and allied activities, there seems to be some diversification towards noncereal crops. However, risk and uncertainty is associated with diversification. Technology, infrastructure, and market have to be improved in order to shift the farmers to non-food grain crops. By any standards the unutilized potential of food processing in India is enormous. An expansion of this sector is an ideal way of bringing industry to rural areas, expanding the value chain of agricultural production, providing assured markets for farmers enabling them to diversify into higher value horticultural crops and expanding employment by creating high quality non- agricultural work opportunities in rural areas. There cannot be one policy package for the entire rural non-farm sector. Sub- sectoral policies in different regions are needed.

In general, development of manufacturing sector is important for absorbing labour force productively. Right now many workers are absorbed in low productive services sector. 21 Encouragement to women and training and improvement in skills would enhance employment opportunities.

2) Objective to the study:

1) The main objective of the paper is to identify the various factors responsible for causing migration of rural population in recent years and to highlight the potentiality in rural non-farm sector.
2) To Analyse the employment trends.
3) To Focus on the structure employment in India.
4) To Study the Performance of various poverty alleviation programs creating self employment.
5) To study about the major employment programs India.

3) Methodology and Data collection :

The study is both analytical and descriptive in nature, the relevant data has been collected from secondary sources of data which include R.B.I Publication like hand book of statistics on Indian economy, report on NSS, Economic Survey 2012- 2013 cenuss books, article published in various journals, magazines etc.

4) Data Analyze:

1) Poverty and downward trend in Indian Agriculture:

In India, lack of adequate employment opportunities in rural areas as well as declining trends of agricultural productivity leads to massive poverty in rural population. In real sense, these two factors are mainly responsible for the cause of shifting of labour to urban areas in searching of gainful employment.

The census data shows that in recent years India's rural urban poverty ratio has declined significantly. It show table No. 1.

Table-1

Years	Rural	Urban	Total BPL
1973-1974	56.4	49.0	56.4
1993-94	37.3	32.4	37.3
2004-05	42.00	25.5	37.2
2012-13	21.9	16.4	21.5

It was observed that that 56.4 percent in 1973-74 and It comes down to 37.2 percent in 2004-05. It further moves downwards and was at 21.5 percent in 2012-13. On the other hand, the poverty ratio is above the National levels, the state like Bihar 53.5%, Assam 37.9%, Madhya Pradesh 36.7, Orissa 37.00%, West Bengal 26.7, U.P. 37.7% and Maharashtra 24.5% Percent.

Another important fact is that, these states are also highly populated in terms of rural population and hence, these states has contribute a major share of migrated rural population towards highly developed states like Punjab, Haryana, Gujarat, Maharashtra, U.P. etc

It is Observe the Agricultural productivity in our country, between 1990-91 to 2011-12 countriesoverall Food and Comercial crop Production has declined significantly. The data of ESI in the year 1990-91 reveals that, the productivity of rice, wheat, cereals and pulses have declined during this period in the country. Theoverall production of Foodgeins declined from 143 million tones in 1990-91 to 250.14 by the year 2011-12 top like wise the production of commercial crops has also declined in the same period. Oilseeds like groundnut, mustered, Soya been ate reflect a negative trend in their production which, it went down from 24.4 million tones in 1996-97 to 15.4 million tones in 2002-03.

Decline in overall agricultural productivity and poverty have acted as force full reasons to cause migration of rural population to urban areas. In this context, Non- farm sector is one of the options available to rural population, which can serve as dualism checking migration is one hand providing self employment to rural population on other.

2) Trends in rural Non- Farm sector:

In Indian there has been a significant rise in rural Non-Farm sector in recent years. This is due to rise in literacy rates with the increase of government grants for various rural development programmes and growing number of village and small industries is mainly responsible for increase in rural Non-farm sector.

Industrial distribution of employment indicates that there has been significant increase in the share of rural farm employment for male & females in bellow table No. 2.

Table- 2

	Agriculture	Rural Non farm	Total
Rural Males			
1993-94	74.1	25.9	100.0
1999-2000	71.4	28.6	100.0
2004-05	66.5	33.5	100.0
Rural Famales			
1993-94	86.2	13.8	100.0
1999-2000	85.4	14.6	100.0
2004-5	83.3	16.7	100.0

Source: NSS Report No. 515

It increased from 25.9 Percent in 1993-94 to 33.5 percent in 2004-05 on the other hand, diversification of employment has been very slow for females. Share of rural Non-Farm employment for Females rose from 13.8 percent in 1993-94 to 16.7 percent to escape a stage involution but have yet to enter & phase of sustained agricultural growth and decreasing as they go to through a phase of sustained irrigation-induced expansion in agricultural output, and increasing again in the mature green revolution phase when growth of land productivity tapers off and mechanization reduces the demand for agricultural labour. There are also problems with the argument that if wages rates are higher in non-agriculture than in agriculture this shows that the former cannot be a residual sector. The problem is that any wage differential must be caused either by some barrier to entry into higher wage sector due to skill, location, contacts leading to job access or some other specificity, or be a compensation for harder work or higher expenses such as commuting. Due to all the above reasons, movements out of agriculture may not always likely to improve quality of employment.

3) Determinants of Rural Non-Farm Employment

Earlier studies have identified several factors that determine growth in rural non-farm employment, these are :agricultural growth, unemployment,commercialization of agriculture, urbanization, real wages and public expenditure.

4) Non-Farm sector through Rural poverty alleviation programmes

In India various poverty alleviation programmes have been launched by the central as well as state government in different times. (JGSY), (SGRY), (IRDP), (TRYSEM), (DWCRA) etcare some of the important programmes. Out of this schemes, JGSY was introducing in April 1999 by restructuring JFRY.SGSY was launched with effect from 1st April, 1999 by amalgamating some of the erstwhile progrmmes like TRYSEM, DWCRA etc into a single self employment program. In April 2002, EAS and JGSY is integrated in SGSY which has basically generates self employment in rural areas.

1) Inregrated Rural Devlopment Program (IRDP):

IDRP was an important rural poverty alleviation program introduced by the government of India in March 1976. This scheme was initially introduced in selected twenty districts across the country but from October, 1982 it was extended to all the districts. It shows that, during 1980-1985, through the physical targeted of the scheme was 151.02 lakhs while the achievement was 165.2 lakhs. Similarly, during the period of 1985-90 total achievement was 181.77 lakhs compared to physical target of 160.38 lakhs. But in 1990-95 the physical target and achievement both had coming down to 111.83 lakhs and 122.58 lakhs respectively. About 526.81 lakhs families were benefited directly from this scheme and total investment including credit mobilization and subsidy was Rs 30871.79 lakhs during the period.

2) Swarnajayanti gram swarozgaryojana (SGSY) :

This rural poverty alleviation plan was introduced on April 1, 1999 as a credit cum subsidiary programme. The primary objective of this programme is to establishing a large number of micro enterprises in rural areas. The beneficiary families (swarozgaries) may be individual or SolfHelf Groups (SHG). Subsided under SGSY is uniform at 30 percent subject to a maximum of Rs 7,500 (50 percent and Rs 10,000 for SC/STs) for SGHs and the subsidy is 50 percent subject to a maximum of Rs 6.25 lakhs.

It can be observed from the above analysis that these erstwhile poverty alleviation programmes have positively affected Non-form sector among the youth including women in the rural areas.

3) SampoornaGrameenaRazgarYojana (SGRY) was launched on September 25, 2001 and the schemes of Jawahar Gram SamridhiYojana (SGSY) and Employment Assurance Scheme (EAS) were fully integrated with SGRY, SGRY aims at providing additional wage employment in rural areas. This scheme has cash and food grains components and the centre bears 75 per cent and 100 per cent of the cost of the two with the balance borne by the states UTs. In 2005-06, 82.18 crore person days of employment were generated under the programme.

4) The National Rural Employment Programme (NREP) was started as part of the Sixth plan and was continued under the Seventh Plan. On April I, 1989 it was merged into the JawaharRozgarYojana. The NREP was meant to help that segment of rural population which largely depends on wage employment and has virtually no source of income during the lean agriculture period. Under the NREP development projects and target group oriented employment generation projects were closely intertwined. The programme was implemented as a centrally-sponsored scheme. But its financial burden was to be shared between the Central Government and the State government on 50:50 basis. Under the scheme a district level employment plan (disaggregated block-wise) was prepared.

5) The Rural Landless Employment Guarantee Programme (RLEFP) was started on 15^{th} August, with the objective of expanding employment opportunities for the rural landless. The programme aimed at providing guarantee of employment to at least one member of the landless household for about 100 days in a Year. Under this scheme infrastructural development was undertaken with a view to create employment opportunities for the rural landless. Though the programme was to be fully financed by the Central government, the implementation of the programme was entrusted to the States.

6) The Scheme of Training Rural Youth For Self-Employment (TRYSEM) was initiated in 1979 with the objective of tacking unemployment problem among the rural youth. It aimed at training about 2 lakh rural youths every tear to enable them to become self-employed. Under this scheme 40 youths were to be selected from each block and for being eligible for selection, the person should belong to a rural family having an income less than Rs. 3,500 per year. In making selection, members of scheduled castes and scheduled tribes were given preference. Under the scheme a minimum of one third of the rural youths trained were to be women. The TRYSEM was merged into Swamajanti Gram SwarozgarYojana in April 1999.

7) JawaharRozgarYojana (JRY). In february 1989 the government announced a new wage employment scheme, the jawahar Lai Nehru RozgarYojana for intensive employment creation in 120 backward districts. However, later on it was felt that there was no need to have the separate NREP, RLEGP and the Jawahar Lai Nehru RozgarYojana. These wage employment programmes had the same objective and similar thrust. Therefore, these programmes were merged into a single rural employment programme on April I, 1989 and it given the name JawaharRozgarYojana (JRY).

The JRY was restructured with effect from April 1999 and was renamed as Jawahar Gram SamridhiYojana (JGSY). In the first ten year the JRY generated 7, 373 million mandays of employment.

8) National Family Benefits scheme (NFBS) Indira Gandhi National Window Pension Scheme (IGNOAPS): Which was launched on 19 November 2007, Rs 200 per month per beneficiary is provided by way of central assistants to all persons who are 65 years or higher and belonging to a family living below the poverty line. Earlier under National Old Age Pension Scheme (NOAPS), the pension was restricted to destitute only. The number of beneficiaries under IGNOAPS is estimated to reach 158 lakh persons a compared to 87 lakh under NOAPS.

9) Mahatma Gandhi National Rural Employment Guarantee Scheme(MGNREG) : The objective of the MGNREGS is to provide to every ruralhousehold a guarantee of at least 100 days of employment during a financial year by providing unskilled manual work in rural areas to those members of the rural household who volunteer to do such work.

Launched on 2nd February, 2006 from the Anantapur district of Andhra Pradesh in 200 districts of the country NREGA, one of the flagship schemes of the Government has been expended to cover all the 614 districts across the country. Since it inception the program has benefited over 10 crore rural households. It has provided employment opportunities to more than 4-479 crore households in 2008-09. It has also contributed to improvement in rural infrastructure.

10) Indira AwaasYojana (IAY) :

The Government of India in implementing Indira AwaasYojana (IAY) since the year 1985-86 to provide financial assistance for construction/ upgradation of dwelling units to the below poverty line (BPL) rural households belonging to the Scheduled Casters, Scheduled Tribes and freed bonded labourers categories. From the year 1993-94, the scope of the scheme was extended to cover non-scheduled Castes and Scheduled Tribes rural BPL poor, subject to the condition that the benefits to non- SC/ST would not be more than 40 percent of the total IAY allocation.

11) Pradhan MantriSadakYojana :

The Pradhan Mantri Gram SadakYojana (PMGSY) was launched on 25 December 2000 as a fully funded Centrally Sponsored Scheme. The primary objective of the PMGSY is to provide connectivity to all the eligible unconnected habitations of more than 500 persons in the rural areas (250 persons in the hilly the tribal and desert areas) by good quality all weather road. 1,36,464 habitations were targeted under the scheme. India 2011)

12) Antoydaya Anna Yojana(AAy) :

This Programe stressed upon the provision of foodgrain. This programe provides foodgrain at a highly subsidized rate of Rs. 2 per k. g. wheat and Rs. 3 per k.g. for rice to poor families under the targeted public distribution system.

13) Desert Develoment Program (1st April 1995)

14) ValmikiAmbedkarAwasYojana (VAMBNY)

This programe is launched in Dec 2001. Which particularly deals with poverty alleviation and unemployment problem. The central Govt. provides a subsidy of 50%, the balance 50% being arranged by the state Govt. In addition to above mentioned programes a few programes have also been launched which particularly deals with problem of unemployment in the unorganized sector primarily in rural areas.

15) National food for work programme (NFWP) :

This programme is launched on Nov. 14, 2004 in 150 most backward district of the country with objective to intercity the generation of supplementary wage employment. The programmeisi open to all rural who are in need of wage employment and desire to do manual unskilled work. It is implemented as a 100% centrally sponsored scheme and the food grains are provided to states at free of cost.

16) Urban Poverty Alleviation Programmes :

Urban poverty alleviation is a challenging task before the nation which calls for imaginative new approaches. The goal is to adequately feed, educate, house and employ the large and rapidly growing number of impoverished city dwellers. The bulk of the urban poor are living in extremely deprived conditions with insufficient physical amenities like low-cost water supply, sanitation, sewerage, drainage, community centers, health care, nutrition, pre-school and non formal education. The need of the hour is to assist the urban poor by helping them to set up microenterprises thereby providing them avenues for enhancement or supplementation of their incomes. Another major area of assistance to the urban poor is provision of funds for housing or shelter up gradation.

1) Nehru Rozgar Yojana (NRY) :

In order to alleviate the conditions of urban poor, a Centrally Sponsored programme - Nehru RozgarYojana - was launched the (October 1989) with the objective of providing of employment to the urban unemployed and underemployed poor. The NRY consisted of three schemes namely (i) the scheme of urban Micro Enterprises (SUME); (ii) the scheme of urban wage Employment (SUWE) and (iii) The Scheme of Housing and Shelter Upgradation (SHASU)

2) Prime Ministers Integrated Urban Poverty Eradication Programme(PM IUPEP):

Recognising the seriousness and complexity of urban poverty problems, especially in the small towns where the situation is more grave due to lack of resources for planning their environment and development, the PMI UPEP was launched in November, 1995. The PM IUPEP was a Rs. 800 crorescheme approved for the period up to the year 2000. Programme was applicable to all Class II urban agglomerations with a population ranging between 50,000 and 1 lakh subject to the condition that elections to local bodies have been held.

3) The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) :

In pursuance of the above recommendations, during the Ninth Plan it is proposed to launch the SwamaJayantiShahariRozgarYojana(SJSRY) and phase out NRY, PMIUPEP and UBSP. The SJSRY is to be a Centrally Sponsored Scheme applicable to all the urban areas with expenditure to be shared in ratio 75:25 between the Centre and States/UTs. The programme has become operational on December 1, 1997. This programme would have two sub-schemes, namely, (i) UrbanSelf-Employment Programme and (ii) Urban Wage Employment Programme.

4) **Prime Minister's RozgarYojana (PMRY)** was designed to provide solf- emloyment to more than a million edicated unemployed youth by setting ip of seven lakh micro-enterprises under the English Five Year Plan. During the English Plan, while loans cases. The scheme was continued in the Ninth Plan, loans were Plan. In the first three years of the Ninth Plan, loans were disbursed in 5.0 lakh cases which provided employment to 7.4 lakh persons.

5) **Conclusion :**

This paper highlighted that the poverty supplemented by downwards trends in agricultural productivity of the country is a great threat to the rural poor's and the households. For this reason, facilities and government financial assistance could be the motivating factors of the rural development and village industries have shown a steady growth. This could enhance the rural Non-farm sector. Government has also worked out various employment generation plans aimed at rural self- employment. The SGSY aims at rural self- emplyment which is a new name of earlier programmes is to providing credit facilities and training and training for Youth.

The Government should re-appraise and revitalize reforms through giving primary to removal in employment and recognizing the right to work as a basic human right. For this purpose, a new model of development reconciling GDP growth and employment growth should be developed.

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Adding Intangibles to the tangible… A Distinct Product Marketing Strategy…. Some Case Studies.

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Introduction:

A market offering today consists of five different types of products and services. They are:

1. **A Pure Tangible product .**This offering consists primarily of a tangible good/ product such as a toothpaste , soap, shampoo etc. None or negligible service accompanies the sale of such a product.
2. **Tangible good with accompanying service:** This offering consists of a tangible Product/ good with accompanying service. Example cars, computers , mobile phones etc. The more technologically advanced the generic product the more dependent are the sales of such products/ goods on the accompanying service. The services which promote the sales of such products are Showrooms and Display rooms, Free Home Delivery, post delivery repairs and maintenance, operator training, fulfillment of warranty and guarantee etc.
3. **Hybrid:** This kind of market offering is a mixture of a product and a service. In fact it has equal components of a product and a service. A hybrid is more a perceptual hybrid than a real hybrid. The equal requirement of a product and service depends upon the importance give to the product and service by the consumer. Thus a restaurant is a hybrid for an upper class consumer who is interested in both the food as well as the service. Here both have to be equally good. Good food has to be combined with an equally exceptional service. However the same restaurant, if it is a road side tapir (shack), will not be a hybrid as it is onlyfor thetaste of the tea/ food that people patronize it and not for the quality of service. Thus a pure hybrid market offering is only in the perception of the consumer.
4. **Major Services with accompanying minor goods and services**: This market offering consists of a major service along with additional services or supporting goods.Airline and train passengers buy transportation . However the trip includes some tangibles like food, boarding pass/ tickets, an airline magazine etc. This kind of service requires a capital intensive good – that is an airplane or train. However, it is primarily a service.
5. **Pure Service:**This market offering consists primarily of aservice performed for the consumer. There could be a very minor element of product being used by the service provider. Examples of pure service are : A physiotherapist, massage, a haircut, tuitions, baby sitting etc.

Difference between Products and Services :

The basic characteristics of Products and services differ, and as such a different Marketing strategy is adopted for the marketing of Products and the Marketing of services.A service is intangible, variable, perishable and inseparable and thus the Marketers of services tend to give it a different treatment than when marketing a product. A service is an experience which a consumer has to undergo, it is virtually impossible to sample in advance. Thus most of the service providers try to add various tangibles to the service experience, in an attempt to tangibablise it. This is a very old marketing strategy being followed by the Marketers of services. However as the market for products gets more and more competitive what is new is that the marketers of products are trying to add various intangibles to their products to add value to them. Not only do product marketers tend to add various services to distinguish their market offerings but they also try to add various experiences to their products. Thus today the Marketing Strategy of Coka Cola is that: Coke spreads happiness. A number of cokeadvertisements selling coke with this add on, intangible happiness, can be seen doing the rounds around the globe. Featured too, in this paper, is an advertising strategy of Walkers chips that associated the chips with sandwiches in such a way that it made sandwich 'exciting'.

Case 1: The Coca Cola Village:

The coca cola village is one of the biggest summer events for children in Israel. The one thing that teenagers wait for when summer comes is the "Coca Cola Village". The village hosts hundreds of teenagers for three unforgettable days that integrate fun, music and friends.

In 2010, the village site was hosted on facebook, to promote greater interaction and bring exposure amongst the teenagers. The virtual world of facebook was integrated with the real world of the village. Every village guest received a wristband holding an RFID Microchip that contained the facebook username and password of the guests. On each village attraction was attached an RFID microchip capable of collecting the users data and sending it directly back to facebook creating a real time sharing experience for the guests with their facebook friends. This was done through a real life " Like Machine". In every zone in the village, "Like Points" were put (at the pool, restaurant, beauty zone, evening show), If a village guest it, he/she attached the Like Bracelet he/she got when he/she entered the village, and it automatically shared on their Facebook Wall.. Thus if a village guest was playing in the pool and used his wrist band his facebook status was automatically updated to him liking playing in the pool. The teenagers full of excitement used the wrist bandsnonstop. In addition the wrist bands were also used to auto tag the teenager's pictures that were uploaded to face book online. For this, a Like Point attached on to a photographer, allowed pictures to be automatically uploaded to the Coca-Cola Facebook Page with the user already tagged in it.

This campaign generated More than 54,000 likes to the Coca-Cola Village Facebook page – the most-liked fan page in Israel, hundreds of thousands of likes to the real life sites, and millions of interactions on Facebook, even though the village hosted only 650 teenagers. The experience moved from the virtual world of Facebook to the real village and returned to the virtual world in full capacity.

Case Study 2 The happiness vending Machine:

A special coke machine was installed in the middle of a London University to share a little happiness with the students. When the students bought a can of coke, the machine kept dispensing more than one. A hand came out of the machine and dispensed coke in glasses. Sometimes the machine dispensed pizza, burgers and popcorn. Photographs of the excited and happy faces of the students were taken through hidden video cameras. A happy film was made and released on you tube. It received millions of views and rosehigh on the list of most viewed you tube clips.

With this happiness machine campaign Coca cola has succeeded in associating itself with happiness .

Case 3: Coke Vending Machines joining India and Pakistan

India and Pakistan are connected by language and history, but divided by years of war and persistent conflict; India and Pakistan share a rocky, schismatic relationship that is tenuous even in the best of times. Despite this turbulent historical backdrop, a moving YouTube video created by Coca-Cola shows citizens of both nations challenging the strained status quo as they openly and joyously try to bridge the chasm between them.
According to the caption that accompanied this happy clip, Coca-Cola sought to "create a simple moment of connection" between India and Pakistan by setting up two machines -- one in each country -- that would allow people on either side to see and interact with one another.

Said to have taken place in March 2013, the video shows the machines at work. Users are given instructions to say hello to one another, to dance together and to share in the experience of tracing a heart or a peace sign on an interactive screen.

Coke cans are dispensed whenever someone fulfills an instruction, for example. Nevertheless, the warm smiles and frank willingness of the people in the video -- people usually divided by armed barriers and political enmity -- to connect with each other will touch your heart.
"Tensions between the two countries' people exist, mainly because there's no communication -- they're near us but we have no access to them," says a voice at the beginning of the clip. "And it's sad, because together I think we could do wonders."

Case 4: The Sandwich village:

'Walkers', is a brand of chips owned by PepsiCo.

Market Research had proved that most British people think that a sandwich is more exciting when eaten with chips. However, less than ten percent of British people buy crisps for lunch. To associate sandwiches with Walkers Crips and to reinforce that 'Walkers' can make any sandwich more exciting, the following strategy was adopted.

PepsiCo identified a small village named Sandwich in Kent. They organized a day that this tiny village would never forget. The following events were organized on this special day:

1. British Boy band JLS performed for the college assembly.
2. Formula One World Champion Jenson Button drove around sandwich village giving the locals a lift in his taxi.
3. Chelsea midfielder, Frank Lampard, coached the college football team.
4. Popular Comedian Al Murray hosted a quiz night.
5. Pamela Anderson served beer at a local pub.

For one whole day the local people were able to interact and mix with their heroes.

The reaction to this One day event at Village Sandwich was incredible. The locals posted hundreds of photos and videos on line. TV advertisements and banners were linked to films on Walkers homepage. Walkers released 26 separate pieces of content to fuel on line conversations.

The films registered 1.6 million complete views. This means that the Britishers watched 3 million minutes showing how walkers made Sandwich exciting.

The national media spread awareness further.

For the first time major supermarkets gave 'Walkers' long term space in the Sandwich isles, thus associating Walkers with sandwiches, and helping Walkers sell an extra 15.6 million packets of crisps.

Conclusion:

From the cases above you can see that the marketing strategy for pure products today is focusing on getting mileage out of emotions. Thus whether 'happiness' is seen as being spread by coke or 'excitement' through Walkers Crips, the distinction between the marketing of products and services grows dimmer just as the difference between the two. No product exists without at least an element of service and no service exists without some products to tangibalise it. (Services aim at tangibalising the intangible through use of physical evidence). With the increasing incorporation of products in the marketing of services and the increasing incorporation of service and emotion in the marketing of products, it can be said that there is actually no difference in the marketing strategy adopted for the promotion of products and services.

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A STUDY ON CUSTOMER SATISFACTION TOWARD CRM PRACTICES FOLLOWED BY MALLS IN PUNE CITY

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INTRODUCTION

In a global competition the customer churn rates are higher than ever. How to stop that is a big question in front of the retailers. Attracting new customers is increasingly challenging and costly.

The concepts CRM are as old as retailing itself. By any name, the concept is roughly the same: identifying, understanding, nurturing, and retaining best customers and to maximize the profit of each customer's purchases. From economic point of view it is less costly to retain a customer than to find a new one. Customer relationship management (CRM) is a management strategy that unites information technology with marketing. CRM is not a system, but a philosophy. If it is utilized it with care and attention, it will have a positive effect on an organizations.

The focus on customer-centric marketing philosophies has received considerable attention in the marketing literature by scholars and practitioners. Both practitioners and scholars try to understand, attract, retain and build an intimate long term relationship with their customers. One of the key areas in the customer-centred marketing paradigm is ensuring that existing customers are satisfied. As a result organisations have been studying and developing strategies to satisfy customers and achieve customer delight. It is believed that, a fully satisfied customer is nearly six times more likely to be loyal and to re-purchase and recommend a product/service to family members and friends than a customer who is just satisfied.

Numerous studies have established the fact that customer satisfaction (CS) drives customer retention and loyalty (Heskettetal., 1997; Heskettetal., 1994; Reichheld and Sasser, 1990),It is believed that the average business spends six (6) times more to attract new customers than to retain old customers. Customer retention is, therefore, basically a product of customer loyalty andvalue which in turn is a function of the level of customer satisfaction or dissatisfaction (CS/D) (Reichheld, 1996). Organisations that have long-term perspective for growth are, therefore, increasingly developing measures to ascertain customer satisfaction/dissatisfaction. Modern business organizations adopt rigorous qualitative and quantitative mechanisms to determine customer satisfaction for effective marketing strategy and decisions. In this regard, measuring customer satisfaction provides feedback on how successful an organization is at providing products and/or services to the satisfaction of customers at the marketplace and market space.

The retail industry in India, like any other organizations, has the quest to deliver quality service to satisfy its customers in the midst of fierce competition for market share with its numerous competitors. Over the past decade, competition in the industry has greatly increased as many new entrants have joined the industry. The new concept of marketing emphasizes upon the satisfaction of the customers. This concept believes that marketing begins and end with the customer, as they are the 'king' of the market. It is an established fact that a retail industry can stand in the market only for the customers.

Every business tries to earn profit through the satisfaction of customer needs. For this purpose the company provides quality services in a pleasant manner and tries to meet the customer expectations. Being as a retail industry, malls also try to fulfill the expectation of their customers. Moreover the process of measuring customer satisfaction and obtaining feedback on organizational performance are valuable tools for quality and continuous service improvement.

MANAGING CUSTOMER RELATIONSHIPS TO ACHIEVE CUSTOMER SATISFACTION

Managing customer relationship is the need of the hour .in olden days the merchants knew their customers their family members, their needs, preferences, likes and dislikes this knowledge helped merchants create highly effective customer relationship. With the expansion of markets the gap arose. Today many companies are trying to go back to the good old days of knowing their customers well by analyzing the available data to understand their customer better and satisfy them which can be achieve through good CRM practices.

STATEMENT OF PROBLEM

In the competitive world it is very difficult to acquire and retain customers. So as to survive in the retail industry the retailers are facing the problem of daily footfall. As it's said that it requires months to acquire a new customers and a second to lose it. So it is very essential to provide good services, treat them well. The customers should be given quick responses to their queries because mostly their decision is emotion based. If they feel neglected and ignored will hurt them and they will neither return back to the same organization nor will recommend to their friends. In the era of mass marketing the personal touch is lacking and that can be achieved through CRM only.

Organized retail sector face tremendous competition within the industry as well as un Organized retail sector. Their competition mainly based on service pattern, quality and customer expectation Many Organized retail sector are far from the advantageous position because they are not able to identify the gaps between customer expectation and perception of services. If they are unable to identify the gaps effectively Organized retail sector Companies will not be sustained in this stiff competition.

RELEVANCE OF THE STUDY

Now a days the retailers are not only focusing to increase their sales but they really want to build a strong relationship with the customer with the help of CRM TECHNIQUE it is possible not only to acquired and retained customer but also to increase customer satisfaction.

The retail sector now faces stiff competition in providing customer service, giving special facilities and ensuring customer satisfaction. Particularly organized retail Sector try to ensure quality service and products but in some cases many organised sector fails to do this.

CRM attract new customers know them well, give them outstanding service and anticipate their wants and needs when company does these things well, increased revenue and profits are likely to follow.

CRM plays a highly important role in retailing which emphasize on the importance of acquiring customer and retaining them for life time.

OBJECTIVES OF THE STUDY

- To study the need and importance of CRM in general

- to study the contribution of CRM to the firms
- To study the satisfaction level of the customers towards CRM practices of the selected Malls in Pune city
- To recommend some guidelines to ensure quality services Of Organized retail sector.

<EY WORDS

:RM, Customer Acquisition, Customer Retention, Customer Loyalty,Customer Relationship Customer .ife Cycle, Employee Training, Malls

:LASSES OF RESPONDENT

:onsumer focused groups visiting malls frequently.

METHOD OF DATA COLLEDTION

The data employed in this study is obtained from two main sources, the primary and secondary sources. Primary data is comprised of the responses from the customers and the CRM mangers. The Secondary lata will help in the analysis of the primary data and also in structuring inferences from the research.

Primary Data

The primary data for this study is obtained through questionnaire and interview to elicit information rom respondents. The questionnaires are distributed to customers.

Secondary Data

The secondary data is obtained from already published materials such as books, journal articles, the nternet (web search), academic dissertations, etc. available in the libraries including virtual libraries such as Google Scholar.

Sample Size:

The study focuses on malls operating in Pune city. The number of Malls selected for the study is five (5) .e. SGS Mall, Kumar pacific, Amannora, Inorbit, season Mall . As a result of limited data on the total population, cost and time constraints, a convenient sample size of 100 have been selected purposively, and respondents were asked to fill the questionnaire in the month of November 2013.

REVIEW OF IMPORTANT AND RELEVANT LITERATURE ON THE STUDY

- Improving customer satisfaction, loyalty, and profit by Michael D Johnson & Anders Gustafsson publisher Jossey-Bass

Most companies understand that customer satisfaction and loyalty are essential to their success. But few companies know how to link their customer need's with their organization's processes to create the best customer experience possible. Instead they erect walls between their customer service department and their other organizational function. Improving customer satisfaction, loyalty and profit shows managers how to break these walls, find out what their customers want, and use that information to produce the kinds of products and services that will keep them back.

Michael Johnson and Andre Gustafsson have been instrumental in the development of customer satisfaction indexes in the United States and Europe. Here they team up to introduce a five stage process that establishes crucial connections between a company's marketing, sales, product development in order to deliver both top quality products and a high level customer experience.

The process begins with measurement. Johnson and Gutafsson walk readers through the steps necessary to determine a customer measurement strategy, observe and communication with customer, create with customers, create formal customer surveys, and process and interpret the survey data. Then they show how to use that data to build a cohesive plan for quality improvement and ongoing customer management.

By helping midlevel managers assemble specific estimates of how increased quality and customer loyalty will impact the bottom line, their process allows upper level managers to allocate the resources necessary to build a truly customer oriented company. And by cementing the links between products, patrons, and profit, their book highlights the core competencies companies need to create both happy customers and the organizational know –how to keep them happy.

- Great Customer Service May I Help You by JilliN MERCER

This book is based on the nine rules of good service. According to Jillin Mercer customer service is about much more than just serving customers. But what exactly is good customer service, and how do you go about delivering it? This book is designed to help small business owners unravel the mysteries of the service transaction, according to the author Great Customer Service covers the nine guiding rules of good customer service that will ensure the customers are happy with the services and not just with the skill and products to sell.

which are Provide high standard of service, Provide information to customers, Be open and honest with customer, Offer choice to customer, Consult with customer, Be courteous to customers, Put things right for customers, Provide value for money.

Whether we work as the traders or in the provision of services, whether we work by our self or have a small team of workers to help us build our business; great customer service is one thing that can make us stand out from our competitors

Readers will find this a useful quick reference guide to interact with the customers successfully.

- Customer Relationship Marketing (CRM) in the U.S. Supermarket Industry: Current Status and Prospects

Gerard F. Hawkes
Department of Applied Economics and Management
College of Agriculture and Life Sciences
Cornell University, Ithaca, NY 14853-7801(Feb.2003)

This research reveals that the supermarket industry has been developing customer relationship marketing (CRM) programs and strategies for over 15 years. At this point the impacts of CRM on the supermarket industry are mixed at best. Despite the potential to radically change the way supermarket business is conducted, there is also the possibility that CRM could be marginalized by supermarket companies as just another management fad.

This study employed a combination of literature review, retailer surveys, and interviews with supermarket and manufacturer executives, and consumer focus groups to examine CRM in the U.S. supermarket industry. Their research focused on identifying the current status of CRM programs, on the role of CPGs in those programs, and the industry-specific issues constraining the realization of full CRM benefits. This report also presents an overview of the future direction of CRM theory with perspectives on the supermarket industry.

Despite over 15 years of development in the supermarket industry, and more than three-quarters of sales transacted with loyalty cards, and several hundred million dollars invested in technology and programs, customer loyalty has not been significantly increased because most consumers belong to multiple programs that offer mostly undifferentiated benefits. Even though the underlying premise of CRM is that loyal customers are less price sensitive, contributing to their potential higher profitability, the major benefit offered by retailers and perceived by consumer's infrequent shopper programs is price discounts. While retailers surveyed reported very positive results from their CRM Programs (e.g. increased transactions, shopping frequency, transaction size, overall sales, gross margin, net profit, and return on marketing investment), some of these trends are counterintuitive, perhaps reflecting the misuse of price discounts and other tactics that undermine CRM's foundation. Fast-paced lifestyles limit the appetite of most consumers for targeted marketing activities, generally, and, the efforts of supermarket and CPG companies, specifically, are perceived as intrusive for most consumers. The importance of customer service cannot be overemphasized in determining the success or failure of retailer CRM programs.

CUSTOMER EXPERIENCE MANAGEMENT IN RETAILING

Kamaladevi B. (2009)

This research says Survival of fittest & fastest is the mantra of today's business game. To compete successfully in this business era, the retailer must focus on the customer's buying experience. To manage a customer's experience, retailers should understand what "customer experience" actually means. Customer Experience Management is a strategy that focuses the operations and processes of a business around the needs of the individual customer. It represents a strategy that results in a win–win value exchange between the retailer and its customers. The goal of customer experience management is to move customers from satisfied to loyal and then from loyal to advocate. This paper focuses on the role of macro factors in the retail environment and how they can shape customer experiences and behaviours. Several ways (e.g., Brand, Price, Promotion, Supply Chain Management, Location, Advertising, Packaging & labelling, Service Mix, and Atmosphere) to deliver a superior customer experience are identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares, and higher profits.

CRM PRACTICES FOLLOWED BY MALLS TO CATCH CUSTOMERS ATTRACTION AND INCREASE SATISFACTION LEVEL

The data assembled from the CR Manager reveal that there are certain services by which the customers get satisfaction and stay loyal to the firms.

A. LARGE DISCOUNTS/ EXCHANGES/ SCHEMES

The remarkable discount offered by these malls and retails outlets has induced the customers on a larger scale. The customer's gets a large amount of flat discounts on the product purchased. The loyal customers are intimated from time to time about the various discounts and exchange schemes offered by the outlets and malls. These malls offer extra special discounts on weekends and special religious and national holidays.

B. LOYALTY POINT PROGRAMMES

Shopping Outlets, issue loyalty cards to customers. These cards are debited with points on every purchase made. The customer can redeem these points from time to time purchase and available various discount offers. These customers are also given an additional discount Benefit during sale period. The names and details of these customers are registered and are followed up by the malls through SMS and Phone calls from time to time and on various occasions.

C. LARGE VARIETIES OF PRODUCT UNDER ONE ROOF

Retails and shopping malls have varieties of branded quality products under one roof e.g. Shirts and trousers of various brands like Louis Philippe, Indigo nation, Peter England etc are available under one roof. The customer can prefer his brand or can prefer as per his budgeted cost the shirt or trouser he wants. The product purchased does not compromise the quality. Thus people prefer purchasing from these malls.

D.SPECIAL OFFERS & PERSONALIZED SERVICES

Various shopping malls prefer providing personalized services and special offers on various occasions. These malls give special offer like flat 50%, 30% etc. on products on occasions like customer's birthday or anniversaries, wedding etc. These malls send warm greetings, emails and personal calls on such occasions which ultimately induce the customer and maintain a loyalty towards the firm.

E. INFRASTRUCTURE

Facilities like lifts, escalators, parking, food malls, etc. are provided by various outlets. In comparison with the other stores, customers usually find these problems while shopping at other stores. These infrastructural facilities make it flexible and simple for the customer to shop at such malls.

F.QUALITY PRODUCTS AT LESS PRICE

Quality is in high demand by customers today. The customer wants the best at cheapest cost. These malls provide a wide range of quality products at the cheapest price. These malls give special price off on occasions, weekends, other special days. To attract customers ,these malls also keeps one day a week when products are offered at low prices.

G. TIME SAVINGS

People in world today have become very busy. They are just focused on attaining things at a fast speed. They have a very little time to move from one place to another to shop things therefore they want things under one roof. So these malls have a large demand. Time saving factor has been covered by these outlets and plazas.

H. FREE OFFERS, SAMPLES,GIFTS

To attain a competitive advantage, stores and outlets today provide free gifts and vouchers on purchase of products till a specified amount. The customer to get an added advantage and attain various price off makes purchases. 25% customer in this case shopped and got the free gifts. Stores and outlets today also provide various sample free gift on purchase of various products, thus inducing and keeping the customer happy.

I. CONSUMERS CONTESTS

Various stores and outlets today arrange various contests for the consumers. The consumertake part and attain various opportunities to win various goodies and gifts. Eg malls, arranged a quiz competition for few customers on various product knowledge. The winners were awarded various free vouchers. These contests in various firms build a long-term relation with the young and the kids are also induced towards these mall and stores.

J. FINANCING FACILITIES

Stores and outlets give a wide range of financial facilities. Croma has made tie ups with Bajaj finance to provide 0% interest loan on various consumers' durable products. These financing facilities have made, the customers remain loyal and customers are ready to shop and visit again and again.

K. AFTER SALE SERVICES

After sales services is another area where customer focuses on. Only purchasing the product won't make the customer satisfied, he is keen about the after sale services provided by these firms. After sales service like demo, repairs, free services, feedbacks etc, makes the customer happy and induced. These keeps the firms customers loyal and emotionally attached to the firm.

CONTRIBUTION OF CRM TO THE FIRM

A) CUSTOMERS LOYALTY: CRM helps the firm to maintain a long term healthy relationship with the customers. It helps the customer to be an important part and contributor of this firm. The customers are induced by the various price off, discounts, exchanges, schemes etc. provided by the firm. The special discounts, personalized services attract the customers more and more. Technological advancement helps in intimating the customers who are there by happy and remain loyal.

B) LONG-TERM RELATION RESULTING PROFIT: The main motive of every business is ultimately profit, and this motive can't be met unless adequate customers are available, to maintain customers, services and facilities given by the firm should be such that the customer get emotionally bended with the firm. This binding makes the relationship of customers with the firm strong and healthy. A healthy and strong bended relationship contributes a profit to the firm. Customers having good relations pay any amount thus helping the firm to attain its profit.

C) COMPETITIVE ADVANTAGE: CRM is an important factor in today's market Scenario. Maintaining the customers with the firm helps the firm attain competitive advantage over other firms. Malls and stores today are focusing on giving the best personalized services through various sources and media.

D) LOWER COST ON ADVERTISEMENTS/GENERATING CUSTOMERS: CRM helps in maintaining an effective, efficient, enthusiastic and ethical long term relationship. These customers are part marketers for the firm. The higher marketing costs associated with generating interest in new customers are opposed as that of already informed customers. The cost estimated for attracting new customers is six times high that of maintaining existing customers. Implication of CRM has thus reduced and helped in maintaining loyal customers.

DATA ANALYSIS:

the demographic profile of sample customers are shown in table-1 and table-2 indicates customers attraction and satisfaction towards CRM practices followed by selective malls in Pune city.

TABLE-1 SHOWING DEMOGRAPHIC PROFILE OF CUSTOMERS UNDER STUDY

Sr. NO.	**Demographics**	**Percentage(%)**
1.	Gender	
	Male	35
	Female	65
2	Educational qualification	
	Graduate	55
	Post graduate	25
	professional	20
3	Age Group	
	20-30 Years	60
	31-40 Years	30
	41-50 Years	10
4	Income Level	
	Up to 100,000	10
	100001-200000	30
	200001-300000	35
	300001-400000	25
5	Occupation	
	Service	55
	Business	35
	others	10

It is revealed from the table-l that 65% of the respondents are female and 35% are male. Most of the respondents (60%) are in the age group of 21-30 years followed by (30%) in the age group of31-40 years and 10% in the age group of 41-50. Majority (55%) of the respondents are graduate followed by, Post Graduate (25%) and 20% falls under professional category. It is also seen that as high as 35% of the customers fall in the yearly income range of 200001-300000 and 30% of the customers fall in the income range of 100001-200000, 25% of the customers fall in the income range of 300001-400000, and 10% of the customers falls below Rs.I00000/-. As regard the occupation, 55% of the respondents are serviceholders35% are businessman, 10% are other occupationswhich includes here housewives, student etc.

TABLE-2 SHOWING CUSTOMERS ATTRACTION AND SATISFACTIONTOWARDS CRM PRACTICESFOLLOWED BY SELECTIVE MALLS IN PUNE CITY

Sr. No.	Services	Customers Attraction (%)
1.	Discounts	20
2.	Loyalty point programmes	8
3.	Varieties	16
4.	Special offers & personalized services	6
5.	Infrastructure	8
6.	Quality	14
7.	Time Saving	09
8.	Free offers, Samples, Gifts	10
9.	Consumers Contests	4
10.	After sales services	05

FINDINGS:

From the research undertaken, it has been observed that 20 % of the customers get attracted towards the discounts offered by malls. Discounts allow them to purchase the required quantity at lesser prices which adds up to their saving.16% and 14% % of customers are there who are indifferent between Quality and variety. From interviews with store managers, it is revealed that people keep on looking for new things or new variants. In a rapid changing fashion world taste changes very fast as a result variety in product attracts more to a younger generation while middle and older generation all time are more stick towards the quality as well as durability. 10 % of the people prefer shopping at mall because of the free offers samples and gifts.9 % of people prefer to shop at Mallsbecause they are very busy. They are just focused on attaining things at a fast speed. They have a very little time to move from one place to another to shop things therefore they want things under one roof.8% of customers gets attracted towards loyalty programme and good infrastructure. Whereas 6% get attracted towards special offers and 4% for contest.5% prefer shopping at malls because they want to acquire their effective after sales services. These services are mainly offered for the electronic products. Assembling the product at home or sending an executive for servicing of product serves very convenient for customers. CRM through the above discussion has made it clear how important it is from customer prospective point of view. The analysis and study of various charts, diagrams reveal the amount of contribution from the customers and how important it is to maintain such personalized relation with the customers. Building of good personal relationship helps both the firm and the customer in providing better services and maintain customer satisfaction and loyalty.

SUGGESTIONS:

retailers should try to keep promise to do work in time, should show sincere interest in customers, problems, should provide prompt services official should acquire appropriate knowledge to satisfy customer, must give personal attention to their customer fully. In this competition era all the malls have to concentrate on the customer satisfaction to retain the existing customer and at the same time have to improve the quality of services day by day to attract new customer.

LIMITATIONS OF THE STUDY

The study is limited to the customers visiting selective Malls in Pune city.

Conclusion:

On the basis of the present study it can be concluded that most of the customers of Malls are satisfied with the CRM practices. This show Malls gives more importance in the reliability, assurance and empathy factors.In the cutthroat competitive market CRM contributes a lot. .It involves attracting, developing retaining and satisfying customers. CRM is a process by which a seller and buyer join in a strong personnel professional and mutual profitable relationship over time. This relation should be effective, enjoyable enthusiastic and ethical. Good relationship with customers can result in good word of mouth and it will also help to achieve customer satisfaction, maximum profit and loyalty throughout the life of customer. Focus only on the product quality and delivery is not worth but meeting the changing market needs and requirement and satisfying the customers completely by adopting better relationship management will definitely help Malls to maintain the customers for a longer period of time in this competitive era. Finally if the King is satisfied his contribution and loyalty towards the firm will be the best.

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Financial Service Inclusion/Exclusion of District Co-operative Banks in Kerala-An Application of Factor Analysis and MANOVA

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Introduction

Banking is a key driver for financial inclusion/inclusive growth. The concept of financial inclusion is not confined to ensuring an easy access of a basic bank account and products like deposits and credits. After being 'included,' by virtue of a basic savings bank account, a customer should be provided with an array of other facilities and financial services, comprising cheque book facility, money transfer facility, locker facility, ATM, Debit card, Credit card, mutual funds, mobile banking, internet banking, insurance, financial advice and counseling etc to choose from. Supply of services does not imply access; neither does access entail use of a service. Hence, financial service inclusion/exclusion needs to be understood as a spectrum, with unrestricted use of services at one end and non-use at the other. Lack of availability rather than lack of affordability is the main barrier to using financial services. This indicates that service exclusion is a phenomenon that impacts on the collective rather than the individual level, with services being unavailable to some sections of society or in some areas. For promoting financial inclusion, the issue of exclusion of people, who desire the use of financial services but are denied access to it, needs to be addressed.

The need for financial services and the difficulty of some individuals with accessing financial products have been increasingly recognised in the literature as a concept in recent years. Alongside the dimensions of social exclusion that are widely acknowledged in social exclusion literature survey, includes service exclusion as one aspect of social exclusion. Service exclusion, in this respect, plays a central role in the processes of social exclusion. One of the definitions that highlights many of the aspects pertain to exclusion is one employed by the European Commission's financial exclusion study which defines financial exclusion as 'a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong' (European Commission, 2008). If people are excluded from using financial products and services, then there is likelihood that these people may become socially excluded as well (Clare Louise Chambers, 2004). Financial exclusions are risks, constituting of any form of externalities that prevent the accessibility, availability, affordability and usage of financial services and products (Molyneux Philip, 2007).

In the Indian context, both supply-side and demand side barriers have both been recognized as responsible for low level of access to financial services. Supply side constraints like poor banking infrastructure, low resource base of credit purveying institutions, security based lending procedures, lengthy and cumbersome formalities, low level of financial literacy, etc., are still dominant in the sector. According to the House listing and Housing Census data culled from Census 2011, over two-thirds of urban households – 67 per cent are getting banking services. In contrast, only a little over half of rural households – 54 per cent have access to banking services (www.censusindia.gov.in).

Objectives of the study

The present study is undertaken with the following objectives.

1. To understand the extent to which the District Co-operative Banks ((DCBs) functioning in Kerala provide various financial services to its customers.
2. To examine, whether, there exists any demographic variation in the perception of customers of DCBs with regard to the availability financial services.

Methodology

This study is based on primary data collected from 320 customers of District Co-operative Banks (DCBs) functioning in three selected districts of Kerala State. The districts selected at random were: Thiruvananthapuram, Ernakulam and Kannur. The study is descriptive in nature. The collected data was edited, tabulated and analysed, using SPSS (version 17). Statistical tools like Mean, Standard deviation; Factor Analysis and MANOVA were used for analysing the data.

Results and Discussion

In this study, the perception of the respondents on the usage of financial services was measured, using a measurement instrument under Likert framework consisting of 16 statements. The responses, which were in five point scale, were used with Factor Analysis. Factor Analysis is a statistical data reduction technique which attempts to identify the underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. In a factor analysis, one of the various conditions for the appropriateness of the use of principal component analysis is that ratio of cases to variables should be at least 5 to 1((www.utexas.edu). In the present study, with a sample of 320 and 16 statements, the ratio of cases to variables is 20:1, which exceeds the requirement for the ratio of cases to variables.

Similarly, the factor analysis requires that there be some correlations greater than 0.30 between the variables included in the analysis. Table 1 gives an explanation to this. For this set of variables, there are 41 correlations in the matrix greater than 0.30, thus satisfying the requirement of presence of substantial correlations.

Table 1
Correlation Matrix

Statements	Statements															
	S1	**S2**	**S3**	**S4**	**S5**	**S6**	**S7**	**S8**	**S9**	**S10**	**S11**	**S12**	**S13**	**S14**	**S15**	**S16**
S1	1.000	.528	.476	.454	.046	.190	.411	.272	.184	.174	.326	.210	.011	.233	.227	.206
S2	**.528**	1.000	.559	.401	.065	.114	.377	.192	.109	.180	.216	.263	-.019	.155	.242	.167
S3	**.476**	**.559**	1.000	.534	.144	.200	.279	.229	.236	.171	.215	.310	.009	.245	.298	.191
S4	**.454**	**.401**	**.534**	1.000	.271	.289	.342	.293	.257	.253	.256	.281	.061	.303	.389	.273
S5	.046	.065	.144	.271	1.000	.492	.210	.187	.256	.191	.105	.153	.153	.167	.136	.162
S6	.190	.114	.200	.289	**.492**	1.000	.287	.197	.121	.251	.201	.129	.207	.304	.307	.258
S7	**.411**	**.377**	.279	**.342**	.210	.287	1.000	.578	.339	.348	.474	.330	.110	.433	.430	.436
S8	.272	.192	.229	.293	.187	.197	**.578**	1.000	.332	.223	.535	.260	.047	.315	.299	.326
S9	.184	.109	.236	.257	.256	.121	**.339**	**.332**	1.000	.542	.260	.389	.177	.293	.305	.354

S10	.174	.180	.171	.253	.191	.251	**.348**	.223	**.542**	1.000	.145	.364	.174	.314	.338	.286
S11	**.326**	.216	.215	.256	.105	.201	**.474**	**.535**	.260	.145	1.000	.406	.144	.442	.412	.368
S12	.210	.263	**.310**	.281	.153	.129	**.330**	.260	**.389**	**.364**	**.406**	1.000	.184	.328	.360	.263
S13	.011	-.019	.009	.061	.153	.207	.110	.047	.177	.174	.144	.184	1.000	.152	.098	.164
S14	.233	.155	.245	.303	.167	**.304**	**.433**	**.315**	.293	**.314**	**.442**	**.328**	.152	1.000	.772	.577
S15	.227	.242	.298	**.389**	.136	**.307**	**.430**	.299	**.305**	**.338**	**.412**	**.360**	.098	**.772**	1.000	.578
S16	.206	.167	.191	.273	.162	.258	**.436**	**.326**	**.354**	.286	**.368**	.263	.164	**.577**	**.578**	1.000

Source: Survey Data

Further, Principal component analysis requires that, the Kaiser -- Meyer – Olkin measure of sampling adequacy (MSA) be greater than 0.50 for each individual variables as well as the set of variables. On iteration 1, the MSA for all of the individual variables included in the analysis was greater than 0.50, supporting their retention in the analysis as illustrated in table 2.

Table 2

Anti – image matrix

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	S15	S16
S1	**.836**[a]	-.289	-.153	-.221	.148	-.094	-.159	.035	-.054	.005	-.147	.064	.037	-.071	.131	.005
S2	-.289	**.783**[a]	-.370	-.037	-.021	.085	-.205	.072	.148	-.084	-.004	-.079	.032	.131	-.086	-.016
S3	-.153	-.370	**.819**[a]	-.292	.016	-.075	.093	-.053	-.128	.103	.064	-.125	.038	-.052	-.026	.041
S4	-.221	-.037	-.292	**.884**[a]	-.171	-.035	.017	-.080	.003	-.046	.028	-.022	-.005	.062	-.178	-.013
S5	.148	-.021	.016	-.171	**.668**[a]	-.455	-.047	-.042	-.195	.063	.057	-.045	-.023	-.048	.115	.009
S6	-.094	.085	-.075	-.035	-.455	**.739**[a]	-.063	.007	.197	-.164	-.044	.086	-.141	-.020	-.103	-.039
S7	-.159	-.205	.093	.017	-.047	-.063	**.886**[a]	-.382	-.018	-.115	-.080	-.031	-.011	-.066	-.039	-.126
S8	.035	.072	-.053	-.080	-.042	.007	-.382	**.823**[a]	-.123	.004	-.353	.055	.086	.014	.048	-.028
S9	-.054	.148	-.128	.003	-.195	.197	-.018	-.123	**.780**[a]	-.431	-.023	-.141	-.070	.039	-.017	-.158
S10	.005	-.084	.103	-.046	.063	-.164	-.115	.004	-.431	**.790**[a]	.175	-.169	-.049	-.053	-.060	.030
S11	-.147	-.004	.064	.028	.057	-.044	-.080	-.353	-.023	.175	**.846**[a]	-.262	-.080	-.130	-.059	-.036
S12	.064	-.079	-.125	-.022	-.045	.086	-.031	.055	-.141	-.169	-.262	**.880**[a]	-.103	-.009	-.079	.045
S13	.037	.032	.038	-.005	-.023	-.141	-.011	.086	-.070	-.049	-.080	-.103	**.783**[a]	-.055	.091	-.071

S14	-.071	.131	-.052	.062	-.048	-.020	-.066	.014	.039	-.053	-.130	-.009	-.055	**.818**[a]	-.602	-.195
S15	.131	-.086	-.026	-.178	.115	-.103	-.039	.048	-.017	-.060	-.059	-.079	.091	-.602	**.810**[a]	-.208
S16	.005	-.016	.041	-.013	.009	-.039	-.126	-.028	-.158	.030	-.036	.045	-.071	-.195	-.208	**.925**[a]

Source: Survey Data

In addition, the overall MSA for the set of variables included in the analysis is 0.826 (Table- 3) which exceeds the minimum requirement of 0.50 for overall MSA.

Table 3

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.826**
Bartlett's Test of Sphericity	Approx. Chi-Square	1873.956
	df	120
	Sig.	**.000**

Source: Survey Data

Similarly, Principal component analysis requires that, the probability associated with the Bartlett's test of sphericity be less than the level of significance. The probability associated with Bartlett's test is < 0.01, which satisfies this requirement (Table-3). Using the output from initial iteration, there are 5 Eigen values greater than 1.The Latent root criterion for number of factors to derive would indicate that there are 5 components (factors) to be extracted for the variables.

Table 4

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	**5.298**	33.113	33.113	5.298	33.113	33.113	2.595	16.219	16.219
2	**1.732**	10.823	43.936	1.732	10.823	43.936	2.377	14.854	31.073
3	**1.347**	8.417	52.353	1.347	8.417	52.353	2.044	12.774	43.847
4	**1.158**	7.240	59.593	1.158	7.240	59.593	1.960	12.253	56.100
5	**1.055**	6.596	**66.189**	1.055	6.596	66.189	1.614	10.089	66.189
Extraction Method: Principal Component Analysis.									

Source: Survey Data

In addition, the cumulative proportion of variance criterion can be met with 5 components to satisfy the criterion of explaining 60 per cent or more of the total variance. In the present iteration, a five components solution would explain 66.189 per cent of the total variance.

Table 5 provides the communalities associated with 16 statements, which represent the proportion of the variance in the original variables that is accounted for by the factor solution. The factor solution should explain at least half of each original variables variance, so the communality value for each variable should be 0.50 or higher.

Table 5

Communalities

Sl. No	Statements	Initial	Extraction
1	I need insurance against loss of life and property	1.000	.618
2	I am not aware that, banks facilitate insurance policies.	1.000	.674
3	Insurance Companies sell policies through their agents	1.000	.691
4	I take insurance policies due to agents compulsion	1.000	.596
5	I am not using ATMs/credit cards	1.000	.729
6	People in the villages do not know how to use ATMs &credit cards	1.000	.741
7	I am not using cheque book, because I can't maintain minimum balance in the account.	1.000	.658
8	I am not using cheque book, because I have no deposits	1.000	.768
9	I don't like to transfer money through banks	1.000	.700
10	Sending money through Post office is cheap	1.000	.659
11	I am not using locker because I don't have valuables/ jewelries	1.000	.677
12	I am not using locker because of high charges	1.000	.509
13	**Locker is not safe, because it may be looted by thieves.**	**1.000**	**.288**
14	I don't have mutual funds-	1.000	.820
15	I am using mobile phone, but don't use mobile banking	1.000	.836
16	Mobile banking & internet banking are popular in towns and cities	1.000	.625
	Extraction Method: Principal Component Analysis.		

Source: Survey Data

On iteration 1, the communality for the statement '*locker is not safe, because it may be looted by thieves*' (statement 13) is 0.288. Since this is less than 0.50, this variable is removed and the principal component analysis is computed again. Once, any variable with communality less than 0.50 have been removed from the analysis, the pattern of factor loadings should be examined to identify variables that have complex structure. Complex structure occurs, when one variable has high loadings or correlations (0.40 or greater) on more than one factor. If a variable has complex structure, it should be removed from the analysis. Variables that load on only one factor are described as having simple structure. Table 6 examines the problem of complex structure in the present study.

Table 6
Rotated Component Matrix

		Component				
Sl. No		1	2	3	4	5
1	I need insurance against loss of life and property	**.736**	.070	.294	.027	.008
2	I am not aware that, banks facilitate insurance policies.	**.813**	.046	.124	.074	-.044
3	Insurance Companies sell policies through their agents	**.803**	.123	.025	.154	.092
4	I take insurance policies due to agents compulsion	**.653**	.216	.088	.164	295
5	I am not using ATMs/credit cards	.033	-.016	.091	.191	**.853**
6	People in the villages do not know how to use ATMs &credit cards	.137	.261	.096	-.010	**.801**
7	I am not using cheque book, because I can't maintain minimum balance in the account.	.287	.267	**.655**	.224	.157
8	I am not using cheque book, because I have no deposits	.113	.089	**.835**	.172	.135
9	I don't like to transfer money through banks	.058	.118	.204	**.819**	.104
10	Sending money through Post office is cheap	.101	.192	.013	**.793**	.160
11	I am not using locker because I don't have valuables/ jewelries	.146	.327	**.746**	.076	-.011
12	I am not using locker because of high charges	.245	.212	.235	**.576**	-.054
13	I don't have mutual funds-	.111	**.856**	.201	.150	.107
14	I am using mobile phone, but don't use mobile banking	.203	**.856**	.136	.187	.086
15	Mobile banking & internet banking are popular in towns and cities	.068	**.713**	.246	.199	.103
	Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					

Source: Survey Data

From Table 6, it is clear that none of the statements demonstrated complex structure. Therefore, it is not necessary to remove any additional statements from the analysis because of complex structure. Once we have resolved the problem with complex structure, we check the communalities once again to make certain that, we are explaining a sufficient portion of variance of all of the original variables. The communalities for all of the variables included on the components are greater than 0.50 and all variables had a simple structure. Thus the information in 15 statements can be represented by 5 factors. Based on the common thread seen among the statements in each group, appropriate names are suggested. Thus the information contained in the responses may imply the information contained in factors named as:

1. Non availability of micro insurance
2. Non availability of modern services
3. Non affordability of services
4. Non reasonability of services.

5. Non access of services

The factors and the supporting statements (variables) are illustrated in Tables 7 to 11.

Table 7

Factor 1 - Non availability of micro insurance

Sl. No	Statement Number	Supporting Statement
1	1	I need insurance against loss of life and property
2	2	I am not aware that, banks facilitate insurance policies.
3	3	Insurance Companies sell policies through their agents
4	4	I take insurance policies due to agents compulsion

Source: Survey Data

Table 8

Factor 2 - Non availability of modern services

Sl. No	Statement Number	Supporting Statement
1	13	I don't have mutual funds-
2	14	I am using mobile phone, but don't use mobile banking
3	15	Mobile banking & internet banking are popular in towns and cities

Source: Survey Data

Table 9

Factor 3 - Non affordability of services

Sl. No	Statement Number	Supporting Statement
1	7	I am not using cheque book, because I can't maintain minimum balance in the account.
2	8	I am not using cheque book, because I have no deposits
3	11	I am not using locker because I don't have valuables/ jewelries

Source: Survey Data

Table 10

Factor 4 – Non reasonability of services

Sl. No	Statement Number	Supporting Statement
1	9	I don't like to transfer money through banks
2	10	Sending money through Post office is cheap
3	12	I am not using locker because of high charges

Source: Survey Data

Table 11

Factor 5 – Non Access of services

Sr. No	Statement Number	Supporting Statement
1	5	I am not using ATMs/credit cards
2	6	People in the villages do not know how to use ATMs &credit cards

Source: Survey Data

The analysis is further continued to describe scores obtained on these factors. It is decided to obtain the scores in the simplest manner, i.e. to get them as sums of the observations on each variable contributing to the factor. Thus the basic summaries are given in Table 12.

Table 12

Descriptive Statistics

Factors	N	Minimum	Maximum	Mean	Std. Deviation
Non availability of bankassurance	320	4.00	20.00	16.2594	3.43021
Non availability of modern services	320	3.00	15.00	10.8063	3.56752
Non affordability of services	320	3.00	15.00	11.6813	3.12412
Non reasonability of services	320	3.00	15.00	10.2781	2.98599
Non access of services	320	2.00	10.00	6.8906	2.34699

Source: Survey Data

The first factor "non availability of micro insurance" is constructed by summing four statements having a common thread. The maximum scoring possible in a five point Likert framework for four statements is 20. Here the maximum scoring is reported to be 20 and the minimum is 4.The mean score is observed to be 16.26, which is above the neutral value of 12, with a standard deviation of 3.43. This is an indication of the agreeability of the respondents to the first factor. The second factor "non availability of modern services" is constructed by summing three statements and found to have a mean score of 10.81 with a standard deviation of 3.57. Since the mean score is above the neutral value of 9 it indicates the agreeability of the respondents to this factor. The third factor "non affordability of services" is the combined effect of three statements with minimum value 3 and maximum value 15 and a neutral value of 9. The mean score is 11.68 and the standard deviation is 3.12 reveals the agreeability of the respondents towards this factor. The fourth factor, "non reasonability of services" is constructed by combining another three statements. It also indicates the respondent's agreeability to this factor with a mean score of 10.278 and a standard deviation of 2.99.The fifth factor, "non access of services" is the combined effect of two statements, which is found to have a mean score of 6.89 and with a standard deviation of 2.35.

Now, the level of perception of the sample customers on the non-availability of financial services may be taken together, to observe whether there exists any significant variation among them. Table given below provides the total mean and district wise mean score and standard deviation of the five factors associated with the perception of the customers.

Table 13 Group Statistics for the factors

Factors	Mean				Std. Deviation			
	Trivandrum	Ernakulam	Kannur	TOTAL	TVM	EKM	KNR	TOTAL
F 1	15.897	17.670	15.552	16.373	.309	.354	.309	.187
F 2	10.560	10.750	11.095	10.802	.332	.381	.332	.201
F 3	11.672	11.557	11.784	11.671	.291	.334	.291	.177
F 4	10.190	10.045	10.543	10.259	.277	.319	.277	.168
F 5	7.259	6.670	6.690	6.873	.217	.249	.217	.132

Source – Survey Data

F1: Non-Availability of Bankassurance, F2: Non-Availability of Financial Services, F3: Non- affordability of Financial Services, F4: Non-Reasonability of Financial Services, F5: Non-access to Financial services

It is observed that the total mean score and the mean scores of the five factors across the sample districts differ significantly. The first factor-Non availability of micro insurance shows a mean score of 16.373, with significant degree of variation across the sample districts. In respect of this factor, Ernakulam district shows the highest mean score (17.670), followed by Trivandrum (15.897) and Kannur (15.552) districts. Non availability of modern banking services (second factor) show a total mean score of 10.802, and in this respect, Kannur district is observed to have the highest mean score (11.095), followed by Ernakulam (10.750) and Trivandrum (10.560) districts. Comparing the total mean score and the district wise mean scores of other factors also, this kind of variation may be observed.

To explain the possible variations in the mean scores of these five variables across the three sample districts under study, a MANOVA was attempted. Here the five variables are taken together, believing that, the variables are more meaningful if taken together, than considered separately, and MANOVA was used here to consider the following hypotheses.

H_0: There is no significant multivariate main effect of districts on the perception of customers on the non-availability of financial services.

H_a: There is a significant multivariate main effect of districts on the perception of customers on the non-availability of financial services.

Table 14
Multivariate Tests for Analyzing Variance

Effect		**Value**	**F**	**Hypothesis df**	**Error df**	**Sig.**
District	Pillai's Trace	.130	4.379	10.000	628.000	.000
	Wilks' Lambda	.872	4.431	10.000	626.000	.000
	Hotelling's Trace	.144	4.482	10.000	624.000	.000
	Roy's Largest Root	.119	7.486	5.000	314.000	.000

Source – Survey Data

It is generally an accepted procedure to take Wilks' Lambda for testing the hypotheses from among the four standard statistics reported above. However, from some recent studies it is seen that Pillai's Trace is more powerful than the other tests. From the Table, it is clear that, district wise, all the four statistics, especially Pillai's Trace provide significant F value (4.379) at 1 per cent level ($p < 0.01$). Hence the null hypothesis is rejected, which indicates that there is a significant multivariate main effect of districts on the perception of customers about the non-availability of financial services from the DCBs in Kerala. Now, given the significance of overall test, the univariate main effects are examined from the Table 15.

Table15

Tests of Between Subjects Effects on Factors explaining Financial Service exclusion

Source	Dependent Variable	Type I Sum of Squares	df	Mean Square	F	Sig.
District	F1	248.580	2	124.290	11.844	.000
	F2	16.953	2	8.477	.693	.501
	F3	2.608	2	1.304	.135	.874
	F4	13.817	2	6.908	.796	.452
	F5	24.660	2	12.330	2.299	.102

Source: Survey Data

F1: Non-Availability of Bankassurance, F2: Non-Availability of Financial Services, F3: Non-affordability of Financial Services, F4: Non-Reasonability of Financial Services, F5: Non-access to Financial services

The results of univariate analysis show that, the district wise variation in the mean score of the first factor is significant at 1 percent level with the value of F, 11.844 and $p < 0.01$. However, it can be observed that, the variation in the mean scores of other factors is not significant, as the p values are greater than 0.01. Thus it can be concluded that, when five factors are taken individually the mean variation is not significant, but when taken together as a bundle, the mean variation of all the five factors are observed to be significant, which shows that there is a multivariate main effect of districts on the perception of the customers with regard to the non-availability of financial services from the DCBs in Kerala.

To make the variation in the mean scores associated with the first factor, Non- Availability of micro insurance more clearly across the districts under study, a Post Hoc Test for multiple comparisons between two districts at a time was performed and the results are shown in Table 16.

Table 16

Post Hoc Tests for District-wise Financial Service Exclusion Using LSD

Dependent variable	(I) district	(J)District	Mean Difference(I-J)	Std. Error	Sig
Non-Availability of Bankassurance	Trivandrum	Ernakulam	-1.7739*	.45794	.000
		Kannur	.3448	.42535	.418
	Ernakulam	Trivandrum	1.7739*	.45794	.000
		Kannur	2.1187*	.45794	.000
	Kannur	Trivandrum	-.3448	.42535	.418
		Ernakulam	-2.1187*	.45794	.000

Source: Survey Data

****The mean difference is significant at the .05 level.***

Post Hoc test revealed that Kannur and Trivandrum districts do not have difference in the mean scores while Ernakulam has a mean score which is different from the scores of other two districts and significant ($p<0.05$). Since the mean value of Ernakulam (17.670) is high (Table-13) as compared to Trivandrum and Kannur, it seems that Non-Availability of micro insurance is slightly at a higher level in Ernakulam district than other two districts under survey.

However, with regard to non-availability, non-affordability, non-reasonability and non-access to other financial services, customers of different districts under survey seem to have similar perception on the level of service exclusion.

Conclusion

The need for financial services and the difficulty of some individuals with accessing financial services constitute the essence of financial exclusion which may end up in social exclusion. Lack of availability and lack of use of financial services by the customers, due to lack of affordability and lack of awareness and information are observed to be the major barriers to service exclusion. The study finds that the customers of DCBs in Kerala experience different forms of financial service exclusion. The Factor Analysis of the responses of the customers of DCBs in the three selected districts of Kerala shows that, the provision of financial services, especially modern banking services such as money transfer, ATMs, debit cards, credit cards, mobile banking, internet banking, money advice and credit counseling etc: by the DCBs, does not contribute much towards financial service inclusion. The responses of the selected sample revealed that the availability of modern financial services and micro insurance services from the DCBs operating in Kerala was very low which indicates that DCBs in Kerala still offer traditional products of deposits and loans and do not pay much attention to provide for adequate supply of modern financial services and micro insurance. Non-Availability of micro insurance is found more in Ernakulam district and with regard to non-availability, non-affordability, non-reasonability and non-access to other financial services, customers of different districts under survey seem to have similar perception on the level of service exclusion.

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GREEN MARKETING: IS IT A BOON OR A BANE , FOR CUSTOMERS AND THEIR SATISFACTION ?

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INTRODUCTION

Green Products don't work well and consumers won't pay a premium for them is an old saying. But most of the companies today believe that investing in environmentally preferable products and technologies can be a source of innovation and competitive advantage. The success of companies practicing 'green marketing' has drawn the attention of corporate, policy- makers and, more importantly, consumers. Green marketing is the recent buzzword ruling the corporate world. In today's context of global warming, climate change and environmental pollution, this concept has evolved as a savior for the mankind.

Green marketing is environment 'friendly, sustainable and socially responsible marketing practice. According to American Marketing Association (AMA), "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment".

Many people have attempted to define the term "green marketing". It is sometimes used as a synonym to 'environmental marketing' and 'ecological marketing. Jacquelyn A Ottman, author of "Green Marketing; Opportunity for Innovation", defines green marketing as environmental considerations integrated in all aspects of marketing. Michael J Po1onskç author of the books on environment and green marketing defines the term as activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment".

Broadly, green marketing involves developing good quality products which can meet consumer needs and wants by focusing on the quality performance, pricing and convenience in an environmental-friendly way. Practicing green marketing is not only good for mankind but also for the environment. It also gives competitive advantage to the marketers.

Evolution of the Concept

Many people believe that green marketing has evolved from environmental marketing and ecological marketing and its scope is much wider when compared to the other two. It encompasses environment-friendly products and services and also guarantees value, pricing and customer satisfaction. The term 'Green Marketing' was, in fact, coined much earlier but gained popularity only during the late 1980s and early 1990s. The AMA, for the first time, organized a workshop on 'Ecological Marketing' in 1975. The results of the proceedings of the workshop were documented in one of the first books on green marketing titled 'Ecological Marketing'. According to Peattie (2001) 2, there are three phases in the evolution of green marketing:

i. Ecological Green Marketing: This is the phase when companies were concerned about the environmental problems and tried to provide appropriate solutions to the same.

ii. Environmental Green Marketing: In this phase, the focus was shifted to clean technology and this, in turn, helped in designing innovative products and taking care of waste disposal and pollution.

iii. Sustainable Green Marketing: Green marketing is not for the short-term, but needs to be sustainable in the long-term; and for this, it should be able to command adequate customer support. This concept began to gain importance during the late 1990s.

Jacquelyn A Ottman and others have described green marketing at three different levels:

i. Marketing: Development of new technology, new process and new product and communicate the same to the customer. Innovation is an integral part of it. New process and technology to develop environment-friendly products and services.

ii. Holistic Nature: All stake- holders need to be part of this initiative — marketer, supplier, retailer, educator, community member, regulator, NGO — indeed all of them.

iii. Environmental Issues: Need to be balanced with primary customer needs. There are many ways wherein along with making profits, marketers can take care of environmental issues.

Importance of Green Marketing

Green Marketing comprises a broad range of activities like product development and modification, packaging, advertising, pricing, etc. It is, in fact, a very challenging task to deliver a product that meets customer needs and demands in terms of quality, value, pricing and availability. The result of this is the outcome of 'green consumers', especially in the US first and followed by many other countries. Green Marketing has gained momentum in the context of global warming and climate change and this, in turn, has forced many companies to incorporate the principles of Green Marketing. Recently, Green Marketing has drawn the attention of national and state governments and this has forced them to introduce environment-friendly policies.

As resources are limited and human needs and wants are unlimited, resources have to be utilized economically and in an environment- friendly way. Apart from being socially responsible and environment- friendly, there are other reasons like corporate governance, government pressure, competitive pressure, etc., that lead a company to adopt Green Marketing strategies. Green Marketing is a remedy for mitigating climate change and global warming and it can also give a competitive edge over others. Today's enlightened consumer, the so-called 'green consumer', a company practicing Green Marketing.

Rules of Green Marketing

There are many ways as to how a company can incorporate the concept of Green Marketing in its marketing activities. The first and foremost is the customer satisfaction in an environment-friendly way. In developed countries like the US, customer awareness of the environment is very high. That is the reason there are 'green consumers', and this has become prevalent in many other countries. Companies that want to incorporate Green Marketing need to work on the following areas:

- Be aware of the environmental issues and the way it will impact people's lives. There is a need to create awareness among the customers to make Green Marketing work.
- Make the customers feel that they will make a difference by being environment-friendly. Once the customers understand and start appreciating and valuing the companies' practicing Green Marketing, a lot will change for the better.
- Going green implies working towards the greater cause of environmental protection and safe-guarding the ecology and climate. Marketers have to believe that by practicing Green Marketing, they will be helping the environment and the mankind.
- Make best possible efforts to ensure that the green products provide the same benefits to customers as the non-green alternatives and are affordably priced.

Challenges of Green Marketing

Apparently there seems to be a number of challenges and problems associated with over sale the understanding and application of green marketing practices. Some of them are as follows:

1. Organizations practicing Green Marketing must ensure that their activities are not misleading the customers and are not violating any rules and regulations pertaining to environmental protection.
2. Organizations must do their best to clearly state the benefits of Green Marketing. If customers are explained the benefits of Green Marketing, then it is certain that they will appreciate the same.
3. Lack of scientific knowledge on the part of firms sometimes creates unnecessary problems. Thereby.
4. Sometimes, steep competition can force a company to adopt unfair practices to cut costs. Organizations should be socially responsible and look for sustainable development.
5. Practicing green is costly. Green products require renewable and recyclable products that are more expensive. Green Marketing can succeed in the long-run, only if the additional costs can be recovered.
6. Substantial investments in research and development and an innovative organizational culture are a must for developing and marketing of green products. Innovation is, in fact, the first step in the successful development of a green product
7. Majority of the people are not aware of this concept in the developing and under-developed countries. As a result, in such situations, one faces the additional challenge of creating awareness and willingness to spend on green products.
8. Many people may not be prepared to pay higher prices for green products. Unless there is widespread awareness about the long-term implications of continuing to use non-green products, it becomes difficult for the companies to practice Green Marketing.

9. Water treatment technology is very expensive. This takes the use of recycled water beyond the reach of most users, though there may be dire shortage of water.

The Winning Philosophy (Mantra)

Companies need to believe first that Green Marketing 'can work' and make diligent efforts to make necessary product improvements, which deliver performance, are marketable and profitable. Companies should not only develop green products but must explain about the same more effectively to the consumers. They also need to integrate Green Marketing strategy into all the 4 p's (Product, Price, Physical distribution, Process, Physical evidence, profit and People) of the marketing mix. Consumers, suppliers of raw materials, distributors and retailers all need to be made aware of Green Marketing and its benefits. Green marketing has to be considered as a visionary goal to be achieved through continuous improvements and efforts. It must be included in the company's overall corporate strategy Its thrust should be to delight the customers and win their and confidence and appreciation in the organization attempt to do green in their efforts.

Green Myopia

The concept of 'marketing myopia' was introduced by Theodore Levitt in 1960. He laid emphasis on 'managing products' rather than 'meeting customer needs'. Sometimes, this can also happen for companies practicing 'Green Marketing', if they focus on 'greenness' over the broader expectations and needs of the consumers or other stakeholders including suppliers, distributors, regulators and various activists. A Green myopia a approach a part of the organization should not be the outcome. Thereby reading their holds as consumer and becoming green centric rather than customers centric. A blend of judicious for focus will enable managers to provide more boon facilitate to their customers or rather green will affect the customer satisfaction and will as a bane to them.

Conclusion

Green Marketing is still in its infancy a lot of research has yet to be made to explore various opportunities and possibilities. Profit is important for the sustenance of any firm. Adoption of Green Marketing may not be profitable sometimes in the short-run, but definitely firms that are first movers, will have competitive edge over the others in the long-run. Today's consumers are very much aware of environmental issues like global warming, climate change, etc., and are getting ready to pay the premium for environment-friendly products and services. Companies too have a role to play in creating awareness regarding the necessity of using green products. The time has come for firms to explore every opportunity to enhance their products/services in terms of quality performance, social responsibility and environment-friendliness. Social organizations and consumer forums too have to pressurize companies to adopt green practices in their operations.

The government has to strengthen policy measures to facilitate the move towards environment friendly products and practices. There is already a significant degree of development in this direction in the US and many European countries. This movement has to spread geographically across the world, which would also necessitate customization to match with the requirements and affordability levels in different countries.

Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects or minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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Title: To study the benefits accruing to Select Indian Companies through Merger and Acquisition

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i) Introduction

India in the recent years has showed tremendous growth in the M&A deal. It has been actively playing in all industrial sectors. It is widely spreading far across the stretches of all industrial verticals and on all business platforms. The increasing volume is witnessed in various sectors like that of finance, pharmaceuticals, telecom, FMCG, industrial development, automotives and metals. The volume of M&A transactions in India has apparently increased to about 67.2 billion USD in 2010 from 21.3 billion USD in 2009. At present the industry is witnessing a whopping 270% increase in M&A deal in the first quarter of the financial year. This increasing percentage is mainly attributed to the increasing cross-border M&A transactions. Moreover , increasing interest of foreign companies in Indian companies has given a tremendous push to such transactions. Large Indian companies are going through a phase of growth as all are exploring growth potential in foreign markets and on the other end, even international companies are targeting Indian companies for growth and expansion. Some of the major factors resulting in this sudden growth of merger and acquisition deal in India are favorable government policies, excess capital flow, economic stability, corporate investments, and dynamic attitude of Indian companies. The recent merger and acquisition in 2011 made by Indian companies worldwide are those of Tata Steel acquiring Corus Group plc, UK based company with a deal of US $12,000 million and Hindalco acquiring Novelis from Canada for US $6,000 million, Tata Motors acquiring $2.3 bn's Jaguar Land Rover, a British Luxury Car-Maker , Suzlon Energy acquiring Re-Power System, a German company for $1.3 bn With these major mergers and many more on the annual chart, Indian industries have Created a niche on all platforms of corporate businesses, merger and acquisition in India is constantly rising with edge overothers.

ii) Overview of Merger & Acquisition

The concept of merger and acquisition in India was not popular until the year 1988. During that period a very small percentage of businesses in the country used to come together, mostly into a friendly acquisition with a negotiated deal. The key factor contributing to fewer companies involved in the merger is the regulatory and prohibitory provisions of MRTP Act, 1969. According to this Act, a company or a firm has to follow a pressurized and burdensome procedure to get approval for merger and acquisitions.
The year 1988 witnessed one of the oldest business acquisitions or company mergers in India. It is the well-known ineffective unfriendly takeover bid by Swaraj Paul to overpower DCM Ltd. and Escorts Ltd. Further to that many other Non-Residents Indians had put in their efforts to take control over various companies through their stock exchange portfolio.
Volume is tremendously increasing with an estimated deal of worth more than $ 100 billion in the year 2007. This is known to be two times more than that of 2006 and four times more than that of the deal in 2006. Further to that, the percentage is continuously increasing with high end success in business

operation.

As for mow the scenario has completely changed with increasing competition and globalization of business. It is believed that at present India has now emerged as one of the top countries entering into merger and acquisitions. There are many types of mergers and acquisitions that redefine the business world with new strategic alliances and improved corporate philosophies. From the business structure perspective, some of the most common and significant types of mergers and acquisitions are listed below: Horizontal Merger ,Vertical Merger,Co-Generic Merger&Conglomerate Merger

iii)RESEARCH METHODOLOGY

a) Objectives of the study:

- To Study the Impact of Acquisition on the parent company.
- To study the Future Benefits arising out of acquisition.
- To analyze the income generated by Indian Companies dueto Merger&Acquisition.

b) Hypothesis-

- The Merger & Acquisition in India has helps in financial viability of the Industry.
- The Merger& Acquisition has increased the profitability&competitiveness of industry.

c) Research Design

The present study is based on secondary data.

d) Sampling Design

- Sampling Population:-
- The sampling population includes Randomly selected 9 companies from various sector listed to BSE.

Secondary Data

- ✓ The secondary data has been collected by following sources.
- ✓ Annual reports of the selected Companies
- ✓ Ministry Of Finance, Investment & Industry.
- ✓ Business Magazines, Various survey Reports, books, Journals, Newspapers, Periodicals & Internet, etc.

Sources for Data Analysis

Tabular and suitable statistical technique and financial tools have been used for data analysis and interpretation.

e) Limitations of the study-

- The present study is limited for the period up-to 2013
- The present study is limited to the area of Selected Companies only.
- The Study includes basically merger only.

iii) DATA ANALYSIS & INTERPRETATION

Five years ago, India Inc had been on a growth overdrive, having set its sights firmly on foreign markets. A flurry of high-profile acquisitions took place, with Indian companies snapping up expensive foreign assets, often by taking on huge debt to pay for them. Let us look closely at some prominent overseas Indian players and check the progress of their foreign operations.

1.Tata Steel

Ratan Tata-led Tata Steel acquired Corus for an eye-popping $12 billion; the European entity is still deep in the red. The acquisition resulted in Tata Steel's capacity increasing five-fold overnight, but also burnt a big hole in its balance sheet. The Company had to write off $1.6 billion from its balance sheet towards loss of value in its European arm. Let us look at some of its prominent data which shows its impact after M&A.

Table –A

MCAP(Rs)	PE	PBV	Dividend Yield	Particulars	Standalone	Consolidated
22721.46 Crores	NA	0.66	3.42	Sales	37,725.46 Crores	1,33,416.59Crores
CMP(Rs) 233.95				PAT	5,062.97Crores	-7,362.39Crores
				Operating Margins	27.33%	2.94%

2. Hindalco Industries

Kumar Mangalam Birla took a huge gamble in 2007, when he decided to buy the Canada-based Novelis for $6 billion. Novelis was almost four times bigger than Hindalco, the Aditya Birla Group's flagship company. For the first two years, the Canadian company has reported losses due to economiccrisis. By 2010, Novelis was able to stand on its own feet, enabling it to return $1.7 billion to the Indian parent. Today, Novelis contributes handsomely, having generated 72% of the parent's cash flow in 2012.

Table - B

MCAP(Rs)	PE	PBV	Dividend Yield	Particulars	Standalone	Consolidated
19,958.66 Crores	11.74	0.59	1.34	Sales	25,784.31 Crores	79,705.51Crores
CMP(Rs) 104.25				PAT	1,699.20Crores	3,023.06Crores
				Operating Margins	8.46%	9.77%

3.Tata Motors

Tata Motors' purchase of iconic British luxury carmaker Jaguar-Land Rover ($2.3 billion) has proved to be a masterstroke. JLR has been the saving grace for Tata Motors, with a weak domestic demand environment bringing its Indian operations to a standstill.JLR's contribution was reflected in the March quarter results, when the subsidiary accounted for almost 90% of Tata Motors' consolidated operating earnings and more than 95% of its consolidated PAT in 2012-13.

Table - C

MCAP(Rs)	PE	PBV	Dividend Yield	Particulars	Standalone	Consolidated
95,833.82 Crores	9.69	2.50	0.67	Sales	44,373.04Crores	1,87,652.84Crores
CMP(Rs) 297.75				PAT	301.81Crores	9862.49Crores
				Operating Margins	2.70%	12.68%

4. Suzlon Energy

Wind energy major Suzlon acquired German company RE-Power Systems, a wind turbine manufacturer, in 2009, for nearly $1.3 billion, a large part of which was raised through debt. After the acquisition, The company had to go for a restructuring of the nearly Rs 10,000 Crores debt on its books. Suzlon relies heavily on RE-Power's substantial offshore presence.The German subsidiary now has posted a 33% growth in revenue in 2012-13 .

Table-D

MCAP(Rs)	PE	PBV	Dividend Yield	Particulars	Standalone	Consolidated
1681.65 Crores	NA	1.87	00.00	Sales	1,748.11 Crores	18,743.14Crores
CMP(Rs) 8.03				PAT	-2,989.80Crores	-4,731.95Crores
				Operating Margins	-105.38%	-10.48%

5. Bharti Airtel

Even after spending $9 billion on buying the African operations of Kuwait's Zain in 2010, the Indian telecom operator could not recover its purchase price yet. Its African operations are dragging down the entire company.The net loss from this segment widened to Rs 485.7 Crores on account of higher interest burden, a slump in demand, and political unrest in some countries. The company also launched its 3G services in 12 countries in the region. In the future, the company expects cash flow from Africa to improve as capital expenditure.

Table-E

MCAP(Rs)	PE	PBV	Dividend Yield	Particulars	Standalone	Consolidated
1,34,112..77 Crores	58.95	2.22	0.3	**Sales**	**45,350.90Crores**	**80,311.20Crores**
CMP(Rs) 335.50				**PAT**	**5,096.30Crores**	**2,266.90Crores**
				Operating Margins	**29.70%**	**30.94%**

6.HCL Technologies:

India's fourth largest IT services firm's acquisition of UK based Axon for $658 million in 2008 was the largest tech buyout by an Indian firm. It catapulted HCL to the top 10 SAP services players globally. HCL Tech beat Infosys to the finishing line in taking over Axon. After the acquisition, HCL Tech has grown at a compounded annual rate of 22% in the three years till December 2012.

Table -F

MCAP(Rs)	PE	PBV	Dividend Yield	Particulars	Standalone	Consolidated
62,012.30 Crores	16.56	6.31	1.35	Sales	8907.22 Crores	20,830.55Crores
CMP(Rs) 890.15				PAT	1,950.42Crores	2,427.08Crores
				Operating Margins	29.94%	17.74%

7.ShreeRenukaSugars: ShreeRenuka made two acquisitions of Brazil Based Company ,Namely, Vale Do Ivaisa&Equi-Par SA for $1.3 billion. It would give Renuka the capability to produce sugar all round the year, since Brazil's cane crushing season **(April-December**) complements India's (October-March), allowing it to take advantage of favourable sugar price movements globally, even when the domestic season wound down.

Table-G

MCAP(Rs)	PE	P:BV	Dividend Yield	Particulars	Standalone	Consolidated
1362.74 Crores	NA	1.01	2.48	Sales	6,395.40 Crores	10,357.66Crores
CMP(Rs)				PAT	51.80Crores	-374.30Crores

90.15						
				Operating Margins	**9.18%**	**11.65%**

Recent Merger & Acquisition in pipelines

8.Microsoft-Nokia deal

With the acquisition Of NOKIA's Handset Business for $7.2bn byMicrosoft,a US based Software Company, the combined entity will be able to fight competition at two fronts. That is Nokia Product engineering and Microsoft software engineering will have greater competitiveness edge over Samsung which has become a leading brand surpassing NOKIA which was once the apple of all eyes. Let us see the combined strength.

Name of Companies	SmartphoneMarket Share(India) in %	Handset Market share(India) in %
NOKIA	5.4	14.6
SAMSUNG	25.7	11.8
KARBONN	13.00	7.8
MICROMAX	22.00	9.8
OTHERS	33.7	NA

SOURCE: ET 4Sep- 2013

9.Jet Airways -Etihad Airways deal

With the acquisition of 24% for $379 mn share in Jet Airways ,an India based Company ,by Etihad Airways, a AbuDhabi based Company ,the Jet airways has forayed into Gulf Market and will reap the benefits of afforadable fuel prices and will be in a position to not only launch more flights from India to European countries ,SAARC Nations ,SE asia and Australia but will also be able to restructure its debts burden.

Financial Position OfJet Airways:

Total Debts: Rs.12,500Crores,Trade Payables Rs 4757 crores and Accumulated losses in the last 5 years is amounted to Rs 4500 Crores.

v) Conclusion and Findings

With the global changing scenario where recessionary trends is looming large on industries, Merger and acquisition has become panacea for weak and underperforming.following points have been noted through this study.

1. Acquisition has been a sustainable characteristic in the present Indian scenario.
2.On an average , Companies in India have earned positive returned on their acquisition so far .
3.Performance wise local Indian companies are catching up with their MNC peers.
4.As the marker for acquisition becomes more competitive ,local Indian companies will have to hone their pre acquisition due diligence skills as well as their post acquisition skills.

890.15						
				Operating Margins	**9.18%**	**11.65%**

Recent Merger & Acquisition in pipelines

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A study of legal aspects and issues of Performance Appraisal System

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The dynamic uncertainty in every aspect of business [be it social, economical. political. legal or technological] has influenced and created an in-depth impact on several executives to at least consider declining manpower strength to ensure the health of their organizations. Based on a decision to eliminate and/or outsource certain tasks whose performance levels are below expectations. Of course, a decision to terminate an employee for cause must be made only after great care is taken to ensure the legal risks. When calculating these risks, an employee's past performance evaluations -- documented in writing is of paramount importance.

Conducting proper employee evaluations is not only important but indispensable for minimizing their risks when defending employment decisions because these can be attacked in "abusive" or "wrongful" discharge cases, equal employment opportunity ("EEO") charges, and arbitrations. When properly designed and tailored; implemented , Employee performance evaluations or appraisals also can be a realistic and time tested aspect and issue for enhancing employee's value , ethics and morale, approach, attitude, adaptability motivation, and productivity and effectiveness.

This challenge is perpetual and therefore needs to be thought of squarely. In order to ascertain the views of the practicing HR personnel as well as the union leaders a survey was conducted. Anonymity was ensured as demanded by the concerned respondents. Other wise the open ended questions would not have elicited the response.

The respondents who gave their free, frank and friendlyreciprocation are given in a tabulated proforma below :

Sr.No	Type of comany	Position of respondent in the organizational hierarchy	Number of respondents
1	MNC	HR Manager	1+1+1
		Labour Officer [Legal Matters}	1+ 1 +1
		Union Leader	1+ 1 +1
		Aggrieved Employees	5
2	Autonomous Govtadministerd public utility services	HR Manager	1
		Labour Officer [Disciplinary Action Cell]	1
		Union Leader	2
		Aggrieved Employees	5

Methodology : Descriptive.

One of the respondents , a union office bearer , stated that the relations in between an employee and his supervisor are turning too professional. Further for achieving and enhancing the productivity; management is embracing almost all new tools and enforces them e.g. six sigma, time and motion study, work measurement, agreement for higher productivity targets ,incentivisation of exceeding targets etc. Further most of the senior workmen are doing the same work for a considerable time,Acquisition of skill and dexterity comes alongwith the repeatation work. Experience makes them to acquire the knowledge of discerning in between what is good and what is bad That is why their demand is : they do not want a supervisor.

One of the learned managers vindicated that the most important area of discontent amongst the employees is ' performance appraisal'. If adverse remarks are communicated; it does not only hurt an employee but it fractures the relations, creates enmity, adversely affect the output, and engraves a scar on the heart of aggrieved employee. The wound so created can never get healed.

One active member of the union vindicated that 'Y' generation junior managers try to imitate the actor in film industry and pass on any remark while communicating with their subordinates. Their vocabulary is limited. They respond to a clause in performance appraisal form without understanding the meaning. The countersigning and accepting authorities are just signing without reading As if they are the static spectators.When this adverse remark is informed during this lead time; the aggrieved employees career stands ruined and tarnished. To cite an example : The column was : Is Sh/He is dependable ? The person who wrote Confidential Report stated "NO" So his loyalty stands questionable. When the supervisor was asked Why did you write so ?Hew informed Iwanted to vindicate that "This person can shoulder the responsibility without the help of others. When he accepts the responsibility; he is able to face difficulties and can complete the task independently." But his assumption was meaningless By the time, the II nd appellate authority ; intervened and straightened the problem. However during this lead time; he was by passed for promotion.

A HR senior officer responded that undoubtedly and unquestionably some challenges associated with performance appraisal and its legal association with the method, procedures and system has to be pondered in proper perspective. Then only it will help to develop fair and legally defensible performance appraisal system. Such attributes are : legally defensible appraisal system, legally defensible appraisai contents, documentation of appraisal results, legally defensible rater. The result yielded will be positive, pragmatic, practical and proactive depending on the : Employee value proposition, work culture / environment { wonderful place to be; an exciting place to work },

The following are some practical guidelines for associations in developing and implementing an employee performance evaluation or appraisal system that will meet these practical and legal criteria:

1. Develop an Appraisal Form that Relates Specifically (or Can Be Adapted to Relate Specifically) to the Employee's Job

The most important step in the development of a good performance appraisal form is the development of an accurate and detailed job analysis or, at least, a good job description. The performance appraisal should then be directly related to the employee's job description or detailed job analysis, which should be *incorporated by reference*. In the best situation, the performance appraisal should include specific references to each aspect of the employee's job analysis or job description and rate the employee in his performance of that aspect separately.

The evaluation should also distinguish between major and minor components of the job. Thus, if "written communications" are only a minor aspect of the employee's job, fewer maximum points should be allocated to this aspect of the employee's appraisal than to an aspect of his job which requires a major part of his efforts, such as "dexterity in handling tools."

2. Train the Evaluators

. The evaluators should be given written instructions on the purpose and mechanics of the performance appraisal system, emphasizing the importance of accuracy, and including information on the potential EEO problems and directions on how to relate the performance appraisal to the job analysis or job description. Associations should update these instructions and require evaluators to review them before each series of evaluations. It is important to document that this has been done by, for example, requiring some signed statement from the evaluator that he has reviewed the instructions.

Written instructions should be supplemented by group training for evaluators to teach them how to rate employees. This exercise should be helpful in addressing common questions or concerns of evaluators. Also, group training helps the employer lessen the disparity among evaluators.

In addition to written and in-person training regarding the evaluation process, Be certain that each evaluator is very familiar with both the employees' job duties and how the employees perform these duties.

3. Develop a Rating Scale

The employee should be appraised in terms of how well he behaves in performing each job duty and how well his performance reflects a particular job-related trait. Typically, the evaluator will be allowed to rate the employee's behavior as falling in one of three to five levels, with the lowest level translating to "unacceptable" and the highest level translating to "exceptional." It is preferable, however, to develop ratings that are more descriptive and better tailored to the job, and to provide space in which the well-trained evaluator can describe more specifically, if appropriate, how he arrived at his conclusion. Thus, with regard to a general trait such as "resourcefulness" the choices available to the rater might range from a "lowest" rate of "unable to solve problems unless given specific guidance" to a "highest" rate of "frequently develops creative and original solutions to unexpected and unusual problems," with two or three other degrees in between. This type of specific rating system ensures greater accuracy (particularly with regard to ratings of general traits) than a system which simply rates the employee from unacceptable to exceptional with no explanation of what is meant by "exceptional" resourcefulness; and no explanation of how "resourcefulness" might be manifested in the employee's job.

Also, the appraisal should be based on observed evidence. There should be a blank for "not observed" or "inapplicable" for the evaluator's use where appropriate.

4. Safeguard against Inaccuracy

By far the most typical problems that affect the accuracy and reliability of evaluations include a tendency on the part of evaluators either to be too "easy" on employees, to give everybody a "middle of the road" ranking, or to form a general impression of the employee and give that rating to all aspects of the employee's performance, without distinguishing the employee's strong points from his weak points. The evaluator should be cautioned about these potential errors and trained on how to avoid them.

Another safeguard against inaccuracy can be a requirement that the evaluator provide "relative rankings" (*e.g.*, employees are ranked *against each other* by ranking all employees from best to worst in terms of job performance, or by placing roughly the same number of employees into each of several performance distributions such as upper, middle, and last third). This may be particularly useful where appraisal scores are used to establish merit wage increases. Such relative rankings are based, however, on the assumption that employee performance will conform to a normal distribution curve. This assumption will not always be true since detailed training and the degree to which poor performers have already been weeded out by discipline may tend to "level out" the normal curve.

In the other major type of ranking system, the employee's performance is simply explained in the evaluator's own words or in scores which compare his performance to what is expected -- without any effort to compare his performance with that of other employees. Obviously, unless highly developed, this system is more subject to the rater's tendency to "go easy" on employees or to score them all at the same level. Accuracy can be improved if this type of appraisal is tied to specific job-related criteria, and/or lists of job duties and job-related traits. A "mixture" of the best of these systems can be achieved if deviations from what is expected are demonstrated in graphs from which comparisons of employees are drawn.

5. Ensure against Bias of the Evaluator

Associations should emphasize the EEO aspects of employee evaluations in training evaluators, and should caution evaluators against stereotyping employees based on race, sex, age, or *any* other characteristics. Actual observed performance should be the characteristic evaluated.

In order to guard against trouble in this area, employers should monitor the evaluations performed by each evaluator and determine whether that evaluator is consistently rating women or minorities lower than other employees, or is using language in performance evaluations that reflects bias or stereotyping.

6. Provide for Cross-Checks on the Evaluators

Generally, the reliability of the appraisal system is enhanced if two or more individuals separately review each employee, or if the first reviewer's evaluation is reviewed by another evaluator who also signs off on the review form. The second evaluator should also have personal knowledge of the job duties and performance of the employee being rated.

7. Provide for the Employee's Agreement that the Job Duties on Which He Has Been Rated Constitute an Accurate and Complete List of His Major Job Duties

This can prevent later debates about whether an employee was expected to perform a particular aspect of the job being evaluated. If the employee disagrees with the evaluator's statement of his duties, he should be required to expiain how and why he disagrees.

8. Require Employees to Sign Their Evaluations after Giving Them an Opportunity to Review the Evaluation and to Comment in Writing

The employee should be given an opportunity to comment on whether he agrees with the evaluator's assessment of his performance, and if not, on how and why he disagrees. The employee should be required to sign the evaluation, even if he disagrees, and care should be taken to ensure that the employee's signature is dated. This will help to establish the beginning of a statute of limitations for filing complaints relating to the evaluation and will also undermine the employee's attempt to attack an evaluation with which he previously agreed.

9. Provide for Appeals on Grievances

Giving the employee a right to appeal his performance appraisal to a higher level of supervision enhances the employee's perception of the job evaluation process as fair and promotes good employee relations, so long as the higher level review is not a "pro-forma" review. Failure to exercise this right of appeal may be damaging to the case of any employee who later attacks the evaluation in an EEO or wrongful discharge claim.

Also, a right of appeal provides another means by which the employer can assess whether or not supervisors are doing a good job of performing the evaluation.

10. Timing of Evaluations

A schedule for job evaluations should be established. It is often advisable to provide for more frequent evaluations of new employees or employees who, for some other reason, are on probation. The timing of the evaluation should depend on factors such as the purposes for which it is used and administrative convenience. There should be strict adherence to the evaluation schedule established.

If the supervisor/evaluator moves to another job or leaves the association, he should be required before leaving to complete an evaluation of all his employees for the period of time he supervised them since their last evaluation. Further, if an employee changes jobs and moves to another supervisor, his former supervisor should complete an evaluation of the employee as of the date of the transfer. This will prevent "holes" in the evaluation process, and consequent employee complaints that they have not received timely or complete evaluations.

Remember that inconsistency in the timing of evaluations can, like any other inconsistency in employment actions, become the basis for an EEO charge or undermine the employer's reliance on evaluations in its defense of EEO or wrongful discharge cases or arbitrations.

11. Review Performance Evaluations for Adverse Impact

As stated above, if performance appraisals are used as the basis for personnel selection decisions, such as promotions, transfers, or decisions to lay off or discharge an employee as opposed to retaining that employee, the evaluations are \subject to the federal Uniform Employee Selection Guidelines. In other words, if the total "selection process" has an adverse impact against protected minorities or females, each component of the selection process, including the performance appraisal or evaluation, must be independently evaluated for adverse impact. If it is determined that the performance appraisal is causing an adverse impact, the employer must be able to demonstrate its job relatedness. If the appraisal cannot be "validated" through a showing of job relatedness, the adverse impact must be eliminated through changes in the evaluation or the procedures by which it is implemented.

12. Follow Whatever System or Procedure Has Been Established to the Letter, and Carefully Refrain from Any Actions or Statements in Performance Evaluations that Connote a Guarantee of Continued Employment

Courts are increasingly finding ways in which employers can be held to have made binding, contractual commitments to their employees. Evaluators should be careful to avoid making such commitments to their employees, while at the same time being sure to follow carefully all previously stated procedures.

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FDI AND INDIAN ECONOMY

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1.1 Introduction

Developed economies consider FDI as an engine of market access in developing and less developed countries vis-à-vis for their own technological progress and in maintaining their own economic growth and development. Developing nations looks at FDI as a source of filling the savings, foreign exchange reserves, revenue, trade deficit, management and technological gaps. FDI is considered as an instrument of international economic integration as it brings a package of assets including capital, technology, managerial skills and capacity and access to foreign markets. The impact of FDI depends on the country's domestic policy and foreign policy. As a result FDI has a wide range of impact on the country's economic policy.

1.2 Selection of Variables:

Macroeconomic indicators of an economy are considered as the major pull factors of FDI inflows to a country. The analysis of above theoretical rationale and existing literature also provides a base in choosing the right combination of explanatory variables that explains the variations in the flows of FDI in the country. In order to have the best combination of explanatory variables for the determinants of FDI inflows into India, different alternatives combination of variables were identified and then estimated.

Table
INTERNATIONAL COMPARISON OF TOP TEN DEBTOR COUNTRIES, 2007

Country	External Debt stock, Total (US $ bn)	Concessional Debt/Total Debt (%)	Debt Service Ratio (%)	External Debt to GNI (%)	Short term debt/ Total debt (%)	Forex reserves to Total debt (%)
China	373.6	10.1	2.2	11.6	54.5	413.9
Russian Federation	370.2	.4	9.1	29.4	21.4	129.1
Turkey	251.5	2.1	32.1	38.8	16.6	30.4
Brazil	237.5	1.0	27.8	18.7	16.5	75.9
India	224.6	19.7	4.8	19.0	20.9	137.9
Poland	195.4	.4	25.6	47.7	30.9	33.6
Mexico	178.1	.6	12.5	17.7	5.1	49
Indonesia	140.8	26.2	10.5	33.9	24.8	40.4
Argentina	127.8	1.3	13.0	49.7	29.8	36.1
Kazakhstan	96.1	1.0	49.6	103.7	12.2	18.4

The ratio of short – term debt to foreign exchange reserves (Table-4.6.2) stood at 19.6% in March 2009, higher than the 15.2% in the previous year. India's foreign exchange reserves provided a cover of 109.6% of the external debt stock at the end of March 2009, as compared to 137.9% at the end of

March 2008. An assessment of sustainability of external debt is generally undertaken based on the trends in certain key
ratios such as debt to GDP ratio, debt service ratio, short – term debt to total debt.

FINDINGS AND SUGGESTIONS

Finally, it may be concluded that developing countries has make their presence felt in the economics of developed nations by receiving a descent amount of FDI in the last three decades. Although India is not the most preferred destination of global FDI, but there has been a generous flow of FDI in India since 1991. It has become the 2nd fastest growing economy of the world. India has substantially increased its list of source countries in the post – liberalisation era. India has signed a number of bilateral and multilateral trade agreements with developed and developing nations. India as the founding member of GATT, WTO, a signatory member of SAFTA and a member of MIGA is making its presence felt in the economic landscape of globalised economies. The economic reform process started in 1991 helps in creating a conducive and healthy atmosphere for foreign investors and thus, resulting in substantial amount of FDI inflows in the country.
No doubt, FDI plays a crucial role in enhancing the economic growth and development of the country. Moreover, FDI as a strategic component of investment is needed by India for achieving the objectives of its second generation of economic reforms and maintaining this pace of growth and development of the economy. This chapter highlights the main findings of the study and sought valuable suggestions.

1.3 FINDNGS OF THE STUDY: The main findings of the study are as under:

Trends and Patterns of FDI flows at World level:

- It is seen from the analysis that large amount of FDI flows are confined to the developed economies. But there is a marked increase in the FDI inflows to developing economies from 1997 onwards. Developing economies fetch a good share of 40 percent of the world FDI inflows in 1997 as compared to 26 percent in 1980s.
- Among developing nations, Asian countries received maximum share (16%) of FDI inflows as compared to other emerging developing countries of Latin America (8.7 %) and Africa (2%).
- India's share in World FDI rose to 1.3% in 2007 as compared to 0.7% in 1996. This can be attributed to the economic reform process of the country for the last eighteen years.
- China is the most attractive destination and the major recipient of global FDI inflows among emerging nations. India is at 5th position among the major emerging destinations of global FDI inflows. The other preferred destinations apart from China and above to India are Brazil, Mexico and Russia. It is found that FDI inflows to India have increased from 11% in 1990-99 to 69% in 2000- 2007.

1.4 Trends and patterns of FDI flows at Asian level:

- India, with a share of nearly 75% emerged as a major recipient of global FDI inflows in South Asia region in 2007.
- As far as South, East and South – East block is concerned India is at 3rd place with a share of 9.2% while China is at number one position with a share of 33% in 2007. Other major economies of this block are Singapore, South Korea, Malaysia, Thailand and Philippines.
- While comparing the share of FDI inflows of China and India during this decade (i.e. 2000-2007) it is found that India's share is barely 2.8 percent while china's share is 21.7 percent.

1.5 Trends and patterns of FDI flows at Indian level:

- Although India's share in global FDI has increased considerably, but the pace of FDI inflows has been slower than China, Singapore, Brazil, and Russia.

- Due to the continued economic liberalization since 1991. India has seen a decade of 7 plus percent of economic growth. Infact. India's economy has been growing more than 9 percent for three consecutive years since 2006 which makes the country a prominent performer among global economies. At present India is the 4th largest and 2nd fastest growing economy in the world. It is the 11th largest economy in terms of industrial output and has the 3rd largest pool of scientific and technical manpower.
- India has considerably decreased its fiscal deficit from 4.5 percent in 2003-04 to 2.7 percent in 2007-08 and revenue deficit from 3.6 percent to 1.1 percent in 2007-08.
- There has been a generous flow of FDI in India since 1991 and its overall direction also remained the same over the years irrespective of the ruling party.
- India has received increased NRI's deposits and commercial borrowings largely because of its rate of economic growth and stability in the political environment of the country.
- Economic reform process since 1991 have paves way for increasing foreign exchange reserves to US$ 251985 millions as against US$ 9220 millions in 1991- 92.
- During the period under study it is found that India's GDP crossed one trillion dollar mark in 2007. Its domestic saving ratio to GDP also increases from 29.8 percent in 2004-05 to 37 percent in 2007-08.
- An analysis of last eighteen years of trends in FDI inflows in India shows that initially the inflows were low but there is a sharp rise in investment flows from 2005 onwards.
- It is observed that India received FDI inflows of Rs.492302 crore during 2000-2010 as compared to Rs. 84806 crore during 1991-1999. India received a cumulative FDI flow of Rs. 577108 crore during 1991to march 2010.
- A comparative analysis of FDI approvals and inflows reveals that there is a huge gap between the amount of FDI approved and its realization into actual disbursements. A difference of almost 40 percent is observed between investment committed and actual inflows during the year 2005-06.
- It is observed that major FDI inflows in India are concluded through automatic route and acquisition of existing shares route than through FIPB, SIA route during 1991-2008.
- In order to have a generous flow of FDI, India has maintained Double Tax Avoidance Agreements (DTAA) with nearly 70 countries of the world.
- India has signed 57 (upto 2006) numbers of Bilateral Investments Treaties (BITs). Maximum numbers of BITS are signed with developing countries of Asia (16), the Middle East (9), Africa (4) and Latin America (1) apart from the developed nation (i.e. 27 in numbers). India has also become the member of prominent regional groups in Asia and signed numbers of Free Trade Area (nearly 17 in number).
- Among the sectors, services sector received the highest percentage of FDI inflows in 2008. Other major sectors receiving the large inflows of FDI apart from services sector are electrical and electronics, telecommunications, transportations and construction activities etc. It is found that nearly 41 percent of FDI inflows are in high priority areas like services, electrical equipments, telecommunications etc.
- India has received maximum number of financial collaborations as compared to technical collaborations.
- India received large amount of FDI from Mauritius (nearly 40 percent of the total FDI inflows) apart from USA (8.8 percent), Singapore (7.2 percent), U.K (6.1 percent), Netherlands (4.4 percent) and Japan (3.4 percent).
- It is found that India has increased its list of sources of FDI since 1991. There were just few countries (U.K, Japan) before Independence. After Independence from the British Colonial era India received FDI from U.K., U.S.A., Japan, Germany, etc. There were 120 countries investing in India in 2008 as compared to 15 countries in 1991. Mauritius, South Korea,

Malaysia, Cayman Islands and many more countries predominantly appears on the list of major investors in India after 1991. This broaden list of sources of FDI inflows shows that India is successful in restoring the confidence of foreign investors through its economic reforms process.

- It is also found that although the list of sources of FDI flows has reached to 120 countries but the lion's share (66 percent) of FDI flow is vested with just five countries (viz. Mauritius, USA, UK, Netherlands and Singapore).
- Mauritius and United states are the two major countries holding first and the second position in the investor's list of FDI in India. While comparing the investment made by both countries, one interesting fact comes up which shows that there is huge difference in the volume of FDI received from Mauritius and the U.S. It is found that FDI inflows from Mauritius are more than double from that of the U.S.
- State- wise FDI inflows show that Maharashtra, New Delhi, Karnataka, Gujarat and Tamil Nadu received major investment from investors because of the infrastructural facilities and favourable business environment provided by these states. All these states together accounted for nearly 69.38 percent of inflows during 2000-2008.
- It is observed that among Indian cities Mumbai received maximum numbers (1371) of foreign collaborations during 1991-2008.

1.6 Trends and patterns of FDI flows at Sectoral level of Indian Economy:

- **Infrastructure Sector:** Infrastructure sector received 28.6 percent of total FDI inflows from 2000 to 2008. Initially, the inflows were low but there is a sharp rise in FDI inflows from 2005 onwards. Among the subsectors of Infrastructure sector, telecommunications received the highest percentage (8 percent) of FDI inflows. Other major subsectors of infrastructure sectors are construction activities (6.15 percent), real estate (5.78 percent) and power (3.16 percent). Mauritius (with 56.3 percent) and Singapore (with 8.54 percent) are the two major investors in this sector. In India highest percentage of FDI inflows for infrastructure sector is with New Delhi (23.2 percent) and Mumbai (20.47 percent). Infrastructure sector received a total of. 2528 numbers of foreign collaborations in India. Out of 2528 numbers of foreign collaborations 633 were technical and 2795 were financial collaborations, which involves an equity participation of US$ 111.0 bn. The top five Indian companies which received FDI inflows in Infrastructure sector during 2000 to 2008 are IDEA, Cellule Ltd., Bhaik Infotel P. Ltd., Dabhol power Company Ltd., and Aircel Ltd.
- **Services sector:** In recent years Services sector puts the economy on a proper gliding path by contributing 55 percent to GDP. There is a continuously increasing trend of FDI inflows in services sector with a steep rise in the inflows from 2005 onwards. Services sector received an investment of 19.2 bn from 1991 to 2008. Among the subsectors of services sector, financial services attract 10.2 percent of total FDI inflows followed by banking services (2.22 percent), insurance (1.6 percent) and non- financial services (1.62 percent). In India, Mumbai (with 33.77 percent) and Delhi (with 16 percent) are the two most attractive locations which receives heavy investment in services sector. It is found that among the major investing countries in India Mauritius tops the chart by investing 42.5 percent in services sector followed by U.K (14.66 percent) and Singapore (11.18 percent). During 1991 to Dec 2008 services sector received 1626 numbers of foreign collaborations, out of which 77 are technical and 1549 are financial in nature.
- **Trading sector:** Trading sector received 1.67 percent of the total FDI inflows from 1991-2008. The sector shows a trailing pattern upto 2005 but there is an exponential rise in inflows from 2006 onwards. Trading sector received 1130 (1111 numbers of financial collaborations and 20 numbers of technical collaborations) numbers of foreign collaborations during 1991-2008. Major investment in this sector came from Mauritius (24.69 percent), Japan (14.81

percent) and Cayman Island (14.6 percent) respectively during 2000-2008. In India, Mumbai (40.76 percent), Bangalore (15.97 percent) and New Delhi (12.05 percent) are the top three cities which have received highest investment in trading sector upto Dec. 2008. Trading of wholesale cash and carry constitute highest percentage (84 percent of total FDI inflows to trading sector) among the subsectors of trading sector.

- **Consultancy Sector:** Consultancy sector received 1.14% of total FDI inflows during 2000 to 2008. Among the subsectors of consultancy sector management services received highest amount of FDI inflows apart from marketing and design and engineering services. Mauritius invest heavily (37%) in the consultancy sector. In India Mumbai received heavy investment in the consultancy sector. Consultancy sector shows a continuous increasing trend of FDI inflows from 2005 onwards.
- **Education sector:** Education sector attracts foreign investors in the present decade and received a whopping 308.28 million of FDI inflows during 2004- 2008. It registered a steep rise in FDI inflows from 2005. Mauritius remains top on the chart of investing countries investing in education sector. Bangalore received highest percentage of 80.14% of FDI inflows in India.
- **Housing and Real Estate Sector:** Housing and Real Estate sector received 5.78% of total FDI inflows in India upto 2008. Major investment (61.96%) in this sector came from Mauritius. New Delhi and Mumbai are the two top cities which received highest percentage of (34.7% and 29.8%) FDI inflows. Housing sector shows an exponentially increasing trend after 2005.
- **Construction Activities Sector:** Construction Activities sector received US$ 4.9 bn of the total FDI inflows. Mauritius is the major investment country in India. New Delhi and Mumbai are the most preferred locations for construction activities in India.
- **Automobile Sector:** Earlier Automobile Industry was the part of transportation sector but it became an independent sector in 2000. During Jan 2000 to dec. 2008 this industry received an investment of US$ 3.2 bn which is 4.09 % of the total FDI inflows in the country. Japan (27.59%), Italy (14.66%) and USA (13.88%) are the prominent investors in this sector. In India Mumbai and New Delhi with 36.98 % and 26.63 percent of investment becomes favourite's destination for this sector. Maximum numbers of technical collaborations in this sector are with Japan.
- **Computer Hardware and Software Sector:** Computer Software and Hardware sector received an investment of US$ 8.9 bn during Jan 2000 to Dec. 2008. From 1991 to Dec. 1999 computer software and hardware was the part of electrical and electronics sector. However, it was segregated from electrical and electronics sector in 2000. This sector received heavy investment from Mauritius apart from USA and Singapore.
- It is observed that major investment in the above sectors came from Mauritius and investments in these sectors in India are primarily concentrated in Mumbai and New Delhi.
- Maximum numbers (3636) of foreign collaborations during 1991-2008 are concluded in the computer software and hardware sector.
- It is found that maximum (i.e. 734) technical collaborations are concluded in automobile sector while computer software and hardware sector fetched maximum (3511) financial collaborations during 1991-2008.

1.7 FDI and Indian Economy

- The results of Foreign Direct Investment Model shows that all variables included in the study are statistically significant. Except the two variables i.e. Exchange Rate and Research and Development expenditure (R&DGDP) which deviates from their predicted signs. All other variables show the predicted signs.

- Exchange rate shows positive sign instead of expected negative sign. This could be attributed to the appreciation of Indian Rupee in international market which helped the foreign firms to acquire the firm specific assets at cheap rates and gain higher profits.
- Research and Development expenditure shows unexpected negative sign as of expected positive sign. This could be attributed to the fact that R&D sector is not receiving enough FDI as per its requirement. but this sector is gaining more attention in recent years.
- Another important factor which influenced FDI inflows is the Trade GDP. It shows the expected positive sign. In other words, the elasticity coefficient between Trade GDP and FDI inflows is 11.79 percent which shows that one percent increase in Trade GDP causes 11.79 percent increase in FDI inflows to India.
- The next important factor which shows the predicted positive sign is Reserves GDP. The elasticity coefficient between Reserves GDP and FDI inflows is 1.44 percent which means one percent increase in Reserves GDP causes an increase of 1.44 percent in the level of FDI inflows to the country.
- Another important factor which shows the predicted positive sign is FIN. Position i.e. financial position. The elasticity coefficient between financial position and FDI inflows is 15.2 percent i.e. one percent increase in financial position causes 15.2 percent increase in the level of FDI inflows to the country.
- In the Economic Growth Model, the variable GDPG (Gross Domestic Product Growth i.e. level of economic growth) which shows the market size of the host economy revealed that FDI is a vital and significant factor influencing the level of economic growth in India. In a nutshell, despite troubles in the world economy, India continued to attract substantial amount of FDI inflows. India due to its flexible investment regimes and policies prove to be the horde for the foreign investors in finding the investment opportunities in the country.

1.8 SUGGESTIONS

Thus, it is found that FDI as a strategic component of investment is needed by India for its sustained economic growth and development. FDI is necessary for creation of jobs, expansion of existing manufacturing industries and development of the new one. Indeed, it is also needed in the healthcare, education, R&D, infrastructure, retailing and in longterm financial projects. So, the study recommends the following suggestions:

- The study urges the policy makers to focus more on attracting diverse types of FDI.
- The policy makers should design policies where foreign investment can be utilised as means of enhancing domestic production, savings, and exports; as medium of technological learning and technology diffusion and also in providing access to the external market.
- It is suggested that the government should push for the speedy improvement of infrastructure sector's requirements which are important for diversification of business activities.
- Government should ensure the equitable distribution of FDI inflows among states. The central government must give more freedom to states, so that they can attract FDI inflows at their own level. The government should also provide additional incentives to foreign investors to invest in states where the level of FDI inflows is quite low.
- Government should open doors to foreign companies in the export – oriented services which could increase the demand of unskilled workers and low skilled services and also increases the wage level in these services.
- Government must target at attracting specific types of FDI that are able to generate spillovers effects in the overall economy. This could be achieved by investing in human capital, R&D activities, environmental issues, dynamic products, productive capacity, infrastructure and sectors with high income elasticity of demand.

- The government must promote policies which allow development process starts from within (i.e. through productive capacity and by absorptive capacity).
- It is suggested that the government endeavour should be on the type and volume of FDI that will significantly boost domestic competitiveness, enhance skills, technological learning and invariably leading to both social and economic gains.
- It is also suggested that the government must promote sustainable development through FDI by further strengthening of education, health and R&D system, political involvement of people and by ensuring personal security of the citizens.
- Government must pay attention to the emerging Asian continent as the new economic power – house of business transaction and try to boost the trade within this region through bilateral, multilateral agreements and also concludes FTAs with the emerging economic Asian giants.
- FDI should be guided so as to establish deeper linkages with the economy, which would stabilize the economy (e.g. improves the financial position, facilitates exports, stabilize the exchange rates, supplement domestic savings and foreign reserves, stimulates R&D activities and decrease interest rates and inflation etc.) and providing to investors a sound and reliable macroeconomic environment.
- As the appreciation of Indian rupee in the international market is providing golden opportunity to the policy makers to attract more FDI in Greenfield projects as compared to Brownfield investment. So the government must invite Greenfield investments.
- Finally, it is suggested that the policy makers should ensure optimum utilization of funds and timely implementation of projects. It is also observed that the realisation of approved FDI into actual disbursement is quite low. It is also suggested that the government while pursuing prudent policies must also exercise strict control over inefficient bureaucracy, red - tapism, and the rampant corruption, so that investor's confidence can be maintained for attracting more FDI inflows to India. Last but not least, the study suggests that the government ensures FDI quality rather than its magnitude.

Indeed, India needs a business environment which is conducive to the needs of business. As foreign investors doesn't look for fiscal concessions or special incentives but they are more of a mind in having access to a consolidated document that specified official procedures, rules and regulations, clearance, and opportunities in India. In fact, this can be achieved only if India implements its second generation reforms in totality and in right direction. Then no doubt the third generation economic reforms make India not only favourable FDI destination in the world but also set an example to the rest of the world by achieving what is predicted by Goldman Sachs23,24 (in 2003, 2007) that from 2007 to 2020, India's GDP per capita in US$ terms will quadruple and the Indian economy will overtake France and Italy by 2020, Germany, UK and Russia by 2025, Japan by 2035 and US by 2043.

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PERFORMANCE OF INDUSTRIAL SECTOR ININDIA DURING REFORM PERIOD

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India's Strategy for industrial development witnessed a paradigm shift in 1991. Economic reforms initiated in 1991 gradually removed product market licenses. The new industrial development strategy, therefore, envisaged a significantly bigger role for private initiatives. Consistent with the policy of liberalization of domestic industry, the number of industries reserved for public sector have also been reduced. Presently there are only two areas which are reserved for public sector viz. Atomic Energy and Rail Transport.The main objective of this research paper is to discuss the performance of industrial sector in India during reform period. This paper depends on secondary data.

I. Growth of Industrial Output:

During the reform period the industrial output in selected important commodities has been increased. Table 1 shows that the growth of production of some important goods in the country during reform period.

Table 1: Growth of Commodity Production (1990-91 to 2011-12)

Commodity	Unit	1990-91	2000-01	2011-12
Coal(incl.lignite)	Million tonnes	225.5	332.6	583.1
Finishedsteel	Million tonnes	13.5	32.3	73.4
Aluminum	Thousand tonnes	451.1	620.4	963.2
Electricity	Billion kwh	264	499	876.9
Cement	Million tonnes	48.8	99.2	223.5
Sugar	Thousand tonnes	12047	18510	274300
Cotton cloth	Million sq.metres	15431	19718	30570

Source: Government of India:Economic Survey 2012-13 p A 31-33

Table 1 clearly shows that the production of some important commodities increased during reform period. During 1990-91 to 2011-12 there is increase in production of coal , finished steel, Aluminum, cement, sugar, cotton cloth and electricity.

For regular tracing of growth an Index of Industrial Production (IIP) is compiled on a monthly basis by Central Statistical Organization (CSO). IIP is revised on a decadal basis to realistically reflect the industrial performance. Table 2 shows the changes in IIP during reform period.

Table 3: Index of Industrial Production
(Base 2004-05=100)

Year	Index of Industrial Production
1990-91	91.6
2000-01	162.6
2008-09	145.2
2009-10	152.9
2010-11	165.5
2011-12	170.3

Source: Government of India: Economic Survey 2012-13 p A -1

Table shows that the IIP has been slowly increased from 91.6 to 162.6 during 1990-91 to 2000-01. It declined to 145.2 in 2008-09 and then increased slowly. It was 170.3 in 2011-12. It clearly indicates that during reform period there is no continuous and speedy growth of industrial sector.

II.Contribution of Industry in GDP:

There was acceleration in the growth of GDP and also in the growth of industrial output. The rate of growth of industrial sector also improved in the line with GDP growth, though the share of industries in GDP improved moderately.

Table 3:Rate of Growth of GDP and Share of Industry

	Growth Rate (average annual per cent)			Share of Industry in GDP
	Industry	Manufacturing	GDP at Factor Cost	
1950-92	5.31	5.17	3.95	21.6
1992-97	7.29	9.42	6.54	25.9
1997-2002	4.29	3.31	5.51	25.7
2002-07	9.18	8.57	7.8	26.1
2007-08	9.7	10.3	9.3	28.7
2008-09	4.4	4.3	6.7	28.1
2009-10	8.4	9.7	8.4	28.1
2010-11	7.2	7.6	8.4	27.8
2011-12	3.4	2.5	6.5	27.0

Source: Government of India: India 2013 p.525.

Table 1 shows that the share of industry in GDP increased during reform period compare to pre-reform period. During 1950-92 the share of industry in GDP was 21.6 per cent. It increased to 25.9 per cent during 1992-97 (eighth plan). It was 25.7 per cent during 1997-2002 (ninth plan) and 26.1 during 2002-07 (tenth plan). In 2007-08 the share of industry in GDP was 28.7. However it declined to 27.8 per cent in 2010-11 and 27.0 in 2011-12. The performance of industrial sector was not satisfactory during the last two years of eleventh plan.

III. Organized Manufacturing Sector

Most common source of assessing industrial performance is the Annual survey of Industries (ASI). ASI covers the manufacturing sector employing 10 or more workers and is conducted by the National Sample Survey Office and based on the factory records. Table 3 gives the principle characteristics of factories.

Table 3 shows that during 1991-92 to 2009-10 there has been increase in number of factories, fixed capital, invested capital and gross capital formation. With increase in number of factories output and net value added also increased. However there is decline in number of workersduring 1991-92 to 2001-02 from 62.7 to 59.6. It increased to 91.6 in 2009-10. Compare to growth of net value added the growth of employment was slow during reform period.

Table 3: Organized Manufacturing Sector

	1981-82	1991-92	2001-02	2009-10
No. of Factories	105037	112286	128549	158877
Fixed Capital (Rs. Crores)	34703	151902	431960	1352184
Invested Capital (Rs. Crores)	53991	221234	605913	193305395
No. of Workers (lakhs)	61.1	62.7	59.6	91.6
Value of Output (Rs. Crores)	73630	299196	962457	3733036
Net Value Added (Rs. Crores)	14513	54827	144302	592114
GrossCapitalFormation(Rs. Crores)	10061	38445	73873	361845
Profits (Rs. Crores)	3396	9635	34884	332931

Table 2 show

Source: Government of India: India 2013 p.527.

IV.Average Annual Growth Rate of Industrial Production:

To study the performance of the industrial sector since 1991, it is better to divide the post-reform period into the period of 1990s (upto 2001-02 i.e. upto the end of Ninth Plan) and the period since 2002-03.

The Period of 1990s:

The industrial growth trends in the period of 1990s show that there was a total lack of consistency in industrial performance. The average annual growth rate of industrial production which was 7.8 per cent in pre-reform decade(1980-81 to 1991-92) fell to 5.7 per cent during the period 1990-91 to 1999-2000. The rate of growth of industrial production in the Eighth Plan was 7.4 per cent per annum which was the same as the targeted rate of growth. The rate of growth of industrial production in the Ninth Plan was only 5.0 per cent per annum which was considerably less than the targeted rate of 8.2 per cent per annum.

Thus, the performance of the industrial sector during the period of second half of 1990s was unsatisfactory. The period of 1990-91 to 2001-02 was marked by considerable fluctuations and thus showed a total lack of consistency in industrial growth performance.

There are many causes for unsatisfactory industrial performance in 1990s. One of the important reason unsatisfactory performanceof the industrial sector has been the deteriorating state of infrastructure. Industrial production has suffered not only on account of inadequate availability of infrastructure but also due to poor quality of infrastructure. Another important reason was the slowdown of investment. Difficulties in obtaining funds for expansion, sluggish growth in exports and contraction in consumer demand was also responsible for unsatisfactory performance of the industrial sector.

The Period 2002-03 to 2011-12:

Tenth and Eleventh Plans were implemented during the period since 2002-03. The period of Tenth Plan has witnessed revival of industrial growth. In 2002-03 the rate of growth of industrial production was 5.7 per cent. It increased considerably to 7.0 per cent in 2003-04, 8.4 per cent in 2004-05, 8.2 per cent in 2005-06 and 11.5 per cent in 2006-07. During the Tenth Plan period the average rate of growth of industrial production was 8.2.

The industrial growth measured in terms of IIP, witnessed significant growth of 15.5 per cent in 2007-08. The global crisis led to a severe moderation in growth rate to 2.5 per cent in 2008-09. The industrial sector showed a recovery by registering growth rates at 5.3 per cent and 8.2 per cent respectively in 2009-10 and 2010-11. The industrial growth started decelerating in 2011-12. In 2011-12 IIP showed a dismal growth of 2.9 per cent. Deceleration in IIP was mainly due to negative growth recorded in mining sector and a meager growth in manufacturing sector.

Conclusion:

During 1990-91 to 2011-12 there is increase in production of coal , finished Steel, Aluminum, cement, sugar, cotton cloth and electricity.The share of industry in GDP increased during reform period compare to pre-reform period.But the reform period showed a total lack of consistency in industrial growth performance.

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ROLE OF SELF HELP GROUPS IN EMPOWERMENT OF WOMEN

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INTRODUCTION:

Empowerment is a very important concept. It literally means becoming powerful. In simple words it is given right of independent thinking and decision making. Therefore empowerment is naturally above power and changing the balance of power. The concept of power deals with authority, ability to exercise authority over others and capacity to get things done through legitimate means. Power can be controlled over resources, control over ideologies and control over behavior of people. Today we think interms of power where empowerment means the process which encompasses various reinforcing components. It is giving economic independence, social liberation, and political economy.

Economic empowerment means access and control over various economic resources and ability to use them according to self will whereas social empowerment is knowledge and awareness about various social interrelations and ability to exercise, opinion, views in a given situation. It also includes process if transformation by participating in various decisions making processes

The process of empowerment has immense importance in our social life. Without empowering people, socio economic change may not take place. Empowerment is essential to enhance people's participation in growth process and expedite the process of social change.

When one talks of Empowerment, we essentially should think in terms of empowerment of Women. One of the major barrier to development in Indian context is lack of empowerment to women. It is very sad that half of the country's human resources are not properly and whole heartedly involved in the growth process. Women are brought up in the culture of silence. Their life starting continuing and ending up in the darkness of sadness. Lack of control over resources, inability to participate in the decision making process, absence of active involvement in social life are barriers to the social development. These are the barriers which dominate the role and life of women in India. Hence their participation in socio economic life is almost negligible. The most important and essential condition for social upliftment of women isempowerment. The growth process in true sense cannot commence without empowering women.

The present paper discusses issues related with women empowerment and how Self Help Groups can encourage the process of empowerment.

STATEMENT OF THE PROBLEM :

The process of empowerment commences in the mind. Unless and until the mind is set free and free will prevails, the concept of empowerment cannot gear up. The views, ideology and thought process needs to be redefined. In the context of empowerment of women this is very essential. When one talks of empowerment it means allowing people to look at old problems in the new ways. Authority to analyze the environment and situation giving opportunity to think independently and exercise the right of taking decisions in its own way. This requires access to information and knowledge, acquire new skills and greediness to initiate action for giving control over resources and their utilization. The present status of women demands transformation to empowerment for this purpose. This empowerment cannot be given unless and until women are having socio economic independence.

Self Help Group is a new socio economic movement for transformation of women. It will provide them with authority, free will and a level of competence that will change their participation in socio economic development. Can Self Help Groups help in empowering women ? What should be the role of Self Help Groups and how the Self Help Groups can infuse the element of empowerment is an important question.

The present paper attempts to answer a few important issues related with role of Self Help Groups in empowering women and improving their participation in the developmental process. Hence the title of the study is "Role of Self Help Groups in empowerment of women"

OBJECTIVES OF THE PAPER:

The principal objectives of the study are as follows:

1. To analyze the role of Self Help Groups in social transformation.
2. Identify the ways and means with which the Self Help Group can enhance the participation of women in the process of socio economic transformation.
3. To enlist the likely benefits of Self Help Group to women participants in improving their income, occupational status as well as socio cultural standards.

DISCUSSION:

1. SELF HELP GROUPS – A DEVICE FOR SOCIAL TRANSFORMATION :

There should be no reason to doubt the credibility and utility of Self Help Groups in social transformation. Self Help Groups is not merely a scheme to organize rural poor, women or economically weaker section to benefit them in terms of economic strength though it has larger and wider application which should be taken into account. These applications are more related with social changes than merely economic development. When people come together and join hands for mutual economic benefits, they automatically improve their social status also.

Economic transformation cannot take place without social changes. There are many evidences to justify this argument. When people come together and work for common goals they automatically develop a spirit of unity, cooperation, mutual trust. This on one hand creates a feeling of belongingness and social unity and on the other it reduces discriminatory spirits, feeling of inequality and social alienation. The idea of Self Help Group is to bring this transformation in the society where economic transformation takes place alongwith social upliftment.

For women the concept of empowerment is not related with economic empowerment but its social dimensions are also very important. Women are otherwise having limited or less freedom in the Indian context. Their social interactions are confined to a small social circle. This reduces their contribution to social activity and group development. Therefore Self Help Groups should be considered as right device working at micro level for socio economic transformation and empowerment of women.

2. SELF HELP GROUPS :THE APPROACH TOWARDS TRANSFORMATION :

Social transformation is a complex process. It takes place at 3 different processes.

a. Change in the mindset.

b. Change in the attitude and actions.

c. Participation in group activities.

In a society with orthodox values and restrictions on women's participation in various socio economic activities transformation appears difficult. It is most challenging ordeal to involve women in the main stream of economic activities. Theconventional family values, rigid social standards and a close mindset are few barriers which do not permit participation of women in various social activities on a large scale. Unless and until the barriers of conventional mindset are broken giving it free way for enhanced participation of women, their socio economic standards cannot be improved. Furthermore, there are many other reasons for rigidity of ideas and limitations to participation. There are many restrictions in the prevailing system prohibiting women, the caste barrier, provincial religious and regional biases and belief in many unproved values is a major hurdle.

Self Help Group can be rightly considered as first vent that will offer space and freedom of action. It may be a small but a step forward. This is a first step towards transformation when we change the view, we offer opportunities to change the action. From this point of view,Self Help Groupshould be considered as right step forward.

Small but regular changes have a lasting impact on social views and ideas than one step drastic revolutionary change. Therefore we should encourage many such Self Help Groups in villages and rural areas wherever unorganized and socially deprived women have no opportunity to come forward. In Indian society, where the socio cultural scenario is extremely static, this should be considered as an ideal measure.

3. CONTRIBUTION OF SELF HELP GROUP TO ENHANCE THE STATUS OF WOMEN :

Self Help Groups can play a vital role in improving the participation of women in various meaningful and economic activities. It can also help to improve the social status of women by giving them fair opportunities to participate in various commercial and economic business activities. Creating awareness about economic systems, developing right set of values, providing necessary skills and improving the understanding of economic system are all simple but useful steps to develop participation of women in economy

When a Self Help Group starts economic unit based on collective efforts of the women participation it doesn't remain merely an economic venture but it turns into a centre for social development. It becomes a guiding point to learn about principles of co-operation, collectivism and organizational skill development.

Developing economic awareness explaining complexities of financial transactions and making prudent economic decisions are some simple but useful inputs that are offered by Self Help Groups. Thus a Self Help Group creates an economic unit, a centre for social change, a place for learning and action oriented system that enlightens women.

CONCLUSION:

Thus it can be said that Self Help Groups are very useful and appropriate centres for social transformation of women. They are the units that can create a feeling of empowerment, independence and autonomy. When this movement of Self Help Groupwill be established at gross root level in the true sense, it will result in socio economic transformation of Indian society.

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MODE Application in Human Resources of Manufacturing Sector

- A Major Effort towards conflict Resolution

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Introduction

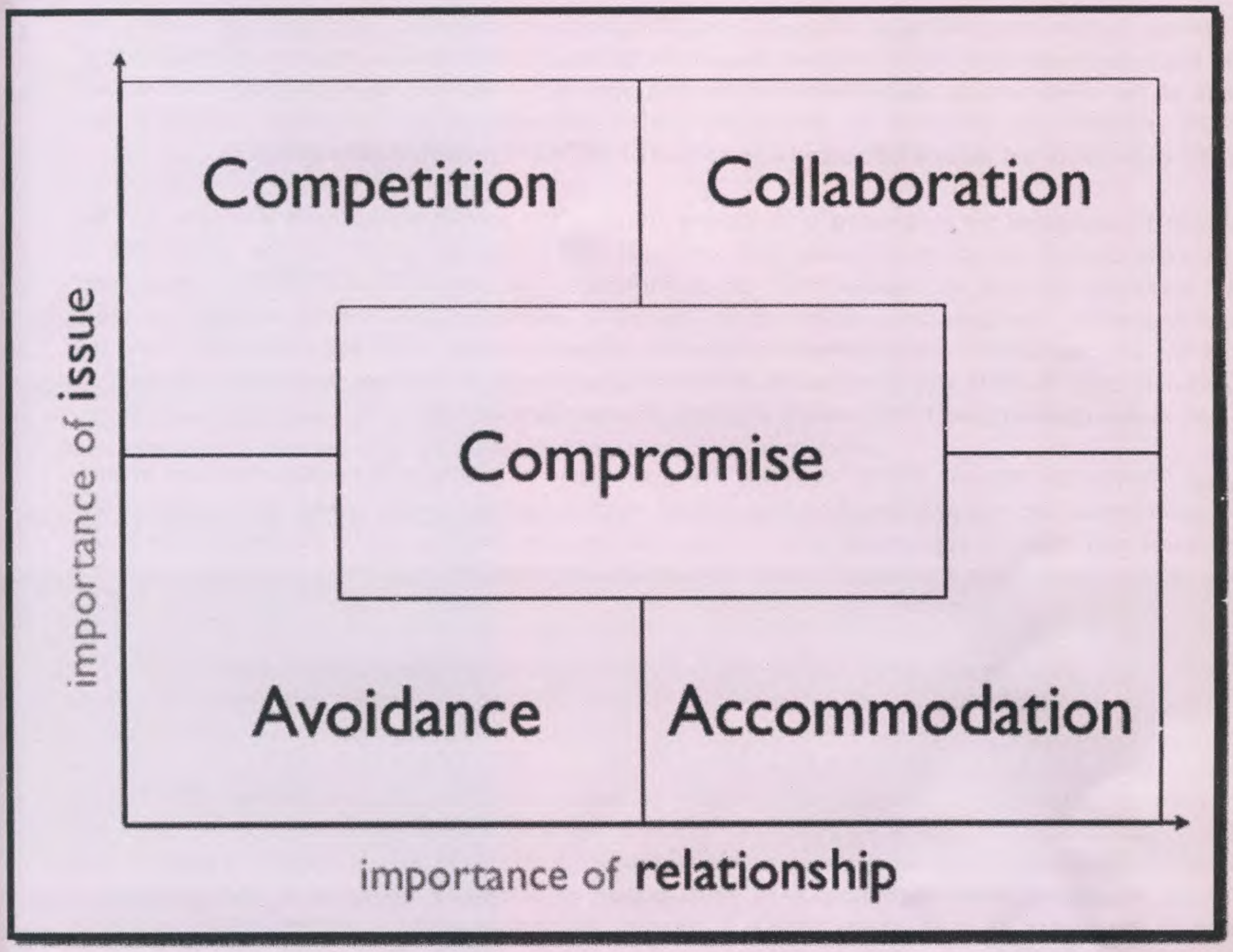
Whenever two persons interact, there are chances of difference of opinion. Conflicting situation is a situation in which two or more values, perspectives and opinions are contradictory in nature, have not yet aligned or agreed upon yet. A simple definition of conflict is experienced when one person perceives that one's needs or desires are or are likely to be thwarted or frustrated. Conflict is considered to be necessary for creativity and effectiveness of any organization. Optimal level of conflict is required. Excessive conflicts in organization adversely affect the smooth functioning of any organization. Conflicts are inherent in any interpersonal relationship; its management is integral to the performance of any organization. Conflict management is based on the principle that all conflicts cannot necessarily be resolved, but learning how to manage conflicts can decrease the odds of non-productive escalation. Our problem is never our problem, but reaction to problem is our problem.

Conflict management involves acquisition of skills relating to conflict resolution, self-awareness about conflict modes, conflict communication skills, and establishing a structure for management of conflict in your environment. Banking industry is the backbone of any economy. Progress of any country is directly or indirectly influenced by soundness of banking system of the country. In globalized world, trade and commerce would almost be impossible without the availability of suitable banking services. Indian banking industry has various milestones of success in its history. Further, deregulation has opened up new opportunities for banks to increase revenues by diversifying into investment banking, insurance, credit cards, depository services, mortgage financing, securitization, etc.

Banking industry is performing well but still there are some corners in interpersonal relations of organization, which need more attention. Causes of conflicts in organization and their effective resolution is one of such issue. To manage conflict effectively, an organization needs to develop a common language that helps people think effectively and communicate clearly about conflict and its management. The foundation of this language is a useful definition of conflict and a set of alternative ways of dealing with it. People often think of conflict as fighting. It's important to realize that fighting is only one way of dealing with conflict. A more useful definition of conflict is the condition in which people's concerns appear to be incompatible. A concern is anything people care about. In an organization, people's concerns might centre on such things as deciding how to allocate resources, determining what facts bear on an issue, and supporting different strategies. Not only banking, the other industries like manufacturing, service, non-productive industries also adopt various techniques to resolve the conflicting situations prevailing in their concerned area.

Introducing the Conflict-Handling Modes

When people find themselves in conflict, their behavior can be described in terms of where it lies along two independent dimensions—assertiveness and cooperativeness. Assertiveness is the degree to which you try to satisfy your own concerns, and cooperativeness is the degree to which you try to satisfy the other person's concerns. The figure below shows the main choices you have in a conflict—the conflict-handling modes.



(Fig: 1, Source: Thomas Kilmann Mode, 1974)

Review of Literature

Some types of conflict can be detrimental to organizations' success; other forms create a more open, more creative, and ultimately more effective organization. The key is to know that how to steer towards the constructive conflict. Gupta and Joshi (2008) highlighted the transitions in conflict thoughts. Traditional view considers conflict to be harmful and need to be avoided. Conflict was viewed negatively and it was used synonymously with terms like violence, destruction and irrationality. Human Relation View argued conflict as a natural occurrence in all groups and organizations and this view says that conflict is avoidable by creating an environment of goodwill and trust. Management should always be concerned with avoiding conflict if possible and resolving it soon, if possible. Integrationist View or Modern view point is based on belief that conflict is not only a positive force in a group but is also necessary for a group to perform effectively. This approach encourages conflict. According to this approach if group is harmonious, peaceful and cooperative, it is prone to become static and non responsive to the needs for change and innovation. Blake and Mouton (1964) first presented a conceptual scheme for classifying the styles for handling interpersonal conflicts into five types such as problem-solving, smoothing, forcing, withdrawal, and sharing.

Organization Behaviour theorists have accepted conflict as integral part of any organization's everyday life. Different styles and strategies for managing conflicts in organization have been proposed. Afzalur (1983) constructed factorially independent scales to measure the five styles of handling conflict and provided evidence of their reliability and validity. Calvin (1991) advanced the argument based upon the notion that conflict management varies with the informal norms that govern interpersonal networks. Executives experiencing fragmented and atomized interpersonal networks were more likely to manage conflict without confrontation than in networks of strongly and densely connected individuals. Cheung and Chuah (1999) examined the influence of cultural values on choice of conflict resolution strategies in Hong Kong industries and concluded that the influence of Chinese culture and traditional values on Hong Kong engineers/managers' perception of conflict, and their choice of resolution methods is diminishing and they prefer to use the confrontation mode in their handling of conflicts instead of the compromising and withdrawing/avoiding approaches as reported in the past. Kaushal and Catherine (2006) indicated the influence of culture on conflict management and resolution behaviors that individualism and collectivism did indeed influenced a person's style of conflict resolution behavior.

Afzal (2004) investigated the moderating or mediating effects of the conflict management strategies on the relationship between conflict and job performance and concluded that employees should also be encouraged to minimize their bargaining strategy to improve their job performance. This would require conflict management training of the employees. Managers are required to be trained to encourage their subordinates to use more integrating and less avoiding styles of handling conflict to improve job performance. Susan and Patti (2007) found the prevalent style for nursing students was compromise, followed by avoidance. In contrast, avoidance, followed by compromise and accommodation was the prevalent style for allied health students.

Instrument used: Thomas and Kilmann (1974) identified five main styles of dealing with conflict that vary in their degrees of cooperativeness and assertiveness. Avoiding style of conflict management is low on both assertiveness and cooperativeness and might be appropriate when the issue perceived is trivial by nature. Competing style is also known as the win-lose approach. A manager using this style, characterized by high assertiveness and low cooperativeness, seeks to reach his/her own preferred outcomes at the expense of other individuals. This approach may be appropriate when quick, decisive action is needed, such as during emergencies. It can also be used to confront unpopular actions, such as urgent cost cutting. Accommodating conflict resolution style reflects a high degree of cooperativeness. It has also been labeled as obliging. A manager using this style subjugates his/her own goals, objectives, and desired outcomes to allow other individuals to achieve their goals and outcomes. This behavior is appropriate when people realize that they are in the wrong or when an issue is more important to one side than the other. This conflict resolution style is important for preserving future relations between the parties. Compromising is moderating levels of both assertiveness and cooperativeness. Compromise can also be referred to as bargaining or trading. It generally produces suboptimal results. This behavior can be used when the goals of both sides are of equal importance, when both sides have equal power, or when it is necessary to find a temporary, timely solution. It should not be used when there is a complex problem requiring a problem-solving approach. Collaborating approach is high on both assertiveness and cooperativeness, is often described as the win-win scenario. Both sides creatively work towards achieving the goals and desired outcomes of all parties involved.

Objectives and Research Methodology

The main objective of the study is to examine the conflict management styles of top level managers among their employees in five manufacturing industries of Amritsar city. The study is empirical in nature. Sample for study consisted of 100 respondents. Five manufacturing industries have been selected on the basis of convenience according to area and the selected manufacturing industries are: (1) Paint Manufacturers, (2) United Surgical Industries, (3) Punj-Aab Agro Industries, (4) Hira Industries and (5) Kochar Woolen Mills. Primary data was collected using structured questionnaire developed by Thomas and Ralph Kilmann i.e. "Thomas Kilmann Instrument" consisted of 30 items. For scoring purposes, these items are further divided into five styles of managing conflict. Respondents were asked to choose the conflict management style adopted in their respective organizations on five-Point scale ranging from "strongly disagree" to "strongly agree". Data was analyzed to meet the objectives of the research by using descriptive analysis and Statistical package SPSS is used for analyzing the data.

Table no.1 Mean Scores of Various Conflict Management Tactics adopted in Manufacturing Industries

Descriptive statistics			
Conflict Management Tactics of Top level Managers			
S.N.	Variables	N	Mean Values
1	Competing	100	3.38
2	Collaborating	100	3.16

3	Accommodating	100	2.80
4	Compromising	100	2.68
5	Avoiding	100	1.94
A	*Valid N*	100	
	Total Respondents	**100**	

(Source: Primary Data)

Interpretation: Table no.1 indicated that Top management prefers the Competing style of handling conflict with mean (m= 3.38), followed by Collaborating style (m=3.16), Accommodating style (m=2.80), Compromising style (m=2.68) and with scant attention to Avoiding style (m=1.94) with their respective mean scores.

Table no. 2 Industry wise comparative analysis of various Conflict Management Strategies

Descriptive statistics							
Industry Wise Conflict Management Tactics							
S.N.	Variables	N	Mean Values				
			Paint Manu-facturers	United Surgical Industries	Punj-Aab Agro Industries	Hira Industries	Kochar Woolen Mills
1	Competing	100	3.45	3.20	3.41	3.20	3.66
2	Collaborating	100	3.44	2.41	2.46	3.52	4.01
3	Accommodating	100	2.26	3.01	2.66	3.24	2.84
4	Compromising	100	3.69	3.32	3.21	2.01	1.21
5	Avoiding	100	2.01	2.65	2.00	2.04	1.01
Total Respondents				**100**			

(Source: Primary data)

Interpretation: Table no.2 revealed that **Paint Manufacturers** preferred **Compromising (3.69), Competing (3.45) & Collaborating (3.44)** style of handling conflict within the organisation with scant attention to Accommodating (2.26) and Avoiding (2.01) style of handling conflict. **United Surgical Industries** adopted **Compromising (3.32), Competing (3.20) & Accommodating (3.01)** style of handling conflict with scant attention towards Avoiding (2.65) and Collaborating (2.41). **Punj-Aab Agro Industries** preferred **Competing (3.41) and Compromising (3.21)** styles of handling conflict within the organisation with little attention towards Accommodating (2.66), Collaborating (2.46) and Avoiding (2.00) style of handling conflict. **Hira Industries** followed **Collaborating (3.52), Accomodating (3.24) and Competing (3.20)** styles and **Kochar woollen mills** followed **Collaboration (4.01) and competing (3.66)** styles of handling conflict. The study provided various styles adopted by managers for handling of conflicts in their banks based upon the scale MODE developed by Thomas Kilmann (1974).

Conclusion and Suggestions for further research

This paper has been limited to handling conflict in manufacturing industries but it can further be extended to service sector, i.e. banks etc. This paper is also limited to industry wise comparison for handling of conflict in their respective manufacturing area. But the study can further be extended to compare the level wise managers of various departments to handle conflict. Comparative study of top and bottom players of the industry could also be done for private sector and public sector as well as including foreign sector also. Conflict is not only limited to manufacturing industry, it is a major issue of human resource management in all the industries/organizations wherever interactions of human beings are involved. So study can be extended to other industries also.

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Excellence through 'Soft Infrastructure': Corporate Governance (CG) and Right to Information (RTI) A Study with Reference to ONGC and SBI

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Introduction:

'Soft infrastructure' includes rules and regulations governing various systems, service delivery and institutions required for human development.

It is clear from the attention that CG (Corporate Governance) and RTI (Right To Information)are receiving from newspapers, magazines and the broadcast media that the subject has thoroughly entered the public domain.

The term 'governance' has been derived from Latin origin that suggests the notion of 'steering'. Governance is defined in many contexts. From a social perspective, governance is the power, influence and relationship between citizens and government. From the corporate perspective, it is a framework of laws, regulatory institution and reporting system.

Corporate Governance is a system by which companies are directed and controlled based on Code of good corporate practices.

The *Right To Information*is implicitly guaranteed by the Constitution. However, with a view to set out a practical regime for securing information, the Indian Parliament enacted the Right to Information Act, 2005 and thus gave a powerful tool to the citizens to get information from the Government as a matter of right.

On global front, the acts like RTI are there in many countries to contain corruption in Government sector. In recent years, Corporate Governance (CG) has attained importance all over the world in corporate sector. On Public as well as Private sector fronts, things are changing. Human Resource Departments of Public and Private sector organisations haveto make necessary changes in HR policies and establish a mechanism to monitor the governance.

The internet revolution has proved to be an important tool for good governance initiatives and the world is moving towards internet governance. e-Governance should enable seamless access to information and seamless flow of information.

Historical references:

In the ancient times, public administration was run by a king and his servants .*Kautilya*in his *Arthasastra*, has given the duties of a king towards the Public. He states,

In the happiness of his subjects
lies his happiness.
In their welfare,
his welfare!
Whatever pleases him (personally)

he shall not consider as good.
But whatever makes his subjects happy,
he shall consider good.

(Arthasastra, Book I, Chapter IXX, 39)

In ancient India,, the king was bound by law and was subordinate to law (Dharma). This principle was incorporated in *Upanishads*. It reads,

"Law is the king of kings. Nothing is superior to law. The law aided by the power of king enables the weak to prevail over the strong."

Objectives of the study:

1. To study similarities/ Common threads between CG and RTI.
2. To understand differences in mechanism between CG and RTI.
3. To study two organisations where both CG and RTI practices are of prime importance for Good Governance. Viz. ONGC (Oil and Natural Gas Corporation) and SBI(State Bank of India).

Hypothesis

Corporate Governance and Right To Information go hand in hand. If both are implemented in word and spirit by Private and Public sectors respectively, they (CG and RTI) will be effective tools for Transparency and Accountability, which is the essence of Good Governance.

Research Methodology

Analysis of secondary data collectedfrom various Books, Papers, websites.

Overview of Corporate Governance:

A company is an artificial and unnatural entity concerned with achieving the following goals:
1. Continuity i.e. Succession Planning.
2. Stimulating the enterprise to identify the opportunities.
3. Facilitating constructive changes.
4. Identifying right challenges for appropriate allocation of resources.

The company attempts to achieve these objectives through Board of Directors. But the interests of the board may not always match those of the shareholders (owners of the Co.) on account of various reasons. It is in this context that the governance comes into picture.

Overview of Right ToInformation:

The Govt. of India, through the enactment of RTI act took a landmark decision towards Good governance.Good governance and RTI are complimentary and the success of one depends upon the other. RTI is a tool for Accountability, Good Governance, Transparency, Decentralisation and Citizen centered administration.RTI act makes the civil servants alert to provide the information to public. Proactive disclosure is expected.

The Similarities/ Common threads in Basic objectives behind CG and RTI are:

The researchers found that these are the common threads:

1. Transparency: Both, CG and RTI have main goal of transparent government.
2. Accountability: In CG, the Board of Directors are accountable to Shareholders. In RTI, PIO (Public Information Officers) are accountable to the citizens.

3. Trust: In their functioning, irrespective of sectors i.e. Private or Public, Trust factor is of vital importance.
4. Code of Conduct: Private and Public sectors have to follow a code of conduct as laid down by CG or RTI, respectively.
5. Vigilance: From this point of view, CG and RTI are of utmost importance in their respective sectors.

Differences in mechanism between CG and RTI:

1. Applicability: CG is there for Private Sector and RTI is there for Public Sector.
2. There are different CG practices in different countries and different acts based on the lines of RTI.
3. Governing Bodies: For CG- Security Exchange Board of India (SEBI) and for RTI- Central Information Commission (CIC)
4. Main Players: For CG- Board of Directors (BODs) and for RTI- Public Information Officers (PIOs) are the main players.

Soft infrastructure: A Case Study of ONGC and RTI:

Let us understand the way RTI and CG matters are handled in two selected organisations. i.e. Oil and Natural Gas Corporation (ONGC) and State Bank of India. (SBI).

Overview of ONGC:

ONGC is India's Most Valuable Public Sector Enterprise.

Vision statement: To be global leader in integrated energy business through sustainable growth, knowledge excellence and exemplary governance practices.

- Only Indian energy major in Fortune's Most Admired List 2012 under 'Mining, Crude Oil Production' category.
- It is ranked 171th in Forbes Global 2000 list of the World's biggest companies for 2012 based on Sales (US$ 26.3 billion), Profits (US$ 5 billion), Assets (US$ 51 billion) and Market Capitalization (US$ 46.6 billion).
- ONGC has been ranked 39th among the world's 105 largest listed companies in 'transparency in corporate reporting' by Transparency International making it the most transparent company in India.

Few achievements of ONGC:

ONGC won Commendation Certificate of 'SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management - Institutional Category 2013'.

It may be noted that the SCOPE Awards are recognised as one of the most prestigious awards for public sector enterprises.

Oil and Natural Gas Corporation (ONGC) also received the Golden Peacock Occupational Health, Safety and Environment Award -2013 in the Oil Production Category. Oil and Natural Gas Corporation's Rajahmundry Asset bagged the Oil Industry Safety Directorate (OISD)'s "Best Overall Safety Performance of Oil and Gas Onshore Assets" and "Most Consistent Safety Performer Award".

Overview of SBI:

A global bank with a network of branches in India and foreign offices in 32 countries.

VALUES of SBI:

- We will always be honest, transparent and ethical.
- We will respect our customers and fellow associates.
- We will be knowledge driven.
- We will learn and we will share our learning.
- We will never take the easy way out.
- We will do everything we can to contribute to the community we work in.
- We will nurture pride in India

The List of Awards SBI received in 2013-14

- The BANKER (1): Innovation in Customer Data Management (DWP)
- IDRBT (3): Financial Inclusion (IT-RB), Electronic Payment (INB, MB &W, ATM,
- PSG) and CRM&BI (DWP)
- D&B Polaris (1): Best IT adoption
- SKOCH (3): HRMS, BI (DWP), MPAT (INB)
- SKOCH CORPORATE EXCELLENCE (3): BEST IT Team, CSR and Corporate
- Excellence
- PC Quest: AWARD for change management for managing high scale IT projects.
- EDGE AWARD (2): HRMS and RISK ANALYSIS (DWP)

  TOTAL: 14 till date (CSI Evaluation on, IBA yet to be announced)

CG and ONGC

ONGC is the recipient of 'Good Corporate Citizen Award' at PHD Chamber annual awards 2012.
Apart from the mandatory measures, the Whistle Blower Policy, Annual Report on working of the Audit & Ethics Committee, MCA Voluntary Guidelines on Corporate Governance, Enterprise-wide Risk Management (ERM) framework, Guidelines of Department of Public Enterprises (DPE) are followed.
Multi-layered checks and balances are there to ensure transparency.
Online Complaint system for vigilance etc. is also there.

RTI and ONGC:

Following information is available online.

- Book of Delegated Powers (BDP)
- CDA Rules
- Work Manual
- Particulars of its organisation, functions and duties
- Powers and duties of officers and employees
- Procedure followed in the decision making process, including channels of supervision and accountability
- Norms set by the company for discharge of its functions
- Rules, Regulations, instructions, manuals and records, held by ONGC or used by its employees for discharging their functions
- Statement of the categories of documents that are held by ONGC
- Particulars of any arrangement that exists for consultation with, or representation by, the members of the public in relation to the formulation of its policy or implementation thereof

- Statement of the boards, councils, committees and other bodies consisting of two or more persons constituted as its part or for the purpose of its advice,
- Directory of key officers and employees
- Monthly remuneration (Pay scales) received by each of its officers and employees, including the system of compensation as provided in its regulations
- Budget Allocation and Expenditure
- Manner of execution of subsidy programmes, including the amounts allocated and the details of Beneficiaries of such programmes
- Particulars of Recipients of Concessions, Permits or Authorisations granted by it
- Details Of Information Available or Held In Electronic Form
- Particulars Of Facilities Available To Citizens For Obtaining Information
- Names, Designation and Phone Numbers of Central Public Information Officers

Monthly Disposal report of RTI Applications is mentioned in columns as follows:

- Month
- Opening Balance
- Cases received during months (including cases transferred from other public authorities)
- No. of cases transferred to other public authorities
- Decision where requests rejected
- No. of application in which information provided

CGand SBI: Following information is available online.

- Annual reports (Financial year wise)
- Disclosures, Audit Information
- Code of Conduct for Bank's Board of Directors and core Management
- Shareholder Information
- Bondholder Information
- Right to Information Act, 2005
- CSR
- SBI Monthly Reviews etc.

RTI and SBI: Following information is available online.

- The Bank has designated 14478 officers as CAPIO in the Bank.
- The Bank has designated 897 officers as CPIO in the Bank.
- The Bank has designated 88 officers as Appellate Authorities in Bank.
- Their Details, functions, duties are there on website.
- Region/ Circle/ Branch wise details along with guidance to information seeker are there on the website.

The way forward..

A. Role of Learning Centers in Private and Public sectors:

In today's turbulent business climate, a corporate body must have *Code of Conduct* and must help all stakeholders practice *good governance*. HR departments in both the sectors must be change-prone and adaption-prone. As far as Indian companies are concerned, there are four subgroups:

a. Public Sector companies

b. Private Sector companies having family management
c. Indian subsidiaries of Multi National Companies (MNCs)
d. New Independent companies.

For *Capacity building in Public sector*, compulsory RTI training must be given to PIOs by Public authorities and *awareness* must be created in general public. Proactive disclosure is a must.

B. Role of Higher Education:

Today's students are tomorrow's managers. It is because of this, that education should have an element of *regulatory and compliance aspect of governance*in the curriculum.It is time that tomorrow's Private and Public sector leaders start understanding the importance of implementing acode of conduct.

Conclusion:

Both the stories of ONGC and SBI's soft infrastructure show how they are experimenting, correcting, implementing CG , RTI and Good governance practices that will project transparency.

Governance and Autonomy are two extreme ends. From Human Resource Management point of view, gone are the days when 'Exploitation' was the key to govern. Now, 'Empowerment' is the buzz word. One should understand the shift from 'Exploitation to Empowerment': the PPP (Public Private Partnership) way! It is the need of the hour. Excellence in both the sectors, Private and Public can be achieved through PPP. It can be used for solving Social Responsibility issues as well.Human Resource department has a great role to play here.

We recognize that it would not be correct to generalize on the basis of data collected from the two organisations viz. ONGC and SBI. It is hoped that researchers and practitioners would pick up threads and dofurther research on the subject, for soft infrastructure has a long way to go....

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A study on changes and challenges of Local Body Tax in Maharashtra

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Introduction :

Local Body Tax, popularly known by its abbreviation as LBT, is the tax imposed by the local civic bodies of India the entry of goods into a local area for consumption, use or sale therein. However, unlike in the octroi regime, trucks carrying goods will not be subjected to physical checking at check posts. But the trader himself has to pay the tax once every 40 days using online portals, cheque, demand draft or cash through a designated bank or counters of t he civic bodies.

Objectives of the study:

a) To study the procedures and implications of LBT.
b) To study the problem of octroi collection and need of abolishing the octroi.

Need of the study:

a) There is an oppose to LBT all over Maharashtra so it is required to know the various points which is not acceptable by the traders.
b) Why Maharashtra is too late to adopt the LBT as compare to other states.

Statement of problem:

Implication of change in Indirect Taxes on trading practices – study of transition from octroi to LBT in Corporation area.

Hypothesis of the study:

a) Octroi must be abolished to avoid the corruption, to save the fuel, to reduce traffic problems and transperancy in system in system.
b) LBT is essential as a source of revenue to local authorities for providing proper infrastructure and amenities to local people.
c) Change in indirect tax structure is the need of hour.

Research Methodology:

The research paper is based on secondary data. It is collected from various annual reports. Articles, newspapers, journals, magazines, web links. To collect the data, descriptive research methodology is followed.

Who is liable to pay LBT?

Any trader with a turnover of purchases and sales not less than Rs. 5000. This includes the local kiranewala and even the local panwala.

History and implementation:

The tax supersedes the "octroi" and "cess" system of taxing. The octroi system that originates from the ancient Roman times, levied tax on the goods while they entered the limits of the civic body. In it the

trucks or goodcarried had to pay tax while they entered the city limits at the octroi check posts. As of 2013, the Indian state of Maharashtra and one state in the northeast African country of Ethiopia are the only known regions to impose octroi. The system was in practice in Maharashtra since 1965. In March 2013, in a joint session of the Maharashtra Legislative Assembly, Maharashtra Legislative Council. The Chief Minister of Prithviraj Chavan announced that the octroi and cess will be cancelled and LBT would be levied in the municipalities of Mumbai, Thane, and Pune. Nagpur and Pimpri-Chinchwad in the same year.
The LBT was in action in other 20 municipalities at that time. Other municipalities implemented LBT effective from 1st April 2013 and Mumbai is planned to implement before 2013 ends. The law for the same had been passed in 2009 and rules for implementation in various regions had to be drafted. Chavan noted in an interview that with LBT the free flow of goods will be possible which was hindered by the octroi collection at the check posts.

Nature :

The tax is to be paid by a registered trader within 40 days as per the rules, every trader whose annual turnover of purchase and sales of the goods included in the taxable schedule is not less than 5000 and if the annual turnover of purchase and sales of all the goods ids not less than 1,00,000 is supposed to be registered with the local civic body that is municipality.

Concessions:

Some concessions are defined. For example, when LBT paid goods are exported outside the city, a 90% of the paid LBT can be refunded based on some conditions. There are also concessions on goods that are imported again after they were sent out for certain processing or outside India.

Record keeping:

With implementation of LBT dealers are supposed to maintain their records of business and fill half year returns. The registration number assigned by thecivic body also has to be included in the bill or invoice. The traders have to maintain the records for 10 years. In case of delayed or non-payment of LBT or failure to register or failure to present bill, invoice or other records or failure to state correct liability, various penalties are charged.

What is LBT?

It's a tax that traders will pay the local civic body for importing goods into the city. Octroi abolished in almost all municipalities in state, is paid every time a consignment enters thecity, at octroi nakas. LBT attempts to speed up goods movement stressing self declaration by traders who will maintain LBT accounts.

Pune traders strike against implementation of LBT:

Citizens of Pune and Pimpri-Chinchwad continued to remain on the receiving end as most of the shops remained closed in support of the traders strike against implementation of local body tax (LBT). The state government andcivic administration remaining firm on their LBT stand, Puneites are unlikely to get any respite from the ongoing strike. Over 5000 traders carried out a rally that culminated at the Pune Municipal Corporation (PMC) headquarters. Despite nearly 100% shops remaining closed, the state government and Municipal Corporation are determined to implement the LBT. Federation of traders association of Pune president Popatlal Oswal said, "We are getting good response from traders in pune as well as PCMC. We are firm on our demand to abolish LBT. The strike will continue till the state government takes back its decision.

The massive rally was carried out by the Federation of traders association of Pune. Various bodies including Pune Jewellers Association, Pune Merchant Association and wholesaler's general merchants association participated in the rally that started from Tilak statue in Mahatma Phule Mandai.

LBT is going to replace the octroi taxation. How does it work?

All the traders will have to keep a complete list of all the goods produced with a month in software. It will be provided by the civic body. It will check their LBT liability. The payment will have to make once in 40 days through a designated back or counters of the civic bodies.

Out of the 26 Corporations in Maharashtra, 24 have migrated to LBT. Mumbai and Nashik will do so later this year.

Conclusion:

LBT is the tax which is imposed by civic bodies on the entry of goods into a local area for consumption, use or sale therein. Any trader with a turnover of purchases and sales is not less than Rs.5000. LBT is going to replace the octroi taxation. All the traders will have to keep a complete list of all the goods produced within a month in a software. It will be provided by the civic body. It will check their LBT liability. At present LBT is applicable in 6 districts in Maharashtra i.e.

a) Pune
b) Pimpri-Chinchwad
c) Thane
d) Navi Mumbai
e) Nagpur
f) Nashik

LBT helps to control the corruption by employees on octroi naka. It helps to increase the revenue of Municipal Corporation.

Another important observation is that the tax burden lies on the customer and not on the traders.

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What Is Knowledge Management ?

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Introduction

Knowledge management (KM) is concerned with storing and sharing the wisdom, understandingand expertise accumulated in an organization about its processes, techniques and operations.It treats knowledge as a key resource. Managing this resource efficiently and effectively is considered a core competence for organizations to survive in the long run.As Ulrich (1998) points out that knowledge has become adirect competitive advantage for companies selling ideas and relationships.For hundredsof years,Hansen *et al* (1999) remark, owners of family businesses have passed on their commercial wisdom to children,master craftsmen have painstakingly taught their trades to apprentices, and workers have exchangedideas and know-how on the job. But as the foundation of industrializedeconomies has shifted from natural resources to intellectual assets, executives have been compelledto examine the knowledge underlying their business and how that knowledge is used.Hence, the business world is becoming so concerned about KM that, according to one report, over 40 percent of the Fortune 1000 now have a chief knowledge officer, a senior-level executive responsible for creating an infrastructure and cultural environment for knowledge sharing.

KM can be seen as an integrated approach to achieving organizational goals by placing particular focus on 'knowledge', now widely considered as the new factor of production. KM supports and coordinates the creation, transfer and application of individual knowledge in value creation processes. It is therefore, not the management of 'knowledge' itself, but rather the management of the organization with a particular focus on 'knowledge'.When asked, most executives will state that their greatest asset is the knowledge held by their employees. When employees walk out the door, they take valuable organizational knowledge with them (Lesser &Prusak, 2001). Thus, it hasbecome an important area for HR practitioners. Scarborough *et al* (1999) believe that they should have theability to analyze the different types of knowledge deployed by the organization and to relatesuch knowledge to issues of organizational design, career patterns and employment security.

For centuries, scientists, philosophers and intelligent laymen have been concerned about creating, acquiring, and communicating knowledge and improving the re-utilization of knowledge. A distinct field called 'Knowledge Management' has emerged, since last 15-20 years. This paper discusses the importance of KM today for individuals, for communities of practice, and for organizations. The aim of this study is just to provide an introduction to the study of knowledge management.

Literature Review

The field of knowledge management has, newly, emerged as an area of interest in the academic and organizational practice. According to Malhotra (2000), KM embodies organizational processes that seek synergetic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings. He also mentions that KM requires re-consideration of everything in the organization and caters to the critical issues of organizational adaptation, survival and competence in the face of increasing discontinuous environmental change. KM is any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations (Scarborough *et al*, 1999). They suggest that it focuses on the development of firm-specific knowledge and skills that are the result of organizational learning processes.

KM is a collaborative and integrated approach to the creation, capture, organization, access, and use of an enterprise's intellectual assets (Grey, 1996).KM is the process, as Brooking (1999) thinks, by which people manage human centered assets . . . the function of Km is to guard and grow knowledge owned by individuals, and where possible, transfer the asset into a form where it can be more readily shared by other employees in the company.KM involves recognizing, generating, documenting and distributing, and transferring between persons explicit and tacit knowledge to increase organizational effectiveness (Davenport &Prusak, 1998; Rossett, 1999).

KM is concerned with both stocks (expertise and encoded knowledge in computer systems) and flows (the ways in which knowledge is transferred from people to people or from people to a knowledge database) of knowledge. KM has also been defined by Tan (2000) as the process of systematically and actively managing and leveraging the stores of knowledge in an organization.Sveiby focuses on the value of intangible assets and defines KM as the art of creating value from an organization's intangible assets (Beijerse, 1999). Gottschalk (2000) underlines the ownership of knowledge and according to his point of view, KM is unlocking and leveraging the knowledge of individuals so that this knowledge becomes available as an organizational resource that is not dependent on those same individuals.

Lytras et al (2002) define KM as the formalization of and access to experience, knowledge and expertise that create new capabilities, enable superior performance, encourage innovation and enhance customer value.Other researchers define KM as a conscious strategy of getting the right knowledge to the right people at the right time and helping people share and put information into action in ways that strive to improve organizational performance.

A Brief History of Knowledge Management

Knowledge management as a conscious discipline evolved from the thinking of academics and pioneers such as Peter Drucker in the 1970s, Karl-Erik Sveiby in the late 1980s, and Nonaka and Takeuchi in the 1990s. During that time, economic, social and technological changes were transforming the way that companies worked. Globalization emerged and brought new opportunities and increased competition. Companies responded by downsizing, merging, acquiring, reengineering and outsourcing. Many streamlined their workforce and boosted their productivity and their profits by using advances in computer and network technology. However, many lost company knowledge as they grew smaller and many lost company knowledge as they grew bigger – they no longer 'knew what they knew.

By the early 1990s a growing body of academics and consultants were talking about KM as a new business practice and it began to appear in more and more business journals and on conference agendas. By the mid-1990s, it became widely acknowledged that the competitive advantage of some of the world's leading companies was being carved out from those companies' knowledge assets such as competencies, customer relationships and innovations. Managing knowledge, therefore, suddenly became a mainstream business objective as other companies sought to follow the market leaders.

Many of these companies took the approach of implementing 'KM solutions', focusing almost entirely on KM technologies. However they met with limited success and so questions began to be asked about whether KM wasn't simply another fad that looked great on paper, but in reality did not deliver. On closer inspection, companies realized that it wasnot the concept of KM that was the problem as such, but rather the way that they had gone about approaching it.

Fortunately, companies are now recognizing these early mistakes and are beginning to take a different approach to KM – one in which the emphasis is more on people, behaviors and ways of working, than on technology. A more popular view is that KM may not remain as a distinct discipline, but rather will become embedded in the way organizations work. This can be compared to Total Quality Management, but many of its principles and practices are an integral part of how most organizations operate. It looks likely that this could also be the future for knowledge management.

What Knowledge Management Is

Many people simply do not think in terms of managing knowledge, but they all do it. Each of them is a personal store of knowledge with training, experiences, and informal networks of friends and colleagues, whom they seek out when they want to solve a problem or explore an opportunity. Essentially, they get things done and succeed by knowing an answer or knowing someone who does.KMis about applying the collective knowledge of the entire workforce to achieve specific organizational goals. The aim of KM is not necessarily to manage all knowledge, just the knowledge that is most important to the organization. It is about ensuring that people have the knowledge they need, where they need it, when they need it – the right knowledge, in the right place, at the right time.

Scarborough and Carter (2000) describe KM as the attempt by managementto actively create, communicate and exploit knowledge as a resource for the organization. It involves transforming knowledge resources by identifying relevantinformation and then disseminating it so that learning can take place. Knowledge is possessed by organizations and the people in organizations. Organizationaloperational, technical and procedural knowledge can be stored in databanks and found inpresentations, reports, libraries, policy documents and manuals. It can also be moved aroundthe organization through information systems and by traditional methods such as meetings,workshops, courses, master classes and written publications. The intranet provides an additionaland very effective medium for communicating knowledge. A more recent developmentis that of 'communities of practice' defined by Wenger and Snyder (2000) as groups of peopleinformally bound together by shared expertise and a passion for joint enterprise.
The seven basic KM activities might give the idea what knowledge management is actually. ***Knowledge planning*** activities include the definition of knowledge management goals and strategies. ***Knowledge creating*** focuses on the development of new knowledge, whilst ***knowledge integration*** makes existing (internal or external) knowledge available throughout the company. The role of ***knowledge organization*** is to bring structure into all this knowledge. ***Knowledge transfer*** includes both planned, institutionalized transfer as well as spontaneous knowledge exchange. ***Knowledge maintenance*** activities ensure obsolete, out-of-date knowledge is identified, updated or even forgotten. Finally, ***assessing knowledge*** provides an overview of the knowledge available and determines how it has developed over time. It also indicates the extent to which knowledge foals have been reached.

KM is unfortunately a misleading term – knowledge resides in people's heads and managing it is not really possible or desirable. What people can do, and what the ideas behind KM are all about, is to establish an environment in which people are encouraged to create, learn, share, and use knowledge together.KM is based on the idea that an organization's most valuable resource is knowledge of its people. Therefore, the extent to which an organization performs well, will depend, among other things, on how effectively its people can create new knowledge, share knowledge around the organization, and use that knowledge to best effect.

The Significance of Knowledge Management

The central theme of KM is to leverage and reuse knowledge resources that already exist in the organization so that people will seek out best practices rather than reinvent the wheel. As explained by Blake (1998), the purpose of KM is to capture a company'scollective expertise and distribute it to wherever it can achieve the biggest payoff. This isin accordance with the resource-based view of the firm, which suggests that the source of competitive advantage lies within the firm (i.e. in its people and their knowledge), not in how it positions itself in the market. Trussler (1998) commented that the capability to gather, leverand use knowledge effectively will become a major source of competitive advantage in manybusinesses over the next few years.

A successful company is a knowledge-creating company.KM is about getting knowledge from those who have it to those who needit in order to improve organizational effectiveness. In the information age, knowledge rather than physical assets or financial resources is the key to competitiveness. In essence, as pointedout by Mecklenburg et al (1999),KM allows companies to capture, applyand generate value from their employees' creativity and expertise.

Knowledge Management Systems

KM systems refer to any kind of iT system that stores and retrievesknowledge, improves collaboration, locates knowledge sources, mines repositories for hidden knowledge, captures and uses knowledge, or in some other way enhances the KM process.Robertson (2007) goes as far as to argue that organizations should not even think in terms of knowledge management systems. He argues that KM, though enhanced by technology, is not a technology discipline, and thinking in terms of knowledge management systems leads to expectations of 'silver bullet' solutions. Instead, the focus should be determining the functionality of the IT systems that are required for the specific activities and initiatives within the firm.
The followinggeneral categories will cover the vast majority of the systems that people will normally link directly to KM (adapted from the work of Gupta and Sharma 2005, in Bali et al 2009).

- Groupware systems & KM 2.0
- The intranet and extranet
- Data warehousing, data mining, & OLAP
- Decision Support Systems
- Content management systems
- Document management systems
- Artificial intelligence tools
- Simulation tools
- Semantic networks

Knowledge Management Processes

KM processes provide a framework for connecting people to people and people to information. In bringing KM into organization, managers will need to select and implement a number of processes that will help theirorganization to be better at creating, finding, acquiring, organizing, sharing and using the knowledge it needs to meet its goals.An organization that wishes to begin to use KM must begin by specifying specific processes. These processes must be supported by technological resources and must facilitate the sharing of information about problems and solutions, improvement suggestions and information concerning best practices practiced by other organizations. Organizations that follow this plan will develop a framework that catalogues, uses and integrates the knowledge used by individuals as organizational knowledge for driving innovation and organizational change (Hyde & Mitchell, 2000).Modern researchers find out the following four stages of knowledge management processes.

Stage1. Knowledge Creation/Generation

Companies create a great amount of data and information in their daily business activities. It would be essential for the company to have a system of managing the newly created information so it can be reused to solve new problems or leveraged to value-add to other business activities. For example, high technology companies may often received a lot of feedbacks from customers on their products. This kind of information could be very useful for the R&D team to come up with new improved products.If manage successfully, the process can expand or change the company's knowledge base to meet the company's current and future needs.

Stage2. Knowledge Codification

Data and information need to be collected and analyzed in order to turn them into useful knowledge.Furthermore, legal protection of these valuable knowledge assets can only be done if the knowledge has been codified. For examples, patent applications require the complete disclosures of the inventions and trade secrets require the demonstration of safe-keeping of documented information. The legal rights come with IP protection offers the company a distinct advantage which can be used to derive revenues from IP licensing or exclusive rights to commercialize.

Stage 3. Knowledge Application

This is the stage in KM where value creation is delivered. By harnessing knowledge from different knowledge domains and competencies across the organization, direct impacts to the missions and goals of the company can be achieved.

Stage 4. Knowledge Transfer

One of the advantages of knowledge is that knowledge is dynamic. Knowledge can be adapted and evolved through the processes of learning and sharing. When a company has limited capability to effectively use certain knowledge, it would be worthwhile to consider external transfer to third parties who may have the competencies to utilize the knowledge for value creation. For example, a company may have invented a new technology but it does not have the capability to produce products based on such invention. The technology can be licensed to a third party who has the production facilities and the marketing and sales capability to sell the new product.

Knowledge Management Issues

Scarborough *et al* (1999) suggest that 'technology should be viewed more as a means of communication and less as a means of storing knowledge'. KM is more about people than technology. As research by Davenport (1996) established, managers get two-thirds of their information from face-to-face or telephone conversations.The issues that need tobe addressed in developing knowledge management processes are discussed below.

i) The pace of change

It is how to keep up with the pace of changeand identify what knowledge needs to be captured and shared.

ii) Relating knowledge management strategy to business strategy

As Hansen *et al* (1999) show, it is not knowledge per se but the way it is applied to strategicobjectives that is the critical ingredient in competitiveness. They point out that competitivestrategy must drive knowledge management strategy and that management have to answerthe question: how does knowledge that resides in the company add value for customers?.Mecklenburg *et al* (1999) argue that organizations should start with the business value ofwhat they gather and if it doesnot generate value, drop it.

iii) Knowledge workers

Knowledge workers, as defined by Drucker (1993), are individuals who have high levels of education and specialist skills combined with the ability to apply these skills to identify and solve problems. As Argyris (1991) comments'the nuts and bolts of management… increasingly consists of guiding and integrating the autonomous but interconnected work of highly skilled people'. KM is about the management and motivation of knowledge workers who create knowledge and will be the key players in sharing it.

iv) KM Environment

KM tools and techniques, whichever the organization uses, are needed to be supported by the right kind of environment. The three key elements of KM environment are – People, Processes and Technology.Of the three components of KM, the most important is undoubtedly people. Because creating, sharing and using knowledge is something that is done by people. Processes and technology can help to enable and facilitate KM, but at the end of the day it is people who either do it or donot do it.

Conclusion

Knowledge management is a set of relatively new organizational activities that are aimed atimproving knowledge, knowledge-related practices, organizational behaviors and decisions andorganizational performance. KM processes support organizationalprocesses involving innovation, individual learning, collective learning and collaborative decisionmaking.The intermediate outcomes of KM are improved organizational behaviors, decisions,products, services, processes and relationships that enable the organization to improve itsoverall performance.

KM is an organizational approach that is not easilyimplemented. On one hand, knowledge-sharing activities depend on the voluntaryparticipation of employees. Therefore, management should be sensitive to theknowledge activities that are already going on within the company and seek meanto support them. On the other hand, management needs to implement some organizational change in order to change the corporate culture. A knowledge sharing culture can onlyfound futile ground if top management supports it, showing benefits, incentivesand rewards to those who do. Hence KM cannot be just another project on theside; it requires structural change in the policy of the company.

KM requires a holistic and multidisciplinary approach to management processesand an understanding of the dimensions of knowledge work. KM should be theevolution of good management practices sensibly and purposively applied. KMpresents a major shift in focus regarding the development and use of knowledgeand information in increasing the effectiveness of any organization.It is true that knowledge capture of all tasks is possible, but one has to see thereturn of investment (ROI) point of view. It is very important to set the objectivesfor the system that one need to create.

The future of KM is one where people and advanced technology will continue to work together, enabling knowledge integration across diverse domains, and with considerably higher payoffs. Thatperiod of KM will clearly be exciting due to the new opportunities and options, but interesting challenges definitely lay ahead for knowledge managers. In order for KM to succeed, it has to tap into what is important to knowledge workers, what is of value to them and to their professional practice as well as what the organization stands to gain. It is important to get the balance right. The KM technology must be supportive and management must commit itself to putting into place the appropriate rewards and incentives for knowledge management activities. Moreover, participants need to develop KM skills in order to participate effectively.

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An overview of Indian Economy

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Indian economy may show signs of recession, fall in growth, but at the same time, the different report and surveys show India as a happier and better place in the world. Mumbai has emerged as the "fastest city" in the world according to a newly released Nelson Survey that measures a city's reputation among tourists. The city world 500 global index , measures the value of a city's brand across six dimensions : its international status and standing, crime rate, economic growth, educational potential, its hospitality sector and equal gender opportunity. The Indian government has spent billions of rupees, to provide better education health lane and infrastructure facilities with long term goal of eradicating poverty by 2030. It has also provided several allowancesmonthly benefits and payments for food and utility bills to workers in the unorganized sector retined senior citizens and unskilled labourers that fall in the below poverty line category. According to the recent annual poverty report released by the global bank. India has ranked eight globally and first in Asia in terms of the lowest poverty rate. This is a record high for India. In fact, this is the first time India has made it to the top ten of the list which includes Switzerland and Germany. 50% of Indians feel they are better off today financially. Indians far behind Brazillians and Chinese but are better off than Americans and Japanese.

Country	Worse Off	Better Off
Brazil	12	72
China	5	70
India	25	50
US	34	27
UK	46	22
Japan	42	11

Half of Indian better off today than five years ago. An important development is seen in India. Majority of Indians are doing better than their parents 67% of Indians believe they are better off than their parents. Countries ahead of India are China 92%, Brazil 81%, Spain 71% and Germany 70%.

Country	Worse Off	Better Off
Brazil	81	7
China	92	2
India	67	12
US	60	18
UK	63	15
Japan	47	28

Indians are less optimistic about future half of Indians believe the economy will improve in the next 12 months. 24% feel it will worse and 23% think it will remain in the same. Compared to India China has are for more optimistic.

Country	Worse Off	Better Off
Brazil	5	84
China	2	83
India	24	45
US	20	52
UK	32	32
Japan	33	16

About 30% of Indians think it would be easy for people to get a better job, befome wealthier than their parents in the future. Indians see difficult future ahead for their children. People believe that the government is responsible for the poor state of the economy. Other countries like Pakistanis, Mexicans, Japanese, Czechs and poles are also angry and blame the political leadership.

The Indians about 50% say they are better off and have experienced a growth rate of 8.13 from the period (2007-2011) 70% of Chinese say theyare better off financially then they were 5 years ago. China experienced a growth rate of 10%.

Country	Better off financially than 10 years ago	Avg. GDP Growth 2007-11	Good current national economic condition.	2011 GDP Growth
Brazil	72	42	65	27
China	70	10.5	83	92
India	50	8.1	49	7.2
US	27	0.6	31	1.7
UK	22	0.1	15	0.7
Japan	11	0.1	7	0.7

Economy will improve over next 12 months	2012 GDP Growth Projections
84	3.0
83	8.2
45	6.9
52	0.8
32	2.0

67% Indians believe most people succeed if they are willing to work hard. The idea that hard work leads to material value, these days 74% of high income Indians believe hard work pays. But just 64% of low-income Indians believe so . This narration is seen in many countries.

Country	Most succeed if work hard	High Income
Brazil	69	53 China
China	45	74 India
India	67	84 US
US	77	68 UK
UK	57	45 Russia
Japan	40	

The economy has seen a number of changes at the centre from Congress rule to the united front from united front to the National Democratic Alliance to United Progressive of political considerations of the ruling party. The fear of uncertainty of the system is maintained in the investment world and the nation has considerably been disenchanted with the various political parties. The overall impact is disastrous. But a new confidence has been aroused with Dr.Manmohan Singh, the pioneer of economic reforms in India as the Prime Minister of the country in spite of all constraints before him. Bad governance under the shadow of crime syndicate has been the main limiting factor of economic reform efforts. As a result, smooth functioning of the market mechanism and investment generations have been restricted and economic reform measures initiated since 1991 have been successful only as crisis management measures not as a long-term paradigm of development.

Vision 2020 is to be achieved for which several crucial actions need to be taken to ensure speedier growth of infrastructure energy, quality electric power in particular, roads,water ways, airways, telecommunication, ports etc.. Several short term measures and some unconventional steps need to be taken. India should attend to short term rapid action and emerge as a nations with excellent health service cover which would be an example to the world. All these are possible only with an excellent rural connectivity which means good roads, telecommunications and of course quality electric power.

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