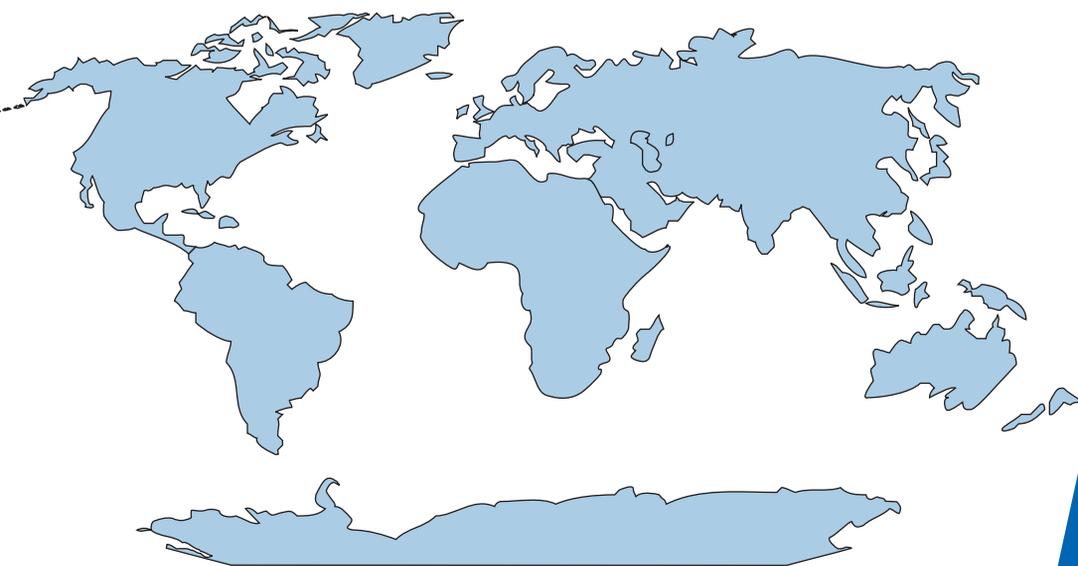


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**MOBILE PAYMENTS IN EMERGING AND DEVELOPED MARKETS: CURRENT TRENDS,
OPPORTUNITIES AND CHALLENGES**

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ABSTRACT

The rapid proliferation of wirelessly connected mobile devices, primarily in the form of cell phones, is revolutionizing how people monitor their financial resources, make important purchasing decisions and pay for transactions in the field. Based on current and future market needs and availability of the various technologies that enable current mobile payment solutions, this paper attempts to explore key opportunities and challenges in this new market for merchants, financial institutions, advertising and marketing agencies, wireless carriers, technology developers and most importantly for consumers. The idea is to change a Mobile device into a reliable and secure payment tool, available to everyone and with possibility to securely and easily perform purchases and proximity payments.

INTRODUCTION

The escalating growth in the last decade has made the mobile phone as indispensable as the wallet - many will not leave home without it. The omnipresence of mobile communications has the potential to vastly improve and transform access to financial and transaction services for people, including the developing economies.

Research Methodology: Based on an extensive study of commercial and market research literature available on various aspects of mobile payment (enabling) technologies in addition to academic literature available in journals as well as book chapters.

WHAT IS MOBILE MONEY?

The definition of “mobile money” varies across the industry as it covers a wide scope of overlapping applications. In general, mobile money is a term describing the services that allow electronic money transactions over a mobile phone. It is also referred to as mobile financial services, mobile wallet and mobile payment. In this paper mobile money is referred to as a broader term that includes all types of monetary transactions executed via mobile phones. A wide range of mobile money applications have developed throughout the years. Some major categories include:

1. Mobile banking - use of a mobile phone to remotely access a bank account, primarily for account balance checkup and bill payment services.
2. Mobile money transfer (remittance) - a peer-to-peer application making use of a mobile phone to send money to family or friends, primarily across international borders
3. Mobile commerce (payment) - use of a mobile phone to perform financial transactions for purchases or sales, either remotely or on-site, retrieve promotion information or coupons, and deliver gift items.

BACKGROUND AND REVIEW OF AVAILABLE LITERATURE

Mobile financial services and mobile commerce are not new concepts in the telecom industry. Mobile network operators began exploring the concept of mobile payments in 2000 with little success. In late 1990s and early 2000s mobile payment services became a hot topic and remained so even after the burst of the Internet hype. Mobile payments attracted also researchers, e.g. Dahlberg et al. (2003a; 2003b), Ondrus and Pigneur (2004), Pousttchi (2003), and Zmijewska et al. (2004b). Hundreds of mobile payment services as well as access to electronic payment and Internet banking were introduced all over the world. Strikingly many of these efforts failed. For example, most if not all of the dozens of mobile payment services available in EU (European Union) countries and listed in the ePSO database in 2002 (Carat, 2002) have been discontinued.

However, recent advances in handset functionality, chip and mobile network technologies, and upgrades to point-of-sale (POS) infrastructure have dramatically improved the environment for mobile money solutions, bringing together different industry groups, such as banks and operators.

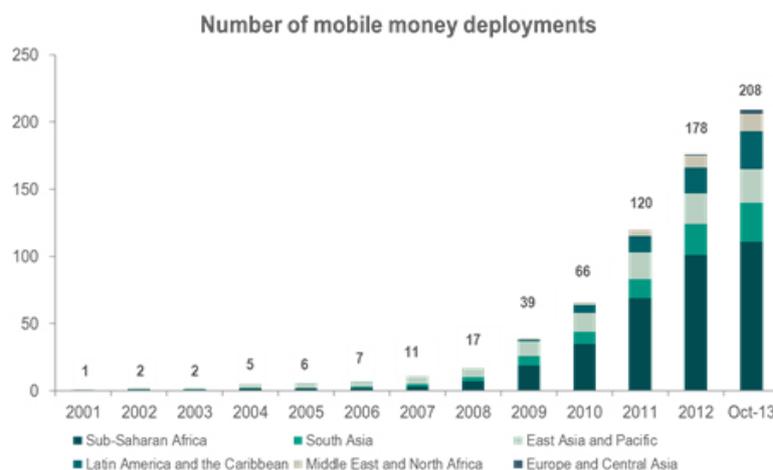
FEATURES OF M-COMMERCE INCLUDE

- Ubiquity: It means that the user can avail of services and carry out transactions largely independent of his current geographic location.
- Immediacy: It provides real-time availability of services.
- Localization: Location based services such as GPS, allow companies to offer goods and services to the user specific to his current location.
- Instant Connectivity: This feature brings convenience to the user, due to introduction of services like GPRS which keeps users always in touch and connected.
- Simple Authentication: Mobile telecommunication devices function with an electronic chip called SIM, which is easily identifiable. This in combination with an individual's PIN (Personal Identification Number) makes the authentication process simple.

MOBILE PAYMENT TRENDS AVAILABLE IN THE CURRENT SCENARIO

The next generation of the contactless smartcard is likely to be a cell phone with a Near Field Communications (NFC) chip and antenna built in, enabling it to perform the same functions. Indeed, in many markets, this convergence of phone and electronic purse is almost synonymous with mobile payments. The technology behind NFC is related to the same radio frequency ID chips that power smartcards, with the result that the two are often compatible. Although the first NFC-enabled phone, the Nokia 6131, appeared in 2006, it is search engine giant Google's adoption of the technology that is widely tipped to push it into the mainstream. For the past few years, Google has been encouraging its manufacturing partners to include NFC technology in mobile devices such as the phones and tablets that run its Android operating system. Support for secure transactions that use NFC is embedded in the operating system itself, and the company officially launched its Google Wallet app to make use of this in March 2011. Phones that have Google Wallet installed can be used at any MasterCard Pay Pass POS reader to pay for goods with a MasterCard or Citi account, or with pre-paid credit from Google itself. Six months after the launch, Visa announced that it planned to license pay Wave to Google as well, giving Google Wallet the ability to transact with a far larger number of readers worldwide. As with contactless smartcards, customers who want to pay for goods or services using NFC can charge their phones with a prepaid amount and then simply touch the handset to a POS reader to pay for small items. Alternatively, with Pay Pass and pay Wave, cards and phones can be linked to an account in the same way as a traditional debit or credit card, with the added convenience that customers can make small payments of up to US\$25 without entering a PIN number. To prevent fraud and protect customers, there is a daily limit on the number of transactions made or amount spent before a PIN is required to validate payment.

Visa pay Wave, an NFC mobile payment system, proved successful at the 2012 London Olympics. Over 3,000 systems were installed at the park and around the city, speeding up payments for food, drinks and other goods. As a consequence contactless payment transactions doubled during the games making the case for the speed, convenience and security NFC enables.



A MULTITUDE OF MARKET SEGMENTS

Mobile money applications offer a channel to expand traditional services and extend access to multiple segments including underserved or unserved groups. These applications address the very different banking needs for both the banked population in developed markets and the unbanked population in developing economies such as Asia, Africa and Latin America. In developed markets, the service is at the initial stage and is seen as a convenience that does not generate high revenues, but one on which to build value-added applications. In emerging markets, the large rural populations provide a perfect base to tap the unbanked group with no bank account but a mobile phone.

The younger generations in developed markets are also a high potential segment, given their willingness to adopt new technologies. They often cannot access financial services as they are not old enough but are actively involved in virtual gaming transactions. Convenience will provide a main motivation for them to try new services. Lower income workers are also likely to take up mobile money services, as they are not well served by the large banks.

Prepaid recharge or top-ups are a key revenue source for many carriers as they provide an affordable and convenient service for low-usage customers. Existing service infrastructure currently makes the process of reloading prepaid SIMs unfriendly for the low-usage segment.

Value propositions for operators, banks and merchants

The benefits of offering mobile money services are three-fold - reaching the untapped segment, increasing share of wallet and delivering cost benefits

Mobile Operator:

- ▶ New revenue channel (e.g., share of fees)
- ▶ Increased customer acquisition
- ▶ Increased data traffic
- ▶ Increased ARPU (Average revenue per user)
- ▶ Increased customer retention
- ▶ Reduced billing costs
- ▶ Opportunity to up-sell mobile content and post paid service
- ▶ Meet corporate social responsibility agenda
- ▶ Enhanced brand image

Banks and Financial Institutions:

- ▶ Extended banking penetration and reach into untapped market
- ▶ Increased number of transactions
- ▶ Low acquisition cost
- ▶ Reduced operational cost
- ▶ Increased customer stickiness
- ▶ Opportunity to up-sell other banking products (e.g., mortgage, loans, insurance)
- ▶ Fulfill government's service obligations
- ▶ Increased security options in advanced handsets in comparison to cards

Merchant:

- ▶ Reduced transaction and maintenance costs
- ▶ Reduced transaction processing time

- ▶ Reduced labour costs
- ▶ Reduction in lost sales
- ▶ Ubiquitous channel to accept customer payments
- ▶ Good audit trail and secure ticketing
- ▶ Increased amount of customer data for marketing
- ▶ Quicker transaction than cash at the point of sale.

The prevalence of mobile phones has generated consumer convenience as well as access to financial services for the unserved. This opens up many opportunities for stakeholders to set foot in the rural and emerging economies. Mobile money services could potentially increase ARPU for mobile operators by increasing data traffic. This is particularly important as operators are expanding into developing markets where ARPU is traditionally low.

One reason for mobile operators to promote mobile money services is the potential to increase the share of wallet of the customer. Telecom companies may broaden their reach to a new segment of customers by offering new non-Telco services. Increased market share from the new customer group would also open up opportunities to cross- sell telecom services, thereby spurring revenue growth.

CONCLUSION

Globally, the industry acknowledges the social and economic benefits that mobile money brings, especially to developing countries, given the physical limitations of financial services infrastructure. The wide reach of mobile phones enables more people to access financial services quickly and easily, even extending to billions of people in remote, rural areas with a less expensive, more convenient alternative. Mobile banking can keep low-income consumers' money safe while giving them an affordable and flexible solution. M-commerce may not explode in the next few years, but it is likely to continue growing steadily as more advanced wireless handheld accessories become available, more applications are released to facilitate "anywhere shopping" and retailers get on board with the technology. Thus the growth of mobile money services will be one of the most significant trends of the coming years. It promises many new benefits for users around the world, and is undoubtedly going to shape the telecommunications, technology and financial services industries. Solutions that embrace both emerging technologies and understand consumer behaviour stand the best chance of gaining immediate footing in the marketplace. Many countries have not yet developed regulations to govern the transaction of electronic money. However, the cross-industry nature of mobile money prompts regulators, in both the telecom and financial sectors, to confront important questions and develop a new generation of financial regulation. This leads to the emergence of new regulatory concepts of e-money and payment.

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REVISITING CONCEPTUAL VIEW OF EMPLOYEE STRESS MANAGEMENT SYSTEM

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ABSTRACT

Stress can be defined as a lively circumstance in which people face constraints, opportunities, or loss of something they desire and for which the consequence is both unpredictable as well as crucial. Stress is the response of people to the unreasonable/excessive pressure or demands placed on them. Employees stress is a growing concern for organizations today. However, Stress is not always negative. The term stress can be considered neutral with the words distress and eustress used for designating bad and good effects. Even relatively slight stress distracts an employee. People facing stress concentrate more on the repulsive feelings and emotions rather than on the work/job at hand and consequently their work performance suffers. Stress affects people's intellectual, emotional, and interpersonal functioning. This paper attempts to understand this phenomenon of stress through GDS model and further tries to elaborate the causes, sources, symptoms and management strategies of employee stress. This paper also tries to emphasize on stress management system with four vital elements to understand and manage employee stress effectively.

Key Words: Employee stress, eustress, GDS, strategies, stress management system.

INTRODUCTION

Stress is a condition when a person perceives that demands exceed the personal and social resources the individual is able to mobilize. Stress is the body's response to stressful situations. Stress can be defined as a lively circumstance in which people face constraints, opportunities, or loss of something they desire and for which the consequence is both unpredictable as well as crucial. Stress is the response of people to the unreasonable/excessive pressure or demands placed on them. **Employees stress** is a growing concern for organizations today. However, Stress is not always negative. The term *stress* can be considered neutral with the words *distress* and *eustress* used for designating bad and good effects (Sayle, 1976). It may also bring out the best in individuals at times. It may induce an individual to discover innovative and smarter way of doing things. This positive dimension of stress is called as eustress. But usually, the term stress has a negative implication and this negative aspect of stress is termed as distress. For instance - When a subordinate is harassed or warned by his superior, unhappiness of unsuitable job, etc. We can say that "Stress causes some people to break, and other to break records."

Some facts about Stress:

- According to the Institute of HeartMath , " seven of the top ten selling drugs worldwide are either anti-depressants or anti-ulcer medications, with stress a prime factor in the need for both.
- Poll conducted in 2010 reported that 80% of workers feel stress on the job.
- Other studies indicate that absenteeism due to stress has increased and people are working longer and harder than ever.
- Conflict, loss, and over commitment are common causes of stress.
- Stress levels that exceed an optimum level result in decreased performance and eventual burnout.
- Stress levels below a minimum level result in decreased performance and "rust-out.
- If the employees of an organization are unable to work efficiently and be productive, it is the organization that would eventually collapse. It is therefore essential that stress management techniques are understood by all the stakeholders of any organization.
- Like any other management technique, stress management too is very vital for the success of any organization.
- Failure to understand and eliminate these elements that cause the stress, could eventually lead to dire consequences. These elements are generally known as stressors and are found in plenty in the workplace.
- It is not only the employees who need to identify these stressors, but also the organization itself would need to take relevant steps.

- Even relatively slight stress distracts an employee. People facing stress concentrate more on the repulsive feelings and emotions rather than on the work/job at hand and consequently their work performance suffers. Stress affects people's intellectual, emotional, and interpersonal functioning.
- Extended or repeated exposure even to minor levels of stress may have detrimental effects on health and this might lower employee's work performance.
- It has been researched that as stimulation increases, work performance initially increases, but after a point of time begins declining. The exact location of this variation point (at which the function's direction or trend reverses) appear to depend on the complication of the work/task/job being performed. The more the work complication, the less the stimulation levels at which a decline in performance occurs.
- Employees under stress lose their creativity and innovativeness. Their thinking ability is narrowed.

UNDERSTANDING STRESS THROUGH GDS

The *general adaptation syndrome (GDS)* model states that the body passes through three stages. The first stage is an alarm reaction. The body prepares for a potential emergency. Digestion slows down, the heart beats faster, blood vessels dilate, blood pressure rises, and breathing becomes rapid and deep. All bodily systems work together to provide maximum energy for fight or flight.

The second stage is resistance. If the stress continues, the body builds up a tolerance to its effects. The body becomes habituated to the effects of the stressor, however, the body's adaptive energies are being used as a shield against the stressor.

The third stage is exhaustion. When the body's adaptive energies are depleted, the symptoms of the alarm reaction reappear, and the stress manifests itself as an illness, such as ulcers, heart ailments, and high blood pressure. During the first or second stages, the removal of the stressor will eliminate the symptoms.

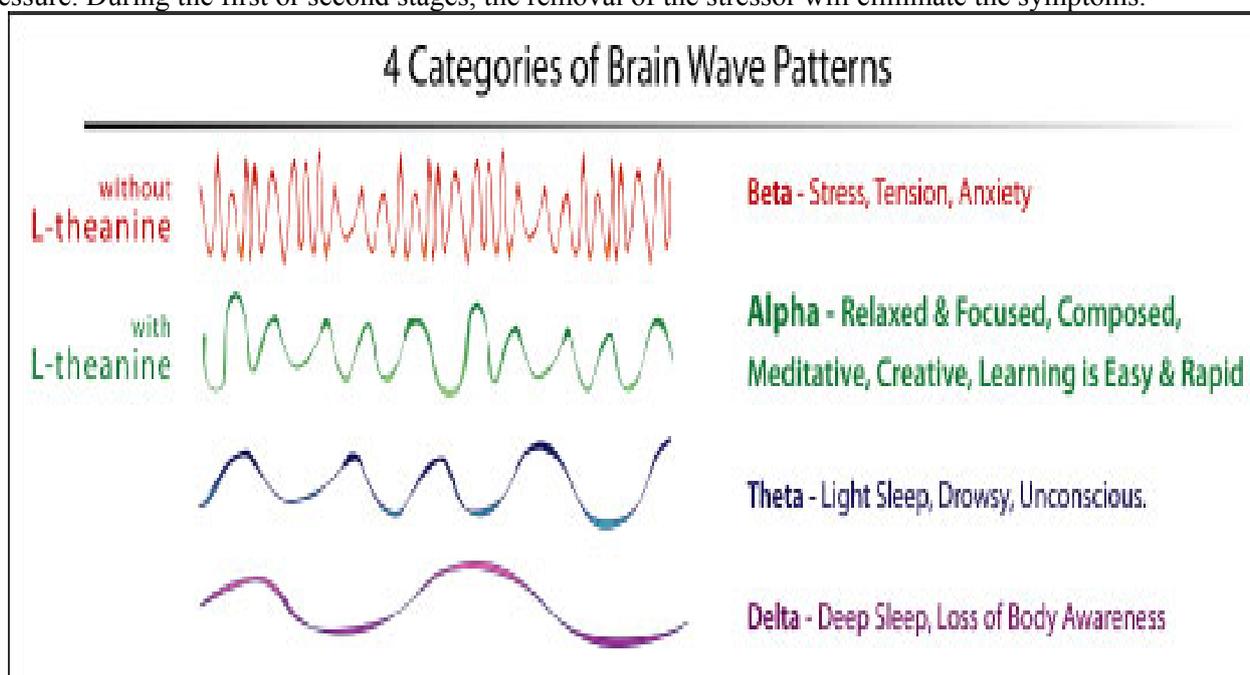


Figure I: Brain wave patterns

SOURCES/CAUSES OF STRESS

The factors leading to stress among individual are called as stressors. Stressors can be divided into those that arise from within an individual (internal), and those that are attributable to the environment (external). Internal conflicts, non-specific fears, fears of inadequacy, and guilt feelings are examples of stressors that do not depend on the environment. Internal sources of stress can arise from an individual's perceptions of an environmental threat, even if no such danger actually exists. Environmental stressors are external conditions beyond an individual's control. work performance can be seriously impaired by external stressors. There are many aspects of organizational life that can become external stressors. These include issues of structure, management's use of

authority, monotony, a lack of opportunity for advancement, excessive responsibilities, ambiguous demands, value conflicts, and unrealistic work loads. A person's non-working life (e.g., family, friends, health, and financial situations) can also contain stressors that negatively impact job performance. Many situations in organizational life can be stressful. These include: 1) problems with the physical environment, such as poor lighting or excessive noise, 2) problems with the quality of work such, as lack of diversity, an excessive pace, or too little work, 3) role ambiguities or conflicts in responsibilities, 4) relationships with supervisors, peers, and subordinates, and 5) career development stressors, such as lack of job security, perceived obsolescence, and inadequate advancement.

Some of the factors/stressors acting on employees are-

1. **Organizational factors-** With the growth in organizational stress and complexity, there is increase in organizational factors also which cause stress among employees. Some of such factors are-
 - a. Discrimination in pay/salary structure
 - b. Strict rules and regulations
 - c. Ineffective communication
 - d. Peer pressure
 - e. Goals conflicts/goals ambiguity
 - f. More of centralized and formal organization structure
 - g. Less promotional opportunities
 - h. Lack of employees participation in decision-making
 - i. Excessive control over the employees by the managers

2. **Individual factors-** There are various expectations which the family members, peer, superior and subordinates have from the employee. Failure to understand such expectations or to convey such expectations lead to role ambiguity/role conflict which in turn causes employee stress. Other individual factors causing stress among employees are inherent personality traits such as being impatient, aggressive, rigid, feeling time pressure always, etc. Similarly, the family issues, personal financial problems, sudden career changes all lead to stress.

3. **Job concerning factors-** Certain factors related to job which cause stress among employees are as follows-
 - a. Monotonous nature of job
 - b. Unsafe and unhealthy working conditions
 - c. Lack of confidentiality
 - d. Crowding

4. **Extra-organizational factors-** There are certain issues outside the organization which lead to stress among employees. In today's modern and technology savvy world, stress has increased. Inflation, technological change, social responsibilities and rapid social changes are other extra-organizational factors causing stress.

SYMPTOMS OF STRESS

Stress can result in problematic symptoms, especially when stress continues over a long period of time.

Common Physical Symptoms of Stress:	Common Emotional, Behavioral, and Cognitive Symptoms of Stress:
headaches - back pain - neck pain - chest pain or discomfort - other pain or discomfort - problems with digestion - nausea - shaking - sweating - dizziness - numbness or tingling	irritability - crying - frustration, anger - impatience - emotional fatigue - burnout - decreased productivity - concentration problems - memory problems - confusion

Figure II: Symptoms of Stress

All of these can be symptoms of stress. If we have determined that stress is causing or contributing to your symptoms, we can manage your stress to minimize its impact. Some of the symptoms of stress at workplace are as follows-

- Absenteeism, escaping from work responsibilities, arriving late, leaving early, etc.
- Deterioration in work performance, more of error prone work, memory loss, etc.
- Cribbing, over-reacting, arguing, getting irritated, anxiety, etc.
- Deteriorating health, more of accidents, etc.
- Improper eating habits (over-eating or under-eating), excessive smoking and drinking, sleeplessness, etc.

It is thus very essential to have effective stress management strategies in an organization so that the detrimental repercussions of stress on the employees as well as their performance can be reduced and controlled.

MANAGING STRESS

Managers of organizations have a dual perspective of stress. They need to be aware of their own stress levels, as well as those of their subordinates. Most of the literature focuses on ways of reducing stress. However, a more appropriate approach might be to examine ways of optimizing stress. **French, Kast, and Rosenzweig (1985)** state that the challenge is to minimize *distress* and maintain *eustress*. They point out that the conditions of organizational life create a series of paradoxes, that demonstrate the need for balance and equilibrium.

- Uncertainty can lead to distress, but so can certainty or overcontrol.
- Pressure can lead to distress, but so can limbo or lack of contact.
- Responsibility can lead to distress, but so can lack of responsibility or insignificance.
- Performance evaluation can lead to distress, but so can lack of feedback concerning performance.
- Role ambiguity can lead to distress, but so can job descriptions that constrain individuality.

The role of management becomes one of maintaining an appropriate level of stress by providing an optimal environment, and "by doing a good job in areas such as performance planning, role analysis, work redesign/job enrichment, continuing feedback, ecological considerations, and interpersonal skills training. There are essentially three strategies for dealing with stress in organizations : 1) treat the symptoms, 2) change the person, and 3) remove the cause of the stress. When a person is already suffering from the effects of stress, the first priority is to treat the symptoms. This includes both the identification of those suffering from excessive stress, as well as providing health-care and psychological counseling services.

The **second approach** is to help individuals build stress management skills to make them less vulnerable to its effect.

- Clarifying task assignments, responsibility, authority, and criteria for performance evaluation.
- Introducing consideration for people into one's leadership style.
- Delegating more effectively and increasing individual autonomy where the situation warrants it.
- Clarifying goals and decision criteria.
- Setting and enforcing policies for mandatory vacations and reasonable working hours

STRESS MANAGEMENT SYSTEMS(SMS)

Stress is not just a personal problem – it's a business problem that can be solved in four steps.

Experience shows that stressed employees are treated a bit like radioactive material – no one wants to handle them, and the employee is sent on sick leave for a month (or several) in the belief that time alone will reduce their stress and that they will return healthy, motivated and more resilient. Nothing could be further from the truth. Stressed employees need support not isolation; fear of becoming unemployed or estranged from colleagues are two of the greatest stressors! Understanding this requires the spotlight to move from the individual and broaden to illuminate the whole organization and workforce. This widening of focus also requires a change in perspective from re-action to pro-action. A reactive stance is not only resource intensive, it fails to provide any meaningful understanding of the causes and contributing factors of stress peculiar to an organization. Having a framework of the right policies, procedures, and resources, which protects your organization and employees from the impacts of stress, is the only way to effectively take a proactive stance at reducing the financial and personal impact of work-related stress.

1. Audit To allocate resources cost effectively requires a deep understanding of workplace stressors peculiar to our organization; this can be achieved through a preliminary stress audit, and then continued through a monitoring and assessment program. It is prudent at this stage to not only expose the stressors, but also trace the financial and cultural impacts that result. This will give further incentive for developing and implementing a successful stress reduction plan. Typical indicators that work-related stress (we could say workplace-induced stress) is costing our business are: absenteeism, sickness, conflict, errors and accidents, staff turnover, low production, poor quality, sabotage and substance abuse.

2. Training Having first made a diagnosis, it is then necessary to put preventive and reduction measures in place. Such measures are built firmly on a foundation of education and training, and practiced through the cultivation of positive two-way relationships between line managers and employees. Awareness and self-management training for all can help individuals build an ability to reduce stress. More specific training will give managers the confidence and know-how to support employees (and therefore the organization) achieve this.

3. Support Having thus raised the skill levels amongst management and workforce, the third task is to create procedures to manage an employee who is unable (or unsafe) to continue working due to their reaction to stress. Even if the relationship between line-manager and employee is excellent, this is no time for amateur therapy. A line-manager *should* act as the essential conduit for support and information, between employee and colleagues, rather than a faceless HR manager. However, early intervention from a professional counselor can recover a situation permanently. Immediate rest and relaxation may be prescribed in some cases, but it is far more constructive to agree (between manager, employee, counselor and colleagues) a “return to work” program. This keeps the employee engaged, removes a source of additional stress, and offers a positive target to aim for.

4. Culture Workers already have responsibilities for providing feedback on issues that affect production, safety and welfare. To include stress, and remove the stigma, direction is required from the top, cooperation from the bottom and appropriate stress awareness from the boardroom to the shop floor. Helping working practices match the policies is culture-building! Stress management systems will not work without widespread belief in the value of managing stress. This culture-building must aim at positive self-disclosure (self-reporting), and this can only be achieved if workers “know” they will be supported and not punished. Self-disclosure will provide the organization with priceless information about self-medication, oversights and errors, drug abuse and stress brought from the home environment. This knowledge will not only help to drive the stress-reduction program, but also allow managers to make informed decisions based on Risk. An Air Traffic Controller who is experiencing divorce, a recent bereavement and caring for a child with special needs should probably not be scheduled for the busiest sector on a weekend! We will only know these things if a positive self-reporting culture exists around stress. Proactive stress management will provide financial and personal benefits, and can be achieved through raising awareness, identifying stressors, measuring stress levels, supporting workers, and cultivating a positive self-reporting culture.



Figure III:SMS

STRATEGIES FOR MANAGING STRESS

Stress experienced by the employees in their job has negative impact on their health, performance and their behaviour in the organization. Thus, stress needs to be managed effectively so as to set off these harmful consequences. Strategies for managing stress are as follows-

ORGANIZATIONAL STRATEGIES FOR MANAGING STRESS

1. Encouraging more of organizational communication with the employees so that there is no role ambiguity/conflict. Effective communication can also change employee views. Managers can use better signs and symbols which are not misinterpreted by the employees.
2. Encourage employees' participation in decision-making. This will reduce role stress.
3. Grant the employees greater independence, meaningful and timely feedback, and greater responsibility.
4. The organizational goals should be realistic, stimulating and particular. The employees must be given feedback on how well they are heading towards these goals.
5. Encourage decentralization.
6. Have a fair and just distribution of incentives and salary structure.
7. Promote job rotation and job enrichment.
8. Create a just and safe working environment.
9. Have effective hiring and orientation procedure.
10. Appreciate the employees on accomplishing and over-exceeding their targets.

INDIVIDUAL STRATEGIES FOR MANAGING STRESS

1. The employees should make a "to-do" list daily, prioritize the acts in the list and plan the acts accordingly. Take regular breaks during work to relax you. By effective time management, the employees can achieve their targets timely and can meet work pressures and, thus, avoid stress.
2. Do hard work. Strive to achieve your goals but do not do it to the harm of family, health, or peer.
3. Indulge in physical exercises. It helps in effective blood circulation, keeps you fit, diverts mind from work pressures.
4. Encourage a healthy lifestyle. Take a regular sleep, have plenty of water, have healthy eating habits. Promote relaxation techniques such as yoga, listening music and meditation.
5. The employees should have optimistic approach about their work. They should avoid connections with negative approach employees.
6. The employees should have emotional intelligence at workplace. They should have self-awareness, self-confidence and self-control at workplace.
7. The employees should build social support. They should have close connections with trustworthy peer who can listen to their problems and boost their confidence level. This social network will help the employees to overcome stress.
8. Employee counselling is a very good strategy to overcome employee stress. Through counselling, employees can become aware of their strengths and how to develop those strengths; their weaknesses and how to eliminate them; and they can develop strategies for changing their behavior. Employees are also given career counseling which helps in reducing their ambiguities with regard to career.
9. Find a fun way to release stress, such as, cracking jokes, playing tennis, golf, etc.
10. Do not remain pre-occupied with yourself. Turn your focus outwards. Help others. This will release some stress.
11. **Employee Stress is negatively correlated to their work performance.** In short, more the level of stress, lower is the performance. It was conventionally perceived that reasonable levels of stress would boost the employees and improve their work performance. But this perception no longer holds true. Today it is believed that even a little bit of stress will inhibit employees' work performance.
12. But there are certain exceptions to the rule that stress interferes with work performance. For instance, some people are at their best in times of calamity / crises. They meet the expectations and show remarkable performance at times of great stress. This may stem out from the fact that

they have great expertise in the tasks being performed, making their variation/inflection as very high. People who have exceptional skills and competencies at a task may cognitively evaluate a possibly stressful scenario as a challenge and not as a threat.

13. Thus, while concluding we can say that whether stress can spoil or increase performance is dependent on factors such as work complication, the skills and expertise of the employee in performing a task, personal traits of individuals/employees involved, etc. Organizations which encourage an open and honest communication develop an environment in which employees are less likely to be stressed out, enabling the employees to best utilize their abilities and skills and, thus, stimulating the employees work performance.

CONCLUSION

It is of utmost importance that an organization takes this issue seriously. The organization can help reduce stress by:

- Reducing the number of hours for which their employees would have to work per week. This will, in the long run, contribute to a more efficient functioning of the organization, as employees would have more time to rest at home, and will come back the next day feeling refreshed. Working hours should be flexible. This may also include shifts, and the rotation of employees.
- A tried and tested technique that many organizations have begun using is the provision of lounges and other recreational facilities to help employees relax during the day should they require some time off. We may even choose to add refreshments and a TV so that they could forget all the worries of work for a few minutes. Investing in such facilities is a great idea for any organization. We may also allow them to take more holidays throughout the year to ensure that they have a good break.
- Female employees may find that they do not have enough time to spend with their newborn if they have just had a baby. We should make allowance for such situations. Providing longer maternity leave could help our female employee to come back to work without having too much on her mind with regard to the baby and any postnatal depression. Another idea would be to provide child care facilities at the office so that mothers with young children could peep in and ensure their kids are okay every few hours.
- As an employee, we should also make it a point to occasionally have a casual chat with our employees to ensure that they are satisfied with their jobs and have no issues at work. We should also encourage them and appreciate and praise him/her for tasks carried out very well. This would reduce any worries they may have of the risks of losing their jobs and help them to feel more secure.

Besides being positive and remaining calms would take us a very long way. Try not to worry about insignificant matters. If we have any queries or any work-related problems, we should always take it up with our employer and try and get the issue sorted out. It is important to keep in mind that we should take regular breaks while at work and even after we get home. We can relieve our self of most of the stress by taking part in relaxing activities, be it yoga or simply curling up on the couch with a good book and a cup of coffee. Create a schedule and plan out how we would balance both our work life and family life without letting one overtake the other. We would find that you are more relaxed this way and would actually look forward to going to work the next day. Of course, nothing can beat a good nights sleep and a healthy lifestyle and diet.

Although most work-related worries may seem too huge to shake off, once we master the art of coping with stress, and are able to get rid of any negative thoughts, we would find that peace would come to us naturally.

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‘LEAD’ TO LEAD RIGHT: AN EMPIRICAL STUDY IN IT COMPANIES

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ABSTRACT

In a competitive business environment, effective leadership is an essential requirement in order to achieve organizational goals. To do this, leaders must be able to provide inspiration, motivation and clear direction to their team. Among the most prominent leadership styles, Situational leadership by Ken Blanchard is quite prominent in these days. The style speaks about the four styles in leadership: telling, selling, participating and delegating. Basing on this theory an empirical study was conducted in two different IT companies in the twin cities of Hyderabad and Secunderabad. There were 42 people who participated in the survey. All these were either managers or team leaders. The study will be an eye opener for most of the IT professionals as it presents the reality in the leadership style among the practicing managers.

INTRODUCTION

In today's fast-paced world, there are more people to manage, more tasks to accomplish, and less time than ever in which to get things done. It's clear that today's leaders in business, government, education, and non-profits are under more pressure than perhaps at any other time in human history. That is why being a leader or manager today is one of the most challenging roles in business and organizational growth. Even the strongest of leaders face moments of burnout, discouragement, and lack of clarity.

Leaders have powerful impact on their organizations. Leaders, through their words and actions, have the ability to draw others into a common vision by telling others where they intend to go and urging them to join in that vision. Their words and deeds affect people and the organization in a variety of ways. They provide vision and strategic direction, which can lead the organization down successful or ruinous paths. They maintain important relationships with members, which can be inspiring, neutral, or demoralizing. They can stimulate learning and innovation or foster stagnant adherence to the status quo. Whatever they may be, they serve as role models for many people who emulate their actions and attitudes, because of the tremendous impact inherent in leadership roles. As one size does not fit all, leadership is understood and defined by various people in multiple ways at different situations; Bennis (1994) states that Leadership is like beauty; it is hard to define, but you know it when you see it, Maxwell (1995) says "leadership is influence", Hesselbein (2002) defines leadership as a matter of how to be, not how to do it, Davis (2003), speaking on the term leadership says it implies movement, taking the organization or some part of it in a new direction, solving problems, being creative, initiating new programs, building organizational structures, and improving quality, Chemers (1997) defines leadership as a process of social influence, Kotter (1996) views leadership as defining what the future should look like, aligning people with that vision and inspiring them to make it happen despite the obstacles, Maccoby, M. (1981), sees leadership as the ability to think through the organization's mission and clearly articulate the mission and a vision for achieving organization goals. Thus numerous leadership styles like, transformational leadership, transactional, servant leadership, situational leadership etc., have emerged over a period of time. Therefore investigating and examining the type of one's Leadership style in particular is needed, as Leadership styles have a significant effect on an organization, its members and leaders themselves. Among the various leadership styles situational leadership style is the most prominent in recent epochs.

REVIEW OF LITERATURE

The Situational Leadership Model was developed by Paul Hersey and Kenneth Blanchard in late 1960s and purported that leader's behavior is contingent upon variations in situations and that the leader should fit the leadership style to the demands of situations (Blanchard, 1985; Blanchard, Zigsrmiz, & Nelson, 1993). Situational Leadership, originally called Life Cycle Theory, is a contingency theory that focuses on the followers. It basically views the leader-follower relationship as similar to that between a parent and child. Just as parents need to abandon control to let the child become more mature, so too should leaders (Robbins, 2001). Situational Leadership is composed of four leadership styles in accordance with the degree of task and relationship behaviors: high task and high relationship, high task and low relationship, low task and high relationship, and low task and low relationship (Hersey, 1982)

The four styles can be applied to the given situation and the followers' maturity levels. A major part of the Situational Leadership Model is concerned with the development level of subordinates. Development level

refers to the degree to which subordinates have the competencies and commitment necessary to accomplish a given task or activity (Blanchard et.al, 1985). The two factors of followers' maturity include ability, which refers to the followers' task-relevant skills and technical knowledge, and willingness, which refers to the followers' commitment, self-confidence, and self-respect (Hersey, 1982). By combining followers' ability and willingness, four levels of follower maturity are produced to acquire the basic leadership styles:

Telling/Directing: The followers need specific guidance when the situation results in low ability and low willingness.

Selling/Coaching: The followers need direct guidance when the situation results in low ability and high willingness.

Participating/Supporting: The followers need more to be participative when the situation results in high ability and low willingness.

Delegating: The followers need to be able to accept responsibility when the situation results in high ability and high willingness. (Hersey et al., 2001)

In their situational leadership theory (SLT), Hersey and Blanchard (1969 & 1982) argue that a leader's task behavior and relationship behavior interact with subordinate maturity to significantly influence leader effectiveness. SLT is one of a class of situational approaches to leadership. Fiedler (1967) suggests three situational factors (leader-member relations, position power, and task structure) moderate the relationship between leader traits and leader effectiveness. Path-goal theory (House, 1971) proposes that task and subordinate characteristics moderate the impact of four types of leader behavior (supportive, directive, participative, and achievement oriented) on subordinate effort and satisfaction. SLT focuses on only one situational variable (subordinate maturity) as a moderator of two leader behaviors (task and relationship) and leader effectiveness. SLT is intuitively appealing (Yukl, 1981) and popular with practicing managers. Hersey and Blanchard (1969 & 1982) suggest that these behaviors are very similar to consideration and initiation of structure which are well grounded in leadership literature (e.g., Halpin, 1959). SLT also focuses on subordinate "maturity" as the key situational characteristic that is said to moderate the relationship between leader behavior (task and relationship) and leader effectiveness (Hersey & Blanchard, 1969 & 1982).

AIM OF THE STUDY

As the leadership is prominent in at each level, we wanted to find out the type of situational leadership styles that were implemented in IT companies by the managers or the team leaders. With this thought the present study was undertaken with an aim to examine the situational leadership styles among practicing manager in IT industry.

PURPOSE OF THE STUDY

The right leadership will yield right results. Therefore the purpose of the present study is to identify and understand the team leaders and the managers situational leadership styles and their implications on their teams and provide the right direction if needed.

OBJECTIVES

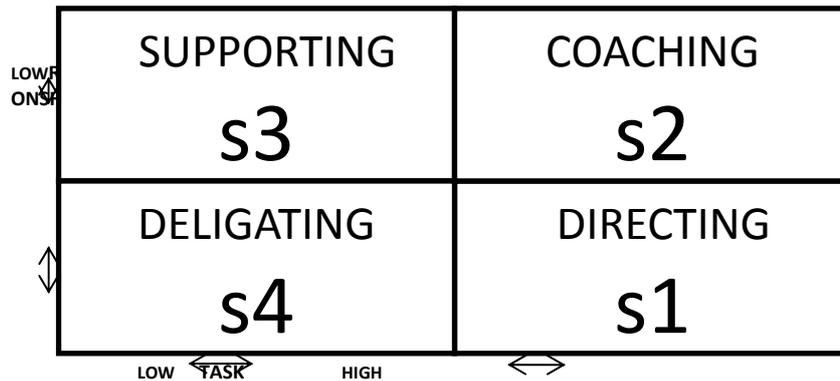
The main objectives of this study are:

- (a) To understand the existing corporate situational leadership styles among the IT managers and identify which leadership style among the four, is more prominent.
- (b) To know the significant difference between the gender in their situational leadership styles.
- (c) To propose the suitable style based on the results.

METHODOLOGY

The present study is an empirical research done in two private IT development companies in the twin cities of Hyderabad and Secunderabad by using 'The Leader Effectiveness Adaptability Description' (LEAD) scale. It is designed to gather information concerning the behavior of leaders when they are endeavoring to influence the behaviors and attitudes of others (Hersey et al., 1996). LEAD-Self contains 12 leadership situations in which participants are asked to choose from four available behavioral options the one they think most closely characterizes their own behavior in that kind of situation. These leadership options include high task-low relationship behavior, high task-high relationship behavior, high relationship-low task behavior, and low relationship-low task behavior. *Task behavior* is defined as the extent to which the leader clearly articulates the duties and responsibilities of an individual or group. Task or directive behaviors include telling people what to do, how to do it, when to do it, where to do it, and who is to do it. *Relationship behavior* is defined as the extent

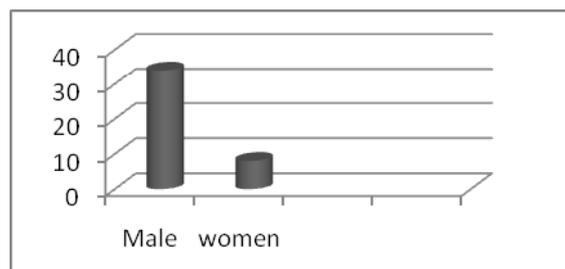
to which the leader participates in divergent methods of communication with others. The behaviors include listening, facilitating, and supportive behaviors. It attempts to measure individual leaders self-perception of their leadership behavior concerning *style* (their perception of the behavior patterns they use most often when attempting to influence the activities of others), *style range* (their perceptions concerning the degree to which they change their leadership behavior), and *style adaptability* (their perceptions concerning the degree to which they are able to adapt their leadership behavior to the conditions of a given situation). “Style and style range are determined by four styles scores, and the style adaptability (effectiveness score) is determined by one normative score” (Hersey et al., 1996). The participants score is plotted in the respective boxes below shown and the highest two scores are considered to be the pre dominant leadership styles.



RESEARCH SITE AND DATA COLLECTION

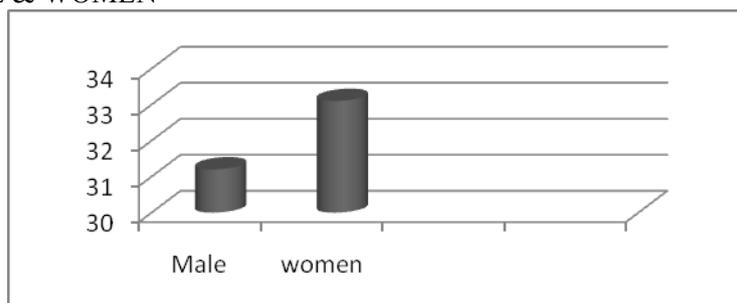
The data was collected from the practicing managers and Team Leaders who have experience ranging from minimum Three years and maximum seventeen years. The criterion for choosing this range was, with an understanding that employees have sufficient experience and have few people under their arm to lead. The sample was selected based on the willingness of the employees to participate in the study. There were total 42 people who have expressed their willingness to participate in the study. The sample consists of both male and female employees who have the formal qualification of graduation and post-graduation and between the age group of 25 to 43 years.

Sample analysis: Out of the total participants 10 are Managers and 32 are Team Leaders from two different IT companies.



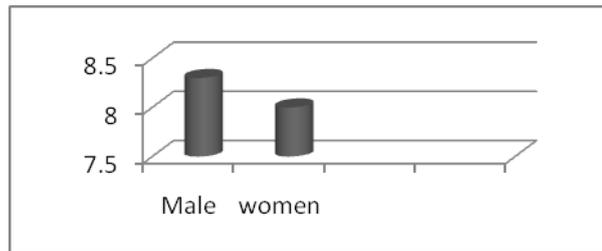
Out of 42 participants, 8 (20%) are women participants and 34 (80%) are Male participants.

MEAN AGE OF MALE & WOMEN



The mean age of the total participants is 31.8 years. The mean age of Male Managers is 31.2 years while the mean age of women Managers is 33.1 years.

MEAN EXPERIENCE OF MALE & WOMEN



The mean value of experience of Male Managers is 8.3 years, while the mean value of experience of women Managers is 8 years.

RESULTS AND DISCUSSION

Four Styles: These are the four styles on which the data was interpreted.

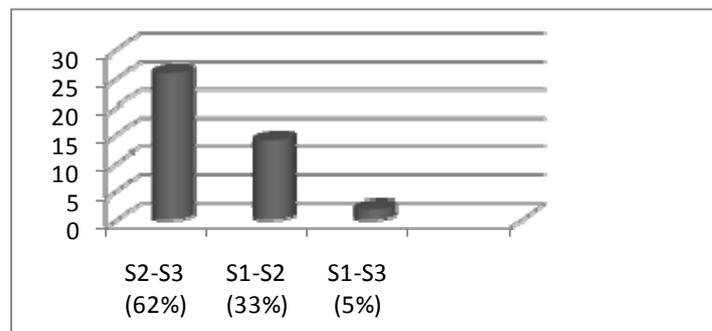
Leadership style #1 characterizes leaders as having above-average amounts of task behavior and below-average amounts of relationship behavior. This leadership style is defined as *telling*. A leader with this style may be more likely to guide, direct, or structure the tasks of others.

Leadership Style #2 characterizes leaders as having above-average amounts of both task and relationship behavior. This leadership style is defined as *selling*. The leader who uses this style not only provides direction but also is more likely to explain, persuade and clarify issues in order to gain a certain amount of acceptance from others.

Leadership Style #3 distinguishes leaders having above-average amounts of relationship behaviors and below-average amounts of task behavior. This leadership style is defined as *participating*, which describes the leader’s behavior: collaborative, facilitative, and supportive.

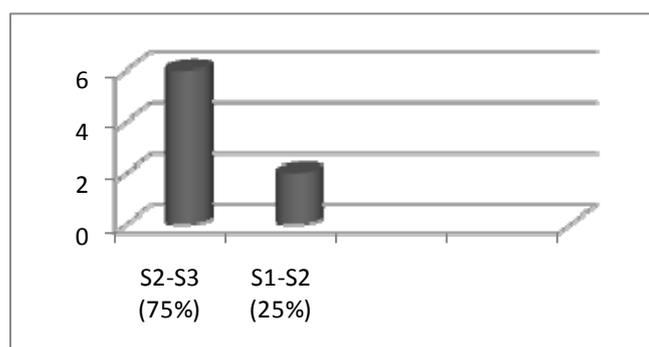
Leadership Style #4 represents leaders having average amounts of both relationship behavior and task behavior, and is defined as *delegating*. Leaders using this leadership style are more likely to give followers the authority to execute tasks with minimal supervision.

LEADERSHIP STYLES OF TOTAL PARTICIPANTS



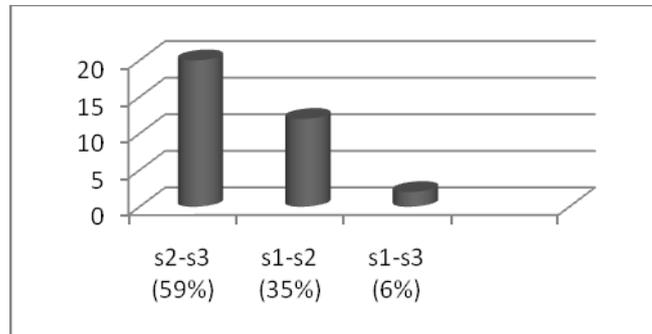
The above Figure indicates 26 (62%) participants having s2-s3 leadership styles, 14 (33%) participants having s1-s2 styles and 2(5%) participants having s1-s3 leadership styles

WOMEN PARTICIPANTS LEADERSHIP STYLE



The chart indicates Out of 8 women participants, 6(75%) participants are having s2-s3 leadership styles, which is safest. Whereas, 2 (25%) participants are having S1-s2 leadership styles.

MALE PARTICIPANTS LEADERSHIP STYLES



The chart indicates Out of 34 male participants, 20 (59%) participants are having s2-s3 leadership styles, 12 (35%) participants are having s1-s2 leadership styles and only 2 (6%) participants are having s1-s3 leadership style.

Flexibility score in this study ranges from -5 to +18

Out of 42 participants 34 participants scored nil in Delegation style.

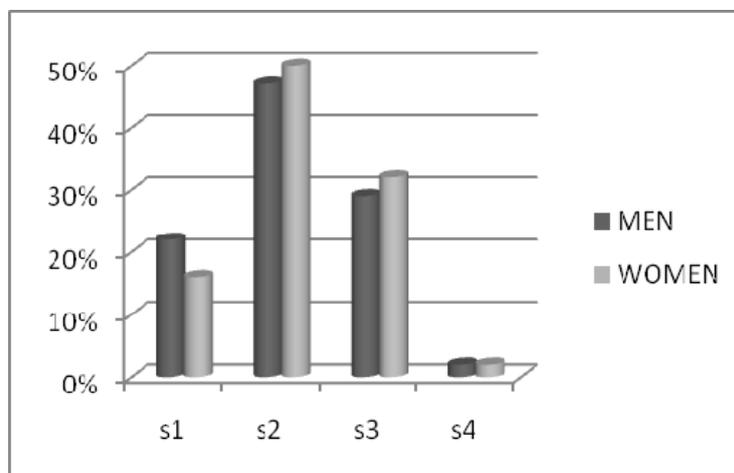
Out of 8 female participants only 2 participants scored 1 in Delegation style

The average score of each style out of 42 participants is

- S1 = 2.5**
- S2 = 5.7**
- S3 = 3.6**
- S4 = 0.21**

COMPARATIVE STUDY ON LEADERSHIP STYLE OF MEN AND WOMEN

	MEN	WOMEN
s1	22%	16%
s2	47%	50%
s3	29%	32%
s4	2%	2%



Data collected from the LEAD-Self instrument indicate that “selling/coaching” is the dominant leadership style for about fifty percent of the Managers and Team Leaders in this study. “Participating/Supporting” is the

secondary or “back-up” leadership style. This data is very similar to a national composite of aggregated data received from the Center for Leadership Studies, Inc. The national composite data show the leadership style “selling” occurring 5 times more often than the other leadership styles among 3883 respondents to the LEAD-Self instrument. “Participating” was the second most occurring leadership style among the same 3883 respondents.

According to Hersey et al. (1996) leaders who exhibit selling as a leadership style tend to “sell” their ideas to followers using behaviors such as explaining, persuading, and clarifying to influence the actions of followers. Leaders with participating as a leadership style tend to use behavioral patterns that promote collaboration, facilitation, and support. They also suggest that leaders using “selling/coaching” as a leadership style tend to display leadership behaviors that are high task and high relationship in nature while leaders using “participating/supporting” as a leadership style are inclined to display behaviors that are high relationship and low task.

Given that “selling/coaching” is the dominant leadership style perceived by the majority of the Managers and Team leaders in IT industry, this researcher concludes that Managers and Team leaders in IT industry having average experience of 8years tend to favor behaviors that are primarily guiding, coaching or consulting in nature when influencing others.

It is reported to have more coaching style with women (75%) compared to men (58%) and it has been observed that “Supporting” style as a secondary style practiced by more men (35%) compared to women (25%).

FINDINGS AND SUGGESTIONS

Data collected from this study indicate that participants perceive themselves capable of being flexible when leading. When the need arises, they can call upon a range of leadership behaviors to influence others. As indicated by scores on the LEAD-Self instrument, participants perceive they have the ability to adjust, to modify, or to vary their behavior based on the situation. In other words, when the situation dictates, they are able to be effective by using leadership styles other than their primary style.

Based on data collected from participants’ style range and style adaptability scores, this researcher suggests that participants tend to perceive themselves as confident in their ability to lead, using methods that are highly directive and highly supportive in situations where this style has a strong likelihood of succeeding. Nevertheless, they seem to be less flexible (based on the data) in adjusting to various situations that may require a leadership style radically different from their distinct primary leadership style.

However participants are the future Leaders in IT industry with enhanced leadership skills and with relevant trainings they can be proved as successful leaders in the industry.

LIMITATIONS OF THE STUDY

Though the best efforts were put in to bring out the best, there are few limitations with respect to the study.

1. The study is limited to IT sector only
2. The sample is collected only from two companies
3. The sample may not be the right fit
4. The scope of the study is still enormous.

SCOPE FOR FURTHER RESEARCH

The research can be further extended by implementing this instrument with different IT companies and can also be extended to other industries. One can also focus on doing a comparative study between the companies and industries. We can also further extend this study by analyzing reasons like age; experience etc., behind the varying leadership styles.

SUMMARY AND CONCLUSION

Effective leadership is needed at all levels of management from top-management down to supervisory management. Management is transformed as a social process through leadership action. It is the social skill of leadership that accomplished objectives by mobilisation and utilisation of people. The right leadership style at the right time in a right way will influence the people and mobilize them to support the leaders. A leader should motivate and inspire employees to work as hard as possible and drive up company productivity, and good leadership in a small business can help set you apart from your competition and give you an edge in the marketplace.

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NEUROTICISM, CONSCIENTIOUSNESS & EMPLOYEE PERFORMANCE- AN IMPLICATION FOR ORGANIZATIONAL CHANGE

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ABSTRACT

Competitive environment today has led to alterations in the basic pre-requisites of competencies of the employees. And it is very important to reflect upon the paradigm shift that has emerged in the industry, which can be achieved systematically by exploring the competencies emerging from the basic personality traits. Thus, this research is an attempt to study the relationship between personality traits i.e, Neuroticism & Conscientiousness & the resultant Employee performance and to investigate if the predictors of Employee Performance are different across management levels in the organization. For this purpose personality inventory for Neuroticism & Conscientiousness was administered on the sample of 208 employees and their last appraisal scores were obtained. The results were statistically analysed for Correlation values, ANOVA, and Multiple regression to indicate the difference.

The results indicate a significant difference in traits that predicts performance of the employees at different levels. And a trait like neuroticism which is negatively correlated to employee performance in the literature has been found to have a positive correlation with performance of the employee, on the other hand conscientiousness which is positively correlated to employee performance in the literature was not found to be positively predicting performance at all levels. The results of the study leave strong implication for the organizations.

Keywords: Traits, Employee Performance, Management Level Performance Predictors.

INTRODUCTION & REVIEW OF LITERATURE

Competitive environment today has led to alterations in the basic pre-requisites of competencies of the employees. And it is very important to reflect upon the paradigm shift that has emerged in the industry, which can be achieved systematically by exploring the competencies emerging from the basic personality traits. The relationship between Personality and Performance suggest that different factors of personality such as Neuroticism, and conscientiousness may significantly influence the performance of the employees. In this section, those studies are included which relates neuroticism & conscientiousness with Performance. The studies related to dimensions of personality and performance is also taken into account.

The meta-analytic evidence regarding the effect of the Big Five model on work performance is mixed (Barrick & Mount, 1991; Brown et al., 2002; Hurtz & Donovan, 2000; Warr & Pearce, 2004). Barrick and Mount (1995) suggest that “research based on a construct orientated approach primarily using Big Five traits has consistently shown that personality predicts job performance across a wide variety of outcomes” (Barrick & Mount, 1995). In contrast, in some studies, the attempts to demonstrate the links between personality traits and performance have not always been successful (Bonzionelos, 2003), while other findings vary between investigations (Barrick & Mount, 1991).

Most reviews of the Big Five and work performance relationships have concluded that conscientiousness, and emotional stability (the opposite of neuroticism) are the strongest predictors, with conscientiousness and emotional stability being the most consistent predictor to work performance (Barrick & Mount, 1991; Barrick, et al., 1991; Hurtz & Donovan, 2000; Salgado, 1997). Barrick and Mount (1991) have studied the relationship between the Big Five and performance criteria in both objective and subjective productivity ratings. Their findings indicate that personality and performance can vary across occupations and performance criteria. For example, extraversion predicted performance best in managerial and sales occupations while conscientiousness consistently predicted job performance across all occupational groups and performance criteria such as job proficiency, training proficiency, and personnel data (Barrick & Mount, 1991). Similarly, Shaffer and Shaffer (2005), and Waldman, Atwater and Davidson (2004) echo Barrick and Mount’s (1991) findings.

Bozionelos (2004) examined the relationship between each of the five factors and work involvement for white collar workers in several managerial positions, and observed that the relationship between personality and work involvement is more complex as it goes beyond the main effect of personality traits. Agreeableness, via its main effect, and extraversion and openness, via their interaction, were associated with work involvement. The findings also indicated another interesting consequence, that neither extraversion nor openness independently, but only a combination of the two traits is required for higher work involvement.

Barrick et al.'s (2005) meta-analysis study, found that conscientiousness and emotional stability were the only personality predictors for direct overall work performance. Additionally, they observed that extraversion, agreeableness and openness to experience predict performance, but only for certain types of criteria and/or jobs (Barrick et al., 2001). These personality traits are contingent predictors because they predict performance only when personality traits are related to specific criteria (Mount et al., 2006).

With the growing dependence on personality tests for recruitment and selection, on the basis of internationally accepted behavioural outcomes, it is important to understand the personality factors predicting the performance of the employees with respect to the national culture. It has also been asserted in the researches that national culture has an effect on the organizational culture (Perlmutter, 1969; Rosenzweig & Nohria, 1994). Thus the present study is an attempt to explore the personality and performance relationship in Indian context in order to understand if the behavioural outcomes are same worldwide or do they show a different pattern in Indian Context. Also the study explores whether the same personality traits predict performance at all management levels.

OBJECTIVE OF THE STUDY

- To investigate the role of Neuroticism & Conscientiousness as predictors of Employee Performance.
- To investigate if the predictors of Employee Performance are different across management levels (i.e. Middle Management, Junior Management, and Executive level).

Hypotheses

- Neuroticism will be negatively correlated to employee performance.
- Conscientiousness will be positively correlated to employee performance.
- There will be a difference in traits predicting performance at different levels of management.

Methodology

Sample -The sample size was decided as 208, from the selected organization located in Delhi. Namely **Executive Level (N₁=92); Junior Management (N₂=83); Middle Management (N₃= 33).**

Procedure- The sample was drawn through purposive sampling procedure. The employees ranging from the age group of 22-50 years were taken as sample. Sample was selected from three levels of management Executive Level, Junior Management, and Middle Management level.

Tools and techniques used – questions from Neo-ffi inventory by Costa & Mc Crae: for measuring Neuroticism; Conscientiousness. And the last Performance appraisal rating of the employee was considered for measuring the employee effectiveness.

RESULTS AND DISCUSSION

Table 1: Showing the respective means and standard deviations of each of the Management levels of the organization on Neuroticism & Conscientiousness.

Personality Dimensions	Management Level					
	Executive (N=92)		Junior Management(N=83)		Middle Management (N=33)	
	Mean	S.D	Mean	S.D	Mean	S.D
Neuroticism	11.82	3.871	13.49	3.634	16.15	5.397
Conscientiousness	35.37	4.324	35.99	4.860	35.67	4.948

Table 1 Shows the means and standard deviations of each of the Management level employees on the dimensions of Personality, i.e. Neuroticism, Extraversion, Openness, Agreeableness, and conscientiousness.

The results obtained shows that the mean on Neuroticism was highest for the Middle Management employees (M = 16.15), followed by the Junior Management employees (M=13.49), then the Executive Level Employees

(M=11.82). The obtained scores for Conscientiousness was highest for Junior Management (M=35.99), followed by the Middle Management Level (M=35.67), and then Executive level (M=35.37).

Table 2: Showing the difference between the Management Levels on the Neuroticism & Conscientiousness

Traits	df	F	Sig.
Neuroticism	207	14.286	.000
Conscientiousness	207	.387	.680

****p<.01, *p<.05**

The table shows that when mean scores of Executive Level, Junior management level, and Middle Management level were compared using ANOVA, with respect to the Neuroticism dimension of Personality, the results indicate that a significant difference among the levels. The F- value was not found to be significant when the mean values of Conscientiousness dimensions of Personality were compared among the Executive, Junior Management Level and Middle Management level.

Table 3: Correlation between Personality dimensions and Performance of the employees across Management Levels

Personality Dimensions	Management Level		
	Executive (N=92)	Junior Management(N=83)	Middle Management (N=33)
Neuroticism	-.18	.08	.16
Conscientiousness	-.51**	-.10	.25

****p<.01, *p<.05**

Conscientiousness is significantly negatively correlated with the performance of the executive level employees. According to the meta-analytic studies, among the big five variables conscientiousness is the most consistent and potent that positively correlates with job performance and with career success (Mount & Barrick, 1995; Salgado, 1997). Thus the results obtained for Executive level and junior management level were not found to be in line with the earlier researches done in this context. Though the results of Middle management are supported by studies as they indicate individuals who are conscientious maintain socially prescribed impulse control such as thinking before acting, delaying gratification, planning, prioritising, and following rules and norms that enhance task performance (John & Srivastava, 1999; Witt, 2002; McElroy et al. 2007) .

Table 4: Stepwise Multiple Regression analysis of Personality Dimensions for the Executive Level Employees. (Dependent Variable : Performance)

Regression Variable(s)	R	R ²	Delta R ²	t	Level Of Significance
Conscientiousness	.952	.907	.903	2.24*	.027

****p<.01, *p<.05**

The Multiple regression results indicate that conscientiousness contributes significantly to the Performance of the employee at the Executive Level .

Table 5: Stepwise Multiple Regression analysis of Personality Dimensions for the Junior Management Level Employees . (Dependent Variable: Performance)

Regression Variable(s)	R	R ²	Delta R ²	t	Level of Significance
Conscientiousness	.921	.849	.845	2.21**	.030

****p<.01, *p<.05**

The Multiple Regression analysis for Personality dimensions at Junior management Level indicate that that conscientiousness contributes significantly serves as a predictor to Performance.

Table 6: Stepwise Multiple Regression analysis of Personality Dimensions for the Middle Management Level Employees. (Dependent Variable: Performance)

Regression Variable(s)	R	R ²	Delta R ²	t	Level of Significance
Neuroticism	.536	.287	.240	3.40**	.002
Conscientiousness	.667	.445	.388	2.87**	.008

**p<.01, *p<.05

The Multiple Regression analysis for Personality dimensions at Middle management Level indicate that Extraversion, Neuroticism and Conscientiousness serve as a predictor to Performance.

The regression results accepts the hypothesis indicating that *there is a difference in personality traits predicting performance at different levels of management*, which is very much reflective in the regression results thus the hypothesis is accepted. While surprisingly *Neuroticism* is found to be a significant contributor to performance of the employees. Also a positive correlation between neuroticism and performance of the Middle management employees which indicates that with an increase in the management level negative affects such as anxiety, and restlessness the performance of the individuals is also increasing. Though the literature indicates that neuroticism is not correlated with performance of the employees (Malouff et al., 1990; Judge & Ilies, 2002).

Neuroticism high levels also indicate that the wellbeing of an employee is also compromised to fulfil the needs of the organizations.

CONCLUSION

There is a difference in personality traits that predicts performance of the employees at different levels. And a trait like neuroticism which is negatively correlated to employee performance has been found to have a positive correlation with performance of the employee. On the other hand conscientiousness which is positively correlated to employee performance in the literature was not found to be positively predicting performance at all levels. The results of the study leave strong implications for the organizations to guide their policy & procedures in a way so as the wellbeing of an individual is not compromised.

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A STUDY OF CUSTOMER SATISFACTION IN THE LIGHT OF ENHANCEMENT OF PRODUCT VALUE IN AN INDIAN SCENARIO

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INTRODUCTION

Prior to finalization of any product purchase decision or service availing decision, a peculiar Indian customer develops a rough idea with regard to its value. After purchase of a product or availing of a service, he checks whether or not the product or service has actually delivered desirable or expected value. Such expectations which a customer develops are indeed the outcome of certain philosophy. Furthermore, fulfillments of customer expectations subsequently lead to Customer Satisfaction. This research Paper studies the Philosophy, thus underlined; moreover, it also studies the methods to enhance the product or service value.

Key Words: Customer Relationship Marketing

SIGNIFICANCE OF THE RESEARCH PAPER IN THE PRESENT INDIAN SCENARIO

Indeed, relationships, in general, are as old as mankind. Earlier, they have been deeply studied by Sociologists, Social Psychologists, Anthropologists, Philosophers, etc. Besides, in past many businessmen and traders relied more on relationships for generation of sales, either immediately or in future, especially, when they were operating on a very small or modest scale.

Furthermore, in the early 1990, the concept of Relationship Marketing was introduced in the sphere of Services Marketing. Basically, Financial Service Institutions, Airlines and other service providers found it profitable to retain and reward existing customers rather than running after new customers. As it has been pointed out by 'Reichheld' It was established that building closer relationships with the customers resulted in better returns to companies through different means like increased utility of company services by loyal customers, changing of price premiums for customized services and referrals by satisfied customers that brought new customers.

In a number of surveys, it is pointed out that only satisfied customers maintain long term relationships with the organization. As a result, each and every organization is attempting, at present, its best to maintain good relations with the customers and retain them for a very long time. On this background, it is, indeed, imperative to study different methods of enhancement of product or service value which consequently leads to customer satisfaction.

RATIONALE OF THE RESEARCH PAPER

The fundamental objective of Customer Relationship Marketing initiatives is to retain right customers. One of the key determinants of Customer Retention is Customer Satisfaction. In order to satisfy the customer, it is necessary to study the methods to enhance the product or service value.

RESEARCH PAPER OBJECTIVES

The following are the objectives of the Research paper

1. To Study underlying Philosophy leading to Development of Customer Expectations in an Indian Scenario.
2. To Study the methods to enhance Product or Service Value

RESEARCH PAPER METHODOLOGY

1. Review of literature through Books and significant Websites to understand the underlying philosophy leading to development of Customer Expectations (The details about the Books and the Websites are given in the section of 'Bibliography', at the end of the Research Paper.)
2. Arriving at inferences after applying logical interpretations based on facts learned through Review of Literature as mentioned above.

DEFINITIONS OF DIFFERENT CONCEPTS DISCUSSED IN THE RESEARCH PAPER

Gronroos has defined the term '**Relationship Marketing**' as to establish, maintain and enhance relationships with the customers and other partners at a profit so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises.

The term '*Relationship Marketing*' is also defined as the attraction, maintenance and in multi-service organization enhancing customer relationships. Marketing mind set is that attraction of new customer is merely the first step in the marketing as a process.

In the words of *Shani and Chalasani*, *Customer Relationship Marketing* is an integrated effort to identify, maintain and build up a network with individual consumers and to continuously strengthen the network for mutual benefits of both the sides through inter-active, individualized and value added contacts over a long period of time.

For *Jackson*, *Customer Relationship Marketing* means marketing oriented towards strong and lasting relationships with individual accounts.

SCOPE OF RESEARCH PAPER

The scope of this research paper extends to all the products purchased or all the services availed by the Indian customer.

PHILOSOPHY LEADING TO DEVELOPMENT OF CUSTOMER EXPECTATIONS

The philosophy leading to the development of customer expectations can conveniently and comfortably be studied under the following four heads.

- (a) Experience
- (b) Promotional Contentions or Claims
- (c) Referral Recommendations
- (d) Media

Let us discuss each of these heads one by one in detail in the following lines.

(a) Experience

The Experience, a customer had either with a product or a service, results in creation of certain expectations not only for the present purchases but also for future purchases for the same product or service. After purchase of a product or a service, he judges his level of actual satisfaction which is received from the purchase of a product or the service. If, at all, his present experience from the purchase of a product or availing a service matches with the expected experience, he gets satisfied, automatically or unknowingly. Moreover, if his present experience exceeds his expectations, he gets delighted.

(b) Promotional Contentions or Claims

A customer develops his expectations about the product to be purchased or the service to be availed on the basis of the contentions or the claims which are made either in the advertisement or in any other promotional technique utilized for the purpose of immediate or mediate sale of a product or a service by the manufacturer or the marketer. If, at all, all the claims or the majority of the claims come true after purchase of a product or availing of a service, a customer gets satisfied. Moreover, if a customer receives more gains or benefits which he had not expected prior to purchase of a product or availing of a service, indeed, he gets delighted.

(c) Referral Recommendations

A customer forms his expectations about the product to be purchased or the service to be availed on the basis of vital inputs or other quality recommendations which he gets from his friends, relatives, colleagues or other acquaintances. After purchase of a product or availing of a service, if all or majority of such inputs or quality recommendations proves to be true, through product or service performance, no doubt, a customer gets satisfied. Moreover, if the product or service performance exceeds the inputs or the recommendations, he gets delighted.

(d) Media

All the media are equally responsible for creation of expectations for the product to be purchased or the service to be availed. For example, when a customer reads the product literature or the literature related to specific and unique features associated with a particular service or when he observes service demonstration on either of the T.V. Channels, he develops expectations about the service to be availed. It may necessarily not be out of place to note over here that comparative contribution of electronic Media (T. V., Inter Net, etc.) in creation of customer expectations about the product to be purchased or the service to be availed is high basically because of the manner in which the products are showcased or the services are demonstrated through these media.

INFERENCE

Only after critical and detail scrutiny of customer expectations, thus formed, as explained above, the marketer would come exactly across the expectations of customers of different market segments as regards a particular product to be purchased or the service to be availed. As a matter of fact, this phenomenon is not, at all, as simple as it appears in theory, because no two customers belonging to different segments have the same expectations, moreover, these expectations range quite dramatically on a continuum of expectations.

For instance, even if a very short journey of say only four hours is considered from one destination to the other destination, a marketing executive, a senior citizen and a mother or a housewife accompanied by her children have altogether varying expectations from the railway administration. A marketing executive expects that the train should reach on right time so that he can keep his appointment schedule and return to his home town as per the pre-determined schedule. A senior citizen expects comfortable journey, although the train reaches little late, he is not bothered too much because he does not have any fixed schedule of pre-determined appointments to be met. A mother expects enough refreshments during the journey in order to satisfy the hunger or the thirst of her children.

Likewise there may be some other passengers travelling in the train having altogether different expectations which may be beyond the imagination or visualization of the marketer. The requirements of all the passengers belonging to different market segments are expected to be satisfied, may necessarily, not be, fully, but, at least reasonably.

Furthermore, in order to satisfy such unique expectations of different customers belonging to different market segments, a practical and a prudent marketer adopts the strategy of Mass Customization. Those products are offered to the customers, which cater to their exact needs. *In the words of Fornell, Cumulative Customer Satisfaction is the customer's overall evaluation of the accumulated customer experiences with the firm. Boulding et. al. mentioned that transaction specific customer satisfaction is the customer's post-choice evaluation judgment of a specific purchase occasion.*

WAYS TO ENHANCE PRODUCT OR SERVICE VALUE

Organizations need to enhance product or service value constantly, in order to enhance customer value. In fact, enhancement of product or service value helps the organizations to gain competitive advantage in the market and leapfrog ahead of the competition.

The following are the methods which are adopted, in general, by the marketers to enhance customer value.

- (a) Novel Product or Service Features
- (b) Complete Solution
- (c) Lessening Cost
- (d) Problem Solving

Let us discuss each of these methods one by one in the following lines.

(a) Novel Product or Service Features

The product or service value automatically enhances when innovative or novel features are introduced in the existing product or service. Such innovations or novel features are interpreted by the customers as augmented or additional benefits or advantages. In fact, a customer does not hesitate to pay higher price if he is convinced for the additional benefits or advantages. In this context it should be noted that a customer has time and money, always, for those things which he likes and vice versa. In this connection it should be confirmed that the innovations or novel features, referred to, are, in reality, additional benefits or advantages accruing to the customers. In other words, they should not be merely cosmetic changes cheating, misleading or misrepresenting a customer. For example, Gillette innovates quite consistently different kinds of razors

(b) Complete Solution

The Customer Value enhances when a customer obtains Total Solution and not Partial Solution for his purchase requirement. For example, the advertisements for formerly Departmental Stores or presently malls like 'Everything under one roof' undoubtedly attract additional attention of a customer and unknowingly create

curiosity and interest to visit the mall, in order to evade rushing from shop to shop for buying different items, needy as well as luxurious

(c) Reducing Costs

A customer considers enhanced value for a product when the product which was available earlier at a higher price is made readily available at a reduced price, that too, without lessening the peculiar unique features. In this regard, a surprising fact is needed to be admitted that when the prices for the products are lessened, their ultimate sale increases as compared to the sale when the price was high. For example, Air Deccan started its operations with the objective of enabling a middle class person of India to fly. Their positioning punch line was 'Simplify.'

(d) Problem Solving

The customer value enhances when a number of problems or difficulties faced by the customers during the course of product or service delivery are resolved finally or conclusively by the organization through design of some smart customer oriented strategies. Such problems or difficulties would definitely be different for different products, services and customers. As a result, there cannot be determined a general marketing strategy in this respect. For example, many bank customers, who were in service, were facing difficulty to go the bank for desirable transactions during bank working hours because their working hours were parallel to the bank working hours. However, when Inter Net Banking and ATM Centers were introduced, difficulties faced by these customers were almost fully overcome.

RESEARCH PAPER LIMITATIONS

Like each and every other Research Paper, this Research Paper also proceeds with the following limitations.

1. As the Research Paper study is purely of academic orientation, some sort of adaptation on the prevailing conditions is ideally necessary prior to its practical application.
2. As the Research Paper Study is based on Secondary Data, all the limitations of Secondary Data have direct and deep impact on the inferences arrived at in the Research Paper.

SCOPE FOR FUTURE RESEARCH

During the course of the study of this Research Paper, the researcher found out that there is scope and potential for research in future for the following topics.

1. A study of Customer Development Process in the light of conversion of customers into Partners in an Indian scenario
2. A study of innovative and creative methods to enhance Product or Service Value in an Indian scenario

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STATUS QUO AND ASSESSMENT OF HUMAN CAPITAL IN MIZORAM

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ABSTRACT

Education and health together constitute human capital. Traditionally, physical capital had been given importance in the process of economic growth. But, since 1950s there has been a shift of importance on human capital from physical capital, as the former is empirically found more contributive than the later. Expenditure on health and education are considered as investment now-a-days, as they add to the productivity of labour. Improvements in the quality of labour acquired through education and training can lead to higher rates of economic growth. Similarly, good health is considered as an important factor of human capital formation as it results into stable workforce, fewer sick days, increased productivity and higher wages. In Mizoram, our study area, the two factors forming human capital have welcoming features. Despite being a late starter of education, Mizoram has emerged as the third highest literate state in India. Again, among the health indicators, except in population growth rate, the state scores higher than the national average. However, the high literacy rate does not result into a very skilled/specialized manpower required for economic development, and health services still remain inadequate and skewed towards the urban centres. The state needs to take steps with a twin objective of filling the gap between high literacy rate and less skilled/specialised manpower, and ensuring even distribution of health care services between the rural and the urban areas.

Key words: Economic Growth, Health Indicators, Health Services, Human Capital, Physical Capital, Productivity.

INTRODUCTION

In the process of economic development both physical and human capital are required. However, human capital plays more important role than physical capital, as the later remains un-used in the absence of the former. Empirical findings for the second half of the last century too establish the relative importance of human capital. The two main factors responsible for the formation of human capital are education and health. Investment in education yields direct and indirect, private and social, tangible and intangible returns. It qualifies to be an important item of investment in so far as education enhances productivity through improved knowledge and skill. Health is a sort of capital which degrades overtime in the absence of investments (Grossman, 1972). With its direct satisfaction and utility health is considered as consumer goods, and at the same time, it is conceived as investment goods because of its indirect satisfaction through increased productivity, fewer sick days, and higher wages. The present piece of work is intended to study the role and importance of the above two factors in the context of Mizoram.

EDUCATION AS A FACTOR OF HUMAN CAPITAL FORMATION

The role of education in the formation of human capital can be witnessed in at least three mechanisms. First, education increases the human capital inherent in the labour force, which increases labour productivity and thus transitional growth towards a higher equilibrium level of output. Second, education may increase the innovative capacity of the economy, and the new knowledge on technologies, products and processes, which promotes growth. Third, education may facilitate the diffusion and transmission of knowledge needed to understand and process new information and to successfully implement new technologies devised by others, which again promotes economic growth.

The inter-relationship between education and economic development can be observed both at macro and micro levels. At macro level, nations with illiterate and less educated masses cannot progress or increase their output substantially and as a result remain at low standards of living. At the micro level, illiterate and less educated individuals or households are less productive, join less paying occupations, thus earn less and remain at very low levels of living, mostly below poverty line.

Of late, extensive research has been done on the place of education in the formation and development of human capital across the globe. One of such studies was first by an American economist, Edward F. Denison (1962) who concluded his analysis that, increases in the level of education of the labour force accounted for as much as 23 percent of the annual rate of growth of GNP in the United States between 1930 and 1960. Russian economist Strumillin (1925) estimated that, education at primary and elementary level resulted in as much as 79 percent increase in the output and wage of a labourer in the erstwhile Soviet Union. Schultz (1961) analysed the

contribution of education to growth in national income in the United States from 1900 to 1956 and came to the conclusion that, investment in education contributed 3.5 times more to the increase in gross national income than investment in physical capital. A World Bank Study of 192 countries concluded that, “only 16 percent of the growth is explained by physical capital (machinery, buildings and physical infrastructure), while 20 percent comes from natural capital. But not less than 64 percent can be attributed to human and social capital (HDR, 1966).

Thus, the improvement of human resources through investment in education and health is of crucial importance. This is more relevant in case of the economies which are populous and lacking in physical resources.

As for the small hilly state of Mizoram, the resource-base is very poor while, the literacy rate is quite high (91.58 percent). Since the physical resources are not abundant and there is a good reserve of educated population, the scope of developing human resources is of utmost relevance in the state.

HUMAN CAPITAL AND EDUCATION IN THE CONTEXT OF MIZORAM

That Education enhances human capital and contributes to economic growth is a known fact. The association between the two can be studied under the following heads in the context of Mizoram.

(i) Productivity Aspect

Adult literacy rates or school enrolment ratios were taken as proxies for the human capital of an economy in the early days. Then the shift was on average years of schooling. Finally, Barro and Lee (1993) provided for internationally comparable data on average years of schooling. In essence, more schooling is associated with higher individual earnings. However, social returns could be either above or below the private returns. The most common argument is that, the social returns will exceed the private returns because of the positive effects of education on crime, health, fertility and on growth and productivity of the economy as a whole.

As for the situation in Mizoram, the very foundation of education was laid by the Christian Missionaries only in the beginning of the twentieth century. Starting with the first primary school in 1898, first Upper Primary School in 1907, first High School in 1944 and first college in 1958, Mizoram has achieved a remarkable growth in educational institutions and literacy.

The state's literacy rate has gone up from a mere 19.5 percent in 1941 to 91.58 percent in 2011, occupying the third highest position in India.

The average annual growth in Gross State Domestic Product (GSDP) per capita over a period of time when expressed as a function of measures of schooling and a set of other variables deemed to be important for economic growth will give rise to private returns to education which, however, yet remains to be estimated for Mizoram.

With the exception of mobility of labour, the social benefit of education in Mizoram is quite significant. Acceptance of new ideas, instances of greater tolerance, maintenance of law and order situation, peoples' democratic participation in socio-political issues etc. are all positive effects of education witnessed in the state.

(ii) Qualitative Aspect

Ignoring quality differences significantly distorts the picture about the relationship between education and economic outcomes. Much of the discussion of quality has identified cognitive skills, such as mathematics and science, as the important dimension. Hanushek and Kim find a statistically and economically significant positive effect of the quality of education on economic growth. They, in a study observe that, immigrants who were schooled in countries that have higher scores in the international mathematics and science examinations earn more in the United States. Thus, it is not simply the quality of education, rather quality education which contributes more to economic growth and development.

The scope for pursuing quality education in diverse fields is limited in Mizoram as the higher education system of the state is predominated by liberal arts and humanities. Nearly 91 percent of the students are enrolled in arts and humanities (as per 2011-12 enrolment). Besides one absolute science

college, only in five other government Colleges science streams are taught. Apart from one NIT (recently established), there is practically no college for medicine, forestry, agriculture (except veterinary), management, etc. in Mizoram.

(iii) Institutional Aspect

The effect of educational quality on economic growth may differ depending on the economic institution of a country. The pace of economic growth depends to a great extent upon the availability and quality of economic institutions. It is hard to have a strongly growing economy without complementary institutions in the labour and product markets, without openness to trade and investment and without effective systems of laws and property rights. Deficiencies in the institutional environment result into misuse of cognitive skills rendering the average effect of education on growth negligible.

Institutional linkage of education to economic development is very poor in Mizoram. Institutional environment is not developed to the extent of absorbing the educational output. This leads to the low productivity of education inspite of a very high rate of literacy in the state.

(iv) Monetary Aspect

As cost of education is considered to be investment expenditure rather than consumption expenditure, adequate financing of this strategically important sector can only lead to a faster growth and lasting development of an economy.

The policy of highly subsidised higher education in Mizoram (as elsewhere) came under serious casualty since the adoption of the “structural adjustment” of the IMF (in India since 1991). Of the total state Plan outlay only 11 to 12 percent is devoted to education, where the share of school education is around 9.5 percent and the share of higher education is 2 percent. Another unhealthy feature of public expenditure on education is that the lion’s share is incurred on recurring expenditure (85 to 92 percent) leaving only 8 to 15 percent for non-recurring items. Thus, the negligible share of non-recurring expenditure means poor capital formation in education which adversely affects human capital formation.

HEALTH AS A FACTOR OF HUMAN CAPITAL FORMATION

The second important factor in the formation of human capital is health. Human capital theory treats everyone’s state of health as a stock, i.e., as health capital and its contribution as health services. Part of the quality of the initial stock is inherited and part is acquired. The stock depreciates overtime and at an increasing rate in later life. Gross investment in human capital entails acquisition and maintenance costs. These investment includes child care, nutrition, clothing, housing and medical services. The flow of services that health capital renders consists of ‘healthy time’ or ‘sickness-free time’ which is input into work.

Health is a sort of capital which degrades overtime in the absence of investments (Grossman, 1972). With its direct satisfaction and utility health is considered as consumer goods, and at the same time, it is conceived as investment goods because of its indirect satisfaction through increased productivity, fewer sick days, and higher wages.

The empirical literature, establishing the positive relationship between health and growth, is based on evidence at both macro levels (Barro and Lee, 1996; Benhabib and Spiegel, 1994; Bhargava et. al, 2001; Bloom et al., 2004) as well as micro levels (Dinda et. al., 2006, Glick and Sahn, 1998). Of course, there is another strand of argument that takes into account ageing of population as a consequence of better health, may adversely affect economic growth. Therefore, an inverted U-shaped relationship between life-expectancy and economic growth has been suggested by Cipriani (2000); Croix and Licardro (1999); Zang et. al., (2001). Health as an important productivity augmenting factor that contributes to economic growth was explicitly recognised only in the 1990s (Barro, 1991; Fogel, 1994; Schultz, 1997).

There are a few macro studies on health and growth in the Indian context. World Bank (2004) found that per capita GDP is inversely related to infant mortality rates; Gupta and Mitra (2003) analysed the relationship between health, poverty, and economic growth in India based on data from fifteen major Indian states and established a two-way positive relationship between growth and health. Mahal (2005) found a strong positive impact of per capita income on health status (life expectancy and infant mortality rate) and also established the reverse causality, namely a positive and significant influence of life expectancy on state level domestic product.

It is evident that, better health can make workers more productive, either through fewer days off or through increased output. Expenditure on health, in this sense, is investment expenditure. Hence, all sort of preventive, curative and rehabilitative health services go to shape human capital.

Below we take up the case of Mizoram in so far as the status quo of health services and government performance are concerned. As such, Mizoram is bestowed with healthy climatic condition. Another welcoming feature is its literate masses. However, to a great extent, the topography contributes to un-even provision of health services in the state, resulting into a wide gap between the urban centres and the rural locations.

HUMAN CAPITAL AND HEALTH IN THE CONTEXT OF MIZORAM

Mizoram has a fairly healthy and manageable population in the midst of less polluted environment. For a population size of 10,91,014, spread over 869 villages, health services in Mizoram is provided through one State Hospital (an upgraded district hospital), 11 district hospitals, 12 Community Health Centres, 57 Primary Health Centres and 370 Sub- Centres & 78 Clinics. Apart from these, there are as many as 12 private hospitals, with almost same bed strength and similar health infrastructures, in this small state. Government sector being the dominant player in supplying health inputs, the cost of medical treatment and other health services are cheap. However, the state Government spends quite a sizeable amount on medical re-imburement, especially for the government servants referred outside for treatment. In the private sector, big hospitals are mostly owned and managed by the Churches and charges are always reasonable, on charity lines. As for the beneficiaries or the people at large, they are mostly literate and any consciousness drive, including health campaigns, is comparatively easy in Mizoram. This lessens the wastage and investment of money, time and effort, all of which contributes to the formation of a healthy society.

GOVERNMENT EFFORTS

To speak about the performance of the State Government, both financial and physical, in the sphere of health infrastructure and delivery of health care services, the achievements fell short of the target in the recent past.

Table No. 1: Financial Achievements during the 11th Five Year Plan (2007-2012)
(Rs. in lakhs)

2007-08		2008-09		2009-10		2010-11		2011-12	
Approved Outlay	Expenditure								
1900.00	1900.00	2900.00	2819.00	3550.00	2930.00	3850.00	3885.00	4500.00	4470.00

Source: <http://health.mizoram.gov.in/>

The agreed outlay during the 11th Five Year Plan for Health Services is Rs. 269.66 crores and the total approved outlays is Rs. 167.00 crores and the total financial achievement is Rs. 160.04 crores.

Table No. 2 : Physical Target & Achievements during the 11th Five Year Plan (2007-2012)

Sl. No.	Items	Physical Target	Achievement					TOTAL
			2007-08	2008-09	2009-10	2010-11	2011-12	
1.	Construction/ Reconstruction of CHC	9	-	-	-	-	-	-
2.	Construction / Reconstruction of PHC	-	-	-	-	-	3	3
3.	Construction / Reconstruction of SC	-	4	12	9	-	36	61
4.	Establishment of CHC	3	-	3	-	-	-	3
5.	Establishment of PHC	-	-	3	-	-	-	3
6.	Establishment of SC	-	-	4	-	-	-	4
7.	Construction / Reconstruction of Type	387	15	16	6	4	58	99

	I, II, II & Staff Quarters							
8.	Creation of new posts	407	-	-	-	-	-	-

Source: <http://health.mizoram.gov.in/>

Out of total outlays during 11th Five Year Plan, Rs. 8,988.30 lakhs is utilized for maintenance of 826 nos. of existing staff which is 53.82% of the total outlay under Plan and only meagre infrastructure development have been done under State Plan Schemes. As such, only 3 nos. of PHC, 160 nos. of Sub-Centres / Staff Quarters could be constructed during this five years time.

HEALTH INDICATORS IN MIZORAM

Although there are deficiencies in the management and delivery of health services in the state, Mizoram has a commendable picture of health indicators to exhibit. The following table shows a clear picture of the health indicators and other related variables of Mizoram in comparison to that of the nation as a whole.

Table No. 3: Health & Other Related Variables (2011)

Health Indicator/Related Variable	Mizoram	India
Population (2011 Census)	1091014	1210193422
Decennial Growth Rate (2001-11)	22.78	17.64
Average Annual Exponential Growth Rate (2001-11)	2.07	1.64
Density	132	382
Sex Ratio	975	940
Crude Birth Rate (SRS 2008)	17.80	22.80
Crude Death Rate (SRS 2008)	5.10	7.40
Infant Mortality Rate (SRS 2008)	37	53
Literacy Rate	91.58	74.04
Below Poverty Line (%)	19.47	26.10

Source: Compiled from

<http://www.mohfw.nic.in/NRHM/State%20Files/Mizoram.htm>

Staistical Handbook of Mizoram 2012

Other than population growth rate, Mizoram scores better than the national average in rest of the health indicators. Especially, with lower birth rate, death rate, infant mortality rate and sex ratio Mizoram clearly shows its better performance in health care services. This surely indicates towards a strong foundation of human resource in the state.

CONCLUSION

It seems that, with the favourable health indicators and high literacy rate, Mizoram can well build up a strong human capital conducive for economic development. But, the high literacy rate in the state does not correspond to such an encouraging number of highly skilled/ specialised manpower. Moreover, health infrastructure and health delivery service is also skewed towards the bigger urban centres. So, the state needs to take steps with a twin objective of filling the gap between high literacy rate and less skilled /specialised manpower, and ensuring even distribution of health care services between the rural and the urban areas. Steps should also be taken for mobility of labour, which is poor in the state. A concerted effort and support should also be made by the people, in general, and NGOs, in particular, to acquire the optimum human capital required for adequate economic development.

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CONTRACT FARMING IN KARNATAKA- A STUDY

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ABSTRACT

In an age of market liberalization, globalization and expanding agribusiness, there is a danger that small-scale farmers will find difficulty in fully participating in the market economy. In many countries such farmers could become marginalized as larger farms become increasingly necessary for a profitable operation. The solution for the problems of small farmers can lead to a system under which reliable and cost-efficient agro-inputs and farm extension services are offered at the field and a guaranteed buyback of the output is ensured. The contract farming is one of the solutions to take care of the problems of these categories of the farmers, because in the contract farming the farmers get a kind of holistic support from the contracting firm or the trader who are involved in the contract business. Contract farming is pursued in such way that smaller producers can farm in a commercial manner. Further, the contracting companies are guaranteed a reliable source of supply both in terms of quality and quantity.

Key Words: Contract Farming, Need of the CF, Conceptual background of CF, Models of CF, Elements of CF.

INTRODUCTION

With the emergence of free market economy in the wake of liberalization, globalization, privatization and the fast expansion of agri-business, small-scale farmers may find it difficult to cope up with the resultant volatility in the economy. They tend to be marginalized and migration from rural to urban areas is increasing at an alarming rate all over the country. Consolidation of holdings is, therefore, increasingly becoming the need of the day.

The various state intervention strategies as well efforts by non-governmental organizations to arrest migration of the rural masses, which include promotion of income generation activities, have not succeeded in reversing this trend. One of the strong reasons could be the lack of well established forward and backward linkages (reliable and co-effective) such as extension advice, mechanization services, supply of seeds, fertilizers and credit, as also guaranteed and profitable markets for their produce (FAO: 2001). Therefore, the need for contract farming, which would hopefully promote the linkages to the small-scale farming community to grow crops on commercial terms.

CONTRACT FARMING

Contract farming is a written commitment or an agreement made between the farmer and the buyer for cultivation and sale of specific quality, grade and variety of commodity at pre-determined price. The farmer enters into a contract with a processing/marketing firm to supply pre-arranged quantity and quality of produced at a pre-arranged price and time .The contract could be of three types: (1) Procurement contract under which only sale and purchase conditions are specified; (2) Partial contract wherein only some of the inputs are supplied by the contracting firm and produce are bought at pre agreed price.(3) Total contract under which contracting firm supplies and manages all the inputs on the farm and the farmer becomes only the supplier of the land and labor. The relevance of each type varies from product to product and from time to time.

Contract farming can be defined as *“an agreement between farmers and processing and/or marketing firms for the production and supply of agricultural products under a forward agreement, generally at predetermined prices”*.

HISTORY OF CONTRACT FARMING IN KARNATAKA

The practice of contract farming was prevalent in the sugar industry where farmers agreed to grow sugarcane at a pre-notified price for decades. Of late, MNCs have entered into the agricultural sector and introduced a number of horticultural crops, and their products have a high demand in international markets. Contract farming, as it existed then, was different from the design and functioning of contract farming methods obtaining today. In other words, the state notifies the price and extends other facilities i.e., supply of seeds, fertilizers, package of practices, and buy-back from the farmer’s field, grade-wise price fixation, and, more importantly stands guarantee for the contract agreement between the farmer and the concerned MNC. The liberalization of seed policy has enabled the import of new varieties of crops, both hybrids and high-yielding, by corporate bodies through joint ventures.

Karnataka's agrarian structure is very conducive in promoting contract farming in the country. The distribution of number and area of operational holdings across gender and major size classes during 1995-96 and 2000-01 is given in Table 1. The aggregate pattern of percentage variation in the number of operational holdings and the area operated by size class, reveals 13.8 per cent and 1.6 per cent respectively in the 1995- 96 and 2000-01 agricultural census. In other words, the number of operational holdings was increasing, while the area operated was declining during the successive agricultural census in the state. It is interesting to note that across all size classes the percentage variation in the medium and large holding categories indicates negative trends. Further, the percentage variation in the operational holdings (male and female) increased by 14 per cent and 27 per cent respectively between 1995-96 and 2000-01. Whereas, percentage variation of female area operated has increased by 14 per cent, while the corresponding figure for male operational holdings shows negative (-0.2 per cent) percentage variation in the state. It is noteworthy that both the number of operational 9 holdings and area under operation among marginal and small farmers categories have shown increasing trend during the reference period. Karnataka will shortly emerge as one of the food park centers' in the food basket of India. Within a short span of time, Karnataka may see billionaires not only in the IT sector but also in agriculture in general, and, in particular, in the food processing segment of the above sector. The Karnataka agro-food processing industry is all set to put the State in the world map: with six food parks ready for takeoff as public-private partnerships, the state is ushering India into the multi-billion dollar international market. Mr. Somanath, Managing Director of Food Karnataka Limited, reports that "the agri-food scene now is similar to the IT environment in the late '90s, when nobody believed in our state's pioneering venture, like ITPL or IT com. The Union government is partially funding food park projects in Karnataka and also keeping a benevolent eye on the state in this regard. Currently, the major competitors in food processing are China and India, and both the countries regard food processing as one of the important components of their future economy. Karnataka has already given an indication of that; the Gherkin (small cucumber) revolution has turned many impoverished farmers into Lakhpathis. This trend is now being replicated in Maharashtra and Tamil Nadu. Gherkin (baby cucumber) is a much sought after delicacy in the US and in Europe. Gherkin soaked in vinegar is consumed as a pickle or as a salad ingredient. Its farming has now spread to districts of Hassan, Haveri, and right up to Bagalkot, and is grown exclusively for foreign markets. Currently, Karnataka has a 90 per cent share in India's gherkin exports. The six food parks coming up in each of Karnataka's six economic zones - Malur (Kolar), Maddur (Mandya), Hiriya (Chitradurga), Gangarli (Belgaum), and Jewargi (Gulbarga) and then would mark the next major milestone. Construction work has commenced in these parks and they are expected to be fully operational in a year. The facilities will have provision for cold storage, grading, processing, etc.

REVIEW OF LITERATURE

Tanya Korovkin (1992) examines the social implications of contract farming promoted in smallholdings in a Chilean community. The article highlights the probable advantages of contract farming, such as to elevate the rich peasants into the status OF peasants-capitalists rather than to cause the proletarianisation of the peasant community. This trend finds historical evidence in the agri-business spurts: the tobacco boom of the 1950s and the fruit export expansion of the '70s and '80s, and the resultant socio-economic and organizational development in a Chilean small-holding community. The inherent advantages of contract agriculture (not importantly the higher returns from land) seen to have motivated Chilean farmers. Though the fruit boom helped improve the income of landless families, mitigating marginally their poverty and insecurity, the very seasonal nature of employment, and therefore income, hardly allowed any radical change in their economic status.

Kiresur et.al. (2002) in their paper "Contract farming - An Opportunity for Small and Marginal Farmers in the context of Trade Liberalization", brings out the true picture of Indian agriculture in general, and the exact position of small and marginal farmers in particular. They have highlighted several mis-matches in Indian agriculture vis-à-vis the agriculture scenario of developed countries though they concede that Indian farmers are participating and competing with their overseas counterparts in marketing agriculture commodities. They recommend contract farming in view of its advantages to both the farming community and contractors as one of the better options for fulfilling the objectives of the Liberalized trade Regime.

Rangi and Sidhu's (2003) paper, "Contract Farming in Punjab", examines some of the policy issues related to contract farming in the Punjab State Scheme. The data was culled out of the report of Punjab Agro-Food grain Corporation Ltd, Chandigarh, and covers many advertisements in the newspaper on contract farming as also responses of the few contract farmers who were interviewed. Again after a gap of 16 years, the S.S.Johl committee has been reconstituted. The committee recommended that in 10 lakh hectares now under paddy and wheat crops, crop rotation should be introduced to replace paddy/wheat by crops that consume less water to check the adverse effects on the ecology and also to meet the demand for such produces in the country.

“Vegetable crops are more labour intensive and can provide 4-5 times more employment opportunities in rural areas, as compared with wheat and paddy crops”, says the report.

Another remedy put forth by the committee was to adopt contract farming to reduce the burden on Punjab Agro Industries Corporation. The book on “Green Revolution Reconsidered”, highlights the need for crop diversification. Several other researches, too, have endorsed the above opinion. Since then, contract farming has expanded considerably - from 12,000 acres in 2002-03 to 25,000 acres in 2003-04. (Ranju Sarkar: 2004). With this unique contract farming experiment, Punjab is trying to develop a diversified portfolio of crops that can compete with wheat and paddy. The high yielding varieties of oilseeds such as Hyola can give higher returns of Rs 13,300 per acre as compared Rs 10,000 from wheat. Crops grown under contract farming are generally short duration crops, while some are traditional crops.

Harish N (2014) in their paper “Contract Farming for Agricultural Development in India” brings out the true picture of Indian agriculture in general and contract farming in particular. They recommend contract farming in view of its advantages to both the farming community and contractors as one of the better options for fulfilling the objectives of the Liberalized trade Regime.

NEED FOR THE CONTRACT FARMING

Overcome inadequate linkages with markets, Presence of fragmented land holdings, Lack of capital, poor infrastructure, inadequate information dissemination, etc, Loss/wastage of large quantities of fruits and vegetable, Agri-based and food industry’s inability to acquire timely and adequate good quality agricultural produce, Closing down of marketing boards, Changes in consumption habit, Increasing number of fast-food outlets, The growing role played by supermarkets, Continued expansion of world trade in fresh and processed products.

IMPORTANCE OF CONTRACT FARMING

Stable income, Higher income than non- contract farming, Market certainty , Delivery service for inputs , Ease of obtaining input , Loan made available though financial institutions, Learning new technology Infrastructure: road and ditch Information news and networking ,Quality development etc.,

OBJECTIVES

- To study the socio-economic features of contract farmers.
- To examine the type of crop/ activity taken up under contract farming.
- To study the terms and conditions of contract in production and marketing of agriculture produce.

HYPOTHESIS

- Contract farming has increased the standard of living of the farmers.
- Contract farming reduces risks, ensures better income and employment.

METHODOLOGY

The secondary data will be collected from various published sources like books, journals, newspapers, published and unpublished reports, Census reports, Administration reports, reports of the various committees, Manuals, Gazetteers and directories, Reports of Ministry of Agriculture and Rural Development, and online access etc.

TYPES OF CONTRACT FARMING

- Centralized model
- Nucleus Estate model
- Multipartite model
- Informal model
- Intermediary model

Centralized model: The contracting company provides support to the production of the crop by smallholder farmers, purchases the crop from the farmers, and then processes, packages and markets the product, thereby tightly controlling its quality. This can be used for crops such as tobacco, cotton, paprika, sugar cane, banana,

coffee, tea, cocoa and rubber. This may involve tens of thousands of farmers. The level of involvement of the contracting company in supporting production may vary.

Nucleus Estate model: This is a variation of the centralized model. The promoter also owns and manages an estate plantation (usually close to a processing plant) and the estate is often fairly large in order to provide some guarantee of throughput for the plant. It is mainly used for tree crops, but can also be for, e.g., fresh vegetables and fruits for export.

Multipartite model: The multipartite model usually involves the government, statutory bodies and private companies jointly participating with the local farmers. The model may have separate organizations responsible for credit provision, production, and management, processing and marketing of the produce.

Informal model: This model is basically run by individual entrepreneurs or small companies who make simple, informal production contracts with farmers on a seasonal basis. The crops usually require only a minimal amount of processing or packaging for resale to the retail trade or local markets, as with vegetables, watermelons, and fruits. Financial investment is usually minimal. This is perhaps the most speculative of all contract-farming models, with a risk of default by both promoter and farmer.

Intermediary model: This model has formal subcontracting by companies to intermediaries (collectors, farmer groups, NGOs) and the intermediaries have their own (informal) arrangements with farmers. The main disadvantage in this model is it disconnects the link between company and farmer.

ELEMENTS OF CONTRACT FARMING

There are 17 elements of contract farming:

1. **Purpose / Reason:** which includes quantity of material needed by the company not available in open market and required quality not available in open market, need for bulk and cost effective procurement, and easy market access to farmers.
2. **Time of Contract:** it includes pre-harvest and post-harvest.
3. **Minimum Size of Contractual Acreage:** may vary from commodity to commodity. The unit of measurement may vary from area/acreage for crops to quantity say number of animals in case of dairy.
4. **Registration Process:** the registration process includes the registration fees and signing a simple document
5. **Partners in the Consortium:** the contract farming includes State government / board (in case of plantation crops such as spices board, tea board etc, financial Institutes-NABARD, Banks, input Providers, service providers and insurance providers.
6. **Insurance supplied:** the insurance supplied in contract farming includes life insurance and crop insurance.
7. **Inputs provided:** during the contract the company under the contract supplies fertilizers, seeds, and pesticides.
8. Services provided in contract farming are extension services and monitoring quality.
9. **Quantity Specifications:** it includes main products and the byproducts.
10. **Harvesting Time:** the harvesting time will be decided by corporate and also by producer.
11. **Price Fixation Criteria:** the price fixation criteria followed in contract farming includes pre fixed (including or excluding cost of handling, packaging, transport, taxes and octroi), market base and pre-fixed with market link component.
12. **Procurement Strategy:** the procurement strategy followed in contract farming includes (a) Delivery taken at farm gate (b) Delivery taken at factory/godown gate. (c) Delivery at designated Mandis.

13. **Packaging:** (a) Provided by the buyer at his cost (b) Provided by the producer at his cost Contract Farming.
14. **Handling:** (a) Cost borne by the producer. (b) Cost borne by the buyer
15. **Transport:** (a) Arranged and paid by the producer up to delivery point. (b) Arranged and paid by the buyer up to delivery point. (c) Arranged by producer but paid by the buyer at delivery point. (d) Transport subsidy paid by company / government / board.
16. **Mode of Payment:** (a) Cash. (b) Cheque.
17. **Time of Payment:** (a) Part or full payment immediately. (b) Remaining part or full payment in a given time period (week, fortnight, month). (c) As per specified payment schedule. Karnataka has opened the doors for contract farming and entry of major players into trade in agricultural commodities.

CONCLUSION

Contract Farming is not a panacea to solve all related problems of agricultural production and marketing systems. But contract farming could be evaluated as a way of providing earlier access to credit, input, information and technology and product markets for the small scale farming structure. Contract farming might also be seen as a way or as a part of rural development and promoted to improve agricultural performance. Besides farming to both sides, there are some problems. For successful implementation of contract farming, having co-ordination and collaboration consciousness and acting in an organized manner are advisable for both sides. On the Other hand, Government attitudes and incentives are also important aspects.

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ROLE OF SELF HELP GROUPS IN WOMEN EMPOWERMENT

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ABSTRACT

Women constitute half of world population. Their role is indispensable in the society. But they are deprived of their basic rights. Domestic violence, economic and educational discrimination, reproductive health inequities and harmful traditional practices, remains the most pervasive and persistent form of inequality in the society. Therefore a need is felt to empower them. Evolution of the concept called Self Help Group (SHG) is a ray of hope in the dark for the governments to empower women. It has the potential to address many of the problems that the women are facing due to disempowerment and really can bring a considerable change in their lives. In this article an attempt is made to know women empowerment, its dimensions, concept of Self Help Groups, and their role in women empowerment followed by conclusion.

Key Words: Women Empowerment, Self Help Group, Role

INTRODUCTION

Women Empowerment – Definition:

Women Empowerment can be simply defined as creating an environment where women are given the power to make decisions pertaining to their own lives. However, there is a widespread literature available on definition of Women Empowerment. The following are worth mentioning.

United Nations (2001) defines empowerment as the processes by which women take control and ownership of their lives through expansion of their choices. The World Bank's Empowerment and Poverty Reduction: A Source Book, defines empowerment in its broadest sense as the "expansion of freedom of choice and action" (Narayan, 2002). Kabeer (1999) refers women empowerment as the processes by which those who have been denied the ability to make choices acquire such ability. Women empowerment takes place at a hierarchy of different levels – individual, household, community and societal. (Thelma Kay, 2002)

WOMEN EMPOWERMENT – DIMENSIONS

According to Kabeer (1999), empowerment cannot be reduced to a single aspect of process or outcome. Thus women empowerment embraces all the spheres of life that has direct or indirect impact on Women. Moreover, empowerment perceived by outsiders might not necessarily be those most valued by women themselves. (Deepti Umashankar, 2006) Few women perceive empowerment as enjoying equal rights to that of their husbands whereas few perceive it as their value in the eyes of husbands. This is due to differences in cultures.

Chen and Mahmud (1995) have given four dimensions of empowerment i.e. material, cognitive, perceptual and relational. (Deepti Umashankar, 2006)

- Material empowerment occurs through expansion of material resource base of women.
- Cognitive empowerment occurs from women's recognition of their own abilities and skills, indicated by greater self esteem and confidence.
- Perceptual empowerment occurs through changes in how others perceive them, indicated by increased social prestige and value.
- Relational empowerment takes place through changes in gender relations within the family and in the broader society, indicated by gender reduction in inequality in relationships.

Mayoux (2000) has also given four dimensions of empowerment but linked them with power. (Deepti Umashankar, 2006) Those dimensions are:

- 'Power within', enabling women to articulate their own aspirations and strategies for change;
- 'Power to', enabling women to develop the necessary skills and access the necessary resources to achieve their aspirations;

- ‘Power with’, enabling women to examine and articulate their collective interests, to organize, to achieve them and to link with other women and men’s organizations for change; and
- ‘Power over’, changing the underlying inequalities in power and resources that constrain women’s aspirations and their ability to achieve them.

These power relations operate in different spheres of life (e.g., economic, social, political) and at different levels (e.g., individual, household, community, market, institutional).

There are four dimensions of women empowerment viz. personal, economic, social and political. (Ghadoliya, 2004) There is a misconception that women empowerment is directly linked to political empowerment. However, Empowerment is not essentially political alone; it is a process having personal, economic, social and political dimensions with personal empowerment being the core of the empowerment process. In fact political empowerment will not succeed in the absence of economic empowerment.

John Snow Inc (JSI) researchers identified six general areas or domains in which empowerment of women can occur. They are: (Deepti Umashankar, 2006)

- A sense of self and vision of a future
- Mobility and visibility,
- Economic security,
- Status and decision-making power within the household,
- Ability to interact effectively in the public sphere
- Participation in non-family groups.

This list of dimensions of women empowerment discussed above is impressive and far reaching. Indeed, one can say that the dimensions of women empowerment have their presence in each and every aspect that can affect their lives.

SELF HELP GROUP (SHG) – DEFINITION

A Self Help Group (SHG) is a group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of members. They agree to save regularly and convert their savings into a Common Fund known as the Group Corpus. (Mukesh Arora, 2012) A Self – Help Group (SHG) can also be viewed as a small voluntary association of poor people, preferably from the same socioeconomic background. They come together for the purpose of solving their common problems through self-help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank. This common fund is in the name of the SHG. Usually, the number of members in one SHG does not exceed twenty. (Ghadoliya, 2004)

Further, A Self Help Group can be defined as a group consists of 10-20 members drawn from a relatively homogeneous economic class (i.e. poor), self selected on the basis existing affinities and mutual trust; members meet regularly at a fixed time and place and pool their savings into a common fund from which they take need based loans. The group develops its own rules and regulations and sanctions for violations; the meeting procedures and processes, leadership change norms, intensive training and handholding, are designed to enable SHGs to function in a participatory and democratic manner. According to Fernandez (1998), the objectives of the SHGs go beyond thrift and credit and include the overall development of members in the social, political, cultural and economic arena; thus the SHGs are ‘credit plus’ institutions (Deepti Umashankar, 2006)

CONCEPT OF SHG

The concept of SHG is based on the following principles: (Ghadoliya, 2004)

- Self-help supplemented with mutual help can be a powerful vehicle for the poor in their socioeconomic development;
- Participative financial services management is more responsive and efficient;
- Poor need not only credit support, but also savings and other services;
- Poor can save and are bankable and SHGs as clients, result in wider outreach, lower transaction cost and much lower risk costs for the banks;

- Creation of a common fund by contributing small savings on a regular basis;
- Flexible democratic system of working;
- Loaning is done mainly on trust with a bare documentation and without any security;
- Amounts loaned are small, frequent and for short duration;
- Defaults are rare mainly due to group pressure; and
- Periodic meetings non-traditional savings.

ROLE OF SHGS IN WOMEN EMPOWERMENT

Participation of women in SHGs has remarkable impact on empowerment. It helps women to understand and realize their unique potential, develop courage to think and act independently, express what they desire, suffer, feel, speak out and express freely, and explore their distinct growth and development. Significantly, almost all the women have goals for the future, perhaps linked to their greater sense of self efficacy and belief in their ability to actualise them. (Deepti Umashankar, 2006)

Though various authors have given different number and titles for women empowerment dimensions, all of these dimensions are grouped into five dimensions for simplicity. They are; Economical (material), Psychological (cognitive), Relational, Social and Political dimensions. Further Participation in SHGs primarily results in economic empowerment which results in psychological empowerment which again results in relational empowerment which further results in managerial empowerment and at the end political empowerment, the highest level of empowerment. The sub dimensions of each of the empowerment dimensions are given below.

- 1. Economic (Material) Empowerment:** Scholars who have done extensive research on the role of SHGs in economic empowerment of women have observed the following changes in the women.
 - Expansion of material resource base (Deepti Umashankar, 2006)
 - Ability to make large and small purchases (Hashemi et al, 1996)
 - Able to start micro and small enterprises (Sanjay Kranti Das, 2012)
 - Income and consumption smoothing (Sanjay Kranti Das, 2012)
 - Creation of assets (Sanjay Kranti Das, 2012)
 - Ownership of productive assets including house, land, cash savings etc (Hashemi et al, 1996)
 - Economic security (Deepti Umashankar, 2006)
 - Control over economic resources (Sanjay Kranti Das, 2012)
 - Accessibility to necessary resources to achieve their aspirations (Mayoux, 2000)
 - Able to make investment on education, health, housing and marriage etc. (Deepti Umashankar, 2006)
 - Providing emergency assistance to the family (Sanjay Kranti Das, 2012)
 - Meeting the expenditures that are integral part of daily life (Deepti Umashankar, 2006)
 - Reduced poverty (Mukesh Arora, 2012)
 - Reduced economic dependency on men (Ghadoliya, 2004)

Thus economic empowerment is achieved.

- 2. Psychological (Cognitive) Empowerment:** The research work of scholars on the role of SHGs in psychological empowerment of women, have shown following outcomes.

Economic empowerment of women has resulted in psychological empowerment in the following dimensions;

- Improvement in courage (Ghadoliya, 2004)
- Growing Sense of self and vision of future (Deepti Umashankar, 2006)
- Self worthiness (Ghadoliya, 2004)
- Self esteem and confidence (Deepti Umashankar, 2006)
- Recognition of their own abilities and skills due to self esteem and confidence (Deepti Umashankar, 2006)
- Able to realize their identity, capability, strengths and power (Deepti Umashankar, 2006)
- Ability to define one's goals and act upon them (Kabeer, 2001)
- Have goals for future and linked with greater sense of self efficacy (Deepti Umashankar, 2006)
- Articulation of own aspirations and strategies for change (Mayoux, 2000)
- Change in the perceptions, feelings of their own strengths (Deepti Umashankar, 2006)
- Mounting consciousness amongst them about their abilities (Deepti Umashankar, 2006)
- Enhancement of inherent strengths and positive self image (Deepti Umashankar, 2006)
- Able to overcome shyness and talk and act confidently in the public forums (Deepti Umashankar, 2006)
- Improvement in literacy level (Sanjay Kranti Das, 2012)
- Increased awareness and knowledge (Deepti Umashankar, 2006)
- Awareness of rights (Deepti Umashankar, 2006)
- Awareness on health and sanitation (Sanjay Kranti Das, 2012)
- Awareness on children education, food and nutrition and environment (Sanjay Kranti Das, 2012)
- Individual development and growth (Deepti Umashankar, 2006)

To sum up, women say they feel “calmer”, “independent”, and “happy” and declare that they experience “an end to their difficulties” and that they can “cope better”. (Deepti Umashankar, 2006)

3. Relational (Family and Society) Empowerment: Economic and psychological empowerments of women have resulted in gaining the value in the family as well as society. Thus, there is a change in gender relations in the family as well as society. The relational empowerment of women has found in the following aspects.

- Status and decision making power within the household due to their contribution to the family (Deepti Umashankar, 2006)
- Contribution to health and productivity of whole family (Mukesh Arora, 2012)
- Change in the attitude of husband/ household/ society (Deepti Umashankar, 2006)
- Changes in gender relations within family and in broader society (Thelma Kay, 2002)
- Increased bargaining power vis-à-vis other family members (Deepti Umashankar, 2006)
- Involvement in major decision making such as purchasing of land or rickshaw or livestock for earning purposes (Hashemi et al, 1996)
- Reduced gender based violence (Mukesh Arora, 2012)
- Social mobility and visibility (Deepti Umashankar, 2006)

- Participation in non family groups (Deepti Umashankar, 2006)
- Development of networks and interacting with them (Deepti Umashankar, 2006)
- Ability to interact effectively in the public sphere (Deepti Umashankar, 2006)
- Recognition in the society (Deepti Umashankar, 2006)

To sum up, they have become economic change agents in the family and social change agents in the society. (Sanjay Kranti Das, 2012)

4. Managerial Empowerment: The following effects have been observed as a result of women participation in SHGs with respect to their managerial abilities.

- Able to organise themselves into groups and formulate their collective interest (Mayoux, 2000)
- Group management (Sanjay Kranti Das, 2012)
- Able communicate opinions freely (Sanjay Kranti Das, 2012)
- Able to set micro enterprises (Sanjay Kranti Das, 2012)
- Skill development to achieve their aspirations (Sanjay Kranti Das, 2012)
- Development in planning, coordinating, decision making and financial skills as group leaders (Sanjay Kranti Das, 2012)
- Formation of social capital, where people learn to work together for a common purpose in a group or organization (Sanjay Kranti Das, 2012)

To sum up, There were certain misconceptions about the poor people that they need loan at subsidized rates of interest on soft terms, they lack skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experiences of several and SHGs reveal that rural poor are actually efficient managers of credit and finance. Availability of timely and adequate credit is essential for them in their enterprises rather than subsidies. (Ghadoliya, 2004)

5. Political Empowerment: There is a saying in the politics, “In any civilisation, the community that will not get the opportunity to rule, will perish soon”. Women are not exempted from it. Their basic rights will be at threat, if they are not empowered politically. The Scholars who have done extensive research on the role of SHGs in political empowerment of women have found, “Though women face handicaps to their involvement in politics, due to their belief that only the male are the political screen actors, perception that it requires huge funds to contest in elections and still the winning is not certain etc. But, their participation in SHGs has altered them, and these women are the prospective leaders in the local political field. (Sanjay Kranti Das, 2012) This is due to the fact that the very process of making decisions within the group is an empowering process and thus can be broader development outcomes, such as the greater participation of women in local government processes, and so on. (Mayoux, 1995) Further, increase in political awareness such as knowledge of key national and political figures and the law on inheritance and participation in political action of various kinds have given a fillip to it. (Hashemi et al, 1996)

CONCLUSION

Women are disempowered even in this 21st century. Discrimination against women and girls including gender-based violence, economic and educational discrimination, reproductive health inequities and harmful traditional practices, remains the most pervasive and persistent form of inequality in the society. This has resulted in circumscribing their lives with stress, poor self-esteem, and dependency, no sense of self and vision of future, etc. They are not empowered even to make decisions with respect to the issues pertaining to their own lives. Participation of women in SHGs has the potential to change this scenario. It empowers the women along the dimensions such as economic, psychological, relational, managerial and political. Therefore, the role of SHGs in empowerment is admirable. Women in general and rural women in particular who want to empower themselves, must associate themselves with SHGs to get empowered. Governments must put efforts to further popularise this concept by strengthening SHGs in such a way that suits their women citizens' requirements.

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**EVALUATION OF PRODUCTIVITY AS A KEY TO ECONOMIC GROWTH AND DEVELOPMENT
IN NIGERIA**

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ABSTRACT

Productivity and economic growth are sine qua non to national development. This paper evaluated the role of Productivity as a key to economic growth and development in Nigeria. Education and Infrastructure were used as major productivity components for the evaluation. It was found that average private rate of return to primary education in developing countries was 29%, while the returns to secondary and post secondary education were 18% and 20%, respectively. It was also found that majority of individuals in developing countries are not wage earners. For example, only 20% of working individuals in Ghana were wage earners. Similarly, wage earners made up to 15% of work force in India, 19% in Haiti, 20% in Nigeria, and 11% in Togo. From the foregoing, it is clear that to attain significant accelerated development over the next 10 -15 years, Nigeria will have to expand its infrastructural development funding in tangible capacities by 24% of GDP over 10 years or 18% of GDP over 15 years to catch-upwith the Asian Tigers. For Nigeria's economy to grow, strategic investment in human capital and physical infrastructure are key elements, and private investors should be encouraged by government to assist in these areas.

Key words: Productivity, Evaluation, Economic growth and development.

INTRODUCTION

It has long been recognized that, the crucial role of productivity in National Economic Growth and Development cannot be overemphasized, because productivity is the most determinant of real economic growth, social progress and improved standard of living. Therefore, productivity in economic term is the output per unit of factor input over a specific period of time. It is also the ratio between the output of wealth produced and the input of resources consumed in the process of production, which is important as a method of achieving faster economic growth, while on the other hand, economic growth depends on both the growth of resources and technological progress, as advancement in technology allows resources to be more productively developed. Michael Todaro (1985;83), posits that rapid gains in overall and per capital GNP(Gross National Product) growth either “trickle down” to the masses in the form of jobs and other economic opportunities or create the necessary conditions for the wide distribution of the economic and social benefits of growth. Productivity therefore, becomes imperative.

The definition of productivity usually varies from the economic and the business manager. The economists define productivity as the ratio of output per unit of factor input over a given period of time. However, business managers tend to reject the economists' definition and view productivity as a measure of overall production efficiency, effectiveness and performance of industrial organization in which they believe that productivity means quality of output, workmanship, adherence to standards, absence of complaints, customer satisfaction, turnover rates, absence of disruption, trouble and other evidence of difficulty in organizations, as well as such quantitative measurements in boosting the productive morale. Thus productivity is what gives a country the competitive edge. Therefore, a nation must work hard to produce goods and services that will compete favourably with other nations. Udabah, et al (1998) noted that every developed country should be conscious of the relationship between her level of productivity and the ability to compete with other developed countries. According to Jhingan (2005), most developing nations like Nigeria have low production level which translates into low productivity.

PRODUCTIVITY IN THE PROCESS OF ECONOMIC GROWTH

In recent studies, economic growth has been linked to growth in productivity. Investments in tangible and non-tangible materials are critical drivers for productivity growth in Nigeria (CBN, 2010).

Infrastructural investment plays a critical role in development through its impact on productivity growth. Productivity is affected by input factors at different levels.

1. At individual level such as health, education, training and core skills and experience.
2. At the enterprise level such as investment in plant and equipment.

3. At the national level such as macro economy and competition policies, and public investments in infrastructure and education.

Studies have shown the handsome returns to various forms of human capital accumulation: basic education, research, training, learning and capacity building. Education enriches people's understanding of themselves and the world. It improves the quality of their lives and leads to broad social benefit to individual and society. Education raises people's productivity and creativity and promotes entrepreneurship and technological advances. This has been demonstrated in several countries such as Malaysia, Bolivia, China (World Bank, 1999).

Schumpeter (2004) has earlier stressed the role of innovation (which is a by-product of education) in the process of economic growth. This, he asserted, can be achieved by assigning key role to entrepreneurs particularly because of their ability to innovate which could be seen in different ways such as creation of new products, and new markets; designing of more cost effective method of production; and organizational restructuring. The World Bank Development Report (1997) examines how knowledge influences development. The report reinforces some well – known lessons, such as the value of knowledge gained through trade and foreign investment. It also highlights others that have sometimes been overlooked, such as how imperfect information leads to failure in all markets and the importance of institution to facilitate the flow of information.

Moreover, the report looks at the role of knowledge in development, examining difference in knowledge across and within the countries, the impact of knowledge gaps and information failures on development, and the way in which governments in developing countries and international institutions can foster development by addressing these issues. Similarly, the report observes that the acquisition of knowledge and information is becoming increasingly critical to economic growth as science and engineering findings proliferate and take on ever-greater importance in production of goods and services. As information grows exponentially and as its incorporation in the production processes becomes increasingly complex, the ability to acquire, adopt, and adapt a new knowledge will be an important determinant of economic growth. This perhaps must have heightened the need to investigate the link between education and economic growth (Isola, 2002).

A review of literature on the link between education and economic growth is very illuminating. While many studies have found that additional years of education per person in the labour force increase real output or growth rate (World Bank, 1991; 1993), some studies reported that human capital accumulation has had a significant negative or an insignificant impact on economic or productivity growth. The literature on return to human capital in developing countries focuses predominantly on measuring the returns to additional years of schooling for wage earners. Psacharopoulos (2004) summarizes the results from more than 55 wages studies from Africa, Asia, and Latin America. These summaries present a consistent pattern of very large returns to primary education and somewhat smaller returns to secondary and post-secondary education. Psacharopoulos (2004) found that average private rate of return to primary education in developing countries was 29%, while the returns to secondary and post secondary education were 18% and 20%, respectively. The main problem with the focus of this study is that majority of individuals in developing countries are not wage earners. For example, only about 20% of working individuals in Ghana were wage earners at that time. Similarly, wage earners made up to 15% of work force in India, 19% in Haiti, 20% in Nigeria, and 11% in Togo (World Bank, 1995).

MEASUREMENT OF ECONOMIC GROWTH

National productivity is computed by taking the entire economically active population as input and the total value of goods and services produced as the output. National output is represented by the value of the Gross National Product (GNP). It is expressed mathematically thus,

$$\text{National Productivity} = \frac{\text{GNP}}{\text{Working Population}}$$

In Nigeria, Gross Domestic Product (GDP) values are often accepted from GNP. This explains why the contribution made by foreign nationals to the nation GNP is very small and less than one (1%) percent. The growth of the Gross Domestic Product has often been used as an index of development partly because; social progress is associated with GDP growth. The above empirical relationship is taken from the concept of productivity. By this concept, we are measuring some relationship between the quantity and quality of goods

and services produced (output) and the quality of input resources used to produce it that is labour, capital, raw material and other miscellaneous goods and services.

From our formula of national productivity, labour is only one input in the production process. However, there are several reasons for choosing labour as a primary tool of measurement. First, its importance derives from the central position of labour in a society, where in Marshall's words man is both the end and agent of production Nitoy, et al (2003). However, labour productivity cannot be a substitute for all value of production but, its role obscures the relative efficiency with other factors that are used.

Taking a closer look at these factors that make or mar productivity, there is no gainsaying that investment is not only in physical structures but in social infrastructure such as education and health.

(Calferon and Serven 2004) in assessing the role of infrastructure in economic development concluded that effective infrastructure provision is positively linked to economic growth and income generation.

HUMAN CAPITAL DEVELOPMENT AND PRODUCTIVITY

The Organization for Economic Cooperation and Development [OECD] definition of human capital is the "knowledge" skills, competencies embodied in individuals that facilitate the creation of social and economic well being. Invariably the knowledge and skills that a worker has, which can be acquired or added to or from education and training, culminates in a load of productive capital.

In order to appreciate the relationship between human capital and economic development, the real link between skills and productivity needs to be noted. In most developing countries, it is not the absence of work that stifles economic growth, but rather the prevalence of work that is insufficiently productive to yield a decent income. Emphasis must be placed on improving productivity growth and employment (ILC, 2008). As earlier stated, productivity has been defined as "a relationship between outputs and inputs. It raises when an increase in output occurs with a less than proportionate increase in input, or when the same output is produced with fewer inputs" (ILC, 2008: 5). Productivity is measured in terms of all factors of production combined (total factor productivity) or in terms of labor productivity. Labor productivity can be defined as "output per unit of labor input, measured either in terms of the number of persons employed or in terms of the number of hours worked" (ILO, 2008: 1).

In human capital theory, the lack of internationally comparable data on skill sets of workforce, has led to the use of education attainment and literacy rates as rough proxies for skills in studies (ILO, 2008). Lockheed, Jamison and Lau (1980), they demonstrated that four years of education for farmers makes a difference to agricultural productivity growth of about 10 percent in a modernizing environment.

(Lucas,1988) and (Romer,1986) in their work noted that human capital affects growth increase in educational and training of an individual skills over to other individuals which in the long run make other workers more productive. Also more education and training yields high rate in narration. For instance, increasing average education in the population by one year has a positive relationship between human capital investment and total factor productivity which reflects the GDP of a nation.

At the macro economic level, (Baldacci, et al,2004) showed that an increase in one (1%) percentage point in the composite enrollment rate is associated with 0.1 percentage point increase in per capital GDP growth. This, they attributed to the use of educated and other skilled inputs which invariably accounted for increased productivity and technological growth that stimulate economic growth in GDP.

From the foregoing, it is evident that a well trained population is important for the social and economic well being of a country . With investment in education the individual is provided with the knowledge and skills and competence to participate actively in society.

It is evident that labour productivity plays a key role in the determination of economic performance. Nigeria needs to improve the quality of labour by ensuring that graduates are skilled and employable. For Nigeria to remain the giant of Africa, skills acquisition through investment in human capital is key to economic growth just like Spain and South Korea. Therefore, if output is to be enhanced, the government as the main employer of labour in the present day economy has to take the leading role in human capital formation and also partner with the private sector to achieve a sustainable growth in human capital.

INFRASTRUCTURE AND PRODUCTIVITY

Infrastructure is more than factor of production, but rather a veritable condition for increased rate of economic growth. Canning and Petroni (2004) observed that in majority of cases, infrastructure stimulates long run growth effects. Udjo et al. (2000) in corroborated this. In their view, they noted that infrastructure has both direct and indirect impact on the growth of an economy. Infrastructure is said to add to economic growth and development by raising efficiency and providing facilities which enhance the quality of life.

Infrastructure as defined by Akinyosoye (2010) is the “unpaid factor of production” which tends to raise productivity of other factors while serving as intermediate inputs to production. The services engendered as a result of an adequate infrastructure base will translate to an increase in aggregate output. Nigeria’s infrastructure spending contributed a 1.9% (approximately \$4 billion) per annum to GDP. National Bureau For Statistics (NBS,2013).The Asian Development Bank reports stated that for a developing country to sustain growth and development, 6% of GDP should be invested on infrastructure. Sanusi(2010),also reported that Nigeria invests about 7% of GDP on infrastructure, which is above the average for Sub-Saharan Africa

Infrastructure can also be described as facilities and services which enhance the physical, social and economic development of a nation and her people. Adeyinka et al (2011) stated that “infrastructure which assumes several meanings, covers transport, building, power, health, tourism, communication facilities, land and country planning, demographic structure control, etc”. The manner in which provision of this basic infrastructure are dispensed to meet the demand of public in general will determine the level of economic activities and in turn, the over all development of a nation. Still speaking further on infrastructure, they described infrastructure as the “wheel of economic activity”. Infrastructure helps to determine the success of manufacturing and agricultural activities. Investments in water, sanitation, energy, housing, and transport improves lives and help to reduce poverty. According to World Bank, New information and communication technologies promote growth, improve delivery of health and other services, expand the reach of education, and support social and cultural advances.

Infrastructure services tend to raise productivity of other factors. There is also the body of works that have found some positive impact of infrastructure on growth (Aschauer, 1989; Barro, 1990; Canning and Pedroni, 2004; Sanchez-Robles, 1998; The World Bank, 1994). In Nigeria, Akinlabi et al. (2011) examined the impact of investment in public infrastructures on poverty alleviation and consequently economic development. Also a study conducted by (Ijaiya and Akanbi, 2009) found long term linkages between infrastructure and economic growth. In a study conducted by Kweka and Morrissey (1999), in Tanzania on government spending and economic growth, it was established that public investment on physical infrastructure and human capital contributed positively to economic growth.

In related studies on Saudi Arabia by, Al-Yousify (2000), and Abdullah (2000), independent of one another, it was discovered that government expenditure contributed to economic growth. Similar outcome was arrived at in India in the study by Ranjan and Sharma (2008). Better roads and rail systems can enable increased intra-continental trade and investment; increased power generation enhances the productivity of businesses and manufacturing; better communication services can facilitate financial transactions; access to clean water and sanitation improves the general health of the population, thus enabling more people to work and contribute productively to the economy. Sanusi,(2012).

Infrastructure is a key component of the investment climate, reducing the cost of doing business and enabling people to access markets. Good infrastructure is critical to advance in Agriculture. It is a key enabler of trade and integration, important for off setting the impact of geographical dislocation and sovereign fragmentation and critical to enabling Nigeria to break into world market; and is fundamental to human development, including the delivery of health and education services to poor people. Infrastructure investment also represents an important untapped potential for the creation of productive employment.

Infrastructure is important for ensuring that growth is consistent with poverty reduction. Access to at least minimal infrastructure services is one of the essential criteria for defining welfare. The poor can be identified as those who are unable to consume a basic quantity of clean water and who are subject to unsanitary surroundings with extremely limited mobility or communications beyond their immediate settlement. As a result, they have more health problems and fewer employment opportunities. Access to clean water and sanitation has the most obvious and direct consumption benefits of reduction in mortality rate and morbidity. It also increases the

productive capacity of the poor and can affect men and women in different ways. For example, the poor women in particular must commit large shares of their income or time to obtaining water and fuel as well as carrying crops to the market. The time that could otherwise be devoted to high priority domestic duties such as child care, or to income earning activities. Having access to transport and irrigation can contribute to higher and more stable incomes, enabling the poor to manage risks.

It is a reality to assert that, raising agricultural productivity and of rural transport would lead to an increase in the incomes of rural workers and reduction in food prices to the urban poor. These were the results of the integrated rural development launched by 'the Babangida's administration in 1985. An adequate transport network reduces regional variation in food prices and the risk of famine by facilitating the movement of food from surplus to deficit areas. It has been observed (from studies carried out by the USA Agency for International Development in Botswana, Cape Verde and India) that the construction and maintenance of some infrastructure, especially roads and waterworks can contribute to poverty reduction. Also, providing infrastructure would lead to a higher level of economic development. Relaxation centre, city halls, biological and botanical gardens designed for easing stress and holiday travel also helps indirectly in the workforce contribution to economic development. In 1984, 81 percent of the total populations of household's in Nigeria were provided with electricity, out of 376km per million persons paved roads in 1988, 60 percent was in good condition (world development indicators. 1994). As these indicators improved, economic welfare and other development indicators improved notably.

The total stock of Seaports, airport, railway tracks and rolling stocks, roads, pipelines, Inland waterways and their carrying capacities make up the Transport Infrastructure of the Country. It drives the economy towards growth and therefore is capable of distorting growth when it is insufficiently provided and inefficient. Transport Infrastructure is now seen as an important input in the government's agenda for the upliftment of the people and must be coordinated to sustain our level of economic development and growth. Adeniji, (1983) explored the relationship between transportation and economic growth in the context of Nigeria, using annual data set on real GDP and expenditure on transportation for the period of 1975 to 1983. The estimated result of the relationship shows significant and positive relationship between transportation and real GDP in Nigeria. Several other studies have been conducted on the efficiency, operational characteristics and economic effects of urban transport systems in Nigeria (Adeyemo, 1991; Olarewaju, Fadare, Akinlo & Alawode, 1995). Olarewaju, Fadare, Akinlo & Alawode (1995) concluded in their study on transportation system in Nigeria that a tail based mass transit mode is the appropriate response to the urban mobility crises in Lagos metropolis "It is a well known fact that, the 3rd mainland bridge constructed some years back has improved and eased logistic in Lagos". This again has indirectly contributed immensely to improved and timely services of economic units. The results suggest that real gross domestic product in Nigeria increases as government expenditure on infrastructure increases. According to Bruno, Squire and Ravallion (1995), policies that are designed to foster economic growth will significantly and specifically alleviate poverty. As expenditure on public infrastructure increases, there is also the increase in gross domestic product (i.e. economic development), hence a decline in the level of poverty. This means that if government expenditure on public infrastructure falls, the real gross domestic product of the country will equally fall, which negates the essence of transformation agenda in Nigeria.

CONCLUSION

Whether development is measured by capitalist or socialist standards, or by whatever means, the basic and fundamental objective of any meaningful development strategy should be to transform the economy by ensuring the provision of functional public utilities, infrastructure and basic social amenities that will engender qualitative material improvement in the living conditions, well-being and welfare of the citizens, while promoting good governance. There cannot be any meaningful economic growth without a functional infrastructure development. This paper has highlighted the role of Education and Infrastructure as productivity components for economic growth. From the foregoing, it is clear that to attain significant accelerated development over the next 10 -15 years, Nigeria will have to expand its infrastructural development funding in tangible capacities by 24% of GDP over 10 years or 18% of GDP over 15 years to catch-up with the Asian Tigers. For Nigeria's economy to grow, strategic investment in human capital and physical infrastructure are key elements, and private investors should be encouraged by government to assist in this areas. However, the enabling environment has to be created for them to operate. This of course will enable the country realise her target of being among the economic giants in the year 2020.

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**INTELLECTUAL PROPERTY RIGHTS AS A TOOL FOR COMPETITIVE ADVANTAGE WITH
SPECIAL REFERENCE TO INDIAN SMALL AND MEDIUM INDUSTRIES**

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ABSTRACT

In the Post liberalization era Indian market has become highly competitive. Many multinational companies have entered in to the Indian market in areas like FMCG, Consumer Durables, Automobiles, Pharmaceuticals, Insurance and Financial services. With the elimination of License Raj the Indian small and medium Industries are facing real threat from multi national companies. India being member nation of WTO and participant of TRIPS has to modify her statues to make her IPR regime TRIPS compliant. Indian companies have to become highly innovative and harness IPR for strategic competitive advantage. In the above context the paper analyses the impact of TRIPS on Indian small and medium Industries and the strategies to be adopted by Indian Industries to meet the challenges of multinational and transnational companies.

Keywords: Competition, Industry, Intellectual Property rights, TRIPS, WTO.

INTRODUCTION

Indian Business environment has become fiercely competitive in the post liberalization era. Indian companies are competing with the multinational companies in FMCG, engineering, automobiles, durables biotechnology, pharmaceuticals, IT, banking, insurance and finance sectors. Indian companies must total shift from cost to innovation to remain competitive.

Today India has become potential market for many multinational and transnational companies. India middle class of 300 million is bigger than the countries of the U.K. Italy, and France combined.

INTELLECTUAL PROPERTY RIGHTS OVERVIEW

The General Agreement on Tariffs and Trade (GATT) was established in 1948 (India was the founder member), its objectives being removal of trade barriers promotion of world trade and resolution of the disputes. A strong multilateral trading system was evolved through a series of negotiations on round held under GATT. The 1986-94 Uruguay round led to the creation of the world trade organization (WTO). The WTO, the successor of GATT came in to existence on January 1, 1995. It has a membership of countries (as of January 2002).

Many products that used to be traded as low- technology goods or commodity now contain a higher proportion of invention or design in their value and creators can be given 'Intellectual Property Rights' (IPR) or the right to prevent others from using their invention designs or other creations. The WTO Agreement on Trade Related Aspects of intellectual Property Rights (TRIPS) is an attempt to protect rights around the world. The rules state how copy rights, patents, trademarks, geographical names to identify products, industrial designs, integrated circuits lay-out designs and undisclosed information such as trade secrets should be protected where trade is involved. As a participant in the TRIPS Agreement, India is obliged to modify her statutes to make her IPR regime TRIPS compliant. A general_ transition period of five years was granted to member countries with an additional five years to developing countries like India.

The property components falling under the purview of each IPR are given in Box. 1

Patents:

Process, Products

Apparatus capable of industrial application

Designs:

Shapes, Ornamentation

Trade Marks:

Marks to distinguish goods – words, signs or combinations

Copyrights:

Musical work, Artistic work

Literacy work, e.g., books, periodicals, lectures, plays, maps, art, reproductions, models, photographs, computer software.

INDIAN INDUSTRIES IN POST LIBERALIZATION ERA

India is one of the fastest growing economies in the world. According to recent Goldman Sachs study of India along with China, Russia and Brazil (BRIC) will dominate the global economy in the next fifty years. Taking into consideration the present growth in GDP, this is around 7% the Indian economy in on way to realizing its immense potential. Since 1991, the GDP has shown from Rs. 6.93 lakh crore to Rs. 22.94 lakh crore.

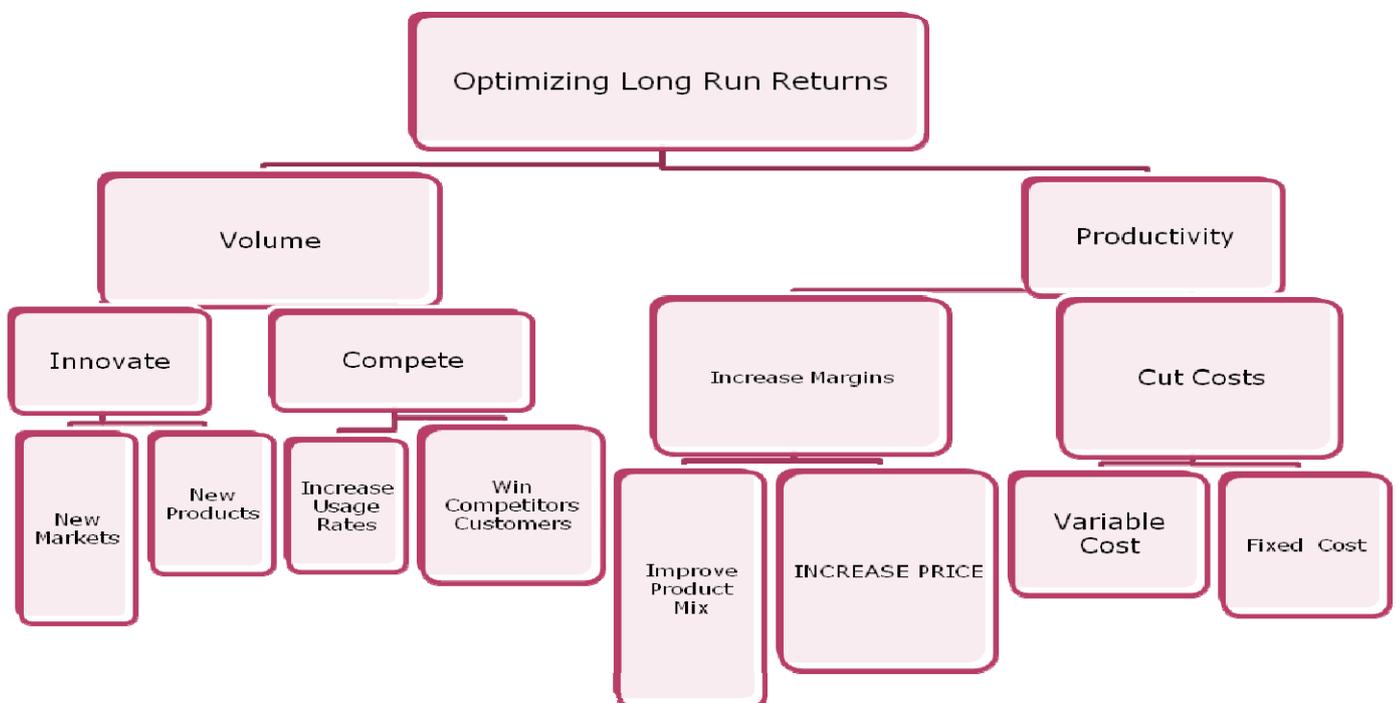
Indian manufacturers may be of a disadvantage in terms of capital cost and infrastructure, but there is tremendous potential in labor-intensive industries, whose exports according to Accenture could incur from \$32 billion to \$98 billion by 2016.

After liberalization, Indian government has come out with trade politics to promote foreign direct investments and to reduce trade barriers. The Indian government has joined the global mainstream licensing industries and inviting foreign investment. This has helped the Indian companies to improve their competitiveness by following best of the industry practices. The strength of the Indian industry in the low cost of production and availability of skilled manpower.

WINNING STRATEGIES FOR SMALL AND MEDIUM INDUSTRIES

Indian small and medium industries are facing real threat in the open economy. Each company must its winning formula and works on it to succeed in its endeavor to success. The Indian companies who adapted their strategies to the market requirement have proved their competitiveness. The companies has to come out with the strategies to optimize the return in their respective business.

The following chart in fig. 1 shows the method

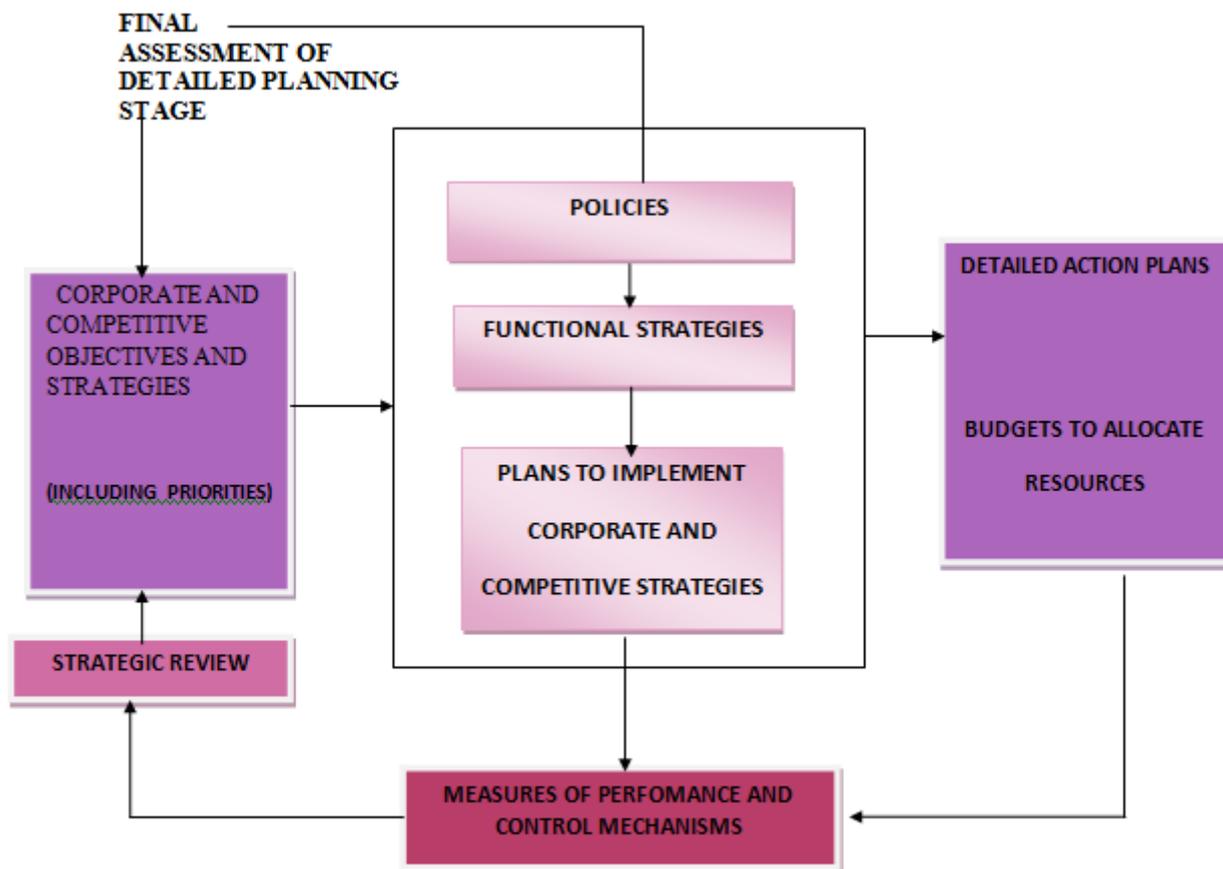


INNOVATION THE WINNING MANTRA

The companies must innovate and introduce periodically products with greater differentiation. The companies must explore new markets for the existing products. New products may be the line external of existing core businesses. The careful process of screening new ideas, developing the product, thoroughly testing prior to

launch would ensure success. Corporate and competitive strategies are formulated taking into consideration both organizational objectives and the opportunities and threat perceived in the environment. The possible strategies should match with the resources available. Efficient strategic management requires congruence between environment values and resources.

Indian companies should build their own brands and differentiate their products with innovative features and benefits. This would help the companies to increase their market share. Effective pricing, distribution, advertising and sales promotion strategies should follow this



Operational Aspects of Strategy Implementation

The implementation of a strategy results in a series of plans, programmes, and projects. Resource allocation is done for implementing these. Implementation control may be put in to practice through identification and monitoring of strategic thrust such as an assessment of the marketing success of a product after pretesting or checking the feasibility of a diversification programme after initial attempt seeking technological collaboration. Patenting is a result of the business needs of an organization its technology focus, research concentration and proactive and reactive response to its competitors.

Appropriate, timely patenting and an effective patent portfolio would help the companies to derive competitive advantage. Norio Ohgma, Chairman and CEO of Sony once said, “ At Sony, we assume a product of our competitors will have basically the same technology, price, performance and feature Design is the only thing that differentiate our product from another in the market place.” Indian companies have to patent new designs for differentiating their products from competitors. Indian companies must harness IPR for competitive advantage and face the challenges of 21st century.

IPR AS A TOOL FOR COMPETITIVE ADVANTAGE

The companies must patent their innovative products to differentiate their products. This would help the company to position the product as a premium product and can adopt skimming pricing strategy. The innovative products also would influence the channel partners and companies will get required support from both channel members and sales people.

This would also increase the entry barrier and give sufficient time to recover R& D cost and earn considerable profit. Companies marketing communication should highlight on product differentiation advantages and benefits. Companies have to important Customer Relationship Management for better customer relations and services. They should first retain existing customers and then look for new customers.

Today's competitive business environment makes the Indian companies vulnerable to the competitors from multinational and transnational companies According to Christopher Lorenz " The old weapons achieving real differentiation have become inadequate. No longer can comparative advantage be sustained for long through lower costs, or higher technologies..... The design dimension is no longer an optional part of marketing and corporate strategy, but should be at their very core".

Tom Paters in his book titled 'The circle of Innovation 'says, "I spend a lot of time in India, to learn way around, I read up, at least a bit, on Hinduism. Its three principal gods are Brahma (Creator) Vishnu (Preserver) and Shiva (Destroyer). This troika describe just about all you need to know about business (or perhaps anything else..... as the Hindus would have it). Every enterprise, public or private is about balancing system/infrastructure/regularity/consistency.... i.e., preservation and remembering... and investing the new... i.e., creation... ..and forgetting the old.... i.e., Indian companies must inspiration from this and strive to innovate and excel in their respective businesses.

It is imperative that Indian companies come out with innovative products and protect these new products through appropriate intellectual property rights (IPR). This would help the Indian companies to over the competition from multinational and transnational companies.

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SOCIAL NETWORKING: AN OVERVIEW

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ABSTRACT

Social networking on the Internet was started in late 1990s specifically in 1997. According to Wikipedia the active social networking sites are more than 170. It is a service of Web 2.0 technology. This is a web-based service that allows individuals to construct a public or semi-public profile within a bounded system for uploading of video and audio files, photos and sharing of the same, discussion forums/electronic bulletin boards, blogs, chat rooms, instant messenger, e-mail, or private messaging, and many more and concluded that social networking sites have a great impact on library and information services. Through these sites Library and information Centres can share the needed information as well as disseminate the information to its valued users on demand.

Keywords: SixDegrees.com, MySpace, Facebook, Flickr, YouTube, aNobil

1 HISTORY OF SOCIAL NETWORKING

The socialising activities on the Internet were started in 1997 with SixDegrees.com, which allowed users to create their profiles and friends list. Early social network sites tended to have a business or dating focus, with the rise of more general sites. Since then the different Internet sites provide different facilities to communicate with known and unknown people. The advancement in Web technologies and its application allowed users to invent new modes to communicate with their near and dear ones as and when they want. The time line of social networks or networking along with their advancement in applications can be glimpsed as under:

- 1978-1993
 - Bulletin board services and EIES (Electronic Information Exchange Service)
 - Server-Based
- 1995
 - Classmate.com
 - Web-based
 - Purpose for users to tie up with former schoolmates
- 1997
 - SixDegree.com
 - Focus on indirect ties, much more interactive with the public
- 1999-2001
 - Epinions.com
 - Circle of Friends founded trust-based and friendship-based
 - More control over the content and connectivity with the users
 - Enable external application to be used
- 2002-2005
 - Friendster.com founded
 - MySpace.com founded (2003)
 - Orkut.com founded (2004)
 - Facebook.com founded (2004)
 - Yahoo!360 founded (2005)
 - Various SNS had adapted different languages and became a method of business strategy ^{1,2}

There is a huge increase in the use of social networking sites. The numbers of social networking sites are numerous, as per the Wikipedia⁴ the active social networking sites are more than 170. Some of the Internet sites are inducing users to create their own social networking sites.

2 SOCIAL NETWORKING DEFINED

The initiation of web 2.0 tools and techniques resulted in a number of services and ideas; notable among them is social networking. Van Zyle points out that “social networking, incorporating web 2.0 technologies, has been

credited with the ability to expand social contacts, accelerate business processes, the improvement of customer relations, cost-effective recruitment of high-caliber staff and the improvement of morale, motivation and job satisfaction among staff". Boyd and Ellison (2007)³ defined social networking as, web-based services that allows individuals to-

- (i) Construct a public or semi-public profile within a bounded system,
- (ii) Articulate a list of other users with whom they share a connection, and
- (iii) View and traverse their list of connections and those made by others within the system.

The sums up the novelty of social networking as it kindled the imagination of users to construct a domain where they can articulate, view and traverse with the list of networked users. An important aspect of social networking is that it allows strangers to meet and at the same time it gives the freedom of articulating one's own ideas and interest. As often it makes uses of websites social networking is often referred to as social networking sites (SNS).

Social networks are built upon a hypothesis that there exists a determinable networking structure of how people know each other. It helps to build a network among the interested group in discussing the common interest.

<http://www.elpub.net/Blog> set up as part of conference 2008

3 CHARACTERISTICS OF SOCIAL NETWORKING

Web 2.0 was coined by Tim O'Reilly. Since then this concept was evolved and developed from the need of Web-based communities and hosted service, which has now been phrased as the next generation of WWW. Web 2.0 technologies are changing and improving the concept of Internet, and it has given new direction to the Internet users like social networking sites, wikis, blogs, and folksonomies by containing the technologies like Weblogs, social bookmarking, wikis, podcasts, RSS feeds, social software, Web application programming interfaces, and online Web services. It allows users to retrieve and manipulate data and information, thus it became the particular Web.

A study conducted by the Ofcom⁵, UK on Social Networking: A quantitative and Qualitative Research Report into Attitudes, Behaviours, and Use. It was explained that social networkers differ in their attitudes to social networking sites and in their behaviour while using them. Ofcom qualitative research indicated that social networking sites users fall into five distinct groups based on their behaviours and attitudes. These are:

- Alpha Socialisers – (a minority) people who used sites in intense short bursts to flirt, meet new people, and be entertained.
- Attention Seekers – (some) people who craved attention and comments from others, often by posting photos and customising their profiles.
- Followers – (many) people who joined sites to keep up with what their peers were doing.
- Faithfuls – (many) people who typically used social networking sites to rekindle old friendships, often from school or university.
- Functionals – (a minority) people who tended to be single-minded in using sites for a particular purpose. (Social Networking: A Quantitative and Qualitative Research Report into Attitudes, Behaviours and Use)

The primary and common characteristics of each and every social networking site include:

- Free registration: Some social networking sites may require payment for extended services.
- Uploading of video and audio files, photos
- Discussion forums/electronic bulletin boards, blogs
- Chat rooms, instant messenger, E-mail, or private messaging⁶

The popularity of social networking has led to the creation of several different genres of communities such as:

- Personal Interest
- Business communities, E-commerce communities (e.g. buying and selling goods)

- Communities of interest (e.g. travel, food, hobbies)
- Fantasy communities (e.g. imaginary online environments, role playing).⁷

These are the characteristics of social networking sites and out of these characteristics some social networking sites may have or may not have certain characteristics:

- Communities for social good (e.g. charity, spiritual growth, personal empowerment, support for people with disabilities).
- Users can create their own detailed profiles.
- Users can search for other profiles, and people they should connect with.
- People can make meaningful relationships.
- People can share their photographs, videos, and other media.
- One of the main characteristics of social networking websites is linking all your contacts and the ability of your friends to link with them.
- Site places an emphasis on the profiles, and the relationship.⁸
- Social networking sites allow people to create and join online networks and communities.
- One of the defining characteristics of social networking is the ability to create a profile or digital representation of oneself, which lists information ranging from age and gender to educational background, employment, and hobbies.
- Social networks often allow users to write blogs; set a brief status message, and upload media, including photos and videos.⁹
- The “networking” aspect of social networking derives from the ability to link your profile to other individuals’ profiles. Usually referred to as “friends” or “connections,” these links between profiles allow social networking users to construct their own personal community of family, friends, colleagues and even strangers who may share similar interests.
- It can allow an individual to find others with the same interests such as dates or other social purposes such as hobbies.
- It can maintain pre-existing social connections.
- It can result in even stronger relationships than face-to-face contact because online interactions can generate more self-disclosures and fostered deeper personal questions without offending the other.
- Many online relationships eventually result in real world contact.¹⁰

4 BENEFITS

There are a number of benefits associated with social networking. They are:

- Provides creators with a global list of contacts, and multi level contacts through the first level of contacts.
- Brings people together to communicate, learn and share
- Brings together people with similar interests
- Forms a platform to moot and regulate ideas
- Provides a flow of information dissemination
- Assists in creating online resources
- Accelerates the process of knowledge dissemination
- Cost-effective marketing tool

Keeping the popularity and impact of such social networking in mind and to experiment with the available technologies in mind and to experiment with the available technologies to advance the symposium, the organizing committee decided to start a social networking site for the symposium.

5 APPLICATION OF SOCIAL NETWORKS IN LIBRARIES

- Libraries can create a page to reach to new users
- Social networking could enable librarians and patrons not only to interact, but to share and change resources dynamically in an electronic medium
- For building network among the interested group in discussing the common interest
- User content can be added to the library catalogue, including users book reviews or other comments

6 SOCIAL NETWORKING SERVICES

The current range of social networking services are available in two formats. Users' Profiles Based and Content Based Networking Services.

Users' Profile Based Social Networking Services: These are primarily organised around members' profile pages – that mainly consist of information about an individual member, including the person's picture and details of interests, likes and dislikes etc. Bebo, Facebook and MySpace are some examples of Users' profile-based services.

Content-Based Social Networking Services: In these services, the users' profiles remain an important way of organising connections, but play a secondary role to the posting of content. Photo-sharing site Flickr is an example of this type of service. Shelfari is one of the current crop of book-focused sites, with the member's "bookshelf" being a focal point of each member's profile. Other examples of content-based communities include YouTube for video sharing and last.fm for listening music.

Beside these, White-label Social Networking Services: Most of the social networking services offer some group-building functionality, which allow users to form mini-communities within sites. Websites such as PeopleAggregator and Ning offer users the opportunity to create and join communities. Users can create their own "mini-MySpaces" small-scale social networking sites that support specific interests, events or activities. Setting up and running a social networking service increases the responsibility and liability of the creator or host for on-site activity.

7 DIFFERENT TOOLS OF SOCIAL NETWORKING

7.1 Communication Tool

MySpace

If you want to go where the students are, one of the best places to find them is MySpace. Other libraries have taken advantage of this site's calendar and blog features to improve their presence. With a little help from your IT department, you can also include custom catalog search tools.

Facebook

It is also a social media site frequented by students, Facebook is librarian friendly. You'll find a group just for librarian-centric Facebook apps, a JSTOR search, and much more. Mark Zuckerberg, inventor of Facebook intended to create a website which emulates MYSpace but designed exclusively for students. What followed on from there was beyond his expectations. With a tagline that states "giving people the power to share and make the world more open and connected. Facebook has 400 million active users in 2010. What was initially created as a communication tool for students has now emerged as a powerful global marketing and communication tool. It is now used by many individuals as well as non-governmental organizations, businesses and educational institutes. Businesses, non-profits, government offices and celebrities use facebook pages to disseminate information, forming an ever-growing simulacrum of the web within facebook's walls.

Meebo

Network and assist students on Meebo, no matter what IM client they use. You can even embed a chat screen on any webpage using this tutorial.

Linkedin

This social networking site for professionals is a great way to get library patrons connected with the people that can help them find information. Whether that's you, faculty, authors, historians, or other sources, they can find them in your LinkedIn network.

Twitter

Use Twitter, a microblogging application, to keep staff and patrons updated on daily activities, like frequently updated collections, or even just scheduling.

7.2 Distribution Tool

Flickr

This image distribution tool is a great way to share new image collections. You can create image sets with metadata, as well as take advantage of the many plugins available for Flickr users. Flickr users can also help gather missing information about images.

YouTube

Spread the word about library events, share citizen journalism, and more on YouTube. You can see how other libraries are using YouTube by checking out the youtube and libraries wiki.

Teacher Tube

TeacherTube, which is a YouTube for teachers, presents an excellent opportunity for instructor-librarian collaboration. Instructors can guide students to helpful library resources, and vice versa.

Second Life

On Second Life, you can create a virtual library with streamed media, discussions, classes, and more. For a good example of a Second Life library, visit the Murdoch second life wiki.

Wikipedia

Wikipedia is an online encyclopedia updated by users. You can use this tool to share your knowledge by editing, or simply point library patrons in the right direction.

PBwiki

PBwiki is the world's largest provider of hosted business and educational wikis. It encourages collaboration from students, a way to showcase work, and offers a central gathering point for information. PBwiki offers controlled access, so you can give some editing privileges, while others can only read.

Footnote

On Footnote, you'll get access to original historical documents, and can update them with your own content and insights. You can even find personal anecdotes and experiences you won't find in reference books.

Community Walk

Community Walk offers a geographical way to interpret text and events. You can use it for instruction, such as showing someone where to find a book, or walk them through a historical and geographical timeline.

SlideShare

Encourage faculty, staff, and students to share their slideshow presentations for the greater community to access community to access on SlideShare. It's a great way to disseminate information.

Digg

Digg is a great way to find useful content that you wouldn't come across in traditional ways. Find stories here, then share them with others using Digg's blog function.

StumbleUpon

Another way to find great content is with StumbleUpon. You can channel surf the Internet to find useful content, research tools, and more.

Daft Doggy

If you've found a particularly good resource, you can use DaftDoggy to create a website tour with instructions, pointing out useful references and items of note.

7.3 Organization Tool

aNobil

This site for book lovers is a place to share reviews and recommendations. You can also take advantage of due date alerts, lending, and discussions.

Del.icio.us

With this social bookmarking tool, you can create a custom directory for library patrons. Teach them to search by your tags, and it will be easy to find useful Internet research links.

Netvibes

In Netvibes' new Ginger beta, you can create a public page that can be viewed by anyone. You can use it to help guide patrons to helpful Internet sources, news feeds, and more. It can be integrated with many of the tools like Flickr and library blogs.

Connotea

Connotea is a great reference tool, allowing you to save and organize reference links and share them with others. They can be accessed from any computer and offer integration with lots of other tools.

LibraryThing

This social cataloguing network is great for librarians, and you can catalog along with Amazon, the Library of Congress, and more than 200 other libraries around the world. You'll get recommendations and easy tagging as well.

lib.rario.us

Another social cataloguing site, you can put media such as books, CDs, and journals on display for easy access and tracking.

8 CONCLUSION

It can be concluded that social networking sites have a great impact on library and information services. Through these sites Library and information Centres can share the needed information as well as disseminate the information to its valued users on demand.

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REGIONAL RURAL BANKS IN THE 21ST CENTURY : CASE STUDY

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INDIAN BANKING INDUSTRY

Indian Banking Industry at present having 1,175,149 workers and has a total of 109,811 branches in India and 171 branches overseas and manages an total deposit of INR 67504.54 billion (US\$1.1 trillion or €860 billion) and bank credit of INR52604.59 billion (US\$840 billion or €670 billion). The net profit of the banks, functioning in India was INR1027.51 billion (US\$16 billion or €13 billion) against a revenue of INR 9148.59 billion (US\$150 billion or €120 billion) for the fiscal year 2012-13.

HISTORY OF BANKING IN INDIA

Indian Banking Industry, originated since 18th century, started with the Bank of Hindustan (1770-1829) and The General Bank of India was established in the year 1786. The largest and the oldest in existence is the State Bank of India, which was previously known as the Bank of Calcutta and then Bank of Bengal, was established in the year 1806. The Bank of Bengal, followed by the Bank of Bombay and Bank of Madras was the three presidency banks, and all were made under the British East India Company. These three banks merges together in 1921 and formed Imperial Bank Of India, and ultimately became State Bank Of India in the year 1955. The Reserve Bank was established in 1935, before to this the presidency banks acted as quasi central banks.

Previous to these the businessmen like the Seths, Mahajans, Shroffs etc had been into this business from the ancient times, these bankers also included small money lenders who carried on larger and specialized business greater than that of banks. In the 1839, there was an effort made by the merchants to establish a bank, named Union Bank, but it was a total failure. Allahabad Bank came next, in the year 1865, and it is continuing till date, the oldest public sector, joint stock bank which is functioning for the last 145 years is Allahabad Bank. The first bank with limited liability was the Oudh Commercial Bank, which was established in the year 1881 at Faziabad, but it failed in the year 1958. The first bank managed by the Indian government was Punjab National Bank, which started functioning in the year 1895, in Lahore; it is now having one of the largest banking networks all over India, the commercial bank which was wholly owned and managed by the Indian government was the Central Bank of India, established in the year 1911.

NATIONALIZATION OF BANKS IN THE YEAR 1960

Post independence the Government of India (GOI) designed and adopted a planned economic development for India. After the five year plan came into existence, in the year 1951, the commercial banks then in the private sector, was nationalized, the number of these banks was 430, in the year 1950-51, behind all these there were some objectives and planning of the GOI. 14 major commercial banks were nationalized on 19th July, 1969 and allowed to operate under profit making public sector undertaking, all commercial banks, with a deposit of 50 crore were considered under this process. But these banks failed to give service to the poor, as the credit needs of the poor sections, such as cottage industry, farmers, and craftsmen could not be fulfilled, and for these sections, the Regional Rural banks came into existence. There are four types of banks they are the public sector banks, Private sector Banks, Foreign Banks, and Regional Rural Banks.

The objectives behind nationalization of banks:

Social Welfare: The need of the hour was to direct funds for the needy sectors, such as agriculture, small scale and cottage industries where expansion was needed for the economic development of the country.

Controlling Private Monopolies: Many banks were controlled by private business houses, for smooth functioning and control monopoly the banks were nationalized.

Expansion of Banking: It was an essential requirement for spreading the banking across the country, as the existing banking network was insufficient and inadequate those days.

Reducing Regional Imbalance: Banking facility in the rural areas was necessary, in order to reduce the imbalance between the urban and rural region, nationalization was justified.

Priority Sector Lending: The priority sector of India is agriculture sector, and to finance these sectors nationalization was encouraged.

Developing Banking Habits: 70% of the population of India stays in the rural area, they were the under privileged class, who were not aware of the banking services, to develop their banking habits, nationalization was essential. Formation of Regional Rural Banks began during the time of nationalization.

REGIONAL RURAL BANKS

The Regional Rural Banks are the banking organizations, formed to serve the common mass in the rural areas; it has many branches in different states and all over the country. Providing banking and financial services in the rural areas to the farmers, artisans, small scale and cottage industries, are the main focus and functions of the RRBs, but they have branches in the urban areas, where they are also engaged in urban operation.

History

Regional Rural Banks were established under the regulation act which was passed on 26th September, in the year 1975, and the RRB act 1976, the main reason behind the formation was to provide ample banking and financial credit facility for the agriculture sector, small scale and cottage industries and also to other rural sectors. The real growth in the Indian economy depended on the freeing of the rural people from acute poverty, socio economic backwardness and unemployment, the RRBs focused on meeting the needs of the weaker section of the country, which consists of the small and marginal farmers, agricultural laborers, artisans, etc., by granting credit at cheaper and concessional rates.

The RRBs were set up on the recommendations of the Narasimham committee, during the term of Indira Gandhi's government, with an aim to serve and include the rural areas into the mainstream, as 70% of the population that time was from rural areas. The RRBs started developing on 2nd October, in the year 1975, the first RRB was named Prathama Bank, in the year 1976, October 2nd, and five RRBs came into existence, with a total authorized capital of Rs. 100 crore, which later increased to Rs. 500 crore. The five commercial banks which sponsored the RRBs were the Punjab National Bank, State Bank of India, United Commercial Bank, Syndicate Bank and United Bank. Reserve Bank of India previously had laid down ceilings on the interest rate, that is to be charged by the RRBs, but later on RRBs have been granted freedom to fix their own rate of interest, which is nearly 14-18% approximately for the advances. RRBs are jointly owned by the Government of India (GOI), the concerned state government and sponsor banks, those include 27 commercial banks and one cooperative bank, in the proportion 50:15:35 respectively, the issued capital is shared by the owners in the ratio 50%, 15% and 35%.

Under the Chairmanship of Dr. V S Vyas, the RBI in the year 2001 constituted a committee on "Flow of Credit to Agriculture and Related Activities from the Banking System", the task of the committee was to examine the significance of RRBs in the rural credit system, and the alternatives for making it practical and feasible. The consolidation process of the RRB's, which was started in the year 2005, was a recommendation of the Dr Vyas Committee. The amalgamation in the first was initiated within a state in 2005 sponsor bank wise, and the second phase was across the sponsor banks inside the state, in the year 2012. The main focus was to offer better customer service by having better infrastructure, mechanisms, computerization, better and experienced work force, marketing efforts and common publicity etc. The merged RRBs also gain from bigger region of operation, improved credit coverage limits for high value and miscellaneous banking activities. As a result of amalgamation, the RRBs has been reduced in numbers, from 196 to 64 on 31st March, 2013, but the number of branches increased to 17856 as on 31 March 2013 which covered 635 districts all through the country.

OBJECTIVES OF THE RRBS

- To minimise and bridge the credit gap in rural areas
- To control the outflow of cash and rural deposits to urban areas
- To minimise the regional imbalances
- To increase rural employment opportunities
- To save the rural people from the hands of the moneylenders
- To act as a catalyst in accelerating the economic growth of a particular region
- To develop banking habits among the rural people and mobilize saving funds for the economic growth and development of rural areas
- To encourage trade and commerce in rural areas
- To support entrepreneurship in rural areas
- To cater to the needs and demands of the rural and backward areas which are not covered by the other efforts of the Government

- To develop and expand underdeveloped and backward regions and thereby focus on reduction and elimination of economic disparity between two regions.

The main objectives behind the formation of the RRBs are to provide cash credit and other facilities and services, at a cheaper rate of interest especially to the small and marginal farmers, agricultural labourers', cottage and small scale industries, artisans and small entrepreneurs and weaker sections in rural areas. Each RRB operates and functions within the local limits notified by the government, if needed, a RRB can also establish branches or agencies at places under specified notification by the Government.

Sponsored by a public sector bank, the RRBs are provided assistance in several ways by these public sector banks, for E.g. subscription or contribution to its share capital, managerial and financial assistance, as may be jointly agreed upon and help the recruitment, training and development of personnel during the early period of its operation.

FUNCTIONS OF THE RRBS

The RRBs are authorized to continue or carry on transaction in the banking business as defined in the Banking Regulation Act and may also engage in some other business specified in Section 6 (1) of the Banking Regulation Act. In particular, a RRB is required to carry out the business of:

- (a) Granting loans and advances to small and marginal farmers and agricultural labourers individually or in groups
- (b) Granting loans to cooperative societies, which include agricultural marketing and processing societies, primary agricultural credit societies, cooperative farming societies, farmers' service societies, primary agricultural operation purposes or other related purposes.
- (c) Granting loans and advances to artisans, small entrepreneurs, small scale and cottage industries and persons of small means engaged in trade and commerce, industry or other production and manufacturing business activities, within its region of operation.

The RRB's were brought under the scope of priority sector lending at par with the commercial banks by the Reserve Bank of India, as The RBI has to ensure that forty percent of their advances are accounted for the priority sector, which includes 25% for the weaker section and 10% of their total advances should go to the weaker section.

REGIONAL RURAL BANKS IN INDIA

The State Bank of India is one of the major commercial banks, which is having around 30 Regional Rural Banks, in 13 states in India under their operations. There are more than 2000 branches of the SBI Regional Rural banks. Several other banks, apart from the State Bank of India also operate as the promoter and supporter of rural development in India.

THE KEY ISSUES AND CHALLENGES FACED BY THE RRBS

The Regional Rural Banks, in most cases, apparently have a mixed record of 'successes' and 'failures', in achieving business goals. Their failure in achieving their targets may be the result of some unsolved problems and challenges they come across during their regular operations.

1. Lack of Co-ordination in Branch Expansion

The branch expansion programme of the RRBs, in many cases has shown irregularities due to lack of co-ordination. It could not be ensured that the branches of the RRBs are opened at regions where there are no provisions of commercial or co-operative banking facilities. Lack of coordination is another important cause for the slow progress of the regional Rural Banks.

2. Difficulties in Deposit Mobilization

The RRBs faced a number of practical problems in deposit mobilisation. As a result of the restrictive lending policy of the RRBs, which excludes the richer sections of the village society; these potential and prospective depositors show minimum interest in depositing their money with the RRBs. The RRBs are aiming at catering

to the needs of the poor class of the rural areas and are not serving the needs of the rich, this is another reason, the RRBs are not able to draw the attention of the potential customers, and deposit from that potential sectors.

3. Constraints in Deposit Mobilization

The RRBs forbid the richer sections of the village society in providing direct financial services and assistance. These sections of the society are the eligible mass, which have potential savings to deposit. But, because of the stringent and restrictive credit policy of the RRBs they are least interested in depositing their savings with the RRBs. Moreover the state and local government agencies also have not co-operated much in maintaining their deposits with the RRBs. The RRBs have not succeeded in mobilising the accounts within themselves.

4. Slow Development in Lending Activity

The RRBs' rate of growth in loan business is slow, in comparison with other types of banks because of the restrictive policies of the RRBs, as known till 1996 the RRBs were only permitted to lend money only to the priority sectors. The following reasons may be cited for this: (i) There was limited scope for the RRBs to lend money directly; (ii) It is always complicated to understand and identify the potential small borrowers and it was a requirement for the bankers to make sincere efforts in this aspect; (iii) Most of the small borrowers do not understand the bank formalities and procedures and prefer to borrow finance from the moneylenders; (iv) The variations in the Differential Interest Rate (DIR) Scheme also posed an unusual dilemma to the Regional Rural Banks, while the interest charged by the RRBs is 14 per cent , the other commercial banks charge only 4 per cent interest under the DIR Scheme in rural areas. Therefore, every borrower would always prefer going to a commercial bank, rather than RRBs or co-operative societies. (v) There is no useful link between the RRBs and the farmers' service societies; (vi) There is lack of co-ordination and cooperation between officials of the district credit planning committees and the Regional Rural Banks.

5. Urban-Oriented Staff and Lack of Training and Development Facilities

A critical problem which is experienced while banking with the RRBs is the urban orientation of the staff that is rarely inclined to serve the rural and backward areas, as the staffs don't have any true local involvement in the village where they serve. Generally they are from the urban areas, and may not aware of the problems faced by the rural people; moreover lack of training facilities also creates problems resulting in the low growth prospects of the RRBs.

6. Procedural Rigidities

The measures and procedures followed by the RRBs are very complicated and time consuming in case of deposits and advancing loans from the villagers' point of view, as they don't understand. The rural borrowers always prefer informal ways and simple procedures as have been followed by the money-lenders and the local bankers.

7. Running into losses

During 1997-98, out of 196 RRBs, 70 RRBs incurred losses amounting to Rs. 230.76 crore in total. The total loss of all the RRBs up to the end of March 1998 amounted to Rs. 3116.00 crore. The reason may be heavy overhead costs, decrease in lending rates, low profit margins, and increase in salaries and allowances of the bank staff, etc. During 2001-02, out of 196 RRBs, 167 made a net profit of Rs. 699.93 crore while 29 suffered losses amounting to Rs. 92.05 crore. The total loss of all the RRBs declined to Rs. 2792.59 crore as on March, 2001. But ultimately RRBs have become loss making concerns.

8. Scope of investment is limited

The scope of investment of the surplus fund for the RRBs are very limited as the basic objective of RRBs is to provide cash and credit facilities to poor and weaker sections of society, especially to small and marginal farmers, artisans, and other weaker sections.

9. Delay in decision making

The RRBs are controlled directly and indirectly by the sponsoring bank, NABARD, RBI, and Central Government, therefore these organisations also holds the decision making power of the RRBS, resulting in delayed decision on important issues. Therefore it hinders the progress of RRBs. Since the end of 1997, the operational responsibility of RRBs has been approved, and taken by the sponsor bank.

10. Poor recovery rate

The recovery performance of the RRBs is not up to the mark, the rate of recovery is only around 55 percent.

11. Capital inadequacy

As most of the RRBs are suffering from huge losses, there is no financial soundness for the RRBs, capital inadequacy is such a problem faced by the RRBs. The huge loss incurred by the RRBs is eating away the capital.

Though there are so many challenges the RRBs are facing in their day to day operations, they are trying hard to achieve their social objectives and responsibilities. Till date, they have succeeded in many fronts, and they have successfully projected their image, and are known as 'small man's bank'. They are, in fact, development banks of the rural poor. They have been trying to fill up the regional and functional disparity and gaps in rural finance area in our country.

RECAPITALIZATION OF THE REGIONAL RURAL BANKS

Following the review made by the Union Finance Minister in August 2009, on the financial status of the RRBs, it was felt that a huge number of RRBs had a low Capital to Risk weighted Assets Ratio (CRAR). A committee was formed in September, 2009 under the Chairmanship of K C Chakrabarty, Deputy Governor, RBI to investigate the financials of the RRBs and to recommend some ways which includes re-capitalisation, to bring the CRAR of RRBs to at least 9% in a sustainable manner by 2012. The Committee therefore submitted its report in May, 2010.

The following points were suggested by the committee:

- RRBs should have CRAR of at least 7% as on 31 March 2011 and at least 9% from 31 March 2012 onwards. The requirement for recapitalization was Rs. 2,200.00 crore for 40 of the 82 RRBs and this amount is needed to be released in two installments in 2010-11 and 2011-12.
- According to the committee the remaining 42 RRBs will not need any capital and will be able to continue with CRAR of at least 9% if on 31st March 2012, and also thereafter on their own, as they are in a capable position of maintaining the CRAR.
- A sum of Rs. 100 crore is needed for training and development and capacity building of the RRB staff.

Accepting and approving the recommendations of the committee, the Government of India along with other shareholders took a decision to recapitalize the Regional Rural Banks by infusing funds of Rs 2200 crore, in the shareholder wise proportion of (GOI / Sponsor Banks / State Governments) i.e. 50:35:15 respectively, and improve the CRAR of the Regional Rural Banks. An amount of Rs 2015.86 crore has been sanctioned and released, as on 31st March, 2013 to the 37 RRBs in 20 States. The released amount includes the contribution of the Government of India, of Rs 1003.92 crore, Contribution of State Government, of Rs 303.59 crore and contribution of the Sponsor bank, of Rs 708.35 crore. The recapitalization is complete in respect of 35 RRBs (5 in Odisha , 2 in Jharkhand, 2 in Maharashtra, 2 in Chhattisgarh, 3 in MP, 2 in Uttarakhand, 2 in Bihar, 3 in West Bengal, 5 in Rajasthan and one each in Assam, Nagaland, Tripura, Jammu and Kashmir, Arunachal Pradesh, Karnataka, Tamil Nadu, Gujarat and UT of Pondicherry). Government of India share of Rs 7.99 crore is still pending in respect of Manipur Rural Bank. Mizoram State Government has partly released Rs 0.50 crore and Rs 2.80 crore is still pending in respect of Mizoram Rural Bank. Uttar Pradesh State Government and Jammu and Kashmir State Governments, have not yet released any amount in respect of the 2 RRBs in UP and 1 RRB in Jammu and Kashmir and 3 RRBs out of 35 fully recapitalized RRBs, of Central Madhya Pradesh GB, Mizoram GB and Manipur Rural Bank have not achieved CRAR of 9 per cent as on 31.3.2013.

According to the committee, the share of Central Government i.e. Rs.1, 100 crore will be sanctioned and released as per provisions made by the Department of Expenditure in 2010-11 and 2011-12, but this share of the GOI will be conditional on the proportionate release of Sponsor Bank and State Government share. An amount of Rs.100 crore will be set up by Central Government with NABARD for training and development and capacity building of the Regional Rural Bank employees in the institution of NABARD and other premier institutions. The operation of the Fund will be reviewed by the Central Government within intervals. An Action Plan will be organized by NABARD in this respect and sent to Government for its consent. An extra amount of Rs. 700 crore as contingency fund is sanctioned and approved to meet the requirement of the weak RRBs; especially those in the North Eastern and Eastern Region, a mandatory provision will be made in the Budget as and when required.

AMALGAMATION / MERGER OF THE REGIONAL RURAL BANKS

The first five RRB banks were sponsored by the Syndicate Bank, State Bank of India, Punjab National Bank, United Commercial Bank and United Bank of India. The growth and development of the RRBs in the preliminary phase was quite rapid and encouraging. In 1991, for example, there were 196 RRBs with more than 14,000 branches in 375 districts all over the country, with an average coverage of three villages per branch. The total deposit money with the RRB in 2004-05 amounted to Rs. 58350 crores and their advances came to Rs.31770 crores. In spite of this remarkable coverage geographically and intermediation activity, however, the RRBs suffered from poor financial health, especially because of increasing loan losses. In June 1993, it was found that 172 RRBs were unprofitable and unsuccessful, and total loan recovery performance was only at 40.8 percent. While losses had wiped out the equity and reserves of some banks, they were eating into the deposits of others, underscoring the need for fundamental changes in the way RRBs conducted business (Joshi and Little, 1996; Mudgil and Thorat, 1995). A series of banking reform measures was initiated to minimize the losses; it slightly recovered from the huge loss, becoming less negative. This situation forced the Government to take action and merge the RRBs with the sponsored banks, in order to give an additional boost to the profitability and the productivity of these banks and to support them further; a need was felt to amalgamate or merge more than one RRBs of the same sponsor bank functioning in the same state. In March 31st, 2004, 196 Regional Rural Banks were operating in the country which included 51 separate RRBs. The operational expenditure increased as most of the sponsor banks were operating, more than one RRB in one state. There were 33 RRBs who were having operational losses as on March 31, 2004 and to overcome all these problems, including the operational problems, reduction of expenditure, enhancement of operational efficiency, etc. the Reserve Bank of India took the decision in August 2004 that all RRBs, which are sponsored by a bank and operating in one state should be merged into a single entity. The decision was pertinent to the fast changing environment in banking with introduction of more and more new financial products, newer and upgraded techniques of operations, computerisation, necessitating RRBs to grow bigger, and move towards the success. The amalgamation process was started in the early 2005 and first set of RRBs was amalgamated in September 2005. In March 31, 2007, 145 RRBs were merged and 45 new entities emerged decreasing the total number of the RRBs from 196 to 96. The operational inconvenience related to licensing, opening of a new account, etc. have been resolved with active support, at the RBI regional offices level. The merging process has helped towards the profitability of the RRBs apart from other operational efficiencies and efficacies, only 15 RRBs incurred losses as on March 31, 2007 as compared to 33 as on March 31, 2004.

The RRBs has been reduced to 71 from 82 at the end of 2012 financial year. The Government of India is planning to decrease this number to 64 by March-end and to 48 over a longer period, at present, the number of Public Sector Banks stands at 26, before the first phase of consolidation started in 2005, the number of RRBs was 196, and after the merger, some large RRBs have turned themselves as big as some small public sector banks. Some states after the merger would now be left with just one RRB. According to the decision of the ministry, each RRB should have at least 400 branches. The RRBs opened 914 branches, in the year 2011-12; and are planning to open 1,845 branches in 2012-13. (Business Standard, New Delhi, November 23, 2012). Merging with the public sector banks turned the RRBs much more efficient on the issues of human resources, e-governance, fraud detection and recovery, internal audit, and to introduction of core banking operations and solutions. RRBs have been merged in Bihar, Karnataka, Madhya Pradesh, Odisha, Uttar Pradesh and Uttarakhand, the new sponsor banks are the UCO Bank, State Bank of Mysore, Central Bank of India, Bank of India and State Bank of India. By January 7, 2013, 25 RRBs have already been consolidated into 10 RRBs across 7 states, and after this the total number of RRBs was reduced from 82 to 67.

SOME RECENT ISSUES ON RRBS AFTER THE AMALGAMATION

- Government of India introduces a bill to raise capital of RRBs to Rs 500 crore, the aim is to support and strengthen the Regional Rural Banks (RRBs), a bill was introduced by the Government of India to move up their authorized capital by 100 times to Rs 500 crore, at present, the authorized capital of Regional Rural Banks is Rs 5 crore and as per the proposed bill raising the capital to Rs 500 crore would help them widening and increase the banking services in rural areas, raising the capital from sources other than the central government, the state government or the sponsor bank is also in need. To grow and expand the business of the RRBs in qualitative and quantitative terms, and providing improved services in the rural areas, need a strong capital base, this was one of the reasons for the amendment of the RRB Act, 1974. The bill also demands managerial I financial assistance from the sponsor banks for smooth running and continuation of

functioning of the RRBs. The bill also proposed uniformity in the date of closure of accounts from 31st December to 31st March, and also if a change in the proportion of the contribution needs to be altered for the State Government, GOI and the sponsor banks.

- The Reserve Bank of India controlled the norms for lending against gold coins, gold ETFs and Mutual funds by the RRBs; it is done to check the demand for the precious metal. It is advised that before granting the loans against the securities or the gold coins, the RRBs should ensure that the weight of the gold coin should not exceed 50 grams per customer, like the other commercial banks and NBFCs, as 50 gram of gold is in the approved limit of the board. As per the RBI, there are chances that these gold coins may also have some extra weight; therefore it may be bypassing the guidelines, regarding the restriction on the grant against gold. RRBs are permitted to grant loan or give advances against gold coins and gold jewelries, but not against gold ETFs, RBI has also put restrictions on gold imports, which has led to foreign exchange outflow and increase in the current account deficit (CAD), steps has been taken by the GOI to raise the custom duty to 8% to check the gold imports, as gold and silver imports rose nearly 90% in May, 2013.
- RBI asked the Regional Rural Banks (RRBs) to open at least one-fourth or 25% of their planned branches in the unbanked areas of the country, as the aim at increasing financial inclusion, will be solved by this move. The Reserve Bank suggested that opening of new branches of the RRBs in the unbanked rural areas and rural centers will meet the objectives of quick increase in banking penetration and financial inclusion, therefore it is advised to allocate one fourth of the total number of branches in unbanked areas., unbanked rural centre means an unstructured (no brick or mortar structure) scheduled commercial bank for customer based banking and financial transactions. RRBs play an important role in the development of the rural areas and rural credit system, and according to the RBI, RRB can open their branches, in the areas where the population is upto 99,999 as per census 2001, without any prior permission of the RBI, but opening branches where the population exceeds 100000 in number, require prior permission of the Reserve Bank of India. According to report as per 2011 census, out of 24.69 crore household, only 14.48 crore gets banking services and the rest 10 crore households were not getting services.
- Government of India approved revision in the Regional Rural Banks (RRBs) Act, 1976 which seeks to improve their capital base and to fix the maximum term of appointment of the Central Government non-official directors for two years. As per the union cabinet, the RRB act was revised to strengthen the capital base by increasing the authorized and issued capital, and also the appointment of the Central Government non officials for maximum two years. The proposed amendment will also ensure financial stability of the Regional Rural Banks, as well as will enable them to meet the credit needs of the rural areas and the agricultural sector and also the increase in financial inclusion; this will strengthen the RRBs. Regional Rural Banks were formed to provide sufficient institutional credit for the agricultural and rural sectors, and also create an alternative channel to the cooperative credit structure. As per the provision the authorized capital of the RRB is five crore and the issues capital is a maximum amount of Rs one crore, this total amount is jointly owned by the GOI, State Government and the Sponsor Bank in 50:15:35 ratio.

CONCLUSION

A study on the Regional Rural Banks in the 21st Century is completed with the hope that the Regional Rural Banks have much opportunity still today to grow and develop. Though they have faced many difficulties and challenges in their driving path they will recover with the help of the Government of India, State Governments, and the Sponsored Banks. After the Amalgamation, with the help of computerization, newer and upgraded technologies, efficiency increases, moreover the rural people who have not availed the banking service are the prospective customers, all these will give positive results, the incurred loss will be recovered and the objective for which the Regional Rural Banks are operating will prove to be a successful one. The Regional Rural Banks are trying hard to achieve the social objectives which are providing services to the rural mass that are under privileged.

Table1: A report is attached with this case study, Source: www.Nabard.org

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BRAND EQUITY AND CORPORATE SOCIAL RESPONSIBILITY – CONCEPTS AND CASES

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ABSTRACT

Many corporations engage in socially responsible behavior as a part of their normal business operations. These activities include positive actions toward the environment, social causes and their communities. Based on the assumption that consumers are demanding more out of organizations than high quality products or services with a low price, business firms seek for other criteria to enhance their consumer's loyalty. The adoption of the social identity theory shed the light on how practicing corporate social responsibility (CSR), will lead to more identification for the firm by enhancing its identity attractiveness. Moreover, the study showed that CSR initiatives influence brand equity which plays a crucial role on consumer loyalty.

Corporate social responsibility (CSR) can benefit companies through promoting a positive public image while creating a workplace with satisfied employees, happy customers, and lower costs. It can be a win-win scenario for both the companies and their stakeholders. The aims of this study are to investigate: first, the effects of CSR and corporate reputation on industrial brand equity; second, the effects of CSR, corporate reputation, and brand equity on brand performance; and third, the mediating effects of corporate reputation and industrial brand equity on the relationship between CSR and brand performance.

Keywords : Corporate Social Responsibility, Brand Identity, Brand Image, Consumer's loyalty, Brand Reputation, Brand equity.

INTRODUCTION

With the advent of the era of globalization and cut-throat competition concern of the companies has shifted to Corporate Social Responsibility. "Doing good" seems to be the new slogan for many brands in 2010. After a year economic misery and banking crisis, consumers want to get associated with the brands that believe more than a profit. Brand Equity is one of the factors that increase the financial value of a brand to the brand owner. Elements that can be included in the valuation of brand equity include: changing market share, profit margins, consumer recognition of logos and other visual elements, brand language associations made by consumers, consumers' perceptions of quality and other relevant brand values. Survival of the company depends upon how responsible company is towards society. More concerned a company is, it is easier for it to create the positive brand image in the minds of the consumer that leads to working towards building brand equity. Different concerns define Corporate Social Responsibility differently. World Business Council for Sustainable Development defines Corporate Social Responsibility as "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

Jamshedji Tata has very beautifully defined the Corporate Social Responsibility "The clear definition of Corporate Social Responsibility is that the community is not just another stakeholder in our business but the very purpose of our existence." Corporate social responsibility (CSR) is receiving increasing attention, especially in recent decades. For example, more than 50 percent of global executives identify CSR as their top priority (The Economist, 2008). The implementation of a CSR policy may generate a trusting relationship between the company and stakeholders that causes stakeholders to become committed to the organization through actions such as customer loyalty, stockholder capital investments, and supplier investments (Garbarino & Johnson, 1999; Maignan & Ferrell, 2004; Sen, Bhattacharya, & Korschun, 2006).

PERSPECTIVES ON CORPORATE SOCIAL RESPONSIBILITY

In the age of globalisation, corporations and business enterprises are no longer confined to the traditional boundaries of the nation-state. One of the key characteristics of globalisation is the spread of the market and the change in the mode of production. The centralised mode of production has given way to a highly decentralised mode of production spread across the world.

In the last 20 years, multinational corporations have played a key role in defining markets and influencing the behaviour of a large number of consumers. The rules of corporate governance have changed too. The ongoing revolution in communication technology and the effectiveness of knowledge-based economies has created a

new model of business and corporate governance. A growing awareness about the need for ecological sustainability and the New Economy framework, with an unprecedented stress on communication and image merchandising, have paved the way for a new generation of business leaders concerned about the responses of the community and the sustainability of the environment. It is in this context that we need to understand the new trends in corporate social responsibility.

There are three emerging perspectives that inform corporate social responsibility:

- a). **Business Perspective :-** It recognises the importance of '**reputation capital**' for capturing and sustaining markets. Seen thus, corporate social responsibility is basically a new business strategy to reduce investment risks and maximize profits by taking all the key stake-holders into confidence. The proponents of this perspective often include corporate social responsibility in their advertising and social marketing initiatives.
- b). **Eco-Social Perspective :-** The proponents of this perspective are the new generation of corporations and the new-economy entrepreneurs who created a tremendous amount of wealth in a relatively short span of time. They recognise the fact that social and environmental stability and sustainability are two important prerequisites for the sustainability of the market in the long run. They also recognise the fact that increasing poverty can lead to social and political instability. Such socio-political instability can, in turn, be detrimental to business, which operates from a variety of socio-political and cultural backgrounds. Seen from the eco-social perspective, corporate social responsibility is both a value and a strategy to ensuring the sustainability of business. It is a value because it stresses the fact that business and markets are essentially aimed at the well-being of society. It is a strategy because it helps to reduce social tensions and facilitate markets.

For the new generation of corporate leaders, **optimisation of profits** is the key, rather than the **maximisation of profit**. Hence there is a shift from accountability to shareholders to accountability to stakeholders (including employees, consumers and affected communities). There is a growing realisation that long-term business success can only be achieved by companies that recognise that the economy is an "open subsystem of the earth's ecosystem, which is finite, non-growing and materially closed". (Herman E Daily in 'Sustainable Growth? No thank you' in *The Case of the Global Economy*, (Eds.) Jerry Mander, Edward Goldsmith; Sierra Book Club, 1996)

- c). **Rights-Based Perspective :-** The third and growing perspective that shapes the new principles and practice of corporate social responsibility. This is a **rights-based perspective** on corporate responsibility. This perspective stresses that consumers, employees, affected communities and shareholders have a right to know about corporations and their business. Corporations are private initiatives, true, but increasingly they are becoming public institutions whose survival depends on the consumers who buy their products and shareholders who invest in their stocks. This perspective stresses **accountability, transparency and social and environmental investment** as the key aspects of corporate social responsibility.

FROM THEORY TO REALITY

The main purpose of "theory to reality" is to find out a connection between the theory discuss earlier and reality.

In this part, CSR impact on brand equity will be measured by using these variables.

- ✓ ENVIRONMENT
- ✓ LABOUR
- ✓ LOCAL COMMUNITY

CASE DISCUSSIONS: COMPANIES' VIEWS ABOUT CSR

Coca Cola in India :- Coca Cola is the leading international beverage company which is operating in more than a 100 countries around the world. It has number of products and about 1.5 million employees around the world. They have 275 worldwide bottling partners who are working inside the Coca-Cola supply chain system to deliver their products.

Coca-Cola takes CSR as a major part of the business and they are focusing on the key areas of CSR like community, energy and climate, sustainable packaging, workplace, community, water stewardship etc.

Coca-Cola in India has more than 25000 employees. They are giving them a better and safer environment and creating employment opportunities.

The Policy includes the following components:

- ❖ Freedom of Association and Collective Bargaining
- ❖ Eliminating Forced Labor
- ❖ Eliminating Child Labor
- ❖ Eliminating Discrimination
- ❖ Work Hours and Wages
- ❖ Safe and Healthy Workplace
- ❖ Workplace Security
- ❖ Community and Stakeholder Engagement

Coca Cola considers all these as an important part of day to day operations and core strategy.

These projects include;

- Access to clean drinking water in primary schools as well as all over the India.
- Improving health facilities and food security in a project partnering with local communities and NGOs.
- Providing assistance in case of any disasters like flood and earthquake
- Rehabilitation projects with the partnership of different NGOs like Save the Children, World Vision India etc
- Organizing different awareness program like World Earth Hour, International Cleanup Day and World Environment Day
- Supporting educational program, giving scholarships and also contributing in building school infrastructure.

NIKE

Nike started their operations in 1972 from USA. Headquarter is located in Oregon state of USA. Today, Nike is operating in more than 160 countries. Nike has 35 thousand direct employees and 1 million people who are directly indirectly related to this company. Nike has a vast product portfolio with many subsidiaries that include Nike golf, Umbro, converse Inc, Hurley international and Cole Haan.

In order to improve working conditions, Nike is strictly following its respective code of conduct. The code of conduct updated every year as per the requirement in order to have more effective implementation and improved results. In 2009, they were continuously monitoring the management practices of contractual factories against the given standards and code of conduct, and how they are performing in environmental health and safety indicators.

Nike is using 3 approaches and the core focus is empowering workforce and providing equitable resources. Nike is monitoring work conditions in their contractual factories on a consistent basis. It helps them to maintain defined quality standards and building the equity of their brands.

Nike believes that the best method of setting local wage rate is to have negotiations in between employer, workers, labor representatives and the government. The wage setting processes and wage rates vary from country to country and that is why; Nike is looking forward to have more detailed global and regional discussions among workers, suppliers and set a justifiable level of wage rate.

Nike believes that the crises of water scarcity, rapid changes in climate and other risk challenges will consistently increasing over the coming years. Natural resources are becoming scarce. They consider the environmental impact on the business as an external issue. In order to use these scarce resources effectively and to minimize the negative impact on the environment, Nike designed a model with the name “Nike North Star”.

The main objective of this model is to assess how the company uses its efforts and resources in making the most impact. How the brands and the value of the products minimize the impact of production by reducing waste and carbon dioxide emissions across the whole process and supply chain.

Nike believes that it is very important to consider environment as an important issue because it can affect the long term sustainability and financial performance of a company. Nike is also designing the type of products in which they are using environmental friendly materials, which eliminate toxic material and waste.

CONCLUSION

In the CSR, companies do the violations where the government has no concern or they don't care about CSR practices, especially in the underdeveloped countries. The government's role is also very important in CSR. They need to make certain rules and code of conduct and practices on CSR and enforce the firms to strictly follow them. If any firm doesn't follow these practices, the government needs to take action against them and stop them from running their operations. Companies like Nike and Cocacola regained their image by using the CSR practices. Both are working now to maintain and improve the brand image.

In terms of CSR, the role of the top management is very important because these are the people who make the company policies, and the implementation process of anything starts from the top. If they consider CSR as a part of their policy making and look at the pros and cons of everything, they won't have to face any issue related to CSR.

In the end, companies are socially responsible to their employees, community and the people and the environmental concerns. Companies need to give more attention towards the under developing countries, where many people are living below the poverty line and they are not much aware of the CSR. They don't even know about the adverse effects of environmental pollution. In this case, companies' role is very important; they, instead of taking the benefit, need to work to create awareness among people and need to guide them about the rights of a person, rights of employees and about how they can bring positive changes in your society.

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A STUDY OF CONSUMER BUYING BEHAVIOUR IN ORGANIZED RETAIL (WITH REFERENCE TO FMCG)

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ABSTRACT

Today retailing has changed from selling a product or services to selling a hope, an aspiration and above all an experience that a consumer would like to repeat favourable demographic and psychographic changes relating to India's consumer class, international exposure availability of increasing quality retail space, wider availability of product and brand communication are some of the factors that are driving the retail in India. This Indian FMCG market is highly fragmented and a major part of the market constitutes of unorganized players selling unbranded and unpackaged products. FMCG goods are marketed by two primary sales channels - General Trade and Modern Trade. This paper primarily focuses on following objectives firstly to identify different factors affecting buying pattern in organised retail, secondly to study which factors under organized retail the customer prefer as compare to unorganized retail outlets and lastly to study the choice of organised retail outlet by consumers.

Keywords: organized retail, FMCG sector, consumer behaviour

1. INTRODUCTION

1.1 Retailing in India

Retailing in India is set for big leap. Retailing is the industry of the future in India. The rise in double income families leading to higher disposable income and fuelled by economic growth has led to a significant life style change and spending pattern of customer. Today customers are increasingly becoming brand conscious and view shopping not as a routine chore but one which is to be enjoyed and experienced. Retail industry in India is greatly fragmented comparing to the developed and other developing countries. This presents enormous prospective for the structured retail industry to flourish throughout the country as the market for the final product is huge.

Estimated to be worth more than US \$500 billion, the Indian retail industry is considered as one of the world top five retail markets in term of economic value. The industry is experiencing exponential growth with retail development taking place not just in major cities and metros.

The Indian retail market is expected to touch US \$1.3 billion by 2020 from its existing level of around US \$500 billion according to Mr K.V Thomas, union minister of food and consumer affair. The foreign direct investment (FDI) inflows in single-brand retail trading during the period April 2000-September 2013 stood US \$97.29 million as per data released by Department of Industrial Policy and Promotion (DIPP)

The total concept and idea of shopping has undergone vast drawing changes in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. Modern retailing has entered into India as is observed in the form of sprawling shopping centres multi storied malls and the huge complexes that offer shopping entertainment and food all under one roof.

The Indian retail industry has experienced growth of 10.6% between 2010 and 2012 is expected to increase to USD 750-850 billion by 2015. The industry has long way to go as there is huge opportunity in stream lining the sector .Indian retail sector is gradually inching its way towards becoming the next boom industry.

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the sector. Indian retail sector is gradually inching its way towards becoming the next boom industry. Food and grocery is the largest category within the retail sector with 60% followed by apparel and mobile segment.

1.2 Reasons for the growth of Indian retail sector

- (1) Robust economic growth
- (2) High disposable income with the end consumer
- (3) Rapid constructions of organised retail infrastructure are key factor behind the forecast growth.
- (4) Expansion in middle and upper class consumer base.
- (5) Growth potential in India's tier II and tier III cities as well.
- (6) The greater availability of personal credits and a growth vehicle population provides improved mobility also contributes to a trend towards annual retail sales growth of 12.25%.

1.3 Organized & Unorganized Retail sector in India

Currently India constitutes only 8% of organized retail and remaining 92% is left unorganized, which may grow much faster than traditional retail. It is expected to gain a higher share in the growing pie of the retail market in India. Various estimates put the share of organized retail as 20% by 2020.

The country's traditional retail industry is expected to grow at an average annual rate of 5% over the next year, while the organised retail is estimated to register a growth rate of around 25% during this period.

Within the organized retail sector, Apparel is the largest segment. "Food and Grocery" and "Mobile and telecom" are the other major contributors to this segment. "International retail giants entering into Indian atmosphere may bring a massive change in increasing the pie of organized retail in coming years"

Organised retail chains comprises only 3% of the Indian market rest 97% market in comprised of mom and pop types shops. Now the number of organised retail shops is gradually increasing. According to ETIG (Economic Times intelligence group) the size of the organised retail industry was about Rs 160 billion in 2001-02.

The reason as to why Indian retailing is so fragmented or unorganised in nature lies in her entrenched poverty and the facts that a large number of educated unemployment and superfluous labour takes refuge in retailing in the facts of joblessness and glaring poverty.

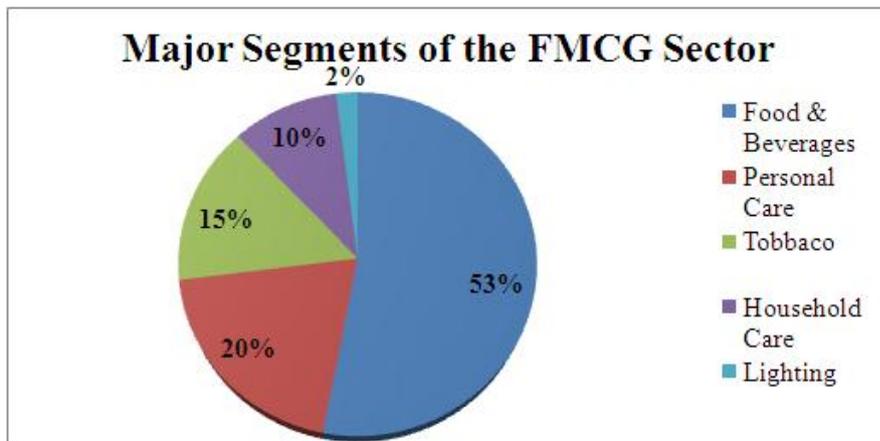
Retailing in unorganised sector is thus not a profits oriented vocation but a new source of livelihood. Naturally, the capital investment is very low and the infrastructure is rudimentary given this rickety state of Indian unorganised retailing there are serious apprehensions that the flow of organised foreign capital with its associated baggage of humungous infrastructure, bulging financial power professional managerial staff etc, would sound the death knell for the Indian retailing industry.

1.4 FMCG sector in India

This Indian FMCG market is highly fragmented and a major part of the market constitutes of unorganized players selling unbranded and unpackaged products. FMCG goods are marketed by two primary sales channels - General Trade and Modern Trade. General Trade includes kirana stores are the largest sales channel forming 95% of overall retail sales. While, the Modern trade facilitates comfortable and modern store experience, availability of a wide variety of categories and brands under a single roof and compelling value-for-money deals, which attracts consumers to organized retail in a big way. However, modern trade is still an urban phenomenon with 17 key metros contributing to 73% of overall modern trade in India. FMCG product segments such as packaged rice, liquid toilet soaps, floor cleaners, breakfast cereals, air fresheners & mosquito repellent equipment have a higher penetration in modern trade channel.

The Indian FMCG sector is the fourth largest sector in the economy with an estimated size of Rs 1,300 billion. The sector has shown an average annual growth of almost 11% per annum over the last decade unlike the developed market which are prominently dominated by few large players, India's considerable part of the market comprises of unorganised players selling unbranded and unpackaged products. There are approximately 12-13 million retail stores in India, out of which 9 million are FMCG kirana stores.

Indian FMCG sectors significant characteristics can be listed as strong MNC'S presence, well established distribution network, intense competition between the organised and unorganised players and low operational costs.



Source: Indian bulls .com

Products which have a swift turnover and relatively low cost are known as FMCG. FMCG items are those which generally get replaced within a year. Examples of FMCG commonly includes a wide range of repeatedly purchased consumer products such as toiletries, soap, cosmetics, oral care products, shaving product and detergent as well as other non durables such as glassware bulbs, batteries, paper products and plastic good. FMCG may also include pharmaceuticals, consumer electronics, packaged food products etc. A distinct feature of FMCG industry is presence of international players through their subsidiaries (HCL, P&G, Nestle), which ensures innovative product launches in the market from their parent’s portfolio.

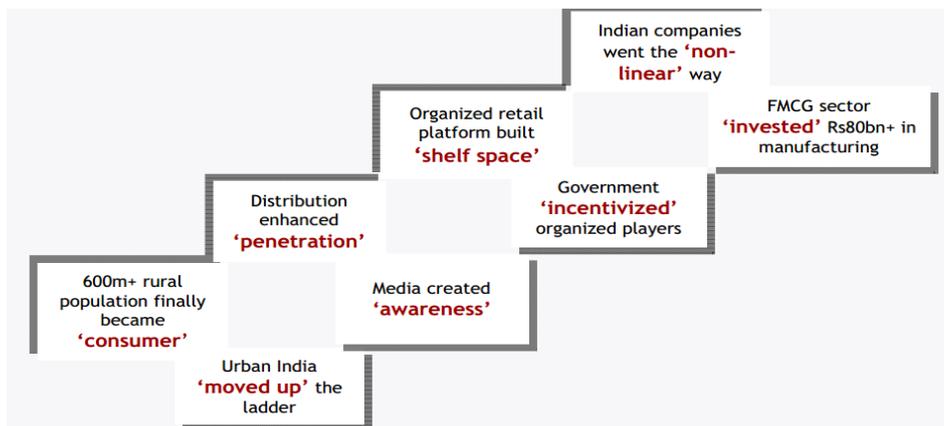
India has 17% of the world’s population and that half of these people are below the age of 25 with the median age of 25 years increasing number are joining the Indian workforce. India’s share in world consumer spending is set to enlarge from 1.9% in 2005 to 3.1% in 2020 .

Income in the hands of younger consumers with a higher propensity to spend is providing optimism to the economy while opening up new categories in the FMCG space. India is under the changing phase as more women are joining Indian workforce FMCG players are finding opportunities to introduce products in the convince and health foods segments while spending on women’s personal care products is also becoming far more acceptable.

Distribution of smaller pack sizes, innovations like single use sachets to reach out to the rural and lower sections of the economy is gaining demand, innovative products to cater to regional or local tastes and the need of niche. Consumer is also benefiting in growth of the industry.

1.5 Growth of modern retail FMCG sector

The FMCG sector has a great opportunity for growth in the country, with the growing population, the rising disposable incomes, education, urbanisation, the advent of modern retail and a consumption-driven society. There is a potential for all the FMCG companies as the per capita consumption of almost all products in the country is very low compared to standard, there exist huge untapped opportunities.



Indian FMCG growth

Source :<http://www.idfc.com/pdf/consumerism.pdf>

Fast Moving Consumer Goods (FMCG) goods are popularly named as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods. These items are meant for daily of frequent consumption and have a high return. The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 13.1 billion. It has a strong MNC presence and is characterised by a well established distribution network, intense competition between the organised and unorganised segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage. The FMCG market is set to treble from US\$ 11.6 billion in 2003 to US\$ 33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash etc in India is low indicating the untapped market potential. Burgeoning Indian population, particularly the middle class and the rural segments, presents an opportunity to makers of branded products to convert consumers to branded products. Growth is also likely to come from consumer 'upgrading' in the matured product categories. With 200 million people expected to shift to processed and packaged food by 2010, India needs around US\$ 28 billion of investment in the food-processing industry. Key growth drivers to the industry are:

- (1) Robust growth in India's GDP.
- (2) Growing urbanisation
- (3) Evolving consumer life styles
- (4) Increased income in rural areas
- (5) Spending pattern
- (6) Changing profile and mindset of consumer

2. LITERATURE REVIEW

In a study by **Farhangmehr , Marques and Silva (2001)** , they concluded that the hypermarket is a symbol of modernisation. It has dramatically changed not only the Portuguese traditional retailing structure but also the consumption behaviour. The results show that, for consumers, the hypermarket is the preferred type of retail store, due to convenience (it is more practical) and low prices. The perception of traditional retailers is that the hypermarkets affected them negatively. The comparative analysis suggests that, although consumers do not have a negative opinion about traditional retail, they do not share the optimistic vision that traditional retailers have about themselves.

In a study by **Broadbridge and Calderwood (2002)** emphasis was given to the fact that in an age of increasing competition from large scale organized grocery retailers, local shops need to have the commitment and willingness to cater for the local community for the survival which means focusing attention more closely on local resident wants and needs.

Knox and Walker (2003) found existence of weak but significant relationship between the involvement and brand loyalty in grocery market.

Another study done by **Moschis, Curasi and Bellenger (2004)** was that older consumer are very price conscious. (with an often exacting memory for the prices of frequently purchased items necessitating food stores to use frequent price reduction promotion), and enjoy interaction and prefer to shop in a store where they can receive special assistance services (such as valet parking, delivery assistance , carry out assistance , liberal product return and refund policies).

Hyllegard, Eckman, Descals and Borja (2005) studied Spanish consumer perception of US apparel speciality retailers product and service .the study focused that specialty retailers success in international markets is contingent upon their knowledge of culturally-defined value and norms and behaviour that influence consumer decision making and impact acceptance of product and service .it was found that customers perception differed regarding product quality ,product assortment, quality of customer services etc.

Wesley, Lehw and Woodside (2006) assessed how consumers' decision-making styles relate to their shopping mall behavior and their global evaluations of shopping malls. Based on exploratory data analysis including the use of the comparative method, the article provides a theoretical model of antecedents and consequences of consumer-decision making styles.

Puccinelli, Goodstein, Grewal, Price, Raghubir and Stewart (2009) studied that to enrich the understanding of customer can enhance their satisfaction and retail performance by providing an overview of existing consumer behavior literature and suggesting that specific elements of consumer behavior—goals, schema, information processing, memory, involvement, attitudes, affective processing, atmospherics, and consumer attributions and choices—play important roles during various stages of the consumer decision process.

Pantano and Naccarato (2010) studied the how the introduction of advanced technologies modifies the retailing context and affects consumers shopping experience. In particular, three aspects of our results emerge from a theoretical standpoint: new advantages for retailers (the possibility to achieve fast information on consumer behavior and preferences); the improvement of the point of sale; and the positive influence of consumer shopping experience.

In a study by **Fowler and Bridges (2010)** they investigate the impact of consumer innovativeness on expectations for, and perceptions of, service design elements, including employee performance, process design, design of physical evidence, and reliability of the shopping experience. Their Findings indicate that the majority of consumers expect high performance along all dimensions and dislike surprising stores, specifically those they perceive as risky. Moreover, innovative consumers expect even higher levels of store attributes and in fact perceive stores differently than do less innovative consumers.

Khare (2011) studied that Rapid development of retailing in India has led to expansion of malls in smaller cities. The current research was directed towards small city consumers) to understand their mall shopping behaviour. Most people in small cities are unfamiliar with the concept of malls and their exposure to the organized retail has been limited in the past. Malls bring functional and experiential benefits to them and affect their shopping behaviour. The perceived benefits, however, may differ among consumer groups. This study specifically focuses on exploring the differences across age and gender groups.

3. RESEARCH DESIGN AND METHODS

3.1 Objectives

- To identify different factors affecting buying pattern in organised retail.
- To study which factors under organized retail the customer prefer as compare to unorganized retail outlets.
- To study the choice of organised retail outlet by consumers.

3.2 The Study

The research is descriptive and conclusive in nature. The research design is also conclusive because the study has checked that how much the effect of organized retail outlet on changing patterns of consumer is buying behaviour. Under conclusive research design, it will be descriptive study because it would describe the buying behaviour of consumers towards shopping in both organized and unorganized retail outlets. For the purpose of statistical analysis of effect of organized retail outlet on consumer buying behaviour , primary data will be collected using a self-made questionnaire.

3.3 Sampling Design

Population: The target population included the entire consumer who prefer shopping from organized as well as unorganized or either of the two in Delhi, NCR

Sampling Frame: A sampling frame is the source of material of from where sample would be drawn The sampling frame consisted in this study would be the recent directory of national capital Delhi, NCR.

Sampling Element: consumers at organized retail outlet would be asked to fill the self-made questionnaires.

Sample Size: The sample size used is 200 consumers.

4. FINDINGS

4.1 Demographic profile of consumer

Demographic profile		No of respondent	Mean
Gender	Male	106	0.53
	Female	94	0.47
Age group	20-25	42	0.21
	26-30	06	0.03
	31-35	80	0.40
	36-40	18	0.09
	Above 41	54	0.27
Education	Undergraduate	66	0.33
	Graduate	66	0.33
	Post Graduate	68	0.34
Occupation	Service	94	0.47
	Business	18	0.09
	Homemaker	64	0.32
	Any other	24	0.12
Household (yearly)	1-5	38	0.19
	6-10	74	0.37
	11-15	38	0.19
	Above 15	50	0.25

Consumer profile analysis: The above table clearly elaborates the respondents’ profile in which out of 200 respondents surveyed 53 percent were male and 47 percent were female. Age composition of the sampled respondents indicates that the surveyed group has major categories of consumers as 40 percent between the age group of 31-35 years of age. Sample households falling between the yearly income groups of 6-10 lac which hold the maximum share of 37 percent although the sample is distributed almost equally to all income group. Educational profile of the respondent show that most of them are graduate and post graduate and lastly about 47 percentage of the respondents are of service class. The respondents profile in the survey is more of younger age group, both spouse working and nuclear family structure, so the preference in the choice of outlet is towards organised retail

4.2 Respondents choice of store

		Reponses	Mean
Types of options to shop from	Convenience store	68	0.34
	Departmental store	30	0.15
	Hypermarket	50	0.25
	Discount store	24	0.12
	Speciality store	08	0.04
	Local market	20	0.10

Most preferred choice of retail outlet: most preferred retail outlet for purchase of FMCG by the respondents is convenience store, i.e. the respondent feel more comfortable purchasing to nearby store which stocks their required basic need product. The second preference among respondents was hypermarket which is 25 percent as we have seen above that majority of the respondents are of service class so weekend shopping or an attitude of leisure while shopping exist in customers so they prefer hypermarket rather than convenience stores

4.3 Respondent store attribute preference

		Organized Retail responses	Unorganized Retail responses
Store Attributes	Quality	170	30
	Price	88	102
	Product line	176	26
	Assortment of product	186	14
	Ease of finding goods	188	12
	Proper packaging	116	84
	Exchange facilities	88	102
	Exterior and interior decor	186	14
	Convenient location	64	136
	Complete security	200	00
	Availability of parking space	188	12
	Opening hours	70	130
	Number of staff	188	20
	Know legibility of staff	142	52
	Service attitude of staff	148	52
	Efficient check out services	148	52
	Promotional schemes	176	26
	Membership	188	12
Credit facility	94	106	
Home delivery	64	136	

Store attribute preferred (organized and organized): when the respondents were asked about the store attributes in organized and unorganized retail the respondents stated that features or factor like quality of product, price, product line, assortment of product, ease of finding goods, proper packaging, decor of store, security, number and knowledgeability of staff, membership and promotional schemes are few features which are by and large associated with organized retail outlet which not only enables the customer to shop but also gives value to their money. Besides, in unorganized retail the above stated features do exist but not prominently although few respondents believe that features like opening hours, exchange facility, credit and home delivery are few facilities for which people prefer shopping in a convenience store near their residence.

5. CONCLUSION

After interpreting the responses I have concluded that people prefer organised sector over unorganised sector as organised sector has improved quality, store atmosphere, parking, complete security and promotional schemes. People go to organised sector for window shopping, shopping and entertainment, and to enjoy food court. Respondents prefer unorganised sector for day to day goods which are used in homes like home clean products, dairy products, vegetables and confectionary. Also that respondent prefer more of convenient shopping, they are variety seekers and prefer entrainment along with shopping which is clearly shown in the survey where people have an inclination towards organised retail which provide them good ambience, product assortment, variety of products, parking space and security.

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GREEN ENTREPRENEURSHIP: A PARADIGM SHIFT IN MANAGING OUR NATURAL RESOURCES & PRESERVE OUR ECOSYSTEM

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ABSTRACT

“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”----- Buckminster Fuller

The idea of "going green" is becoming increasingly popular. Everywhere you look, people are replacing leaky windows, insulating their homes, using reusable shopping bags and walking and biking instead of driving their cars. Climate change, which appears frequently in media, as well as a number of other reasons, fuels this trend. Some of us are making attempts to solve the problem, resulting in a wave of sustainability, climate change, and environmental projects.

Much of green is about solving old problems in new ways. For example; How can we create energy without polluting the environment? How can we produce or sell goods using as few resources as possible? How can we build vehicles that use as little gas as possible? Finding a solution to these problems are people who are termed as Green Entrepreneurs or Ecopreneurs. They might be targeting a market niche, but the desire to do something good for the planet is what really drives them.

The emergence of green businesses reflects a new social structure and the business owners have clearly integrated personal values of environmental integrity, social justice, fair trade, living wages, and the development of high-quality products and services that are hoped to last generations. The government should encourage these entrepreneurs by giving them rebates and relaxations in setting up their businesses.

Key words: Climate Change, Entrepreneurship, Ecopreneurs, Environment, Empowering, Green, Pollution, Reusable, Sustainability, Social justice.

WHAT IS GREEN ENTREPRENEURSHIP?

Say the word “entrepreneur” and frequently the image of an enthusiastic, industrious individual comes to mind: a person ready to tackle challenges and create innovations most would find daunting. Along with these images come the associations of high-pollution industry and adherence to the bottom line. However, as a new line of academic inquiry and social activism indicates, these latter associations are not always warranted. A new breed of entrepreneur is creeping up the business ranks, fusing environmentalism with entrepreneurial spirit, potentially moving toward a reorganized ecological society.

Decades ago, it was asserted that entrepreneurs could bring about creative destruction by completely transforming the accepted modes of business operation. The belief that entrepreneurs cannot be environmentally aware, or do not care to be, is quickly becoming outdated. A new kind of entrepreneur—alternately referred to as a green entrepreneur or ecopreneur—is fusing an enthusiastic business sense with a cognizance of sustainability and other tenets of the environmental movement.

Ecopreneurs can be characterized or defined in a multitude of ways. Ecopreneurs are individual innovators who see their business as embracing environmental values as a core component of their identity and as aiding in their competitive advantage in the marketplace. Ecopreneurs act as agents for societal change.

Green: A product, service, or process that either benefits the environment or reduces the negative environmental impact of existing products, services, or processes.

Entrepreneur: A person who is willing to launch a new venture or enterprise and accept full responsibility for the outcome.

Putting these together, a green entrepreneur is someone who starts a business to make or offer a product, service, or process that benefits the environment.

Much of green is about solving old problems in new ways. For example:

- How can we create energy without polluting the environment?
- How can we produce or sell goods using as few resources as possible?
- How can we keep our houses warm in winter and cool in summer without burning fossil fuels?
- How can we build vehicles that use as little gas as possible?

Green entrepreneurs are people who have or seek out the knowledge, initiative, and resources to solve these problems or find innovative ways to bring existing solutions to market.

When we talk about Green Entrepreneurship or **GreEn** as we call it, we think of it as being green to the power of action. GreEn is a mind-set which can best be encompassed by the four Ps:

- **P**lanet, (resources)
- **P**ersonal, (individual/Passion)
- **P**eople, (social)
- **P**rofit (commercial)

We believe that the challenges of our world today require us to apply the Four P's test, – Is this sustainable? – To all that we do in our lives at home and at work. This attitude of positive action, effecting change in small "individual" steps, as inspirational actors, and then joining up the dots to create massive change, is what the aim of the GreEn Forum is.

Green Entrepreneurship is not primarily about starting a business but about taking responsibility for your life choices. Once you feel responsible for your environment, who you are and what you do, you might discover an opportunity or an opening in a market or you might just find a more sustainable process at work.

WHY BUSINESSES SHOULD GO GREEN ?

Some entrepreneurs start a green business primarily because of their passion for the environment. They see a need for an environmentally-friendly solution, and they work toward creating a product or service that meets the need. They might be targeting a market niche, but the desire to do something good for the planet is what really drives them.

For others, helping the environment is an added benefit, but not necessarily the main motivation. Some scientists and innovators are naturally curious about finding new ways to create things. Others see a market need that just happens to have an environmentally-friendly solution. For example, running a manufacturing company that uses energy-efficient and low-waste processes is good for the environment, but it can also be cost-effective.

Still others have discovered that there is a "green" application to a product that already exists. For example, a clay refrigerator is cost effective and doesn't emit harmful chlorofluorocarbons which are responsible for the depletion of the ozone layer. Marketing an existing product to a new type of customer is a more incremental, less risky approach to green entrepreneurship.

When we look at the world around us, we could be forgiven for feeling powerless to improve the situation, but we would be wrong! Never before had we all been so interconnected via the escalating climate change, the current financial crisis and the global information revolution. This common impact of positive and negative factors in our lives allows and calls for collaboration!

Today, most, if not all, businesses recognize that climate change is a problem. Some are making attempts to solve the problem, resulting in a wave of sustainability, climate change, and environmental projects.

From an organisational perspective, going green offers employees, contractors, volunteers, and other members the opportunity to influence the green movement. The challenge is to create the correct approach to involve these people – one that includes teaching, convincing, communicating, enabling, supporting, and encouraging participation in the green process.

Mandating change is rarely a recipe for success. Organizations must engage their people and position processes for successful green implementation.

The sheer number of green projects and initiatives, and the fact that not everyone is buying into the issues, brings into focus the need for results. Many individuals do not see the need for action because they do not understand the issues or know what they can do to help. Some people don't understand green projects and sustainability efforts, feel inconvenienced by them, think projects have a negative effect on them, or perceive projects to require unrealistic investment.

Too many organizations are currently caught in what may be called a green slump, struggling to engage in green projects and making far less progress than is actually required. A reliable measurement and evaluation system will help organizations manage green and sustainability projects so that they improve and thrive. In addition, the measurement approach should provide credible data for decision makers. Organisations must adopt a results-based, return on investment (ROI) focus that helps them identify, develop, and implement green projects that add value from an economic, environmental, and societal perspective. They need a green scorecard.

To date, the number one motivator for organizations to implement green projects is the image it presents to the public. Organizations want their constituents, consumers, employees, stakeholders, and any other observers to view them as environmentally friendly.

WHAT ARE THE BENEFITS?

Clean Air- using eco-friendly products & vehicular parts would result in cleaner air which is more pleasant to breathe and is also a necessity for the good health of both humans and animals.

Clean Water- Water is the basis of life. When it is used as an uncontrolled sewer, everyone pays the price. Many methods of going green focus on using less water, releasing fewer pollutants into water and protecting streams, rivers, lakes and oceans.

Animal Habitat- When humans reduce their ecological footprint, they create more room for animals. Large carnivores require vast amounts of wild land in which to roam, and without large species such as grizzlies and wolves, entire ecosystem begins to deteriorate.

Trees-Trees regulate climate, create oxygen, provide habitat for wildlife and provide shade and beauty for humans. Many unsustainable practices involve the destruction of vast areas of trees. Reducing consumption of paper and wood products, as well as foods that are grown at the expense of forests, leaves more trees standing and makes the world healthier.

Good Health - In addition to helping the planet, green practices help your health as well. Eating organic food, walking, cycling and participating in local, low-impact activities all help to keep you both physically and mentally balanced.

Local Economies- Supporting local organic farmers is a green activity, and it helps to keep your local economy healthy. Focusing on local businesses reduces the emissions due to imports from distant places, and when you spend money with local businesses, it stays in your area and makes your community more economically viable.

Peace - Conflict over diminishing resources is one of the causes of war. By reducing your consumption, you do your part to reduce tensions over scarce resources. You can also use green living to produce more peace in your own life, by transitioning to a quieter life that requires less work, less spending and less stress.

Free Time- If you work less, consume less, waste less and travel less, you have more free time to do the activities that so many people never find the time to do: read the book you've been meaning to get to, brush your dog, lay in a hammock.

Character- Being aware of your levels of consumption, and practicing frugality and self-control, is good for your character. This was common knowledge for most of human history.

Survival - Green living decreases the likelihood that industrial society's weight will completely collapse the natural world and lead to untold suffering. Green living increases the likelihood of creation of a better and more sustainable way of being.

Self-Reliance- It has been shown that people who live a green lifestyle are more self-reliant in times of economic stress or catastrophic natural disasters. Think of it this way. Let's say you go green by growing a small vegetable and fruit garden in your apartment or townhouse. You go a step further by recycling rainwater and by using solar power backup systems for charging batteries and running your home during a power outage. If there is a major issue due to a natural disaster or other issue you will have food, water and power to your home. Not a bad deal for changing a few minor things in your life is it?

Reduced Energy Bills- The fact of the matter is that more of green living changes you make in your home the lower your energy bill will be. If you were to start using solar power chargers for your cell phone, mp3 players and other small electronics you would reduce a bit of energy costs immediately. If you were to start unplugging your electronics such as your computer and its components each night when you sleep you would see drastic changes in your bill and you would be helping with overall energy consumption and waste.

Reduced Waste and Purchases - One simple green option you can take today is by reducing the waste you produce in your home. Replace your use & throw water bottle with a reusable steel water bottle and replace your coffee mug with a reusable travel coffee container. You cut back on your own garbage at home, which means less trips to the trash can, and you save money throughout the day.

FINDING EMPOWERING WAYS FORWARD

If you take a moment to look around you will find that there are many new models being built by inspirational individuals and cutting edge organisations. Rather than be defeated by the enormity of the task, they have looked at the **opportunities** the situation offered and found **empowering** ways forward.

This **mind-shift, from wanting more to appreciating what we already have**, is the first step in creating a consciousness for "**sustainability**" in everything we do and say, at home and at work.

WHAT DOES SUSTAINABILITY MEAN TO US?

The **natural environment** is probably at the top of the list, for it encompasses the "resources" on which we all depend and it brings the **joy**, the balance and the sense of **belonging** that is at the core of our **human well being**.

Equally constituent for our human environment is our **civilization**, of which politics, economics and entertainment are just a few of the inseparable parts. How are these systems being adapted to contribute to sustainability and long-term plans?

It is this attitude of positive action that defines entrepreneurship to us. If we extend this new sense of **personal responsibility** and consider what that might mean **in a business sense**, we need to not only remember the sustainability test but also consider the long-term perspective

SUSTAINABILITY AND LONG TERM PERSPECTIVE IN BUSINESS

A successful business has typically been judged by its "bottom line" – i.e. profit in total disconnect of the broader environmental and social cost of production and consumption. For our new sustainable and long term enterprise we need to expand this bottom line to include the four Ps.

This then is no longer the "triple bottom line", which is the oft' used term in CSR reports. The four P's become the "**quadruple bottom line**" for GreEn. And this is the bottom line for sustainable entrepreneurship: adopting new practices to promote not only profit but also environmental, social and personal sustainability and long-term performance.

Joining up the dots

Finally, how can we all come together as individuals and **green entrepreneurs** to co-create our new socio-economic model and join up the dots?

There are many wonderful initiatives working to bring about a mind shift and guide concrete actions towards a sustainable society. We have created the GreEn Forum, as a platform where we can all meet to exchange best practices, co-create partnerships and enable others to join and themselves become passionate change makers in their own communities.

This is a call for partnership, a quest to collaborate, to jointly bring about and co-create this empowering future.

THE HARBINGERS OF GREEN ENTREPRENEURSHIP

New wave of entrepreneurs are capitalizing needs of rural poor, who lack power and booming cities with unfulfilled power needs.

To cite few such stories, Selco provides solar lighting to rural areas without electricity. The founder is **Harish Hande**, 2011 winner of the prestigious Magsaysay Award, given to individuals who help address systemic poverty, poor health and lack of opportunity in Asia. **Gyanesh Pandey** runs Husk Power Systems, which generates power using decentralized small- scale plants and sells it at low rates to rural households. Since 2009, it has raised \$400,000 to \$1.3 million from investors like Shell Foundation, Draper Fisher Jurvetson and the International Finance Corporation.

Sumant Sinha left Suzlon to form ReNew Wind Power, which hopes to build a gigawatt of generation capacity by 2015. Goldman Sachs bought majority stake in the company for 10 billion rupees (\$200 million) in September 2011.

CONCLUSIONS

At first glance these green business owners could be seen as moving toward the past, where community and locality were the primary economic and social regions and where quality craftsmanship was the key to economic survival. However, as we look deeper into the global information age, it may well be seen that the emergence of green businesses reflects a new social structure.

In traditional agrarian society it was difficult to integrate family, community, personal values, and economy with larger social issues or movements. In mass, or industrial, society, workers generally separated their personal values and professional lives. In our analysis of these emerging business structures, we find that the business owners have clearly integrated personal values of environmental integrity, social justice, fair trade, living wages, and the development of high-quality products and services that are hoped to last generations.

This new social and economic structure poses some interesting options for those interested in natural resource management and local economies. Integrating the voices from these business owners into long-term planning efforts could enhance the voice that argues for a sustainable approach to natural resource areas, social justice, and local economies.

The government of each country should encourage Green Entrepreneurship in their respective countries. They can do so by offering tax rebates, faster approval & sanction of licenses, cheaper land and relaxations to the entrepreneurs in setting up their businesses. The increasing population world-wide is a major cause of concern as it is posing a serious threat on the natural resources which would not be able to sustain us for a longer time. Hence, there is an urgent need for finding out alternative resources or conserve the existing resources so that they can last longer and our future generations can also enjoy the same.

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CORPORATE SOCIAL RESPONSIBILITY IN INDIA: A COMPARATIVE STUDY OF LEADING BANKS

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INTRODUCTION

Corporate Social Responsibility (CSR), also known as Corporate Responsibility, Sustainable Responsibility of Business or Corporate Social Performance, is a form of corporate self-regulation integrated into a business model. It was argued that corporations have obligations to the society that extend beyond mere profit making activities. Society and business, social issues management, public policy and business, stakeholders' management, corporate accountability, corporate citizenship, corporate sustainability etc. are just some of the terms used to describe the phenomenon related to CSR in the society. CSR activity is not one comprehensive activity but rather a collective name for many different activities. All these activities collectively form the image and reputation of the company which is an intangible asset for the company and is bound to provide rich dividends in the long run. The direction of focus is on the firm's overall social involvement that impacts the comprehensive world in which the managers and stakeholders operate.

Corporate social responsibility is the continuing commitment by business to contribute to its own economic development along with improving the quality of life of the work force and their families, as well as of the community and society at large. The obligation to work for social betterment is the essence of the notion of corporate social responsibility (Fredrick, 1994). According to the World Bank, 'CSR is the commitment of business to managing and improving the economic, environmental and social implications of its activities at the firm, local, regional and global level'. The European Union defines CSR as the responsibility of enterprises for their impact on society. So we can say that CSR is all about how companies manage the business process to produce an overall positive impact.

CSR entails the integration of social and environmental concerns by the companies in their business operations as also interactions with their stakeholders. Carroll (1979) stated that company's heads must assume a 'pyramid of responsibilities' mainly based on individual and moral considerations. They must assume their economic responsibilities (being beneficial or profitable); their legal responsibilities (remaining within the law/ obeying the law); their ethical responsibilities (being fair/ meeting the society's expectations); and philanthropic responsibilities (being good citizens). Fulfillments of all these responsibilities are indispensable for achieving success of any organization but the degree of precision of performance varies from one individual to the other.

For the Banking Sector, CSR means effective contribution to the society within the boundaries of ethics. The concept of CSR, sustainable development and non-financial reporting by the banking sector of India has gained enormous prominence in recent times. The RBI also focused on the CSR practices by the Indian Banking Sector by passing a circular titled 'CSR, sustainable development and Non Financial Reporting- role of the bank' in December 2007; and directed the banks to undertake CSR initiative for sustainable development.

CSR is a broad area for the banking sector. The RBI in its circular suggested many activities of CSR which would enable sustainable development, important among those are as follows:

- The Banks should focus on the environment and social consequences and ensure that every project is environmentally and socially sound and sustainable before considering any financial support.
- The Banks should promote investments which are environmentally and socially responsible.
- Banks need to examine the effects of their lending and investment decisions.
- Transparency in discloser should be implemented.

But these guidelines are not intended to guide the banks on the types of CSR activities undertaken by them. So the banking sector has performed very little in this regard, that to in a very casual way with no pre determined planning or budget.

CSR IN THE BANKING SECTOR: A CONCEPTUAL DISCUSSION

CSR must be practiced on a regular basis by all concerns. A socially responsible approach to this issue would involve attention to social and environmental concerns, in addition to economic goals. It must encourage companies to balance financial profits, economic value addition and social good.

Many research surveys are conducted on CSR activities in India. A few research organization and professional bodies have also made similar effort to study the status of CSR and its various activities in Indian Corporate Sector. The Government of India has constituted committees and subcommittees, study groups (to study the status of CSR) and issued several recommendations, directions and guidelines for implementation of CSR strategies.

A survey was conducted by TERI (Tata Energy and Research Institute) with the aid of Business Community Foundation of Europe in 2001-02. They reported that most of the global giants were engage in CSR activities. Another survey was conducted jointly by confederation of Indian Industry (CII), UNDP, British Council and Price Water House & Coopers (PWC) in 2002, which reported that most of the companies under the study recognize the importance of CSR but believe that the passive philanthropy was no longer sufficient.

Recognizing the importance of CSR, the Ministry of Corporate Affairs, Government of India in 2009 brought out a set of voluntary guidelines on CSR for corporate sector. These CSR guidelines pertain to areas such as: care for all stakeholders, ethical functioning, respect for workers' rights and welfare, respect for human rights, environment and social and inclusive development.

A survey was conducted by Chowdhury, Das and Sahoo (2011) on 12 banking and financial institutions. Its report stated that all banks perform various fund and non-fund based CSR activities but they (except one bank - SIDBI) do not publish their CSR reports according to norms of Global Reporting Initiative (G3).

While analyzing the CSR activities performed by five nationalized banks of India, Moharan (2009) found that the banks did not have the CSR policies, specified budget allocation and system for monitoring the CSR activities although they spent money on such activities.

Singh and Agarwal (2011) made a study of 49 banks operating in India which including public, private and foreign banks. The study found that CSR practices varied immensely among the sample. The main cause of these variations was due to facts like differences in the ownership structure, number of employees employed and their PAT. It is also found from this study that the date of incorporation and non-performing assets do not have much influence on the CSR activities of these banks.

The study of Suman Chowdhary and Vikash Tandon (2013) on the Indian Public Sector Banks revealed that banks have recognized their responsibility towards the society and are making their contribution in the field of employment generation, education, health care, farmer training, women welfare and women empowerment. But their study also revealed that the banks did not disclose the amount spent on CSR activities in their annual reports clearly.

OBJECTIVES OF THE STUDY

The study focuses on CSR activities of leading banks in India through a detailed analysis of their annual reports and primarily lays emphasis on the following:

- Compare the amount spent by the leading public and private sector banks of India on CSR activities.
- The head wise allocation of funds on various CSR activities.

METHODOLOGY

The study is based on secondary data collected from the annual reports (2012-13) of leading Indian banks. For the purpose of the study, the banks are divided into Public and Private Sector Banks. A total of 10 banks were selected which included 5 banks from the public sector and 5 from the private sector. The data were collected from the websites of respective banks and other sources like published journals and reports. The interpretation and analysis of data is done through graphs, bar chart and pie chart.

ANALYSIS AND FINDINGS

Banks are doing their CSR activities just to maintain the law on CSR and the guidelines of RBI. Spending of CSR money by the banks is mainly divided in the following heads:-



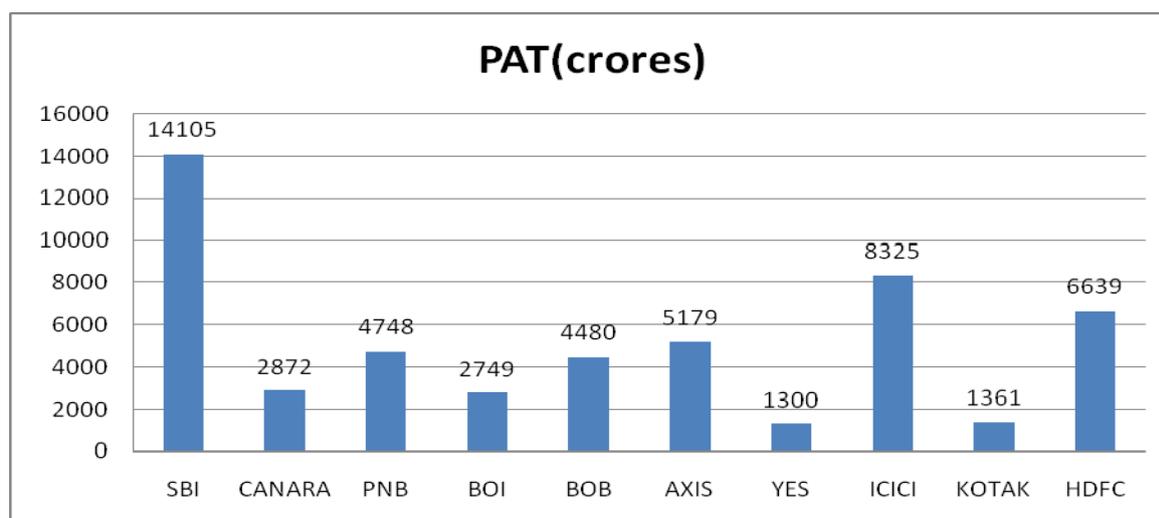
Ten leading banks of the Indian economy are taken up for this study. The banks under consideration from the public sector are State Bank of India, Punjab National Bank, Bank of Baroda, Bank of India and Canara Bank. The banks studied from the private sector are AXIS Bank, HDFC Bank, YES Bank, Kotak Bank and ICICI Bank. These banks were selected based on their annual reports of the previous year (2012-13).

Table: 1- PAT and CSR expenses by the Banks

Name of the bank	PAT(crores)	Amount Spent on CSR (crores)	% of PAT spend on CSR
STATE BANK OF INDIA	14105	123.27	0.87
CANARA BANK	2872	11.29	0.39
PUNJAB NATIONAL BANK	4748	3.32	0.07
BANK OF INDIA	2749	1.1	0.04
BANK OF BORODA	4480	7.17	0.16
AXIS BANK	5179	42.42	0.82
YES BANK	1300	6.5	0.5
ICICI BANK	8325	116.55	1.4
KOTAK BANK	1361	4.083	0.3
HDFC BANK	6639	NA	NA

Source: Annual reports of respective banks for the financial year 2012-13

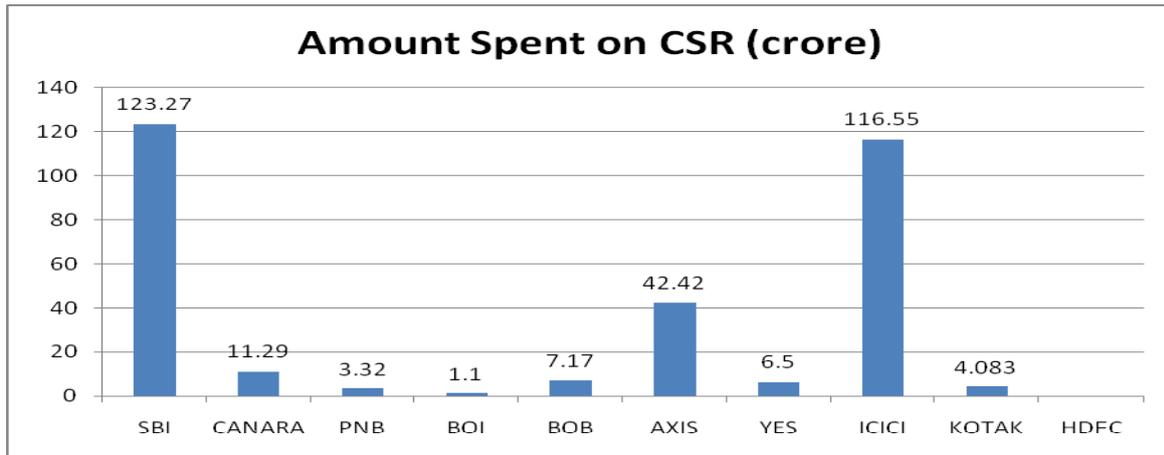
Chart 1: PAT for the Year 2012-13



Source: table 1

The chart shows that SBI (Rs. 14105 crores) and ICICI (Rs. 8325 crores) are the top most banking company in India according to the annual reports of 2012-13.

Chart 2: Amount spent on CSR by the Banks

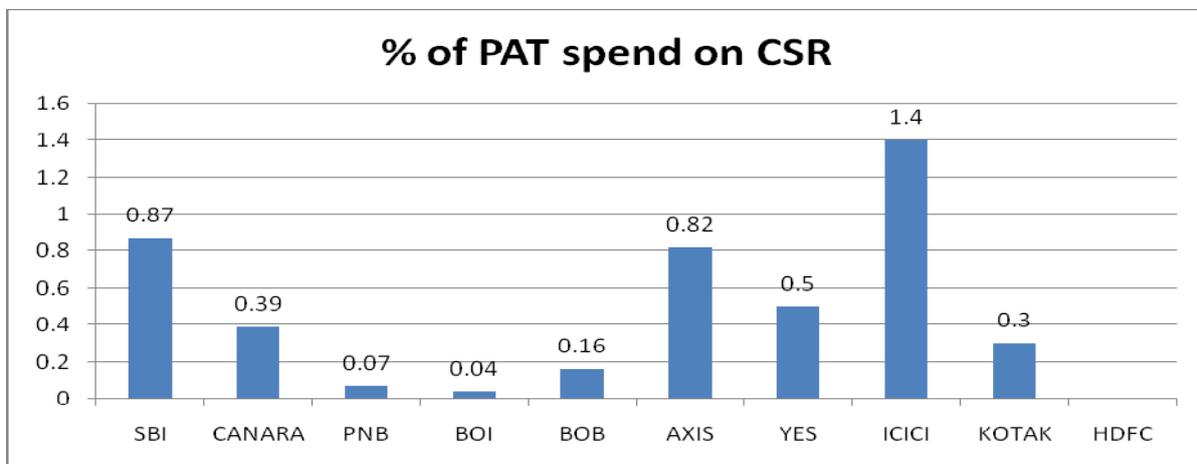


Source: table 1

The figure shows that SBI and ICICI are the top most banks spending on CSR activities in India. They spend near Rs.124 crores and Rs.116 crores towards their social work. SBI and ICICI are also among the top ten corporate sectors in India based on their expenditure on CSR.

An analysis of the expenditure on CSR based on PAT (Profits after Tax) of the sample banks show a different picture presented in the following chart.

Chart 3: Percentage of PAT spent on CSR



Source: table 1

ICICI bank spends 1.4% of PAT for CSR activities which is highest among the sample banks. Though SBI spends the highest sum on CSR but it spends only 0.87% of its PAT. HDFC bank gives no financial details about their CSR spending in the previous year, although, they state a target expenditure of 1% of their PAT on CSR activities and 0.84% as their actual expenditure under this head.

Table 2: Different types of CSR activities by the Banks

Types of CSR work	SBI	PNB	BOB	BOI	Canara bank	AXIS	HDFC	YES	ICICI	KOTAK
Education	yes	yes	yes	yes	yes	Yes	yes	x	yes	x
Health	yes	yes	yes	x	yes	Yes	yes	x	yes	x
Environment	yes	yes	x	x	yes	Yes	x	x	x	yes

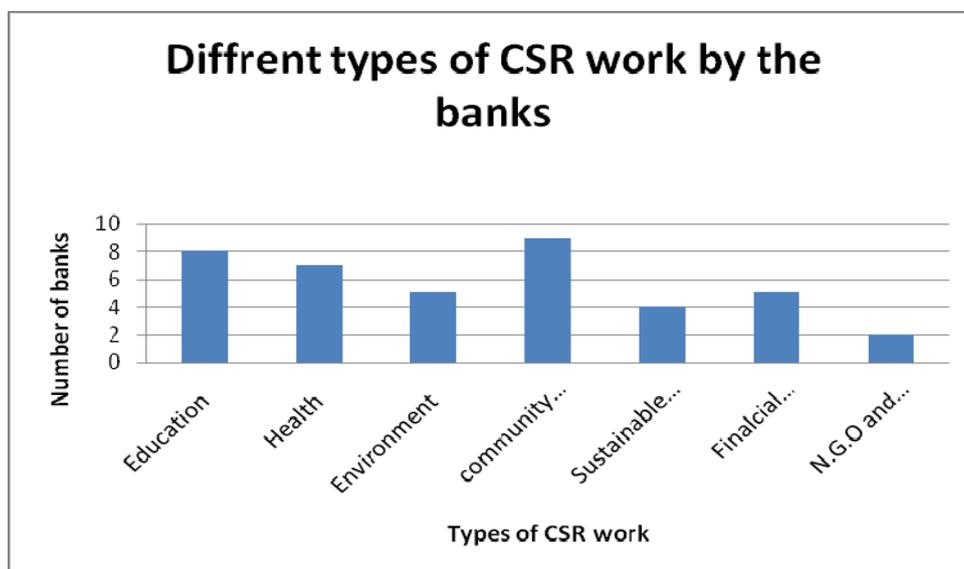
community Development	yes	x	yes							
Sustainable livelihood	x	yes	yes	x	yes	x	x	x	yes	x
Financial inclusion & financial literacy	x	yes	yes	yes	yes	x	x	x	yes	x
N.G.O & Relief fund	yes	x	x	x	x	x	x	yes	x	x

Source: Annual reports of respective banks for the financial year 2012-13

The above table shows that most of the banks spend their money on heads such as education, health-care and community developments. For expanding education system most of the banks donated their money for providing computers, scanner, fans, water purifier, school buses; for construction of buildings, library of the schools; providing teachers in tribal area, adult literacy program; and for donation to the organization which help to improve education like Masoom, Yuva Mitra, Muskan etc.

In health care sector the CSR activities of the banks include arranging of blood donation camps, highway trauma care centers, rural medical relief camps, health camps, eye camps, and awareness programs; Construction of hospitals, purchase of medical equipments, mobile dispensary; and donations made to the different organizations who are engaged in health sectors like Tata medical centre, Aravind eye hospitals, Sankara Netralaya etc.

The community development activities practiced by these banks include children’s welfare, women welfare, workers’ welfare etc.



Source: table 2

The chart shows that 9 banks out of 10 spend their money on community development, 8 on education, and 7 on health. Apart from the above details about the work some remarkable points are revealed from the annual report of these banks:

1. It is remarkable that ICICI Bank which spends highest percentage of PAT amount on CSR but no detail is available about the allocation of their funds.
2. Most banks spend for common cause on CSR activities and there is little variety in CSR activities with other institutions.
3. Spending target on CSR activities are found missing in all banks apart from SBI.

4. HDFC bank has a CSR fund but gives no clear detail on the amount spent on CSR activities.
5. Only five banks (four public and one private) spent their money in financial inclusion and financial literacy.
6. SBI, the top bank in terms of CSR do not include financial literacy or financial inclusion in their CSR agenda.
7. Banks are more interested to give donation to other organizations rather than indulging themselves in CSR activities.

CONCLUDING REMARKS

According to the Census of India 2011, only 54.4% of rural population and 67.8% urban population have bank accounts. A survey of the location of the branches of these banks shows a huge disparity in the rural-urban divide. It is found that only 13% branches of private banks and 33% of public banks are situated in rural area. So bank must expand their braches to the rural area so that more people can enjoy the benefits. To fulfill this gap, the banks must ease the procedures currently maintained by them for increasing participation of masses. They must ensure a more customer friendly environment accompanied by benefits like easy KYC form, more generous for sanctioning loan, more no frills account, etc.

It is evident from the study that banks are beginning to recognize that they have a social responsibility to fulfill and they are emerging from the shadows of traditional banking institutions. Most banks taken up for the study, whether private or public, are performing CSR activities as per their priorities. However, the allocation of money on various heads of CSR activities are not very clear from the audited annual reports of the banks taken up for survey. Most banks prefer to donate money rather than indulging themselves in CSR activities and this makes them less accountable in terms of item-wise allocation of their expenditure. They also do not have a designated amount prefixed for this vital activity involving huge expenditures. Varieties in activities are also not found through analysis of the heads of expenditures.

A lot is required to be done in this regard and the premier institutions must accept their corporate responsibilities in a more justifiable manner. There must be guidelines for all institutions in this vital social activity. The RBI should also take some more important steps for improving CSR practices by the banks like-

- Distinguish between banks having healthy CSR practices from banks failing in this regard.
- A definite percentage of turnover/ PAT must be allocated to CSR activities.
- The RBI should set up a monitoring committee to look into activities pertaining to CSR.
- Every bank must conduct programs relating to financial inclusion and financial literacy.

These steps are utmost essential to prevent fraud and protect people from various financial scams like SARADA.

LIMITATIONS OF THE STUDY

Although the study made an honest effort to fulfill its objectives, some of the following limitations can not be ruled out:

- i. Very few banks are taken for the purpose of this study and analysis.
- ii. The data were collected only for one financial year.
- iii. Only a few aspects of CSR activities are taken up for consideration in the current study.

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**FACTORS INFLUENCING INFANT MORTALITY IN A RURAL SETTING: A STUDY IN
DIBRUGARH DISTRICT, ASSAM**

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ABSTRACT

Infant mortality experience of the sample rural population is related to some socioeconomic, demographic and medical care factors. In the binomial logit regression model, age at birth of the mother , father's education , place of delivery, and medical checkup of the baby after birth are found to be significant factors determining the variations in infant mortality among the sample rural population of the district. Thus, there is a need to bring about changes in these factors so as to experience a decline in the level of infant mortality.

INTRODUCTION

Infant Mortality is one of the important measures of mortality, as it estimates the health standards and mortality level of the population or a group. It is a useful indicator of a nation's health as it is often associated with health factors such as maternal health and quality and accessibility of medical and public health facilities. Besides, it serves as a vital demographic parameter which indicates the level of socioeconomic development of a community and society as a whole. It is generally observed that infant mortality in rural areas is substantially higher than their urban counterparts (Cleland, Bicego & Fegan 1992; Wang 2003). In Assam, a pronounced disparity in infant mortality rate (IMR) between rural and urban areas is noticed. As per SRS 2011, IMR in rural Assam is 58 whereas in urban Assam it is 34. In Dibrugarh district, a wide differential is also found in IMR between rural areas (54) and urban areas (46), as per Annual Health Survey Bulletin, 2011-12.

This paper is concerned with examining the pattern of infant mortality differentials among rural population of Dibrugarh district with respect to demographic and socioeconomic factors. More specifically, it aims to investigate whether demographic and socioeconomic factors have any impact on the levels of infant mortality.

CONCEPTUAL FRAMEWORK

A wide range of demographic and social factors are associated with high rates of infant mortality. In this study, an attempt has been made to examine the influence of a *demographic factor*, viz. age at birth of the mother, certain *socioeconomic factors*, viz. mother's education, father's education, mother's labour force participation, number of existing children, family income, type of family, and housing condition and *medical care factors*, viz. place of delivery, and medical checkup of the baby after birth on infant mortality of the sample gaon panchayats of Dibrugarh district.

The age of the mother at the time of the child's birth seems to be associated with the risk of infant mortality inversely. Infant mortality is generally observed to be higher when the age at effective marriage of the mothers is below 18 years. Research has documented that teenage mothers are at a high risk for poor birth outcomes. Chances of neonatal mortality are likely to be higher for teenage mothers due to complication in pregnancy and delivery, premature birth and other related causes. Mustafa and Odimegwu (2008)ⁱ found that there is also a significant high risk for dying among infants for mothers whose age at first birth is less than 19 years. Mondel et al. (2009)ⁱⁱ also observed that neonatal mortality of the children whose mothers aged below 20 years at the time of the child's birth is 9.9 % higher than the children whose mothers are in the age range 20-29 years at the time of giving birth.

Parental skills have an important implication for child survivals that is usually measured by fathers' and mothers' educational attainments. Mother's education is important because it facilitates her integration into a society impacted by traditional customs, exposes her to information about better nutrition, use of contraceptives to space births and knowledge about childhood illnesses and treatment. Caldwell (1979)ⁱⁱⁱ in his paper argued that education of women played an important role in enhancing child survival. Patel et al. (2011)^{iv} found that children of illiterate mothers had higher risk of dying during infancy compared to literate mothers. Hobcraft (1993)^v explained that education can contribute to child survival by making women more likely to delay the start of child bearing and have fewer children, utilize prenatal care and immunize their children.

Similarly, father's education may also influence infant mortality differentials in a population. In our societies, fathers are regarded as the decision maker of the family and main income earner. Therefore, father's education

is strongly associated with occupation and household income. Desta Mekonnenn (2011) in his study in Ethiopia found that child born to fathers who completed primary and secondary or above educational levels are 75% and 55% less likely to die respectively relative to children born to fathers with no education^{vi}. However, Mturi and Curtis (1995)^{vii} found no significant effect of maternal education and partner's education of the population of Tanzania on infant and child mortality. They concluded that demographic and biological factors have an impact on infant and child mortality differentials.

Work status of mother can have dual affect on infant mortality. On one hand, mother's labour force participation can have adverse impact on child health as the child will not get full attention from its mother and may even forgo the benefits of breastfeeding early in life. Moreover, in case of non availability of supporting persons at home, the infants will be exposed to all kinds of infections and health hazards when their mother participates in gainful work outside the household. On the other hand, mother's occupation will lead to higher family income which will broaden the outlook of the mother and, in turn, will have a positive impact on child nutrition and health. Various studies have reiterated the connection between mother's work force participation and infant mortality. Mondal et al. (2009)^{viii} in their study results indicate that neonatal (94.6%), post-neonatal (95.2%) and child (97.7%) mortality level are high among non working women than self-employed women (5.4%, 4.9% and 2.3%, respectively). Tulasidhar (1993)^{ix} also showed that female labour force participation has a significant inverse relationship with child mortality. On the contrary, some studies indicate a direct relationship between child mortality and labour force participation. Basu and Basu (1991)^x reported an adverse impact of the mother's participation in the labour on child mortality. The authors trace this to the inability of working mothers to give adequate care to infants and to breastfeed them properly.

Infant mortality may also be determined by the number of existing children. It is generally observed that in a household where there exists large number of children, the mothers fail to take adequate care of the additional children. The failure to provide basic physical health care, supervision, nutrition, nurturing, or safe housing to the additional children may lead to high infant mortality.

It has been frequently argued that family income is an important factor in explaining the risk of infant and child mortality. Poor people are less informed about health care issues, have fewer resources and access to medical facilities and are not able to take proper care of their child, resulting in higher infant mortality rates. Studies have reported that babies born in families with low socioeconomic status had higher risks of infant death as the capacity of families for child care is minimal and child survival depends on the ability to offer good care. Stockwell et al. (1988)^{xi} pointed out that there prevails a strong and persistent inverse association between economic status and the probability that a newborn infant will not survive the first year of life.

Type of family may also be an important predictor of infant mortality. Many studies conducted in this regard have observed higher infant deaths among nuclear households. Gopal and Mouli (1981)^{xii} found that that a higher proportion of infant deaths prevail in the nuclear families. Patel et al. (2011)^{xiii} also concluded that in 81.3% of infant deaths, families were of joint type. This might be ascribed to the presence of additional caretakers who have better knowledge of child rearing practices and the infants in joint families receive larger care apart from mother and father. On the contrary, Nath (2088)^{xiv} observed that mothers living in joint families' experienced higher infant deaths than those of nuclear families. A similar finding was reported by Caldwell^{xv} of Nigerian women, that children living in extended households experienced higher mortality than children living in nuclear households. Caldwell argued that this was because mothers in extended households were restricted in their decision making by traditional beliefs imposed by the in laws.

Housing condition where hygienic standards are low, presumably have an adverse impact on infant mortality. Factors such as purity of drinking water, well ventilated, free of pests, adequate sanitation facility and hygiene in the home influences infant health to a great extent. Under unhealthy housing conditions, gastro-intestinal diseases, chronic and infectious respiratory diseases, allergies and other illness are widespread and may cause many infant deaths.

Survival is generally found to be higher among children born in proper health facilities and attended by professional doctors than those born at home attended by untrained dais. In this regard, place of delivery may also be an influenced factor in differentiating the infant mortality levels within the medical care factors. Adetunji (1994)^{xvi} found that that infant and child mortality rates tended to be higher for children of mothers who did not use modern health facilities for delivery. Similarly Ajaari et al. (2012)^{xvii} reported that neonatal

mortality was significantly higher (43.4 per 1,000 live births) in children born outside health facilities compared to those born in health facilities (27.0 per 1,000 live births).

Vast majority of the newborn deaths take place due to low access to healthcare. Skilled healthcare in the postnatal period (especially in the neonatal period) prevents complications for mothers and newborns, and allows for early detection and management of problems that could greatly increase their chances for survival. Thus, postnatal medical care may also have a strong influence in the decline of infant mortality as well. Adak (1996) ^{xviii} in his study observed that mothers who undergo medical checkup after delivery share a lower percentage of infant deaths than the mothers who do not go for medical checkup.

DATA AND METHODOLOGY

Data Sources

The study was carried out in all the seven development blocks of Dibrugarh district. A stratified sampling design was used for the survey. The study was administered to 932 households selected from the two sample gaon panchayats from each development block of the district. Information collected on demographic and socioeconomic characteristics of the sample population was accomplished within four months period (from January 2013 to May 2013) through an interview method.

Methodology

The present study incorporated all the infant deaths which occurred during three years prior to the survey (i.e. from 1st January 2010 to 31st December 2012). The analysis of this paper is confined to the ever-married women of the reproductive age (15-49) who have atleast one live birth. Accordingly, a total of 23 infant deaths from the study area were found among the rural population. Cross-classification percentage distribution is used to examine the association between infant mortality and demographic, socioeconomic and medical care factors of the sample population. Furthermore, binomial logit regression model is applied to focus on the net effect of each predictor variable on infant mortality differentials (infant mortality being the dependent variable is a dichotomous variable) of the rural population of the district after controlling for the effect of other predictors.

RESULTS

Demographic, socioeconomic and medical care profile for the infant deaths

Various research studies have explored that the demographic, social and economic factors have strong relationship with infant and child mortality differentials. In the present study, distribution of the infant deaths according to some selected demographic, socioeconomic and medical care factors has been depicted in table 1.

Table: 1

Distribution of infant deaths according to some selected demographic, socioeconomic and medical care factors

Characteristics	Infant deaths (Total infants died=23)	
	Number	Percentage
Mother's age at birth		
15-19	15	65.22
20-24	8	34.78
25 and above	0	0
Mother's education		
High school and beyond	9	39.13
Otherwise	14	60.87
Father's education		
High school and beyond	4	17.39
Otherwise	19	82.61
Mother's labour force participation		
Working	5	21.74
Non-working	18	78.26
Number of existing children		
0-3	18	78.26
4 and above	5	21.74

Family Income		
Upto 2000	3	13.04
2001-4000	12	52.17
4001-6000	6	26.09
6001-8000	0	0
8001-10000	0	0
Above 10000	2	8.70
Type of family		
Joint	2	8.70
Nuclear	21	91.30
Condition of house		
Standard housing condition	2	8.70
Inadequate housing condition	21	91.30
Place of Delivery		
Hospital	9	39.13
Home	14	60.87
Examination of the baby after birth		
Examined	13	56.52
Not examined	10	43.48

The estimates of infant mortality by various demographic, socioeconomic and medical care factors are depicted in table 1. Although immunization is a key to achieving child survival goals, it has been excluded from this analysis because almost 100 % of the infants have been found to have immunized so as to receive protection from several diseases. It appears that the percentage of infant deaths is the highest for the mothers who are under 20 years of age (65.21%). It can be seen that as the age at giving births of the mothers increases, number of infant deaths decline. Thus, an inverse relationship has been observed between mother's age at birth and infant mortality.

Likewise, the percentage of infant deaths is higher (60.87%) among the mothers who are illiterate or have received only primary education than those with higher educational attainment (39.13%). Similarly, a high percentage (82.61%) of infant deaths has occurred among the fathers who are illiterate or have received only primary education than their counterparts (17.39%).

Furthermore, the percentage of infant deaths (78.26%) is higher among non-working mothers than those who work (21.74%). Thus, a significant negative relationship is observed between mother's employment and infant mortality. However, it is to be noted that, no clear association has been observed between family income and number of infant deaths.

The association between the number of existing children and of infant deaths shows that 78.26% of the deaths have occurred among women having fewer children (0-3), and the remaining 21.74% have occurred among women having more than 4 living children.

Regarding the type of family, it is found from table 1, that mothers living in nuclear families have experienced higher infant deaths (91.30%) than those of joint families (8.70%).

Housing condition is a qualitative variable and in the study of infant mortality, it is taken as dummy variable. It is found that pucca and semi-pucca houses in the sample gaon panchayats are healthy and safe as compared to the kutchha houses. So the housing condition of the pucca and semi-pucca houses are considered as standard housing condition and kutchha houses are taken as inadequate housing condition. Table 1 reveals that standard houses have considerably lower infant mortality (8.70%) than those of inadequate houses (91.30%). It is thus seen that infant deaths increases when housing condition declines.

Regarding the influence of medical care factors, it has been observed that the percentage of infant deaths is much lower in case of institutional deliveries (39.13%) as compared to home deliveries (60.87%) among the

sample rural women. Likewise, the percentage of infant deaths is observed to be much higher among the babies who have not received post-natal medical checkup (71.26%) and than those who have received medical checkup (21.74%).

Influence of the demographic, socioeconomic and medical care factors on infant mortality

Table 1 reveals that infant mortality experience of the sample rural population is significantly related to some variables. In this section, an attempt has been made to examine the influence of the selected demographic, socioeconomic and medical care factors on infant mortality of the rural population of the district by applying Binomial Logit Regression model. In the applied model, infant mortality (IM) has been taken as the dependent variable, which depends on ten independent variables (socioeconomic, demographic and medical care factors).

FINDINGS OF THE REGRESSION ANALYSIS

Results summarizing the effects of all the ten variables on infant mortality have been presented in table 2.

Table: 2
Determinants of Infant Mortality: Binomial Logit Regression Results
Dependent Variable: Infant Mortality

Regressor	Coefficient (β)	Standard Error	Wald	Exp (β)
AB	-.302	.109	7.726**	.739
ME	1.023	.608	2.837	2.782
FE	-2.084	.665	9.816*	.124
MLFP	.218	.692	.099	1.244
EC	-.109	.234	.218	.896
FI	.012	.058	.043	1.012
FT	-.146	1.067	.019	.864
HC	.119	1.100	.012	1.127
PD	-1.845	.559	10.894*	.158
MC	-1.664	.581	8.208*	.189
Constant	6.276	2.588	5.880***	531.848

Cox & Snell R² = 0.126; Nagelkarke R² = 0.400

Hosmer and Lemeshow Goodness of fit test statistic = 2.884

Convergence achieved after 5 iterations.

*Significant at 1 % level; **Significant at 5 % level; ***Significant at 10 % level

Estimated results of the logistic regression model (table 2) show that out of the 10 influencing variables included in the model, only 4 variables such as age at birth of the mother (AB), father’s education (FE), place of delivery (PD) and medical checkup of the baby (MC) after birth are found to be significant factors determining the variations in infant mortality among the sample rural population.

It is found that controlling all other factors, an increase in the age at birth of the mothers’ decreases the risk of infant mortality by 0.302 units.

So far as the relationship of father’s education on infant mortality is concerned, it can be seen that it is a significant variable. The β co-efficient for father’s education being -2.084 reveals that fathers having educational attainment of high school level and beyond exhibit lower risk of infant mortality by 2.084 units than their counterparts.

Place of delivery is found to have negative significant association with infant deaths. It is being found that hospital delivery decrease the risk of infant deaths by 1.845 units than home delivery.

Medical checkup of the babies after birth is directly related with their health status. Estimated results show that, controlling for other variables, the risk of infant mortality is lower by 1.664 units among the babies who have been examined by medical professionals after birth than those who have not.

On the contrary, other variables, such as mother's education (ME), mother's labour force participation (MLFP), number of existing children (EC), family income (FI), type of family (FT) and housing condition (HC) are not found to be significant factors determining the variations in infant mortality among the sample rural population.

CONCLUSION AND POLICY IMPLICATION

The study reveals that the demographic, socioeconomic and medical care factors have an influence on the existing levels of infant mortality among the rural community of the district. Thus, there is a need to bring about changes in these factors so as to reduce the level of infant mortality. As IMR is one of the most important sensitive indicators of the socioeconomic and health status of a community, the following suggestions are put forwarded for reducing the level of infant mortality found among the sample population.

- i. The study documents that the age of the mother at the time of the child's birth is associated with the risk of infant mortality inversely. Teen mothers have children with the worst health outcomes as compared to the mothers of late 20s. Therefore, there is a need to develop programmes which can highlight the benefits of delaying the first birth, allowing women to mature biologically, and provide a mechanism for young female members to improve their knowledge and skills in childcare and family planning. Moreover, steps should be taken by the government to provide gainful employment opportunities to women, so as to relieve the immediacy of the need or desire for childbearing.
- ii. Place of delivery has been found to be a significant predictor of infant mortality. 21.85% of the deliveries were conducted at home in the absence of skilled health personnel. It is, therefore, recommended to develop and implement programmes that would educate, encourage and support pregnant women to give birth in health facilities. The various schemes introduced under NRHM ensuring financial support such as Janani Suraksha Yojana, Mamoni and Majoni should be made more effective to promote institutional deliveries among the rural population. As ASHAs play an important role in getting the pregnant women registered for ANC check up and motivating them for institutional deliveries, steps should be taken by the government to make a fixed and timely remuneration to the ASHAs and arrange more training programmes for them.
- iii. Medical checkup of the baby after birth has also been found to have negative association with infant mortality. Mothers should be encouraged to avail preventive and curative medical services intended to safeguard their children's health and wellbeing. Facility based newborn and child care units should be established at the CHCs and the PHCs to address the issues of infant and child mortality, postnatal care, immunization and referral services. Furthermore, there is a need to appoint gynaecologists and pediatricians in all the CHCs and in the 6 Block PHCs located at the block headquarters of Dibrugarh district to deliver comprehensive newborn and child healthcare services.

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Examples of References

All references must be arranged first alphabetically and then it may be further sorted chronologically also.

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