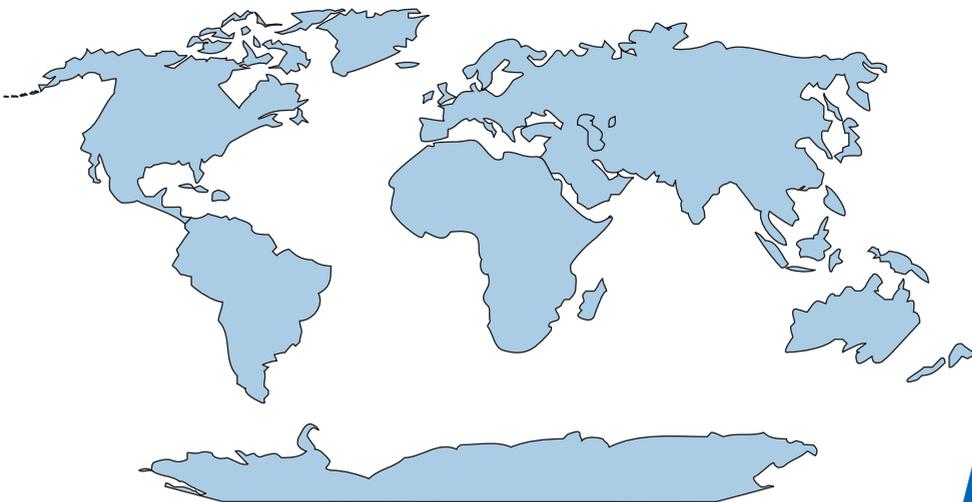


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**A STUDY OF COMMUNICATION CHALLENGES BEFORE A RURAL MARKETER IN INDIA**

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**Dr. Dhananjay Awasarikar**Professor, Suryadatta Institute of Management and Mass Communication, Bavdhan, Pune

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**ABSTRACT**

*The Rural Marketing is growing not only in style but also in size especially in the post Green Revolution period. The marketing in Rural regions in India necessitates better understanding of the local culture and segments. The Census of India defines Rural area as any habitation with a population density of less than 400 per sq. Km. It is observed, especially, of late, that disposable income of a Rural consumer in India is increasing day by day; besides, his behavioral attitudes are undergoing drastic changes and his intense desire not only for branded but also for non branded products is increasing, quite rapidly, with the passage of time. On this background of Rural consumer in India, it is necessary to study, Communication Challenges before a Rural Marketer in India.*

*The Communication Challenges before a Rural Marketer in India are Low Literacy Level, Poor Infrastructural Facilities, Unique Media Habits, Lack of Research Data, Selective Attention and Retention of Advertising Message, Linguistic and Socio-Cultural Differences, Joint Families and Strong Kinship Ties and Situation Based Leisure Activities. Prior to designing of Communication Strategies for Rural Regions in India, it is, indeed, essential to study these burning challenges before the Rural marketer in India, as on today, so that the communication can certainly be highly convincing and effective.*

*Key Words: Communication Challenges, Unique Strategies.*

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**INTRODUCTION**

The Rural Marketing is growing not only in style but also in size especially in the post Green Revolution period. The marketing in Rural regions in India necessitates better understanding of the local culture and segments. A large number of transactions can be categorized as a part and parcel of Rural Marketing. For example, Marketing of Agricultural Inputs, Marketing of products manufactured in urban areas but sold in Rural areas, Marketing of products manufactured in Rural areas and sold in urban areas, Manufacturing of products manufactured in Rural regions and sold in Rural regions.

Moreover, the Rural Market can be classified in the same way as that of urban markets like Consumer Market, Industrial Market and Services Market. The major hurdles in tapping the Rural Markets in India, at present, are High Distribution Costs, High Market Development Expenditure, Inability of a small retailer to carry stock without adequate credit facility, Wholesale and Dealer Network Problems, Mass Communication and Promotion Issues, Lack of Banking and Credit Facilities, Overall Management and Sales Management Obstacles, Lack of Market Research, Inadequate Infrastructure Facilities, Highly Dispersed and thinly populated markets, Low per Capita Income, Poor Standard of Living, Social, Cultural and Economic Backwardness, Low level of Exposure to different Product Categories and Brands, to mention a few.

**Definitions**

The Census of India defines Rural area as any habitation with a **population density of less than 400 per sq. Km.** The FMCG Companies define Rural as any place where there is **population of 20,000 or less.** The durable and agri-input companies define Rural as any place where there is **population less than 50,000.** Rural area is also defined as that which is not urban. The urban area includes all the locations having a Corporation or Municipality, Cantonment Board or the notified town or the area. It also includes a location where the **minimum population is 5,000 or at least 75 % of the male work force is engaged in non-agricultural activities and a population density of more than 400 per Sq. Km.**

**RATIONALE OF THE PAPER IN THE PRESENT MARKET SCENARIO**

The Rural Market of India with its vast size and demand base undoubtedly offers great opportunities to the manufactures and marketers in India. Majority of the Indian population live in rural regions and substantial national income is generated from there. Moreover, rural markets form an integral part of the total market of India. Therefore, it is, indeed, imperative to study at depth the communication strategies for rural markets in India so that the Advertising Message can not only be properly structured but also be subsequently delivered.

It seems justifiable, at this stage, to highlight the precious principle of Communication that the communication of the message is complete only when the receiver of the message understands the same in the same sense as the sender intends. Furthermore, if the message is not understood properly or correctly by the receiver, the result can either be no action or a wrong action. Both these phenomena are neither desirable nor beneficial for the

sender of the message. This implies that *prior to designing of Communication Strategies for Rural Regions in India, it is, indeed, essential to study the burning challenges before the Rural marketer in India*, as on today. The Communication Strategies for Rural Regions in India can certainly not, at all, be the same as those in the urban markets in India, definitely, for a number of understandable and undisputable reasons.

Moreover, it is relatively quite difficult to understand the peculiar behavioral nature of a Rural consumer in India. No doubt, a lot of research is being conducted on this topic, right now. It is observed, especially, of late, that disposable income of a Rural consumer in India is increasing day by day; besides, his behavioral attitudes are undergoing drastic changes and his intense desire not only for branded but also for non branded products is increasing, quite rapidly, with the passage of time. On this background of Rural consumer in India, it is necessary to study, Communication Challenges before a Rural Marketer in India.

### **OBJECTIVE**

The following is the Objective of this Paper.

To Identify Communication Challenges before a Rural Marketer in India

### **SCOPE**

The Scope of this Paper extends to the Identification of Communication Challenges before a Rural Marketer in India, at present.

### **METHODOLOGY**

The following Methodology was adopted for writing this Paper.

1. The Review of Literature was done through several Books and significant Websites (Secondary Data) in order to learn different communication challenges before a Rural Marketer in India.
2. The paper is based on Secondary Data.

### **SOURCES OF SECONDARY DATA**

The Sources of Secondary Data include Books and Websites, related to Rural Marketing, the details of which are given in the Section, of Categorized Bibliography, which is located at the end of this Paper.

### **COMMUNICATION CHALLENGES BEFORE A RURAL MARKETER IN INDIA**

In order to tap very vast and ever expanding Rural Market in India, those companies which are actually interested in dealing with Rural Markets are really required to design highly proactively effective Communication Strategies after sincerely and seriously taking into consideration all the following challenging factors which are associated with or inherent in such a dealing, especially, at present.

1. Low Literacy Level
2. Poor Infrastructural Facilities
3. Unique Media Habits
4. Lack of Research Data
5. Selective Attention and Retention of Advertising Message
6. Linguistic and Socio-Cultural Differences
7. Joint Families and Strong Kinship Ties
8. Situation Based Leisure Activities

Let us discuss each of these challenging factors in detail, one by one, in the following lines.

#### **1. Low Literacy Level**

Overall low level of literacy is, indeed, one of the major limiting factors in practically effective and desirable reach of print media in Rural Markets in India. Relatively, very very low percentage of Rural Population is exposed to press, especially in the states of

U. P., M. P, Bihar, Rajasthan, etc., in India. However, at the same time, there is a slight increase in such a percentage in Orissa, West Bengal, Karnataka and A. P. Of course, in Kerala, as an exception, there is a press exposure to the extent of more than 60 %. In other words, it is neither advisable nor desirable to think in terms of Print as a practically effective media while designing communication strategies in Rural Markets in India.

## 2. Poor Infrastructural Facilities

It is quite difficult to access Rural Markets in India particularly because of very Poor Infrastructural Facilities like *Perennial Roads, Postal or Courier Services, Lack of Mobile Network Coverage, Defective Quality of T. V. Signals*, in turn, due to low voltage and instable power supply, etc.

## 3. Unique Media Habits

In most of the villages in India, the *reading even of a News Paper is indeed secondary* in its nature. Household newspaper subscription like urban areas is almost non-existent. Dailies are subscribed mainly at grocery shops or hotels where they may be highly restricted or selective access. *Magazines and other literature are generally not read* by the rural consumers.

## 4. Lack of Research Data

*Although NCAER conducts regular research and publishes its findings as regards several rural regions of India, the significant decisions arrived at based solely on such findings are not, at all, experienced encouraging.* Therefore, decision making about message and media mix are more often than not, dependant on feedback obtained from sales force, retailers as well as distributors.

## 5. Selective Attention and Recall of Advertised Message

Full fledged attention is really hardly paid by the manufactures in India to the rural regions exactly contrary to urban regions. Rural reach of such manufacturers is observed incidental and not, at all, intentional, in practical nature. Only those messages which create an interest and arouse curiosity for rural consumers are selectively attended to by the consumers. Naturally, the number or the proportionate percentage of such sensible messages is relatively very less in rural regions in India.

However, the *products and services which are advertised in these areas are not systematically and tactfully emphasized even over a few miles, especially in the interior rural environment.* Undoubtedly, this diverts the attention of a rural consumer on products or services of the leading competitors. At times, their purchases, especially of luxurious items, may be postponed even up to a fortnight, provided a consumer recalls the advertisement.

It need necessarily not be out of place to point out over there that; as it is said in respect of human Memory, that it is very short. Several Observations in this regard have already revealed that a human being remembers only those things for which he pays adequate attention, that too, with full concentration. In other words, it is not expected out of a rural consumer in India to pay such an attention on the advertisements those are released.

## 6. Linguistic and Socio-Cultural Differences

Mass media messages only in either of the languages do not seem work in rural regions in India especially because of very vast and ever changing and increasing differences in linguistic and socio-cultural norms, from region to region. As far as the scope of the Rural Market of India is concerned, in all there are twenty four major languages and at the same time, there are many more other languages which are only spoken.

On this background, indeed, *it is a challenging task for any marketer to customize or individualize the message in a language that would clearly be understood by the targeted Rural Consumer, unless he knows or until he learns the local language of that particular Rural region, quite well.* Moreover, in rural regions of India, Cultural and Social norms differ very drastically from region to region. This undoubtedly adds to the existing rural marketing complexities.

## 7. Joint Families and Strong Kinship Ties

People living in Rural regions of India live in joint families as against people living in urban regions in India. Also, there is high intensity of Inter-Personal Interaction due to strong kinship ties, among People living in Rural regions of India. Male family members not only act as information diverters, there, but they are also the influencers as well as the buyers of the products and services. Almost all the *female members depend on their male counterparts for information regarding various products and services and their subsequent purchases.* This scenario, no doubt, does pose serious problems before the rural marketers for reaching up to the female consumers particularly, in respect of *products exclusively meant for them.*

## 8. Situation Based Leisure Activities

In Rural regions in India, daily routines revolve mainly around agricultural activities. For such activities, there are no fixed timings, at all. A rural farmer may require working, sometimes, at night or even overnight or at very odd hours of the day or night. Thus, *it becomes very difficult to find out available time slot for release of an advertisement in a particular medium, as leisure activities are actually situation based.*

**RESEARCH PAPER LIMITATIONS**

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

1. As the present Study is strictly of Academic Orientation, some sort of adaptation to prevailing market conditions is naturally necessary prior to their practical application.
2. As this study is based on Secondary Data, all the limitations of Secondary Data have direct and deep impact on the Researcher's Views and Opinions.
3. The challenges before a Rural Marketer, explained in this Paper, are strictly restricted to the area of Rural Communication only, for want of length.

**SCOPE FOR FUTURE RESEARCH**

During the course of the study of this Paper, the researcher found out that there is an ample scope and adequate potential for research in future for the following topics related to Ethical Issues in Marketing Research in India.

1. A Study of Communication Strategies for Rural Markets in India
2. A Study of Classification and Effectiveness of the Sources of the Advertisement Message for Rural Markets in India

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**A STUDY OF HUMAN BEHAVIOUR AND ENVIRONMENTAL SUSTAINABILITY IN DISTRICT MUZAFFARNAGAR (U.P)****Dr. Roohi Javed<sup>1</sup> and Dr. Farheen Javed<sup>2</sup>**Doctoral Fellow<sup>1</sup>, ICSSR, New Delhi & Research Scholar, R.G.P.G. College, Meerut  
Assistant Professor<sup>2</sup>, Roorkee Engineering & Management Technology Institute, Shamli

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**ABSTRACT**

*Environmental sustainability is a necessity for all countries worldwide, and it is strongly related to human quality of life. Given that sustainability problems largely result from human-environment interactions, social and behavioral research is developing as a necessary complement to natural-science and technological studies of environmental problems.*

*Climate change and environmental decline are largely the result of human behavior. These problems have accelerated in recent decades as we've consumed ever more scarce resources, including oil, coal, metals, and water, to create ever more products to live in our homes, work in our business, and accumulate things. This behavior is often called "unsustainable" because we are depleting some of those resources ever faster, we are needing to provide for ever more people as worldwide population growth continues unabated, and we are degrading many parts of our environment—land, seas, and air—as we try to "sustain" our current way of life. We review existing knowledge across these areas and conclude that the global sustainability deficit is not primarily the result of a lack of academic knowledge. Rather, unsustainable behaviors result from a vicious cycle, where traditional market and state institutions reinforce disincentives for more sustainable behaviors while, at the same time, the institutions of civil society lack momentum to effectively promote fundamental reforms of those institutions. Achieving more sustainable behaviors requires this cycle to be broken.*

*We call on readers to contribute to social change through involvement in initiatives. Sustainability demands changes in human behavior. To this end, priority areas include reforming formal institutions, strengthening the institutions of civil society, improving citizen engagement, curbing consumption and population growth, addressing social justice issues, and reflecting on value and belief systems.*

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**INTRODUCTION**

Climate change has been described as a diabolical issue because much of what we would like to know in order to manage the risks it presents is uncertain, the issues are complex and, without action, there is a potential for dangerous consequences. Policy development considers what the impact of greenhouse gas emissions might be, what response options are acceptable and what options are equitable. Together, these questions pose substantial challenges to individuals, companies and governments.

It has always been important to look after our local environment if only so that we can pass on to our children and grandchildren an environment at least as good as we have enjoyed. Today, however, it is not just the local environment that is at risk but the global environment. Small amounts of pollution for which each of us is responsible are affecting everyone in the world. For instance, very small quantities of chlorofluoro-carbons (CFCs) emitted to the atmosphere from leaking refrigerators or some industrial processes have resulted in degradation of the ozone layer. Of greater importance is the carbon dioxide that enters the atmosphere from the burning of fossil fuels, coal, oil and gas, which is leading to damaging climate change. Pressures from rapidly increasing world population and from over-use of the Earth's resources are making such problems much more acute and exacerbating the damage both to the natural world and to human communities. The perils of human induced climate change are now recognised much more widely. It is frequently described by responsible scientists and politicians as probably 'the greatest problem the world faces' and as a 'weapon of mass destruction'. Global pollution demands global solutions. To arrive at global solutions it is necessary to address human attitudes very broadly, for instance those concerned with resource use, lifestyle, wealth and poverty. They must also involve human society at all levels of aggregation - international organisations, nations with their national and local governments, large and small industry and businesses, non-governmental organisations (e.g. churches) and individuals. To take into account the breadth of concern, a modern term that is employed to describe such environmental care is 'sustainability'.

**OBJECTIVES****The aims of our study are**

1. To review and build on existing evidence to produce a practical overview of links between environmental issues and human behaviour.

2. To identify lessons about how environmental behaviour change could be supported, and suggest promising areas for further work.
3. The relationship between the local neighbourhood environment and wider environmental problems and goals.
4. People's opinions, experiences and actions in relation both to their own immediate environment and the wider environment.
5. How behaviour change could be supported.

### REVIEW OF LITERATURE

**Garnaut (2008)** describes climate change as a 'diabolical' issue because it is uncertain in its format and extent, insidious rather than (as yet) confrontational, long-term rather than immediate, international as well as national and, in the absence of effective mitigation, carries a risk of dangerous consequences. Other dimensions to the diabolical nature of the issue include its sheer complexity, the urgent need for action and the inequities of its causes and effects.

In addressing the issue, governments and corporations respond by considering three questions: what is possible, what is acceptable, and what is equitable? (**Pearman 2008; Härtel and Pearman 2009**). With regards to what is possible, what are the geophysical realities of the cycling of greenhouse gases, the response of the climate system to these gases and the human inputs to emissions, and the direct impacts of climate changes on natural and human systems? Second, in terms of what is socially acceptable, how might the risks be managed, and what are the opportunities and potential for adaptive responses? Finally, in terms of what is equitable, how do we share the responsibility for action, establish agreements and legislation to share costs and manage inequities nationally and internationally?

This delineation of the major questions provides a convenient way of describing what is otherwise a complex of interactions without discernable structure. What is striking is the degree to which human behaviour and human governance systems form an integral part of how we contribute to, perceive and respond to the climate change issue. As observed by **Shove (2006)** in relation to the issue of energy consumption and climate change, response necessitates that we go beyond physical science and consider the values, norms and institutions that drive behaviour.

**Vlek and Steg (2007)** recently argued that environmental problems are basically social and behavioural problems. In response to the question, 'Are there social limits to adaptation to climate change?', **Adger et al. (2009)** suggested that the limits to adaptation are endogenous to society and hence contingent on ethics, knowledge, attitudes to risk and culture. Similarly, **Hulme (2009)**, in addressing the question, 'Why do we disagree about climate change?', identified a range of behavioural and societal factors, such as perhaps science is not doing the job we expect of it; that we each have different values and views concerning our duty to others, to nature and to our deities; that we understand development differently, and that we seek to govern in different ways.

**Härtel and Pearman (2009)** recently examined the role of behavioural science in the climate change issue in terms of what is possible, acceptable and equitable. They first identified a wide range of physical science issues that relate to the climate change, and then mapped on to this the relevant fields of behavioural and social science. This chapter draws heavily on the work reported in **Härtel and Pearman (2009)** to explore who we are, how we behave and how our societal constructs interface with the issue.

### HYPOTHESIS

*This led us to develop 5 hypotheses*

1. Local environmental neglect has a significant negative impact on people's quality of life, which has wider implications for the environment.
2. Environmental behaviours are more influenced by local area conditions than by wider problems.
3. Environmental behaviour change will happen most easily if it builds on the starting point of everyday lives in the context of local areas.
4. Low-income residents care about wider environmental issues.
5. Behaviour change depends on the wider context, the removal of barriers to action, and the knowledge and constraints of individuals, as they experience them on a day-to-day basis.

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**METHODOLOGY**

We reviewed existing quantitative and qualitative evidence to build a detailed picture of environmental problems, attitudes and *behaviour in District Muzaffarnagar( Uttar Pradesh)*, including specific evidence about low-income areas, different social classes and income groups. We identified existing evidence through our knowledge of, and involvement with, work in this field, together with internet and journal searches and a search of the Indian data archive.

We chose 6 areas that have been carefully selected to reflect the characteristics and distribution of the most disadvantaged areas in Muzaffarnagar. The participants were recruited through local organisations, local workers and posters. Each focus group was facilitated by the project researcher, using a standard set of questions to guide discussion on environmental issues, concerns and action. We recorded the focus group discussions and produced transcribed records of the discussion. We also asked the participants to complete a questionnaire covering questions about environmental concern and action.

We asked about environmental issues, action and concerns during interviews conducted as part of the CASE Areas study. Comments and discussion on these issues, with a total of 18 housing, regeneration, community and neighbourhood workers in our 6 areas, were made available as part of our study.

**ANALYSIS**

We used Anne Power's well-established method for analysing both qualitative and quantitative findings from area based research to analyse our findings (Power, 1997). We used a grounded theory approach, starting with hypotheses from our existing work and knowledge in the field. We tested these and based our conclusions on the results.

We carried out a thematic analysis of the focus group transcripts, local manager interviews and think-tank findings. This involved grouping comments relating to the three main research issues. Findings were then categorised to identify themes illustrated by specific examples and quotes. We counted the number of times each theme was raised as significant, gave a clear weighting to specific issues. In addition, we put the questionnaire findings into SPSS to provide a quantitative analysis of responses from focus group participants.

**CRISIS OF SUSTAINABILITY**

The human activities of an increasing world population together with the accompanying rapid industrial development, are leading to degradation of the environment on a very large scale. Notwithstanding, some deny that degradation is happening; others that degradation matters. Scientists have an important role in ensuring the availability of accurate information about degradation and also in pointing to how humans can begin to solve the problems. Many things are happening in our modern world that are just not sustainable. In fact, we are all guilty of cheating in the three respects I have mentioned.

Five of the most important causes of un sustainability are: Human induced Climate Change, Deforestation and Land Use Change, over Consumption of Resources, over generation of Waste and over Fishing. All these increasingly impact human communities and ecosystems, in particular, they threaten food and water supplies and lead to large scale loss of Biodiversity and loss of Soil.

**RESULTS FROM OUR STUDY**

Participants discussed a wide range of problems in their local areas, illustrating the significant difficulties faced by residents. As reported in previous studies, participants' responses gave a wide definition of local 'environmental' problems, which fell under three broad categories: -

1. Physical problems such as lack of green space, dirty streets and poor quality housing.
2. Social problems such as crime, unemployment, antisocial behaviour, and tensions between established and new communities in areas.
3. Problems specifically relating to services or facilities, such as poor transport, too few police, lack of recycling facilities, and service providers not involving the community. Some participants talked about wanting to leave the areas because of poor local environmental conditions.

Focus group participants identified many wider environmental problems that they were aware of and concerned about, including, for example, biodiversity loss, global warming, and concern about overuse of the world's resources. The discussion also showed that many participants understood these issues, as opposed to having just heard of them. Participants discussed the mechanisms and complexities underlying many of these global problems, including the role of the consumerist system and population growth putting pressure on resources.

Participants put this emphasis on individuals into a wider context. They acknowledged that businesses and government, as well as individuals, were to blame and discussed how people's individual behaviour is constrained and manipulated, how social changes and norms have an influence, and the role of factors beyond individual control which shape what happens:

*'It's a bit of both. Industry are actually pressurising us to buy these things, telling us 'you can have this, you can't live without a DVD player..'. So it's a bit of both, it's society changing but I think it's the global, the large corporations are a lot to blame...It's very difficult to break the cycle because a lot of these multinationals are bigger than countries, they have more sway over the world than even individual countries do.....so we as a small community we can do our bit to recycle but we're not going to get past a certain [level of impact]...' Redcar, Female*

**Many local environmental issues, but rarely linked these to global environmental concerns. The main issues raised were:**

1. Decay, vandalism, lack of maintenance, housing abandonment.
2. Litter, rubbish, dumping, abandoned cars.
3. Ugly, poorly used spaces, unwanted bare sites.
4. Fear of crime and disorder keeping people away from green spaces bad behaviour, poverty and ignorance (leading to neglect, dumping etc)
5. Lack of maintenance and repair.
6. Poorly maintained gardens, paved over front gardens

## CONCLUSION

Overall our findings show that our five hypotheses were supported by the evidence we uncovered. The study shows an awareness of environmental problems and actions among residents in areas that belies many firmly held assumptions. People in areas are aware of wider as well as local environmental problems and possible solutions. People can also relate global problems to their everyday lives. Individual environmental action can often be dependent on a supportive context and ease of execution. This requires a framework that makes action relatively easy, that involves many people, and that has obvious benefits, both locally and more widely to do so. But barriers to action are often serious, for example, lack of options or facilities for recycling. Local managers highlighted the potential for a stronger environmental response in poor areas but showed weak motivation and generally unimaginative ideas of what could be done

Many residents in poor areas share a similar view of sustainable development with the rest of the country. There is no big gap in understanding. Many people already agree that action on environmental problems is necessary, and are willing to act. They need more support, incentives and a clear sense of direction.

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**A STUDY ON EMPLOYEE RETENTION NEED OF THE MILLENIUM**

**Sapna Thukral<sup>1</sup> and Surbhi Pahuja<sup>2</sup>**

Assistant Professor, Sant Hari Dass College of Higher Education, New Delhi

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**ABSTRACT**

*Employees are the life-blood of any organization. Today, most of the organizations are technology driven, yet human resource is still an integral part of any organisation. They are the most critical resource of any organization. As lots and lots of avenues and opportunities is available for the human resources, so employee commitment and retention has become an important strategic aspect for the organisation. The present study tries to study the various factors which affect retention initiatives in an organization and to identify the best practices and methods adopted by various organizations across industries to help enhance commitment and employee retention.*

*Keywords: Human resources, employee retention, Factors, Strategies, Employee Turnover.*

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**INTRODUCTION**

An organization can't survive if the top performers quit. It needs employees who are loyal and work hard with full dedication to achieve the organization's objective. It is essential for the management to retain its valuable employees who think in favour of the organization and contribute their level best, Thus employee retention has become the top priority of organizations. Employee Retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work.

Employee retention has become a major concern for corporates in the current scenario. Individuals once being trained have a tendency to move to other organizations for better prospects. Lucrative salary, comfortable timings, better ambience, growth prospects are some of the factors which prompt an employee to look for a change. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision.

The retention of staff is a mission critical responsibility of Human Resources. It is accountable for the development, management and update of different retention policies, procedures, and processes. HR has to provide the line management with right tools to retain employees. It has to design flexible schemes allowing to react to changed conditions. It is the manager who can influence the employee, but Human Resources has to deliver tools to make promises working.

**OBJECTIVES OF THE STUDY**

This study undertakes the following objectives:

- To draw attention to the various factors which affect retention initiatives in an organization.
- To highlight various strategies that can be adopted by organizations to retain its Employees.

**Methodology:** The study is descriptive in nature and only secondary data has been used in it. The secondary data consist of the books and various research journals.

**REVIEW WORK**

**Potential Reasons for an Employee to Leave a Job**

Key employee retention is critical to the long term health and success of company. Retaining our best employee ensures product sales, customer satisfaction, contented co workers and reporting authority, effective progression planning and deeply embedded organizational knowledge and learning:

- Lack of challenge or growth
  - Salary
  - Lack of reorganisation
  - Loss of religion in manager / supervisor for providing opportunity of self growth
  - Lack of trust in senior management
  - Over all low job satisfaction
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## WHAT EMPLOYEES WANT?

To understand how to retain good employees, Companies first need to know what they're looking for. Today, the best employees want:

- Career development opportunities and a chance to grow in their chosen field
- Regular feedback on how both they and the company are doing
- A chance to contribute directly to the organization and be recognized for doing so
- Flexible work schedules that recognize their need for work/life balance
- A good salary or wage and an opportunity to increase it over time
- Benefits tailored to their individual needs

## FACTORS AFFECTING EMPLOYEE RETENTION

**Pay and Compensation:** Trevor et al. (1997) have proved that increase in pay is indirectly related to turnover. Davies, Taylor, & Savery (2001) said that "Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within an establishment". Gardner et al., (2004) were of the view that pay is considered as a motivator as well as employee retention technique.

**Job Security:** Rosenblatt and Ruvio, (1996) conducted a research on the job insecurity and found that organizational commitment and job performance are negatively correlated with job insecurity. Abegglen (1958) found in his study of Japanese workers that employment features like lifetime employment and seniority system, job security etc, leads to high commitment, job satisfaction as well as retention of employees in an organization.

**Reward and recognition:** According to Walker (2001), recognition from bosses, team members, coworkers and customer enhance loyalty. Agarwal (1998) enlightened that the term reward is something that the organization offers to the employees in answer of the work as well as performance and something which is most wanted by the employees. It was found in the survey that recognition is important for workers and they want to listen that their work is recognized and appreciated.

**Opportunity for growth:** Pergamit and Veum (1989) in their study found a close and positive correlation between promotions and job satisfaction and which in turn helps to retain employees. Prince (2005) argued that talented employees are required for having a competitive edge moreover he said that employees want career growth opportunities to develop and rise in their career ladder. Such plans include advancement plans, internal etc.

**Training and Development** Messmer (2000) found that one of the important factors in employee retention is the investment on employee training and career development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment.

**Participation:** Hewitt (2002) has expressed that modern businesses needs to involve the Employees in decision-making at all levels by keep its employees well informed about all the important affairs of its business. Agreeing with the view Noah (2008) expressed in his research that employee involvement in decision-making helps in creating a sense of belongingness among the employees.

**Work environment:** According to Miller, Erickson & Yust (2001), employees productivity increases by work environment that provide sense of belonging. Wells & Thelen (2002) have stated in their study that organizations which have liberal human resource policies, have a very good chance to satisfy and retain employees.

**Leadership and Employee Retention:** Eisenberger and associates (1990) suggested that employee's perception towards an organization is influenced by their relationship of the employee with the supervisor. Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen (2009) has found that leadership style can affect organizational commitment and work satisfaction positively and work satisfaction can affect organizational commitment and work performance positively.

**Work-life balance:** In a study conducted by the Australian Telework Advisory Committee (2006). It was founded that 70% of businesses that incorporated telework options reported a number of advantages, such as increased business productivity and reduced costs, improved employee flexibility and work life balance, and increased workforce participation.

## EMPLOYEE RETENTION STRATEGIES

In order to retain its Valuable employees the management could implement such strategies:

### 1. New Hire Orientation

Many businesses do not have the resources (Time or money) necessary to develop a broad new hire orientation program. But such a program is essential for not only ensuring new hires are familiar with the work environment but also enhancing employee retention in the long run. New hire Orientation includes:

- Onboarding: New hire orientation is not a one- time event but an ongoing process.
- Mentorship Programs: Mentoring is a partnership that involves two individuals who are committed to professional and personal growth. They must be willing to commit both time and energy to ensure that goals are met. Businesses that implement mentorship programs for new hires find a lot of benefit in them.

### 2. Corporate Culture

It is essential for businesses to pay attention to the work environment being created among their employees. People do not like working somewhere with a negative vibe or where they feel underappreciated. As much as possible, business should strive to develop a positive work environment where employees can work together and feel as if their skills are being appreciated.

## CREATING A POSITIVE WORK ENVIRONMENT

The following elements are essential to form a positive corporate culture.

- Employee Compensation
- Fair Pay System
- Employee Recognition
- Employee Rewards Systems
- Work-Life Balance
- Training and Development
- Creative Work Environment

### 3. TEAMWORK

The process of working collaboratively in a group of people, in order to achieve a goal. The organization should give importance to following points:

- **Setting Team Goals:** Discover the role of a team leader in establishing and promoting teamwork.
- **Team Buy-In:** Discover the importance of emphasizing the positive aspects of teamwork and how it can benefit a company.
- **Staying Positive:** It is easy to become negative when your team experiences setbacks. It is important to learn how to overcome setbacks and celebrate the successes achieved through teamwork.
- **Team Diversity:** businesses should discover strategies for creating successful teams with diverse participants.

## DISCUSSION

There is no single strategy that shows the relevance as to how to retain employees and keep them dedicated towards the organization as employers lay different emphasis on different variables. Based on our research the following points are a list of suggestions we want to recommend for employee retention and commitment:

1. Organizations must conduct “exit” interviews to understand as to why an employee wants to leave the organisation. This information will provide an understanding as to why employees leave the organization. Based on this organizations can toughen their employee-retention strategies.
2. Turnover rate should be monitored and considered an important factor in formulation of various policies and programmes. This will help management in retaining their employees.
3. The Research suggest that employees want fair treatment and fair appraisal regarding the HR practices, so organizations need to bring fair policy and communicate it to their employees.
4. Organizations can conduct various competitions to keep employees motivated. If executed in proper manner such programs can keep employees committed and passionate about their jobs.
5. Organization should introduce formal recognition system i.e. certificates, employee of the year etc. moreover Reward should be awarded on merit and promotion should be on seniority and merit both, which help in production and retention.

6. Organizations should identify those benefits which have more influence on employee retention. Furthermore, Organizations need to revisit their present benefits package to identify those benefits which are not useful in order to replace them.
7. Employers must do smart hiring. They must hire selectively from the beginning by keeping in mind things like, attitude, integrity, academic qualification, skills and experience.
8. Organizations could encourage employees to be part of the company's corporate social responsibility initiatives so that they feel they are not only working for the organization but also they are doing something good for the society.
9. A counselling system may be established regarding counselling employees for their career development, which will enhance employee loyalty with the organization.
10. Employers must try and recognize the need for employee's personal time off. Giving employee the time to keep his/her personal life in place is also very important for employee retention.

### **CONCLUSION**

For any organizations to survive in today's ever increasing competition where employee poaching is on the rise, it is very important to retain their best employees and keep them committed towards the organization

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**AN EMPIRICAL RESEARCH ON EFFECT OF VISUAL MERCHANDISING ON CONSUMER'S IMPULSE BUYING BEHAVIOUR OF APPEARLS IN BILASPUR****Dr. Sudhir Kumar Sharma<sup>1</sup> and Monika Shukla<sup>2</sup>**Professor<sup>1</sup>, Govt. P.G. Arts & Commerce College, Bilaspur. (C.G)M.Phil Scholar<sup>2</sup> (Management), Dr. C.V. Raman University, Bilaspur. (C.G)

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**ABSTRACT**

*Although a lot has been written about impulse buying already, there are some aspects on which there is no general consensus. What almost all researchers agree on is that impulse buying is an often occurring phenomenon that has to do with self-control, sudden urges, external and internal influences and that it is unplanned. But still there are many different definitions of impulse buying given in the existing literature. As Kollat and Willet put it in one of their papers, "Conceptual definitions differ not only in degree of precision but, more basically, in terms of the amount and type of decision making that are involved." Why do people feel the sudden urge to buy that one particular product while it is not on their shopping list and they do not really need it? Maybe they feel a sudden urge to buy something or they buy certain products on impulse to acquire material symbols of personal and social identity. Impulse buying is encouraged, influenced, and triggered by multiple factors out of which the one is visual merchandising techniques used by the retailers.*

*In order to enhance store atmosphere and attract customers, retailers use and implement different techniques such as arranging the products on the shelf in an eye catching manner or decorating the apparels on walls or on the glass doors. Such techniques are termed as visual merchandising. These techniques allow retailers to differentiate their offerings from competitors.*

*Marketing products using visual merchandising system is an age-old practice but with growing growth of retail industry, the art or arguably the science of Visual Merchandising has gone to occupy a newfound fancy. There is a growing recognition of the need for an effective Visual Merchandising. But even as it continues to grow, the understanding of Visual Merchandising impact and effectiveness is still in its infancy.*

*The shopping behavior which governs the decision to buy is a function of three stimuli viz., visual, auditory and kinesthetic; the visual stimulus is the easiest and most widely used tool for attracting customers. While there is substantial amount of research on each of the components of visual merchandising, a holistic approach towards visual merchandising involving the consumers' perceptions has not attracted much of research effort, particularly in using the „GESTALT" approach to visual merchandising. This is the vital gap in the current research and this has prompted to take up research investigation in this field.*

*The purpose of this thesis is to examine the elements of visual merchandising in order to prove their importance in attracting consumer's attention. To study the effect of visual merchandising on consumers impulse buying behavior of apparels in Bilaspur city. There were six objectives in this study: (1) To study the various elements of visual merchandising commonly used by apparels retailer in Bilaspur. (2) To study the phenomena and various factors effecting impulse buying behavior of the consumers. (3) To identify the factor responsible for impulse buying behavior of apparels by consumers of Bilaspur city. (4) To identify the most influential element of visual merchandising among all factors commonly used by apparel retailers in Bilaspur.*

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**INTRODUCTION**

Fashion stores are dressed to call customers, and visual merchandising plays a major role in that. In present times, consumers are not influenced anymore from the sellers but they are influenced by the showcases, a product of the merchandiser. Store image and shopping environment for fashion stores is a significant determinant to spend time in the store and to spend more money than planned. On the other hand, retail store elements such as color, lighting and V.M. have an immediate effect on the buying decision making process.

The elements such as flat screen videos, lighting, color and composition create a unique atmosphere and excite the sense of consumers. The growth in competition and the changes of consumer habits obliges businesses to introduce new designs in order to attract more customers. Pegler (2006) suggests that displays as a tool of V.M. can be used to introduce a new product, a fashion trend, or a new idea in addition to selling actual merchandise. At this point, visual merchandising has a significant role because it helps consumers ensuring an attraction and finally, a personal connection with the product.

Visual Merchandising is a vital part of fashion stores. An effective visual merchandising can improve a store's brand image and increases sales. Traditional appearance of fashion stores are changing rapidly. Contemporary designs have been possible through technological innovations. The showcases should have a language. In order

to have a visual language, V.M. should efficiently employ some basic elements such as color and texture, line and composition, light and lighting. These are the indispensable instruments of visual merchandising. By using them, you can encourage the shopper to enter the store. At this point, the role of Visual Communication Designers is significant in the retail sales industry. Their task is to increase sales by creating attractive merchandise displays. They set design standards and create the theme, layout, colors, signage and props of all store displays.

### LITERATURE REVIEW

This chapter will mainly discuss on the study that are done by previous research of other authors in the similar area of the present study. Throughout this chapter, there will be comprehensive discussion on theoretical and practical views of previous studies done in the field of Visual Merchandising and Impulse buying behavior for apparels. This study combines factors that other studies have done that will influence the consumer's purchasing decision in retail stores.

**Pegler (2006)** in his book titled "*Visual Merchandising and Display*" describes Visual Merchandising as the presentation of merchandise at its best; color coordinated, accessorized, and self-explanatory. He states that an inviting atmosphere brings people into the store and also keeps them there longer. The focus of Visual Merchandising is on the presentation of goods in retailers. Visual Merchandising emphasizes visual elements because they capture attention of consumers.

**Mathews (2008)** in his book "*Apparel Merchandising*" states that Visual merchandising display is the presentation of merchandise at its finest. Display is the glamour, the spark, the stage, the oomph and sparkle that surrounds a store and makes the consumers stop, look, and buys what has been placed together with care and presented with skill. These displays are also known as feature areas.

**Bastow-Shoop et al, (1991)** in their research work "*Visual merchandising: a guide for small retailers*" says that visual merchandising should create a positive atmosphere for the consumer. This should help with not only sales, but consumer satisfaction. If a consumer enjoys the atmosphere in Starbucks or Macy's, for example, they are more likely to spend a considerable amount of time browsing and purchasing products in that outlet. They are also more likely to visit the store again if their experience was a pleasant one.

**Ries (2010)** in his research article "*Creating a Comfortable Shopping Environment*" asserts that aesthetics within the retail environment not only affect shopper comfort level but can influence employee morale and productivity. The importance of store or shopping environment as a tool for market differentiation is accepted by many retailers. Shopping environment means the physical surroundings of a store. There are many elements of store environment such as music, lighting, layout, directional signage and human elements.

**Stern (1962)** in his research paper titled "*The significance of impulse buying today*" states that Impulse shopping is an immediate, unintended, powerful, and persistent urge to buy a product. Generally speaking, impulse buying is defined as unplanned buying, that is any purchase not planned in advance.

**Danziger (2004)** in his research paper "*Why people buy things they don't need*" narrates that Impulse shopping is more like what we want as compared to what we need. Sometimes customers buy an item just for the feeling of items being owned without any specific reason. As a general rule, it is very hard to know what causes a person to buy on impulse, or at least it is hard to have a reason that can be generalized to most people.

**Beatty & Ferrell (1998)** in their research paper titles "*Impulse buying: Modeling its precursors*" describe Impulse buying as the purchasing of goods, service or products a customer has no plan to obtain them. They explain in their research that understanding why people do impulse buys was a good step to notice for research work. The significance of impulse buying is understood by the retail this contributed to the amount of goods sold across the world in different categories.

### SIGNIFICANCE OF STUDY

This study helps in understanding the concept of visual merchandising and various elements of visual merchandising. It throws a light on the effect created by visual merchandise design created by retailer on consumers entering the shop and their buying behavior. It also provide insights about the impulse buying and the how visual merchandising techniques and methods make an urge in consumers for impulse buying. This thesis gives insights to retailers as to which visual merchandising techniques can significantly influence young customers' impulse buying behaviour. This study also provides information about the techniques that should be part of retailers' marketing and retailing strategic planning

**OBJECTIVES OF STUDY**

- To study the effect of visual merchandising on consumers impulse buying behavior of apparels in Bilaspur city.
- To study the various factors of visual merchandising commonly used by apparels retailer in Bilaspur.
- To determine the most influential factor responsible for increasing the tendency of impulse buying behavior of apparels by consumers of Bilaspur city.
- To study the perception of customers towards visual merchandising techniques used by apparels retailer in Bilaspur.

**RESEARCH METHODOLOGY****A. SAMPLE DESIGN & SAMPLE SIZE**

A Sample Design is a definite plan for obtaining a sample from a given population. It refers to the technique to the procedure adopted in selecting items for the sampling design. The study will be based on primary data collected from 100 online shoppers.

**B. UNIVERSE**

Customers visiting apparels shop in various regions of Bilaspur city were considered as universe or population for this study.

**C. SAMPLING METHODS**

For choosing the desired sample size from population, convenience sampling method should be used to draw the sample as the actual population size is unknown to the researcher.

**D. DATA COLLECTION**

- **Primary Data:** A structured questionnaire which should be prepared to collect the first hand data from the respondents by doing extensive survey at the various regions of the Bilaspur city.
- **Secondary Data:** Secondary data should be collected from various articles published and past researches in related field which were published in various journals, Books, Websites and online library.

**E. POSSIBLE LIMITATION**

- a. The sample size will be limited to 100 respondents which may provide a biased result.
- b. The study will be limited to the city of Bilaspur.
- c. There is possibility of occurring errors in selection of sample, collecting responses from respondents and interpretation of the collected responses.

**DATA ANALYSIS AND INTERPRETATION**

Data will be analysed either manually through frequency counts method or with the help of computer aided statistical software's such as SPSS, excel, Minitab etc. as per the requirement of the study.

**CONCLUSION**

After successive collection and analysis of the data, we will able to determine that visual merchandising create positive effect on impulse buying or not. Also, it should become clear that which visual merchandising factor is found to be more influential with respect to impulse buying behavior of apparels by consumers in Bilaspur. This research also provides guidance to the retailers for planning their store design and marketing efforts effectively to enhance the impulse buying of the consumers.

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**REPUTATION AS A COMPETITIVE ADVANTAGE IN INTERNATIONAL MARKET ENTRY IN THE PHARMACEUTICAL****José G. Vargas-hernández<sup>1</sup> and Ángel Tomás Wong Dan<sup>2</sup>**<sup>1</sup>CUCEA, Universidad de Guadalajara, Jalisco, México<sup>2</sup> Centro Universitario de Ciencias Económico Administrativas, Universidad de Guadalajara, México

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**ABSTRACT**

*The present research attempts to analyze from a theoretical and methodological view of the competitive advantage that companies have to use the reputation as a generating tool of market value and this is a difficult intangible factor to imitate that facilitates the company to enter international markets. The largest pharmaceutical companies in the world and Mexico will be studied, from its inception and its market value. Finally it is concluded that the pharmaceutical industry has been characterized as one of the most difficult markets to enter for their high entry barriers and reputational capital.*

*Key Words: Reputation, Pharmaceutical Industry, Internationalization*

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**INTRODUCTION**

The pharmaceutical industry has been characterized as an industry with high barriers to entry, from the need to enter with heavy investments in capital to creating a high brand reputation, through the reputation of the country of origin or its organizational system. This paper aims to analyze two successful companies in the pharmaceutical field, Unipharma and Novartis, which will allow as empirical support for this research.

**THEORETICAL FRAMEWORK: CORPORATE REPUTATION AND BRAND**

According to Noor (2014) therapeutic specialization, differentiation on competition and the ability to generate value in the pharmaceutical industry can create new market niches and countless future possibilities for companies to enter later in international markets.

Pharmaceutical companies have enjoyed for years the good image and reputation they have to the citizens, because they have seen how companies are engaged in the search for the cure of the great evils of health faced by the vast majority of the population (Melé, 2006). This may be due to large investments made in the pharmaceutical services marketing, promoting his social and ethical responsibility. According to Gagnon and Lexchin (2008) big pharma in United States it has been more concerned to create a major brand to invest in research and development. It came to believe that several of these companies invested almost twice services in marketing, from sample drugs, trade television, royalties and doctors, among others, in research and development.

No doubt the brand that represents a company is paramount. Many large companies that have persisted for years have come to understand that the value of the company no longer depend exclusively on service or product offered, but it's up to intangibles that many competitors cannot imitate, or that this involves a very high cost of doing so (due to legal regulations). Because every day there is more competition, and a growing dynamic change in the economic environment, many companies have opted to develop and maintain intangible assets and capabilities difficult to imitate as a way to gain advantage in the market (Srivastava, Shervani, & Fahey 1997) this is as a tool for obtaining a better financial performance, mainly for businesses that require high levels of capitalization and investment to remain on the market and especially to enter new international markets.

Since the nineties, many companies took on greatly important to create large industrial brands, which could encourage high consumption and maintain an edge over its rivals in the industry. According to a study by Booz, Allen and Hamilton (2004), they showed that in the first five years, 2000 companies were listed on the stock exchange gave it a much greater importance to brand than five years ago. For example, it can be seen this evolution in the following table 1:

Figure 1: Importance of brands for business success



Source: Booz, Allen, Hamilton (2004)

The role of the brand has been important over time. Building the brand has been central to the good financial performance. In fact, since 2000, many companies have entered the stock market, which has been shown in many jobs that these companies have a higher value in stocks relative to their brand. In turn, each day more companies strive to improve their brand. Many of these companies succeed, and agree that the relationship brand-financial performance has a close connection (Delgado Ballester, 2011).

While the brand may be only a small representation of an entire company, the brand of a product can create value to other products of the same company. Value-generating capacity with successful brands have a great impact on consumers, since that it can translate reputation as quality and consumer safety, and ensure it continues to be true during the life of the company. The brand can mean success or failure of a company, as it can improve the corporate reputation of the company in society. As it has mentioned the academic Javier Fernandez Aguado, the corporate reputation is an ongoing process of consolidating the prestige of an entity that manages to all its stakeholders and that this ultimately achieves a competitive advantage.

Pharmaceutical companies that have dedicated themselves to improve their image and reputation with consumers have focused on finding that specific brand that has an emotional bond with the consumer. One of the marketing strategies most popular is to make people believe that it is synonym for welfare, health or control. The generating capacity to create links with its consumers create value in the medium and long term due to the ability to remember through association to positive attributes. According to Sinclair & Keller(2008) the brand creates value for retailers and for its rightful owner. The assessment established to medium and long term is due to the accumulation of consumers over time, ensuring a flow of capital insured for the company, so that achieving stability and capitalization needed in case it seeks to extend its market or enter new market niches.

The value of the brand can be seen from two approaches. The first from a marketing perspective as mentioned previously and second from a financial perspective. How could be observes a brand from a financial perspective? The brand value from a financial perspective, variations can affect the selling prices by product, revenue from the sales number, or by the flow of each of the company through stock value (Exprúa, 2009).

This research focuses more on the financial perspective of the brand, because empirically it is assumed that the pharmaceutical industries are looking through the brand or corporate reputation to generate capital flows to ensure stability and this in turn leads to the company expansion into new markets. While it is always important to consider this point from a marketing view, since they are two features that are not excluded, on the contrary, both are necessary.

### **MECHANISM THAT COMPANIES USE TO FOCUS THEIR ATTENTION TO CORPORATE REPUTATION**

Pharmaceutical companies can focus their attention mostly running in marketing that allows improving the corporate image and their respective brands. This approach also can be called as intellectual capital, according to Edvinsson and Mallone (2000-2003). Companies require change their approach to the renewal and development capacity in the areas where they can provide value. Those areas should be focused on intangibles, as they are assets that can last more time than other physical assets, such as a patent for a more lasting brand

under the law, to a machine that has a time defined as useful and also depreciates in around the year. Unlike physical assets, intangible assets at least in the brand may be depreciated, but in turn it can be appreciated over time. So, it turns out to be profitable for companies, according to plan and life cycles, that they can guide their internal policies towards improving these types of goods.

The pharmaceutical industry has a very interesting feature in the market. They are the industries with more innovation and investment in technology and development. This through strong investments made for development and research, possibly for patents of new drugs-. According to PharmExec's Pharma50(2014), the top 10 brand so r pharmaceutical companies in 2014, to gether invested more than 54909.4 million in research and development, as shown in the following table 1 below.

In the case of Novartis, a company of Swiss origin, it was the economic unit with higher pharmaceutical sales in 2013. Its investment in research and development was equivalent to 20% of its sales. The interesting thing about this case, Novartis in 2008 had lost large amounts of sales due to one of its US subsidiaries that contributed almost 40% of its profits; it had some unfortunate events that reduced profits. Among other causes, because it had delayed approval of a drug by the FDA, and the removal of other medications with losses of 600-700 million dollars plus it had lost more than 1.6 million by the entry of generic drugs.

Table 1:Salesofthe 10 largestpharmaceutical companies

Rank	Company headquarters [website]	2013 Rx Sales (USD in mln)	2013 R&D spend (USD in mln)	2013 Top-selling Drugs [USD in mln]
1	<b>Novartis</b> Basel, Switzerland [novartis.com]	\$46,017	\$9,360.3	Gleevec [4,693] Diovan [3,524] Lucentis [2,383]
2	<b>Pfizer</b> New York, New York [pfizer.com]	\$45,011	\$6,254.0	Lyrica [4,595] Prenar 13 [3,974] Enbrel [3,774]
3	<b>Roche</b> Basel, Switzerland [roche.com]	\$39,143	\$8,293.5	Rituxan [7,503] Avastin [6,751] Herceptin [6,562]
4	<b>Sanofi</b> Paris, France [sanofi.com]	\$37,701	\$6,117.4	Lantus [7,592] Plavix [2,460] Lovenox [2,262]
5	<b>Merck &amp; Co</b> Whitehouse Station, New Jersey [merck.com]	\$37,519	\$7,123.0	Januvia [4,004] Zetia [2,658] Remicade [2,271]
6	<b>GlaxoSmithKline</b> Brentford, England [gsk.com]	\$33,055	\$5,041.0	Seretide/Advair [8,251] Pediarix [1,349] Avodart [1,341]
7	<b>Johnson &amp; Johnson</b> New Brunswick, New Jersey [jnj.com]	\$26,475	\$5,810.0	Remicade [5,334] Zytiga [1,698] Prezista [1,673]
8	<b>AstraZeneca</b> London, England [astrazeneca.com]	\$24,523	\$4,269.0	Crestor [5,622] Nexium [3,872] Symbicort [3,483]
9	<b>Eli Lilly</b> Indianapolis, Indiana [lilly.com]	\$20,119	\$5,316.2	Cymbalta [5,084] Alimta [2,703] Humalog [2,611]
10	<b>AbbVie</b> North Chicago, Illinois [abbvie.com]	\$18,790	\$2,831.0	Humira [10,659] AndroGel [1,035] Kaletra [962]

Sources: Company financial statements, SEC 10k reports, other Pharm Exec estimates, and contributions from the EvaluatePharma industry sales surveys.

Fuente: pharmaexec

### ACTIONS TAKEN BY THE CORPORATE NOVARTIS

Like most companies, many chose to reduce their costs to stay in business, and above all have the same rate of profit. Novartis if any was similar case, which was a restructuring of downsizing, dismissals of 2000 employees in the United States as well as rationalization of therapeutic franchises (Bastien & Serra, 2010). Given the obvious decline in profits, as it is estimated that were almost 2.1 billion dollars, for the events in 2008, Novartis had to decide to fight these events through certain strategies:

- A. Launch of 7 brands in 18 months,
- B. Release of these products with the new restructuring and cost.

Given the evidence that would be a case of great challenge, directors of Novartis, decided to hire a team of marketing analysts, experts in sales and planning, focused on markets that were not covered in Europe previously, which already knew their niche market-as were the markets of hypertension and diabetes. Novartis quickly took control of the market to a huge pharmaceutical marketing strategy, managing to convince the strict European consumers. Through these 7 brands, they managed to recoup losses they had in the United States, and consolidated in some European countries, expanded to other countries, like the case of Spain, which eventually managed to meet the legislative standards required by that country.

The marketing of a product before launch is vital to the survival of the company. In the pharmaceutical industry is no stranger to this issue, since clinical trials, identifying the types of patients, specific problems, and the differentiating ability of other brands and convincing the public, is vital applied marketing. This is the reason why Big Pharma spends a significant percentage of its income on marketing. Planning and investment required can lead investors or entrepreneurs interested in different market segments. This can be an important success factor of the pharmaceutical companies, and therefore responsible for promoting the corporate image of the product plays an important product to enter the market (Bastien & Serra, 2010) paper.

Consequently, after applying proper resource planning strategy is insurance company success to grasp those markets difficult to access, as it was mentioned, due to high restrictions in certain countries in pharmaceuticals, it is important that once broken that barrier to entry, can convince consumers of the efficiency and quality of the drug.

Table 2: Comparative tangible and intangible brand

	Marca (%)	Otros intangibles (%)	Tangibles (%)
Suministros	0	30	70
Industrial	5	25	70
Farmacéutico	10	50	40
Sector detallista	15	15	70
Info-tecnología	20	50	30
Automoción	30	20	50
Servicios financieros	30	50	20
Alimentación y bebidas	55	5	40
Productos de lujo	70	5	25

Fuente: Interbrand.

Source: Delgado Ballester (2011)

It can be seen from the above table that certain industries are highly relevant brand in the market. For pharmaceutical case, it only amounts to 10%, 50% in other intangibles and to 40% in tangibles. As is to avoid, it can be seen that industries that give more importance to the brand are luxury goods, financial services and food, although the latter, under personal opinion, it does not meet that much assume studies such as those conducted on Informality by the National Chamber of Commerce of Guadalajara. It was concluded that food and beverages the most important thing was the price, but may be deferred in the case of another country.

The question as was discussed above, the reason why many of the companies have been engaged in investing in marketing may be due to the value of other intangibles are transferred in directly to the brand.

It is possible, of course, because achieving to have a patent on the pharmaceutical industry to ensure that consumers will buy the product from the legal owner of the patent, but as with any type of good, there is some time constraints and lifetime. So that course of time, it has sought to invest in the promotion of the brand to create the emotional attachment, which had been previously analyzed, with the patient so that when the patent period is over, consumers at least cast doubt on the other brands that want to exploit the drug. Even if the brand is not as important as seen on the table, at least this is the first stage of the product as medium and long term, as it had already been discussed above, generate brand value.

Depending on the company and its products, as not all drugs are equal, is necessary to study which strategy is best for the company to use in the business's reputation approach, for example:

- A. Identify the company's reputation for product branding
- B. Identify the reputation of the brand through the corporation
- C. Identify quality reputation by country of origin

There may be other more relationships, but take these three basic for the industry that is being analyzed. In the internationalization process it can be inferred that must meet these three characteristics. Once consolidated the reputation of the brand and the corporation, companies must regularly tend to expand into new markets, which should cross borders through the export of goods or the mobility of the financial resources of the company to settle in another country to start a new production plant.

The settlement process in a market already known, and stay for a period of time, allows the company to begin an accumulation process of financial capital, which allows also distributing profits among its shareholders, also begins to develop more research to future products in the case for pharmaceutical drugs. What reasons would have a company already established in the market to decide internationalize? According to executives Unipharma, Spanish company considered successful in the internationalization of its brand and image, the internalization process also allows new market access, improving the brand, company growth, higher profits and earnings.

The internationalization process has been of great interest to scholars, ¿from what time a company should internationalize? In the case of pharmaceuticals, due to its characteristics as a market of few competitors, entry barriers are very difficult to break, high capital investments, prestigious brand, among others, surpassing those characteristics; pharmaceutical companies can enter markets outside its country border.

In the case of Unipharma, it went through this process to internationalize. His first steps before going abroad were to ask for help external consultants who were skilled in the process. The first development plan was based on identifying characteristics in emerging markets that have great potential, out of which will be made a priority selection according to geographical features. Unipharma by being of Spanish origin began analyzing near its border countries, such as France and Portugal that somehow some consumers had heard of the company (Unipharma, SA, 2014).

Company strategies were adjusted according to the necessary diversification for the initial stage. Started using communication, advertising, location of suppliers and negotiation, and above all, to give confidence to consumers as well as corporate and product quality were indisputable.

One of the advantages of Unipharmawas that in Europe knew that Spain had a strong pharmaceutical industry. After Unipharma begin promoted in other European countries, customers could identify the brand as good, by virtue of being Spanish. It was a process of successful and beneficial, in addition to assistance from public institutions to the rapidly expansion(Arian International, n.d.). The process of consolidation in the international market should get to look like in the local market, only that this time its competitors are multinationals. Also, it should be considered rigidities in regulations on patents and medicines, adapting different markets in different countries, the cumulative process capital to meet future challenges and other factors. Currently Unipharm is still in the process of adaptation and expansion.

In Mexican case, Genomma laboratories has been synonymous with success as a national brand and consolidation abroad, with about 60 brands that have been in high demand in Mexico.

It has presence in approximately in 15 countries around the world also created a division called Genomma Lab International, which is dedicated to the pharmaceutical marketing services, which has managed to keep promoting its brands on television, radio, internet, etc.Unlike other international companies put its own brands to enter foreign markets, Genomma Lab with financial consolidation managed to acquire several brands in the United States and Brazil to have an international presence. After, it acquired brands in Argentina and among other countries. This type of strategy has been repeated to achieve presence in the 15 countries mentioned above (Villafañe, 2001).

One of its most explosive was promoting strategies normal medicine called "first level" which caught the most commercial Mexican television and radio. Large inversions in marketing and brand building managed to get Genomma outside the top Mexican laboratories to venture into the international market

## **CONCLUSIONS**

Certainly, the process of internationalization is not an easy process for businesses, especially for the pharmaceutical industry, as noted above; these types of industries require high investments to enter the market to compete with the few players. In this market we have observed that corporate reputation is important for consumers, as customers will not consume something that is in question the quality, integrity, reputation or other factors influencing consumption

As discussed in the same way, there are two ways of seeing the brand, including the generating capacity of financing. It is undoubtedly one of the features to consider a company to remain on the market. Giving an important role to brand can mean an improvement in the quality of the finances of the company, either because most trusted brand to supply and demand for financial assets as well as higher incentive product demand.

With financial consolidation, it is then possible to analyze and study new niches wishing to enter international market in order to assess potential benefits that could have the company over its competitors.

Consider the laws of each country, as it may be a factor preventing the company to develop in the best way. According to directives from Unipharma, pharmaceutical companies should focus more those emerging economies of the Third World, since the coverage of other companies have failed to do so. This has been due to a great large number of consumers, but difficulty in getting legislation, or cultural ignorance of those countries, and among others. But it will be very satisfied if a company can enter these types of market.

To stay within an international market, it must have the same local process, the accumulation of capital for investment in research and development, which will create new products and patents that give competitive advantage. Achieving this, will have a more stable market guaranteeing the company growth and raising the brand value and company nationally and internationally.

It is important to note that companies do not always commit all its resources to building the brand, should always be coordinated with other assets of the company, because due to overinvestment in some of the tangible or intangible assets put at risk the availability of resources to create value through another important element of the company.

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**LONG RUN MARKET REACTIONS TO BONUS ISSUE ANNOUNCEMENTS**

**Dr. Swati Mittal**

Assistant Professor, S.D College For Women, Moga

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**ABSTRACT**

*Bonus shares neither affect cash and earnings position of the company or the ownership of stockholders changes. Issue of bonus shares does not affect the total capital structure of the company. There is need to study the significance of this emerging trend, its signaling effect on share price and its impact on the wealth of the shareholders. The study aims to check whether efficient market hypothesis holds for Indian stock market or not i.e., whether there is any movement in share prices before or after the bonus issue announcements. The study includes Top 100 companies rated by Chartered Financial Analyst Survey 2008 and informational efficiency for last ten calendar periods- January, 2004 to December 2013 has been investigated. The results show that the Indian Capital Market is semi strong efficient as it is using the information relevant for security valuation and for investment decision making. The role of SEBI can be instrumental in preventing insider trading so that the confidence of the investors is maintained and the stock market can become more vibrant and dynamic.*

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**INTRODUCTION**

Bonus shares are issued by cashing in on the free reserves of the company. The assets of a company also consist of cash reserves. Bonus shares neither affect cash and earnings position of the company or the ownership of stockholders changes. Issue of bonus shares does not affect the total capital structure of the company. The bonus issue tends to bring the market price per share within a more reasonable range. It is a fact that the issue of bonus shares raises the number of outstanding shares; however, since it represents a shift in the value from reserves to paid-up share capital, the net worth of the company remains unaltered. (Shah, 2009).

**REGULATORY FRAMEWORK IN INDIA**

According to Section 52 of the Companies Act, 2013, the securities premium may be applied in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares. Section 55 provides that the Capital Redemption Reserve Account may be applied by the company in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares. As per Section 63 of the Companies Act, 2013, a company may issue fully paid-up bonus shares to its members in any manner, out of

- (i) Its free Reserves
- (ii) The Securities Premium account ; or
- (iii) The Capital Redemption Reserve account

**SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) GUIDELINES FOR ISSUE OF BONUS SHARES**

The company shall, while issuing bonus shares, the company shall ensure the following guidelines:

- (a) The bonus issue is made out of free reserves built out of the genuine profits or securities premium collected in cash only.
  - (b) Reserves created by revaluation of fixed assets are not capitalized.
  - (c) The declaration of bonus issue, in lieu of dividend, is not made.
  - (d) The bonus issue is not made unless the partly paid shares, if any existing, are made fully paid-up,
  - (e) The company has not defaulted in payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption thereof and has sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees such as contribution to provident fund, gratuity, bonus etc.
  - (f) A company which announces its bonus issue after the approval of the Board of Directors must implement the proposal within a period of six months from the date of such approval and shall not have the option of changing the decision.
  - (g) There should be a provision in the Articles of Association of the company for capitalization of reserves, and if not, the company shall pass a resolution at its general body meeting making provisions in the Articles of Association for capitalization.
  - (h) Consequent to the issue of bonus shares if the subscribed and paid-up capital exceeds the authorized share capital, a resolution shall be passed by the company at its general body meeting for increasing the authorized capital.
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- (i) The company shall get a resolution passed at its general body meeting for bonus issue and in the said resolution the management's intention regarding the rate of dividend to be declared in the year immediately after the bonus issue should be indicated.
- (j) No bonus issue will be made which will dilute the value of rights of the holders of debentures, convertible fully or partly.

No Company shall, pending conversion of fully convertible debentures/partly convertible debentures, issue any shares by way of bonus unless similar benefit is extended to the holders of such fully convertible debentures/partly convertible debentures through reservation of shares in proportion to such convertible part of fully convertible debentures/partly convertible debentures. The shares so reserved may be issued at the time of conversion(s) of such debentures on the same times on which bonus issues were made to shareholders.

#### REVIEWS RELATED TO BONUS ISSUE

**Balachandran et al. (2001)** examined share price reaction to announcement of bonus share issues of Australian companies (equivalent to stock dividends in the US and scrip issues in the UK) over the period 1992 to 2000. Price reaction to bonus issue announcements from the day of the announcements to the day after the announcements (day 0 to day 1) was statistically significant and positive of average 2.37 percent for uncontaminated events and 2.11 percent for contaminated events employed the market model.

**Gupta (2001)** examined the announcement effects of bonus issues on equity share prices in India during the six-year period January 1, 1995 to December 31, 2000 with a view to testing the semi-strong efficiency of the Indian stock market. She used a sample of 145 bonus issues, the announcement effects had been studied in terms of the event study methodology. Overall, the results of sub-classification also indicated that the behavioural pattern of bonus announcements on equity share prices was not very different for various bonus ratios.

**Barnes and Shiguang (2002)** studied the impact of announcement of bonus issues for the emerging stock markets of China. The hypothesis of semi-strong form market efficiency was rejected only for small-bonus issues traded on the A-share market; the B-share market displays stronger evidence of semi-strong form market efficiency than the A-share market.

**Lukose and Rao (2002)** investigated the operating performance of Bombay Stock Exchange listed firms subsequent to equity bonus payments. They observed statistically significant positive abnormal return of 11.60 percent for five days starting from day-3. **Cheng (2002)** chose randomly dividend events in Shanghai Exchange from 1998 to 2000, and found that market response was not the same on different dividend policies.

**Budhrajaet al.(2004)** suggested that abnormal returns in stock prices around the bonus announcement date over a three-day trading period starting one day before the announcement date was significant at 95 percent confidence limit. **Yuchun (2004)** studied the stock price reaction to the announcements of cash dividend changes and bonus issues in the emerging stock market of China. The empirical results showed that the market reacts adversely to announcements of cash dividends, whether the cash dividend increases or not.

**George and Saj (2005)** studied the impact on prices of bonus issues around announcement dates using daily return in India with the help of Market Adjusted Excess Return Model. This study was limited to Indian companies, which offered bonus shares from January 2004 to March 2005. They collected information about 54 bonus issues of 50 companies listed in BSE. They found a cumulative abnormal return of 5.9 per cent (mean MAER 1.97 per cent) around three days of bonus announcement.

**Chakravarty (2005)** concluded the advantages of issuing bonus shares for firms. They found that the profits remained the same but the number of shares increased, while the EPS declined. **Mishra (2005b)** analyzed the stock price reaction to the information content of bonus issues with a view to examine whether the Indian stock market was semi- strong or not. The period of the study was June 1998 to August 2004. Samples of 46 bonus issues had been used to study the announcement effect by using event study methodology. The results indicated that there were significant positive abnormal returns for the period of five-day period prior to bonus issue announcement in line with evidence from developed stock market. **Shrinivas (2006)** noticed that the market reacts positively to the announcement of bonus shares. This study attempted to analyze reasons for issuance of the bonus shares. Period of the study was from January 2000 to September 2006 in which 165 companies issued bonus shares. The study concluded that companies may resort to bonus shares issue if the rates of growth of share price lag behind the market index and if the rate of growth of sales and profit was higher than the companies included in the index.

**Malhotra et al. (2007)** investigated the share price reaction to the announcement of Bonus Issue for a sample of Indian companies. There was a negative reaction after the bonus issue announcement conveying that the market under-reacts after the announcement. Cross-sectional regression showed that the number of shares issued, conveyed a positive signal to the investors.

**Kumar et al. (2007)** examined share price reaction to the announcement of Bonus Issue for a sample of Indian software and Finance firms. Bonus issue announcement yields negative abnormal returns around the announcement date in the case of finance sector. The announcement yields no significant returns for the software sector, which implies that bonus issue announcement had no significant impact on the investors' sentiments.

**Dasilas (2007)** investigated the stock market reaction of the Athens Stock Exchange (ASE) to cash dividend announcements for the period 2000-04. First, dividends in Greece are paid on a yearly basis. Second, the corporate law designates with high accuracy the minimum amount for distribution from the net earnings. Third, neither tax on dividends nor on capital gains is imposed in Greece.

**Adaoglua and Lasferb (2007)** examined the market valuation of bonus share issues (similar to stock dividends in the US and scrip issues in the UK) in an institutional environment with no tax effect. They found positive excess return on the announcement day, but in contrast to the signalling hypothesis, these issues lead to significant decrease in earnings and dividends per share. **Arsiraphongphisit (2008)** studied the effects of share prices around the disclosure dates of four different debt-and-equity fund-raising events over a 12-year period from 1991 to 2003 in Australia. These findings were consistent with leverage, agency, and asymmetric information theories. **Thaker and Abhani (2008)** examined the effect of bonus announcements and the record date of bonus issue on the efficiency of the Indian stock market. They used the hypothesis test for the difference between the means of two samples. High cumulative returns ranging from 20 per cent to 50 per cent before the bonus issue announcement had come down even to negative cumulative returns ranging from 5 per cent to 30 per cent.

**Huang et al. (2009)** investigated the effect of announcement of bonus shares and stock dividend on share prices. An event study using a sample of cash dividend changes from all listed A-share firms in India during the period from 2000 to 2004 was conducted to investigate the announcement effect of cash dividend changes and examine whether the dividend-signalling hypothesis holds in India's stock markets. The study also found that there was no great dissimilarity between the announcement effects of cash dividend and bonus issue changes for different stock markets in India. **Joshi (2009)** examined price and liquidity effects associated with stock dividend (bonus) surrounding its announcement and effective day by using event study methodology. The results showed that while there was sufficient evidence of positive abnormal returns associated just prior to and on the announcement day, there was no significant return observed on ex-bonus day.

**Nimalathasan (2011)** attempted to observe bonus issue announcement and share prices in Sri Lanka. The primary information and secondary data were collected from CSE. The present study used the 'standard-event study methodology' to examine the impact of bonus issues announcement on share prices. The study identified sixty-seven events (32 companies) listed in the CSE for the period from year 2003 to 2007. Several interrelated procedures were performed through t-test by the researcher during the data analysis procedures.

### NEED FOR THE STUDY

There is need to study the significance of this emerging trend, its signaling effect on share price and its impact on the wealth of the shareholders. Further, it has been argued that if the capital markets are efficient then they would react immediately to various kinds of bonus issue announcements. On the other hand, if the markets are inefficient then such information already gets trickled to the markets much before it is formally announced. This spreads rumors in the stock market which results in enhanced trading volumes in the shares of companies. This may also lead to insider trading by the management, the directors and the employees of the company. In such a scenario, the market may not react at all when the information is finally made public. This is a likely scenario in the case of emerging markets; as such markets are not believed to be as efficient as the developed markets and are, therefore, not expected to respond to new information about firms in the same way. The study aims to check whether efficient market hypothesis holds for Indian stock market or not i.e., whether there is any movement in share prices before or after the dividend announcements.

### RESEARCH DESIGN

The study includes Top 100 companies rated by Chartered Financial Analyst Survey 2008 and informational efficiency for last ten calendar periods- January, 2004 to December 2013 has been investigated. The Analyst 500 companies have been ranked on the basis of their Net Sales alone. Besides, Net Sales, other parameters,

such as like Profit after tax (PAT), Operating profit or Profit before depreciation and tax (PBDIT), Operating Profit Margin and Market Capitalization have also been considered.

For the present study, secondary data has been used. For exploring the objectives of this study, the information disclosure concerning the rights issue announcements have been collected from BSE (Bombay Stock Exchange) website. Data regarding share prices and Sensex has been taken from BSE (Bombay Stock Exchange) and NSE (National Stock Exchange) websites. The data on daily closing values of market proxy is obtained from Capitaline Database. Capitaline Database is maintained by Capital Market Publishers India Private Limited.

'Event Study' methodology has been used for the purpose of analyzing the bonus issue announcements effect. The event study methodology has been extensively used to assess the impact of an announcement of a particular strategy on the firm's stock prices. This analytical approach is well accepted and has been widely used in various disciplines such as Finance, Accounting, Marketing, Strategy, E-Commerce and Law. The methodology has also been applied to assess the impact of some marketing and advertising relationship events such as brand extension announcements (Lane and Jacobson, 1995).

Event study methodology is designed to investigate the effect of an event on a specific dependent variable. The event study methodology seeks to determine whether there is an abnormal stock price effect associated with an event. An event study is concerned with the impact of a particular firm specific corporate event on company security prices.

### IMPACT OF BONUS ISSUE ANNOUNCEMENTS ON SHARE PRICES

Bonus issue may be considered to be an indication of healthy and sound financial position of the company as hypothesized in signaling effect theory. Bonus stock issue announcement dates for the period January 2004 to December 2013 were collected using the three data sources—Capitaline, BSE and NSE Websites. Bonus issue announcements have been collected from www.bseindia.com. Data regarding share prices and Sensex has been taken from BSE and NSE websites. The data on daily closing values of market proxy is obtained from Capitaline Database. This process revealed 37 observations that met the following criteria:

- The bonus announcement date is to be reported in any of the leading financial dailies.
- The bonus issue has to be an issue of new ordinary fully paid securities (at no cost to stockholders) and not issued with a rights issue or bonus option issue.
- Daily closing price data for the company over the period from 200 days before to 15 days after the announcement dates is available from the databases.
- The bonus issue must not have been issued in part or whole as a consideration in a merger or acquisition or reconstruction.
- There should not be any cash dividend announcement along with the bonus announcement.

Empirical research has shown that the market generally reacts positively to the announcement of bonus issue. The values of Average Abnormal Returns and Cumulative Average Abnormal Returns of all the samples are equally significant at 5 percent level of significance which means that the share price reflects the bonus issue announcements. The reason for such an observation could be that the index companies are subjected to greater attention by the market participants and, therefore, public information is quickly incorporated into prices leaving a scope for systematically superior returns.

TABLE 1.1 ABNORMAL RETURNS AFTER BONUS ISSUE ANNOUNCEMENTS

DAY	Average Abnormal Returns	Z-VALUE	Cumulative Average Abnormal Returns	Z VALUE
ANNOUNCEMENT DAY	0.0361	4.4227**	0.0192	0.3551
ONE WEEK AFTER ANNOUNCEMENTS	-0.0082	-2.2095*	0.0544	1.5142
ONE MONTH AFTER ANNOUNCEMENTS	-0.5339	-2.0567*	-0.9004	-3.4684**
THREE MONTHS AFTER ANNOUNCEMENTS	-0.5280	-2.0914*	-1.4285	-5.6579**
SIX MONTHS AFTER ANNOUNCEMENTS	-0.5245	-2.0692*	-1.9530	-7.7048**

NINE MONTHS AFTER ANNOUNCEMENTS	-0.5254	-2.0841*	-2.4784	-9.8311**
ONE YEAR AFTER ANNOUNCEMENTS	-0.4966	-2.1339*	-2.9751	-12.7810**
TWO YEARS AFTER ANNOUNCEMENTS	-0.4452	-2.1683*	-3.1252	-10.2794**
THREE YEARS AFTER ANNOUNCEMENTS	-0.4125	-2.1357*	-3.2514	-5.0421**

\*\*Significantly different from zero at 1 percent level \* Significantly different from zero at 5 percent level

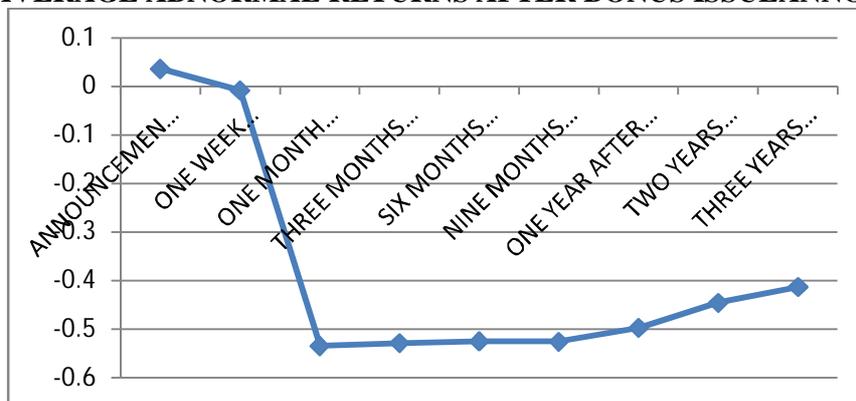
Z-test was carried out on both Average abnormal returns (AARs) and Cumulative Average abnormal returns (CAARs). The test indicated that Average abnormal returns (AARs) are statistically significant at 1% level on the day of announcement. Average abnormal returns (AARs) are negative and are statistically significant at 5% level after the day of announcement i.e. from one week after announcements to three years after announcements.. However, cumulative earnings give a better indication for the presence of excess abnormal returns.

In case of analyzing medium run performance of bonus announcements, the Cumulative Average abnormal returns (CAARs) are significantly negative for holding periods from one month up to one year after announcements. For the one year period, the Cumulative Average abnormal returns (CAARs) are -2.9751 which is statistically significant at 1 % level, indicating that share prices have an impact as a consequence of bonus issue announcement. The Average abnormal returns are negative in all cases except the announcement day. At the time of checking long run performance, for three year period Average abnormal returns (AARs) is -0.4125 and z-value is -2.1357 which is statistically significant at 5% level. The Cumulative Average abnormal returns (CAARs). is -3.2514 and z-value is 5.0421 which is statistically significant at 1% level, indicating that share prices having an impact as a consequence of bonus issue announcement.

It is generally held that shorter windows reflect the announcement effects better than longer windows. This premise absolutely holds true for bonus issue announcements. Thus, it can be concluded that the event ‘bonus issue’ has a positive and significant effect on returns around the announcement date. The study finds that there is a gradual leakage in information in the periods up to the public announcement date. It could thus be said that gradual leakage in information in the market resulted in speculative trading in selected scrips leading to rise in prices before the official announcement date.

Reduction in returns after a period of one week shows that the bonus issue announcement conveyed a negative signal in the market and the investors reduced their trading activity in the market in the post announcement period. If the firms ‘returns are decreasing, the investor perception towards the firm will also be negative. This shows that the markets are efficient as the information is captured in the market and the trading activity is slowed down after the bonus issue announcement. The analysis shows that change in returns has decreased after bonus issue announcements. The issuing of stock dividend (Bonus issue) might convey signals to the investors that the companies have shortage of cash and hence they are coming up with stock dividend. This might have led to the decrease in liquidity after the bonus issue announcements.

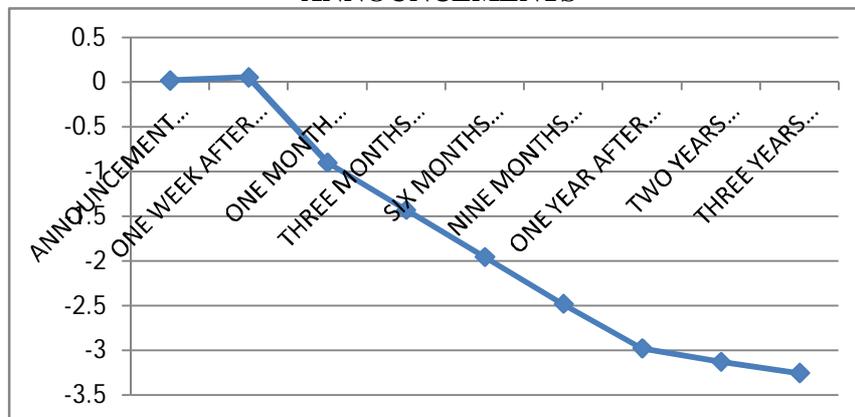
**FIGURE 1.1 AVERAGE ABNORMAL RETURNS AFTER BONUS ISSUE ANNOUNCEMENTS**



The figure given above highlights the Average abnormal returns for the sub-sample of bonus issue announcements during the event period. The trend is clearly evident in the graphical representation of Average abnormal returns (AARs) for the sub-sample of bonus announcement during the event period. The Average

abnormal returns are negative in all cases except the announcement day. The analysis shows that change in returns has decreased after bonus issue announcements. Issuing stock dividend (Bonus issue) might convey signals to the investors that the companies have shortage of cash and hence they are coming up with stock dividend.

**FIGURE 1.2 CUMULATIVE AVERAGE ABNORMAL RETURNS AFTER BONUS ISSUE ANNOUNCEMENTS**



The cumulative average abnormal returns for sub-sample of bonus announcements are graphically presented in Figure 1.2. On the day of Announcement, the Cumulative Average abnormal returns (CAARs) are 0.0192. The Cumulative Average abnormal returns (CAARs) are significantly negative for holding periods from one month up to one year after announcements. Reduction in returns after a period of one week shows that the bonus issue announcement conveyed a negative signal in the market and the investors reduced their trading activity in the market in the post announcement period. Thus, it is evident that the market reacts sharply to decline on announcement day.

## CONCLUSION

The stock price movements are attributed to various factors related to the economy, industry, company etc. It is impossible to forecast the share prices on the basis of economy-wise and industry-wise factors as it is quite difficult to obtain the quantitative data on these factors. Therefore, the various company performance variables have been considered to determine the equity price behavior. The stock market efficiency is one of the most important areas in finance that is often researched. As no stock market can be efficient in the absolute sense, researchers have categorized the stock market efficiency into weak, semi-strong and strong forms. There is strong evidence in favor of Indian stock market being efficient in the weak form. The Efficient Market Hypothesis is based on notion of instant absorption of all types of information in the stock prices resulting into only normal profits to the investors. The Efficient Market Hypothesis states that nobody can consistently earn superior returns since the publicly available information is incorporated in the security prices instantaneously.

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## CORPORATE FINANCIAL REPORTING ON INTERNET – A STUDY OF USERS’ PERCEPTION IN UDAIPUR CITY

**Dr. Shankar Choudhary<sup>1</sup>, Nidhi Nalwaya<sup>2</sup> and Rahul Vyas<sup>3</sup>**  
Associate Professor<sup>1</sup> & Assistant Professor<sup>2,3</sup>, Pacific University, Udaipur

### ABSTRACT

*Apropos the media-saturated environment of present times, having access to an effective and efficient use of internet technology for corporate reporting is currently a well-established practice. Regulatory authorities may need to develop and establish effective strategies to ensure standard and consistent use of this channel of financial information communication for the benefit of all stakeholders. Internet has significantly impact on accounting practices and accounting communication in the world, many users are now utilizing the advantages of the web for disseminating financial information. There are considerable opportunities and challenges for all stakeholder parties in corporate communication and reporting by placing information on the company’s web page, users can easily access the financial information and can search, filter, download, and even compare and analyze data at low cost in a timely fashion. On the other hand, it is possible for companies to update their information continuously at low cost. Furthermore, placing financial and non-financial information on the internet offers equal access to all users and reduces the information advantages of some institutional investors and information intermediaries relative to individual investors.*

*So, the purpose of this paper is to evaluate stakeholder’s and user’s perception as a channel for voluntary communication for corporate financial reporting on Internet. A sample size of 220 respondents involving stakeholders or users i.e., individual and institutional investors, analysts and academicians was chosen through random sampling to interpret and analyze the primary data. The conclusions drawn from the same concur that internet is a cost effective medium that is reachable to every person. The research reveals that although many of the issues relating to online financial reporting have been addressed by different standard setters worldwide, they have been overlooked in Udaipur and some of these issues need particular attention for continued development and further guidance in this area. Respondents are also think that internet reporting is reliable and give information in timely manner.*

*Key words: Corporate Financial Reporting, Internet reporting, Users Perception*

***“Technology has altered irreversibly not only the physical medium of corporate financial reporting but also its traditional boundaries. Paper reports are being supplemented - and, for many users, replaced - by electronic business reporting, primarily via the Internet.”***

– Sir Bryan Carsberg

### INTRODUCTION

Ashbaugh et al. (1999) defined on-line financial reporting as the distribution of corporate financial information using Internet technology, such as the World Wide Web. The business world has become dynamic and consequently, traditional paper-based financial reporting is becoming increasingly less timely and thus less useful to decision makers. The Internet enables relatively cheap and extremely fast presentation of useful information (useful for decision-making) in different formats to the millions of Internet users. The rapid evolution of Internet technology has significantly affected accounting practices and accounting communication. Many companies, in developed and developing countries, now utilize the internet to disseminate corporate financial and performance information.

It is no surprise that Web-based financial reporting has already drawn the attention of the international groups such as International Federation of Accountants (IFAC), International Accounting Standards Committee (IASC), Financial Accounting Standards Board (FASB), USA and major national regulatory organizations.

### REVIEW OF LITERATURE

**Erlane K Ghani et al., (2009)** examine users’ perceptions of three digital reporting formats: PDF, HTML and XBRL. Their results indicate that users’ perceptions of usefulness among the digital reporting formats differ significantly. However, perceptions of ease of use are similar across the three digital reporting formats. Users’ perceptions are also found to influence their preferred reporting format. The findings also show that users’ perceptions of usefulness are analogous to their decision accuracy for HTML and XBRL formats but not for PDF format.

**Szilveszter Fekete(2009)** examines the association between corporate characteristics and disclosure comprehensiveness (quality and quantity) measured by the level of corporate internet reporting (CIR). Their

findings suggest that corporate characteristics influence the CIR behavior of entities, presumably in response to the information asymmetry between management and investors and the resulting agency costs.

**Bogdan Victoria et al., (2008)** examine the extent of voluntary internet financial reporting and disclosure of the Romanian listed companies for the financial years 2005, 2006 and 2007.

**(Khadaroo, 2005)** Business reporting on the Internet took momentum about a decade ago and a range of research has been conducted in the past on the utilization of the Internet for financial reporting purposes.

### OBJECTIVE OF STUDY

The researchers intend to investigate stakeholder's perception towards the Corporate Financial Reporting by various companies on the World Wide Web.

### RESEARCH METHODOLOGY

#### 1. Sample Population

The selected sample population consisted of 220 respondents selected through Stratified random sampling in Udaipur District.

#### 2. Primary Data Collection

The questionnaire served consisted of 12 questions that related to Internet Financial Reporting.

**Statistical Tools:** To analyze the responses of questionnaire, simple percentage and weighted average method is used. Tables are used to show the data.

#### 3. Respondent Profile

The questionnaire has been served to target respondent through online media responses from 220 respondents has been considered in the study.

The Respondents were: Shareholder of a Company,  
Financial Analyst  
Investor Relation Manager, or  
Professional Persons like, CA, CS, Security and Financial Analysts,  
etc.

The Respondents were categorized in four categories according to their age:

S. No.	Age group (in years)	Number of Respondents
1.	25-35	38
2.	35-45	76
3.	45-55	82
4.	Above 55	24
	<b>Total</b>	<b>220</b>

- The Respondents are also categorized in three categories:

S. No.	Categories	Number of Respondents
5.	Short Term Investors	16
6.	Middle Term Investors	124
7.	Long Term Investors	80
	<b>Total</b>	<b>220</b>

### DATA ANALYSIS AND RESULTS

#### 1. Is Internet Financial Reporting as Complete as Paper Based Financial Reporting

Response	No. of Respondents	Percentage
a) Yes	185	84.1%
b) No	20	9.09%
c) Can't Say	15	6.81%

The analysis of the respondent's replies about financial information availability on web, revealed that **84.1%** investors agreed that financial information available on the internet is as complete as **Paper Based Financial Reporting**. On the other hand only **9.09%** investors disagreed, **6.81%** investors were indeterminate.

**2. Financial Reporting On Web Provides Quality Information As Compared To Paper Based Financial Reporting**

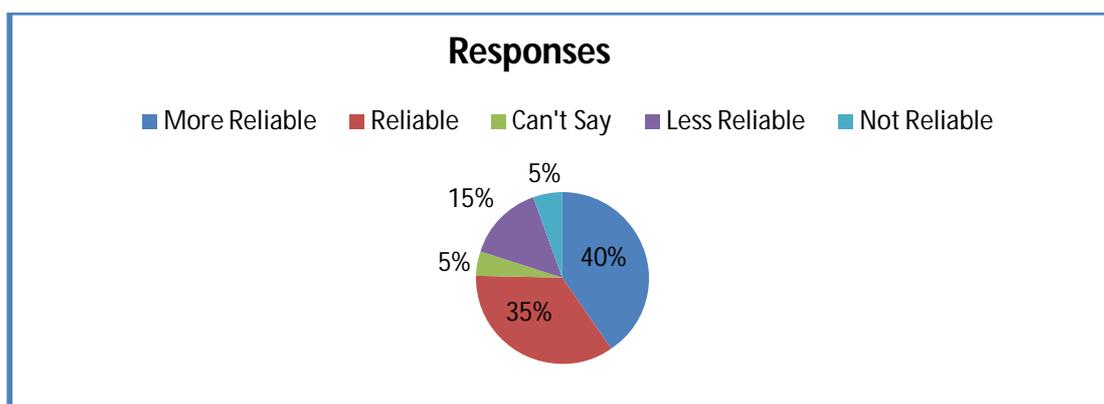
Response	No. of Respondents	Percentage
a) Yes	168	76.36%
b) No	41	18.63%
c) Can't Say	11	5%

- Internet financial reporting provides many options for company to make financial reports more qualitative as per the requirement of different stakeholders.
- The analysis of investor's perception provides quality information as compare to paper based financial reporting. There were **76.36%** investors agreed that financial reporting on the internet is better than the paper based financial reporting in terms of quality. While only **18.63%** investors are not satisfied with the quality of financial information available on internet and **5%** investors were indeterminate.

**3. Internet Financial Reporting is more Reliable from Paper Based Financial Reporting**

	Response	Weight (W)	No. of Respondents (N)	Weighted Product (WxN)	Weighted Average Value
a)	More reliable	5	89	445	3.904
b)	Reliable	4	77	308	
c)	Can't Say	3	10	30	
d)	Less Reliable	2	32	64	
e)	Not Reliable	1	12	12	
	Total		220	859	

- The analysis of responses reveals that **40.02%** investors agree that internet financial reporting is more reliable than the paper based financial reporting, also **35%** investors believe that internet financial reporting is reliable than the paper based financial reporting.
- On the other hand, less than 4.54% of investors are not approved that and they still believed that paper based financial reporting is good than internet financial reporting. While 15% investors are not able to say anything on this content.
- The weighted average value i.e., **3.904** shows mostly investors agreed with the statement that internet financial reporting is more reliable than the paper based financial reporting.



**4. In your opinion, what are the reasons for increasing financial reporting requirements on Internet?**

S.No.	Reasons	I	II	III	IV	V	Total	WT	RANK
(a)	Globalization in the world market	147	9	36	18	18	220	933	1
(b)	Complexity of the business environment	8	21	9	147	30	220	475	4
(c)	Necessity of timely information	58	133	23	2	4	220	903	2
(d)	Accounting used as a control and monitoring device	4	10	43	25	138	220	377	5
(e)	Cost affective	3	47	109	28	30	220	616	3
	Total	220	220	220	220	220			

- The data revealed that Globalization in the world market was ranked **First** overall for increasing financial reporting requirements on the internet. Investors depend on the financial transparency of the company because the investor is more aligned to investing in particular company when the access to financial information is offered on a global scale.
- 58 investors have given **First rank** to the necessity for timely information and this option was also given rated **Second by 133** investors which shows that timeliness is an influencing factor for the investors .
- Some investors also believe that Internet financial reporting is cost effective for the investors as well as for company. In this respect there were 109 investors who ranked this option Third
- Rank Four was given by 147 respondents to complexity of the business environment. It means due to complexity in the corporate world with no national boundary for taking participation in the business activities, hence, there is more requirement of financial transparency for surviving.
- Accounting used as monitoring and control device is least preferred option and thus was ranked 5; most of the investor does not believe that accounting is used as monitoring device.

**There are some Inconveniences of the internet financial reporting which are listed below: (Please Rank).**

S.No.		I	II	III	IV	V	VI	Total	WT	RANK
(a)	Threats of computer viruses.	157	12	9	7	26	9	220	1120	1
(b)	Overload or excess of information.	4	11	17	126	19	43	220	606	5
(c)	No direct hyperlink to Financial Reports on Website	7	16	4	17	43	133	220	408	6
(d)	To view reports on internet some special type of software is required	7	45	70	27	62	9	220	761	4
(e)	Broken hyperlinks	15	48	66	28	37	26	220	778	3
(f)	Computer knowledge is required	30	88	54	15	33	0	220	947	2
	Total	220	220	220	220	220	220			

There are many advantages that coexist with the inconveniences due to certain inherent imperfections. Internet financial reporting is also relevant and necessary but is not perfect due to some limitations.

- The threat of computer viruses emerged at the top when the investors were asked about inconvenience of the Internet financial reporting, hence the **Rank 1**, Investors are scared which is a drawback for the internet users from the beginning.
- The knowledge of computer is inherent to operating on the internet and to understand different software and applications which are helpful in viewing and analyzing financial data. So, the option of Computer Knowledge is required is **Ranked 2** in the list of inconveniences of internet financial reporting.
- Also some special software is usually required to view and analyze the financial data. For example the PDF reader software is required to open and read PDF files. Spreadsheets like Excel and other statistical software are required to analyze the data. So, the option “To view reports on internet some special type of software is required” is **Ranked 3** in the list of inconveniences of internet financial reporting.
- Stakeholders are irritated because of broken Hyperlinks on the website of the company which creates a less trustworthy company in the minds of stakeholders. There were 57% users and overall it was given **Rank 4** due to broken and inconvenient links on the websites.
- Some users are annoyed due to overload or excess of information on the websites of the company because they believe that due to excess information available on the websites which creates the confusion in the minds of users but on the other hand there were 68% investors given this option as Rank 5 which means the some investors are happy with that there is more information regarding company is available on the websites. **Overall it was given Rank 5** and it shows that there are few investors or users of the information that are not requiring excess information on the websites of the companies.
- Some users said that there is No direct hyperlink to Financial Reports on Website this is may be due to location of the financial information on the websites because on the home page of the company, generally information of company’s products and services is shown, company’s features and characteristics are highlighted but financial information is available in the head Investors, Financial Information and also some companies show their financial data in head Corporate Profile of the company. Therefore, users of financial information need to spend more time in finding financial information. So, the option “No direct hyperlink to Financial Reports on Website” is **Ranked 6** in the list of inconveniences of internet financial reporting.

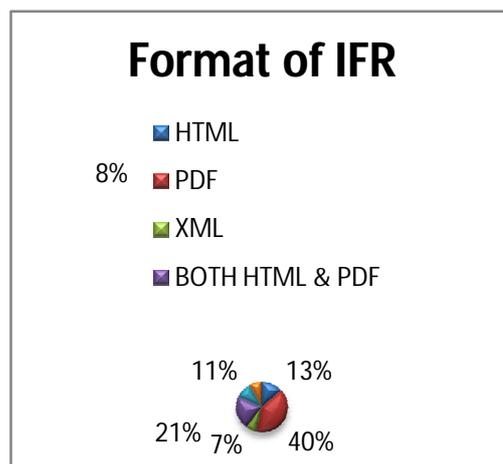
- It can be said that the main drawback of the Internet financial reporting is computer viruses and also there are many interlinks on the website which create a lack of trustworthiness in the minds of the stakeholders. Also, the knowledge of computer and special type of software is required for Internet report comprehension. Overload or excess load of information available on the website is also not suited to the investors.

**5. Format of Financial Report on Internet Financial Reporting**

**Company enables to provide the financial data in which format**

Response	No. of Respondents	Percentage
a) HTML Format	29	13.18
b) PDF Format	89	40.45
c) XML Format	15	6.81
d) Both HTML & PDF	47	21.36
e) Power point slide show	23	10.45
f) Any Other (XBRL)	17	7.72
Total	220	

- Information understandable by users with reasonable knowledge of business and economic activities and accounting and who are willing to study the information diligently.
- In the context of online reporting this characteristic can take on an additional meaning from a technical point of view. It can refer to the output on screen generated in the form of a PDF file (Portable Document Format), a coding language that allows a document to be displayed on and printed from different computers in identical forms or HTML files .
- On asking the perception of investors regarding the format of financial reporting on the internet 21.36% investors said that company provide their financial reports on HTML as well as in PDF format both and 40.45% said that company shows their result in PDF format only.
- While only 13.18% investors says that compant gives financial reporting on the websites in HTML format and 6.81% investor says that companies show the financial reports in XML format.



- There are several advantages of Internet financial reporting over paper based financial reporting that are listed below: (Plz Rank)**

ADVANTAGES	I	II	III	IV	V	VI	VII	VIII	Total	WT	RANK
Access to more up-to-date and quicker financial information.	150	30	22	13	5	0	0	0	220	1627	1
Ability to compare financial information.	10	42	15	5	106	15	7	20	220	992	5
Lower costs in production and distribution of digital financial information.	22	49	58	90	1	0	0	0	220	1321	2
Reutilization the information in different formats and times.	0	26	15	30	28	112	9	0	220	888	6
Connection to other links/sites.	9	8	2	0	0	7	45	149	220	400	8
Use of audio and video.	8	5	2	16	4	40	130	15	220	602	7
Increase in the contents and types of data disclosure.	21	40	15	11	67	35	16	15	220	1013	4
Small companies can approach to their potential investors in manner	0	20	91	55	9	11	13	21	220	1077	3
Total	220	220	220	220	220	220	220	220			

- Advantages of Internet financial reporting provide positive impact in the minds of stakeholders. Internet Financial Reporting is the new concept in Indian corporate scenario so it is necessary to show the best advantages according to the investors.
- As many as 94% investors given **Rank 1** to the main feature of internet financial reporting i.e. access to more up-to-date and quicker information. In paper based financial reporting both these features are not available for the investors, but in internet financial reporting the investors can access up-to-date information

at any time at any place whenever they require *also* in today's fast track world also get any type of information regarding company in quicker time.

- Cost is also very important factor to prove the superiority of internet financial reporting over paper based financial reporting. For internet financial reporting there is only one time huge investment for set-up, software, IT personnel, etc. after that there is no more expenditures on production and dissemination of financial information. On the other hand cost is incurred on every distribution of financial information in paper based financial reporting. So comparatively there is lower cost in production and dissemination of financial information through web based financial reporting, and it was given **rank-2** which depicts that users are also in favor that internet financial reporting reduces the cost of producing and disseminating the financial information as compare to paper based financial reporting.
- This is also the main advantage of internet financial reporting that the small companies are also able to connect with the prospective stakeholders which is very difficult in paper based financial reporting. Overall it was given **rank-3** by the users because through paper based financial reporting the small scale companies are not approached to more prospective investors due to limitation of this reporting format but internet financial reporting provides the platform for the small scale companies to open their doors worldwide.
- Internet financial reporting provides the option of reutilization of information to the users to use information for comparing the financial information of different years as also compare the information for choosing the best company among different and also compare the financial information for analysis purpose. The result is also in favor that overall users give **Rank-4** to the option of internet financial reporting provide ability to users for compare the financial information easily and quickly.
- Another feature of internet financial reporting is to reutilize the information many times and overall this option was given **Rank-5** which also depicts that internet financial reporting provides the base for the users to reutilize any information at any time whenever they require and also use published information for analysis. This is also the important feature which is not available in paper based financial reporting.
- The another benefit of internet financial reporting is that it increases the content and types of data disclosure i.e. in paper based financial reporting there is restriction for the company to show more data but through internet financial reporting companies are free to show financial as well as non-financial data in very dynamic way which is easily understandable by the user. So, the respondents gave rank **6** to this advantage of internet financial reporting.
- The main disadvantage of traditional paper based reporting is that it cannot use Audio or Video technique. While in case of Internet Financial Reporting, companies can fully use Audio and Video technique in form of webcasts. This technique also enables users to interact with company's officials. Use of Audio and Video is **Ranked 7** among the advantage of IFR.
- **Rank-8** was given to the option which support that web page of the company connects with different links and also with other sites which is sometimes very useful for the users who are interested to see the other connected sites at the same time.

## CONCLUSION

- Financial information which is traditionally expressed through the annual reports, news media, advertisements or brochures is considered less relevant because they have timeliness quality problems.
- Information considered relevant for decision making when the information was disclosed before that information loses its capacity to influence decisions and the Internet is considered to be able to provide the best information on time.
- The finding shows that responses were indicated that the requirement of financial reporting is in gaining significance among investors but still there are a number of investors who still prefer traditional format of reporting company performance.
- 89% investors agreed that financial information available on the internet is complete in all respect and more than 94% investors agreed that Internet provides reliable information as compare to the paper based financial reporting.
- This is a motivating sign for the companies whether they are Indian or US that their investors and other users of corporate information is adopting internet reporting more and more.

- This will also increase number of companies that are going to adopt internet as a medium to dissemination their information.
- Even small companies can adopt this medium and can reduce is cost of publication and distribution of reports.

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**EMPOWERMENT OF RURAL WOMEN BY SELF HELP GROUP ENTERPRISES WITH SPECIAL REFERENCE TO DAKSHINA KANNADA DISTRICT****Dr. Chandravathi**HOD & Assistant Professor, G.F.G.College, Belthangady, Karnataka

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**ABSTRACT**

*Human resources are one of the most strategic and critical determinants of growth. In spite of abundant physical resources a country cannot make rapid economic and social advancement unless it has enterprising people with necessary knowledge skills and attitude. In most of the developing countries greater emphasis is being laid on need for empowering rural women and their active involvement in the main stream of development. Women constitute around half of the total world population. They are therefore; treated as the better half of the society. So women empowerment is an inevitable part of development of nation. Self employment through group entrepreneurship provided opportunities for women participated in economic prosperity. Entrepreneurship development among women may be looked at from two angles, one is to create the involvement needed for healthy and sound entrepreneurship and other is to organize more and more rational motivated campaigns for the women entrepreneurs when they take on a challenging role and want to adjust their personality needs, family and social life. Provision of employment opportunities and income to rural women is one way to improve their nutrition, health, education and social status. The main objective of the government is encouraging more enterprise in disadvantaged communities. All Self Help Groups are promoting micro enterprise. Empowering women especially in rural area is a great challenge and micro enterprises in rural area can help to meet these all challenges. The role of micro-entrepreneurship is not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women like Economic empowerment Improves standard of living, Self confidence Increases social interaction, engagement in political activities, increases participation in different meetings and seminars, enhance awareness sense of achievement, Improves the leadership qualities, Improves decision making capacity in family and community. Enterprises development among women can be considered a possible approach to economic empowerment of women. The participation of women in income generating activities for the family has been increasing overtime. Female work participation not on increases their family income but also brings economic independence among women in the house holds. Through SHG enterprises women not only generate income for her but also will generate employment for other women in other society. In the initial stage women started SHG enterprises at their home and produce goods with the help of available resources. In the present scenario what women need is economic independence in all spheres in order to be identified as human being and to gain their due rights in the society and live their life with self confidence and dignity on par with men. SHG enterprise is a viable alternative to achieve the objectives of rural women empowerment. SHG's plays an important role in social transformation and socio economic betterment of rural women. In DK district in Karnataka SKDRDP promoted the SHG enterprise through siri gramodyoga samste. The need for the present study is to understand how the SHG'S empowered women in the society through enterprise development in Belthangady Taluk. The objective of the study is to understand the role of siri gramodhyoga samste for the empowerment of the women in rural areas.*

*Key words: Group Entrepreneurship, Entrepreneur, Self help groups, Women Entrepreneur, Empowerment, Rural women.*

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**INTRODUCTION**

Human resources are one of the most strategic and critical determinants of growth. In spite of abundant physical resources a country cannot make rapid economic and social advancement unless it has enterprising people with necessary knowledge skills and attitude. In most of the developing countries greater emphasis is being laid on need for empowering rural women and their active involvement in the main stream of development. Women constitute around half of the total world population. They are therefore; treated as the better half of the society. So women empowerment is an inevitable part of development of nation. Self employment through group entrepreneurship provided opportunities for women participated in economic prosperity. In the initial stage women started SHG enterprises at their home and produce goods with the help of available resources. In the present scenario what women need is economic independence in all spheres in order to be identified as human being and to gain their due rights in the society and live their life with self confidence and dignity on par with men. SHG enterprise is a viable alternative to achieve the objectives of rural women empowerment. In DK district in Karnataka SKDRDP promoted the SHG enterprise through siri gramodyoga samste.

**ENTREPRENEURSHIP**

Entrepreneurship is key variable in industrial development. Without the growth of entrepreneurship economic development is difficult. The entrepreneur is an individual who perceives needs, conceives goods and services to satisfy the needs, organize the economic resources and creates markets for the products. The role he performs is the entrepreneurial function and the process is entrepreneurship.

**WOMEN ENTREPRENEUR**

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. SHG enterprise gives immense scope for women to earn their livelihood when they do not have income through beedi rolling and agricultural activities. Government of India defined the women entrepreneur as “an enterprise owned and controlled by woman having minimum financial interest 51% of the capital and giving at least 51% of the employment generated in the enterprise to women.”

**EMPOWERMENT**

Empowerment is the process of upliftment of rural women by giving skills, resources, motivation and authority and contributes to their competence and satisfaction.

**ECONOMIC EMPOWERMENT**

Economic empowerment in the present study means brings economic changes and achieving equality between men and women.

**SOCIAL EMPOWERMENT**

It means only the awareness of members on additional knowledge or use of skill obtained through SHG membership in the select social aspects like sanitary, women welfare, decision-making and public interest. The awareness in each aspect is conditioned by and revealed through select parameters and these are termed as social indicators.

**SELF-HELP GROUP (SHG)**

A Self-Help Group is a small homogeneous group of not less than twenty rural women living below poverty line (BPL) coming together to save small amounts of money regularly and to mutually contribute to a common fund.

**NEED FOR THE STUDY**

Women are considered as a weaker section of the society as they are considered as if they are not resourceful financially, managerially, and society. Most of the women in India are uneducated, poor, unskilled, non participatory in economic activity and non involvement in the economic development of India, with the inherent nature of accepting male domination and decision. Women are not allowed to act with economic independence, self reliance and independent decision making and thinking and considered as socially excluded groups. The need for the present study is how the self help group empowered rural women in the society through enterprise development.

**OBJECTIVES OF THE STUDY**

- To study the concept of group entrepreneurship
- To examine the role of SHG enterprise for the economic inclusion of rural women
- To study the role of SIRI Gramodyoga Samste for the economic inclusion of rural women

**RESEARCH METHODOLOGY****Geographical Area Covered**

The study was undertaken in the selected SHG Enterprises identified for the study in Dakshina Kannada District. SHG Enterprises located in the Dakshina Kannada District, are chosen for the research work on the basis of availability of number of group enterprises for the study. The data required for the research was collected from primary and secondary sources. Various Books, magazines, news papers, articles, journals, publications, have been used as sources of secondary data. As internet is one of the important sources of information it is been taken as an important source of secondary data for the present study.

Preparation of interview schedule to evaluate the contribution of SHG enterprises for the development of rural women through enterprise development was used as source of primary data. Field survey type of research is undertaken for collecting the primary data.

**Sampling Methods**

The population for the current study is the selected SHG enterprises which contribute to the empowerment of rural poor women. Members of SHG's are taken as respondents for the current study. The researcher has taken

three SHG enterprises of Dakshina Kannada District as samples and Respondents of these enterprises were asked to respond to the interview schedule.

### **Scope and Limitation of the study**

The empirical study was undertaken in the selected self help group enterprises identified for the study in Dakshina Kannada District. This study is concentrated on those group enterprises situated in Dakshina Kannada District. The information by the researcher is sought through interview schedule through meeting the respondents personally. The study also covers the attributes for institutional performance and the impact on the growth by specialized institutions like SKDRDP from the institutional point of view.

But the study is not out of the limitations. Respondents, while expressing their views on the issues covered, the probability of an element of subjectivity creeping into the responses could not be ruled out. But an attempt is made to reduce such effects to the minimum by providing the

necessary clarification where ever it is required. The major limitation was getting self help group enterprises with large scale operations having a structured management.

### **GROUP ENTREPRENEURSHIP OF RURAL WOMEN THROUGH SELF HELP GROUPS**

From the time immemorial women have been considered as a weaker section of the society and they were oppressed in several ways, from enjoying the rights on a par with men. The inherent nature of the society in general is to keep women away from active involvement in the participation of political, economic and social activities because women were considered resource less in terms of money, material and managerial ability and as such women were incapable of managing trade and other activities. Single women cannot come out of the house due to social reasons and to be entrepreneurs. Women are in need of skill development, managerial empowerment and leadership qualities. So a social movement in the form of SHG's were sponsored and promoted by the government at the grass root level. In DK district SKDRDP promoted the SHG's. All women are given opportunities to join SHG'S in their choice in a group irrespective of the caste, creed, religion colour, region, educational status and other discriminations. Self-Help Groups play a pivotal role in reducing poverty levels, generating employment and empowering women. SHG members who generally lack high level of literacy, technical competence, market intelligence and entrepreneurial spirit face a lot of difficulties in carrying out their business activities. In the village level one field worker is appointed to implement the programmes of SKDRDP. He is called as sevanirathas. He motivated the self help group members to start group enterprises. The members of three to four groups engage in production of certain items such as textiles, chemical items, food products, agarabatti, areca leaf plates etc. They are provided with backward and forward linkages by shri Dharmastala Siri Gramodyoga Samste. SKDRDP provided the credit needed to such groups.

### **SELF HELP GROUP ENTERPRISES IN DAKSHINA KANNADA DISTRICT**

Beedi rolling is a major occupation of the under privileged women in Dakshina Kannada and Udupi districts of Karnataka State in South India. In beedi rolling women often have to work very long hours and are likely to be in low paid work. In the recent past, the main stay of women viz., beedi rolling was on the decline in these two districts. In order to provide an alternative employment for the women dependent on beedi rolling SKDRDP has promoted various income generation activities in production and service sector under SIRI Gramodyoga Yojane started in 2002. Self help groups are motivated, trained and assisted in setting up various group ventures. SHG's have been engaged in enterprises like food products, chemical items, areca leaf plates, agarabatti etc.

#### **Case 1**

#### **GURUJYOTHI PICKLE UNIT GURUVAYANAKERE**

Gurujyothi Pickle unit was set up-on 23<sup>rd</sup> October, 2002 in a tiny village called Guruvayanakere in Belthangady Taluk. In the beginning they had twelve members. Nnavikasa Kendras are played very important role in the empowerment of uneducated, unemployed landless rural women. Sevanirathe Felicita motivated the self help group members to start this pickle unit. In the beginning they started this unit in self help group member's house and continued up to 2 years. They faced many problems in the beginning. Except one, all old members left the job within three years after their marriage. That one lady took the initiative to continue the unit. Before joining this unit, members have received one week training from RUDSET Ujire at free of cost. Afterwards SKDRDP purchased land on lease for 25 years and paid Rs 500 as rent. The building and land is provided by SKDRDP. They also supported to purchase machinery. They obtained Rs 2, 88,000 from Pragathi Nidhi, Rs. 59065 from KVIC, Rs 69,750 from KAAI to purchase- materials for the production of pickle. They obtained Rs 1,25,000 loan for Kokum juice. They repaid the loan from the income of the unit. Monthly they are repaying Rs 6,250 towards **loan** installment. They have faced problem up to two years. In the beginning they prepared some bottles of pickles. Now they prepared 4 quintals of pickles per day. First they received commission from SIRI. Now they are receiving at Rs 150 per day and once in a week they get payment. They are preparing 5

types of pickles such as Lemon, Mixed, Mango, Tamarind and Mango Pieces. All raw materials required for the production of this product is provided by SIRI & are purchased from Shiradi Koppa by SIRI. They also produce kokum juice. The total number of members in this unit is 10. All the members are belonging to below poverty line families (BPL). Out of the ten members only four are married and have grown up children. The remaining are in the age group of 17-22 years. About half of the members have secondary school education. The two are illiterate and the remaining has primary education. SIRI director motivated to start this self help group enterprise unit. The working hours are from 8.30 am to 5.30 pm. This figures it shows the preparation of pickle by the self help group members



**Case 2**

**PARIJATHA PHYNYLE UNIT DONDOLE**

Parijatha Phynyle unit started at Dondole, a village in Belthangady Taluk near Dharmastala in 2003. The members of self help group produced phenyl in 2 centers. Black Phenyl in Gerukatte and white phenyl in Dondole. The main raw materials for the production of phenyl are water, castic soda, casteroil, rosin, LCO. White Phynyl is used for floors and Black Phynyl is used for toilets. Material required for white phynyle is castic soda, casteroil, water, fine oil, and scent.

Ten members started this unit. Some members left the unit and at present eight members are working. Out of the eight members four members are uneducated and others are having primary education. Two members are married and others are young girls in the age group of 18 – 25 years. After their primary education most of them were rolling beedies and making beedi labels. They are trained at siddavana Ujire before starting this unit. Under the guidance and assistance of SIRI they obtained **Rs1,00,000** loan from SGSY. Monthly installment loan is Rs 1800. They repaid the loan within one and half years out of the income of unit. They have mixing machine. They filled the bottles by hand. SIRI supplies all raw materials and provides marketing support to this unit. In the beginning they produced 250 liters per day. Now they are producing 1000 liters of Phynyl per day. They produce phenyl according to the demand in the market. Sometimes they produce 3,000 liters per day. They get commission for their production. On an average they will get income of Rs6, 000 a month. SIRI supplies all raw materials and provides marketing support to this unit. This figures it shows the preparation of white Phenyl by self help group members





### SRINIDHI FOOD PRODUCTS UNIT PANAKAJE

Srinidhi food products unit was set up in 10/05/2003, in a small village called sonandur. In the beginning they started their unit in self help group member house. Five self help group members started this enterprise. BPL category is also included in this unit. Now the total number of members in this unit is 14. initially 60 members were working. Out of 14 members 5 are married and remaining is in the age group of 18 to 25 years. Three are having SSLC education four are illiterate and remaining have primary education. Initially they produce 25 kg per day. Now they produce on an average 400kg. In the beginning they received commission. They prepared different types of food products such as kharakaddi, chips, ring, seme, khara boondi, sihiboondi, mixchure and murku. In 2003 with the help of siri they started their group enterprise. They obtained Rs 2 lakhs loan from SGSY and 6, 59,000 loan from bank. The average earnings of the members are Rs 150 for unskilled workers and Rs 200 for skilled workers. They received weekly payment. All raw materials and marketing facility provided by SIRI. The machineries are also purchased by SIRI. The main machines used in this unit are frying machine, dryer, mixing machine, sealing machine, weighing machine and generator. SKDRDP purchased lease hold land and paying Rs 600 rent and building is constructed by SKDRDP. This figures it shows the preparation of food products by self help group members





### CONCLUSION

A nation cannot be developed if its women are not given enough opportunities. In the developing economies entrepreneurship among women will be right approach for women empowerment. Once a woman feels that she is economically strong, she will feel equal to man in all respect. This is perhaps' the need of the hour. SHG enterprise gives immense scope for women to earn their livelihood when they do not have income through beedi rolling and agricultural activities. In most of the developing countries greater emphasis is being laid on need for empowering rural women and their active involvement in the main stream of development. Self help group enterprises are not only the economic increaser of the rural women but also develop the awareness programmes about banking procedures, loan policies and various schemes etc. After joining self help group enterprises they started participating in social activities, attend grama sabha meetings and develop political relations. Empowering women through group entrepreneurship make them self reliant and self confident.

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**GREEN RETAIL: PROMOTING SUSTAINABLE VALUE CHAIN**

**Sumanta Dutta**

Assistant Professor, P. G. Department of Commerce, St. Xavier's College (Autonomous), Kolkata

**INTRODUCTION**

Retailers have traditionally been regarded merely as distributors of merchandise, adding little value for consumers or suppliers. With the current economic situation, more and more retailers have realised that corporate sustainability is considered to be a new business mantra. The era of green retailing (GR) has come.

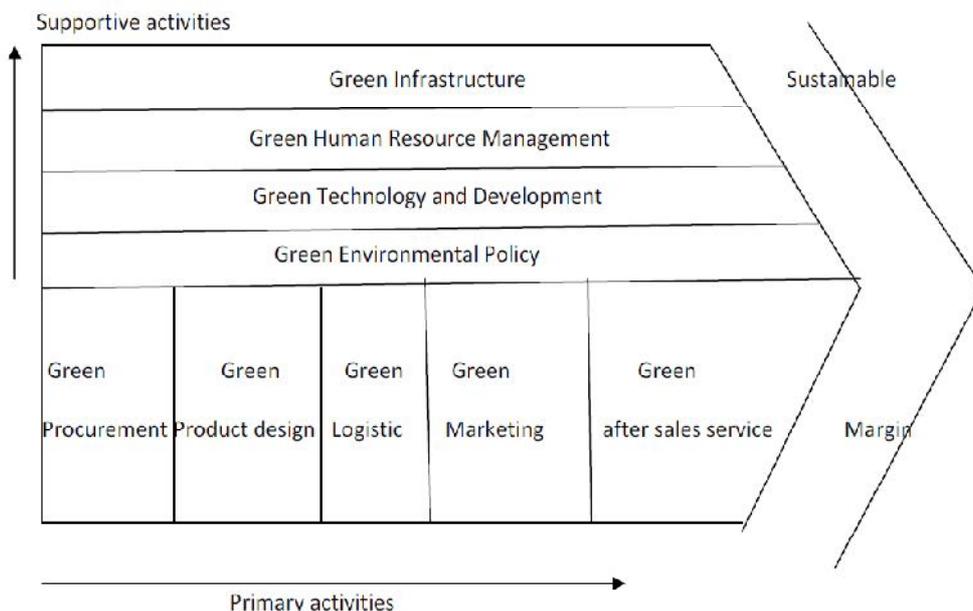
The philosophy of environmental management practices in retail business operations which helps firms reduce waste, increase efficiency, cut costs, and protect against environmental liabilities has been known to business for years. There is mounting stakeholder pressures on retailers to emphasise environmental protection in their operations.

Green retail has emerged as a very timely solution to the environmental problems posed by traditional business operations. The impact of traditional business operations as polluting technology has disturbing consequences. The consequences are considerable negative externalities in form of carbon footprints and related pollutions, which further take a toll on health of society at large. There have been other strategic responses suggested like carbons trading but the problem of externalities still remain. Hence the proposed strategy to shift to green technologies is welcomed by consumers, investors, and society at large.

India is one of the mega diverse countries in terms of biodiversity, is under threat today. The importance of green product among people is increasing not due to awareness but due to adverse impact on health of mankind. The green practices not only develop a positive image and reputation in the customer's mind, but also enable companies to save on long-term operational costs. The Associated Chambers of Commerce and Industry of India (ASSOCHAM) expect that the Indian Retail sector has the potential for 15% year-over-year growth over the next five years through 2018.

Green retailing incorporates availability, display and promotion of green products, sustainability practices in the retail stores, and ethical business practices. Environmentally conscious customers are putting pressure on retailer to keep environment friendly merchandise and to adopt green practices. Retailers who generally regarded as an intermediaries in the value chain providing information to the environmentally conscious customers who have at least some information about eco-friendly attitude of the organisation and willing to buy those product which have less detrimental impact on environment and society at large.

So, there is a constant urge to develop a retail value chain following the footprint of Porter value chain spectrum. Fig-1 put forth a possible form of retail value chain for managing sustainable margin.



Source: Author

Fig-1: Green Retail value Chain

**Primary activities based Green retail value chain**

Primary activities	Descriptions
Green Procurement	<ul style="list-style-type: none"> <li>▪ Purchase goods with eco labels showing the environmental impact</li> <li>▪ Incentives should be given to encourage manufacturing of eco-friendly products</li> </ul>
Green Product design	<ul style="list-style-type: none"> <li>▪ Encourage research and development in manufacturing of eco-friendly products</li> <li>▪ Develop “frustration free packaging”</li> </ul>
Green Logistic	<ul style="list-style-type: none"> <li>▪ Use of electric vehicle for procurement and delivery</li> <li>▪ Home delivery may reduce carbon footprint partly</li> </ul>
Green Marketing	<ul style="list-style-type: none"> <li>▪ Promote eco-friendly products in a positive way</li> <li>▪ Partnering with green events</li> </ul>
Green After sales service	<ul style="list-style-type: none"> <li>▪ More dependency on virtual space may be a viable option</li> <li>▪ Extended producer responsibility when producer acknowledge the responsibility of end of life products</li> </ul>

**Secondary activities based Green retail value chain:**

Secondary activities	Descriptions
Green Environmental Policy	<ul style="list-style-type: none"> <li>▪ Develop vision and mission statement in order to support the organisation policy on green commitment</li> </ul>
Green Technology and Development	<ul style="list-style-type: none"> <li>▪ Support research and development, investment or co-operates with other organisation for developing technology to reduce environmental impact</li> <li>▪ Use LEED standard</li> </ul>
Green Human Resource Management	<ul style="list-style-type: none"> <li>▪ Promote more employee participation in green development and</li> <li>▪ motivate employees to reduce energy use</li> </ul>
Green Infrastructure	<ul style="list-style-type: none"> <li>▪ use of LED screens will reduce power consumption</li> <li>▪ use of green energy (i.e. power sourced from renewable or non-polluting energy sources)</li> <li>▪ Managing a service blueprint for a green travel plan for cost &amp; energy efficiency</li> </ul>

**CONCLUSION**

Green retailers are striving to maintain a balance between economic gains and environmental performance. Green retail practices by virtue of their nature are people intensive and dependence on skill development via employee involvement, team effort at every stages of green retail value chain.

**ASSESSMENT OF JOB STRESS LEVEL AMONG TEACHERS OF HIGHER EDUCATION****Dr. Meenu Srivastava<sup>1</sup> and Dr Hemant Kothari<sup>2</sup>**Professor<sup>1</sup> and Head, College of Home Science, MPUAT, Udaipur, RajasthanProfessor<sup>2</sup> and Dean- PGS, Pacific University, Udaipur, Rajasthan, India**ABSTRACT**

*The present study covers the aspects of assessing the job stress level among teaching faculty employed in various higher educational institutions in Udaipur city. Job stress is an important phenomenon which cannot be overlooked in higher education system. Descriptive survey method of research was used in executing the present study on 64 college teachers, selected as respondents on the basis of stratified random sampling techniques from six educational institutions of higher education in Udaipur city. Chi-Square test was employed to assess the association between different variables and job stress of respondents. Findings revealed that teaching faculty of higher educational institutes were found to be stressed at moderate to high level and there exists a close relationship between type of institutions and nature of appointment and level of stress perceived by the teaching faculty.*

*Key words: Job, stress, teacher, higher, education*

**INTRODUCTION**

College teachers are the prime factor to maximize all their energy and time to promote the well-being of students. The teachers are responsible for imparting education and guidance to students and also for undertaking research development in their respective fields for enriching the quality of teaching and research. (Sumbul and Sajid,2014). Individuals who join the teaching profession should be dedicated and competent in their work. They face a lot of occupational stress while performing their duties. This affects their job satisfaction and adds to their stress. (Johnes & Taylor,1990, Hagedorn,1994; Hsing et.al,2006). The highly stressed and poorly satisfied faculty cannot help the universities to meet the greater challenge of attaining objectives of higher education.

According to Raza (2012), faculty having low level of stress with high level of satisfaction can help institutions of higher education to achieve their goal of preparing human capital for all sphere of life to cater to the needs of public, private and social sector.

Stress in teaching has sufficient attention of educational thinkers and researchers in present days and academic interest on the subject is expanding to various dimensions. Studies across the globe have referred that job stress of faculty members affects their performance, productivity, efficiency and effectiveness. In the light of this background, the present study is designed to investigate the job stress level among teaching faculty of higher education in Udaipur city.

**OBJECTIVE**

The study was conducted keeping in view the following objective to study the association between job stress level among college teachers with respect to gender, type of institution, streams and nature of appointment.

**HYPOTHESIS**

Level of stress is not associated with gender, type of institution, streams and nature of job.

**METHODOLOGY**

Descriptive survey method of research was used in executing the present study. Descriptive method provides a method of investigation to study describes and interprets what exists at present. Based on the objectives framed, the study was conducted in Udaipur city.

**SAMPLE SIZE**

To collect the desired information about the job satisfaction level among college teachers, 64 respondents were selected on the basis of stratified random sampling techniques from six educational institutions of higher education in Udaipur city. The samples were comprised of 32 males and 32 females fulfilling the laid criteria of selection.

**DEVELOPMENT OF RESEARCH TOOL**

**Job stress questionnaire**-In order to assess the job stress of college teachers the investigator used Occupational Stress Index (OSI) Hindi/English standardized by A.K. Srivastava and A.P. Singh. The scale consists of 46 items, each to be rated on the five-point scale. Out of 46 items, 28 are 'true-keyed' and rest 18 are false-keyed'. The items relate to almost all relevant components of the job life which cause stress in some way or the other,

such as, role over-load, role ambiguity role conflict, group and political pressure, responsibility for persons, under participation, powerlessness, poor peer relations, intrinsic impoverishment, low status, strenuous working conditions, and unprofitability.

### PRETESTING

The primary draft of the questionnaire was tested for feasibility and effectiveness with a group of 10% non-sample subjects. Modification in the schedule was made on the basis of pretesting and after final correction and modifications the schedule was used for data collection.

### DATA COLLECTION

In order to collect data from selected respondents of three private and three public colleges of Udaipur city, the researcher carefully administered developed tool of data collection and personal data sheet to get information about various independent and dependent and demographical variables Gender i.e. male & female, background of the teachers i.e. age, experience, cadre, qualification and stream, etc The respondents were contacted at their work places during February -March, 2015.

### ANALYSIS OF DATA

The study uses descriptive statistics to report overall pattern of data and underlined response and behavioural pattern of sample in a specified situation. The frequency distribution is tabulated to depict the overall participation of respondents. To find the association of job stress with different parameters, a chi square test was used.

i) **Frequency and percentage:** Frequency and percentage were used to analyze the data on the basis of their general background information, and satisfaction levelled. The ratings obtained were tabulated according to the scores obtained and converted in percentage.

ii) **Chi-square test**

$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

Where,

$O_i$  = Observed value

$E_i$  = Expected value

### RESULTS

The major findings of the study have been summarized as follows:

1. **Profile of the respondents:** Majority of the respondents (39%) were found in the age group of 31-40 (21.87%). Maximum respondents (62.50%) were well educated and hold PhD degree. In case of gender, half of the respondents (50%) were male and remaining half were female. Similarly, in nature of appointment, 50 per cent respondents each were permanent and contractual. Out of the 50 per cent permanent faculty, most of the respondents (39.06%) were found in the cadre of Assistant Professor. Remaining 50 percent were hired on contractual basis in the start of academic session. Only 4.69 per cent of the respondents belonged to the cadre of Associate Professor. Majority of the respondents (35.94 %) had teaching experience of 4-12 years followed by 13-20 years. Data pertaining to type of institutions and streams revealed that equal percentage of respondents belonged to public and private and arts and science streams.

2. **Overall level of stress of college teachers:** The overall level of stress among college faculty was analysed and presented in following Table 1.

**Table-1. Distribution of respondents according to level of stress**

**n=64**

Category	Total	
	f	%
Low	2	3.12
Medium	36	56.25
High	26	40.63

It is observed that majority of the respondents (56.25%) were found to be stressed at moderate level followed by 40.63% per cent of respondents who had high level of stress. The stress level was found low among few respondents. Hence it can be said that college teachers were found to be stressed at moderate to high level.

Findings of a study conducted by Bibi et.al. (2004) on 'Effects of stress on job satisfaction of head teachers at elementary level' also revealed similar results that most of the samples are in stress which is affecting their job satisfaction.

**Association between level of stress with respect to gender, type of institution, streams and nature of appointment.**

#### LEVEL OF STRESS-CHI SQUARE ANALYSIS

**Hypothesis:** Level of stress is not associated with gender, type of institution, streams and nature of appointment.

#### GENDER AND LEVEL OF STRESS (TWO-WAY TABLE)

**Table-2. Distribution of respondents according to sex and level of stress**

**n=64**

Gender	Level of stress			Total
	Low	Medium	High	
Male	2 (6.25)	14 (43.75)*	16(50)	32
Female	-	15 (46.88)	17 (53.13)	32
<b>Total</b>	2	29	33	64

Source: computed from primary data \*data in parentheses shows %

The above table shows that both male and female respondents had moderate and high level of stress, however, the female respondents were found to have greater stress (53.13) as against 50 per cent at high level of stress and 46.88 per cent against 43.75 per cent at moderate level among male respondents. On the other hand, the percentage of low level of stress was found only among male respondents.

Almost equal number of respondents of both genders have moderate and high stress, this may be due to sampling design of the study, half of the respondents in both gender also belonged to private sector and have contractual nature of appointment, hence the factors of stress also includes these aspects also. In order to find the relationship between the sex of the respondents and their level of stress perceived by the college teacher, a chi-square test was employed and the results of the test have been presented in the following table-

#### GENDER AND LEVEL OF STRESS (CHI -SQUARE TEST):

Factor	Calculated $X^2$ value	Table value	D.F.	Remarks
Gender	2.065	4.61	2	Non-Significant at 1%

Source: computed from primary data

It is clear from the above table that the calculated chi-square value (2.065) is less than the tabulated value (4.61) and the result is non significant at 1% level. Hence the hypothesis, 'Sex of the respondents and their level of stress are not associated', holds good. From the above analysis, it can be concluded that there is no relationship between the sex and level of stress perceived by the college teachers.

#### TYPE OF INSTITUTION AND LEVEL OF STRESS ( TWO-WAY TABLE)

**Table- 3. Distribution of respondents according to type of institution and level of stress**

**n=64**

Type of Institution	Level of stress			Total
	Low	Medium	High	
Public	2 (6.25)	23(71.88)	7(21.88)	32
Private	-	10(31.25)	22(68.75)	32
<b>Total</b>	2	33	29	64

Source: computed from primary data

The above table shows that majority of respondents (68.75%) from private institutions possessed high level of stress as compared to 21.88 percent respondents of public institutions having high stress level. Moderate level of stress was found greater among respondents (71.88 %) from public institutions.

From the analysis it can be inferred that respondents from private institutions have high stress as compared to moderate stress among respondents of public institutions and the reasons for this may be related to the demanding output, heavy pressure, poor/ low administrative support, institution culture, etc.

In order to find the relationship between the type of institutions and level of stress perceived by the college teacher, a chi-square test was employed and the results of the test have been presented in the following table-

**TYPE OF INSTITUTION AND LEVEL OF STRESS (CHI –SQUARE TEST):**

Factor	Calculated X <sup>2</sup> value	Table value	D.F.	Remarks
Type of institution	14.880	4.61	2	Significant at 1%

Source: computed from primary data

It is clear from the above table that the calculated chi-square value is greater than the tabulated value and the result is significant at 1% level. Hence the hypothesis, ‘Type of institution and level of stress are not associated’, does not hold good. From the above analysis, it can be concluded that there is a close relationship between the type of institution and level of stress perceived by the college teachers.

**NATURE OF APPOINTMENT AND LEVEL OF STRESS ( TWO-WAY TABLE)**

**Table-4. Distribution of respondents according to nature of appointment and level of stress n=64**

Nature of appointment	Level of stress			Total
	Low	Medium	High	
Permanent	2 (6.25)	24 (75)	6 (18.75)	32
Contractual	-	19 (59.38)	13 (40.63)	32
<b>Total</b>	2	43	19	64

Source: computed from primary data

The above table shows that the percentage of high level of stress was more(40.63 %) among the respondents who were employed on contractual basis in colleges and the same was found quite low among respondents(18.75%) appointed on permanent basis. The percentage of moderate level of stress was found greater (75%) among respondents working permanently as compared to contractual respondents (59.38%). On the other hand, few respondents (6.25%) who had low level of stress also belonged to the category having permanent nature of appointment.

Similar findings are reported by Schuldt & Totten,(2008) in their paper on ‘An exploratory study: business faculty and the faculty stress index’, Results revealed that stress level of part time and non- tenure-track faculty in higher education are on the rise. Heavier workloads and time demands, perhaps on top of normal non-academic employment expectations have resulted in greater stress levels among these particular faculty members.

In order to find the relationship between the nature of appointment and level of stress perceived by the college teacher, a chi-square test was employed and the results of the test have been presented in the following table-

**NATURE OF APPOINTMENT AND LEVEL OF STRESS (CHI –SQUARE TEST):**

Factor	Calculated X <sup>2</sup> value	Table value	D.F.	Remarks
Nature of appointment	5.160	4.61	2	Significant at 1%

Source: computed from primary data

It is clear from the above table that the calculated chi-square value is greater than the tabulated value and the result is significant at 1% level. Hence the hypothesis, ‘Nature of appointment and level of stress are not associated’, does not hold good. From the above analysis, it can be concluded that there is a close relationship between the nature of appointment and level of stress perceived by the college teachers.

**STREAMS AND LEVEL OF STRESS( TWO-WAY TABLE)**

**Table-5. Distribution of respondents according to streams and level of stress n=64**

STREAMS	Level of stress			Total
	Low	Medium	High	
Arts	-	21 (65.63)	11(34.38)	32
Science	2 (6.25)	15 (46.88)	15 (46.88)	32
<b>Total</b>	2	36	26	64

Source: computed from primary data

The above table shows that the percentage of high level of stress was more(46.88 %) among the respondents of science stream and the same was found quite low among respondents (34.38 %) of arts stream. The percentage of moderate level of stress was found greater (65.63%) among respondents working in arts stream as compared to respondents (46.88b%) of science stream. On the contrary, few respondents(6.25%) who had low level of stress also belonged to the category of science stream.

The arts faculty have less involvement in the aspects related to purchase, procure, maintain and operate the tools and equipments as needed in practical work of science stream. This is the due to the nature of subject, the faculty is involved.

In order to find the relationship between the streams and level of stress perceived by the college teacher, a chi-square test was employed and the results of the test have been presented in the following table-

**STREAMS AND LEVEL OF STRESS (CHI –SQUARE TEST):**

Factor	Calculated $X^2$ value	Table value	D.F.	Remarks
Streams	3.615	4.61	2	Non-Significant at 1%

Source: computed from primary data

It is clear from the above table that the calculated chi-square value is less than the tabulated value and the result is significant at 1% level. Hence the hypothesis, 'Streams and level of stress are not associated', hold good. From the above analysis, it can be concluded that there is a no relationship between the stream and level of stress perceived by the college teachers.

## CONCLUSION

Therefore, the findings of the study concludes that college teachers were found to be stressed at moderate to high level and there exists a close relationship between type of institutions and nature of appointment and level of stress perceived by the teaching faculty, on the other hand , chi-square value was found non-significant in case of gender and streams so there is no association between gender and streams with respect to level of stress.

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**EMPLOYABILITY, INDUSTRY & SKILL DEVELOPMENT”, WRT. AURANGABAD VISION 2020**

**Pradnya R. Deshmukh**

Profressor – TPO, MGM’s Institute of Management, Aurangabad, MS

**ABSTRACT**

*The prosperity and progress of any nation is basically linked to its human resources. Human capital is one of the most important assets of a country and a prime factor of importance to the economic performance of the country. The rising index of utility skill of work force would lead to high levels of economic growth of the country. In current global market scenario, quality of product and services are of utmost importance. And it is possible only through the quality workforce or skilled hands on the job. To gain more qualitative productivity and to increase human efficiency, different types of skills, technical and non-technical/ human skills are very much essential.*

*Even, some valuable quotes of Industry Leaders are sufficient to focus the need of hireable Talent that is Employability skills: “There are huge number of fresh graduates who are just not hireable, as they do not have soft skills like good communication, presentability, analytical ability etc;” MD.of Tquara Technologies, Bangalore*

*“The challenge before the Industry does not lie in the supply of talent, but rather that of employability,” says Mr.Azim Premji, Chairman-Wipro Industries Ltd. Education and training create assets in the form of knowledge and skills which increase the productive capacity of manpower and this is referred to as skilled human capital.*

*India comprises the largest education systems in the world. We produce 31 lakhs graduates every year - twice as much as US and 3 times more than UK. Yet, a recent survey found that more than 60% of total Indian graduates are without jobs. There are numerous job opportunities available in India, yet there is a huge deficit of employable talent in India. The need gap is the shortage of Employability skills among students.*

*Key Words: Human Resources, Quality workforce, Employability skills*

**OBJECTIVES**

1. To ascertain the existing employability skills.
2. To throw light on the employability skills required for technical and management graduates.
3. To discuss the initiatives taken by the state government towards skill building of technical students.
4. To Know the Challenges before the Skill development program

**METHODOLOGY**

This study is analytical and comprises secondary data which is collected from books and periodicals, journals, literature review and content analysis, Websites of State & Central Government and its Knowledge Centres and News papers.

**A DEFINITION OF EMPLOYABILITY SKILLS**

The term “employability skills” refers to those skills required to acquire and retain a job. The following are the major skills the Industry has defined as Employability skills, essential to get a job –

- 1) Interview Skills for selection,
- 2) Soft Skills for selection as well as match the requirements, and
- 3) Life Skills for retention of the job.

<b>INTERVIEW SKILLS</b>	<b>SOFT SKILLS</b>	<b>LIFE SKILLS</b>
Communication Presentation English Fluency Body Language Personality Grooming Resume Writing Self Confidence Articulation	Communication Analytical Ability Leadership Adaptability Team Work Planning & Prioritization Problem Solving Creativity	Work Ethics Dependability Positive Attitude Professionalism Self Motivation Willingness to Learn Openness Working without Supervision

Why we require the employability skills?

*Employability skills* are defined as skills required not only to gain employment, but also to progress within an enterprise so as to achieve one’s potential and contribute successfully to enterprise strategic directions. (Leading Australian Business Employability Skills (June 02)

**GLIMPSE OF THE DREAM CITY(AURANGABAD 2020)**

Four Mega Projects are up coming in Aurangabad SEZ & DMIC with investment of more than 1000cr/Employment more than 1150 no. will be generated.

Company name	Investment (Cr)	Req Employees
Can Pack India Beverages Cans	Investment 550 cr	Employees-150
Varroc Engineering Automotive and Electricals	Investment 153 cr	Employees 673
Good Year South Asia Tyres	Investment 226 cr.	Employees 250
Railway equipment	Investment150 cr	Employees 100

**Large scale UNITS in the District: Currently & Expected**

Units	Investment (Cr)	No. of jobs	Status
195 units,	Investment 7384cr.,	jobs 80,500	Currently
343 units,	Investment 179, 590cr	jobs 1,95,000	Expected in 2020

**Micro Small and Medium Enterprises (MSMEs): Currently & Expected.**

Units	Investment (Cr)	No. of jobs	Status
3405 units,	Investment 404.86 cr.	jobs 36871	Currently
343 units,	Investment 1050cr.,	jobs 95,000	Expected in 2020

**KEY DRIVERS TO INDUSTRIAL DEVELOPMENT(2020)**

Automobile sector, Auto components, Brewaries, Printing, Rubber and Plastic, Paper and paper products, Pharma base companies.

**SKILL DEVELOPMENT PLAN(2020)**

Major initiatives for escalation of core and soft skills is proposed, to be undertaken through Higher Education Department , partnership with industrial houses, 1million skill set is to be created in next 10 years.(Aurangabad VISION 2020,Google)

**LITERATURE REVIEW**

Why we require the employability skills?

Simple and popular Quote OF HR “ Right man for the Right job.”

Ample of job opportunities available in India, but about 40% graduates are matched with the required skill set.As per NASSCOM-McKinsey Report, there will be huge requirement of skilled workers in the BPO industry, in next decade. Currently faces shortage of 5,00,000 skilled workers.Other industries, like Retailing, Manufacturing, Telecom etc. will require 10,00,000 skilled personnel in next 5 yrs. For new jobs.

--Another survey of employers shows that only a handful of the 1400 engineering schools in India are recognized as providing world-class education with graduates worthy of consideration for employment (Globalization of Engineering Services, 2006). National Knowledge Commission (2009) report holds “command over the English language is perhaps the most important determinant of access to higher education, employment

“The challenge before the Industry does not lie in the supply of talent, but rather that of employability,” says Mr.Azim Premji,Chairman-Wipro Industries Ltd.

Above quotes of Industry Leader, NASSCOM Report, strongly focussed the necessity of bridging the gap between industry requirement of skilled workers and available graduate workers. Education and training create

assets in the form of knowledge and skills which increase the productive capacity of manpower and this is referred to as human capital

**EMPLOYABILITY SKILLS**

--The term “employability skills” refers to those skills required to acquire and retain a job. In the past, employability skills were considered to be primarily of a vocational or job-specific nature; they were not thought to include the academic skills most commonly taught in the schools.

--Current thinking, however, has broadened the definition of employability skills to include not only many foundational academic skills, but also a variety of attitudes and habits. These transferable skills include the ability to “solve complex, multidisciplinary problems, work successfully in teams, exhibit effective oral and written communication skills, and practice good interpersonal skills” (Schmidt, 1999).--In fact, in recent usage, the term “employability skills” is often used to describe the preparation or foundational skills upon which a person must build job-specific skills (i.e., those that are unique to specific jobs). Among these foundational skills are those which relate to communication, personal & interpersonal relationships, problem solving, and management of organizational processes (Lankard, 1990).

--Employability skills in this sense are valued because they apply to many jobs and so can support common preparation to meet the needs of many different occupations. Robinson (2000) defined employability skills as “those basic skills necessary for getting, keeping, and doing well on a job.”

--Employability skills are teachable (Lorraine, 2007) and transferable skills (Yorke, 2006). Employability has been defined as “a set of achievements—skills, understandings, and personal attributes—that make graduates more likely to gain employability and be successful in their chosen occupations” by the Engineering Subject Centre of the UK Higher Education Academy. They put down three types of qualities that are essential for assessing employability performance.

**NEED OF THE HOUR**

We need to empower these youngsters with the requisite skills they will need to get employment and to grow in a corporate environment. And this skill development must start early: even while the student is pursuing his graduation. While academic skills definitely count, various other skills such as spoken and written English, interpersonal skills, the art of communication, situational behavior, and so on play a pivotal role in helping the student or candidate fit into the workplace. Lack of these skills may hamper the candidate’s prospects at the interview stage itself.

Technical education should cater to the needs of its stakeholders in industry. There has to be strong link between college administrators, industries and the students. --Possible reason for higher education institutions failing to address the employability skills of its students could be because college faculty do not understand what the lacking skills are and do not possess the necessary resources to teach them (Hofstrand, 1996). While higher education faculty may not know what the lacking skills are, corporate employers do, and can have an influence on the enhancement of these skills in education (Taylor,1998).

Further, corporations are willing to partner with higher education institutions in an effort to teach the necessary skills for industry success (Paulson, 2001). -----Teichler (1999) concluded that higher education institutions should serve three functions when preparing students: the educational function, based on the cognitive and intellectual capabilities needed to conceive broad knowledge; the training function”.

**On the basis of above study CII has projected the following requirement of skilled workers at different levels by 2015**

S.No	Sector	Demand (in Mn)	Skill Level Break-up
1	Auto	2-2.5	Specialised skills – 5% Skill category level II – 25% Skill category level I – 30% Minimal education skilable – 40%
2	Construction	15	Specialised skills – 2% Skill category level II – 11% Skill category level I – 12% Minimal education skilable – 75%
3	Retail	4-5	Specialised skills – 6-8% Skill category level II – 32-43% Skill category level I – 45-50%

			Minimal education skillable – 10-15%
4	Healthcare	4-4.5	Specialised skills – 10% Skill category level II – 40% Skill category level I – 16% Minimal education skillable – 34%
5	Banking & Financial services	4.5-5	Specialised skills – 5% Skill category level II – 15% Skill category level I – 65% Minimal education skillable – 15%
6	Creative Industry	0.5 - 0.8	Specialised skills – 5% Skill category level II – 20% Skill category level I – 65% Minimal education skillable – 10%
7	Logistics	Drivers:51	Warehouse Managers: 8000
	<b>Total</b>	<b>81-83.8Mn</b>	

**6.2 CII has further projected Incremental Human Resource Requirement till: 2022**

Sectors	Incremental Human Resources Requirement
Mines and Minerals	1,754,881
Construction	55,199,568
Engineering	1,813,790
Banking and Insurance	3,947,139
Drugs and Pharma	1,383,721
Biotech	1,209,489
Healthcare	20,684,530
Textiles	86,545,390
IT and ITeS	14,806,299
Tourism	12,478,386
Agro and Food Processing	169,782
Paper	57,976
Chemicals and Fertilizers	1,391,948
<b>Total</b>	<b>201,442,899</b>

**INDUSTRY INITIATIVES**

Many large corporations like Larsen & Toubro, Bharti Group, Hero Group, Maruti, ITC, Infrastructure Leasing & Finance Services Ltd. Etc., have established training facilities that offer world class training programs that create an environment of e-learning and innovation.

**Private Sector Initiatives:**

Manufacturing sector <sup>13</sup>		
Sector	Company name	Training initiative
Construction	Larsen & Toubro	▶ L&T has established Construction Skills Training Institutes (CSTIs) in Chennai, Panvel, Ahmadabad, Bengaluru, Hyderabad, Delhi and Kolkata to impart construction vocational training.
Textile	Vardhman Group	▶ The group has established the Vardhman Training and Development Centre (VTDC) at Ludhiana to enhance employee skills across all functions.
Electronic goods	Godrej Industries	▶ Godrej has recently tied up with The George Telegraph Training Institute (the pioneer in vocational training in eastern India) to launch specialized courses in refrigeration, air-conditioning and washing machine technology. On completing the course, deserving students will be offered employment with Godrej.
Automotive	Maruti Suzuki India Ltd. (MSIL)	▶ MSIL has tied up with 17 ITIs (in November 2010) and has placed nearly 400 students in its service network. It plans to ramp up its network to 53 ITIs and absorb 500-600 more ITI students in coming months. ▶ The company has also tied up with other institutes such as the BGS Institute of Science & Management and the ABT Technical Institute to conduct Maruti-certified courses. ▶ MSIL has also set up a Technical Training Centre (TTC) to cater to the training needs of employees working in the manufacturing domain and train them on the latest technologies.

Services sector <sup>14</sup>		
Sector	Company name	Training initiative
Retail	ITC	▶ ITC Wills Lifestyle has tied up with professional courses provider NIS Sparta, which is a part of the Reliance ADA Group, to provide training in retail management.
Hospitality	Grand Hyatt	▶ Hyatt Hotels Corporation has its in-house training initiative, School of Hospitality at Grand Hyatt Mumbai. ▶ It also has three more schools of learning – the School of Leadership, the School of Management Studies and the School of General Studies.
Information technology	Infosys	▶ Infosys' global training center in Mysore is one of the largest corporate training establishments in the world and can accommodate 15,000 people.
Financial services	ICICI Bank	▶ ICICI has established ICICI Manipal Academy (IMA), in association with Manipal Education, to train newly recruited junior managers of the bank in banking and finance. The institute has an intake of 550-600 students every three months.
Aviation	Pawan Hans Helicopters Limited (PHHL)	▶ PHHL's training institute provides Aircraft Maintenance Engineering (AME) courses and imparts knowledge on helicopters and their systems to students.

Source: FICCI-Ernst & Young: Knowledge Paper on 'Strategic and Implementation Framework for Skill Development in India. September 2011

## GOVERNMENT INITIATIVE

### Establishment of National Skill Development Corporation

National Skill Development Corporation is one of its kind public-private partnerships with 51 per cent equity held by private sector and the balance 49 per cent by the Ministry of Finance. Formed in 2010, NSDC is a professionally run not-for-profit company that includes 28 Sector Skill Councils and 114 training partners with over 2500+ training centres spread across 352 districts in the country. NSDC is mandated to skill 150 million Indians by 2022.

MoU between TISS and Maharashtra State Livelihood Mission (MSRLM), with support of World Bank to National Rural Livelihood projects in Maharashtra, on 17<sup>th</sup> Apr. 2013

### EXPRESSION OF INTEREST FOR PROJECT MANAGEMENT

NSDC to provide Project Management support for a large academic partnership. The objective of this partnership is to provide skill based training to the students of 667 colleges of Savitri Bhai Phule University of Pune.

The launch of the NSDC Innovations for Skills Challenge 2014 (NISC). Organised at the national level, the competition provides innovative skilling enterprises across the country an opportunity to receive funding up to, but not limited to INR 3 crore.-- *zensar launched first ever Employability skills development program, May 26, 2014, Pune, India* A program to make 500 students in Maharashtra IT industry ready in Year 1 year.

## CONCLUSION

Employability Skills Framework, more attentive in future, with inclusion of :

- **Communication** skills that contribute to productive and harmonious relations between Employees and customers
- **Team Work** Skills that contribute to productive working relationships and outcomes
- **Problem-Solving** Skills that contribute to productive outcomes
- **Initiative And Enterprise** Skills that contribute to innovative outcomes
- **Planning And Organising** Skills that contribute to long-term and short-term strategic Planning
- **Self-Management** Skills that contribute to employee satisfaction and growth
- **Learning** Skills that contribute to ongoing improvement and expansion in employee and company operations and outcomes
- **Technology** Skills that contribute to effective execution of tasks.

## CHALLENGES

- Enterprises continue to focus on adaptation, cost reduction, increased productivity and new markets. Enterprise choices with regard to recruitment and training are largely being driven by these business strategy directions.
- In this environment, there is an increasing requirement for employees to be able to support increased competitiveness, innovation, flexibility and client focus.
- Enterprises are increasingly seeking a more highly skilled workforce where the generic and transferable skills are broadly distributed across the organisation.

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- Possible new requirements for generic employability competencies that industry requires,
  - Clear definitions of what industry and leading business enterprises mean by ‘employability’ skills and the consistency.
  - A proposed suite of employability skills, including an outline of assessment, certification
  - and reporting of performance options that suit both industry and education

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## SELF-SERVING BIAS IN SALES FORCE

**Shabnam Priyadarshini**

Assistant Professor, Institute of Management Techonology, Hyderabad

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### ABSTRACT

*Past researchers have established that sales persons through their cognitive process tend to become a victim of self-serving bias. They attribute success to their ability and effort while failures are often attributed to bad luck or situations. This self-serving bias was investigated on a sample of 110 sales persons selling financial products in the state of Punjab. The study confirmed the tendency of salespersons to present themselves favourably by assigning internal factors to their success and external factors to their failure.*

*Key Words: Attribution error, self-serving bias, sales force*

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### INTRODUCTION

Every human being has an inherent urge to understand and explain why they behave the way they do. This tendency to seek explanations increases, particularly when an unexpected, important, or negative outcome occurs (Dalal, 1988; Kelley, 1967; Weiner & Kukla, 1970; Wong & Weiner, 1981). Unexpected and negative outcomes are very common in the job for people engaged in sales. Salespersons aspire to minimize negative occurrences such as an unsuccessful sales call. The explanations of an outcome are significantly driven by our emotional and motivational drives.

Research in social psychology, educational psychology (Weiner, 1985), industrial/organizational psychology (Levi, 1993), and recently, marketing (Dixon et al., 2001; 2003), has investigated the role of attributions in achievement situations. The attribution theory involves the attempts of ordinary people to understand causes and implications of events. In attributing causes to behavior, people believe that they are rational and scientific. Yet a large volume of research studies has documented perceptual biases in attribution. We often engage in downward social comparison by comparing ourselves to others who perform poorly. Similarly, we project our negative traits onto others. We selectively forget our failures and gloat our successes. We continuously adjust the standards of success or failure depending upon who is being evaluated. There is a tendency to maintain positive self-regard under all circumstances. In short we insulate the self through selective attribution strategies.

One of the attribution errors is the self-serving bias. It enables the individual to insulate the self through “self-enhancing” and “self-protecting”. It is well established that people by and large attribute positive outcomes to internal factors (effort and ability) and negative outcomes to external factors (bad luck and task difficulty). A number of studies have demonstrated self-serving bias (Weary & Arkin, 1981; Baron, 1998; Weiner, 2001; Kim et al, 2003). Dixon et al. (2001; 2003) recently conducted two studies on the attribution strategies employed by salespeople. Both studies focused on the link between attribution and subsequent behavior of salespeople. The present study is an attempt to study self-serving bias in salespersons of life insurance products in Punjab (India).

## 2. THEORETICAL BACKGROUND

### 2.1 Attribution theory

Attribution theory attempts to offer a scientific account of the way that people explain their own actions and the actions of others (Heider, 1958; Kelley, 1973; Shaver, 1985; Weiner, 1985). Despite its name, attribution theory is not a single theory, but a large collection of mini-theories and investigations. Attribution theory began with the work of Heider (1958), who argued that when trying to understand the causes that produce a given behaviour, an individual typically tries first to determine whether the cause is situational (external) or dispositional (internal). The success of a task requires a particular combination of personal force and environmental force. Ability to perform the task, strategy employed to perform, and the effort put in to perform are all internal to the person. Task difficulty and luck are external. These elements were later described by Weiner (1985) as represented by two dimensions: locus of causality (internal versus external), causal stability (stable versus unstable), and controllability (controllable versus uncontrollable). Locus of causality describes whether a factor influencing task success is internal to the person, or external. Stability of the cause describes whether a potential cause is capable of immediate change. A stable cause persists over time and across situations and an unstable cause is subject to changing situations. A person has the power to change a controllable cause but environment or other persons possess the control of causation for an uncontrable attribution. Weiner also noted that all the three dimensions are not distinct from one another. For example, most external causes would be uncontrollable and most internal causes controllable. A person's ability would be internal and stable as ability does not change from moment to moment. By contrast, effort is internal but

unstable because the extent to which a person tries can change from moment to moment. Task difficulty is an external factor which is stable and luck an external factor that varies.

Most researchers follow the framework provided by Weiner et al. (1985) within which they examine attributions. In 1986, Teas and McElroy provided a theoretical framework for understanding the kind of attribution salespeople might make following a successful or unsuccessful sales encounter. Dixon et al. (2001) extended this knowledge to develop and validate attribution and behaviour scales for sales success and failure. These scales reflect the dimensions given by Weiner.

## 2.2 Self-serving bias

The tendency to attribute internal causes to success and external causes to failure termed self-serving bias. Several studies portray people engaging in self-serving bias when interpreting success and failures. Although the phenomenon is pervasive (Mezulis et al., 2004), some cross cultural comparative studies indicate that Asian samples deviate from the Western self-enhancing pattern (Brown et al., 2003, Chandler et al., 1981; Crittenden, 1996; Hong, 2001; Morling, 2000; Park & Kim, 1998; Smith & Bond, 1998). A distinction between individualistic and collectivistic cultures has been invoked to explain these differences. Triandis (1989) and Markus and Kitayama (1991) have noted that Western cultures are very competitive and individualistic and people are encouraged to think of themselves in ways that distinguishes them from others. In contrast, Eastern cultures are more collectivistic in nature and people are urged think of themselves in ways that emphasize their commonality with others.

There is also some evidence that men are more likely than women to demonstrate self-serving bias (Beyer, 1990; 1998; 2002; Deaux, 1976). However, most recent studies of self-enhancement and its implications have not demonstrated any significant gender effects (e.g., Johnson, Vincent, & Ross, 1997; Kurman, 2004; Robins & Beer, 2001).

## 2.3 Causes of Self-serving Bias

Explanations for Self-serving bias have been the subject matter of considerable debate. One early cognitive explanation emphasizes the relationship between anticipated outcomes and actual performance (Miller & Ross, 1975). According to this approach, if people's outcomes match their expectations – they expect to succeed and pass or expect to fail and flunk – then they tend to attribute their outcomes to stable, internal factors such as ability. If, however, their outcomes violate their expectations, then they attribute their outcomes to unstable factors such as luck, or difficult task. The second explanation advocates motivational reasons, such as the desire to think positively or avoid thinking negatively of the self (Weary-Bradley, 1978). When people succeed they can increase their confidence and sense of personal worth by attributing their performance to internal, personal, or dispositional factors. In contrast, when people fail, they can avoid the esteem-damaging consequences of their performance by denying responsibility for their performance. Another motivational reason is the desire to maintain or gain positive public image rather than a concern for one's private image. Since people's performances are often public, people attribute success to their own personal effort or ability to gain appreciation or recognition. Likewise, they attribute poor performance to external factors to avoid embarrassment in public. With an increased accumulation of empirical evidence has come the understanding that cognitive explanations alone cannot account fully for this phenomenon. Instead, motivational reasons, and specifically the desire to enhance the positivity or diminish negativity of one's self-concept, have emerged as the predominant explanation for self-serving bias (Zuckerman, 1979).

## 3. THE STUDY

The aim of the present study is to study self-serving bias among salespersons. Based on the previous research discussed in the preceding section, the following two hypotheses were formulated:

**H<sub>1</sub>:** Salespersons would more strongly endorse internal causes than external causes for a successful sales call.

**H<sub>2</sub>:** Salespersons would more strongly endorse external causes than internal causes for an unsuccessful sales call.

Besides testing these hypotheses, gender differences in the attribution and behavioral intentions after successful and unsuccessful sales call are also examined.

## 4. METHOD

### 4.1 Sample

The data was collected from 110 sales representatives of various life insurance companies from four districts of Punjab. The sample comprised 93 males and 17 females.

#### 4.2 Measure

Short version of Attribution and Behavioral Intention scales developed by Dixon et al. (2001) were used to measure the attributions salespersons used for successful and unsuccessful sales calls. There are separate scales to measure attributions and behavior under success and failure. Each scale consists of five attribution items and five behavior intention items. Attribution items reflect internal factors (effort, ability, and strategy) and external factors (task and luck). Behavioral items included change, increased effort, change of strategy, seeking assistance, and avoiding similar situation. An increased effort, change of strategy, and seeking assistance reflected internal attribution while no change in behavior, and avoidance of similar situation reflected external attribution for success or failure.

#### 4.3 Procedure

Each respondent was given a questionnaire. The questionnaire prompted the respondents to recall their most recent successful sales call (when they made a sale) and their most recent unsuccessful sales call (when they were not able to sell). The respondents filled the Dixon et al.'s scales, which comprised questions in context of the recalled successful and unsuccessful sales calls.

#### 4.4 Analyses

The five attributions and five behavioral intentions after success and failure were compared using the paired *t*-test. Gender differences in attributions and behavioral intentions after success and failure were examined using independent sample *t*-test.

### 5. RESULTS

#### 5.1 Self-serving bias

Table 1 shows the mean scores of respondents on the attributions and behavioral items for successful and unsuccessful sales calls. The table also displays the paired *t*-test results for attribution and behavior intentions under successful and unsuccessful sales experiences.

**Table 1 Attribution and Behavior under Successful and Unsuccessful Sales Calls**

	Means		<i>t</i>
	Successful sales call	Unsuccessful sales call	
<b>Attributions</b>			
Ability	4.00	1.81	19.77***
Effort	4.25	1.94	17.27***
Strategy	4.29	2.11	17.23***
Task	3.11	4.05	5.33***
Luck	2.91	3.85	5.49***
<b>Behaviour Intention</b>			
No change	3.39	3.85	2.92***
More effort	4.47	2.05	19.76***
Change strategy	4.22	1.87	20.91***
Seek advice	4.18	2.11	14.67***
Avoid situation	3.15	3.94	4.34***

\*\*\* Significant at .001 level.

Significant differences were found in the attributions and the behavioural intentions under successful and unsuccessful situations. Self-enhancing bias was very profound as the mean scores for internal factors of ability, effort, and strategy were significantly higher for successful sales experience as compared to the unsuccessful sales experience. Within the internal causes, the unstable factors of strategy and effort were regarded as more potent causes of success than the stable factor of ability.

The self-protective bias was also prominent as the mean scores for external factors of task and luck were attributed significantly more in case of unsuccessful sales experiences than the successful ones. Within these two external factors, the task difficulty was regarded as a stronger cause of failure than bad luck.

The behavior intentions under successful and unsuccessful sales experience also reflected both self-enhancing and self-protective biases. The mean for items measuring behavior change (more effort, change strategy, and seek advice) under unsuccessful sales experience were significantly less than under successful sales experience. Similarly, the mean for items measuring no behavior change (no change, avoid situation) was significantly more under unsuccessful sales experience vis-à-vis successful sales experience.

### 5.2 Gender Differences in Self-serving Bias

To compare the attributions and behavioral intentions given by males and females under successful and unsuccessful sales experiences, independent t-tests were used. Table 2 displays the means of males and females on attribution and behavior items under successful sales experience. The table also displays the t-test results.

**Table 2: Gender differences in Attribution and Behavior under Successful Sales Call**

	Means		<i>t</i>
	Males	Females	
<b>Attributions</b>			
Ability	3.99	4.06	0.26
Effort	4.24	4.29	0.27
Strategy	4.31	4.18	0.67
Task	3.00	3.71	2.53**
Luck	2.78	3.59	2.50**
<b>Behaviour Intention</b>			
No change	3.40	3.35	0.14
More effort	4.48	4.41	0.45
Change strategy	4.25	4.06	0.96
Seek advice	4.23	3.94	1.39
Avoid situation	3.12	3.35	0.64

\*\* Significant at .05 level

Both males and females displayed self-serving bias in their attribution and behavioral intentions after a successful sales call. Though, no significant gender differences were found in the internal factors and behavior items, significant differences were found in the two external attribution factors of task and luck. Women were more modest than men in attributing their success to the external factors of easy task and good luck. Within the two unstable internal factors, males regarded the chosen strategy as more potent than the effort put in by them in the success of the sales. However, females regarded their effort more influential than the strategy in making the sales call successful.

Table 3 displays the means of males and females on attribution and behavior items under unsuccessful sales experience. The results of t-test used to compare the gender differences in the attributions to unsuccessful sales call and the behavior intentions are also displayed in the same table.

Females were found to be displaying self-serving bias as much as the males. Barring one behavior item (that too at .10 level), there was no significant gender difference found in the attribution and behavior intentions of males and females after an unsuccessful sales call. Men were found to be firmer than women in not changing their behavior after an unsuccessful sales call. No change in behavior reflects denial of internal attribution factors for failure.

**Table 3: Gender differences in Attribution and Behavior under Unsuccessful Sales Call**

	Means		<i>t</i>
	Males	Females	
<b>Attributions</b>			
Ability	1.77	2.00	0.75
Effort	1.96	1.82	0.82
Strategy	2.10	2.18	0.33
Task	4.02	4.18	0.50
Luck	3.87	3.76	0.42
<b>Behaviour Intention</b>			
No change	3.94	3.35	1.83*
More effort	2.05	2.00	0.18
Change strategy	1.88	1.82	0.23
Seek advice	2.08	2.29	0.68
Avoid situation	3.96	3.82	0.49

\* Significant at .10 level

## 6. CONCLUSION

The results indicate self-serving bias among all salespersons. Managers controlling sales force must be aware of this bias. This could help them customize their motivational and training role.

The scope of the study could be extended to other states of India to look for cultural factors influencing self-serving bias. Another area of interest could be studying self-serving bias of salespersons in various other industries.

In view of a small number of females in the sample, gender differences could be reexamined using a balanced sample of comparable number of males and females.

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**INDUSTRIAL RELATIONS IN INDIAN PUBLIC SECTOR UNITS IN POST-LIBERALISATION SCENARIO**

**Hema Neelam and Naresh Guduru**

Assistant Professor, Department of Management Science, Balaji Institute of Management Science, Narsampet

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**ABSTRACT**

*This paper analyses how industrial relations in the industrial organizations in the Public sector undertaking units and the bargaining structures and union strategies affect working conditions of employees in india , Industrial relations (IR) has two historical meanings. In one usage, the term describes public policy and the employment practices of employers and unions. But IR also refers to a specific academic perspective, centred on certain normative and theoretical principles it focus on the feature of industrial ralations and the factors of industrial relations in india*

Keywords: *Industrial Relations, Public Policy, Employment Practices, Academic Perspective, Organizational Participation*

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**INTRODUCTION**

The Relationship between Employer and Employee or Trade Unions is called Industrial Relation. Harmonious relationship is necessary for both employers and employees to safeguard the interests of the both the parties of the production. In order to maintain good relationship with the employees, the main functions of every organization should avoid any dispute with them or settle it as early as possible so as to ensure industrial peace and higher productivity. Personnel management is mainly concerned with the human relation in industry because the main theme of personnel management is to get the work done by the human power and it fails in its objectives if good industrial relation is maintained. In other words good Industrial Relation means industrial peace which is necessary for better and higher productions.

A man working in a healthy atmosphere can produce more. Within an industry there is a hierarchy among the people. From the very beginning there is always a gap between have and have-nots. In order to bring harmonious relation between the management, workers and unions for the sake of industry as well as for the nation, positive relation within an industry is expected. Therefore the term "**INDUSTRIAL RELATION**" came into limelight.

Industrial Relation is a major force which influences the social, political and economic development of country .Managing industrial relations is a challenging task because it deals with a highly complex, fast developing, ever changing and expanding field. There are certain factors such as composition of working class, work environment, socio- economic status of the workers and their attitude to work, management's ideology, role of the state, thinking of the community etc which have a considerable bearing on the state of relationship between labour and management. Different labour enactments and judicial decisions playa major role in regulating the employer -employee relationship. It creates an atmosphere in which the human system will operate harmoniously in a coordinated way. Keeping in view the different aspects of industrial relations, an attempt has been made in this project to provide a multi dimensional approach to the subject.

**Definition**

Industrial Relation is a relation between employer and employees, employees and employees and employees and trade unions ---- **Industrial Dispute Act of 1947**

While moving from jungle of the definitions, here, Industrial Relation is viewed as the "process by which people and their organizations interact at the place of work to establish the terms and conditions of employment."

According to **TEAD** and **METCALFE**

"Industrial Relation are the composite result of the attitudes approaches of employers and employees towards each other with regard to planning, supervision, direction and coordination of the activities of an organization with a minimum of human efforts and frictions with an animating spirit of cooperation and with proper regard for the genuine well being of all members of the organization.

According to **DALE YODER**

"Industrial Relation is a whole field of relationship that exists because of the necessary collaboration of employees in the employment process of an industry."

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According to **ALLAN FLANDER**

"The subject of industrial relations deals with certain regulated or institutionalized relationships in industry."

According to Professor **CLEGG**

"Industrial Relations are the rules governing employment together with the ways in which the rules are made and changed and their interpretation and administration

### **FUTURE OF INDUSTRIAL RELATIONS**

1. Industrial Relation do not emerge in vacuum they are born of employment relationship in an industrial setting. Without the existence of the two parties, i.e. labor and management, this relationship cannot exist. It is the industry, which provides the environment for industrial relations.

2. Industrial Relation are characterized by both conflict and co-operations. This is the basis of adverse relationship. So the focus of Industrial Relations is on the study of the attitudes, relationships, practices and procedure developed by the contending parties to resolve or at least minimize conflicts.

3. As the labor and management do not operate in isolations but are parts of large system, so the study of Industrial Relation also includes vital environment issues like technology of the workplace, country's socio-economic and political environment, nation's labor policy, attitude of trade unions workers and employers.

4. Industrial Relation also involve the study of conditions conducive to the labor, managements co-operations as well as the practices and procedures required to elicit the desired co-operation from both the parties.

5. Industrial Relations also study the laws, rules, regulations, agreements, awards of courts, customs and traditions, as well as policy framework laid down by the governments for eliciting co-operations between labor and management. Besides this, it makes an in-depth analysis of the interference patterns of the executive and judiciary in the regulations of labor-managements relations.

The concept of Industrial Relations are very broad-based, drawing heavily from a variety of discipline like social sciences, humanities, behavioral sciences, laws etc.

### **FACTORS INFLUENCING INDUSTRIAL RELATIONS**

1. **Institution:** It includes government, employers, trade unions, unions federations or associations, government bodies, labor courts, tribunals and other organizations which have direct or indirect impact on the industrial relations systems.

2. **Characters :** It aims to study the role of workers unions and employers' federation officials, shop stewards, industrial relations officers/ managers, mediators/conciliators / arbitrator, judges of labor court, tribunal etc.

3. **Methods :** Focus on collective bargaining, workers' participation in the Industrial Relation schemes, discipline procedure, grievance re-dressal machinery, dispute settlements machinery working of closed shops, union reorganization, organizations of protests through methods like revisions of existing rules, regulations, policies, procedures, hearing of labor courts, tribunals etc.

4. **Contents :** Includes matter pertaining to employment conditions like pay, hours of works, leave with wages, health, and safety disciplinary actions, lay-off, dismissals retirements etc., laws relating to such activities, regulations governing labor welfare, social security, industrial relations, issues concerning with workers' participation in management, collective bargaining, etc.

5. **History of industrial relations:** No enterprise can escape its good and bad history of industrial relations. A good history is marked by harmonious relationship between management and workers. A bad history by contrast is characterized by militant strikes and lockouts. Both types of history have a tendency to perpetuate themselves. Once militancy is established as a mode of operations there is a tendency for militancy to continue. Or once harmonious relationship is established there is a tendency for harmony to continue

6. **Economic satisfaction of workers:** Psychologists recognize that human needs have a certain priority. Need number one is the basic survival need. Much of men conducted are dominated by this need. Man works because he wants to survive. This is all the more for underdeveloped countries where workers are still living under subsistence conditions. Hence economic satisfaction of workers is another important prerequisite for good industrial relations.

7. **Social and Psychological satisfaction:** Identifying the social and psychological urges of workers is a very important steps in the direction of building good industrial relations. A man does not live by bread alone. He

h61s several other needs besides his physical needs which should also be given due attention by the employer. An organization is a joint venture involving a climate of human and social relationships wherein each participant feels that he is fulfilling his needs and contributing to the needs of other. This supportive climate requires economic rewards as well as social and psychological rewards such as workers' participation in management, job enrichment, suggestion schemes, re-dressal of grievances etc.

**8. Enlightened Trade Unions:** The most important condition necessary for good industrial relations is a strong and enlightened labor movement which may help to promote the status of labor without harming the interests of management, Unions should talk of employee contribution and responsibility. Unions should exhort workers to produce more, persuade management to pay more, mobilize public opinion on vital labor issues and help Government to enact progressive labor laws

**9. Negotiating skills and attitudes of management and workers:** Both management and workers' representation in the area of industrial relations come from a great variety of backgrounds in terms of training, education, experience and attitudes. These varying backgrounds play a major role in shaping the character of industrial relations. Generally speaking, well-trained and experienced negotiators who are motivated by a desire for industrial peace create a bargaining atmosphere conducive to the writing of a just and equitable collective agreement. On the other hand, ignorant, inexperienced and ill-trained persons fail because they do not recognize that collective bargaining is a difficult human activity which deals as much in the emotions of people as in their economic interests. It requires careful preparation and top-notch executive competence. It is not usually accomplished by some easy trick or gimmick. Parties must have trust and confidence in each other. They must possess empathy, i.e. they should be able to perceive a problem from the opposite angle with an open mind. They should put themselves in the shoes of the other party and then diagnose the problem. Other factors which help to create mutual trust are respect for the law and breadth of the vision. Both parties should show full respect for legal and voluntary obligations and should avoid the tendency to make a mountain of a mole hill.

**10. Public policy and legislation:** When Government, regulates employee relations, it becomes a third major force determining industrial relations the first two being the employer and the union. Human behavior is then further complicated as all three forces interact in a single employee relation situation. Nonetheless, government in all countries intervenes in management-union relationship by enforcing labor laws and by insisting that the goals of whole society shall take precedence over those of either of the parties. Government intervention helps in three different ways 1) it helps in catching and solving problems before they become serious. Almost every one agrees that it is better to prevent fires than to try stopping them after they start; 2) It provides a formalized means to the workers and employers to give emotional release to their dissatisfaction; and 3) It acts as a check and balance upon arbitrary and capricious management action

## HISTORY OF INDIAN INDUSTRIAL RELATIONS

### Pre -Liberalization

It is LPG (Liberalization, Privatization and Globalization) era in India. It started in early 1980's with pro-business measures like removing restrictions on capacity expansion, price controls and reducing corporate taxes. Second phase of liberalization started in early 1990's which ended many public monopolies and allowed foreign direct investment in many sectors.

After independence from British colonial rule in 1947, India opted a socialist economy with government control over private sector participation, foreign trade and foreign direct investment. This economic policy aimed to substitute products which India imports with locally produced substitutes, industrialization, and state intervention in labour and financial markets, a large public sector, business regulation and centralized planning. It expected the creation and growth of capital and technology intensive heavy industries as well as subsidizing manual, low skill collage industries simultaneously.

Jawaharlal Nehru, who formulated and oversaw this economic policy, expected a favorable outcome from this strategy because it features both capitalist market economy and socialist command economy. But the outcome was unfavorable to the country and leads to liberalization and privatization in India.

Government made large investments in heavy industries and expects these industries will produce enough capital for investment in other sectors of the economy. But it didn't happened. On the other hand, government has to invest more money for the survival of these companies because of poor management and low productivity. For example, the public sector steel company losses were more than its initial investment while the private sector steel company was making profit.

India's average annual growth rate from 1950-1980 was 3.5%. At the same time other Asian countries like Hong Kong, Singapore, South Korea and Taiwan recorded an annual growth rate of 8%. The failure of pro-socialist economic policy to produce an annual growth rate comparable to its neighbors leads to the economic reforms going on now.

### POST-LIBERALIZATION

As late as 1991, India still had a fixed exchange rate system, where the rupee was pegged to the value of a basket of currencies of major trading partners. India started having balance of payments problems since 1985, and by the end of 1990, it was in a serious economic crisis. The government was close to default and its foreign exchange reserves had reduced to the point that India could barely finance three weeks worth of imports. The Government of India headed by Late Sri.P.V.Narasimha Rao decided to usher in a slew of reforms that are collectively termed as *liberalisation* in the Indian media. This event marked a tremendous shift in India's economy since independence - it assumed an outward-shift of encouraging exports instead of the inward focus that stressed on import substitution till then. The reforms brought changes in three broad areas, collectively known as liberalisation, privatisation and globalisation. Liberalisation did away with regulatory hurdles and minimized licensing requirements. Privatisation reduced the role of the state and public sector in business. Globalisation made it easier for the MNCs to operate in India. Late P.V.Narasimha Rao was ably supported by his finance minister Manmohan Singh and other officials such as C.Rangarajan, MontekSingh Ahluwalia, Shankar Acharya and Y.Venugopal Reddy. The initial period culminated in 1996 with the government getting voted out of power. This brought coalition politics to centre-stage and the pace of reforms slackened.

### OBJECTIVES OF INDUSTRIAL RELATION

- A) To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.
- B) To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
- C) To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- D) To establish and nurse the growth of an Industrial Democracy based on labor partnership in the sharing of profits and of managerial decisions, so that ban individuals personality may grow its full stature for the benefit of the industry and of the country as well.
- E) To eliminate, as far as is possible and practicable, strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.
- F) To establish government control of such plants and units as are running at a loss or in which productions has to be regulated in the public interest.
- G) Improvements in the economic conditions of workers in the existing state of industrial managements and political government.
- H) Control exercised by the state over industrial undertaking with a view to regulating production and promoting harmonious industrial relations.

### EFFECTS OF POOR INDUSTRIAL RELATIONS

Poor Industrial Relation produces highly disquieting effects on the economic life of the country. We may enumerate the ill-effects of poor Industrial Relations as under:

1. **Multiplier effects:** Modern industry and for that matter modern economy are interdependent. Hence although the direct loss caused due to industrial conflict in any one plant may not be very great, the total loss caused due to its multipliers effect on the total economy is always very great.
2. **Fall in normal tempo:** poor Industrial Relations adversely effect the normal tempo of work so that work far below the optimum level. Costs build up. Absenteeism and labor turnover increase. Plants discipline breaks down and both the quality and quantity of production suffer.
3. **Resistance of change:** Dynamic industrial situation calls for change more or less continuously. Methods have to be improved. Economics have to be introduced. New products have to be designed, produced and put in the market. Each of these tasks involves a whole chain of changes and this is resisted bitterly if these are industrial conflict.

4. **Frustration and social cost** : every man comes to the work place not only to earn a living. He wants to satisfy his social and egoistic needs also. When he finds difficulty in satisfying these needs he feels frustrated. Poor Industrial Relations take a heavy toll in terms of human frustration. They reduce cordiality and aggravate social tension.

#### **NEED OF THE STUDY: INDUSTRIAL RELATIONS**

Any organization to be effectively performed should have sound Industrial Relations. A sound Industrial Relations comprises.

1. Congenial relations between employees and employer.
2. Congenial labor management relations
3. Minimized industrial conflicts
4. Highly developed trade unions
5. Contribution to the organizational objectives
6. To find out the causes this makes industrial relations positive or negative.
7. To find out the industrial peace and harmony that is going on within the premises
8. To find out the facilities given to the worker which motivate the workers to sacrifice their blood and sweat for increasing the productivity.

With respect to all these requirements an **Industrial Relations** has to be maintained. As the contribution of **Industrial Relations** is vast there is a definite need to undertake a study to assess and to develop the given requirements.

#### **HYPOTHESIS**

Based on the objective the following hypothesis have been formulated

*H<sub>0</sub>* - There is no difference in the nature and cause of disputes in the public enterprises

*H<sub>1</sub>* - There is no variation in the role and involvement of trade union leaders in disputes in the public enterprise

*H<sub>2</sub>* - There is no variation in the role and involvement of employees in disputes in the public enterprise

*H<sub>3</sub>* - There is no variation in the role and involvement of management personnel in disputes

*H<sub>4</sub>* - There is no variation in the role and involvement of employees in trade union activities

*H<sub>5</sub>* - There is no difference in the union – management relations in the public enterprise

*H<sub>6</sub>* - There is no variation in the performance of the dispute settlement machinery

#### **INDUSTRIAL RELATIONS IN INDIA**

Modern industrialization is not an unmixed blessing. It has tended to create a yawning gap between management and labour because of absence of workers' ownership over the means of production. The present large scale enterprise results in the concentration of economic power compelling the workers to realize the truth of the often mentioned phrase 'united we stand divided we fall.' it gave an incentive to workers as to realize the significance of freedom of association and collective bargaining to protect their legitimate rights and interests. On the other hand employers suppressed the demands of the workers. This has led to labour unrest and friction between the interest of employer and employees. Industrial unrest reflects failure of basic human urges a motivation to secure adequate satisfaction or expression which ultimately burst forth in the form of industrial dispute". Strikes, lockouts, go-slow tactics, increased absenteeism and labour turnover are some of the reflections of labour unrest which require proper diagnosis for creating conditions for industrial peace and prosperity. Industrial unrest is sympathetic of a disease that demands cure and prevention rather than suppression. Better production and distribution is possible only in the atmosphere of peace and industrial discipline to realize the social justice and welfare of masses. If social justice is to be achieved harmonious relationship between management and employees is a must.

#### **INDUSTRIAL RELATIONS IN THE PUBLIC SECTOR**

The entry of public sector in the economic sphere is post-independence development . Prior to 1947, public sector investment was limited to the railways, posts and telegraphs department, the ordnance factories, and a few State-manged factories like salt manufacturing, etc. the philosophy and programme of public sector undertakings are incorporated int the Industrial Policy Resolutions of 1984 and 1956. The Industrial Policy

Resolution of 1984 declared that “a dynamic national policy must be directed to a continuous increase in production by all possible means, side by side with measures to secure its equitable distribution. The problem of State participation in industry and the condition in which private enterprise should be allowed to operate must be judged in this context”. Consequently, expansion in public sector began to be take after this period.

### **LABOUR MANAGEMENT RELATIONS IN INDIA**

The basic relationship between a company and a labour union consists of many complex variables built on past practice and future needs. It brings together individuals, groups, an institutions with different backgrounds, points of view, interests, and strengths. The balance of power is almost never equal; one party is usually dominant,

These relative strengths will vary from time to time and situation to situation. Therefore, it is critically important that management establish, implement, and maintain a rational and objective strategy for dealing with the union; one that considers needs and inierests of the company, union, and employees. Unions can only make demands or try to take control; it is the company that must agree to the demands or allow them to happen. Hence, a need exists for a regular, careful, and critical review of the overall labour relations climate in an organization. Because it has such a significant impact on the business, professional management input is required.

Labour relations decisions should be based on research and planning, just as it done with a new product concept before designing, manufacturing, and marketing it. Labour unions are staffed with members who have a high level of expertise and technical competence Labour unions spend the necessary funds to research today's problems as well as to plan for the future. Management must do the same. These questions should be asked. “are labour relations a mainstream operating activity in your company ? Is the activity properly staffed ? Is it held accountable for significant results ?Does it support the business goals and objectives

The primary objective of the proposed study is to examine the role of industrial relations in public sector organization

### **CONCLUSION**

It has been increasingly realized that the industrial system has brought about a number of complexities which have rendered the management of people in an organization more difficult and complicated than man power management in earlier and simpler societies because free, mobile men and women in modern societies whose complex and ever changing problems for their managers and employers. Therefore, today's industrial societies have developed a distinct system of management based upon the experience of over 300 years.

Modern industrial relations represent a blending of older systems with innovation introduced as society has changed through the ages. Some features of early system even now persist, while other features are the result of industrial revolution and, therefore, represent sharp breaks with traditional, creating challenging problems for the management for many of them may be opposed by the workers.

The employment relationships are not static but dynamic. The most important characteristic is the persistence of change. Technological advances eliminate long established jobs and create opportunities that require sharply different patterns of experience and education. Higher living standards encourage demands for new products and services. Economic prosperity permits great economic security, and public regulation makes the assurance of that security a problem for managers.

All of these changes have made the present system of employment relationships very complex. Collaboration and cooperation is very necessary to achieve the designated objectives. Understanding of human behavior is, therefore, very necessary on the part of those responsible for managing manpower resources.

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**PROSPECTS AND CHALLENGES OF WOMEN ENTREPRENEURS IN RURAL AREAS OF ASSAM. A STUDY WITH SPECIAL REFERENCE TO KONWERPUR AREA OF SIVASAGAR DISTRICT IN ASSAM****Pallavi Kashyap**Research Scholar, Department of Commerce, Dibrugarh University, Dibrugarh, Assam

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**ABSTRACT**

*Women entrepreneurship has become the buzzword of today's world. It is the need of the nation at this hour. If the very foundation of the nation, i.e. the women, are not given ample opportunities to grow, then no development can take place. Women entrepreneurship is one of the surest and quickest ways to empower women. The new generation women have successfully overcome the clutches of the male-dominated society and have proved themselves beyond doubt in all spheres of life - including the world of entrepreneurship. In fact, women prove to be better managers than men. The hidden entrepreneurial potentials of women are gradually being recognized by the society. They have successfully managed to carve a niche for themselves.*

*However in today's world of Indra Nooyi, Sulajja Firodia Motwani and many such other women entrepreneurs who are no less than men, there are still a section of women who are deprived of their right to pursue their dreams and unleash their true potential. An attempt has been made to highlight the socio-economic background and the opportunities and the challenges faced by them with the help of a survey conducted with 80 women entrepreneurs of Konwerpur Area of Sivasagar district.*

*Keywords: Entrepreneurship, women, rural, educational status etc.*

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**INTRODUCTION**

The Entrepreneur is the single most important player in a modern economy. Choosing to be an entrepreneur requires an understanding of a variety of business areas. An entrepreneur must possess the ability to combine talents and manage those of others. Hence, entrepreneurs are individuals who are multi-faceted. Although not necessarily superb at anything, entrepreneurs have to be sufficiently skilled in a variety of areas to put together the many ingredients required to create a successful business. As a result, entrepreneurs tend to be more balanced individuals.

Women constitute the backbone of every nation. A nation's growth and prosperity depends upon the prosperity of its women. Encouraging women to take up entrepreneurship is an effective method to promote their welfare, development and empowerment of the women and the nation as a whole.

Empowering women is a challenge especially in a developing country like India. Entrepreneurship is one of the best ways to achieve it. Such enterprises not only enhance national productivity and generate employment but also helps develop economic independence, personal and social capabilities among women.

Entrepreneurship of women not only leads to economic empowerment but also empowerment of women in many other fields like social equality, recognition, political representation, community/society development etc. ultimately leading to the development of the nation.

In the words of Former President APJ Abdul Kalam "Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation."

**ENTREPRENEURSHIP**

Entrepreneurship is the act of being an entrepreneur, which is a French word meaning "One who undertakes an endeavour". Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. This may result in new organizations or may be part of revitalizing nature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new business; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity.

**STATEMENT OF THE PROBLEM**

The major problems encountered by women entrepreneurs are:

- i. Lack of confidence.
  - ii. Problem of finance and working capital.
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- iii. Socio-cultural problems.
- iv. Production problems’.
- v. Inefficient marketing arrangements.
- vi. Lack of formal systems of training and self-employment of majority of women.
- vii. Adverse effect of gender bias.
- viii. Provisions in labour legislation for women entrepreneurs.

#### **AREA OF THE STUDY**

The area that we have taken up for our study is Konwerpur area situated to the west of Sivasagar district. It is the largest area of Sivasagar constituency. Its distance is almost 4 kms from Sivasagar town. This village has historical importance and held a prominent place during the Ahom rule. The area consists of 18 villages and almost 15000 people reside there. It is situated in the banks of the river Dikhow. The lower part of Konwerpur area flood affected.

#### **OBJECTIVES OF THE STUDY**

- To study the socio-economic profile of women entrepreneurs in the study area.
- To analyse the prospects and challenges in women entrepreneurship in the study area.
- To offer suggestive measures in order to encourage women entrepreneurship.

#### **REVIEW OF LITERATURE**

Many scholars have shown their interest to undertake research on ‘Women Entrepreneurship’ realising its upcoming trend.

- John E. Butler (2003) points out that “There are certain practices that continue to constrain entrepreneurial behaviour. As a result, the number, size, type and scope of women-owned businesses are still often less than those owned by men.”
- Medha Dubhash Vinze (1987) observes that “Women Entrepreneurship” in India represents a group of women who have broken away from the beaten track and are exploring new vistas of economic participation. They have long stories of trials and hardships. Their task has been full of challenges. They have had to encounter public prejudices and criticism. Family opposition and social constraints had to be overcome before establishing themselves as independent entrepreneurs.
- Anshuja Tiwari (2007) states that “Development of entrepreneurship has to be assigned top priority in any programme of economic development especially in a developing economy like India.” She further states that “The population of women entrepreneurship necessitates to remove social, economical and educational constraint.
- S.S. Khanka (2009) states that “The Planning Commission of the Government of India realized that economic development of country can take place only when women are brought in the mainstream of economic development. Development cannot take place unless the people at the grassroots’ levels are not involved in the development programmes. This, among other things, underlined the needs for entrepreneurship development programmes for women to enable them start small-scale industries.”
- Jitendra Ahirrao (2013) points out that entrepreneurship development is the key factor to fight against unemployment, poverty and to prepare ourselves for globalisation in order to achieve overall economic progress. Further, he states that “empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business.”

#### **RESEARCH METHODOLOGY**

Both the primary and secondary data were collected for analyzing of the objectives. Primary data were collected mostly by direct contact method and prepared questionnaires to carry out the investigation for the purpose. The primary data collected were used for analyzing the problems of women entrepreneurs of Konwerpur area of Sivasager District of Assam.

The secondary data were used for analyzing the women entrepreneurs and their legitimate right provides by the government and other financial supporting agencies. Data was collected through books, journals, newspaper articles etc.

**Analysis Techniques Used:** The collected data was exposed to different simple arithmetic and graphical techniques like Percentage, Tabulation, Classification, Graphical presentation of different aspects of respondents like number of women entrepreneurs, source of finance, type of training methods for performance appraisal etc. Thus, the data was analyzed and interpreted with the help of these statistical techniques and conclusions were drawn.

**Size of Sample:** 80 numbers of respondents will be selected on a purposive stratified sample basis.

**Manner of selecting sample unit:** The samples will be selected deliberately keeping in mind the target group which will consist of educated women, widow, students, women working part time basis,, self employed women like business man, professionals, students etc.

**LIMITATIONS OF THE STUDY**

This study is limited to scope in the context that it includes only the area of Konwerpur in Sivasagar District, and that too 80 entrepreneurs, to be precise. There is a chance that it might not represent the entire population. Time was a constraining factor, too. Moreover, the respondents were busy in their business and personal chores while responding to the questionnaire which might have hampered the study.

**RESEARCH ANALYSIS AND FINDINGS**

Table: 1.1: EDUCATIONAL QUALIFICATION OF THE SAMPLE RESPONDENTS

Sl.No	Educational Level	No. of Respondents	Percentage (%)
1	Up to V Std.	43	53.75
2	V-X Std	16	20.00
3	H.S.L.C	9	11.25
4	H.S	8	10.00
5	Graduate	4	5.00
	Total	80	100.00

Source: Field Study.

It is observed from the table 1.1 that 53.75 percent of the sample respondents were educated up to V standard while 20 percent of them did schooling from class V to class X. Again, 11.25 percent of the women respondents were High School Leaving Certificate passed and while 10 percent respondents passed only higher Secondary level. Further, it is transparent that 05 percent of the respondents were completed graduation. Therefore, it is analyzed that majority of the entrepreneurs in the study area was educated up to V standard only.

Table 1.2: AGE STRUCTURE OF THE WOMEN ENTREPRENEURS

Sl. No.	Age Group (in Years)	No. of Respondents	Percentage (%)
1	15- 25 years	24	30.00
2	26—35 Years	40	50.00
3	36-45 years	10	12.50
4	46-55 Years	04	5.00
5	Above 55 years	2	2.50
	Total	80	100.00

Source: Field Study.

It can be seen from table 1.2 that 30 percent respondents belonged to the age group between 15 years to 25 years while 50 percent women entrepreneurs were in between 26 years to 35 years of age. Again, 12.5 percent respondents were belonged to age group between 36 years to 45 years. It is analyzed from the table that majority of the rural entrepreneurs were in the age group of 26 years to 35 years.

Table: 1.3: MARITAL STATUS OF THE ENTREPRENEURS

Sl. No.	Factors	No. of Respondents	Percentage
1	Married	46	57.50
2	Unmarried	28	35.00
3	Widow	6	7.50
	Total	80	100.00

Source: Field Study.

The above table 1.3 shows the marital status of the sample women in the study area. From the table it can be observed that majority of the entrepreneurs were married while 35 percent of them were unmarried. 7.5 percent of the sample comprised of widows. During the study, it was found that the income and expenditure pattern between married and unmarried, are quite different. The married women required more money for maintaining their family. It was also observed that married women are relatively more attached to the Self-Help Groups.

### LINE OF BUSINESS ACTIVITIES

Line of activity in this study is classified into five categories as Agriculture, Piggeries, Goattery, Poultry, Weaving, Dairy, and Tailoring etc. The researcher has made an attempt to explain the relation between line of activity and type of business and the same is presented in the following table no 1.4:

Table: 1.4: LINE OF BUSINESS ACTIVITIES

Sl.No.	Factors	No. of Respondents	Percentage
1.	Agriculture	8	10.00
2.	Piggeries,Goattery,Poultry	11	13.75
3.	Dairy products	9	11.25
4.	Beautyparlours	7	8.75
5.	Shops	3	3.75
6.	Nursery	4	5.00
7.	Tailoring	14	17.50
8.	Weaving	13	16.25
9.	Crafts	11	13.75
	Total	80	100.00

Source: Field Study.

### KNOWLEDGE OF ACCOUNTING

Attempts have been made to highlights the knowledge of accounting of entrepreneurs among the tea population in the study areas.

Table: 1.5: Knowledge of Accounting among the entrepreneurs

Sl. No	Knowledge of Accounting	No. of Respondents	Percentage.
1	Yes	8	10
2	No	72	90
	Total	80	100

Source: Field Study.

It is revealed from the table 1.5 that 90 percent of the respondents were ignorant about the process of accounting while only 10 percent of them were a little aware of how to keep and records the cash book. Hence, it analyzed that majority of the entrepreneurs were unaware about the knowledge of accounting.

### KNOWLEDGE OF VARIOUS PLANS AND PROGARMMES, LOAN ACCESSABILITY, FUNDING AGENCIES FOR THEIR UPLIFTMENT

Very few women knew about government's initiatives to promote entrepreneurship and availed its facilities. Only 30 women knew about the existence of such facilities but still did not avail its services. Mainly because their business was at a very small scale and they did not have detailed knowledge about the government's initiatives and EDP's in different sectors. Some also were reluctant to spend time on the paperwork or formalities.

### CHALLENGES PRESENT AND POSSIBLE SUGGESTIONS.

- The main problem we found is mainly in the mindset of the society and that of the women itself. Though circumstances have been changing for the better, it is still considered a male-dominated world. Women still have a feeling that some tasks are better handled by men. Moreover, the safety of women is also at stake. The most important step towards overcoming this challenge is the broadening of the mindset of the society. They need to look at men and women without distinction. Only then the true potential of women can be revealed and women will not be discouraged to take up entrepreneurial activities.
- Also, we found from the survey that family support was a must for women entrepreneurs. Women are torn between their obligation towards managing their family and the business at the same time. Also, not having definite work hours by most women due to dual roles might have a negative effect on the credibility of the business and its owner. The secret to overcome lies in family support, better time management and delegation.

- We also found out that education plays an important role in the success of women entrepreneurs. Education also helps in boosting confidence and enhances the personality leading to better managers and successful entrepreneurs. Also, there is a need to think big by these entrepreneurs. They were very much satisfied in their small scale business only. They are generally less risk takers. There should be an urge in them to make their organisations grow and develop for the better.
- Better education and knowledge to the entrepreneurs about the accessibility to loans, various funding agencies, and awareness on various initiatives, plans and programmes taken by the government and other organisations for their welfare, upliftment and growth should be imparted so that the entrepreneurs can avail these facilities to their full extent. Encouragement to take up entrepreneurial activities should be there.
- Also, we found out that the thought process of the women entrepreneurs generally is “Nothing is impossible if there is a will to survive and succeed.” This mindset should be tried to imbibe on every women out there so that they take up entrepreneurship and thus empower themselves. Many women have the traits of becoming a successful entrepreneur but they never get a platform to showcase their talents and for this reason they don't know their real abilities. Much potential is present among the Indian women on their entrepreneurial ability. This potential should be tried to be nurtured and exposed for the progress of the women, society and the nation.

### **CONCLUSION**

Gender is not a problem to be fixed or eliminated. The best way is to identify the differences and use them to the benefit of us all. In the words of Vishwas Mudagal (author and entrepreneur), “Someone once said, educate a women and you will educate a family. I am saying, empower a women to become an entrepreneur, and you will create an entire family of entrepreneurs.” Therefore we conclude that women entrepreneurship is the need of the nation right now. It is the surest and quickest way to make India a super power.

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## RELATIONSHIP BETWEEN CAREER PLATEAU & JOB SATISFACTION: A STUDY THROUGH LITERATURE SURVEY

Prof. (Dr.) Ritu Gandhi Arora<sup>1</sup> and Savita<sup>2</sup>

Dean<sup>1</sup>, Department of Management Studies, DAV Institute of Management, Faridabad  
Research Scholar<sup>2</sup>, Department of Management, Noida International University, Noida

### ABSTRACT

*The term career plateau refers to the feeling of frustration and psychological feebleness that employees' tend to experience following a temporary or permanent halt in the advancement of their careers. Career plateau has been used as antecedent to many undesirable work outcomes such as low satisfaction, high stress, poor performance, withdrawal symptoms, low organizational commitment and increased turnover intention at this stage of an employee's career, the possibility of additional hierarchical promotion is very low. The studies shows that recurrence in same tasks makes the job reutilized ultimately accelerating a content plateau and it can be settled by shifting the individuals between different jobs resultant minimised job content plateau. The data also shows that in case of personal plateau no other strategy except mentoring has ominously impacts. The data was collected through secondary method which included journals, magazines, various web articles etc. Considering the gaps in the available literature the objectives of the current study is "To find out the relationship between career plateau and Job satisfaction".*

*Keywords: Career, Career Plateau, Job Rotation, Job Satisfaction, Job Enlargement, Job- Enrichment.*

### INTRODUCTION

The current restructurings and globalization in the business, forced the world organizations to enter a new arena of issues and problems where organization are under continuous burden to manage with factors such as increased race and industrial revolutions and an rise in acquisitions or mergers which is giving rise to downsizing of the workforce. The downsizing has been used to flatten structures to reduce costs and enable organizations to become more responsive to market demands. Insecurity, disorientation and fear of future are moving in the workforce like a disease. This type of feeling and environment has been experience by manager each day make them to think their current role in their organization. The reality of inadequate promotional opportunities is now compelling employees in the workforce to rethink their career plans and strategies. Individual work within the boundaries of organizations that means the career path will directly defined by organization structures and behaviour, Organization in turn are influenced by the external environment. It especially includes demographic development over which individual and organization decisions have no control. Therefore it is very important for today's organization to understand the factors responsible for change in organization structures that effects individual career growth in organization.

This research paper is to understand the relationship between career plateau and job satisfaction by studying literature survey, because job satisfaction is playing a very vital role for an employee's stability in an organization, So there comes out many studies which shows the significance of job satisfaction to make an employee not been suffer with any type of the career plateau which is directly or indirectly related within the organization boundaries or due to the personal reasons.

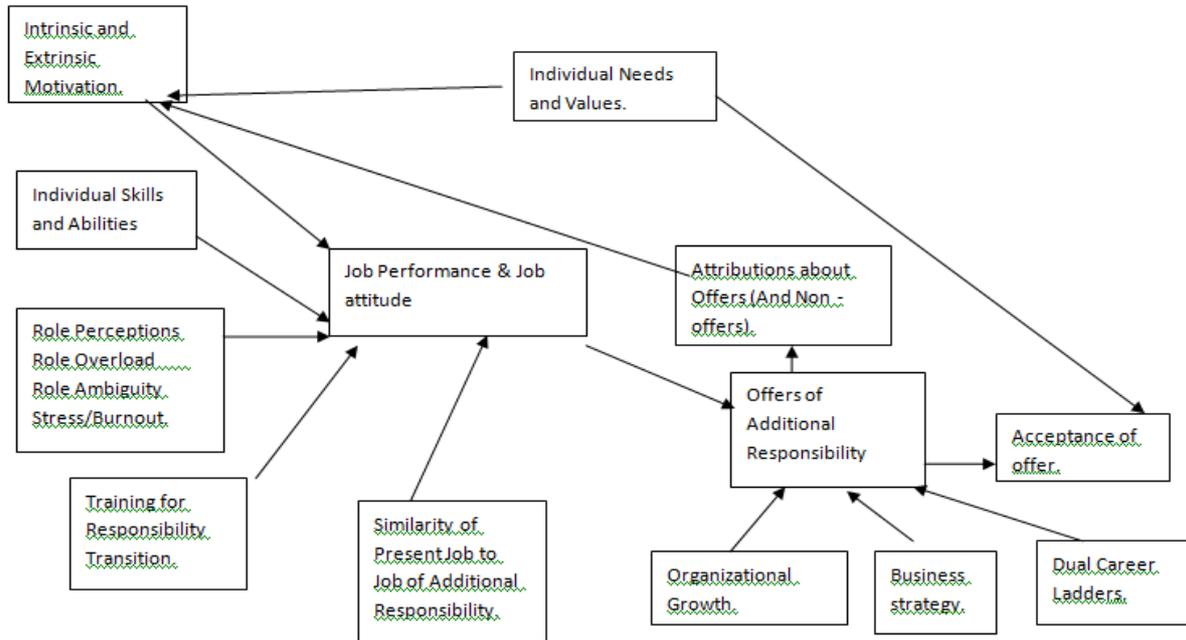
Many people experience the situation at one point during their career of becoming 'stuck' with little or no movement up the career ladder, either for professional or personal reasons. The main cause of this is usually the pyramidal structure of organizations, which has fewer positions than aspirants at each higher level of the organizational ladder. The 'plateauing' of one's career is often accompanied, and thus identified, by feeling of boredom, frustration, tension, loss of enthusiasm, lack of team effort or lack of commitment. With this in mind, the following information aims at raising awareness and understanding of career plateaus, in order to assist staff to better manage these professional challenges.

- The point where the likelihood of additional hierarchical promotion is very remote;
- The point where there are few internal opportunities for advancement;
- A period in which an individual's learning rate does not improve;
- A time of perceived or actual professional stagnation.

A model describing the factors affecting the growth of the employees .The figure shows us that responsibility plateau can occur due to three reasons: 1.) An employee's performance is lacking ,So that offer of responsibility are not upcoming; 2.) Non availability of promotions or position of increased responsibility, even in that case

potential performer could plateau.3.)Due to personal preferences or situational constraints, employees do not accept offers of jobs with additional responsibility even when they are offered.

**Career Plateau: A Model**



**OBJECTIVES OF THE STUDY**

In the light of above, major objectives of research are to find out the relationship between career plateau and job satisfaction through literature survey. Some objectives of the study were to understand the relationship between job satisfaction and career plateau and in addition to these objectives; the study involved an exploration into the job satisfaction factors of (a) performance (attitude and behavior), (b) motivation and needs, and (c) organizational success. The study also involved exploring career plateau factors of (a) hierarchy, (b) perception, (c) promotion, (d) job content, (e) job enrichment, and (f) outcomes. In examining the relationship between job satisfaction and perceived career plateau. In the above background the following objectives of the study have been identified:

- To study the impact of Career Plateaus on job satisfaction of employees’.
- To examine the various factors responsible for Career Plateaus.
- To study the proposed strategies to overcome Career Plateaus stage effectively.

**RESEARCH METHODOLOGY**

Secondary data were collected from available books, publications, research studies, articles and websites.

**REVIEW OF LITERATURE**

**Career Plateau**

A larger number of literatures have also studied the effects of career plateau on the work attitudes and behaviors. But the literature in this area includes a multitude of contradictory conclusions about the attitudes of those who have attained a career plateau and those who have not a literature review goes beyond the search for information and includes the identification and articulation of relationships between the literature and field of research. While the form of the literature review may vary with different types of studies, the basic purposes remain constant. The issue of career plateauing is not new and continues to be a pertinent issue (Burke & Mikkelsen, 2006; Allen, Russell, Poteet & Dobbins, 1999). In fact, the issue remains relevant (Lee, 2003) since most organizations are pyramid-shaped structures in which as one approaches the top, fewer positions are offered and virtually everyone’s career at one time or another reaches a point at which there is a stagnation for further hierarchical advancement. In most organizations, complacency or the state of plateauing usually occurs among employees who have served more than five years or among those that can be categorized as experienced or quite experienced workers (Near, 1984).

The problem becomes even worse if employees cannot accept the negative reality and then choose to leave the organization. Just imagine when key people or experienced nurses fall into this group of plateaued employees and decide to walk out. This walk out would mean the loss of knowledge, skills and expertise because experts

take their knowledge, skills and expertise with them when they leave. How can one tell that one is experiencing plateauing? Some previous research used job tenure to determine whether someone has plateaued or vice versa (e.g Gould & Penley, 1984) and some use age as the determinant for plateauing (e.g Evans & Gilbert, 1984). Near (1984) suggested that those who have been in the post for twenty (20) years or more are considered to have plateaued. Gerpott & Domsch (1987) claimed that those who can be considered as plateaued were those whose current job tenure is greater than ten (10) years while other studies considered those who had worked for seven (7) years or more as plateaued employees (Choy, 1998; Gould & Penley, 1984; Veiga, 1981). However, the most usual definition appears to be five years in service without any movement (Near, 1984; Zaremba, 1994; Slocum et al., 1985). To be more specific, those who are really considered as plateaued employees are those who hold the same position and carry out the same job scope and responsibilities for five years or more.

In most organizations, self-satisfaction or the state of plateauing usually occurs among employees who have served more than five years or among those that can be categorized as experienced or quite experienced workers (Near, 1984). The problem becomes even worse if employees cannot accept the negative reality and then choose to leave the organization. Employees often begin their careers with hopes, or even expectations, of climbing to the top of their chosen organization. Most care deeply about their career development and visualize them attaining increasingly greater responsibility, power, and compensation (Nicolson and West 1988). Since organizational cultures sort a "hierarchical fixation" among employees, successful career development is measured exclusively in terms of upward progression (Nicholson 1993). Unfortunately, nearly all employees reach a career plateau before achieving their goals (Bardwick, 1983). In today's multifaceted work environment, a career plateau is an almost unavoidable occurrence for workers. For any of reasons, employees find that continued advancement up to the corporate hierarchy becomes improbable or impossible. Alternatively, some persons achieve a level of responsibility beyond which they do not wish to grow. The latter case may generate a time of satisfaction, but the former circumstances frequently lead to disappointment. A plateau can be a positive influence on employee in the sense that he or she no longer faces uncertainty in the form of changing or increased responsibilities. Such a position may lead to serenity, security and job comfort. The employee often chooses this type of plateau and it is described as personal (FERENCE, Stoner, and Warren 1977). Personal plateaus represent situations where an individual has the ability, but has lost the desire for career growth. Alternatively, plateaus may be negative influences when an employee feels he or she has the talent and initiative to advance beyond the current position but the company has no available positions or lacks equal confidence in the employee's ability identified as organizational plateauing (FERENCE, Stoner, and Warren 1977), these plateaus occur when individuals want to advance but cannot. Organizational plateaus may be a source of stress and frustration.

#### **FACTORS AFFECTING CAREER PLATEAU**

The factors that influence plateauism may be grouped into three categories. These are personal, organizational, and cultural factors. It is found in research that many seniors and managers believe that one personal characteristic most strongly influences plateauism, the individual's level of competitiveness. Organizational downsizing and decreased corporate growth are also major reasons for plateauism (Bardwick, 1983). Organizational Affirmative Action programs or increased competition in the work environment may also create career plateaus (Near 1980). Perhaps most frequently organizationally generated plateaus result from management valuations that subordinates are not skilled enough to justify advancement. However, the culture and growth orientation of the organizations may generate plateaus for managers judged qualified for increased responsibility, though such jobs do not exist. The desire to spend more time with one's family may influence personal life and results in personal plateauism. Also, increase to additional KRA, and reluctance to relocate to a different location may increase the causes of personal plateaus. Additional personal influences include individual skills and abilities, individual needs and values, lack of intrinsic motivation, lack of extrinsic rewards, stress and burnout, and slow organizational climate (Feldman and Weitz 1988). Previous researchers have also considered factors such as desire for advancement, unwillingness to relocate, negative benefits from promotion, and perceptions of value in the current position (FERENCE, Stoner, and Warren 1977).

Organizational plateauism may negatively influence job attitudes, job performance, and job Satisfaction, motivation toward the job, and job tenure (Burke 1989). Additionally, plateaued Managers may exhibit increased stress, heightened intent to quit, hostility to the organization, Lowered aspirations, and withdrawal (Nicholson 1993).

#### **JOB SATISFACTION**

Job satisfaction defines one of the most multifaceted areas in front of today's managers when it comes to overseeing their employees. Many studies have verified an unusually large impact on the job satisfaction, on the motivation of workers, while the level of motivation has a bang on efficiency, and hence also on

performance of business organizations.

Despite its wide usage in scientific research, as well as in everyday life, there is still no general agreement regarding what job satisfaction is. Different authors have different approaches towards defining job satisfaction. **Hoppock** defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say "I am satisfied with my job" (**Hoppock, 1935**). According to this approach although job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction. **Vroom** in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus he defines job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (**Vroom, 1964**).

**Spector** according to who job satisfaction has to do with the way how people feel about their job and its various aspects. It has to do with Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behaviour in the work place (**Davis et al., 1985**).

Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job particularly in terms of intrinsic motivation (**Statt, 2004**). Job satisfaction is more of an attitude, an internal state. Empirical research suggests a career plateau averages 5 years tenure and progress forward (**Nachbagauer&Riedl, 2002; Slocum et al., 1985; Stout et al., 1988**). Other studies declare a plateau can take anywhere from 3 to 5 years to reach once work is mastered and there is nothing new to learn (**Bardwick, 1986; Evans & Gilbert, 1984**).

According to **Eldson (2007)**, additional factors that can lead to plateauing in the early years of one's career include lack of clarity about personal goal since work and life experiences are still growing & the absence of flexibility in considering options can also be a significant internal factor. External factors include constrained life circumstances that result because of growing inequality in society, growing competition (e.g., in popular jobs or from emerging global regions), or being part of a declining work sector.

**McCleese et al. (2006)** explained that plateauing research often reveals a negative relationship between job content plateauing (i.e., lacking challenge in one's job) and work attitudes. McCleese et al. explored situations where job content plateauing is associated with fewer negative work attitudes, revealing role ambiguity (i.e. being unclear about job duties and responsibilities) and hierarchical plateauing (i.e. low likelihood of promotions) as moderators of the job content plateau-work attitude relationship. Specifically, job content plateaued employees reported greater job satisfaction and organizational commitment if they were not also experiencing a hierarchical plateau. Job content plateaued employees also reported greater job satisfaction when role ambiguity was low.

According to **McCleese and Eby (2006)**, because of the rapidly increasing number of downsizings and layoffs that characterize the world of work, it is important to ensure that those employees who are able to remain with their companies can make the best of their career situations, but the remaining employees will likely face the reality of fewer promotions. As a result, some find themselves experiencing a hierarchical plateau. The longer an employee remains in the same position, the more likely it is that he or she will experience a job content plateau, which can occur when employees become bored with their jobs. **Bardwick (1986)** asserted that "virtually everyone who works in an organization will plateau" at some time in his or her career. For employees perceived to have plateaued, the likelihood of promotion is an adjustment equal to the promoted employee. Learning new tasks and creating and maintaining relationships are key for negotiating and changing job roles (**Kramer & Noland, 1999**). If a supervisor perceives an employee as promotable, the employee might receive support for upward mobility and career success. The identification of high-potential employees is a crucial step for building and developing a large talent pool that enables organizations to effectively adapt and respond to changes in the environment (**De Pater et al. Stoner and Warren (1977)**), categorized employees into four typologies based on performance and potential promotion. The categorization is also called the life-cycle theory of plateauing. They are first learners or comers, individuals who possess high prospects for future advancement but are currently performing below acceptable standards. They are still learning and are not yet versed in the tasks of the organizations. Second, stars that are on the fast track career path perform well and are self motivated. They possess a high potential for advancement and they are readily picked up by the management to hold important positions for future leadership.

**Ference ET. al. (1977)** was among the earlier researchers on career plateau and they defined it as the point where the employee's likelihood of additional hierarchical promotion is very low.

**Near, J.P. (1983)** suggested that there are significant differences between plateaued managers and non-plateaued counterparts. Plateaued managers have lower levels of aspiration with regard to advancement and they were absent more frequently from work; they reported poor relationships with supervisors and impaired health thus clarified that career plateaued managers/ employees' have negative effects on relationships and performance.

**Bardwick. (1988)**, a psychologist and management consultant specializing in plateauing, believes that the major cause of career plateauing, or structural plateauing is increased competition for higher level positions in the face of slower economic growth.

**Chao, G.T. (1990)**, propounded that career plateau is a popular construct that has been associated with a number of work outcomes. The study introduced a related construct called professional plateau. It was defined as the point where employees find their job unchallenging and it provides few opportunities for professional development and future employability. The study proposed that career plateau and professional plateau were related to three work outcomes: namely, career satisfaction, job satisfaction, and turnover intentions.

**Trembley, M., Roger, A., (1993)**, found the effects of various individual and organizational variables on two measures of career plateau, i.e. an objective measure of job stability and a subjective evaluation of having reached a dead end. The study consisted of managers from all organizational ranks, i.e. business establishments and three Canadian economic sectors. The results showed wide differences between the variables explaining the fact of having reached a career plateau and the feeling of being in a dead end. The best predictors of objective plateau were objective factors such as past success, age, and education. On the other hand study explained that subjective plateau; personal variables such as desire for advancement and personality played the most important role. In both the cases, individual factors come out as better predictors of career plateau than familial and organizational factors.

**Zaremba (1994)**, found out in a study conducted on Royal Mail of United Kingdom that the organization considered plateau as a problem as managers suffering from it are less satisfied than non- plateaued. Non plateaued employees were highly satisfied with the recognition and careers guidance received. They had more pride in membership of Royal Mail, were more intrinsically motivated and considered they had more ability to develop career without help than plateaued managers.

**Ettington (1998)**, indicated that only a small number of studies have been conducted to examine moderators on the relationship between career plateau and outcome variables.

**Rita M. C., Lawson K. S. (1998)**, propounded the relationship between job satisfaction, organizational commitment and the plateauing phenomenon. Non-plateaued workers have a better relationship with their organization. The finding showed that trainers must hold positive attitudes toward the company and this seems more likely when the person is not plateaued. Non-plateaued employees are also more likely to view the organization as encouraging job performance - another issue of importance to managers of organizations.

**Duffy (2000)**, applied chaos theory to conceptualize plateaued workers in order to reframe dominant issues faced by counsellors and clients. Duffy (2000) described the use of chaos theory by managers in dealing with plateaued employees.

**Rotondo and Perrewe (2000)** expanded Levinson's life cycle theory and explored mentoring others as a coping response to plateauing; they suggested that mentoring younger employees may help plateaued employees to cognitively manipulate the meaning of being plateaued. Result indicated that mentoring others was associated with higher levels of satisfaction, commitment and performance among plateaued employees.

**Fowler (2002)**, benefits for mentors were professional enhancement, organizational and peer recognition, interpersonal relationship, meaningfulness and fulfillment and productivity.

**Allen, Lentz and Day (2003) and Bozionelos (2004)**, found that individuals who provided mentoring experience reported a higher current salary, greater rate of promotion, and higher perception of career success.

**Tremblay M., Roger A. (2004)**, examined the effect of three job characteristics - job scope, role ambiguity and participation in decision making - on the relationship between career plateauing and managers' work-related, using data from a survey of managers of all levels in a number of Canadian organizations. Reports described that job scope moderates the relationship between career plateauing and satisfaction with work itself, satisfaction with supervisors and satisfaction with work intensity, that career plateauing has a more negative effect when the employee's role is ambiguous, and that satisfaction with work itself and with supervisors is higher, and intention to quit lower, when plateaued managers participate more in decision making.

**Rotondo (2006)** examined the relationships between coping responses and organizational outcomes for career-plateaued and non-plateaued employees. The objective was to determine the efficacy of common coping responses suggested for plateaued employees. Results showed that among non-plateaued employees, there were no significant relationships. Negative denial responses, such as blaming the supervisor or organization for the plateau, reporting intentions to leave, and use of alcohol or drugs, were associated with lower attitudes and higher career-related strain among both plateaued and nonplateaued employees. Further negative behavioral responses, such as lowering quality or quantity of work, psychological withdrawal, and lateral transfers, were associated with lower attitudes among both groups of employees and lower perceived performance among plateaued employees.

**Hassan, M.S., Ismail, M. (2007)**, focused on the moderating role of job performance on the relationship between career plateauing and work outcomes. Analysis showed that job performance moderates almost all outcome variables that consist of job satisfaction, organizational commitment and intention to quit both in objective and subjective career plateauing situations.

**Foster, B.P. (2007)**, explored the effect of mentoring on employee career plateau tendencies and turnover intentions. Subjects' responses were factor analyzed to develop composite scales about CMAs' perceptions for mentoring (MENTOR), career plateau (PLAT), turnover intentions (EXIT), positive job attributes (PJA), and job satisfaction rate (JSR). Results indicated that mentoring reduces plateau tendency significantly and significantly lowers turnover intentions even after controlling for career plateau, job satisfaction, and positive job attributes. The results implied that fostering a mentoring environment can reduce career plateau attainment and turnover intentions. Reducing career plateau in turn is likely to have positive impact on organization's operations. The study concluded that reducing CMAs' career plateau tendencies and turnover intentions could improve the quality of an organization's financial reporting process.

**Elsdon (2007)**, additional factors that can lead to plateauing in the early years of one's career include lack of clarity about personal aspirations since work and life experiences are still developing. Lack of flexibility in considering options can also be a significant internal factor. External factors include constrained life circumstances that result because of growing inequality in society, growing competition (e.g., in popular jobs or from emerging global regions), or being part of a declining work sector.

**Jung, L.H., Tak, J. (2008)**, examined the relation of perceived career plateau to job satisfaction and organizational commitment and the moderating effects of career motivation and perceived supervisor support on the relationships between perceived career plateau and the two dependent variables. The results of this study showed that perceived career plateau is negatively correlated with job satisfaction and organizational commitment. The results of hierarchical multiple regression analyses indicated that career motivation plays a significant moderating role only on the relationship between perceived career plateau and organizational commitment. Perceived supervisor support moderates the relationships between perceived career plateau and the two dependent variables.

**Ruig, T.S. (2009)**, The study revealed that, some employees' used the plateau as an opportunity to redirect their career paths, while for the later; some employees' reported feeling disillusioned, dissatisfied and unsure of their future career direction. The research demonstrated that career plateau is a multi-faceted phenomenon, i.e. it is strongly influenced by how an individual defines career and success.

**Galhena, B. L. (2009)**, examined the effect of subjective and objective career plateau on the work related attitudes of job satisfaction, organizational commitment, stress and intention to quit the organization. Results indicated that explanatory power of the subjective career plateau is superior to objective plateau. Additionally, correlation analysis found that subjective career plateau was significantly associated with all the work related variables examined such as; job satisfaction, stress and intention to quit and organizational commitment. Further objective plateau however, is correlated with all the work related attitude variables except organizational commitment.

**Salami, S.O.(2010)**, examined the relation of career plateauing to job satisfaction, to organizational commitment, and turnover intentions and the moderating effects of mentoring on the relationships between career plateauing and the three dependent variables. Results showed that career plateauing was negatively correlated with job satisfaction and organizational commitment and positively correlated with turnover intentions. Hierarchical multiple regression analyses indicated that mentoring played significant moderating role on the relationships between career plateauing and job satisfaction and turnover intentions. Based on the findings, the implications, limitations of this study and direction for future research were discussed.

**Mayasari (2012)**, found while exploring the factors and the consequence of career plateau based on individual and organizational variables- where individual factors involve individual skill, intrinsic motivation, perception of individual, familiar factor, and locus of control and organizational factors involve the absence of work content dimension, organizational career orientation, innovative climate, and business strategy. The study explained that consequences concerning both the individual and organizational variables include depressive state, refusal of involvement in work, commitment to work, job satisfaction; meanwhile from the organization side involves performance.

**Choudhary, S.A., Ramzan, a Riaz. (2013)**, explained the term career plateau as the feeling of frustration and psychological feebleness that employees tend to experience following a temporary or permanent halt in the advancement of their careers. They added that at this stage of an employee's career, the likelihood of additional hierarchical promotion is very low. The study revealed that the job rotation and job enlargement have significant negative impact on content plateau with respect to tasks included in the job. But in comparison the job rotation has stronger impact than job enrichment. The study shown that the individual perceived that repetition in same tasks make the job reutilized ultimately escalating a content plateau. Thus the study concluded that by rotating the individuals between different jobs, job content plateau can be reduced.

**Beheshtifar M., Modaber H., (2013)**, investigated the relation between occupational stress and career plateau. The results of the study showed that there is a significant and direct relationship between occupational stress and all career plateau variables. It also revealed that despite many negative consequences associated with plateaus, the findings exist regarding stress as a factor to plateauing.

#### **RESEARCH GAP**

The foregoing review of the literature reveals that most of these studies have touched the various aspects relating to Career Plateaus but were conducted in foreign countries and there is no study found in Indian context related to career plateaus and also found that there were very few studies which explored the effects of Career Plateaus on employee job satisfaction among various levels of employees. The present study entitled to find out the relation between career plateau and Job satisfaction through literature survey.

#### **FINDING OF THE STUDY**

Over the last few decades, people have changed jobs at an increasing rate. Managers and professionals, who had previously been more shielded from layoffs, have also experienced greatly diminished job security. Besides the trauma of unemployment, the under employment and career plateauing that these changes have brought can also effect a person's sense of career success. Underemployed people perform jobs requiring significantly less education and work experience than they possess, involuntarily work in a field unrelated to their education, or are unable to find permanent, full-time employment in their field of interest. The study has rational inference for motivating career plateaued employee's in the organization ,Since career plateau has negative impact on work attitudes such as job satisfaction and organization commitment and encourage turnover intention, Organization should decrease the level of career plateauing by renovating or enriching job and facilitating lateral or cross functional moves and providing feedback to the employee's. In addition employee's should be counselled by trainers and professionals and create the awareness that in this age of globalization, "Career advancement" is been replaced with "Career achievement".

#### **CONCLUSION**

The particular study is not elaborately reinforced by the literature as not enough study is to be done with reference to the career plateau and job satisfaction. Very few number of research articles are found in this area. Plateau has been a cause of disadvantageous work results like low satisfaction, low performance, high stress and high turnover intention. Due to the negative effect of career plateau, a concept of employee inter-organizational orientation has developed in which reject the life time employment with one organization. This desire refers to an employee building career by moving organization to organization and if this trend becomes widely accepted and gone through it may results in big financial and human capital loss to the organization. For controlling the situation, organisation will have to make a proper communication as a channel of medium and policies should be frame in such a manner that no employee demotivation occurs and specific growth for a required position should be given, an employees should be properly appraise on periodical basis and whenever it is been notice that employee is been suffering through plateauism ,So reporting manager should maintain a proper communication and whatsoever support an employee require in terms of grooming technical skills or Job rotation, So proper action should be taken by reporting manager, by practicing these managers or the top management can enhance the performance of their employees by meeting their expectations and providing them challenging job environment and this will reduce the plateau situations in the organizations.

There are only few researches available on the organization strategies to deal with the career plateau, So a great gap still exists for future researchers. As in the competitive environment and globalization, the management has to face diversified workforce and it is very tough to meet the employee's expectations. The results of this study have shown that experiencing a career plateau is related to the employee's Career and Job satisfaction. However this study has contributed by extending literature.

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**FINANCIAL INCLUSION: SERVICES AND STRATEGIES OF RETAIL BANKING****Prof. D. Suryachandra Rao<sup>1</sup> and B.V.S.S. Subba Rao<sup>2</sup>**Dean<sup>1</sup> & Research Scholar<sup>2</sup>, Faculty of Commerce & Management, Krishna University, Andhra Pradesh

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**ABSTRACT**

*The benefits of economic growth have not equitably reached different parts of our society. The rural and agricultural sector, in particular, has not gained the desired momentum of growth and development.*

*Access to finance by the poor and vulnerable groups is a prerequisite for poverty reduction and social cohesion. This has to become an integral part of our efforts to promote inclusive growth. In fact, providing access to finance is a form of empowerment of the vulnerable groups. The various financial services include credit, saving, insurance payments and remittance facilities. The objective of financial inclusion is to extend the scope of activities of the organized financial system to include within its ambit people with low incomes. Through graduated credit, the attempt must be lifting the poor from one level to another so that they come out of poverty.*

*As the economy began to grow at higher rates, the regional and societal disparities called for new strategies to ensure that the banking system met the requirements of inclusive growth. Such strategies needed to be fashioned in a manner that they did not undermine the stability and efficiency of the financial system. Specific focus on financial inclusion commenced in November 2005, when Reserve bank advised banks to make available a basic banking 'no-frills' account with low or nil balance as well as charges, with a view to expanding the outreach of such accounts. In such accounts, banks are required to make available all printed material used by retail customers in the regional language concerned.*

*Financial inclusion rest on three pillars viz., access to financial services, affordability of such services and actual utilization of such services. Financial inclusion can be achieved only if all the three pillars show affirmative results.*

*Key Words: Financial Services, Inclusive Growth, Financial Inclusion, Organized Financial System.*

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**INTRODUCTION**

Financial Inclusion means extending the banking habit and ensuring access to financial services and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. But the path of financial inclusion is daunting. The benefits of economic growth have not equitably reached different parts of our society. The rural and agriculture sector, in particular, has not gained the desired momentum of growth and development.

The Recent developments in banking technology have transformed banking from the traditional brick – and – mortar infrastructure like staffed branches to a system supplemented by other channels like automated teller machines (ATM), credit /debit cards, internet banking, online money transfers, etc. The moot point, however, is that access to such technology is restricted only to certain segments of the society. Indeed, Some trends, such as increasingly sophisticated customer segmentation technology – allowing, for example, more accurate targeting of sections of the market – have led to restricted access to financial services for some groups. There is a growing divide, with an increased range of personal finance options for a segment of high and upper middle income population and significantly large section of the population who lack access to even the most basic banking services. This is termed “financial exclusion”. These people, particularly, those living on low incomes, cannot access mainstream financial products such as bank accounts, credit, remittances and payment services financial advisory services, insurance facilities, etc.

Deliberations on the subject of Financial Inclusion contributed to a consensus that merely having a bank account may not be a good indicator of financial inclusion. Further, indebtedness as quantified in the NSSO 59<sup>th</sup> round (2003) may not also be a reflective indicator. The ideal definition should look at people who want to access financial services but are denied the same. If genuine claimants for credit and financial services are denied the same, then that is case of exclusion. As this aspect would raise the issue of credit worthiness or bank ability, it is also necessary to dwell upon what could be done to make the claimants of institutional credit bankable or creditworthy. This would require re-engineering of existing financial products or delivery systems and making them more in tune with the expectations and absorptive capacity of the intended clientele.

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**LITERATURE REVIEW****Financial Inclusion**

Financial inclusion is defined as “a process that ensure the ease of access, availability and usage of the formal financial system for all members of an economy” (Sarma, 2008, p.3). Ease of access is measured by proxies such as number of banks branches or number of ATMs per 1000 population. Availability and usage are measured by the extent of utilization as well as the size of bank credit and bank deposits, relative to the GDP of country. An inclusive financial system should have as many users as possible as this gives an indication of how much the financial system has penetrated among users (Sarma, 2007). The various dimensions of inclusion that are encompassed in this definition, together build an inclusive financial system. As banks are the gateways to the most basic forms of financial services, banking inclusion/exclusion is often used as analogous to financial inclusion/exclusion. It has been observed that even “well developed” financial services have not succeeded to be “all inclusive” and certain segment of the population remain outside the formal financial system (Sarma, 2008).

**Unbanked and Under Banked Markets**

(Worthington, 2008, p.101) defines the unbanked as “those individuals without a traditional saving or checking account”. They are distinct from the under banked who have some limited relationship with a financial institution. (Sarma, 2008 p.8) defines the under banked as people with bank account, but who make very little use of the services an offer. Surma purports that merely having an bank account is not enough for an inclusive financial system: It is also imperative that the banking services are adequately utilized.

The under banked tend to rely on alternative financial institutions even through they have bank accounts because they are not fully integrated into the banking services. As a result, these individuals may pay more for basic financial services

**OBJECTIVE OF THE STUDY**

The objective of the research described in this study was to investigate the financial services and strategies that are being employed by Indian retail banking to optimize financial inclusion.

**NEED FOR INCLUSION**

The essence of financial inclusion is trying to ensure that a range of appropriate financial services is available to every individual and enabling them to understand and access those services. A part from the regular form of financial intermediation, it may include a basic no frills banking account for making and receiving payments, a saving product suited to the pattern of cash flows of a poor house hold, money transfer facilities, small loans and over drafts for productive personnel and other purposes etc.

How ever, inclusive finance does not require that everyone who is eligible uses each of these services, but they should be able to choose to use them, if they so desired. To this end, strategies for building inclusive financial sectors have to be creative flexible, appropriate to the national situation and if necessary, nationally owned. For promoting financial inclusion we have to address the issue of exclusion of people who desire the use of financial services, but are denied access to the same. In countries with a large ruler population like India, financial exclusion has a geographic dimension as well. In accessibility distances and lack of proper infrastructure hinder financial inclusion. Vast majorities of population living in rural areas of the country have serious issues in accessing formal financial services. Another facet of exclusion which needs to be address is “social exclusion” – which is an extreme consequence of what happens when people do not get a fair deal through their lives, often because of disadvantages they face at birth, and this can be transmitted from one generation the next. Social exclusion is about more than income poverty. It is a very short hand term for what can happen when people or areas have a combination of problem such as unemployment discrimination, poor skills, low incomes, poor housing and also perceived difficulties in doing business. These difficulties are linked and mutually reinforcing.

**ABC OF FINANCIAL INCLUSION**

Financial inclusion rests on three pillars viz, access to financial services, affordability of such services and actual utilization of such services. Financial inclusion cab be archived only if all the three pillars show alternative results. Thus the ABC of financial inclusion is advice, Banking and credit. It must also be noted that while for developing countries like India, generally the process of financial inclusion starts with opening of savings bank accounts. The process, at a later stage, must also incorporate credit facilities and other financial services such as insurance. Thus, promotion of financial inclusion would require holistic and coherent approach on the part of the banking industry as also the regulator (RBI) and the Government.

**FINANCIAL INCLUSION –CRUCIAL ROLE OF MICRO FINANCE**

Report of the committee of financial inclusion, 2008 is quoted that “Access to finance by the poor and vulnerable groups is a prerequisite for poverty reduction and social cohesion. This has to become an integral part of our efforts to promote inclusive growth. In fact, providing access to finance is a form of empowerment of the vulnerable groups. The various financial services include credit, saving, insurance payments and remittance facilities. The objective of financial inclusion is to extend the scope of activities of the organized financial system to include within its ambit people with low incomes. Through graduated credit, the attempt must be to lift the poor from one level to another so that they come out of poverty (Report of the committee on financial inclusion, 2008)” - The committee further opined that to achieve inclusion.

- Existing micro finance innovations should be put to use extensively and further strengthened.
- SHG federations may take up quite a lead in this regard.
- Joint liability groups can be promoted to upscale the lending and meet the specific requirement of a particular section of vulnerable populations.
- Extend the outreach by leveraging technology to open up lacinating technology to open up channels beyond branch network.
- The business facilitator/ Business correspondent (BF/BC) models riding on appropriate technology can deliver this outreach and should form the core of the strategy.

**STRATEGIES FOR SERVING THE BOTTOM OF THE PYRAMID**

As the economy began to grow at higher rates, the regional and societal disparities called for new strategies to ensure that the banking system met the requirements of inclusive growth. Such strategies needed to be fashioned in a manner that they did not undermine the stability and efficiency of the financial system. Specific focus on financial inclusion commenced in November 2005, when reserve bank advised banks to make available a basic banking ‘no-frills’ account with low or ‘nil’ minimum balances as well as charges, with a view to expanding the outreach of such accounts. In such accounts, banks are required to make available all printed material used by retail customers in the regional language concerned.

In order to ensure that persons belonging to low income groups both in the urban and rural areas do not encounter difficulties in opening bank accounts, the know your customer(KYC) procedure for opening accounts has been simplified. Besides the Kisan Credit Cards (KCC), banks have been asked to consider introduction of a general purpose credit card (GCC) facility up to Rs 25000 at their rural and semi urban branches.

This facility is in the nature of revolving credit, which entitles the holder to withdraw up to the limit sanctioned. Based on assessment of household cash flows, limits are sanctioned without insistence on security or purpose. Interest rate on the facility is completely deregulated. Fifty percent of GCC loans can treat as priority sector. Financial inclusion is intended to connect people to banks with consequential benefits. A decentralized strategy has been adopted for ensuring financial inclusion.

**NO FRILLS ACCOUNTS AND GENERAL PURPOSE CREDIT CARDS**

In November 2005, banks were advised to make available a basic banking ‘no-frills’ account with low or nil minimum balances as well as charges to expand the outreach of such accounts to vast sections of the population. Banks are required to make available all printed material used by retail customers in the concerned regional language.

In order to ensure that persons belonging to low income group, both in urban and rural areas do not encounter difficulties in opening banks accounts, the know your customer(KYC) procedure for opening accounts has been simplified for those accounts with balances not exceeding Rs. 50,000 and credits thereto not exceeding Rs 1,00,000 in a year. The simplified procedure allows introduction by a customer on whom full KYC drill has been followed.

**MEASURES BY RBI AND GOI TOWARDS FINANCIAL INCLUSION**

Historically, the Reserve Bank of India (RBI) and the Government of India (GOI) have been making efforts to increase banking penetration in the country in November 2005, banks were advised to make available a basic banking ‘no-frills’ account with low or nil minimum stipulated balances as well as charges to expand the outreach of such accounts to vast sections of the population. In order to ensure that persons belonging to low income group, both in urban and rural areas do not encounter difficulties in opening bank accounts owing to procedural hassles, the know your customer (KYC) procedures for opening accounts has been simplified. The reserve bank has directed banks to make available all printed material used by retail customers in English, Hindi and the concerned regional language.

More recently in January 2006, banks were permitted to utilize the services of non-governmental organizations (NGOs/SGH), micro finance institutions and other civil society organizations as intermediaries in providing financial and banking services through the use of business facilitator and business correspondent models. To extend hassle-free credit to bank customers in rural areas, the guidelines on General Credit card (GCC) schemes were simplified to enable customers' access credit on simplified terms and conditions, without insistence on security, purpose or end- use of credit. With a view of providing hassle free credit to customers, banks were allowed to issue general credit cards akin to Kisan Credit Cards (KYC).

The reserve bank has also been periodically issuing guidelines on public grievance redressal mechanism in banks, including constitution of customer service centers for ensuring improvements in quality of service rendered. In the reserve bank the customer service department has recently been constituted to inter alia, serve as the interface between customers and banks. Moreover, the Government of India has also expressed its explicit concern on the issue of overall inclusion in the development process through its various initiatives such as the rural employment guarantee scheme, the Bharat Nirman Programme, the Sarva Shiksha Abhiyan, and the like. A committee on the financial inclusion, with Dr. C. Rangarajan as chairman, has also been constituted by the government of India in June 2006, to recommend a strategy to achieve higher financial inclusion in the country.

### **SUGGESTIONS**

- A financially sound cooperative structure can do wonders for financial inclusion given its extensive outreach.
- Making banking more inclusive through expanding the coverage of banking services by reaching the vast un-banked and under-banked population of the country.
- Banks also need to have flexibility in terms of working hours, documentations, mode of interactions and transactions and need to explore ways to generate and utilize local knowledge for effective loan monitoring and risk mitigation.
- Product and services needs to be developed that are adapted to the needs of the majority at affordable price time to time.
- A monitoring mechanism to access the quality and quantum of financial inclusion including indicators for assessing regular progress.

### **CONCLUSION**

To conclude, I wish to stress that with increasing liberalization and higher economic growth, the role of banking sector is poised to increase in the financing pattern of economic activities within the country. To meet the following credit demand, the banks need to mobilize resource from a wider deposits base and extend credit to activities hitherto not financed by banks. The trend of increasing commercialization of agriculture and rural activities should generate greener pastures, and banks should examine the benefits of increasing penetration therein. Financial inclusion will strengthen financial depending and provide resources to the banks to expand credit delivery. Thus, financial inclusion will lead to financial development in our country which will help to accelerate economic growth.

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MEASUREMENT OF ENVIRONMENTAL VALUES

Dr. Rohtash Kumar Garg and Anmol Poddar  
Assistant Professor, DIRD, New Delhi

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**ABSTRACT**

*This paper deals with measurement of environmental values. It throws light the theory of environmental valuation including the total economic value. It also discusses different values like direct and indirect values that have the great relevance in economics of environment further the unit reveal various Environment valuation techniques to help readers have the clear understanding of these techniques. We will familiarize you with some elementary concepts of welfare economics and social sector. It also deals with measurement of environmental values using appropriate measures that are being used across the globe.*

*Keywords: Concepts and theory of environment valuation and total economic values, Total Economic Value (TEV), Environmental Valuation Techniques, Different techniques of environment valuation.*

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**1.1 INTRODUCTION**

Valuation is the heart of environmental economics; it is a very active and rapidly expanding field. The basic strategy for environmental valuation is the 'co - modification' of the services that the natural environment provides. It serves to assess individual and group priorities and tradeoffs in the case of unpriced scarce commodities. It has been used to assess the desirability of specific Government investments in environmental improvement and to assess the desirability of new regulations to protect certain aspects of the environment from further degradation. It has also been used to rank the seriousness of environmental problems in order to provide guidance to environmental agencies as they decide on how to focus their efforts.

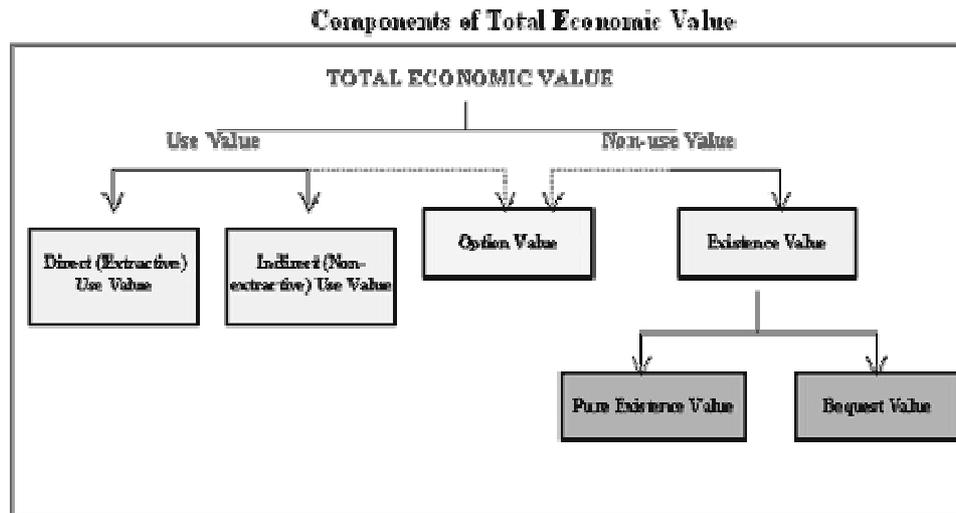
In its simplest form economic valuation is the process of identifying the relevant changes in consumer demand and producer supply arising from a (project induced) change in environmental quality, or the change in the provision of an environmental resource. In brief Environmental Valuation is concerned with the analysis of methods for obtaining empirical estimates of environmental values, such as the benefits of improved river water quality, or the cost of losing an area of wilderness to development.

**1.2 THE THEORY OF ENVIRONMENTAL VALUATION AND THE TOTAL ECONOMIC VALUE (TEV)**

For some goods and services (e.g. a net or a boat purchased by a capture fishery operator), the market provides prices that reasonably reflect the value society places on that good or service. For other goods and services however, market prices either only partially reflect the value society places on them (e.g. electricity) or do not exist at all (e.g. the use of a Lake or the atmosphere as a discharge sink). To simplify the task of valuation, therefore, economists like to disaggregate project impacts on the environment into individual components of value.

The most commonly used approach is based on the concept of Total Economic Value (TEV). Under the Total Economic Value (TEV) approach an impact on an environmental resource, for example, a waterborne pollutant on a river, is broken down into a number of categories of value. The logic behind the approach is that a good or service comprises of various attributes, some of which are tangible and readily measured, while others are less tangible and thus more difficult to quantify. The total value of the good or service however, is given by the sum of all categories of value, and not simply those that are easy to measure.

The Total Economic Value is generally decomposed into three categories of value: (1) direct use value; (2) indirect use value; and (3) nonuse value. The former two categories are sometimes collectively referred to as "use value". Further subdivision of these categories is also possible as shown in the figure.



Source: Boyd (1984)

Figure

### DIRECT USE VALUE

The Direct use value is derived from goods, which can be extracted, consumed or directly enjoyed. It is also therefore known as extractive or consumptive use value. In the context of a river, for example, Direct (extractive) use value is derived from the harvesting of fish.

### INDIRECT USE VALUE

Indirect use value is referred to as non-extractive use value, derived from the services that an environmental resource provides. A wetland, for example, acts as a water filter, often improving water quality for downstream users. This service is valued by downstream users, but does not require any good to be extracted / consumed. In terms of measurement, indirect use values differ from direct use values in two ways: (1) the 'quantity' of the service provided is often hard to define and (2) the types of services in question are often not traded in established markets, and therefore have no readily observable 'prices'. For these reasons, measuring indirect use value is relatively more difficult than measuring direct use value.

### NON-USE VALUES

Non-use values are defined as those benefits or welfare gains/losses to individuals that arise from environmental changes independently of any direct or indirect use of the environment. This category can be further subdivided into (1) option value and (2) existence value.

The former is a benefit expressed through an option to use the environment - that is, the value of the environment as a potential benefit as opposed to an actual present use benefit. If you are unsure whether you will use an environmental service or not, you might be willing to pay a positive sum to guarantee that the service will still be available in case you desire to use it at a later date. Option values consequently arise when you are uncertain about whether you will demand a commodity in some future time period and are faced with uncertainty concerning the future supply or availability of that commodity. It is distinct from a use value in that it arises not from the use of the site itself but from uncertainty over the site's availability to meet future demands. In this way option value is akin to an insurance policy against future uncertainty.

As option value is the value derived from maintaining the option to use a good or service at some point in the future, it is sometimes treated as a special case of use value (hence the dashed line in (figure)) Existence value can be defined in various ways. Most definitions however contain two main components: (1) pure existence values and (2) bequest values.

A pure existence value relates to the worth you associate with an environmental good or service, which is completely unrelated to current or future use of that commodity, by yourself, your descendants, or others. These values are intrinsic in nature, i.e. they represent a value that resides in something. Some possible motivations or rationales for the presence of such values include the preservation of, concern for, sympathy with, respect for the rights of, any other altruistic motives with respect to non-human beings. A number of pure existence values are related to ecological attributes. Support for the protection of endangered species and the protection of critical habitats for those species represents an intrinsic valuation process.

Bequest value derive from our desire to preserve the environment for relatives and friends, and also for all other people living today and future generations, so that they may benefit from conservation of the environment. Since in most cases non-use value is not, by definition, reflected in individual's behaviour and is thus not observable, it is the most difficult component of TEV to measure.

### **Total Economic Value = Direct and Indirect Use Values + Option Values + Existence Values**

It is of crucial importance to assess the change in the TEV arising from a project-induced change in environmental quality, or a change in the provision of an environmental resource. It will often be the case that the 'true' benefits (change in TEV) of a proposed project or policy will be much greater than its direct use value, but the direct use value may be less than the cost of the resource inputs.

### **1.3 ENVIRONMENTAL VALUATION TECHNIQUES**

Environmental valuation techniques can be broadly classified into two sets. The first set is based on technical (physical) linkages that formally describe cause and effect relationships. Included in this set of techniques are the change in the output (or input) of marketable goods, the cost of illness and the replacement cost methods. The second set of techniques is based on behavioural linkages between a change in the state of the environment and the actions of individuals, whereby values are either stated or revealed in actual or hypothetical market behaviour. Using revealed behaviour, we examine the trade-offs individuals make between the state of the environment and goods or service traded in actual markets. These so-called revealed preference approaches include the hedonic property, wage-risk, travel cost and averting expenditures approaches. When environmental goods or services cannot be valued, even indirectly using revealed preference approaches, we can ask individuals directly to express how much they are WTP for a certain level of that environmental good or service. Contingent valuation and constructed markets are the two main types of so-called stated preference techniques. Another approach to benefit valuation in CBA is benefit transfer, although strictly speaking not a valuation method.

#### **1.3.1 HEDONIC PRICE METHOD**

It is based on consumer theory, which postulates that every good provides a bundle of characteristics or attributes. Market goods are often regarded as intermediate inputs into production of more basic attributes that the individuals really demand. For example the demand for housing can be considered a derived demand. A house yields shelter but through its location it also yields access to different quantities and qualities of public services (example: schools, cultural activities etc.) and different quantities and qualities of environmental goods (open space, woodland etc.). Thus HPM relies on the proposition that an individual's utility for a good or service is based on the attributes, which it possesses. If the hedonic analysis is conducted on housing data, it is referred to as the property value approach. When applied to wage data – to measure the value of changes in morbidity/mortality risks – it is often referred to as the wage differential or wage-risk approach. The hedonic property value approach measures the welfare effects of changes in environmental goods or services by estimating the influence of environmental attributes on the value (or price) of properties. In order to obtain a measure of how a specific environmental attribute of interest affects the welfare of individuals, the technique attempts to: (1) identify how much of a property price differential is due to a particular environmental difference between properties and (2) infer how much people are willing-to-pay for an improvement in the environmental quality and to estimate the social value of improvements.

In attempting to isolate the effects of specific environmental attributes on the price of houses we have to "explain" the price of a house as a function of its key characteristics. If we take house price to be a function of all the physical features of the house (e.g. number of rooms, central heating, garage space etc.), neighbourhood characteristics, and environmental attributes, then the following relationship can be identified:

$$P^h = f(S, N, E)$$

where

$P^h$  = The market price of the property.

$f$  = The function that relates the house characteristics to price.

$S$  = The different structural characteristics of the property.

$N$  = The different neighbourhood characteristics of the property.

$E$  = The different environmental attributes of the property.

This function is called a hedonic price function. Fixing the level of all the structural characteristics of a property and the neighbourhood characteristics, we are able to focus on the relationship between the property price and the environmental attribute under investigation. By partially differentiating the hedonic price function with respect to E we obtain the implicit price (or implicit price curve) of the environmental attribute. This partial derivative is interpreted as the price paid by the individuals for the last unit of the environmental attribute, purchased by choosing a given property instead of another one with a unit less of the environmental attribute, other things being equal. Estimated implicit prices for different properties refer to different individuals. Every estimated implicit price is only one observation of the true individual demand curve and corresponds to the individual WTP for a marginal unit of environmental good only for that specific level of environmental good purchased. Therefore, the implicit price (curve) cannot be viewed as an inverse demand curve. Hence, it does not represent the maximum marginal WTP of the individual for one more unit of the environmental attribute, unless we assume that all the individuals have the same structure of preferences and the same income. If this assumption does not hold, the various individuals will have different inverse demand curves. Nevertheless the implicit price can be regressed on the observed quantities of the environmental attribute and some socio-economic characteristics of individuals. This “second stage” regression could allow the identification of the inverse individual demand function. The area under the inverse demand curve between two levels of the environmental attribute represents the change in the consumer surplus caused by the change in this attribute. By aggregating all individuals' consumer surpluses we obtain the overall value of the environmental change.

In practice, especially in developing countries, only the first stage of the process is usually carried out, and the results used to obtain only rough values for the impact of the attribute in question. A summary of the main steps followed in undertaking a hedonic property value study is outlined in Figure below.

Table: Step-by-Step Procedure for the Calculation of the Consumer Surplus with the Hedonic Property Value Approach

Steps	←	Assumptions-Notes
Collection of data on prices and houses features	←	Various methods exist to collect these data. For complex studies this data must be complemented with information on the socio-economic characteristics of households investigated
Estimation of the hedonic price function	←	This relates the price of houses to the characteristics explaining the house price.
Calculation of the implicit price of the environmental attribute in question	←	This is the first derivative of the house price function with respect to the environmental attribute
Estimation of the inverse demand curve of the environmental attribute	←	The price paid is explained by the quantity/quality of the environmental attribute but also by the socio-economic characteristics of households
Calculation of the consumer surplus	←	Integration of the implicit demand curve between the former level of environmental quality/quantity and the new one.

Source: Markandya *et al* (forthcoming)

The hedonic wage-risk method is very similar, and is only briefly discussed here. Basically, to estimate the relationship between wages and risks we must control for other variables that influence earnings - as in the hedonic property value approach above - except this time we estimate a hedonic wage function:

$$W = f(Q, X, R)$$

where

- W = Wage rate in each occupation.
- Q = Qualifications of workers.
- X = Job attributes such as unionisation, desirability, etc.
- R = Workplace risk, e.g. risk of death.

The partial derivative of this function with respect to R is the wage premium for accepting, say, an additional risk of death of 1 in 10,000. To estimate a 'value of a statistical life' (VOSL) from this, the wage premium is factored by the additional risk (in this case 10,000). For example, if the 'average' wage premium is \$45 in this case, then the VOSL is given by

$$\uparrow \frac{1}{100,000} \times 100,000 = 1 \Rightarrow \$45 \times 100,000 = \$4,500,000$$

The hedonic technique has several advantages. Firstly, hedonic analysis uses market, i.e. observed, data on property sales or wage rates. The method is versatile and can be adapted to consider several possible interactions between market goods and environmental quality. Moreover, estimated values obtained from one study can be used in other policy areas if the environments have similar demand and supply characteristics. On the negative side, the results of hedonic studies are sensitive to the econometric assumptions adopted. Furthermore, the assumptions necessary to interpret the results as measures of WTP are restrictive and, in many real world settings, unrealistic. From a practical perspective, full hedonic pricing studies require a considerable amount of data, which may be difficult and expensive to collect, such studies tend not to be done quickly.

### 1.3.2 THE TRAVEL COST METHOD

The Travel Cost (TC) method is an example of a technique, which attempts to deduce values from observed (i.e. revealed) behaviour. The TC model and its many variants is the most commonly used indirect approach to valuing site-specific levels of environmental resource provision. Basically, information on visitors' total expenditure to visit a site is used to derive their demand curve for the services provided by the site. Among other things, the TC model assumes that changes in total travel expenditures are equivalent to changes in an admission fee. Given this, the model is used to predict changes in demand in response to changes in 'admission fees', thereby tracing out a demand curve for the site. This demand curve may then be used to measure the total benefits visitors accrue from the site.

There are two main variants of the TC model: (1) the Zonal TC model (ZTCM) and (2) the Individual TC model (ITCM). The ZTCM divides the entire area from which visitors originate into a set of visitor zones and then defines the dependent variable as the visitor or visitation rate (i.e. the number of visits made from a particular zone in a period divided by the population of that zone). The ITCM defines the dependent variable as the number of site visits made by each visitor over a specified period. The basic (zonal) travel cost model defines a trip demand curve for a given recreational site from zone as

$$\frac{V_j}{P_j} = f(TC_j, X_j)$$

$V_j$  = The total number of trips by individuals from zone  $j$  to the recreational site per unit of time,

$f$  = The function that relates travel cost and socio-economic characteristics to visitation rates,

$P_j$  = The population of zone  $j$ ,

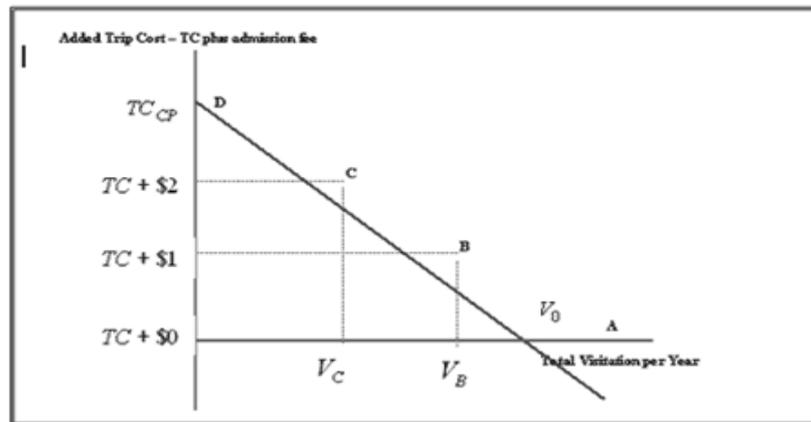
$TC_j$  = The travel cost from zone  $j$  to the recreational site and

$X_j$  = The socio-economic characteristics of the population of zone  $j$ , which include, amongst others, factors such as income levels, spending on other goods, the existence of substitute sites, entrance fees and quality indices of  $n$  substitute sites

The visitor or visitation rate  $V_j/P_j$  is generally calculated as visits per unit of population, usually expressed in thousand persons, in zone.

Based on data obtained from a survey of site users, the above equation is estimated using regression analysis. This leads to the creation of a so-called 'whole experience' demand curve based on visitation rates and not the number of actual visits made. To estimate the consumer surplus accruing from the site, the 'whole experience' demand curve is used to estimate the actual number of visitors and how the numbers would change subject to increases in admissions 'prices' – in essence constructing a classic inverse demand curve.

The base data set, from which the 'whole experience' demand curve is created, defines one point on the inverse demand curve for the study site – that is, the intersection of the present zero price line and the inverse demand curve ( $V_0$ ). In Fig this is given by point A, where admission fees or added trip cost is zero.



**Figure Zonal Travel Cost**

As mentioned above, the remainder of is derived by assuming that visitors will respond to increases in admission fees in the same way they would to equal increases in travel cost. For each incremental increase in admission fees, the expected visitation rate from each travel origin zone is calculated using the above equation. The ‘new’ zone-specific visitation rates are then converted to expected numbers of visitors using data on . These values are summed across all travel origin zones to find the predicted total number of visitors to the site at the added trip cost (i.e. original travel cost plus, say, \$1). For example, a \$1 increase in trip costs may lead to point B in Fig a \$2 increase in trip costs may lead to point C, etc. This process is repeated until the added trip cost is sufficient to result in zero visitors to the site (the so-called choke price given by point D in Fig) – until the entire inverse demand curve ( $V_0$ ) is traced. The area under  $V_0$  provides an estimate of the total consumer surplus enjoyed by present users of the study site.

The basic (individual) travel cost model relates individual's annual visits to the costs of those visits – that is (Markandya et al, forthcoming),

$$V_i = f(TC_i, X_i)$$

where  $V_i$  = The number of visits made in a time period, say a year, by individual  $i$  to the site.  $TC_i$  = Travel cost faced by individual  $i$  to visit the site.  $X_i$  = All other factors determining individual  $i$ 's visits (income, time, and other socio-economic characteristics).

This demand function can be extended to allow for the specification of a number of explanatory variables. These include the individual's estimate of the proportion of the enjoyment of the overall trip imputed to the specific site under investigation, the individual's view of the availability of substitute sites, size of individual's household and whether the individual is a member of an environmental organization, as well as other socio-economic data. Integrating the demand curve between the actual travel cost  $TC_i$  and the choke price gives an estimate of the individual annual consumer surplus (ICS) for individuals.

The total annual consumer surplus for the site is obtained by multiplying the ICS by the number of individuals visiting the site annually. The modelling of individual socio-economic features enables the estimation of consumer surplus for different socio-economic groups of visitors. Alternatively, the average ICS per visit can be calculated and then multiplied by the total annual number of visits to the site to get the total annual consumer surplus of the site.

Like hedonic techniques, the TC method has the advantage that it is based on observed behaviour. Also, TC is a well-tried technique, which is generally accepted, yields plausible results. The individual TC model, the zonal TC model, or similar specifications, have been used to assess changes in site quality, which include the degradation of water quality, changes in fish catches, etc. However, they are more commonly used to value the total benefit of a resource, rather than changes in that resource. The TC method is not without its disadvantages however. To start, in complex situations, especially when changes in environmental quality are being assessed, the data requirements are considerable. Moreover, “a whole host of issues arises in the specification and estimation of the model and subsequent calculation of consumer surplus, all of which have enormous bearing on the final benefit estimates”. These issues include the development of multi-site models, the valuation of travel time and the treatment of non-visitors. As a result, TC studies tend to be conducted as self-standing research studies, with sufficient resources to adequately address these complex issues.

The main application of TC in developing countries is to value tourist’s WTP for national parks. For example, in Zimbabwe, a TC study of tourists found that they derived a benefit (consumer surplus) of about US\$ 275 per person per trip to national parks. In Costa Rica, a TC valued trips to parks and reserves at US\$ 1,150 per person.

**RANDOM UTILITY MODELS**

Random utility models (RUMs) are econometric models that, among other uses, permit the estimation of preferences among different recreational areas with varying characteristics. The RUM, with its ability to assess competing multiple sites with varying recreational characteristics, holds considerable appeal for economists. Consider three beaches with characteristics that vary based on location, water quality, landscape features, access, existence of lavatories, and other services. These characteristics can be transformed into discrete and continuous variables used to assess consumer preference by examining location preference and the total cost of trips taken (Table 4). Based on the data collected through surveys of various sites, the RUM estimates the probability that an individual will visit one site out of several sites based on site characteristics. Varying the quality of those characteristics (e.g., water quality, landscape features) permits the analyst to assess how recreational travelers value changes in environmental quality at particular sites. A RUM is not specific to surrogate market techniques. Rather, a RUM is an estimation procedure that can be combined with surrogate and non-market techniques used in valuing, for example, recreational areas and wetland area restoration. Travel cost studies often use RUMs; however, they may also be applied in stated preference studies that use choice experiments.

Table . Expenditures per Trip and Number of Trips Taken (Adapted from Lipton 1995)

Individual	Travel Costs / Number of Trips	Site I	Site II	Site III
1	Travel Costs	\$20	\$40	\$50
	Number of Trips	4	3	2
2	Travel Costs	\$52	\$26	\$15
	Number of Trips	1	4	2
3	Travel Costs	\$30	\$30	\$45
	Number of Trips	3	6	1

**1.3.3 CONTINGENT VALUATION METHOD (CVM)**

This method uses interview techniques to ask individuals to place values on environmental goods and services. The most common approach in the CVM is to ask individuals the maximum amount of money they are willing to pay (WTP) to use or preserve a good or service. Alternatively the respondents could be asked the maximum amount of money they are willing to accept in compensation (WTA) to forgo the given environmental good or service. The basic notion underpinning CV is that a realistic, yet hypothetical market for buying or selling use and/or preservation of an environmental good/service can be described in detail to an individual. Individuals are then asked to participate in this hypothetical market, by responding to a series of questions.

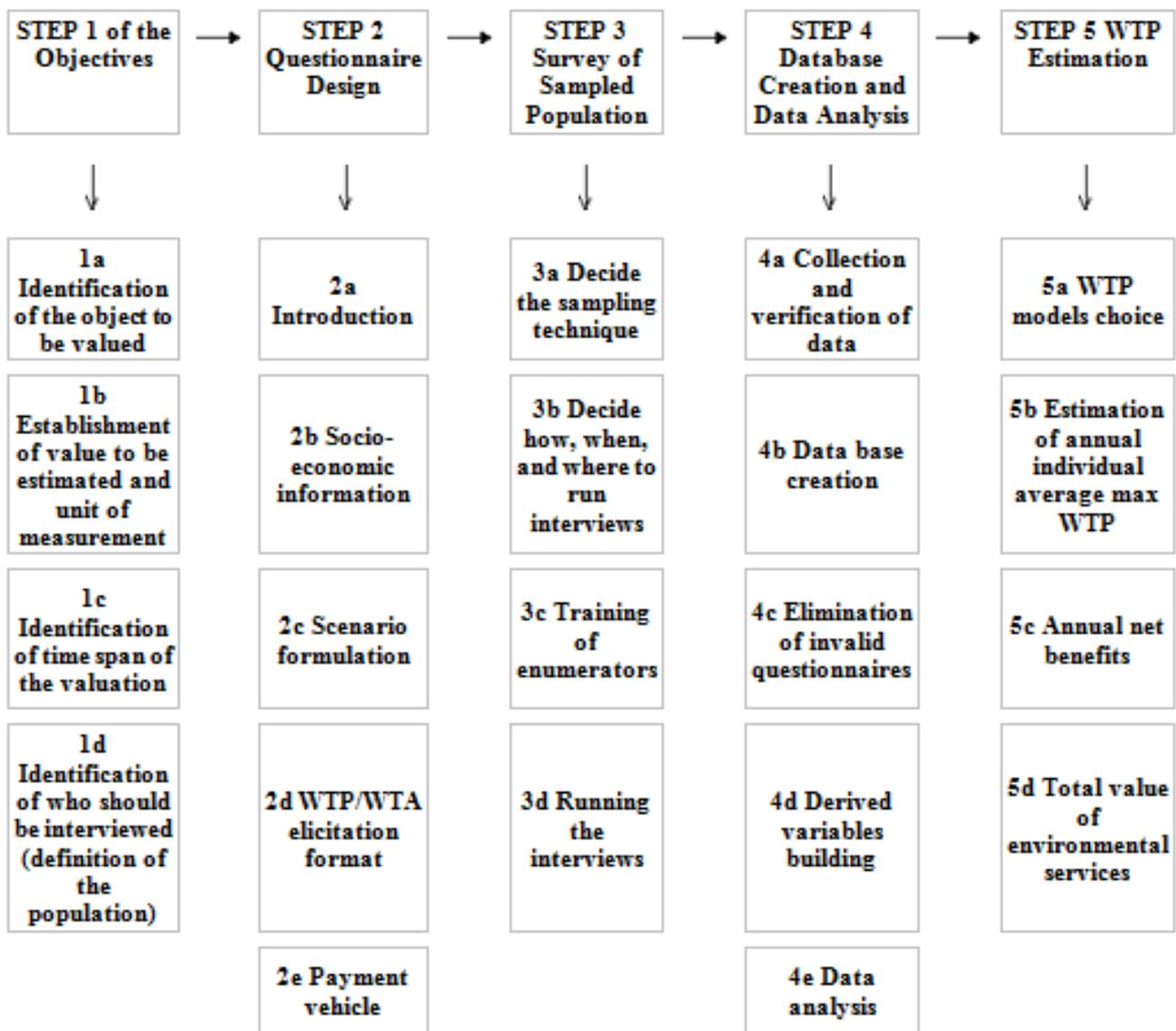
**THE MAIN FEATURES OF THE HYPOTHETICAL MARKET INCLUDE**

- A detailed description of the good/service being valued. The situation before and after any proposed change in environmental quality and subsequent provision of the good/service should be clearly stated. In addition, it is vital that the respondents perceive the correct good/service.
- A detailed description of the “payment vehicle”, i.e. the means by which the respondent would pay for the change in provision of the good/service. The payment vehicle should be appropriate to the good/service and the hypothetical market. Moreover, it should be realistic and emotionally neutral.
- The procedure to elicit the respondent’s valuation. The actual valuation can be obtained in a number of ways, for example, asking the respondent to name an amount, having them choose from a number of options. The

respondent could also be asked whether they would pay a specific amount. In the case of the latter, follow-up questions with higher and lower amounts are often used. Statistical analysis of the responses is then undertaken to estimate the average WTP in this hypothetical market.

A general approach to follow when running a CV study is outlined in figure. The nature of CV means that, in principle, it can be used to value any change in environmental quality. Furthermore, CV can be used to accurately elicit values about very specific changes in the provision of goods/services, since it does not rely on observed data. Of course, this requires that the hypothetical market and elicitation questions be appropriately worded. An additional plus for CV is that, in contrast to the other valuation techniques described above, which only provide a partial estimate of the value of a good/service, CV can provide a measure of the TEV of a change in environmental quality. CV methods have nonetheless been the subject of much criticism, mainly relating to their reliance on hypothetical markets (.In short, some economists argue that asking individuals hypothetical questions only provides you with hypothetical answers, which cannot be meaningfully used to value environmental quality changes. Following controversy of the use of CV to value damages from the 1989 Exxon Valdez oil spill, the US Department of Interior and the National Oceanic and Atmospheric Administration organized a “Blue Ribbon” panel to assess the validity of using CV to value environmental damage. The panel concluded that that CV could provide useful and reliable information for this type of assessment, as long as certain guidelines are followed. In general, the profession as a whole has also given CV qualified acceptance.

In addition to the above conceptual concerns over the validity of CV based benefits estimates, survey-based research is expensive and time-consuming, valid benefit estimates require properly designed sampling and enumeration procedures. The key steps in conducting Contingent Valuation are as shown.



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## ACTIVITY 2

1. Discuss the concept of environmental values.
2. Explain various methods of environment valuation with special reference to direct and indirect methods.
3. Write short notes on the following:
  - use values
  - non use values
  - optional values
  - The travel cost method

## 1.4 CONCLUSION

The objective of environmental valuation techniques is to reveal individuals' preferences by making use of a real or hypothetical environmental market. Some valuation techniques are direct and question individuals using surveys. These methods include the Contingent Valuation Method or the use of auctions. Other techniques are more indirect, that is they use other preference revelation methods, for instance the price of goods in a market that has links to environmental amenities. An example of this is the Travel Cost Method which uses the amount people are willing to pay, transport wise, to have access to a heritage site or a natural reserve. Similarly method of hedonic prices has been discussed as based on consumer theory, which postulates that every good provides a bundle of characteristics or attributes.

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**AN EMPIRICAL STUDY ON RECENT TRENDS OF TALENT ACQUISITION  
PRACTICES IN IT SECTOR OF INDIA**

**Dr. Harshita Shrimali**

Professor, Faculty of Management Studies, Pacific University, Udaipur

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**ABSTRACT**

*As the economy witnesses the first fragile green shoots, the IT sector is in a scramble to ensure it has the right people in the right places to facilitate effective recovery and return to growth. Identifying key people and attracting them, as well as retaining the top talent already in organizations, is now at the top of the agenda in many boardrooms. HR managers can manage expectations right from the recruitment stage itself. Problems often result from mismatched expectations created at this early point in an individual's relationship with the company.*

*The objective of the research is to study acquisition trends in IT Sector. Top 30 IT companies were selected and from them around 100 HR managers had filled questionnaire and interview. Besides primary data, secondary data were collected from books and magazines. Hypothesis was tested using chi square analysis*

*Factors like improve organizational outcomes, business performance, Supported by senior management and Career development were analysed as approach for talent acquisition. By implementing an effective talent management strategy, including integrated data, processes, and analytics, organizations can help ensure that the right people are in the right place at the right time, as well as organizational readiness for the future.*

*Keywords: Talent, Organizational Outcomes, Career Development And Business Performance*

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**INTRODUCTION**

IT sector being the hot sector is known to generate highest number of opportunities for the talented youth. Recruiting and retaining the right people in what is a tough talent market is a surprising key hurdle at this crucial time. Companies realize that if they can attract and hire top talent, they will have a competitive advantage. In essence, companies are competing on the basis of their intellectual capital. Their ability to acquire top employees is critical due to the "war for talent," in which organizations are always looking to lure the "best and the brightest."

As the economy witnesses the first fragile green shoots, the IT sector is in a scramble to ensure it has the right people in the right places to facilitate effective recovery and return to growth. Identifying key people and attracting them, as well as retaining the top talent already in organizations, is now at the top of the agenda in many boardrooms. HR managers can manage expectations right from the recruitment stage itself. Problems often result from mismatched expectations created at this early point in an individual's relationship with the company. Recruitment managers may, therefore, play the role of a good film director - explaining to the actors what the film is all about, and what is expected of them. Clear communication with regards to technological and on-site opportunities, company's position on the value chain, company's future plans, ESOPs etc. will help manage expectations to a large extent. HR managers are the facilitators of various HR policies that meet the organizational strategy. As recruitment specialists, they can contribute significantly to the career management of software professionals. They can induct 'right' people in the company - whose career aspirations are in tune with the companies' work and reward systems. They can identify people whose need for utilization of knowledge, skills, and abilities' are in tune with the kind of job-assignments they are being recruited for. Moreover, they can identify the income, advancement and growth needs of prospective candidates and attempt to select those with high fit with the compensation and reward system of the company. In a pressure to recruit a large number of people (that the company requires), they need not make 'false promises' or paint a 'rosy picture' that may later result in employees' dissatisfaction.

**REVIEW OF LITERATURE**

According to Kenz et al, 2004, Talent management refers to a continuous process of external recruitment and selection and internal development and retention. A conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture.

In the broadest possible terms, Talent management is the strategic management of the flow of talent through an organization. Its purpose is to assure that supply of talent is available to align the right people with the right jobs at the right time based on strategic business objectives. (Duttagupta, 2005)

Talent management encompasses six human resource services: staffing, leadership development, succession planning, performance management, training and education, retention (Fitz-enz, 2005).

Talent management is encompassing all HR processes, administration and technologies. It commonly refers to the sourcing (finding talent), screening (sorting of qualified and unqualified applicants), selection (assessment/testing, interviewing, reference/background checking, etc., of applicants), on-boarding (offer generation/acceptance, badging/security, payroll, facilities, etc.), retention (measures to keep the talent that contributes to the success of the organization), development (training, growth assignments, etc.), deployment (optimal assignment of staff to projects, lateral opportunities, promotions, etc.) and renewal of the workforce with analysis and planning as the adhesive, overarching ingredient. In other words, talent management is what occurs at the nexus of the hiring, development and workforce management processes and can be described alternatively as talent optimization (Schweyer, 2004).

TM is best seen not as a set of topics, but as a perspective or a mindset. A TM perspective presumes talented individuals play a central role in the success of the firm. All corporate issues are seen from the perspective of 'how will this affect our critical talent?' and 'what role does talent play in this issue?' (Creelman, 2004)

TM is the systematic attraction, identification, development, engagement, retention and deployment of those individuals with high potential and who are of particular value to an organization. (Tansley, *et al.*, 2006)

## OBJECTIVE-TO STUDY THE TALENT ACQUISITION PRACTICES IN IT SECTOR

### RESEARCH METHODOLOGY

The entire study will be focused on IT firms of India.

To collect Primary Data, structured or semi-structured questionnaire was designed to collected data from HR managers as well as employees of IT firms.

Mainly Top 30 IT companies were selected and from them around 100 HR managers had filled questionnaire and interview .Besides primary data, secondary data were collected form books, magazines.

Analysis of collected data is done using appropriate software and statistical tools like tabulation, charting, percentage, averages and statistical tests etc. as will be appropriates for the collected data.

The following Hypothesis was tested

#### H01: There are high performance talent acquisition systems

Talent acquisition practices are critical links in an organization's talent supply chain. Some companies are using increasingly sophisticated approaches to workforce planning and talent acquisition as part of their strategic business planning process. Talent acquisition initiatives focus on meeting both the short- and long-term workforce needs. These areas are often the most visible services that HR provides, yet many HR organizations struggle with developing an effective approach that meets business needs. Some companies are investing heavily in building talent acquisition capability, but most organizations approach these areas in limited ways — focusing primarily on meeting the talent needs of today, with very little emphasis on tomorrow. While most organizations have foundational recruiting programs and processes in place, workforce planning and talent acquisition processes are often not integrated and technology is underutilized. Despite these challenges, most organizations report being able to attract the talent they need.

**Table 1: Distribution of Talent Acquisition Practices**

Statements	Strongly agree N (%)	Agree N (%)	Neutral N (%)	Disagree N (%)	Strongly disagree N (%)	Chi-Square	df	P value
To improve business results	62(62.0)	12(12.0)	10(10.0)	12(12.0)	4(4.0)	112.4	4	0.00**
Anticipated changes in skills of future managers	35(35.0)	34(34.0)	12(12.0)	5(5.0)	14(14.0)	37.3	4	0.00**
Company Growth	26(26.0)	34(34.0)	23(23.0)	8(8.0)	9(9.0)	25.3	4	0.00**

Sustain the organization due to retirement of current managers	37(37.0)	23(23.0)	18(18.0)	19(19.0)	3(3.0)	29.6	4	0.00**
Merger/acquisition	34(34.0)	13(13.0)	23(23.0)	15(15.0)	15(15.2)	15.2	4	0.00**
Change in the management structure	27(27.0)	25(25.0)	29(29.0)	18(18.0)	1(1.0)	26.0	4	0.00**

\*\*\*p<0.01

Table 5.1 represents the detailed distribution of talent acquisition practices are used in IT companies. It was further noted that:

Respondent showed significant difference ( $\chi^2=112$ ,  $p<0.01$ ) on to improve business results at 0.01 level of significance. Respondent gave maximum responses as strongly agree (62.0%), agree (12%), disagree (12.0%), neutral (10.0%), and minimum responses on strongly disagree (4.0%).

Respondent showed significant difference ( $\chi^2=37.3$ ,  $p<0.01$ ) on anticipated changes in skills of future managers at 0.01 level of significance. Respondent gave maximum responses as strongly agree (35.0%), agree (34.0%), disagree (12.0%), strongly disagree (14.0%) and minimum responses on neutral (10.0%).

Respondent showed significant difference ( $\chi^2=25.3$ ,  $p<0.01$ ) on company growth at 0.01 level of significance. Respondent gave responses as agree (26.0%), strongly agree (34.0%), neutral (23.0%), disagree (8.0%) and strongly disagree (9.0%).

Respondent showed significant difference ( $\chi^2=29.6$ ,  $p<0.01$ ) on sustain the organization due to retirement of current managers at 0.01 level of significance. Respondent gave responses as strongly agree (37.0%), agree (23.0%), neutral (18.0%), strongly disagree (19.0%) and disagree (3.0%).

Respondent showed significant difference ( $\chi^2=15.2$ ,  $p<0.01$ ) on Merger/acquisition at 0.01 level of significance. Respondent gave responses as strongly agree (34.0%), neutral (23.0%), agree (13.0%), disagree (15.0%) and strongly disagree (15.0%).

Respondent showed significant difference ( $\chi^2=26.0$ ,  $p<0.01$ ) on Change in the management structure at 0.01 level of significance. Respondent gave responses as strongly agree (27.0%), agree (25.0%), neutral (29.0%), disagree (18.0%) and strongly disagree (1.0%). Proportion of all factors of talent acquisition practices are used in IT companies is shown in Figure 5.1.

Figure 1: Proportion of Factors of Talent Acquisition Practices are used in Company

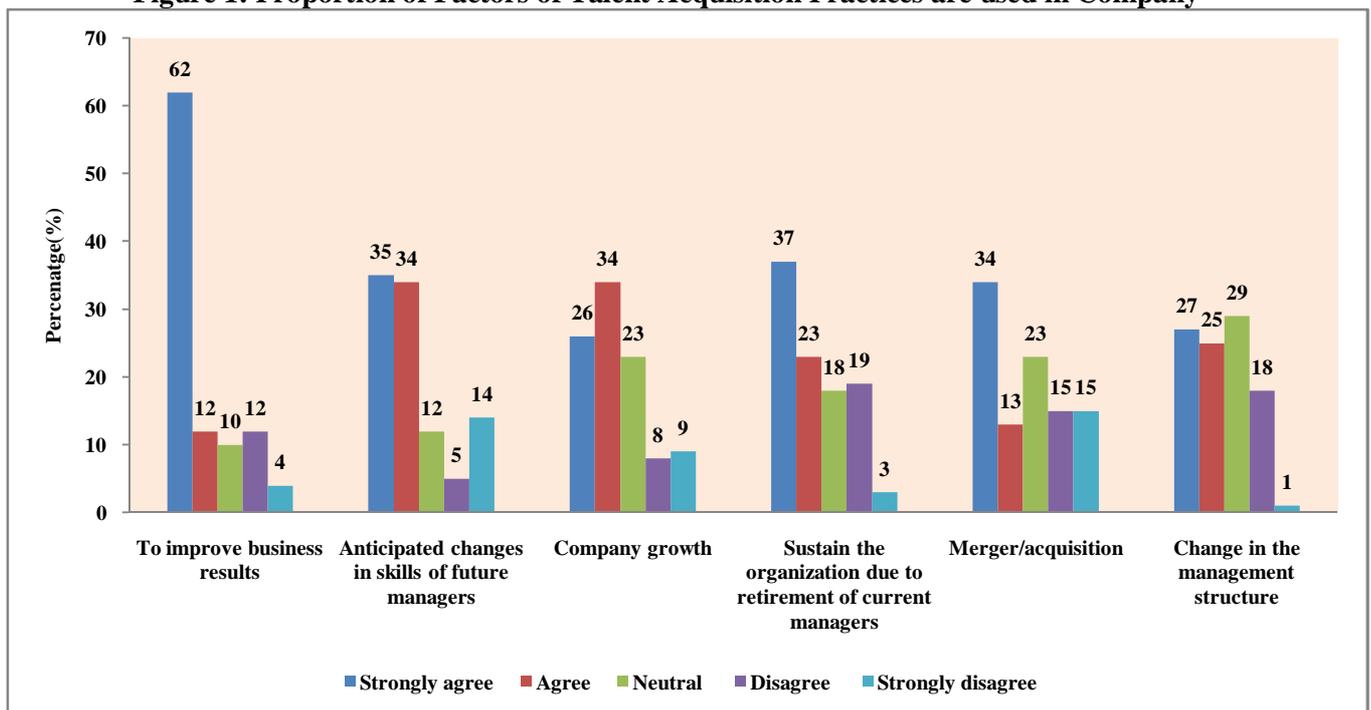


Table 2: Distribution of Approach of Talent Acquisition Practices

Statements	Strongly Agree N (%)	Agree N (%)	Neutral N (%)	Disagree N (%)	Strongly Disagree N (%)	Chi-Square	df	p value
Linked to strategy	45(45.0)	23(23.0)	14(14.0)	13(13.0)	5(5.0)	47.2	4	0.00**
Used to improve organizational outcomes/ business performance	32(32.0)	32(32.0)	9(9.0)	12(12.0)	15(15.0)	24.9	4	0.00**
Supported by senior management	32(32.0)	25(25.0)	13(13.0)	17(17.0)	13(13.0)	13.8	4	0.01*
To fill future jobs	49(49.0)	14(14.0)	12(12.0)	13(13.0)	12(12.0)	52.7	4	0.00**
Career development	28(28.0)	34(34.0)	12(12.0)	22(22.0)	4(4.0)	29.2	4	0.00**
To fill existing jobs	42(42.0)	12(12.0)	13(13.0)	17(17.0)	16(16.0)	31.1	4	0.00**
Involve line managers	39(39.0)	20(20.0)	12(12.0)	14(14.0)	15(15.0)	24.3	4	0.00**

\*\*p<0.01 and \*p<0.05

Table 5.2 represents the detailed distribution of approach of talent acquisition practices in your company. It was seen that all approach of talent acquisition practices in your company showed significant difference at 0.01 level of significance. Respondent showed significant difference ( $\chi^2=47.2$ ,  $p<0.01$ ) on linked to strategy at 0.01 level of significance. Respondent gave maximum responses as strongly agree (45.0%), agree (23.0%), neutral (14.0%), disagree (13.0%), and minimum responses on strongly disagree (5.0%).

Respondent showed significant difference ( $\chi^2=24.9$ ,  $p<0.01$ ) on used to improve organizational outcomes/ business performance at 0.01 level of significance. Respondent gave maximum responses as strongly agree (32.0%), agree (32.0%), disagree (12.0%), strongly disagree (15.0%) and minimum responses on neutral (9.0%).

Respondent showed significant difference ( $\chi^2=13.8$ ,  $p<0.01$ ) on to Supported by senior management at 0.01 level of significance. Respondent gave responses as strongly agree (32.0%), agree (25.0%), neutral (13.0%), disagree (17.0%) and strongly disagree (13.0%).

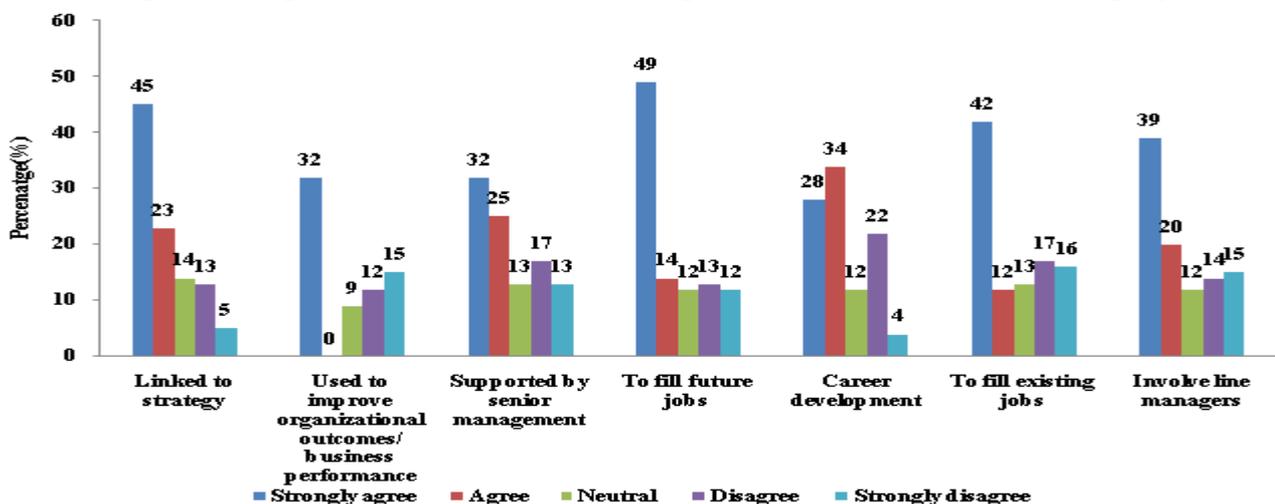
Respondent showed significant difference ( $\chi^2=52.7$ ,  $p<0.01$ ) on to fill future jobs 0.01 level of significance. Respondent gave responses as strongly agree (49.0%), agree (14.0%), neutral (12.0%), disagree (13.0%) and strongly disagree (12.0%).

Respondent showed significant difference ( $\chi^2=29.2$ ,  $p<0.01$ ) on career development at 0.01 level of significance. Respondent gave responses as strongly agree (28.0%), agree (34.0%), neutral (12.0%), strongly disagree (22.0%) and disagree (4.0%).

Respondent showed significant difference ( $\chi^2=31.1$ ,  $p<0.01$ ) on to fill existing jobs at 0.01 level of significance. Respondent gave responses as strongly agree (42.0%), agree (12.0%), neutral (13.0%), disagree (17.0%) and strongly disagree (16.0%).

Respondent showed significant difference ( $\chi^2=24.3$ ,  $p<0.01$ ) on involve line managers at 0.01 level of significance. Respondent gave responses as strongly agree (39.0%, agree (20.0%), neutral (12.0%), disagree (14.0%) and strongly disagree (15.0%). Proportion of all factors of talent acquisition practices are used in company is shown in Figure 5.2.

Figure 2: Proportion of Factors of Talent Acquisition Practices are used in company



From Table 5.1 and Table 5.2, it was cleared that Hypothesis H01 that there are high performance talent acquisition systems is accepted.

## CONCLUSION

Researchers have an opportunity to bring clarity and thought leadership to a popular topic that lacks coherence and rigor. TM as it is used is a term without value. By grounding TM in a strategic decision framework that clearly guides talent decisions, developing systems-level models that illustrate the multi-pool impacts of talent choices, and developing reliable, validity, and theoretically meaningful measures researchers can markedly improve the quality of talent conversations in organizations.

As organizations continue to pursue high performance and improved results through TM practices, they are taking a holistic approach to talent management—from attracting and selecting wisely, to retaining and developing leaders, to placing employees in positions of greatest impact.

The mandate is clear: for organizations to succeed in today's rapidly changing and increasingly competitive marketplace, intense focus must be applied to aligning human capital with corporate strategy and objectives.

It starts with recruiting and retaining talented people and continues by sustaining the knowledge and competencies across the entire workforce. With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for organizations. Organizations should determine the talents and potentials, draw the route to maximize the value that these talents can provide by planning the development of these talents, and constitute attraction centers in synchronization with these development plans. Talent management is not only to select the appropriate talent, but to manage existing talent effectively and efficiently, with high motivation, commitment, and maximizing performance of added value.

The real challenge would be how we are able to incorporate all the sub systems & help them in achieving the ultimate goal-exceptional performance. In a high performance driven industry like IT, this becomes all the more important. People have to be groomed to get in tune with the performance culture. Creating an environment that stimulates the creation of knowledge, its sustenance & its dissipation throughout the organization will be the challenge for organizations.

Meeting this organizational supply and demand requires the right "Talent DNA" and supporting technology solutions. By implementing an effective talent management strategy, including integrated data, processes, and analytics, organizations can help ensure that the right people are in the right place at the right time, as well as organizational readiness for the future.

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## DIGITAL MARKETING: A SUCCESS MANTRA FOR 21<sup>ST</sup> CENTURY MARKETERS

Ekta Bansal and Mamta

Assistant Professor, Janki Devi Memorial College, University of Delhi, Delhi

### ABSTRACT

As 'change' is the rule of nature for all living and non-living beings, same way marketing and its tools are always undergoing through same phenomena. The market's needs and consumer's behavior are totally changed in today's times totally attributed to the evolving nature of the technology and tools. Evolution in technology always puts pressure to bring new amendments especially for the marketers if they really want to survive in this 21<sup>st</sup> century's severe competition. The rapidly emerging digital marketing techniques are challenging the marketers to redesign and reconstruct their marketing knowledge in consistent with the needs of consumers and the business. This article describes the need for a fundamental change in the strategies and outlook of marketers towards market and its emerging needs which are being answered in the form of digital marketing. So now market is a digital battle which means being at the right place, in front of right people, at right time is all that really matters.

*Keywords:* Digital marketing, content marketing, e-mail marketing, search engine marketing, mobile marketing and social media marketing.

### INTRODUCTION

The evolution of digital media has created more opportunities and avenues for marketers to work innovatively on various dimensions like product, advertising, public relations and of course on gathering consumer attention. The term 'Digital Marketing' means when marketing is executed with the help of internet and electronic devices. Digital marketing has number of pillars and the most important one's are: - Search Engine Marketing (SEM), Content marketing, e-Mail marketing, social media marketing, mobile marketing and banner advertising. Now let's look into the details of these major pillars of digital marketing:

### SEARCH ENGINE MARKETING (SEM)

The process of gaining traffic and presence from search engines is known as Search engine marketing. It includes both paid and nonpaid efforts. This type of marketing encompasses SEO and SEM where in SEO stands for Search Engine Optimization. In this, traffic is earned through unpaid or free listings and SEM on the other hand stands for Search Engine Marketing in which traffic is earned through paid search listings. Under this marketers are advised to spend money on PPC i.e. 'pay per click' platforms and they are great because they can bring customers fast. So it must be included in the monthly budget of the marketers. Google Ad words and Bing ads are good example for pay per click advertising for the marketers.



### CONTENT MARKETING

Content under digital marketing is one of the very important aspects for the businesses in their right demonstration with right content flooded over to the end customers for making the right brand identity. As per to the statistics made by Kapost.com:

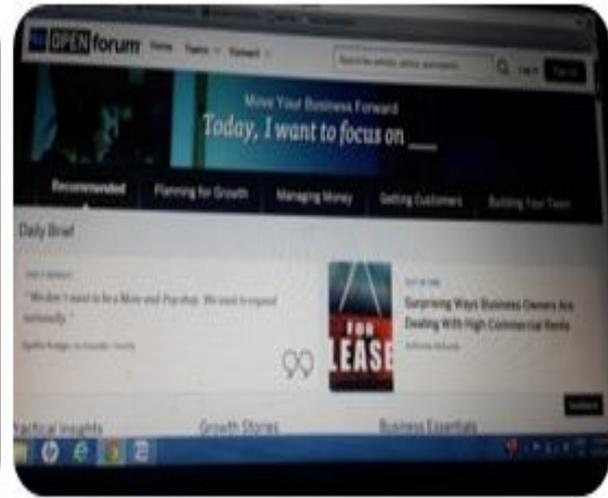
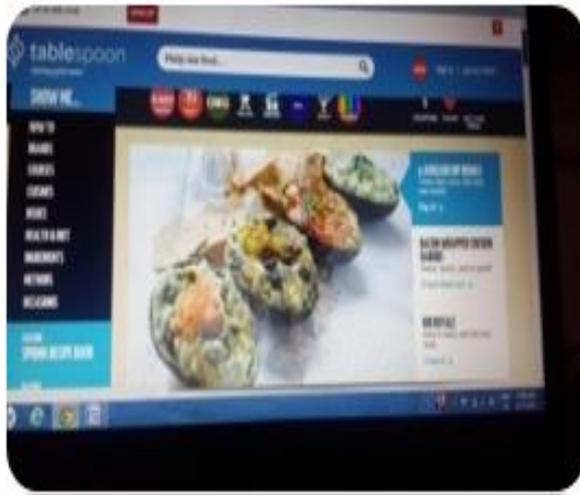
- 82 % of B2C marketers and 95 % of B2B enterprise marketers use content marketing.
- 78 % of CMOs believe that custom content is the future of marketing industry.

- Only 12 % of companies ignore the value of content in their marketing efforts.

For using content as one of the effective element under digital marketing marketers must work on the following points:

- Content originality and its matter must be of worth value in the eyes of end watcher so whether it is text, images, videos or audio marketers need good and original content for the website.
- Pool of content is required for making regular revision and updating the content matter.
- Promotion matters too along with publishing good content.

Some good examples of content marketing are: American express open forum and general mills table spoon and many more are in this list.



## MOBILE MARKETING

Mobile marketing covers a range of mobile devices including, smart phones and dumb phones, but also tablet devices like the iPad, Samsung tablets, Videocon tablets, and many more in the same series. Apart from marketing to the mobile web, mobile applications, SMS marketing and proximity marketing are key mobile marketing approaches.

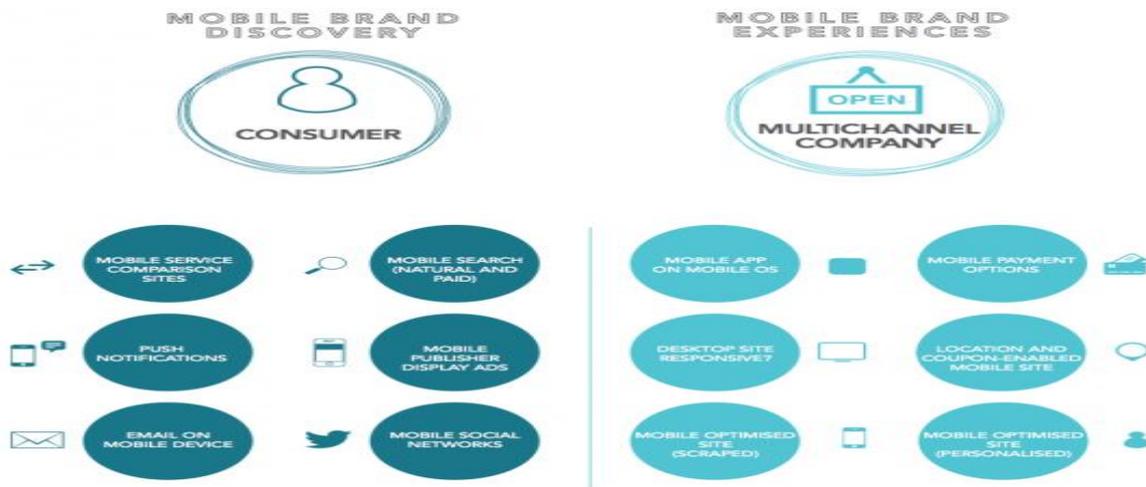
Due to the transition in technological world, the ways of connecting are also in transition phase. We are living in the magnetic world of gadgets which are now the normal part of every one's life and most of the people are using their mobile devices to shop online and research. These trends of mobile phones are providing opportunities for the marketers who really want to hit the market for increased sales and brand recognition. The impact on sales through mobile phone is phenomenal. An estimated 87% of people shop using their cell phones.

### For getting success create Mobile website for your audience

Companies must ensure that mere providing mobile website is not sufficient if that is not good one for the consumers. Every company if they require that customers should give them a chance then they must work on the simplicity of website along with proper product demonstration and the necessary details. By doing this maximum companies can engage their end potential customers because massive time of the potential audiences is spent on mobile devices than to any other instrument now a days.

Consumers behave differently on tablets and Smartphone's, which have differing functionalities and capabilities. Marketers require analyzing behavior and experiences across the whole purchase funnel to understand the best move for web or application design. So, that means marketers must take a multi-faceted approach to responsive design.

From the diagram illustrated below the main customer touch points can be reviewed for a mobile marketing strategy and we can also term it as mobile marketing success factors which marketers can analyzed in detail before developing strategy for mobile marketing.



**E-MAIL MARKETING**

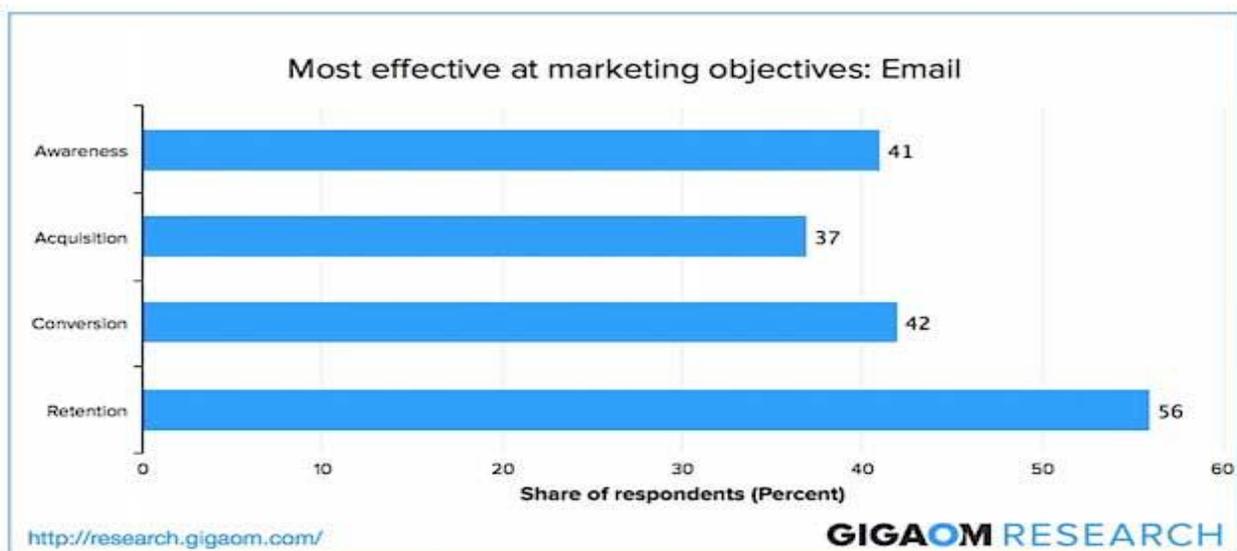
From all the marketing techniques used under digital marketing e-mail marketing is far more effective than social media and others in attracting customers to the online businesses. Email is effective because it is permission-based. Email marketing is a form of direct marketing that uses electronic mail as a means of communicating commercial or fundraising messages to an audience. In other words we can say Sending emails with the purpose of acquiring new customers or convincing current customers to purchase something immediately. Email marketing is a vital component in many industries, especially for those for whom customer-firm relationships are important.

E-mail marketing involves database marketing in which segmentation for customer data and delivering personalized, targeted messages at the right time are primarily focused. For e-mail marketing marketers are advised to create emails in both HTML and text-based code so in case email providers that have strict image settings can also receive a reader-friendly email.

One very important aspect under e-mail marketing is timing of emails when they are received by the end audiences. Whenever timing for emails are going to be decided marketers must ensure that the best timings are used as per to the convenience and schedules of the audiences so that they must not feel annoyed and disturbed from their normal work routine.

Lastly but not the least format of the email must be given due consideration under e-mail marketing. Due to the evolution of Smartphone and tablet majority of audiences use these sources to view their emails than to traditional desktop devices. So, the formatting of the text and message must be done accordingly if a marketer requires a successful e-mail marketing strategy.

Digital marketers consider that email is the most effective digital tactic for building awareness (41% of respondents), boosting acquisition (37%), and increasing conversion (42%), the survey of 300 US-based digital marketers found.



## SOCIAL MEDIA MARKETING

The term Social media is commonly attributed to Internet and mobile-based channels and tools, allow users to interact with each other and share opinions and content. As the name depicts, social media involves the creating communities or networks and encouraging participation and engagement. This definition emphasizes that use different of digital media channels are required to encourage our prospects and customers to interact to form communities. Social media is a volatile and critical marketing element that every business must integrate it into their

## DIGITAL MARKETING STRATEGY

Social media marketing for business has taken hold in the digital marketing world and defined how marketers must interact with market and to customers. Social media marketing in basic form means the various relationships and their interconnected role with each other. It gives a personality to the business, which is not known to the market and audiences and above all it allows marketers to connect and reconnect in building more valuable and strong relationships with their audiences.

The art of customer engagement is the strongest strength under social media marketing and just because of this reason popularity of social media is highest among rest of the channels under digital marketing. With the use of social media marketing the businesses can get help in the areas like creating awareness, engagement marketing, community marketing, testing new products and services and lead generation.

At the end we can say that social media marketing is the best way to promote any business and service if they want a quick recognition in the market. Examples like flipkart, Amazon, Nike, Qatar airways, Dove soap, Oreo, and starbucks are some of the successful example of social media marketing identified in the survey report of 2014 conducted by social media examiner.



## TIPS FOR DIGITAL MARKETING

If success is really needed in today's 21<sup>st</sup> century competing world each marketer must be ready to fight for and engaging customers regularly. Technology and various platforms which are available to the marketers through digital marketing platform made it easy for getting opportunities for customer engagement. Today, brands need to be hyper-focused on delivering experiences rather than delivering messages. So, here are some tips which marketers can use while making digital marketing strategy for their businesses:

- First tip for the digital marketers are that they must focus on *right target and audience* and spend time on building strategies specifically focusing on their needs and preferences.
- Next *pay attention to the increasing traffics on the website*; by this the marketers can convert their visitors into potential customers.
- Another important point for digital marketers is to identify the *clear goals and messages for their businesses*. By doing this they can segregate their business from hub of businesses and can create their own unique brand image in the market. So, it must be clear whether the business is a commercial one or non-profit concern.
- Whenever digital marketing channels are to be used *easy accessibility option* must be given first priority for the customers. Every one now days are having smart phones for that mobile friendly website without any kind of inconvenience must be provided by the businesses for greater customer evolvment.
- At the end marketers must try to *connect and coordinate* with great platforms, valuable information, presentation and style to connect with their end audiences.

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## **CONCLUSION**

New wave and technology in the field of marketing has totally changed the basic meaning of marketing for the marketers of 21<sup>st</sup> century and various channels in the forms of digital marketing is in front of them for getting success. By using this new segment of marketing transformation better accessibility and customer engagement can be done and successful marketing strategies can be initiated by the marketers. Due to the technological innovation especially in the field of digital and internet marketing are generating new opportunities and challenges for the better marketing world. At the end we can say the future of digital marketing is very bright than to the old traditional marketing tools and channels reason being the change in demand patterns, technology, internet accessibility, invention of Smartphone and devices, and rapid change in the constituents business environment all are forcing to adopt the change in the form of developing successful digital marketing strategy for creating a better and innovative marketing world.

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## KNOWLEDGE DEVELOPMENT PROCESS: SOME MODELS

Supriya Mallik

Research Scholar, Department of Library & Information Science, Vidyasagar University, Midnapore

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### ABSTRACT

*The paper discusses the characteristics and general model of information, knowledge transfer in virtual learning environments, difference between traditional and virtual learning environments, emergence of digital intelligence for better teaching and learning strategies, virtual learning environments in details with model representation and cognitive load model representation through User Relevance Feedback.*

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### 1 INTRODUCTION

In the modern society, information has already become one of the most important strategic resources that the society depends on for existence and development. The information sharing has already become the common aspiration of the whole society. With the development of modern communication technology and the network technology of the computer, the information sharing will enter a newer development stage, and the dream of the information sharing is being turned into reality. Information is a concept which people use extensively in modern society. The initial meaning of "information" is the news in Chinese. With the development of science and technology, information has acquired its new interpretation. In different research fields, the explanation of information is different, and at present there is no unified definition. "Information" stems from the Latin word of "Information", and the original meaning is explanation and statement. With the constant enhancement of the position and function of information, and with the constant intensification of people's understanding of information, the meaning of information is being constantly developed, too.

- **Information has share-ability**

Signal, situation, order, data, information, file etc. that people usually say belong to the category of information, and they reflect the characteristics and changes of objective things.

- **Information has transitivity**

Information is a foundation of forming the things' connection. The information that people acquire directly through the sense organ is extremely limited; a large amount of information needs the help of transmitting tools. Information must behave and be transmitted by information carriers of symbols, characters, datum, language, picture, voice etc. that people may discern.

- **Information has utility**

This is concerned with its specific recipient. The same information, for some person having it, it is the information; for others who do not care about it, there is no function and influence, and so it is not the information.

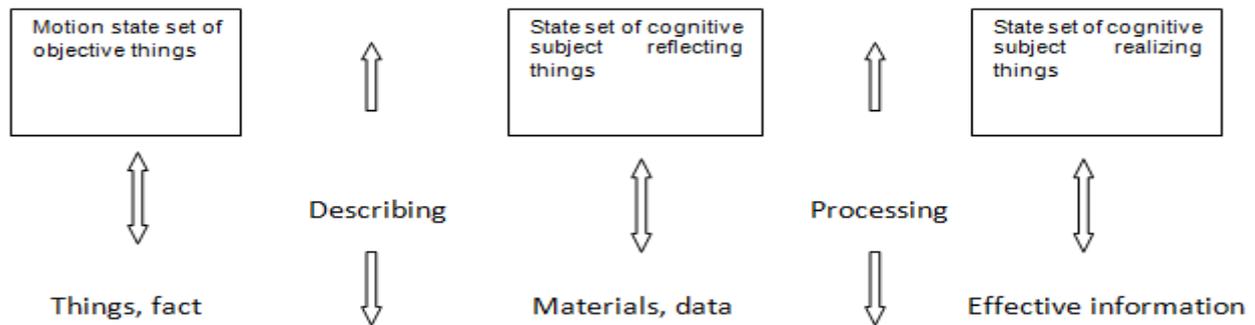
- **Information forms knowledge**

The so-called knowledge reflects the mark that is left after the information of different things enters people's brain and affects the nerve cells.

*Beside these information has convertibility of carrier, ubiquitousness, infiniteness and so on.*

Knowledge can be divided into two kinds: One is statement knowledge, which is made up of facts and which can exchange with language, adopt the abstract theme and psychological representation form; the other kind is process knowledge composed of skills. Cognitive subject knows things, distinguishes things and changes the world through acquiring information.

In terms of information dissemination and utilization, information actually reflects different things' characteristics and their sport change state in the objective world; it represents the connections and reciprocity of objective things; it is reproduced after people's cognition of objective things<sup>2</sup>. A general comprehension model of information is shown below:



**Figure 1: A General Comprehension Model of Information**

In Figure 1, objective things motion state set is an infinite set of changeable objective things motion state and practice as well as cognition activities of mankind, of state in the world; it is the objective things and facts, such as the celestial bodies' movement, biological evolution, cell breed, people's cognizing activity of the rule to various kinds of thing of objective world, the activities in production of enterprises, the customer's purchasing activity, the seller's marketing activity, etc.

## 2. KNOWLEDGE TRANSFER

Virtual environments offer challenges and opportunities for innovative teaching and enhancement of student learning. Critical to this process are strategies to foster transfer of knowledge generation dispositions from teacher to learner. Implicit in this process is the facility for transitioning new knowledge to internalized knowledge for learners so they may address specific problems they encounter, which is often the ultimate goal of organized educational programs. In this facilitated learning paradigm, gradual release of responsibility for the learning shifts over time from the teacher or facilitator to the learner. During this process, the learner ultimately develops strategic control of the knowledge as may be evidenced through social interaction within the virtual environments.

## 3. TRADITIONAL LEARNING ENVIRONMENTS VS. VIRTUAL LEARNING ENVIRONMENTS

In traditional classrooms and educational activities, the teacher is central to the learning process. The teacher serves variously as guide, facilitator, motivator, and often as the authority for knowledge structure and student behaviour when engaged in the learning process. This role changes in the virtual environments – where students often engage without observation or direct guidance from the teacher.

The creator of a virtual learning environment must make certain assumptions. These assumptions are not small, but deal with the very nature of knowledge and knowing. These assumptions must be acknowledged when constructing virtual learning environments.

## 4. EMERGENCE OF DIGITAL INTELLIGENCE

Adams <sup>[1]</sup> put forth the notion that a new intellectual style is emerging as a response to the interaction with digital technologies. Using the established Multiple Intelligences theoretical framework developed by Gardner <sup>[8]</sup>, it was argued that by recognizing a meta-intelligence termed Digital Intelligence, development of effective teaching and learning strategies to accommodate this new intellectual style would emerge. The model presented here seeks to serve this purpose and to further this argument.

## 5. VIRTUAL LEARNING ENVIRONMENTS

### 5.1 The Conflict

The basic philosophical conflict in construction of virtual learning environments lies in the basic belief about what is considered knowledge, the structure of that knowledge, and what knowledge should be valued or championed. This may be illustrated by a brief discussion of the modern and postmodern views about reality and knowledge. Modernists believe that reality exists objectively and generally believe that knowledge has structure. They believe it is the charge of the teacher to either lead or facilitate inquiry for students to discover this pre-existing structure and incorporate it into their own knowledge base to solve problems in a way that demonstrates their systematic understanding of a body of knowledge. In general, postmodernists believe that reality is a human creation. The postmodern view that reality changes and is constructed differently by each individual necessitates less structured and more individually oriented learning environments that provide student choice and serve to rely on the gradual strategy of allowing the learner to explore existing knowledge structures as they create their own knowledge schema. The focus is on the learner ultimately generating his or her personal knowledge from existing knowledge and information they encounter. Virtual environments exemplify postmodern belief. This highly changeable and infinitely responsive environment is wholly

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constructed by the mind of the author and then reconstructed by the mind of the visitor. The notion that rigid structure may be applied in this environment is only a virus away from changed reality.

### 5.2 Ownership – a Disclaimer and a Discussion

The current notion of ownership has been greatly influenced by the business model that has begun to pervade the field of education as the uninspired answer to ‘solve’ the unpredictable and organic nature of learning so it may be quantified and ultimately leveraged for a greater profit.

Ownership in the business sense brings with it the notion that knowledge is capital. Among the many ideas of business as a model to improve educational practice, it is assumed that if this knowledge capital is managed correctly, students will gain this capital – often with no real consideration for internalizing this gained knowledge. While the business model is an easy analogy to understand, for even the most postmodern of thinkers must ultimately live in houses and consider retirement options, the authors are not comfortable with its use and seek another construction. Acknowledging that ownership may pull with it the connotation of this business analogy, these ideas should not to be considered merely as strategies to leverage knowledge ownership. This article is not about the ‘business’ of learning; it seeks to explore the innate human need for knowledge and knowing and begin to articulate a model that values personal knowledge as motivation for consideration in constructing virtual learning environments.

Alas, these scholars are just in the beginning stages of struggling with assemblage and creation of a new set of words, phrases and meanings to convey their thoughts. As postmodernists may agree, the ability to convey the appropriate but expedient phrase that describes knowledge internalization through a personal and recursive inquiry process is challenged by existing words and their connotations. A more appropriate terminology is sought, and through this discussion of the notion of ‘ownership’, it is hoped that creative like-minded thinkers are fed yet another morsel.

### 5.3 Supporting Theories

The modern-postmodern conundrum is easily demonstrated by past and present approaches to the construction and use of online learning environments. Technological skill and educational expertise have not always been of equal consideration in creating online learning environments. Those who could manipulate computer code were not necessarily versed on educational theory, and those who held reasoned philosophically grounded views on the nature of teaching and learning were rarely immersed in software design. Surely, with the shift from the use of the term online learning to the notion of virtual learning environments, a sophistication of process and decidedly more responsive organization of resource may be considered.

A brief and selected discussion of relevant theories and practices will be presented to guide the discussion of the development of the proposed (and constantly evolving) model presented here as the Knowledge Development model for Virtual Environments. No theory is rejected, but each theory presented is considered for its current influence on educational practice and its relevance to virtual environments. Each theory has been summarized and a graphical representation of this summary has been developed to facilitate discussion of the agreement among theories for support of the derived Knowledge Development Model. The author must note that each existing theory is considerably more complex than presented here and suggests that interested parties access the references given for a broader understanding of each theory.

#### 5.3.1 Cognitive Theories

Two major and somewhat opposing cognitive approaches to teaching guide current educational practice, both in classrooms and in virtual learning environments. Behaviourism may be seen as the modernist approach to knowledge conveyance, with an assumption that knowledge has a given structure and it is the task of the teacher to develop within the learner an understanding of this structure and an ability to utilize this knowledge to solve problems. Constructivism is more postmodern in its assumption that knowledge is constructed and therefore the student must develop their own knowledge structure based on personal experience and through discovery and experimentation with the information that exists that surrounds this area of knowledge. Behaviourism assumes a more linear learning process while constructivism assumes a recursive learning process. While at first glance, these approaches seem opposed, are they really? Could they possibly complement each other – especially in a virtual environment?

#### 5.3.2 Behaviourism

Behaviourism reflects a modern view of knowledge that assumes a learner is essentially passive, responding to environmental stimuli. The learner is assumed to start with a clean slate (i.e. *tabula rasa*) and learner behaviour is shaped through positive reinforcement or negative reinforcement. Both positive reinforcement and negative reinforcement increase the probability that the antecedent behaviour will be repeated. Conversely, punishment

(both positive and negative) decreases the probability that the antecedent behaviour will be repeated. Positive punishment indicates the application of a stimulus; Negative punishment indicates the withholding of a stimulus. A change in behaviour is considered learning according to behavioural theories. Much of the underlying work that supports this theory was done with animals and then generalized to humans. Drill and Practice and Programmed Instruction are instructional strategies that embody the theory of behaviourism.

### 5.3.3 Drill and Practice

As an instructional strategy, drill & practice is familiar to all educators. It promotes the acquisition of knowledge or skill through repetitive practice. It refers to small tasks such as the memorization of spelling or vocabulary words, or the practicing of arithmetic facts and may also be found in more sophisticated learning tasks. Drill-and-practice, like memorization, involves repetition of specific skills, such as addition and subtraction, or spelling. To be meaningful to learners, the skills built through drill-and-practice should be often used to serve as the basis for more meaningful learning.

A significant amount of educational software, especially at the elementary and secondary levels, utilizes drill and practice strategies.

### 5.3.4 Programmed Instruction

Programmed Instruction is a teaching method where new material (or knowledge) is presented to students in a graded sequence of controlled steps. Students progress through the programmed material by themselves at their own speed and after each step they then test their comprehension by answering an examination question or filling in a diagram.

Immediately they are shown the correct answer or given additional information. The majority of computer software in use today utilizes programmed instruction principles. *Many online learning environments employ operationalized behavioural teaching and learning assumptions through electronically delivered Programmed Instruction.*

### 5.3.5 Constructivism

Constructivism is generally considered to reflect a postmodern view of knowledge. It views knowledge as a product of reality. Constructivists consider learning to be an active process where knowledge is contextualized rather than acquired. Personal experiences guide the construction of knowledge. Learners continuously test their knowledge construction through social negotiation. The learner is not a blank slate (*tabula rasa*) but brings past experiences and cultural factors to a situation. Vygotsky and Bruner contribute unique constructivist approaches that are worthy of consideration when discussing construction of virtual learning environments; Vygotsky for his belief in the social construction of knowledge and Bruner for his leadership in discovery learning for personal knowledge.

#### 5.3.5.1 Vygotsky's Social Development Theory and Zone of Proximal Development

Vygotsky<sup>[20]</sup> proposed that social interaction profoundly influences cognitive development. His theory centres on the belief that biological and cultural development do not occur in isolation. He believed that the development process that begins at birth and continues until death is too complex to be defined by stages. His work describes a phenomena he termed the Zone of Proximal Development which is defined as the distance between the actual knowledge level as determined by independent problem solving and the level of potential development as determined through problem solving in collaboration with more capable peers<sup>[20]</sup>.

A central concept in Vygotsky's theory is the Zone of Proximal Development (ZPD), which may be explained as a zone of potential for cognitive development that is limited to a certain time span. This zone must be identified and strategies that increase this span or *scaffold* knowledge discovery to continually stretch this zone should be employed. He defines the ZPD as having four learning stages. These stages range between the lower limit of what the student knows and the upper limits of what the student has the potential of accomplishing<sup>[20]</sup>. The stages may be further divided as follows:

Stage 1 – assistance provided by more capable others (experts or teachers)

Stage 2 – assistance by self

Stage 3 – internalization

Stage 4 – recursiveness through prior stages

Vygotsky's theory<sup>[20]</sup> promotes contexts in which students play an active role in learning. Roles of the teacher and student are therefore shifted, as a teacher should collaborate with students in order to help facilitate knowledge construction. Learning becomes a reciprocal experience for the student and teacher. The transfer of

knowledge from facilitator to learner in knowledge development occurs through the gradual release of responsibility from the inter-psychological plane of teacher and student to ultimately the intra-psychological plane of self. Students ultimately become 'owners' of their knowledge because they are highly participant in its construction.

### 5.3.5.2 Bruner's Discovery Learning Theory

Bruner<sup>[4]</sup> proposed Discovery Learning Theory as a constructivist learning theory based in personal inquiry.

Bruner describes learning as an active process in which learners construct new ideas or concepts based upon their current/past knowledge. Knowledge structures are used to provide meaning and organization to experiences and are intended to allow the learner to go beyond the information given. Bruner suggests the instructor should encourage students to construct hypotheses, make decisions, and discover principles by themselves; in effect they should present information in such a way that students may build new knowledge on existing knowledge to facilitate a recursive learning process. It is assumed that students may be more likely to remember concepts and knowledge discovered on their own. This approach assumes that if learning activities foster student ownership of the knowledge, this knowledge will be meaningful to the learner.

Bruner's constructivist theory may be applied to instructional practice, as Kearsley<sup>[11]</sup> surmises, by applying the following principles:

1. Instruction must be concerned with the experiences and contexts that make the student willing and able to learn (*readiness*).
2. Instruction must be structured such that it may be easily grasped by the student (*spiral organization*).
3. Instruction should be designed to facilitate extrapolation and or fill in the gaps (*going beyond the information given*).

## 5.4 Affective Theories (personal likes and needs)

### 5.4.1 Bloom's Taxonomy – the Affective Domain

A committee of scholars led by Benjamin Bloom<sup>[3]</sup> identified three domains of educational activities: the Cognitive domain which focuses on mental skills, the Affective domain which focuses on affect or likes and dislikes and the Psychomotor domain which focuses on the physical skills. Bloom<sup>[3]</sup> developed taxonomies for the Cognitive and Affective domains; taxonomy for the Psychomotor domain was never developed. These taxonomies suggest a basically sequential model for dealing with tasks in each domain.

Bloom's taxonomy is widely accepted and universally employed when developing instructional materials. Because this inquiry seeks to describe strategies for internalizing knowledge through ownership, Bloom's Affective Domain is considered for use within this model rather than the more commonly used Cognitive Domain Taxonomy. The Affective Domain Taxonomy is concerned with perception of value issues and ranges from mere awareness (receiving), through to being able to distinguish implicit values through analysis<sup>[13]</sup>.

The model includes the following levels of affect, from least engaged to most engaged:

- **Receiving Phenomena:** Learners are aware, willing to hear and receive information.
- **Responding to Phenomena:** Learners are active participants with engaged responses that reflect personal motivation.
- **Valuing:** Learners begin to attach value or worth to a particular object, phenomenon, or behaviour. This worth ranges from simple acceptance to the more complex state of commitment.
- **Organization:** The learner contrasts different values, resolving conflicts between them, and creating a unique and organized value system.
- **Internalizing values:** The learner possesses a value system that controls their behaviour. The behavior is pervasive, consistent, predictable and characteristic of the learner.

### 5.4.2 Maslow's Hierarchy of Needs

Maslow<sup>[16]</sup> sought to address the complexity of human behaviour and presented the idea that human actions are directed toward goal attainment. He proposed that any given behaviour could satisfy several functions at the same time; for instance, going to a bar could satisfy one's needs for self-esteem and for social interaction.

Maslow's Hierarchy of Needs has often been represented in a hierarchical pyramid with five levels. The four levels (lower-order needs) are considered *physiological needs*, while the top level is considered *growth needs*.

The lower level needs need to be satisfied before higher-order needs can influence behaviour. The levels are as follows (see pyramid in Figure 2 below).

- **Self-actualization** - morality, creativity, problem solving, etc.
- **Esteem** - includes confidence, self-esteem, achievement, respect, etc.
- **Belongingness** - includes love, friendship, intimacy, family, etc.
- **Safety** - includes security of environment, employment, resources, health, property, etc.
- **Physiological** - includes air, food, water, sex, sleep, other factors towards homeostasis, etc.

If we may assume that in a virtual environment focused on learning takes on the same characteristics as the physical environments we currently inhabit, one might consider that the complexities of human behaviour continue to exist in virtual classrooms and should be addressed.

### 5.4.3 Adult Concerns about Learning

#### Kolb Adult Learning Process Model

Kolb <sup>[12]</sup> provides a descriptive model of the adult learning process. His model considers learning to be a recursive process that includes 4 progressive stages: *Concrete Experience* is followed by *Reflection* on that experience on a personal basis. This may then be followed by the derivation of general rules describing the experience, or the application of known theories to it (*Abstract Conceptualization*), and hence to the construction of ways of modifying the next occurrence of the experience (*Active Experimentation*), leading in turn to the next *Concrete Experience*. All this may happen instantaneously or over varied periods of time, depending on the topic. There may also be smaller recursion cycles of this process simultaneously.

#### CHANGE IN ADULTS – ACKNOWLEDGING PERSONAL CONCERNS

Some may find this model a bit out of place when presented along with the previous models and theories. Allow the author to argue that adopting change may be considered a learning process. Suggesting that a group should adopt or ‘buy in’ to a new way of thinking is surely an educational process. This model for facilitating change is included in this discussion because it focuses directly on the concerns of the individual who is in the process of adopting a new way of thinking or doing things. These concerns may pose barriers to accepting new information and therefore should be addressed when developing virtual learning environments for adults.

Fuller <sup>[7]</sup> recognized the concerns of students in a teacher education program and created a model to facilitate student learning. This model linked the developmental concerns of student teachers to teaching strategies intended to foster the student’s own style and philosophy regarding the knowledge.

Basically, the model was developed to foster ownership among students. The Fuller model was further refined by Hall, George & Rutherford <sup>[9]</sup> to become the Stages of Concern model which identifies 4 general types of concerns that stretch across 7 stages of development that represent a cycle of student concerns about adopting new ideas or knowledge. These concepts are described below and have been modified to serve this discussion

(Table 1):

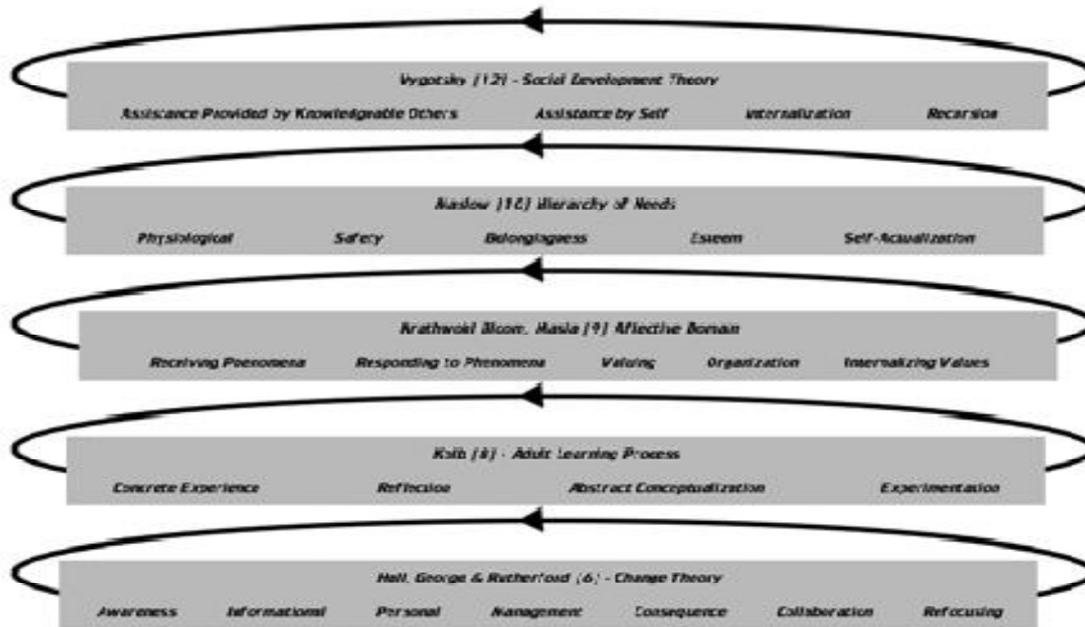
Concern	Stage	Learner concern
Impact	Refocusing	I have new ideas about how to use this knowledge
	Collaboration with	I am concerned about relating what I am learning What others are doing with this knowledge
	Consequence	How will knowing this affect other things I know?
Task	Management	How do I manage this new knowledge?
Self	Personal	How does this new knowledge affect me?
Unrelated	Informational	I would like to know more
	Awareness	I am unaware of this body of knowledge

The following figure has been developed to visually represent the reviewed theories of learning. As the recursive nature of each theory demonstrates, learning theories, affective and need theories and adult learning theories are effectively attempting to accomplish the same task of fostering ownership for knowledge among learners. This graphical demonstration of shared purpose has been included to support those dimensions proposed in the Knowledge Development Model for virtual environments which include the learner’s developing knowledge approach, the teacher-student relationship with regards to knowledge authority, and suggested teaching approaches for virtual learning environments.

**5.4.4 Toward a Knowledge Development Model for both physical and virtual environments**

After the previous review of selected learning theories and their resultant models, the following derivative meta-model seeks to address the domains of affect [3],[13] and need [16] employing discovery learning [4] and scaffolding [20] for recursive learning [12],[20] while recognizing the concerns [9] of adult learners. This model deals with a description of three interrelated dimensions: the learner’s developing knowledge approach, the teacher-student relationship with regards to knowledge authority, and suggested teaching approaches.

Much as Vygotsky [20] describes learning as a recursive process, it is assumed that each of these dimensions are cyclical and recursive and that this process may have several different instances occurring simultaneously.



**Fig. 2: Recursive Developmental Learning Models**

**6 COGNITIVE LOAD**

The term "cognitive load" has been used loosely within IR research, mostly in reference to Human Computer Interaction (HCI) issues. Although the term has been utilized frequently, the only IR study that has attempted to define the concept was performed by Hu, Ma, and Chau [10]. They examined the effectiveness of designs (graphical or list-based) that best supported the communication of an object’s relevance. Cognitive load was used as a measure of information processing effort a user must expend to take notice of the visual stimuli contained in an interface and comprehend its significance. It was assumed that users would prefer an interface design that requires a relatively low cognitive load and at the same time, can result in high user satisfaction. A self-reporting method was used to obtain individual users’ assessments of the cognitive load associated with a particular interface. The focus of this study was interface design, so the use of the term "cognitive load" was valid from a HCI viewpoint. However, as we will attempt to demonstrate, the concept of cognitive load during IR can be extended far beyond interface design.

In IR (information Retrieval), the concept of cognitive load rarely extends beyond the ideas presented by Miller [17] In Miller’s famous paper "The magical number seven plus or minus two", a human’s capacity for processing information was explored. It was concluded that short-term memory (working memory) has a limited retention. The study by Hu, Ma, and Chau is typical of much research in IR that advocates attempts to minimise cognitive load during interface design by recognising the limitations of working memory.

Some of the more insightful studies in IR have shown that recognising the limitations of working memory may not be the only method of minimising cognitive load. Beaulieu [2] suggested that there is a need to consider cognitive load not just in terms of the number and presentation of options, but more importantly to take account of the integration and interaction between them. Beaulieu, however, was not the first, as Chang and Rice [5] had proposed that interactivity could reduce cognitive load. Although these studies point to ‘interaction’ as being an important factor, they do not explain why or how.

Many IR researchers use the term "cognitive load" with a limited understanding of Cognitive Load Theory. This theory has been developed by educational psychologists and is documented by Sweller<sup>[18, 19]</sup>. Learning structures (schemas) are used during problem solving. IR can be viewed as a problem solving process<sup>[15]</sup>. The psychologist Cooper<sup>[6]</sup> explains that Cognitive Load Theory can be used to describe learning structures. Intrinsic cognitive load is linked to task difficulty, while extraneous cognitive load is linked to task presentation. If intrinsic cognitive load is high, and extraneous cognitive load is also high, then problem solving may fail to occur. When intrinsic load is low, then sufficient mental resources may remain to enable problem solving from any type of task presentation, even if a high level of extraneous cognitive load is imposed. Modifying the task presentation to a lower level of extraneous cognitive load will facilitate problem solving if the resulting total cognitive load falls to a level within the bounds of mental resources.

Clearly, there is more to the concept of cognitive load than careful interface design. In IR it would be tempting to associate intrinsic cognitive load (task difficulty) with query difficulty, and extraneous cognitive load (task presentation) with interactivity. However, this would be too simplistic. A greater number of task and cognitive variables exist and need to be identified before cognitive load in IR can be defined.

We believe that the problems associated with a lack of willingness to modify queries or to provide RF within the Web environment, are indicative of a high state of cognitive load. **Cognitive load can be measured by the difficulty associated with providing a relevancy judgement.** If the cognitive load is high, then providing the system with URF (User Relevance feedback) is unlikely.

### THEORETICAL MODEL

Kuhlthau<sup>[14]</sup> explained that uncertainty is a cognitive state which commonly causes affective symptoms of anxiety and lack of confidence. Uncertainty due to a lack of understanding, a gap in meaning, or a limited construct, initiates the process of information seeking. She suggested that six corollaries exist. We have simplified and re-interpreted these corollaries as follows.

#### Process corollary

Understanding information results in a shift from uncertainty to clarity.

#### Formulation corollary

Individual interpretations of information may result in uncertainty or clarity.

#### Redundancy corollary

Balance of redundant (known) and unique (unknown) information is critical. Too much either way results in uncertainty.

#### Mood corollary

An invitational mood is more appropriate for the early stages of the search (definition) and an indicative mood is more appropriate for the later stages (resolution). Uncertainty may arise if this is not the case.

#### Prediction corollary

If expectations are not met then uncertainty may increase.

#### Interest corollary

Interest may lead to a reduction of uncertainty due to intellectual engagement.

Kuhlthau concluded by suggesting that uncertainty can result in a user being less prepared to interact with a system. We believe that uncertainty can be considered as one of the components that contribute to cognitive load.

Wilson et al.<sup>[21]</sup> showed that it is possible to measure the level of uncertainty experiment participants have at each stage of the problem-solving process in which they are involved. Wilson et al. speculated that two different ideas of uncertainty exist. Affective uncertainty is associated with affective dimensions such as pessimism/optimism. Cognitive state uncertainty is associated with more rational judgements about the problem stages.

*Complex data collection during an empirical investigation of cognitive load will enable a data-driven model to be derived instead of a purely theoretical one. A wider range of task and cognitive data will be collected, enabling new components of cognitive load to be uncovered. **Cognitive load is not, as currently assumed, based on only the following three components:***

**Domain knowledge:** User's knowledge of the information need under investigation. Cognitive load reduces as more domain knowledge is captured.

**Cognitive state uncertainty:** User’s overall level of doubt associated with the search process. Cognitive load reduces as the user becomes more confident that their information need can be addressed.

**Retrieval performance:** Cognitive load increases as the number of potentially relevant documents identified by the IR system increase.

The figure 3 below outlines our novel theoretical model of cognitive load for IR during the search process. This model may provide an insight into why different types of URF are required during the search process, and why users are sometimes unprepared to provide a system with URF.

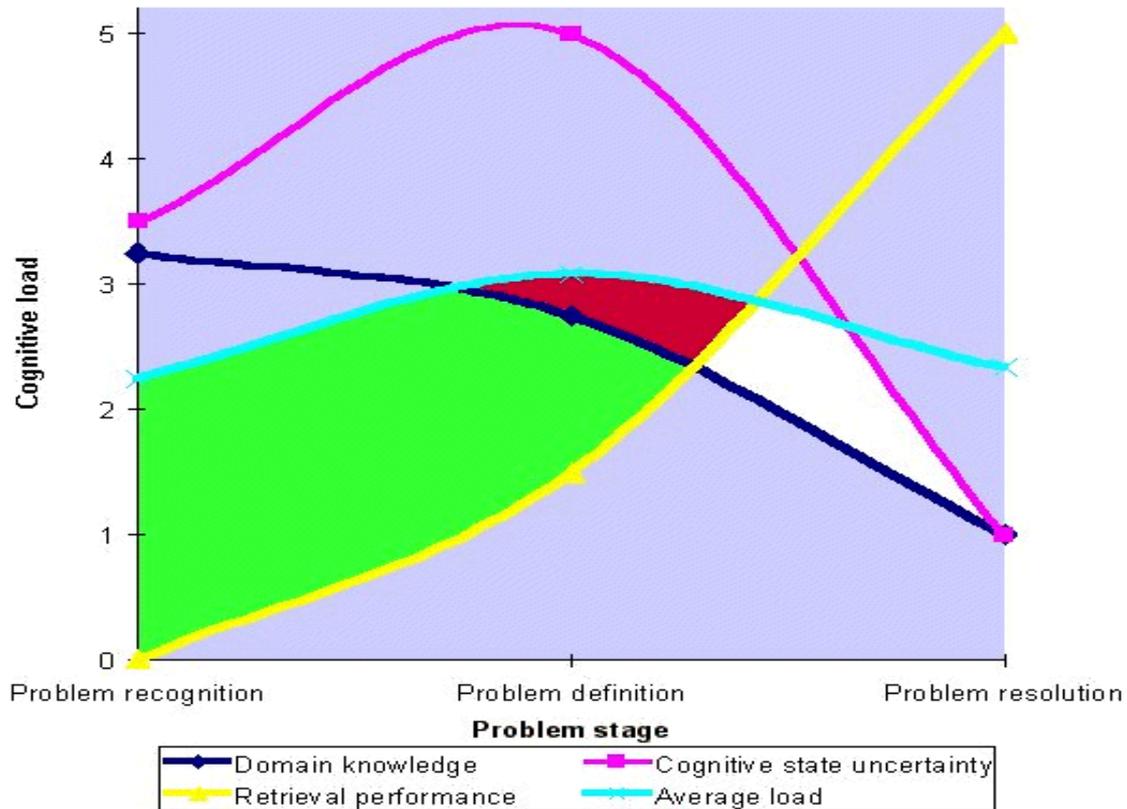


Fig. 3: Theoretical Model of Cognitive Load for IR

**Key to URF types**

- Term-suggestion RF ■
- Judgement RF ■
- Visualisation RF

**All URF techniques**

Usability is limited by average load. URF techniques that place too much cognitive load on the user are unlikely to be utilised.

**Term-suggestion URF**

Located above the *retrieval performance line* indicating that it is a recall tactic. Useful when domain knowledge is limited and prevents the user from generating their own terms for query expansion.

**Judgement URF**

Located above the *retrieval performance line* indicating that it is a recall tactic. Could be used as a precision tactic but negative relevance judgements are too discriminating within the Web search engine exact match environment. Judgement URF is useful when domain knowledge is sufficient to make accurate document relevancy judgements.

**Visualisation URF**

Located below the *retrieval performance line* indicating that it is a precision tactic. Useful when domain knowledge is sufficient to make accurate cluster relevancy judgements. Unlikely to be used when the *cognitive state uncertainty line* approaches the *domain knowledge line* because the user’s information need has possibly been sufficiently addressed.

**7. SUMMARIES****Knowledge Approach**

The knowledge approach may be described as the intention both teacher and student have for engagement. Each of these instructional intentions or purposes is described below:

- (1) Knowledge Acquisition: refers to the user's initial student contact with the knowledge base. This often involves an interaction between the learner's pre-existing framework of understanding and exposure to new knowledge structures.
- (2) Knowledge Application: refers to the process of building and combining concepts through their use in the performance of meaningful tasks.
- (3) Knowledge Generation: refers to the testing and tuning of conceptualizations through use in applied contexts. Through these applied contexts, new constructions may emerge or 'holes' in knowledge may emerge. The knowledge generation phase gives rise to a recursion of the process by exposing new areas of need for knowledge acquisition.

**TEACHER-STUDENT RELATIONSHIP WITH REGARDS TO KNOWLEDGE AUTHORITY**

Vygotsky <sup>[20]</sup> discusses the gradual release of knowledge from teacher or knowledgeable other to student or learner.

Uniquely in the online environment, students are initially invested with the authority to move freely throughout the virtual environment. This may be controlled by timed offering of certain material and certain activities much as it is controlled by class meetings in the physical environment. It is suggested that similar to the practice of providing students the entire textbook in a face to face environment, virtual environments should be presented in their entirety (as a whole learning experience rather than disjointed parts) with the gradual release of knowledge authority from teacher to student demonstrated by the course organization. This provides a whole rather than partial view of the virtual reality construction of the knowledge to be explored. This also allows students to continually view the entire construction of the knowledge as they set about exploring the dimensions that make up this full construction.

**TEACHING APPROACHES**

Teaching approaches range from the most behavioural strategy of drill and practice, through programmed instruction to constructivist strategies that include discovery learning and scaffolded learning activities. This model suggests that all of these techniques are useful in the virtual learning environment.

A natural use of these strategies might begin with more behavioural strategies to convey basic terminology and other supporting skills that satisfy the basic needs of both the student and the teacher when identifying the body of knowledge to be investigated. Strategies may then progress to constructivist teaching approaches to foster the Knowledge Application and Knowledge Generation goals of this model.

Scaffolding of learning activities to continually expand the student Zone of Proximal Development [20] should be a central focus for continued knowledge transfer and generation. For when new knowledge is being generated, student ownership of knowledge is central to this new construction of knowledge to solve new problems.

**DIGITAL ENVIRONMENTS DESIGNED FOR LEARNING – CONSIDERATIONS FOR PRACTICE**

Most electronic learning environments seek to replicate existing traditional classroom teaching and learning practice. In this environment you will find word intensive pages that are intended for students to read and be expected to 'know' for a later demonstration. While these learning sites may be easy to construct, they are hardly virtual environments that create a variety of learning opportunities to foster knowledge development. Their focus is Knowledge Acquisition and they imply that knowledge authority is possessed by the teacher or site creator and are not particularly open to student manipulation.

As a virtual learning environment is developed, the teacher or developer of the environment must consider the overall goals for student learning. Within each of these goals, they must determine the knowledge acquisition concerns, the knowledge application activities and develop strategies to foster knowledge generation through the discovery process.

Using the Knowledge Development Model for Virtual Learning Environments, the following strategies are suggested for each of the proposed knowledge approaches:

### (1) Knowledge Acquisition

If the goal for a certain learning activity is to foster knowledge acquisition, the developer should consider using drill and practice and programmed instruction segments that provide supporting terminology and initial concepts to be used as building blocks for more sophisticated learning activities. Discovery learning may also be employed as the context and various PI modules may be supplied to inform this discovery process. Tutorials, informational web pages and databases to support student knowledge acquisition are useful tools for this phase of student learning.

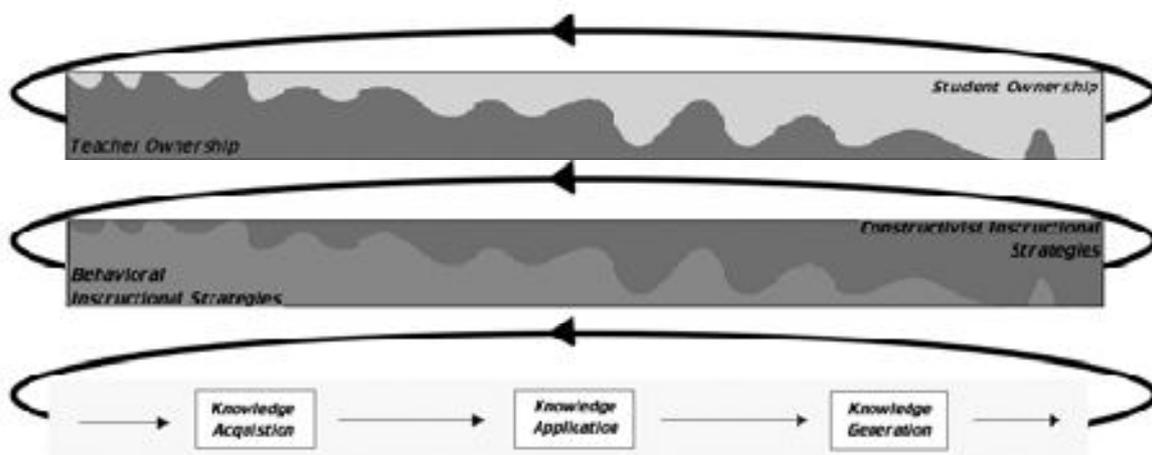
### (2) Knowledge Application

Discovery learning may also serve as the context for knowledge application. Traditionally, knowledge application tasks include laboratory work, writing, preparing presentations and other activities that require the student to construct acquired knowledge to solve existing problems that have somewhat predictable outcomes. Collaboration among students often reinforces this process. The design of presentations or web pages that demonstrate a construction and application of the knowledge under investigation are appropriate virtual learning tools. These student products may be included for review as part of the virtual environment and serve to develop student ownership of course content, which is critical to fostering knowledge generation among students. The posted presentations demonstrate their knowledge and investment in the learning activities and ultimately their ownership of the knowledge. These constructions also allow the teacher to uncover common misconceptions about the knowledge base and facilitate discussion about these misconceptions to increase knowledge. Collaborative environments such as chat, threaded discussion boards, instant messaging and other collaborative tools are useful.

### (3) Knowledge Generation

A different level of discovery learning may be employed for fostering knowledge generation. Student ownership of this process is critical. Student brainstorming of problems to be solved creates the context for this ownership.

Collaboration is critical among students and between students and faculty. Private discussion forums that foster risk taking may aid this process. As with knowledge application, collaborative environments such as chat, threaded discussion boards, instant messaging and other collaborative tools are useful. The design of presentations or web pages that demonstrate new construction and application of the knowledge under investigation are appropriate virtual learning tools. These student products should be provided space for private development either by singular students in collaboration with faculty or within student groups with faculty collaboration. The final projects should be included as part of the virtual environment and may be the capstone discussion activity of the learning cycle. These projects may easily reveal new areas of knowledge for exploration and may serve as the catalyst for another recursive learning cycle.



**Fig. 4: Recursive Model for Knowledge Development in Virtual Environments**

The model above combines the dimensions of knowledge approach, the teacher-student relationship with regards to knowledge authority and teaching approach to demonstrate the recursive and scaffolded design for creation of virtual learning environments. At this time, the author would like to offer a practical observation. In the context of course progression found in most learning institutions, these progressive knowledge approaches may occur repeatedly during one course or learning unit, or may stretch across two or more learning units or courses. The *focus* is to insure that all levels of knowledge engagement should be considered when creating *complete* knowledge transfer and foster ownership.

In summary, regardless of the modern or postmodern view held by the teacher and the learner and the assumptions about knowledge structure each reflects, student engagement is central to the learning process. The instructional strategies for fostering internalization in a virtual environment are critical to the learner's strategic use of the knowledge. The ways in which the transfer of knowledge is gradually released to become internalized knowledge often occurs in the interactions between the facilitator of learning and the learner.

The notion of scaffolding of instructional strategies that support the transfer of the knowledge is paramount to the goal of knowledge development and ultimately knowledge generation. Educational theory that has been accepted for traditional learning environments should provide guidance as we seek to construct rich virtual learning environments that create whole learning experiences. Thus, instructional strategies and fertile learning environments that address the entire range of student learning likes, needs and concerns must be considered.

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3. Manuscripts should be typed in 12 font-size, Times New Roman, single spaced with 1” margin on a standard A4 size paper. Manuscripts should be organized in the following order: title, name(s) of author(s) and his/her (their) complete affiliation(s) including zip code(s), Abstract (not exceeding 350 words), Introduction, Main body of paper, Conclusion and References.
4. The title of the paper should be in capital letters, bold, size 16” and centered at the top of the first page. The author(s) and affiliations(s) should be centered, bold, size 14” and single-spaced, beginning from the second line below the title.

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5. The abstract should summarize the context, content and conclusions of the paper in less than 350 words in 12 points italic Times New Roman. The abstract should have about five key words in alphabetical order separated by comma of 12 points italic Times New Roman.

## **Examples of References**

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

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