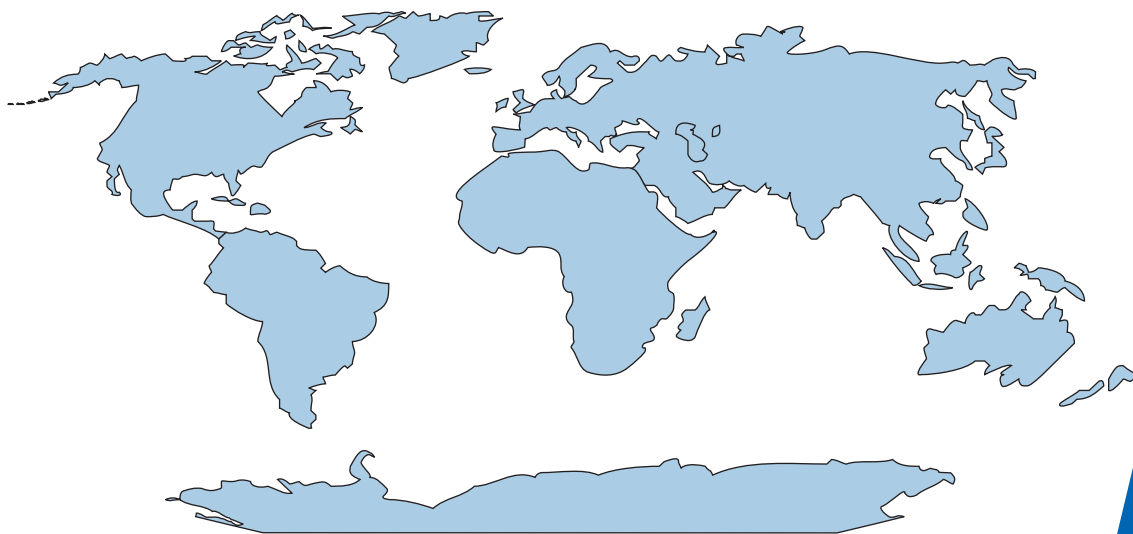


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FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH IN INDIA- A STUDY

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ABSTRACT

FDI Inflows to Service Sector has been phenomenal in the past few years. Since the inception of the liberalization of the Indian economy in 1991, the country has experienced a huge increase in the inflow of Foreign Investments. The service sector in India has tremendous growth potential and as such it has attracted huge Foreign Direct Investments (FDI). The paper tries to examine the various set of factors which influence the flow of FDI Identifying the causes for low inflow and suggestive remedial measures to increase the flow of FDI in India with that of other developing nations in world And the growth and development of FDI and it discussed the Indian economic growth through FDI. In addition it explains and showed the various sector-wise FDI performances in India. And it impacts on Indian economy.

Key Words: FDI, Indian Economy, Determinants, problem and suggestion.

INTRODUCTION

Foreign Direct Investment (FDI) is direct investment by a foreign company in production or services which leads to the ownership of domestic productive assets like machinery, land, production including controlling power. Foreign direct investment is done for many reasons including to take advantage of cheaper wages in the country, special investment privileges such as tax exemptions offered by the home country as an incentive to gain tariff-free access to the markets of the country or the region.

REVIEW OF LITERATURE

Balasundaram Maniam and Amitiava Chatterjee (1998) studied on the determinants of US foreign investment in India; tracing the growth of US FDI in India and the changing attitude of the Indian Government towards it as a part of the liberalization program. Nagesh Kumar (2001) concluded that the magnitudes of inflows have recorded impressive growth, as they are still at a small level compared to the country's potential. Balasubramanyam.V.N and Vidya Mahambre (2003) concluded that FDI is a very good means for the transfer of technology and knowhow to the developing countries. Birendra Kumar and Surya Dev (2003) with the data available in the Indian context showed that the increasing trend in the absolute wage of the worker does not deter the increasing flow of FDI. Laura Alfaro (2003) finds that FDI flows into the different sectors of the economy (namely primary, manufacturing, and services) exert different effects on economic growth. FDI inflows into the primary sector tend to have a negative effect on growth, whereas FDI inflows in the manufacturing sector a positive one. Evidence from the foreign investments in the service sector is ambiguous. Sebastin Morris (2004) has discussed the determinants of FDI over the regions of a large economy like India. He argues that, for all investments it is the regions of metropolitan cities that attract the bulk of FDI. Chandana Chakraborty and Peter Nunnenkamp (2008) said that booming foreign direct investment in post-reform India is widely believed to promote economic growth. Chew Ging Lee (2009) has pointed out that GDP per capita has a positive effect on FDI inflows in the long run. Krishna Chaitanya Vadlamannatia, Artur Tamazianb and Lokanandha Reddy Iralac (2009) analyses about the determinants of FDI in Asian economies. The determinants are analyzed under four heads, viz. economic and policy factors, socioeconomic factors, institutional factors and political factors. The findings in the baseline models show that poor socioeconomic conditions and labour-related issues are the major determinants.

OBJECTIVES OF THE STUDY

- To analyze the growth and development of FDI in Indian Economy.
- To Assess Determinants of FDI inflow in
- To identify the problems relating to inflow of FDI and to make suitable suggestions for attracting more FDI inflow to India.

Methodology:

The present study is of analytical nature and makes use of secondary data. This data collected from the previous journals, magazines, DIPP, Ministry of Commerce and Industry, Indiatat, UNCTAD, RBI etc, year between 1992 to 2012 .

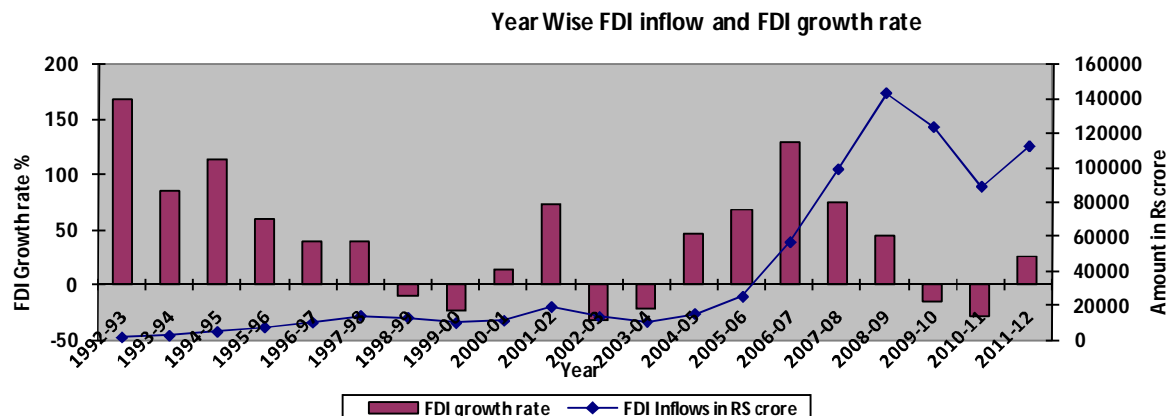
GROWTH AND DEVELOPMENT OF FDI IN INDIAN

Foreign direct investment (FDI) in India has played an important role in the development of the Indian economy. FDI in India has in a lot of ways enabled India to achieve a certain degree of financial stability, growth and development. This money has allowed India to focus on the areas that needed a boost and economic attention, and address the various problems that continue to challenge the country. India took best development among available opportunities of FDI in the competitive world; it received FDI worth US\$ 2.21bn in Feb-2012, registering an annual growth of 74%. Cumulative inflows for Apr-Feb2011-12 stood at US\$ 28.40bn. Newly, the Indian government has cleared 22 FDI proposals amounting to Rs.586.137cr (US\$ 112.5mn). The approved major investments consulted with Foreign Investment Promotion Board (FIPB) as well, are enlisted below: Shantha Bio-Technic's proposal of Rs.514cr (US\$ 97.26mn) to increase its foreign equity in brown field pharmaceutical sector to facilitate activities of research, development, manufacturing and marketing of bio-tech products and other bio-generics. Mahindra and Mahindra's proposal of Rs.25.99cr (US\$ 4.92mn) to set up a joint venture (JV) for developing, manufacturing and providing service support for radar systems and several defense electronic systems. Springer Editorial Services' Rs.12.87cr (US\$ 2.43mn) proposal to increase foreign equity up to 100% for publishing services, content development, content management and content outsourcing. In a bid to enhance its foothold in India, leading German engineering and services company Bilfinger Berger has announced that it would infuse over EUR 100mn (US\$ 131.56mn) in the South-Asian nation in near future. Recent acquisitions of the Surat-based Neo Structo Construction Ltd and Spetech Plant Equipments Private Ltd further strengthen the company's intentions. Seoul-headquartered, South Korean Government-owned Woori Bank has launched its operations in India by opening a branch in Chennai. With an initial capital of US\$ 35mn, the bank intends to provide assistance to Korean companies. It would focus on localisation and Indian customers at later stages. Japan's Mitsubishi Pencil has bought 13.5% stake in India's Linc Pen & Plastics for around Rs.20cr (US\$ 3.78mn). The foreign company plans to produce pens in Linc's facilities for its global markets and may also launch its range of office stationery in India. Marking its debut in Asian investments, Trafigura Pte Ltd has acquired 24% stake in Nagarjuna Oil Corporation Limited (NOCL). The Singapore-based unit of the world's third-largest crude oil trader, Netherlands' Trafigura Beheer BV, will invest Rs.650cr (US\$ 123mn) for the stake in an oil refinery which is being set by NOCL in Tamil Nadu.

Year-wise analysis of FDI inflow in India (From August 1991 to December 2011):

From Table.No.1 the annual growth rate in FDI inflow is increased since 1991 after changing the policy of Indian economy. Since 1998 we can see a negative growth rate and improving again since 2004. Its annual growth rate is year on year fluctuating frequently till 2003-2004. Again inflows has been increasing 129.4 percent and 74.9 percent in the year 2006-08. Then it flowed down for two years and now improving a bit in growth rate again. However the amount of inflow in India is increasing from 409 to 112,019 in rupees crore in the year 1991 to January 2012.

Figure (1) FDI Inflow in India



DETERMINANTS OF FDI INFLOW TO INDIA

The FDI inflows into India have gone up especially in the post-reform period. The share of FDI inflows to India is not significant when it is compared to other developing economies. However, India is a competitor in the market for FDI inflows with the other developing countries. In this context, it is pertinent to assess the determining forces of the FDI inflows into India so as to take policy initiative to create a favorable atmosphere for FDI. Thus, the present section tries to explore the determining factors of FDI inflows into India at the macro level and the factors are known as the pull factors of FDI inflows.

PROBLEMS FOR LOW FDI FLOW TO INDIA

- **STRINGENT LABOR LAWS:** Large firms in India are not allowed to retrench or layoff any workers, or close down the unit without the permission of the state government. These laws protect the workers and thwart legitimate attempts to restructure business. To retrench unnecessary workers, firms require approval from both employees and state governments-approval that is rarely given. Further, Trade Unions extort huge sums from companies through over-generous voluntary retirement schemes.
- **LACK OF ADEQUATE INFRASTRUCTURE:** It is cited as a major hurdle for FDI inflows into India. This bottleneck in the form of poor infrastructure discourages foreign investors in investing in India. India's age old and biggest infrastructure problem is the supply of electricity. Power cuts are considered as a common problem and many industries are forced to close their business.
- **CORRUPTION:** Corruption is found in nearly every public service, from defense to distribution of subsidized food to the poor people, to the generation and transmission of electric power. Kumar (2000) observes that a combination of legal hurdles, lack of institutional reforms, bureaucratic decision-making and the allegations of corruption at the top have turned foreign investors away from India. Vittal (2001) states that corruption and misuse of public office for private gain are capable of paralyzing a country's development and diverting its precious resources from public needs of the entire nation. Corruption is against the poor people because it snatches away food from the mouths of the poor. If corruption levels in India come down to those of Scandinavian countries, India's GDP growth will increase by 1.5 per cent and FDI will grow by 12 per cent (Vittal, 2001).
- **LACK OF DECISION MAKING AUTHORITY WITH THE STATE GOVERNMENTS:** The reform process of liberalizing the economy is concentrated mainly in the Centre and the State Governments are not given much power. In most key infrastructure areas, the central government remains in control. Brazil, China, and Russia are examples where regional governments take the lead in pushing reforms and prompting further actions by the central government.
- **LIMITED SCALE OF EXPORT PROCESSING ZONES:** India's export processing zones have lacked dynamism because of several reasons, such as their relatively limited scale; the Government's general ambivalence about attracting FDI; the unclear and changing incentive packages attached to the zones; and the power of the central government in the regulation of the zones. India which established its

first Export Processing Zone (EPZ) in 1965 has failed to develop the zones when compared to China which took initiative for establishment only in 1980.

- **INDECISIVE GOVERNMENT AND POLITICAL INSTABILITY:** There were too many anomalies on the government side during past two decades and they are still affecting the direct inflow of FDI in India such as mismanagement and oppression by the different company, which affect the image of the country and also deject the prospective investor, who are very much conscious about safety and constant return on their investment.
- **HIGH CORPORATE TAX RATES:** Corporate tax rates in East Asia are generally in the range of 15 to 30 percent, compared with a rate of 48 percent for foreign companies in India. High corporate tax rate is definitely a major disincentive to foreign corporate investment in India

SUGGESTIONS FOR INCREASED FLOW OF FDI INTO THE COUNTRY

- ◆ **FLEXIBLE LABOUR LAWS NEEDED:** China gets maximum FDI in the manufacturing sector, which has helped the country become the manufacturing hub of the world. In India the manufacturing sector can grow if infrastructure facilities are improved and labour reforms take place. The country should take initiatives to adopt more flexible labour laws.
- ◆ **RE LOOK AT SECTORAL CAPS:** Though the Government has hiked the sectoral cap for FDI over the years, it is time to revisit issues pertaining to limits in such sectors as coal mining, insurance, real estate, and retail trade, apart from the small-scale sector. Government should allow more investment into the country under automatic route. Reforms like bringing more sectors under the automatic route, increasing the FDI cap and simplifying the procedural delays has to be initiated. There is need to improve SEZs in terms of their size, road and port connectivity, assured power supply and decentralized decision-making.
- ◆ **GEOGRAPHICAL DISPARITIES OF FDI SHOULD BE REMOVED:** The issues of geographical disparities of FDI in India need to address on priority. Many states are making serious efforts to simplify regulations for setting up and operating the industrial units. However, efforts by many state governments are still not encouraging. Even the state like West Bengal which was once called Manchester of India attracts only 1.2% of FDI inflow in the country. West Bengal, Bihar, Jharkhand, Chhattisgarh are endowed with rich minerals but due to lack of proper initiatives by governments of these states, they fail to attract FDI.
- ◆ **PROMOTE GREENFIELD PROJECTS:** India's volume of FDI has increased largely due to Merger and Acquisitions (M&As) rather than large Greenfields projects. M&As not necessarily imply infusion of new capital into a country if it is through reinvested earnings and intra company loans. Business friendly environment must be created on priority to attract large Greenfields projects..
- ◆ **DEVELOP DEBT MARKET:** India has a well developed equity market but does not have a well developed debt market. Steps should be taken to improve the depth and liquidity of debt market as many companies may prefer leveraged investment rather than investing their own Cash.
- ◆ **EDUCATION SECTOR SHOULD BE OPENED TO FDI:** India has a huge pool of working population. However, due to poor quality primary education and higher education, there is still an acute shortage of talent. FDI in Education Sector is lesser than one percent. By giving the status of primary and higher education in the country,
- ◆ **STRENGTHEN RESEARCH AND DEVELOPMENT IN THE COUNTRY:** India should consciously work towards attracting greater FDI into R&D as a means of strengthening the country's technological prowess and competitiveness.

CONCLUSION

India has witnessed highest inflow of FDI in service sector when compared to other sector and it increased from 7 percent to 20 percent in the year August 1991 to January 2012. According to the Ernst & Young's 2012 India Attractiveness Survey, India is as one of the most attractive investment destination. Globally India is the fourth most attractive destination for FDI. FDI worth of US\$ 2.21 billion was inward in India and shows an annual

growth of 74 per cent. India has market potential, abundant labor, availability of natural resources, and trades policies which have been favoring. But the attractiveness of FDI in India has decreased. The important factors that slow down FDI flows are lack of infrastructure, restrictive labor laws, absence of centre-state coordination, dormant SEZ (Special economic zone) policy and lack of institutional reforms, delays in the approval of large FDI projects, macroeconomic concerns such as current account deficit and inflation etc. So it is necessary to improve infrastructure sector. If the government reduce the barriers that still protect.

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

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INTRODUCTION

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

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

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

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

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

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

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

CSR IN THE BANKING SECTOR: A CONCEPTUAL DISCUSSION

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

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

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

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

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

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

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

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

OBJECTIVES OF THE STUDY

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

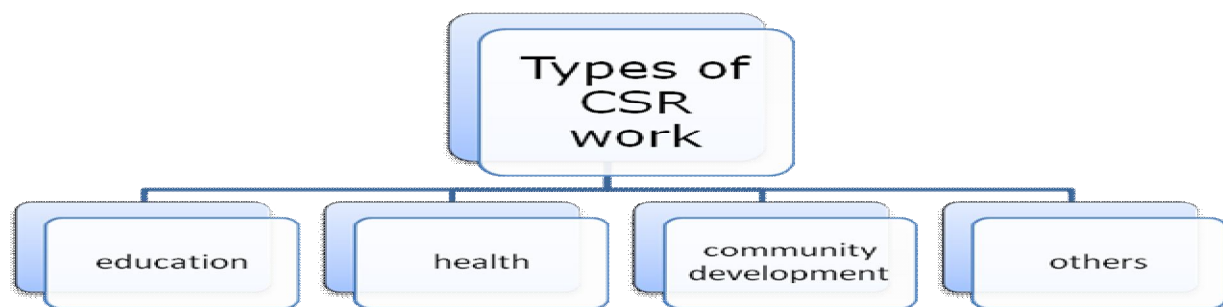
- Compare the amount spent by the leading public and private sector banks of India on CSR activities.
- The head wise allocation of funds on various CSR activities.

METHODOLOGY

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

ANALYSIS AND FINDINGS

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



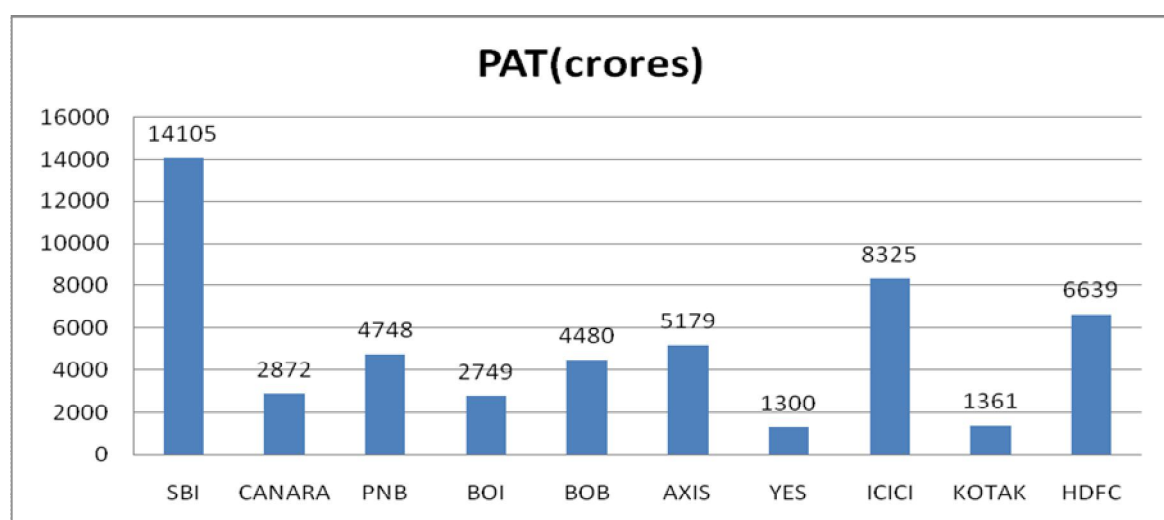
Ten leading banks of the Indian economy are taken up for this study. The banks under consideration from the public sector are State Bank of India, Punjab National Bank, Bank of Baroda, Bank of India and Canara Bank. The banks studied from the private sector are AXIS Bank, HDFC Bank, YES Bank, Kotak Bank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

Table: 1- PAT and CSR expenses by the Banks

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

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

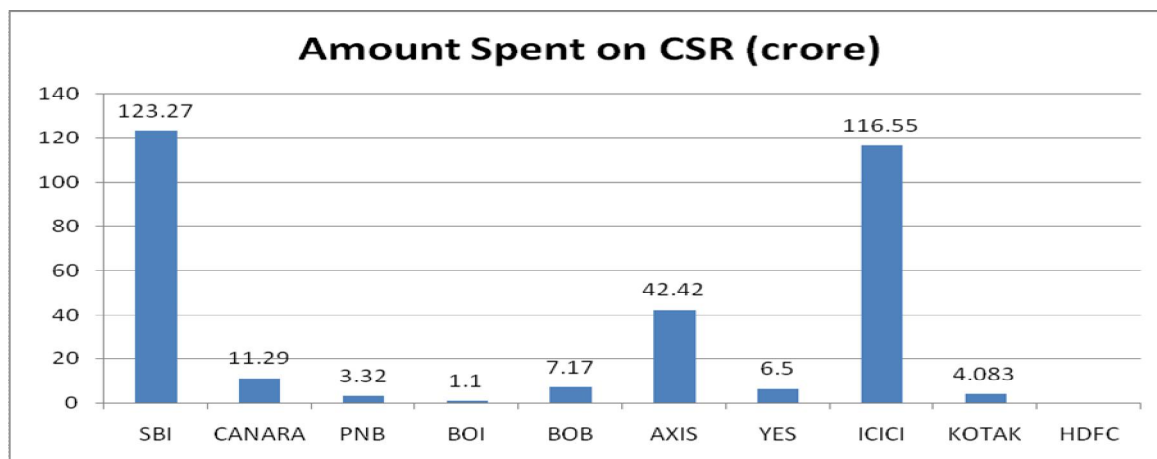
Chart 1: PAT for the Year 2012-13



Source: table 1

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

Chart 2: Amount spent on CSR by the Banks

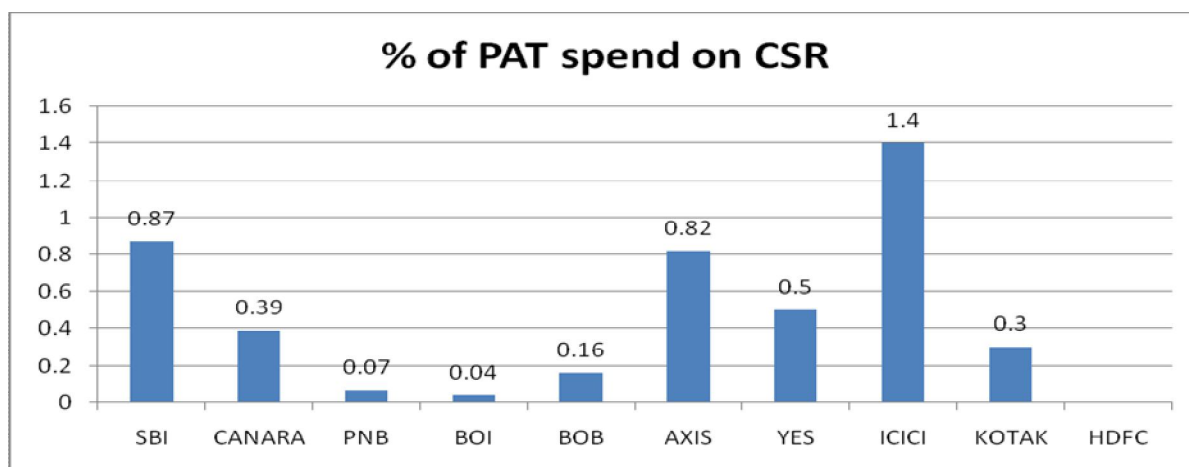


Source: table 1

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

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

Chart 3: Percentage of PAT spent on CSR



Source: table 1

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

Table 2: Different types of CSR activities by the Banks

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

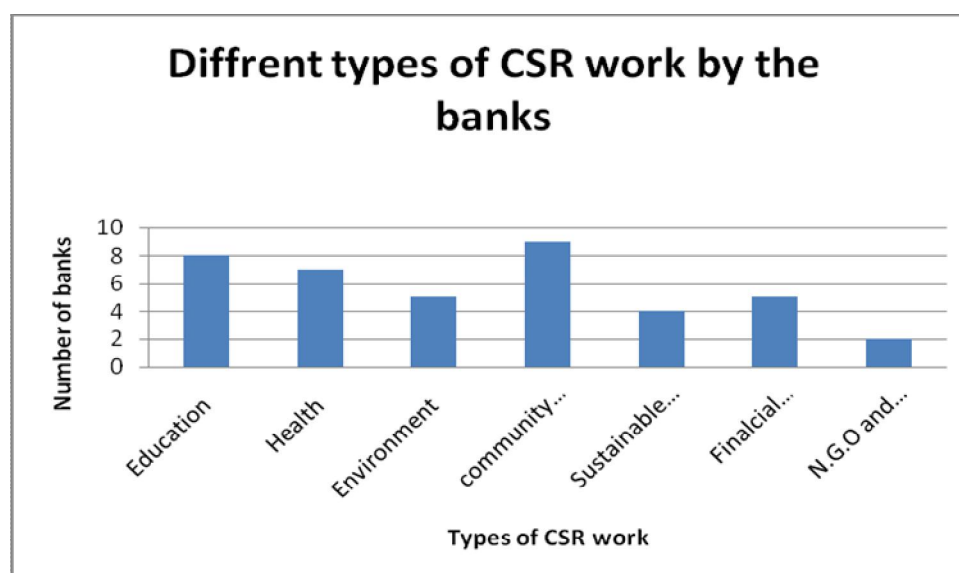
community Development	yes	yes	yes	yes	yes	yes	yes	yes	x	yes
Sustainable livelihood	x	yes	yes	x	yes	x	x	x	yes	x
Financial inclusion & financial literacy	x	yes	yes	yes	yes	x	x	x	yes	x
N.G.O & Relief fund	yes	x	x	x	x	x	x	yes	x	x

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

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

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

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



Source: table 2

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

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

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

CONCLUDING REMARKS

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

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

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

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

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

LIMITATIONS OF THE STUDY

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

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

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CONCEPTUALIZING AN IMMINENT APPROACH TOWARDS ROLE OF TALENT VALUE CHAIN IN EFFECTUAL TALENT MANAGEMENT: A SUSTAINABLE TOOL FOR EFFECTIVE WORKFORCE MANAGEMENT

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ABSTRACT

Talent is valuable both for present and future deployment in various aspects and the only way of utilizing it strategically matched in congruence with organizational goals is by consistently focusing on investment made on talent and the value it will create in long run. This makes the role of talent value chain quite crucial and important in managing the talent capital of organization. Talent value holistically focuses on how incrementally at every step value can be added right from acquisition to retention evaluating in every phase the outcome and overall impact on effective talent management.

The present paper focuses on role of talent value chain in effective talent building, steps in building talent value chain, important aspects of talent value chain, role of different stakeholders in maintaining talent value chain, different parameters in integrating talent value activities, talent advantage for organization in building talent value chain. The paper will provide insights to understand how by identifying and building correct parameters of talent value chain a distinctive competitive advantage can be build for organization sustenance.

Keywords: Talent value chain, talent management, talent effectiveness

TALENT VALUE CHAIN-A CONCEPTUAL FRAMEWORK

As organizations are trying to overcome challenges associated with globalization, changing workforce demographics and the emergence of new business models, the only source of creating a difference in manpower utilization and creating difference is by distinct workforce analytics and in this the value of investing in talent management and thus creating value for sustainable development of organization and creating a base for succession planning by consistently exploring potential and putting it at right place based on position and authority is a must. Thus there is a need to embed collaboration and deployment capabilities into existing work practices, and rethink on the role of employee development.

Talent adds value to the work, approaches, functions, work environment, perception towards work, identifying right successors, effective career planning, utilizing the imaginative, creative and innovative abilities of the employees and consistently monitoring and controlling the best utilization of available talent and managing it in best ways. As we know that all the activities in an organization are highly interdependent, interrelated and interactive the same applies and holds true in context to talent management where the focus is on identifying the talent, planning the utilization, developing it based on the aspects of HR department and the long term perspectives, designing and monitoring the support that policies and functions should exhibit in effective development of talent, consistently evaluating the difference and focusing on retention of the talented employees.

As a supply chain has a defined purpose that it helps in – identifying, planning, performing, assessing and controlling different flows like material, money, information for effective functioning right from input to output in a service or manufacturing function so is the role of talent value chain the purpose of which is to determine how consistently through the talent, by the talent value and to the talent value can be added for achieving organization goals and retaining the best pool in the organization.

Thus, the focus of every organization is on creating best talent inventory and preparing value based chain for talent with following reasons-

- The achievement of acceptable processes and automation of tactical resource planning/management has resulted in a shift towards considering the strategic impact of the manner in which the talent inventory is managed.
- Aggressive prioritization of service line profitability in order to ensure the acquisition, development, retention, and integration of talent pools drives firm success.

- Active search for areas of possible improvement over the management of the talent inventory that will positively impact the firm's ability to improve service-line profitability while decrease operational inefficiencies
- identifying the people, process, procedures and function involved in different stages that are relevant to accomplish the task well so a talent value chain has a purpose to identify which people, as bosses, leaders, evaluators, facilitators, which resources, methods, processes, level of autonomy, involvement, risk associated in implementing decisions will be appropriate to plan, procure, develop, engage and retain talent in the organization.
- This talent inventory decisions will help organizations to evaluate their business processes, project outcomes, and internal systems to identify gaps that preclude them from better integrating talent strategies with service line objectives.
- A well defined and monitored talent value chain is aligned to the business model of the service firm and thus the talent strategies will also be understood to provide the most inherent value to the firm's reputation and growth.
- It will help as an evaluative instrument to measure talent strategies that are failing to consider the development and profitability of specific service lines and focus on identifying and capitalizing on new and differentiating service lines
- It will also help in assessing functions and process like recruitment, selection, training, retention , deployment of talent that will help in ensuring growth of talent pools
- It will also help in integration of human capital management, business development, and resource management. It will also help in measuring the gap between historical and present performance as per the set objectives so as to identify the possible gaps in supply chain.
- A well defined talent value chain will also help in improving talent acquisitions and retention

NEED AND SIGNIFICANCE OF CREATING A TALENT VALUE CHAIN

Thus by consistently focusing on building talent value chain the strategic objective of the business can be better achieved by optimal utilization of its talent workforce and can benefit in following ways-

- Enhance revenues by improving delivery performance and speeding client response
- Improve talent productivity at lower costs
- Fine-tune forecasting precision and shorten planning cycles
- Improve service quality and produce more technologically advanced service lines for better client value
- Enhance internal communications, collaboration, and processes for greater employee satisfaction
- Produce more reliable financial information
- Better leverage traditional marketing tactics, in order to drive market demand for most profitable service line offerings
- High integration between resource management, business development, HR management is the key to create value to the talent

ELEMENTS OF A TALENT VALUE CHAIN

The purpose of analyzing the value chain of a company's talent management process is to identify how each business activity within the process contributes to the overall competitive strategy and where there may be efficiencies and cost savings to be gained within the process. One thing is quite clear that simply adding and storing data of employees and utilizing it for routine purpose will not serve the purpose of creating a talent base

as well as managing and creating value out of the talent rather relating and aligning the strategic objectives with the talent objectives is the end .

In order to understand this the integrated model of aligning strategic and talent objective thus creating a strong talent supply chain and value can be considered. IBM considered two goals to be important in the process of aligning these two objectives –

a) capturing and maintaining workforce data b) implementing a workforce management organizational structure that established the supply chain roles within the business units.

The other steps involved in this were-

THE CRITICAL STEPS TO ACHIEVE THESE GOALS WERE:

- Establishing and implementing a common language to describe IBM's talent resources—the IBM Expertise Taxonomy.
- Developing an optimum workforce management strategy linked to the business strategy, using the language of the Taxonomy.
- Capturing an inventory of all talent resources in a central data store/repository
- Creating the capability to operationally match resource supply against demand (capacity planning) and proactively identify excesses and shortages—linked directly to business strategy

IMPORTANT ASPECTS IN EFFECTIVE TALENT VALUE CHAIN BUILDING

In today's global economy continuous investment in human capital is a must. In the role of business partner, HR leaders work closely with senior management to attract, hire, develop and retain talent. Still the skills shortage presents both socio-economic and cultural challenges. This is because of the workforce trends like shifting demographics, global supply chains, the aging workforce and increasing global mobility. Forward-looking organizations must rethink their approach to talent management to best harness talent that will help in effective brand and employer branding. Along with this, organizational culture, employee engagement and type of leadership have a significant impact on talent retention. These factors are very important while building value for talent.

For example the following principles are important while thinking of creating strong talent value base and creating a culture of nurturing talent value-

1. Expectations regarding the differentiation of talent.
2. The role of line leaders in the development of people.
3. Philosophy regarding the movement of people across businesses and functions.
4. The role of diversity in staffing strategy.
5. Beliefs about hiring for potential versus hiring for position.

STEPS IN ANALYZING TALENT VALUE-CHAIN

The steps includes-

1. **Identify organization competitive strategy:** This will mean focusing on long and short term goals of the organization and also redefining the vision and mission of the organization. This step is important because everyone in the organization will be required to think in this same direction because talent management is about identifying value of each activity necessary to create a difference and distinctiveness in the organization.
2. **Analyzing different organization activities:** Identify each activity undertaken in the talent-management process (recruiting, hiring, retaining and growing of human capital). This can be accomplished by conducting a brainstorming session or a business process review (BPR) with key individuals who are responsible for carrying out these activities and those who are impacted by these activities.

3. **Analyzing the Value-** An effective talent value chain building would mean keeping an eye over each activity that is important to understood and developed right from hiring to growth of human capital and this is applicable to every department every function because above all the target whether long term or short term have to be achieved by workforce which is having the potential, competencies and skills to do it. A right plan delegated to wrong people a wrong plan given to right people can create the same mismatch.
4. **Effective Planning:** Design and implement a strategic plan to reduce the costs of the activities within the talent-management value chain and create a culture of learning and sharing so that every activity can successfully contribute towards talent development. For instance creating learning based organization in today's scenario is a must which will help in enhancing performance level of employees and with such an organization culture based on learning, flexibility ,encouragement and making learning integral part of organization.

PARTNERS IN INTEGRATING VALUE CHAIN ACTIVITY

In order to achieve the above said goals there is an important strategic role of few partners to make this value addition process a success they are-

- **Role of CEO-** With a strategic perspective a CEO should keep keen focus on competitively identifying causes of talent shortage ,identifying most competitive and promising sources of attracting, delegating, developing and retaining key people, cascading individual and departmental objectives with the organizational objective in consultation and agreement with these key people, maximizing performance and ROI, help people improve efficiencies and productivity through supportive policies and functions, and providing along with implementing meaningful and result centric analytics.
- **Role of CFO-**The focus of CFO in value adding process should be towards leveraging existing technologies, platforms, integrations and skill sets in a way to generate economy, minimize risk, maximize results and generate accountability and commitment in people. This will require keen analysis, understanding the past trends and policies, keeping competition into consideration and continuously adopting open system so as to utilize information at best (like if required and feasible few activities can also be outsourced if it helps in bringing economy at large).
- **Role of CIO-** The focus in building value chain for effective talent management should be on accommodating future system requirements, incorporating best practices, minimizing risk and remaining flexible and adaptable. This will require individual delegating of accountability, identifying the key task and the intervening variables that can either push or pull the talent value building and help in integrating organizational goals with talent workforce. It should be understood that analyzing the key technologies important to align the system, assess the HR function and help building key competency in employees is important and should be followed.

Even if managing the talent value chain and its different activities are from different outside vendor special care should be taken to integrate it with core HR functions of talent management system so that to overall HR system a great value can be added. Every module in the framework, from planning to reporting, can source from the central data repository in the core. HR therefore is able to confidently build its day-to-day operational success and decision-making capabilities upon a consistent, reliable, predictable foundation.

GENERATING TALENT ADVANTAGE IN VALUE CHAIN

With increasing pressure, globalization, competition and entry of Gen Y or Millennials and changing workplace environment, rising flat structures and learning organization are witnessing sea change in the way they were managing their workforce. Unlike the traditional methods today's organization are highly flexible, open, dynamic, learning based, creative and rational in every sense with tremendous scope for innovation each moment. With this the way in which Human resources are been managed are also changing not everyone is important and focussed today but those who are open, flexible, adaptable, accept challenges are ready to change and are contributing at best aligned with goals of organization are needed to be sustained for long run.

Organizations today are more interested in managing these talented people rather than carrying deadwoods with no results. This requires focus on consistently assessing the capabilities and developing competencies of the talented people and understanding how far the potential and performance matches with the long term objectives of the organization.

Thus, organization are interested in identifying each activity right from need recruitment to evaluation of performance and potential on who all are important segregating and categorizing the employees or talented people who are adding and are open to accept accountability at large. Talent value chain helps in identifying and developing all those activities that help in building a skilled, competitive, trustworthy workforce that help in achieving long term strategic objectives of the organization. Thus, it is important for organization to build talent advantage in supply chain. Companies can create a supply chain talent advantage by aligning their operational strategies with an integrated human capital program which will help in providing better competitive advantage across the firm .It is possible in the following way in line with a report *by Accenture that 3 main factors needs to be focused while aligning operational activities with human capital program-*



Figure 4.3 Accenture important elements of aligning operational activity with HC

These three factors will help organization to align required talent in different areas and to develop them accordingly, This will also help in building a leadership culture based on mutuality and collaboration that will help in talent leverage and creating a strong talent base and will help in leveraging results of supply chain by reducing undesired activity from the chain so as to utilize the potential of employees at best.

Thus from above discussion the following points can be thought **essential to build an environment for building and sustaining talent value chain-**

1. Establishing role clarity for understanding of executives and their excellence- This is important to be developed because clarity drives predictability and accountability in the execution of supply chain processes and clarity is critical for defining required competencies. It is so because when organization seriously and meticulously follows standards everyone follows the same and also equal emphasis should be given on clarity, agility, responsiveness, cost and in effective management of assets in form of talent capital.

2.Setting a learning based and competency focused environment-It is important to keep identifying and adding value either by building a collaborative culture, developing affiliation based work culture, consensus based working, openness, creativity, consistent feedback and assessment.

Developing a one-workforce concept-Once there is role clarity and competence requirement is defined it becomes easier for organization to get their talent strategies customized to meet workforce requirements and also helps in managing, retaining and keeping their workforce engaged. It includes the following-

Segment the workforce (e.g., based on learning styles, values, personality, wellness profiles, mobility).

Offer modular choices from a list of defined and sanctioned alternatives (e.g., international job rotation opportunities).

Define broad and simple rules (e.g., Google's rule of having engineers spend 20 percent of time on projects that create value for the organization).

Foster employee-defined personalization (e.g., using social media to create a customized learning experience).

- Attracting and retaining the right talent, creating a culture based brand and effective hiring
- Help in identifying major job categories and competencies required and accordingly preparing workforce skills
- Help in developing appropriate instrument like competency model, behavior based interview to identify the softer indicators that help in assessing competency of talent workers either for hiring, promotion or delegating new task
- Helps in proactive on boarding and identifying blind spots, counterproductive tendencies, key strengths and potential vulnerabilities in certain situations common to the new environment
- Helps in better leadership quality development and managing gaps in potential if any

- It helps in building an organizational culture based on meritocracy where managers are held accountable, recognized and promoted for being successful talent scouts and developers

CONCLUSION

Thus, talent value chain helps in effective maintenance of talent management cycle including workforce planning, talent acquisition, talent development, talent deployment, talent retention and talent evaluation. It also helps in proper career planning, compensation management, setting reward structure. Help in effective talent engagement, setting a constructive and collaborative work culture based on authenticity, togetherness, integrity with high strategic imperatives.

It helps in creating distinctive capabilities of employer as a brand and tailoring the employee value proposition. It also helps in making organization to learn at best so as to expand its learning horizon with respect to purpose of organization, its outreach, impact on others, leveraging the skill present, and maximizing variety and maturity in organization. It also helps in maximizing contribution of talented employees by encouraging and enabling knowledge sharing and its renewal; develop diverse thinking style, experience as well as perspectives.

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ACCEPTANCE OF BOOK DONATION BY UNIVERSITIES: AN EVALUATION CRITERIA

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ABSTRACT

This paper examines the relationship between book donation and evaluation criteria from library policies, legal considerations as a basis for acceptance. In order to achieve the objective of the study, research questions were formulated to direct the work. A population of 102 libraries from four federal universities were sampled.

The data generated were analyzed using Multiple Regression Analysis and Pearson Product Moment Correlation Coefficient. The findings showed that all evaluation criteria has relationship with library policies, relevance and legal considerations when accepting book donations in universities.

Keywords: Book Donations, Library Policies, Evaluation Criteria

1.0 INTRODUCTION

The objective of universities is to encourage and promote scholarship. This is achieved by conducting research in all fields of learning among human endeavour. These objectives allow every university to design its programme of activities in order to achieve its aims. The three major infrastructures required are:

- i. The teacher/ classrooms
- ii. The laboratories and
- iii. The libraries

The library however stands out of these three options because it anchors all the basis of teaching, learning and research. Although, each aforementioned component is an integral part of university system, the library is undoubtedly the not significant of them. Ajibero(1995) see the university education as impossible without a good quality library. The effectiveness of academic programmes however lies with library collections.

The library users benefit more from a collection that is adequate, diverse and equally meets the needs of every discipline in intellectual property. This is further made simple if the retrieval process is achievable at access points.

In accreditation exercise, the library is usually a focal point of examination to always determine the levels of academic preparedness to learning, teaching and research, looking at its collection and online services. The library has always been placed at a high percentage of 70, to determine its to academics. This is further explained by Aguolu (1985) that “university libraries are important to academic worth, intellectual vitality and effectiveness of the system, for its healthy and excellence”.

But in recent times, university grants by government has reduced, thereby creating more rooms for the acceptance of book donation. Though book donations may come in different subject areas, they are not always available in intellectual competitive forms. Hence, the librarian’s challenge to apply evaluation criteria to book policy relevance and legitimacy.

1.1 OBJECTIVE

Libraries do not accept all types of materials as donation. Material donations are usually considered on the basis of:

- i. Current academic or scholarly publications
- ii. Publications on areas of academic study
- iii. Primary sources of materials, eg. Manuscripts and archives etc

Some other considerations looked at the scope of the book and how relevant to the instructional and research programmes of the institution before acceptance. Textbooks or loose materials that do not meet the categories listed are usually undesirable donations.

Recently among developing nations, because of poor funding, academic institutions accept all manner of donations, undermining the objectives. This paper is a step in correcting these pitfalls and as a guide to future librarians.

1.2 SIGNIFICANCE

The library constitutes a pivot on which the university system revolves. The attainment of educational goals and objectives depends to a large extent on the quality of materials stocked in the library. This will enable several audience to do useful research, determine, discover and appreciate the information services available to them.

The findings of this research may also assist educational policy makers in developing policies that would ensure adequate provisions of necessary library services to users. It could also assist the National University Commission (NUC) according to Danko (2008) and the university authorities in taking a second look at book donations, in order to avoid dumping grounds for junks and non-relevant materials. The outcome of the study may also serve as a reference material for future researchers.

2.1 LITERATURE

Orr (1973) presented a very significant evaluation model (Orr's Schema) which is related to performance in library goodness called "measure of quality" and those related benefit called "measure of value". The model proposes that the provision of resources to an information system should result in its capacity to provide various services. The sue of these services take place when demands made on the system derive benefits to the users.

The acceptance of any donation should have the capacity to meet both the demands of the institution concerned as well as those of the users. The quality of the donations should not only increase users' demand but also their level of utilization and satisfaction. The librarian should therefore accept donations that will develop and enrich the lives of users in whose interest the library was established.

Ajzen (1985) in his planned behaviour posit that the best way to predict behaviour is to measure behavioural intention, which in turn is seen as a function of three variables, namely: "attitude, subjective and control". In this statement, he implies that, an individual attitude could be positive or negative in his reflection of belief.

Ejimkoyeetal (1999) stated that university libraries priorities should be defined along the lines of undergraduate course work and post-graduate research within the subject areas offered by the departments. However there is provision for general, inter-disciplinary and cultural materials for all rounded education.

Cooper (2010) argues that a complete gift policy should cover more items like money, artwork, or anything else that people may want to donate to the library. He maintains that donation policies should address four key points:

- i. What kind of donation to be accepted
- ii. What would be done with the donation
- iii. When and how the donation should be received and
- iv. How they should be acknowledged.

Donations are better if the donors understand what kind of donations that are useful to the donee.

The (NSW, 1996) Stipulates that collection evaluation policy should take into account the following:

- i. The capacity of a collection to meet the school's needs
- ii. The implementation of educational policies and curriculum priorities
- iii. The needs of the school's educational programs and individual users
- iv. Identification of resources that are no longer relevant to the school's needs
- v. The age and condition of the resources
- vi. The need to ensure that resources encompass a variety of formats
- vii. Technological development, and
- viii. Library staffing, space and funding levels

Ejimkoye (1999) added that statement of policy should also say who and who should be responsible for making selections and who ultimately decides what is to be accepted and in what quantity.

Most library boards encourage gifts of money and requests from the public through its charitable association. Unless otherwise specified, cash donations normally go towards building the library's collection. Items purchased are made available to registered library users. Some libraries also accept online donations through its charitable association.

Naturally, donations increase the volume of library collections. Leading to Emmanuel and Afolabi (2005:2006) methods of acquisition involve valuable donations. Gardner (1981) revealed that 'in other cases, a donor donates materials that will enhance existing purchases. Ejimkoye (1999) opines that "it is advisable that the librarian be aware of certain criteria for selection in order to ensure that the collections so developed are relevant to the needs of the university community.

3.1 METHODS

The ex-post-facto research design was used for this study. It was considered appropriate since the events/variable had already occurred and the researchers only had to rely on the facts on ground in making inferences. One hundred and two (102) librarians in the universities of Benin, Calabar, Port Harcourt and Uyo were used as sample during the session of 2011/2012. See table 1.

Table 1. Distribution of Population

University of Benin Librarians	18
University of Calabar Librarians	38
University of Port Harcourt Librarians	21
University of Uyo Librarians	25
Total	102

COLLECTION EVALUATION CRITERIA AND ACCEPTANCE OF DONATION QUESTIONNAIRE

(CECADQ) were used for data collection. All the copies sent were returned with valid responses. The responses were scored and the data obtained analyzed, using coefficient package in SPSS 17.0 software. The result showed that Collection Evaluation Criteria and Acceptance of Donation has a reliability index (α) of .77. The data generated were analyzed, using Multiple Regression Analysis (MRA). All the hypotheses were tested at .05 significant level.

4.1 FINDINGS

The summary of Multiple Regression Analyses used in measuring the 5 research questions and the null hypotheses are presented and interpreted in the order of the research questions and hypotheses.

Research Question One: To what extent do libraries' policies on donations relate with librarians' acceptance of donation in universities. The results show that the MRI for (r) indicate .075 and .066 respectively. This r square value indicates that library policies contribute 6.6% to librarians acceptance of donations in universities.

On the result of relevance of donations, the MRI indicate that (r) has a relationship between relevance and librarians acceptance of donations in universities at a value of .069 and .059 respectively. This contributes to 5.9% of the value attached to the relevance of donations for acceptance.

On the question of donation values, the (r square) of MRI indicates .072 and .063 respectively. This r square value also indicates that the value of donations to library collection is at 6.3% which relates to librarians' acceptance of donations.

In this analysis, we have noted that there is significant positive relationship between donations' value and the libraries acceptance in universities. With this observation therefore, the null hypothesis one (H0) which assumed that there is no significant relationship between donations' value and librarians' acceptance of donations in universities was rejected.

5.1 CONCLUSION

Considering the null hypotheses which guided this study, the results displayed yielded the following findings;

- i. That there is a significant positive relationship between libraries' policies on donations and librarians' acceptance of donations in universities. The library policies contributed 6.6% to this observation.
- ii. There is no significant relationship between types of donations and librarians' acceptance of donations in universities. Types of donations contributed only 0.1% to this observation.
- iii. There is a significant relationship between relevance of donations and librarians' acceptance of donations in universities. Relevance of donations contributed 5.9% to this observation.
- iv. There is no significant relationship between legal considerations and librarians acceptance of donations in universities. Legal considerations contributed 0.1% to this observation.
- v. There is a significant relationship between donations' value and librarians acceptance of donations in universities. Donations' value contributed 6.3% to our variation observation.

These observations is in agreement with Ejimkoye (2001) who argued that statement of policy should say who and who should be responsible for making selections and who ultimately decides what is to be accepted and in what quantity. The significance of library policy is a clear indication that every university library should have a clear statement of policy with clear defined policy statements on donations.

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ORGANIZED SECTOR TAXI OPERATORS IN INDIA – OPPORTUNITIES & CHALLENGES

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ABSTRACT

The middle class population in India rose from 15 mn in 1991 to 160 mn in 2011. This segment with its increasing disposable income started demanding and has been willing to pay for better services across sectors including private and public transportation. Rapid economic growth coupled with huge infrastructure development, rigorous effort from Ministry of Tourism to project India as travel destination and emergence of BPO industry has given a huge push to the car rental industry in India. Till 2003, the point-to-point taxi market in India's big metropolitan cities was completely unorganized. It was served either by unorganized, inconsistent and somewhat expensive private operators or by state government controlled pre-paid taxis offering a standardized but low quality service. But in 2003 the Radio cabs business emerged as one of the fastest growing businesses in the Indian transportation sector with Delhi-based Mega Corp setting the wheels rolling under the Mega Cabs brand in cities such as Bangalore, Mumbai, Calcutta, Chandigarh, Ludhiana and Amritsar. Today, 15,000 plus professionalized air-conditioned taxis are available to customers in 6 big cities in a largely reliable, convenient and affordable manner. But the organized organized sector taxi operators is still just 15% of the total rental market in India and contributes to only about 10% of the total revenue.

The objectives of the present study are to analyze the opportunities and challenges faced by the organized sector taxi operators and to offer suggestions to improve their performance.

Key Words: Rapid economic growth, organized sector taxi operators, radio cabs, car rental industry.

INTRODUCTION

The series of economic reforms unleashed in the India post 1991 positioned India as one of the fastest growing economies in the world, clocking 6-7% GDP growth rate in the last two decades. Manufacturing industries like auto, shipping, aviation, food processing flourished under relaxed norms for operations and enhanced competition. New services industries like telecom, IT & ITES, financial services took root and grew leaps and bounds to become the dominant contributor to the country's GDP, their share rose from 43% in 1991 to 58% in 2011. The growth of these sectors had a direct and favourable impact on employment, wages, poverty rate and, urbanization. Together, these have led to the emergence of a strong middle class segment of population that is not only becoming larger but also wealthier. The middle class population in India rose from 15 mn in 1991 to 160 mn in 2011. This segment with its increasing disposable income started demanding and has been willing to pay for better services across sectors including private and public transportation. Rapid economic growth coupled with huge infrastructure development, rigorous effort from Ministry of Tourism to project India as travel destination and emergence of BPO industry has given a huge push to the car rental industry in India. Till 2003, the point-to-point taxi market in India's big metropolitan cities was completely unorganized. It was served either by unorganized, inconsistent and somewhat expensive private operators or by state government controlled pre-paid taxis offering a standardized but low quality service.

According to the industry sources, unorganized operators dominate about 85% of the market. The car rental industry grew from ` 30bn in FY03 to ` 200bn in FY11 notching up an annual average growth of 30%. The Radio cabs business has emerged as one of the fastest growing businesses in the Indian transportation sector. The concept of 24-hour radio cabs caught up in the country about a decade back with Delhi-based Mega Corp setting the wheels rolling under the Mega Cabs brand in cities such as Bangalore, Mumbai, Calcutta, Chandigarh, Ludhiana and Amritsar. Today, 15,000 plus professionalized air-conditioned taxis are available to customers in 6 big cities in a largely reliable, convenient and affordable manner. These services are fast spreading to other cities and the sector is seeing an active interest from new entrants and financial investors alike. New models are emerging with innovations on cost and technology in a bid to make these services rapidly accessible to more and more customers. Delhi currently has over 5,000 AC radio cabs and 3,800 economy radio taxis plying on its roads. Mumbai based Meru Cabs has also done brisk business since it started operations in 2006-07 to become one of the largest service providers in the country.

The organized car rental industry, which is just 15% of the total rental market in India, contributes about 10% or ` 8 bn to the total revenue. Of this, a mere 10% is currently contributed by the self-drive business, 20-25% by

leasing of cars and the rest come from chauffeur-driven cars that are largely used by corporate houses. Demand for radio taxis have been soaring in the metros and large cities as MNC executives, tourists, IT sector executives opt for a faster and smoother means of transportation through well maintained radio taxis. Today, radio taxis capitalize on its comfort quotient and availability quotient to attract people even though fares are comparatively higher than normal taxis. The entry of new players like SIXT, Euro car, Thrifty and Dollar over the last one-and-a-half years is expected to bring about a further consolidation in the organized segment.

OBJECTIVES OF STUDY

The objectives of the present study are to analyze the opportunities and challenges faced by the industry and to offer suggestion to improve the performance.

RESEARCH METHODOLOGY AND SAMPLE

The study mainly depends on secondary data and the required data were collected from the reports, websites of the companies, books, journals and newspapers, magazines, etc.

OPPORTUNITIES FOR THE ORGANIZED SECTOR TAXI OPERATORS IN INDIA

- **Growth in economy & Incomes of Middle Class**

With rapid growth in all sectors, the middle class segment of population not only becoming larger but also become wealthier and increases their disposable income. Increasing instances of double incomes in most families also rise in spending power. This increases the demand of comfortable and reliable services.

- **Growth in Air & AC class passenger traffic**

The Air travelers are in increasing trends, which uses majority of this services. In August 2013, domestic passenger traffic rose to 10.3 million from 8.7 million in August 2012. This translates into a smart 19.2 per cent rise. All the six major airports in India (Mumbai, Delhi, Chennai, Bangalore, Kolkata and Hyderabad) reported a year to year increase in domestic passenger traffic. The international passenger traffic increased by 14.3 per cent as compared to that in the year-ago month. Similarly in Rail passenger traffic, there is a huge growth in AC class passengers.

- **Low entry barriers**

There are hardly any barriers for launching a Radio cab venture.

- **Availability of Variety & Cheaper Cab Models**

Indian automotive industry has undergone a massive transformation in the last two decades from being limited to a handful of manufacturer (Hindustan Motor, PAL Maruti) up until 1991 to more than 14 multinational and domestic manufacturer offering a wide variety of Sedan model cars at affordable price. The radio cab sector has been a direct beneficiary from this. Automakers are eager that radio cab fleet operators select their vehicles and to do so they started offering discount and operator specific models also. For instance, Maruti Suzuki, offers discounts on some of its models for taxi operators. Toyota Kirloskar Motor Pvt Ltd is planning to offer a compressed natural gas (CNG) based variant of its multi-utility vehicle, the Innova, to radio cab operators.

- **Innovation in Technology**

Global positioning system (GPS) or the General packet radio service (GPRS) based technology have enabled the operators to monitor the cabs on real time basis, make efficient use of cabs and high utilization ratio resulting in good financial performance. The deep penetration of mobile internet helps customer to book cabs online and monitor cabs on real time. The SMS service helps operators to inform the status of cab and driver information's and book cabs.

- **Changing Lifestyle**

Demand for radio cabs is soaring in the metros and large cities as companies, executives, international tourists and affluent Indians opt for traveling in well maintained and modern taxis. They do not mind paying a slightly higher fare to travel in the comfort of air-conditioned taxis.

MAJOR PLAYER IN RADIO TAXI INDUSTRY

- **Meru Cabs**

Meru Cabs was one of the first companies to launch metered "Radio cabs" in India under its brand "Meru." First launched in Mumbai with 45 cabs in April 2007, Meru Cabs has grown exponentially in terms of fleet size and geographical presence. By 2008 it started operations in Delhi, Hyderabad and Bangalore and expanded to Jaipur and Ahmedabad cities in 2013. Meru is 3rd largest Radio Taxi Company in the world with fleet size of more than 6000 cabs operating 20000 trips per day and carrying 1.8 million passengers annually. Meru cabs are market leaders having at least 60 percent market share. Meru is best known for high quality services to its passengers enabled through technologies like GPS, GPRS based tracking and dispatch, speed alarm, trip tracker facility, e-bill etc. Recently it has launched a iPhone app, which makes cab booking simpler and quicker for its esteemed passengers. In addition to this the App facilities real time tracking of cab on the map with estimated distance and time of arrival once cab was assigned, can call the chauffeur directly from the App and Emergency Alert: ICE (In Case of Emergency), to family member or a friend. Meru follows a hybrid model under which majority of vehicles are owned by company and some of its vehicles are owned by the drivers and these drivers work exclusively for them. Meru helps its drivers to purchase their cars by getting them special rates from manufacturers and from financial institutions. Meru also enables drivers who have worked with the company for more than five years to purchase cars from its own fleet. At present, of Meru's fleet of 5,500 cars, around 550 are owned by drivers. Meru is the only taxi operator in India to partner with the airports at Mumbai, Delhi, Hyderabad & Bengaluru. It is one of the few transportation companies in the world to deploy an Oracle ERP and Siebel CRM and the only company in India to have won the 'Best IT User Awards' by NASSCOM CNBC TV-18 in 2008, 2009 & 2010, Times Honour Award 2012 & Trip Advisor Traveller's Choice 2013. The metered charged are Rs. 23 / Km (Rs. 28.75 / Km from 11 PM to 5 AM), waiting charge Rs. 30/ hour. Meru cabs provides IVR system for telephonic cab booking, online as well as by calling 24 hours call center.

- **Mega Cabs**

Mega Cabs has the best fleet of modern, luxurious air-conditioned, metered taxis equipped with state of the art GPS based communication technology and providing complete transport solutions for point-to-point travel within the cities it operates in. They have presence in 7 cities including 4 major Metros of Delhi, Mumbai, Kolkata, Bangalore and cities of Chandigarh, Amritsar and Ludhiana and expect to start services in Lucknow, Jaipur and Ahmedabad. They have presence at Mumbai and Delhi International Airports.

All Mega Cabs drivers are trained by Institute of Driving and Training Research (IDTR) and Hubert Ebner (HE). Mega Cabs initiated & introduced advertising on cabs in India with major clients like Airtel, Nokia and Vodafone. They operate 24x7, 365 days covering length and breadth of major metros with each cab traveling a minimum of 250 kilometers and plying for at least 15 hours daily on major city roads as well as its suburbs while carrying more than 600000 passengers every month. Its metered charged varies from Rs. 19.05 to 25 / KM (25% extra from 11 PM to 5 AM) based on type of city, waiting charge varies from Rs. 30 to 100 per hour. There is an additional convenience charge Rs. 20 to 50 for each booking done through call center. There is no convenience charges for booking done through website. Mega cabs provides IVR system for telephonic cab booking as well as online booking. Customer can pay the bill amount to chauffeur in cash or by debit / credit card (only available in Bangalore and Delhi). Mega Cabs have tie up with Air India for frequent flyer program and customer can earn points for each successful trips. Recently Mega Cab was awarded Service Outlet of the Year 2013.

- **EasyCabs**

Carzonrent launched Radio Cabs in June 2006 with investment support from the two private equity firms SIDBI and Sequoia Capital under the brand name EasyCabs and today is one of the largest Radio cabs company with a fleet of around 6500 cars. They offer point to point services in Delhi, Mumbai, Bangalore and Hyderabad and is planning to expand services to Chennai and Pune. All EasyCabs are Air-Conditioned and are equipped with state-of-art technology like GPS, GPRS tracking, Mobile Data Terminals, In-car payment option and Digital Meters. EasyCabs makes 15000 plus trips, travel 100000 plus kilometers daily and carry more than 6000000 customers annually.

All cabs are mid segment sedan like Toyota Etios, Mahindra Logan ,Hyundai Accent, Ford Ikon, Maruti Esteem with well trained driver. The company is regularly adding many customer convenient initiatives in its service.

Recently Easy Cabs offers free 3G Wi – Fi connectivity on Cabs to its Delhi-NCR region customers. The mobile application for EasyCabs radio taxi service help users to track the location of their booked cab. Users will no longer have to call their chauffeurs to find out their whereabouts and enable them to get live traffic updates via Traffline.com . The EasyCabs mobile app has been downloaded by over 50,000 users so far. It have tie up with Jet Airways and offer JetPrivilege rewards point, Make My Trip customer have an option for booking an airport transfer in an EasyCabs at 10% Discount on base fare and get also get reward points from Payback. In order to give sense of ownership & responsibility, Easycabs give the driver the car which he drove at the end of five years at free of cost. The metered charged are Rs. 23 / Km (Rs. 28.75 / Km from 11 PM to 5 AM), waiting charge Rs. 30/ hour. Cab can be booked via simply SMS to 53030, online as well as by calling 24 hours call center.

- **Quick Cabs**

Quick Cabs is India's First Radio Taxi Company Operating with both company owned and driver owned vehicles. They offer point to point as well as fixed package services in Delhi & NCR areas. Service to the customers to a large extent depends upon the quality & behaviour of chauffeurs. Giving the drivers a larger share of the profit the model traverses a mechanism wherein the chauffeur receives a direct incentive for maintaining the condition of his car and meeting service standards of the company. All cabs are equipped with Global Positioning Devices (GPS). Quick Cabs Operates 1000 Radio taxis in Delhi & NCR. Its fleet comprises of 550 nos Maruti Eeco, 250 nos Maruti WagonR and 200 nos Tata Indica vehicles. The metered charged are Rs. 12.5 / KM (25% extra from 11 PM to 5 AM), No waiting charge upto 15 minutes and after that Rs. 50/- for every 30 minutes and a Convenience charges of Rs. 50 / booking + Rs. 25 (optional for AC usage). Taxi can be booked online as well as by calling 24 hours call center.

- **TABcab**

TABcab is brand name of SMS Taxi Cabs Ltd, a wholly owned subsidiary of Nagpur-based SMS Infrastructure Limited. TABcab is based at Mumbai and is the largest phone taxi operator with fleet size of 2800 cabs operating in Mumbai Metropolitan Region. TABcab has owns license for 4,000 radio taxis, auctioned by Government of Maharashtra's Department of Transport for Mumbai Metropolitan Region in 2011 at Rs.2.61 per permit. It has a modern fleet of cars with state of the art infotainment devices, brand new world class Toyota and Suzuki SX4 fleet. TABcab is the 1st phone taxi operator that is presenting various time slots in which a cab is assured for each & every booking taken, TABcab has achieved nil cancellation stage, which is a first in the history of radio taxi in India due to its largest fleet strength, state of the art technology enhancements like Cab Forecasting System and Digitally Mapped Bidding System, effective utilization of manpower and special training for drivers. They offer Rs.200 gift voucher as compensation if accepted booking is not fulfilled. TABcab has entered in an alliance with GoAir to give special priority service to all GoAir passengers booking cabs at Mumbai Airport. TABcab have partner with the JetPrivilege, Loyalty Programme of Jet Airways and passenger can earn JPMiles every time they travel with TABcab. TABcab can be booked by phone, online, mobile web and mobile app or by hailing on road.

- **Priyadarshini Taxi Service**

Priyadarshini Taxi Service is a fully women driven cab service in Mumbai is an initiative implemented by Susieben Shah, an entrepreneur and social activist to empower women. It commenced operations in Mumbai in the year 2008 as an innovative project and an inspiring service provided by women. Realizing the lack of women drivers in the city, Susieben Shah embarked the project of Priyadarshini Taxi Service where women who earn an income of less than Rs. 10000 are trained and employed to drive taxis. The training provided to the participating women is free of charge. It as an exhaustive, 3 months training, where the woman is expected to drive at least for two hours daily, on the roads of Mumbai. The training also imparts communications skills, self-defence techniques, basic accounting principles and first-aid to handle emergencies.

Priyadarshini's model is similar to that of other radio taxis. The company owns the cars and allows the women to rent them. The drivers pay Rs 700 per day, which goes towards maintenance and insurance, and the rest is for them to keep. The company earned Rs 20.57 lakh as revenues from 12 cars in FY12, up from Rs 18.8 lakh the previous year. It recently got permission from Bombay High court to started running prepaid taxis from the domestic terminal of the city airport.

CHALLENGES FOR THE ORGANIZED SECTOR TAXI OPERATORS IN INDIA

- **Higher Operating Cost**

The operating cost which includes diesel and wages of driver had increased more than 15% in the recent year against this the fare has not increased proportionately. The State Transport Department regulates the cabs fare and are not allowing hike in the fare with the increase in diesel / CNG cost.

- **High Permit Cost**

The permit cost in some state is very high. Mumbai was halted new permit since 1997, this leads to purchase of existing permit on premium price. Most of the Meru & Easycabs operates in Mumbai opted this option. TAB cab has purchased 4000 permits from Maharashtra State Transport Department at Rs. 2.61 Lakhs per permit.

- **Parking Space**

Majority of the Radio Taxi are operated in Metro's, where parking space is very limited.

- **Shortage of Trained Manpower**

There is a huge shortage of trained manpower ranging from Executives for operation to chauffeurs. Presently most of the operators train their chauffeurs at their own cost.

- **Customer Retention**

Understanding customers in terms of customer behavior and loyalty is a difficult job. Operator need to implement effective customer relation management and loyalty program.

- **Competition in Market**

Competition from unorganized sector is another challenge facing the organized taxi industry in India. Another challenge is as more and more organized taxi operators are dotting the Indian topography, competition is no more restricted between organized and unorganized sector. The entry of international players like Uber in India will further fuel the competition.

- **Too Expensive**

The fare is in higher side as compared to an auto-rickshaw or a non-air conditioned black and yellow taxi.

RECOMMENDATIONS

- There is a huge untapped market for high-end luxury car rental service. The demand for high-end cars has increased in the last five years. International businessmen and foreign tourists prefer to hire high-end luxury models, such as Audis, BMWs and Mercedes, after stepping out of the airport. The demand for high-end car rentals in Mumbai has grown by 35%-40%. Radio Taxi operator should have some high-end luxury models to capture this segment in addition to mid segment sedans.
- The waiting time to book cab via call centre is high in some operators; longer waiting time creates irritation to customer. Operator should implement facilities like online booking, Mobile app, SMS based and IVR based booking.
- Companies should maintain one type of fuel efficient car to minimize the spare inventory and maintenance cost.
- Companies should maintain minimum education level for it driver as matriculation and pay special attention to soft skills training to drivers like personal Greetings to the customers, dealing with difficult customers, handling money, hygiene and being on time.
- Customer feedback form should be provided in each cab to gather Customer experience and to improve service quality.
- Presently most of the operator accept only cash mode of payment. Companies should accept credit / debit card.

CONCLUSION

There is a huge untapped market for high-end luxury car rental service. The demand for high-end cars has increased in the last five years. International businessmen and foreign tourists prefer to hire high-end luxury models, such as Audis, BMWs and Mercedes, after stepping out of the airport. The demand for high-end car rentals in Mumbai has grown by 35%-40%. Radio Taxi operator should have some high-end luxury models to capture this segment in addition to mid segment sedans.

In the present scenario there are various opportunities available for the organized sector taxi operators in India like Growth in economy & Incomes of the Middle Class, Growth in Air & AC class passenger traffic, Low entry barriers, Availability of Variety & Cheaper Cab Models, Innovation in Technology and Changing Lifestyles. However the sector also faces certain challenges like High Operating Cost, High Permit Cost, Availability of Parking Space, Shortage of Trained Manpower, Customer Retention, Competition from many players, Expensive as compared to auto rickshaws and yellow and black taxis etc.

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A STUDY ON THE INVESTMENT OPPORTUNITIES IN THE NON-IT SECTORS IN INDIAN ECONOMY

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ABSTRACT

Today India has become one of the emerging markets in the global village. Hence it has become vital for investments to water the growth of Indian economy so that sectors which can boom in near future should not dry out due to lack of nurturing support. Any sector whether small or big requires investments so that their products and services doesn't go in vain because of dearth of proper financing. Investment is the life blood for an industry in a globalized financial market of todays. Such opportunity can also be in the form of venture capital which in turn is the money provided by professionals who invest alongside management in juvenile, rapidly budding companies that have the prospective to develop into momentous economic contributors. Such investment capital is an important source of equity for start-up companies. Also investment or project capital can be visualized as "your ideas and our money" concept of developing business. The investment scenario in India has in fact taken off in and Venture capitalists not only provide monetary resources but also help the entrepreneur with the guidance in formalizing his ideas into a viable business venture. In order to encourage novelty, enterprise and renovation of scientific technology and knowledge based ideas into profitable production, it is very imperative to support activities for investment opportunities in India. India's success story in the era of information technology has shown that there is a tremendous potential for growth of knowledge based industries. The recent economic slowdown of IT Sector is provided a chance for a huge lot of investors to consider their opportunities in other sectors such as Manufacturing and Service Industry which will be indispensable to have overall economic development and to decrease the economic dependency on a single sector. The current paper endeavors to concentrate on the different opportunities in Non-IT Sector as well the investment opportunities available for Venture capitalist which ensures better perspective for Indian economy.

Key Words: Life Blood, Economic Contributor, Entrepreneur, Business Venture, Information Technology

INTRODUCTION

Investment has different meanings in finance and economics. In economics, investment is related to saving and deferring consumption. Investment is involved in many areas of the economy, such as business management and finance whether for households, firms, or governments.

In finance, investment is putting money into something with the expectation of gain, usually over a longer term. This may or may not be backed by research and analysis. Most or all forms of investment involve some form of risk, such as investment in equities, property, and even fixed interest securities which are subject, inter alia, to inflation risk. In contrast putting money into something with a hope of short-term gain, with or without thorough analysis, is gambling or speculation. This category would include most forms of derivatives, which incorporate a risk element without being long-term homes for money, and betting on horses. It would also include purchase of e.g. a company share in the hope of a short-term gain without any intention of holding it for the long term. Under the efficient market hypothesis, all investments with equal risk should have the same expected rate of return: that is to say there is a trade-off between risk and expected return. But that does not prevent one from investing in risky assets over the long term in the hope of benefiting from this trade-off. The common usage of investment to describe speculation has had a effect in real life aswell: it reduced investor capacity to discern investment from speculation, reduced investor awareness of risk associated with speculation, increased capital available to speculation, and decreased capital available to investment (source: <http://en.wikipedia.org>).

REVIEW OF LITERATURE

Types of Investing

By combining the two dimensions of CVC investing - strategic and financial objectives - four distinct investment strategies can be outlined.

A. Driving Investments Driving investments are pursued by CVCs for strategic alignment that is tightly linked between the investment company's operations and the startup company that is being invested in. The purpose of this investing option is to advance the strategy of the current business. The CVC looks for key growth areas

within the startup companies and then hopes to combine them with the company's initiatives. Appropriately selected investing and alignment can benefit the investing company by furthering the corporate strategy. On the other hand, this could result in failure. Closely linked investments essentially roll into the current strategy in place. This would not be useful in dealing with already disruptive strategies in place, or in finding new ones when the investing company needs to update processes when trying to keep up with a changing environment. Thus, if CVCs are looking to "transcend current strategies and processes," they would need to look to other investing strategies.

B. Enabling Investments Enabling investments are also made for strategic purpose, but in this case they are not linked closely with the investing company's operations. The thought process is that a tight link is not necessary for a successful investment to help the investing company to succeed. Although this may seem counterintuitive, the idea is to take advantage of complementary products. Enabling investments complement the strategy of the current business. Ideally, the popularity of the investments will help to create demand for the investing company's products by stimulating the industry in which the products are used. The limits of enabling investments are that they will only be successful if they "capture a substantial portion of the market growth they stimulate".

C. Emergent Investments: While Emergent investments do not promote current strategies, they do link tightly with the investing company's operations. If the business environment or company's strategy changes, the investment could become strategically valuable. This design helps create a sort of option strategy that is independent of financial returns. Emergent investments allow investing companies to explore new untapped markets that they are unable to enter due to their focus on the current markets they serve. Investment products can be sold in new markets to help gather vital information that could not be otherwise obtained. If the information looks promising, the company could look to shift towards this new direction. Emergent investments are initially made for financial gains but could ultimately result in strategic gains as well. On the contrary, if they do not prove to be important for the company strategy, they should be left untouched to generate whatever financial returns possible. In summary, emergent investments require "balancing financial discipline and strategic potential".

D. Passive Investments: Passive investments are neither connected to the investing company's strategy nor their operations. Thus, these investments do not help the investing company to actively advance their own business and can only provide financial returns. Essentially, passive investments are no different than typical investments whose financial returns are contingent on the volatility of the private equity market. Due to the lack of any strategic advantages with this kind of investing, passive investments are not very practical or advantageous.

ATTRACTIVENESS OF RISK CAPITAL IN INDIA

India certainly needs a large pool of risk capital both from home and abroad. Examples of the US, Taiwan and Israel clearly show that this can happen. But this is dependent on the right regulatory, legal, tax and institutional environment; the risk-taking capacities among the budding entrepreneurs; start-up access to R&D flowing out of national and state level laboratories; support from universities; and infrastructure support, such as telecoms, technology parks, etc.

Steps are being taken at governmental level to improve infrastructure and R&D. Certain NRI organizations are taking initiatives to create a corpus of US\$150m to strengthen the infrastructure of IITs. More focused attempts will be required in all these directions.

Recent phenomena, partly ignited by success stories of Indians in the US and other places abroad, provide the indications of a growing number of young, technically-qualified entrepreneurs in India. Already there are success stories in India. At the same time, an increasing number of savvy, senior management personnel have been leaving established multinationals and Indian companies to start new ventures. The quality of enterprise in human capital in India is on an ascending curve.

The environment is ripe for creating the right regulatory and policy environment for sustaining the momentum for high-technology entrepreneurship. Indians abroad have leapfrogged the value chain of technology to reach higher levels. At home in India, this is still to happen. By bringing venture capital and other supporting infrastructure, this can certainly become a reality in India as well.

India is rightly poised for a big leap. What is needed is a vibrant venture capital sector, which can leverage innovation, promote technology and harness the ongoing knowledge explosion. This can happen by creating the right environment and the mindset needed to understand global forces. When that happens we would have created not 'Silicon Valley' but the 'Ind Valley' - a phenomenon for the world to watch and reckon with.

RELEVANCE OF VENTURE CAPITAL IN INDIAN ECONOMY

The venture capital industry in India is still at a nascent stage. With a view to promote innovation, enterprise and conversion of scientific technology and knowledge based ideas into commercial production, it is very important to promote venture capital activity in India. India's recent success story in the area of information technology has shown that there is a tremendous potential for growth of knowledge based industries. This potential is not only confined to information technology but is equally relevant in several areas such as bio-technology, pharmaceuticals and drugs, agriculture, food processing, telecommunications, services, etc. Given the inherent strength by way of its skilled and cost competitive manpower, technology, research and entrepreneurship, with proper environment and policy support, India can achieve rapid economic growth and competitive global strength in a sustainable manner.

A flourishing venture capital industry in India will fill the gap between the capital requirements of Manufacture and Service based startup enterprises and funding available from traditional institutional lenders such as banks. The gap exists because such startups are necessarily based on intangible assets such as human capital and on a technology-enabled mission, often with the hope of changing the world. Very often, they use technology developed in university and government research laboratories that would otherwise not be converted to commercial use. However, from the viewpoint of a traditional banker, they have neither physical assets nor a low-risk business plan. Not surprisingly, companies such as Apple, Exodus, Hotmail and Yahoo, to mention a few of the many successful multinational venture-capital funded companies, initially failed to get capital as startups when they approached traditional lenders. However, they were able to obtain finance from independently managed venture capital funds that focus on equity or equity-linked investments in privately held, high-growth companies. Along with this finance came smart advice, hand-on management support and other skills that helped the entrepreneurial vision to be converted to marketable products.

The table below shows the nature of investments in various stages:

Stage at which investment made	Risk of loss	Causation of major risk by stage of development
The Seed-stage	66.20%	72.00%
The Start-up Stage	53.00%	75.80%
The Second Stage	33.70%	53.00%
The Third Stage	20.10%	37.00%
The Bridge/Pre-public Stage	20.90%	33.00%

CRITICAL SUCCESS FACTORS TOWARDS INVESTMENT OPPORTUNITIES IN INDIA

(citeseerx.ist.psu.edu)

- The regulatory, tax and legal environment should play an enabling role as international funds have evolved in an atmosphere of structural flexibility, fiscal neutrality and operational adaptability.
- Resource raising, investment, management and exit should be as simple and flexible as needed and driven by global trends.
- Venture capital should become an institutionalized industry that protects investors and invitee firms, operating in an environment suitable for raising the large amounts of risk capital needed and for spurring innovation through start-up firms in a wide range of high growth areas.
- Venture capital should become an institutionalized industry that protects investors and invitee firms, operating in an environment suitable for raising the large amounts of risk capital needed and for spurring innovation through start-up firms in a wide range of high growth areas.
- In view of increasing global integration and mobility of capital it is important that Indian venture capital funds as well as venture finance enterprises are able to have global exposure and investment opportunities
- Infrastructure in the form of incubators and R&D need to be promoted using government support and private management as has successfully been done by countries such as the US, Israel and Taiwan. This is necessary for faster conversion of R&D and technological innovation into commercial products.

OBJECTIVES

1. To know the venture capital and different sources of financing venture capital.

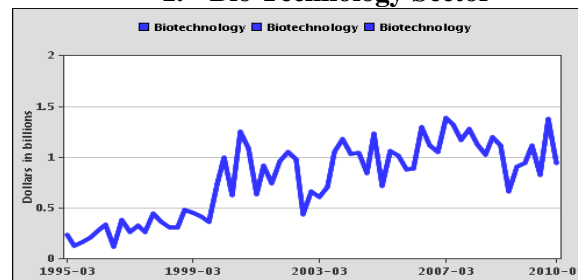
2. To know the different perspective areas of venture capital in Indian financial sector.
3. To know the sectorial perspective with respect to the expert opinion.
4. To Find the best practices to increase the venture capital about better perspectives.

SCOPE OF THE STUDY

1. To the various investment perspective opportunities among various sectors.
2. To know why there is a slow growth of venture capital in India.
3. To know the stated and unstated entry barriers for venture capital in India.

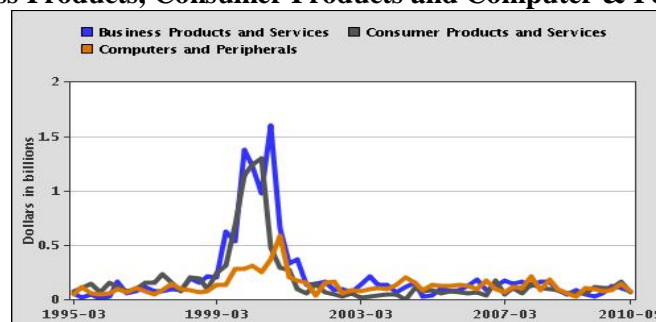
ANALYSIS

1. Bio Technology Sector



INFERENCE:-The Biotechnology is achieving a tremendous success in the market and it is showing an increasing trend since 1995. The Biotechnology industry has become an attractive sector for venture capitalist with stable growth.

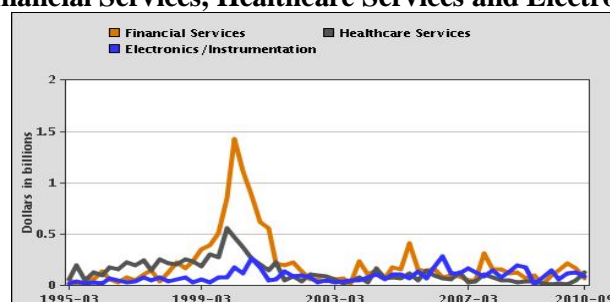
2. Business Products, Consumer Products and Computer & Peripherals Sector



INFERENCE: - The business products and services are performing better as the industrialization grows in the Indian context. The increasing trend in outsourcing opportunities among the businesses helps to increase the effectiveness by reducing the cost to the organization and to concentrate on the core competencies of the business. This attracts the investors to drag towards this industry.

Population is the curse for India with prospective to economic development where as it is a bless for industries by providing a tremendous opportunities to start a business .India is the second largest populated country it is providing a bright and endless opportunities for the investors to start up venture unless the competition exists. The technology innovation and advancement making communication very easier, faster and cost-effective. As the life style changes because of globalization impact, there is more dependency as it is creating on the technology products and as well as it is creating opportunity for service industry also in the market with attractive growth rate.

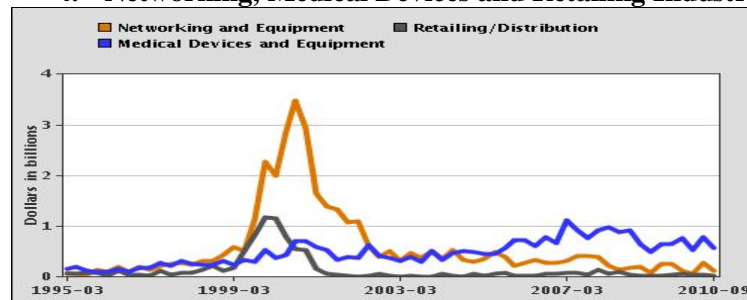
3. Financial Services, Healthcare Services and Electronics Sector



INFERENCE: - As the fast food culture is increasing in the market and changes in life style, climatic conditions and global warming forcing the people become more conscious about the health, which is the raising cause for health care sector. The opportunity in health care and service industries are increasing as the population grows in Indian context.

The government is taking a special interest in creating a special economic park to develop more electronics oriented industries in Indian context and this is one of more attractive as well as less variable industry with plenty of opportunities where the venture capitalist can look in.

4. Networking, Medical Devices and Retailing Industry

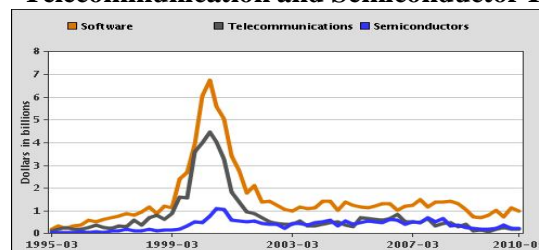


INFERENCE: - The industry growth will not only provide the opportunity in the production sector rather it will also generate immense opportunity for other dependant industries. The development in communication industry is enhancing the investment opportunity in networking and equipment industry also.

As the retailing industry is spreading its wings by attracting not only the domestic retailers but also the corporate retailers across India. It is providing ample employment opportunities for lot many individuals. The very focus of retail industry is to provide the utmost satisfaction to the customer and providing a base for lot many ancillary industries by adding value to the economy.

In the present days it provides a great opportunity for the industry dealing with medical devices and equipment as the need for these equipments is increasing due to increasing due to rise in medical emergencies and thereby it provides an opportunity for the venture capitalist in this sector.

5. Telecommunication and Semiconductor Industry



INFERENCE: - With respect to development the telecommunication is performing as a strong competitor for software industry in Indian context. The increasing importance given by the government to develop the other sectors with software by providing better benefits like tax benefits, subsidies, infrastructure facilities which is attractive for venture capitalist.

The development of telecommunication and energy industries creating ample opportunities for semiconductors industry to serve as sub industry. The development of electronics goods and more usage of electronics become essential in the modern life style and it is beneficial to start a new venture in the country.

FINDINGS

1. The increasing industrialization enhances the private participation in venture capital organization and currently there are 189 organizations registered with SEBI.
2. Less importance on developing different sector is lagging the Indian economy performance such as GDP, Per Capita Income and growth rate.
3. There is tremendous increase in the contributions of other industries like Quarry, mining, Manufacturing, Telecommunication, Hotel, Transport, financial towards Indian GDP.

4. The dependency of software sector for job creation, growth rate and income makes less volatile of the market and in turn reduces the growth rate because of slack down in software industry.
5. There is a need for providing infrastructure facilities in all regions other than only developing in metro cities to diversify the industries throughout the country.
6. The additional tax rebates and tax advantages need to be introduced in identified sector to achieve success, double taxation of the same income need to avoid for attracting more foreign capital to domestic market.

SUGGESTIONS

1. Canalization of rules and regulations and establishing separate board to supervise venture capital by proper promotion strategy.
2. Developing good infrastructure to attract more foreign venture capital.
3. Promoting and encouraging the entire sector to reduce the economy dependency on a particular sector.
4. Increase Tax rebates.
5. Regulate the unorganized financing sector.
6. Regulating the unorganized financial sector becomes difficult, rather making organized financial sector more attractive to the users of such funds.

CONCLUSION

The size and scale of investments make it imperative for industry, government and other stakeholders to collectively find solutions to macro problems. This report emphasizes the need for advertising the different opportunities in all sectors and providing employment opportunities for Indian talent pool. It also highlights the need to canalize an Investor Services Organization to achieve more policy and regulatory coordination across authorities at the central, state and local levels. The software sector development has marked India as a emerging opportunity for the venture capitalists and by using the same repo can be utilized for attracting the domestic and global venture capitalists towards Indian economy.

FDI Inflows to India will lead to a phenomenal growth in the economic life of the country. India has become one of the most prime destinations for investments. Though the opportunities arising from the global industry for the Indian industries are huge, but so are the challenges. The global economic slowdown and cost pressures have made the Global industry outsource elements of technology, design and sub-assembly Manufacture. The industries who achieve success are the ones who can innovate, adapt cutting edge technologies, deliver customized solutions, develop and maintain a global standard in Manufacturing qualities and specifications while maintaining their cost advantages. The Challenge, therefore, for the India is to proactively respond to changing customer Expectations. This could require a lot of effort and investment by the government as well as the entrepreneurs in the Indian context.

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RE-EXAMINING THE RIGHT TO LIFE AND ABORTION THROUGH THE OPAQUE PRISM OF MEDICINE AND ETHICS

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ABSTRACT

Right to life is the heart and soul of human rights discourse. In fact it is the substratum on which all other rights depend for relevance and strength. However, from ancient times and even till now the argument rages on in all circles as to what extent can the right to life be protected and promoted in the light of advances in medical science and in shifting nature of ethicisms. In this article therefore we have examined contextually some critical and Germane but vexed issues such as determining what life is and when does life begins and ends? In view of the concept and principles of autonomy, who owns life, the individual or the state? Is there a right to die? Is the foetus a right bearer deserving of protection? In this paper, we have attempted answers to these questions from the legal, medical and ethical perspectives. Profound recommendations are made also.

1.1 INTRODUCTION

Interest and discourse on human rights is as old as the history of creation of man and man's subsequent pursuit of happiness as signalled in his bid to fulfil God's directive to be fruitful, multiply and replenish the earth and subdue it and.... having dominion over..... every living thing that moves upon the earth.¹

Man himself is a living soul by virtue of life in him. This ecclesiastical origin of man over the years has led philosophers to view human right as those confirmed by God or discernable by human reason and that man made laws must conform to this natural law.

The proponents such as Thomas Hobbes, John Locke, Aristotle, Aquinas etc believed that rights are common to mankind as human beings irrespective of creed, sex, race etc. Therefore rights are said to be inalienable with divine content and appertain to the individuals.²

This philosophy gained currency and relevance in the 17th and 18th century and continue to shape contemporary human rights discourse.

Following in this mould is MicheleneIshay who defines human rights as 'rights held by individuals simply because they are part of human species'.³

The issue of human right transcends particularism and religion as all religion have well fitting concept of human right, human right being a universally applicable ethical norm.

Islam recognises that all persons are created equal by God and deserve the respect of his fellow human beings.⁴ Both Buddhism and Hinduism espouse concepts that lend credibility to the universalism of human rights. Manu and Bhuda, according to Puntambekar, a political scientist, propounded a code of ten essential freedom and controls or virtues of good life that can pass for any modern bill of rights. These include Ahimsa (freedom from violence), Atseya(freedom from want) and Aparigraha (Freedom from exploitation) etc.⁵

¹Genesis Chapter. 1:1

²Lien W.H. "A fragment of Thoughts Concerning the Nature and Fulfilment of Human Rights" (West Port; Greenwood Press Publishers) 1973 P.144

³Ishay, M. R. The History of Human Rights From the Ancient Time to the Globalization Era (Berkley University of California Press) 2004

⁴Sura 49:13

⁵Puutambkar , S.V. Human rights in Maritain, Human Rights 1977

Therefore contrary to the current thinking that the concept of human rights is relative, all religion have a general comprehension of what constitute good, as goodness is not a particular's characteristic but can be found everywhere.

Be that as it may, the symbiotic relationship between human rights and law can not be over emphasis as recognised in Hugo Grotius (1583 – 1645) theory of social contract. Borrowing decency from this theory OsitaEze defines human rights as 'demands or claims which individual or groups make on society, some of which are protected by law and have become part of *lex lata*, while some remain aspiration to be attained in the future'.⁶

Over the years it has become obligatory for international bodies and nations to recognise and codify human rights of which no one can be unlawfully deprived of without a great affront to justice.

1.2 RIGHT TO LIFE

Right to life of all the recognisable human rights is obviously the most important as all other rights accruing to man are only available to a living person. The right to life is a moral principle based on the belief that a human being has the right to live and in particular should not be unjustly killed by another person.⁷ Consequently, the need to protect and preserve life has always has been the bases for most human struggles and endeavour. This much is evident in the preamble to the American Declaration of Independence (1976) which states in part

We hold these truths to be self-evident that all men are created equal, that they are endowed by their creator with certain inalienable rights, that among these are life,....'.

At the United Nation level, the right to life is captured in article 3 of the Universal Declaration of Human Rights 1948 which simply provides that 'everyone has the right to life, liberty and security of person'. To give more life to the right to life, it is reinforced in Article 6(1) of the International Covenant on Civil and Political Rights which provides that every human being has the inherent right to life. This right shall be protected by law. No one shall be arbitrary deprived of his life.

Similar provisions are found in Article 2 of the European Convention on Human Rights, Section 7 of the Canadian Charter of Rights and Freedom and Article 4 of the African Charter on Human and Peoples Rights.

Rights to life is captured under section 21 of the Constitution of India 1949 and it provides in the negatives that 'no person shall be deprived of his life or personal liberty except according to procedure established by the law. The Indian provision is identical with Section 33(1) of the Constitution of the Federal Republic of Nigeria 1999 which provides:

Every person has the right to life and no one shall be deprived intentionally of his life, same in execution of the sentence of a court in respect of a criminal offence of which he has been found guilty in Nigeria.

However in Nigeria, a person may be deprived of his life in exercise of the right of self defence, for the defense of any person from unlawful violence or for the defence of property, in order to effect a lawful arrest or to prevent the escape of a person lawfully detained and also for the purpose of suppressing a riot or insurrection.

Even though not so clearly stated, in all the human rights instruments referred to in this article, the right to life is not an absolute right as there are circumstances under which the rights may be tempered with as exemplified in section 33 of the Nigerian Constitution.

Article 26(3) of the Kenyan Constitution allow the deprivation of life if it's not intentionally done or if done to the extend authorised by the constitution or other written law such as the Penal Code⁸. What this means is that,

⁶Osita, E. Human rights in Africa; Some Selected Problems (Lagos; Macmillan Mg Pub. Ltd) 1984 P. 5

⁷www.wikipedia.org/wiki/right-to-life

⁸Under Section 40 (3), 204, 297 (2) of the Penal Code Cap 63 Law of Kenya, the offences of treason, murder and robbery with dangerous weapon carry the death penalty.

even though life is God given, sacred and sacrosanct, there are circumstances in all jurisdictions where a person may be deprived of his right to life and this leads us to the crux of this paper. All said, who owns life?

1.3 WHAT IS LIFE

Over the ages it has been most difficult to define life both from the biological and philosophical perspective. This epistemologically led Caro Cleland to argue that it is a mistake to try to define life. According to her, such efforts reflect fundamental misunderstanding about the nature and power of definition⁹. As a matter of metaphor, what is life is a question that keeps biologists up at night. Trying to define life is not just a philosophical exercise; there is the need therefore to understand what separates living creatures from non-living matters¹⁰. Be that as it may be this uncertainty and challenges of acceptability of working definitions do not translate to a lack of definition.

The oxford dictionary defines life as the period between birth and death, or the experience or state of being alive¹¹. Life may also be defined as the sequence of physical and mental experience that's makes up the existence of the individual or as 'an organismic state characterised by the capacity for metabolism, growth, reaction to stimuli and reproduction'¹².

It would appear that the definition of life as being the period between birth and death appeals more to reason. This could be logically interpreted that life is a 'space' between birth and death. As death is the end of life it is then important in this article to attempt to also understand death.

What is death? It is also as difficult to define as life. Is it when the heart stops beating? Life and death are related. Death is defined in Chambers Twentieth Century Dictionary as 'the state of being dead, extinction or cessation of life'. Steadman's Medical Dictionary attempts a more scientific definition by seeing death as 'a gradual process at the cellular level with tissue varying in their ability to understand deprivation of oxygen'¹³.

Could death then be said to occur when tissues can no longer withstand deprivation of oxygen? For the layman, when the hearts stops beating, death is said to have taken place. However, advances in medical science appear to have altered the position grossly.

Now the determinant test of death is if the brain stem cells are dead or simply put, the person is "brain stem dead". Brain Stem Death is the situation when parts of the brain which operate respiration and heart beat are dead and there is no electrical impulse.^{13b} What this means according to the UK Department & Health Code of Practice is:

Death entails the irreversible loss of those essential characteristics which are necessary to the existence of a living human person. Thus it is recommended that the definition of death should be regarded as "irreversible loss of the capacity to breathe"¹⁴.

This code was applied in R.V. MALCHEREK, R. V. STEEL (1981). In this case, M stabbed his wife, who was put on a ventilator. It was later discovered that she had irreversible brain damage and the ventilator was switched off. M then argued that he had not caused the death of his wife but rather that the doctor should be held responsible for the death by the act of switching off the ventilator. The Court of Appeal held and rightly, too that the original act by M was substantial and continuing cause of death. The doctor switching off the ventilator goes to no issue as the woman was already dead.

⁹ Cleland, C. and Christopher, E. "Origin of Life and Evolution of the Biosphere Vol. 32, Issue 4, P. 387 -392 (2002) NASA'S Astrobiology Magazine

¹⁰ www.astrobiology.net/exclusive

¹¹ www.oxforddictionary.com

¹² www.merriam-webster.com/dictionary/life

¹³ Lifted from Manson, JK and Laurie, GT. Law and Medical Ethics (Oxford University Press) 2006 P. 464

¹⁴ Lifted from Greene, B. Understanding Medical Law (Cavendish Publishing Limited Oxon) 2006 P. 167

The intendment of constitutional law is to promote the sacredness and sanctity of life as much as is legally possible and therefore from a positive law point of view, one can reason that, though life is given by God, it is the recognition and the protection given to it by *lex lata* that makes it sacred and not otherwise. If however the individual is the beneficiary of the right to life, can he then not be entitled to do as he pleases with his life? As special as human life is, it is now widely held that an individual should have some measures of autonomy to make choices about his or her life. This principle of autonomy is premised on some well recognised human rights; principally the right to self-determination which has become so elastic. In relation to medicine, it was applied in *SCHLOENDORFF V. SOCIETY OF NEW YORK HOSPITAL* (1914) 105 NE 92 (NY) to mean that every human being of adult years and sound mind has a right to determine what shall be done with his own body.

Therefore all adults are presumed to have decision making capacity and are therefore afforded the right to self determination; that is the freedom to make decision for themselves in all areas of their lives. This principle of autonomy finds further strength from the right to privacy and family.

The question that arise therefore in this article is that if the individual is entitled to a decision making capacity in relation to their body, while then do some states limit the exercise of this decision making capacity in the area of abortion, euthanasia and suicide. Is it that what the law gives with the right hand, it blindly takes back with the left hand?

Does the law like a pendulum approbate and reprobate at the same time?

Attempt is made in this paper to resolve these inherent lacunae, conflicts and contradictions through the opaque prism of law, medicine and ethic.

1.4 ABORTION

No human right related issue has generated intense debate and controversy as abortion. In America it is a determinant political factor. The word abortion originates from the Latin word “*aboriri*” meaning “to fail to be born”.

Abortion can be variously defined as the premature expulsion of a foetus from the womb, the ending of pregnancy by the removal or expulsion from the uterus of a foetus or embryo before viability.¹⁵ The term abortion most commonly refers to induced abortion of a human pregnancy.¹⁶

There are commonly two types of abortion. Abortion can be spontaneous in which case the pregnant woman has little or no control over the occurrence and this is commonly referred to as a miscarriage. The second type is the medical abortion which is either procured through medication or surgery. In this regard, the will of the pregnant mother is exercised and therein lays the dilemma. The ethical and philosophical dilemma surrounding abortion issuccinctly stated by Peter de Cruz¹⁷ as follows:-

- i. Whether the foetus should be accorded the status of a human being with legal personality or;
- ii. Whether the foetus merits protection as a person;
- iii. If so at what point in the pregnancy?
- iv. Whether the foetus has a right to life and legally protected interest;
- v. Whether a woman has a right to decide what happens in and about her body;
- vi. Whether there is some ethical links between abortion and infanticide, and
- vii. Whether there is any point after conception where it is possible to draw the line beyond which killing should not be permissible.

The answers to these posers are premised on law, medicine, ethics, morality and religion. Professor Dworkin in his book summarises the abortion debate as concerning;

¹⁵Grimes DA. Stuart, G. (2000). Abortion Jabbler-wocky;“ the need for better terminology”

¹⁶Archived from www.Wikipedia.org/wiki/abortion on 6/5/2014

¹⁷Peter de Cruz, Medical Law (Thomson, Sweet and Maxwell, London) 2005 P. 138-139

two quite different position regarding the responsibility of government in respect to protecting human life. Not surprisingly, this in turn stem from the different ways in which human life can be valued. On the other hand, it can be valued in terms of the sentience that render a life capable of bearing “interests” and “right”. On the other hand, human life can be valued as intrinsic “sacred” or “inviolable”.¹⁸

Dworkin concluded that the abortion debate should be more about the sacredness of human life rather than personhood or rights. Dworkin,s position regrettably is founded on religion and therefore rather stirs the hornet. This incongruity of Dworkin argument led Russel Hittinger to conclude that while we must take Dworkin at his word, that he want to find a resolution of the issue that “everyone can accept with full self respect” his religious argument only raises the stake of the debate.¹⁹

All the human right articles relating to the right to life either refers to every person, all persons or everyone. Who then is the right bearer in this sense? The concept of person is a legal concept. Section 307 of the Criminal code Act of Nigeria in relation to infanticide states that:-

A child becomes a person capable of being killed when it has completely proceeded in a living state from the body of its mother, whether it has breath or not, and whether it has independent circulation or not and whether the navel- string is severed or not.

This provision is of mirror reflection with section 214 of the Penal Code, Chapter 63 Law of Kenya 2009.

If the foetus is not a person, how and when does it become a right bearer or interest holder that deserves to be protected? Article 4(1) of the American Convention on Human Rights (Pact of San Jose) throws some light. It provides:

Every person has the right to have his life respected. This right shall be protected, and in general, from the moment of conception; no one shall be arbitrary deprived of his life.

Article 26(2) of the Constitution of Kenya appears to tow this line in defining life as ‘beginning from conception’. How do we then reconcile this definition of life as stated in the American Convention on Human Rights and Kenya Constitution with the view earlier expressed and adopted in this article, to wit; that life begins at birth and ends at death?

Many attempts have been made by pro-life lobbyists to justify the definition of life as beginning from conception. For example, at conception, the embryo is said to be genetically distinct from the mother, that the developing embryo is genetically different from the mother.

To buttress this, it is urged that the embryo has a unique set of finger prints as well as genetic patterns that make it unique and that through the use of sonography, the eyes, the ears, fingers, nose and a mouth are well formed.²⁰

Flowing from this reason, constitution and other written law out rightly outlaw abortion in specific terms. Article 26(4) of the Kenya constitution states:

Abortion is not permitted unless in the opinion of a trained health professional, there is need for emergency treatment or the life, or health of the mother is in danger, or if permitted by any other written law.

¹⁸Dworkin, Ronald. Life's Dominion; An Argument About Abortion, Euthanasia and individual Freedom. Achieved from www.eaderu.com on 6/5/2014

¹⁹“getting it wrong” A Review Of Dworkin Life Dominion in www.eaderu.com

²⁰www.abortion.procon.org.

In the United Kingdom, amongst the legislation that protects the rights of the unborn child include; The Offences Against the Person Act 1861 (OAPA). The Infant Life (Preservation) Act 1929 (the 1929 Act) and The Abortion Act 1967 (as Amended).

Section 58 of OAPA provides:

Every woman being with a child, who with intent to procure her own miscarriage shall unlawfully administer to her self any poison or other noxious thing, or shall unlawfully use any instrument or other means whatsoever with the like intent and whosoever with the intent to procure miscarriage of any woman, whether she or be not with child unlawfully administer to her or cause to be taken by her any poisonous or other noxious thing or shall unlawfully use any instrument or other means whatsoever with the like intent shall be guilty of felony.

Section 59 of OAPA also criminalises the unlawful supply of any poison or noxious substance or instrument with the intent to procure abortion. Section 1 of the 1929 Act has a similar provision too but the marked difference is the phrase “with the intent to destroy the life of a child capable of being born alive”. So if the child is not capable of breathing for a few hours unaided after being born and an attempt is made to destroy the life of such a child, it will not be a felony. The majority opinion in ROE V. WADE (1973) states that, ‘person’ as used in the 14th Amendment of the US Constitution does not include the unborn.

Under the Abortion Act 1967, abortion is allowed in the UK if done by a registered medical practitioner, if in the opinion of two such medical practitioners the pregnancy has not exceeded 24 weeks and it is desirable amongst other considerations, if the pregnancy would inflict harm to the physical or mental health of the pregnant woman.

The effect of the combine reading of the three UK Acts will lead to the irresistible conclusion that the decision to have an abortion or not lies with the woman, the decision is subject to a body of opinion of two medical practitioners and there is no right to abortion.

If therefore abortion is allowed under certain circumstances as seen in different jurisdictions, is the argument that the foetus has right to life sustainable? If the need to secure the physical and mental health of the woman overrides the gestational right of the foetus, is one life (in this case the pregnant woman’s) not superior to that of the foetus? We answer these questions in the affirmative.

Even Dworking admitted this much that foetuses do not have sufficient neurological development to have an interest and therefore cannot be bearers of right. In the case of CHRISTIAN LAYWERS ASSOCIATION OF SOUTH AFRICA V. MINISTER OF HEALTH (19998). The High Court of South Africa held that constitutional rights do not apply to foetuses.

There are plethora of legal principles that to our mind support abortion. Article 1 of the International Covenant on Civil and Political Rights (ICCPR) guarantees the right to self-determination. Article 20 of the African Charter on Human and Peoples Rights (ACHPR) has a similar provision. The medical principal of autonomy is delivered from this principle of self-determination which is now very elastic and encourages rational decision making. This principle was restated by Lord Donaldson, MR in Re: F (Mental Patient Sterilisation) 1990 when he stated that:

The ability of the ordinary adult to exercise a free choice in deciding whether to accept or refuse medical treatment and to choose between treatments is not to be dismissed as desirable but essential. It is a crucial factor in relation to all medical treatment.

US Supreme Court Justice Sandra Day O’Connor in PLANNED PARENTHOOD, V. CASEY (1992) stated that “the ability of women to participate equally in the economic and social life of the nation has been facilitated by their ability to control their reproductive right.”

Justice Ruth Bader Ginsburg of the US Supreme Court put it more poignantly in her dissenting opinion in GONZALEZ V. CAR HART (2007) that undue restrictions on abortion infringe upon “a woman’s autonomy to determine her life’s course, and thus to enjoy equal citizenship statute”

The right to reproductive autonomy is further provided for in Article 16 (e) of the Convention on Elimination of Discrimination Against Women (CEDAW) which gives women the right to decide freely and responsibly on the number and spacing of their children. The CEDAW Committee stated that women should not be punished for seeking health care and that States must remove punitive provisions imposed on women who undergo abortion in order to comply with CEDAW.²¹

Contrary to the position in UK, abortion is actually a fundamental right. And amongst others, the right to privacy and family life²² extend to abortion right. In the landmark US Supreme Court decision of ROE V. WARE (1973) 410 US 113, 93 S Ct. The court held inter alia that:

1. The Texas abortion law that criminalise all abortions, except those required on medical advice to save the life of the mother, violates the Constitution of the United States and therefore unconstitutional.
2. That the due process clause protects the right to privacy including a woman's right to terminate her pregnancy against state action.

In a concurring opinion, Justice Stewart opined that the earlier decision in GRISWOLD AND EISENBERG lead irresistibly to ROE WARE:

“...we recognised the right of the individual married or single, to be free from unwarranted governmental intrusion into matters so fundamentally affecting a person as the decision whether to bear or beget a child. The right necessary include the right of a woman to decide whether or not to terminate a pregnancy”

Another legally guaranteed right that support abortion is the right to mental health which is conterminous to the wellbeing of a person. Article 5 of the American Convention on Human Rights guarantees the right to physical, mental, and moral integrity. The same right is replicated in article 16 of the ACHPR which guarantees that the individual shall have the right to enjoy the best attainable state of physical and mental health and further place a duty on state parties to take necessary measures to protect the health of their people and to ensure that they receive medical attention when they are sick.

In Kenya, Article 43 (i) of the constitution specifically guarantees reproductive rights.

Courts have rightly applied this right in some jurisdictions. In ALYNE DA SILVA PIMENTE V, BRAZIL (2011) the Committee on CEDAW established that governments have a human right obligation to guarantee that all women in their countries-regardless of income or racial background- have access to timely, none discriminative and appropriate maternal health services.

CONCLUSION

These grounds for advocating for abortion right in an ever-changing world are by no means exhaustive. We have tried to put to rest some of the old woman's tales about abortion. The ban placed on abortion and the criminalisation of same is as unconscionable as it is an affront to justice. Women are entitled to all human rights guaranteed regardless to their race, religion and nationality. As the US Supreme Court rightly held in ROE V. WARE and followed in CHRISTIAN LAWYERS V. SOUTH AFRICAN MINISTER OF HEALTH, constitutionally guaranteed rights do not apply to fetuses or unborn babies.

Women die needlessly from pregnancy they ought not to have kept in the first instance. The statistics benumb the mind. 500,000 women die each year from pregnancy related causes with Asia accounting for 48 per cent of the deaths.²³ A woman's risk of dying from child birth is 14 times higher (8.8 in 100,000) than the risk of dying from having an abortion which is 0.6 in 100,000.

²¹ CEDAW, General Recommendation 24, " Women and Health" UN Doc. A/54/38/Res.1 1999 and Concluding Observation of the CEDAW Committee, Colombia, 02/05/1999. a/54/38

²² Article 17, ICCPR, Article 18(1) ACHPR

²³ Maternal mortality: a Global Factbook, archived from www.popline.org on 7/5/2014

As a matter of fact in countries where abortion is criminalised, illegal abortion is on the increase with many of them carried out in backstreet “clinics” by not too qualified healthcare practitioners. A survey carried out in Kenya in 2013 showed that these were 464,690 abortions carried out in Kenya in 2012. The study also found a fatality rate of 266 deaths per 100,000 unsafe abortions in Kenya²⁴.

In Nigeria, approximately 610,000 abortions are carried out each year with over 60 per cent procured by none physician notwithstanding that abortion is a felony with 14 years imprisonment upon conviction²⁵.

Decriminalising abortion will open access to legal, professionally- performed abortion thus reducing maternal injury and death caused by unsafe abortion. Abortion is a human right and social justice and the right of a woman to exercise this choice must not be traded and trafficked with as it is cardinal to her physical mental and moral health.

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²⁴www.capitalfm.co.ke

²⁵The Incidence of Induced Abortion in Nigeria.www.guttermarchero.org archived on 7/5/2014

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**AN EMPIRICAL STUDY TO DETERMINE THE MOST PREFERRED INVESTMENT AVENUE
AND FACTORS INFLUENCING THE INVESTMENT PREFERENCE AMONG RETAIL
INVESTORS**

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ABSTRACT

This study intends to find the preference level of investors on various investment avenues and to find out the factors influencing the preferences of the investors. About 405 samples were collected from Coimbatore city among salaried respondents through a structured questionnaire to study the investment preference in an elaborate. The influences of risk profile and demographic factors on the investment decisions are studied.

1. INTRODUCTION

Behavioural finance is an emerging science, which exploits the irrational nature of investors. It is relatively an emerging field of interest for not only the academicians but also for various financial institutions. The Individual Investment decisions are influenced by perception, preference, learning and experiences. It is important to understand the irrational behaviour that can influence the individual's investment decisions. Many researchers believe that the study of preference paves way to understand the Investment pattern.

2. REVIEW OF LITERATURE

Gupta (1994) carried out a household investor survey with the objective to provide data on the investor preferences on Mutual Funds and other financial assets. The findings of the study were more appropriate, at that time, to the policy makers of mutual funds to design the financial products for the future. Sunil Gupta (2008) study on investment pattern among different groups in Shimla revealed a complex picture that the people are not aware about the different investment avenues and they did not respond positively. Moreover, it was difficult for them to understand the different avenues.. M. R. Shollapur and A. B. Kuchanur (2008) in their research on identifying perception and perceptual gaps of individual investors in selected avenues presents certain revelations that corporate securities are less preferred; government securities do not provide regular and steady income; investment in insurance policies appreciate in values; bank deposits require more transaction costs, etc. Simran Saini (2011) research on investor's awareness and perception about mutual funds revealed that mostly the investors have positive approach towards investing in mutual funds. A. P. Pati and D. Shome (2011) study on shift in savings and saving determinants revealed that households are still preferring the safe channel of bank deposit schemes rather than switching over to high yielding but risky channels of savings. Sanjay Kantidas (2011) study on preferred investment avenue among rural and urban households revealed that insurance products still remains the most preferred investment avenues of the households. The results also highlighted that certain factors like education level, awareness about the financial system, age of investors etc make significant impact while deciding on the avenues for investment. Dr. R. Sellappan (2013) study on women attitudes towards different sources of securities concluded that married women are more curious in making investment than the unmarried. As well as the younger are mostly like to invest in shares, mutual funds, insurance and fixed deposits than the older women. The middle age persons prefer to invest in real estate source of investment. So the government, Bankers and Financial institutions can introduce lot of schemes of investment based on segmentation of the age and marital status factors to acquire more funds.

3. OBJECTIVES OF THE STUDY

- To determine the most preferred investment avenue and the reasons for the preference among investors
- To determine the association between the demographic factors and the preference of Investment Avenue.
- To analyse the Investment preference of the respondents of the different risk profile.

4. LIMITATIONS OF THE STUDY

1) Sample size of the study is 405 salaried educated investors in Coimbatore city. The sample size may not adequately represent the national market.

2) This study has not been conducted for a longer time horizon covering market ups and downs. The state of market has a significant influence on the buying patterns and preferences of investors. The study was conducted during a particular period of time and hence it will not be applicable for all periods.

3) The study being based on a survey of investors, it includes all limitations inherent in the questionnaire form of research.

5. RESEARCH METHODOLOGY

A sample design is a definite plan for obtaining a sample from a given population. Population of the study is the employees who work in a Bank, an NBFC, Insurance, Mutual Fund, Educational Institutions and an IT/IT enabled Services Company. In this study multi stage random sampling method, for which 405 samples were considered. The study was conducted during the period November 2012 to May 2013.

6. ANALYSIS AND INTERPRETATION

Table 6.1: Observed frequency of responses on the most preferred Investment Avenue

Most Preferred Investment Avenue	Number of Respondents	Percentage (%)
Property	118	29%
Gold	104	26%
Deposit	94	23%
Insurance	44	11%
Shares/MF	28	7%
PF/PPE/NSC	9	2%
Others	8	2%

Source: Primary data

From the above table it is inferred that 29% (118) respondents have stated that investment in property is their most preferred avenue. 26% (104) has opined that gold is their most preferred investment avenue. 23% (94) prefer deposit investment, 11% (44) prefer insurance investment the most, 7% (28) prefer share or commodity trading or Mutual Fund investment and only 2% (9) of the respondents prefer PF/PPF investment.

Table No. 6.2 – Chi Square test results between the most preferred Investment Avenue and its associated factors

Particulars		Most preferred Investment avenue
Religion	Sig Value	0.158
	Chi Sq value	23.899
Mother tongue	Sig Value	0.001*
	Chi Sq value	58.376
Age	Sig Value	0.447
	Chi Sq value	18.129
Gender	Sig Value	0.015*
	Chi Sq value	15.802
Education	Sig Value	0.958
	Chi Sq value	18.044
Marital Status	Sig Value	0.766
	Chi Sq value	13.422
Life stage	Sig Value	0.611
	Chi Sq value	21.463
Occupation	Sig Value	0.791
	Chi Sq value	28.957

Work Experience	Sig Value	0.194
	Chi Sq value	36.438
Family type	Sig Value	0.765
	Chi Sq value	8.252
Risk Profile	Sig Value	0.264
	Chi Sq value	27.896
Liquid Investment for Contingency management	Sig Value	0.016*
	Chi Sq value	48.949
Reason for preference of Investment avenue	Sig Value	0.048*
	Chi Sq value	21.589

* - represent significant association between two variables Source: Primary data

From the above Chi Square test results, it is inferred that there is a positive association between most preferred investment avenue and mother tongue (p value: $0.001 < 0.05$), gender (p value: $0.015 < 0.05$) and liquid investment for contingency management (p value: $0.016 < 0.05$). It is also inferred that there is no significant association between most preferred investment avenue and age, education, marital status, life stage, occupation, work experience, family type and risk profile of an Individual.

H1₀: There is no significant relationship between Gender and the most preferred Investment Avenue

Table No. 6.3 - Observed frequency of responses gender and most preferred Investment Avenue

Gender		Most preferred Investment avenue							Total
		Deposit	Gold	Property	Insurance	Shares /MF	PF/PPF /NSC	Others	
Male	No	59	45	72	31	16	7	6	236
	%	25.0%	19.1%	30.5%	13.1%	6.8%	3.0%	2.5%	100%
Female	No	35	59	46	13	12	2	2	169
	%	20.7%	34.9%	27.2%	7.7%	7.1%	1.2%	1.2%	100%
Total	No	94	104	118	44	28	9	8	405
	%	23.2%	25.7%	29.1%	10.9%	6.9%	2.2%	2.0%	100%

Source: Computed from Primary data

From the Table No. 6.2, it is inferred that the p value is 0.015 which is lesser than 0.05 (5% level of significance) hence the null hypothesis is rejected. Therefore there is significant relationship between gender and the most preferred investment avenue. The Table No. 6.3 shows that 30.5% of the male respondents prefer to investment in property whereas 34.9% of female respondents' most preferred investment avenue is gold.

H2₀: There is no significant relationship between Mother tongue and the most preferred Investment Avenue

Table No. 6.4 - Observed frequency of responses between mother tongue and most preferred Investment Avenue

Mother Tongue		Most preferred Investment avenue							Total
		Deposit	Gold	Property	Insurance	Shares/MF	PF/PPF	Others	
Tamil	No	69	69	81	29	20	7	5	280
	%	24.6%	24.6%	28.9%	10.4%	7.1%	2.5%	1.8%	100%
Telugu	No	5	19	15	5	2	0	1	47

	%	10.6%	40.4%	31.9%	10.6%	4.3%	0.0%	2.1%	100%
Kannada	No	5	2	5	3	1	1	0	17
	%	29.4%	11.8%	29.4%	17.6%	5.9%	5.9%	0.0%	100%
Malayalam	No	13	12	16	4	1	0	0	46
	%	28.3%	26.1%	34.8%	8.7%	2.2%	0.0%	0.0%	100%
Hindi	No	1	0	0	2	0	0	1	4
	%	25.0%	0.0%	0.0%	50.0%	0.0%	0.0%	25.0%	100%
Others	No	1	2	1	1	4	1	1	11
	%	9.1%	18.2%	9.1%	9.1%	36.4%	9.1%	9.1%	100%
Total	No	94	104	118	44	28	9	8	405
	%	23.2%	25.7%	29.1%	10.9%	6.9%	2.2%	2.0%	100%

Source: Computed from Primary data

From the Table No. 6.2 it is inferred that the p value is 0.001 which is lesser than 0.05 (5% level of significance) hence the null hypothesis is rejected. Therefore there is significant relationship between mother tongue and the most preferred investment avenue. It is clearly depicted from the Table No. 6.4 that 28.9% of Tamil and 34.8% of Malayalam speaking respondents prefer to investment the most in property, 40.4% of the telugu speaking respondents prefer gold investment, 29.4% of Kannada speaking respondents prefer to invest in deposit whereas 50% of hindi speaking respondents' most preferred investment avenue is Insurance.

H₃₀: There is no significant relationship between most preferred Investment Avenue and Liquid Investment for Contingency management.

Table No. 6.5 - Observed frequency of responses between most preferred Investment Avenue and liquid Investment for Contingency management

Most preferred Investment avenue		Liquid Investment for Contingency management					Total
		None	<10%	10-25%	25-50%	>50%	
Deposit	No	5	9	26	35	19	94
	%	5.3%	9.6%	27.7%	37.2%	20.2%	100%
Gold	No	7	15	42	23	15	102
	%	6.9%	14.7%	41.2%	22.5%	14.7%	100%
Property	No	13	18	40	19	27	117
	%	11.1%	15.4%	34.2%	16.2%	23.1%	100%
Insurance	No	5	1	26	4	8	44
	%	11.4%	2.3%	59.1%	9.1%	18.2%	100%
Shares/MF	No	1	2	14	7	4	28
	%	3.6%	7.1%	50.0%	25.0%	14.3%	100%
PF/PPF/NSC	No	1	3	3	0	2	9
	%	11.1%	33.3%	33.3%	0.0%	22.2%	100%
Others	No	1	1	1	4	1	8
	%	12.5%	12.5%	12.5%	50.0%	12.5%	100%

Total	No	33	49	152	92	76	402
	%	8.2%	12.1%	37.8%	22.9%	18.9%	100%

Source: Computed from Primary data

From the Table No. 6.2, it is inferred that the p value is 0.016 which is lesser than 0.05 (5% level of significance) hence the null hypothesis is rejected. Therefore there is significant relationship between most preferred Investment Avenue and Contingency management - Liquid Investment. The Table No. 6.5 presents that 59.1% of those who prefer insurance and 23.1% who prefer property Investment state that they maintain more than 50% of their Investment as liquid assets. 37.2% of respondents who prefer deposit state that they have 25-50% of their Investment in form of liquid assets for contingency management. 50% of respondents who prefer shares and 41.2% of respondents, who prefer gold the most, maintain 10-25% of their portfolio as liquid Investment.

H4₀: There is no significant relationship between reason for preference of Investment Avenue and Household Investment decision-maker

Table No. 6.6 - Observed frequency of responses between Reason for preference of Investment Avenue and Household Investment decision-maker

Reason for preference of Investment avenue		Household Investment decision-maker						Total
		Self	Spouse	Siblings	Children	Parents	In-Laws	
Safety	No	69	25	1	3	42	1	141
	%	48.9%	17.7%	0.7%	2.1%	29.8%	0.7%	100%
Liquidity	No	23	12	1	1	17	0	54
	%	42.6%	22.2%	1.9%	1.9%	31.5%	0.0%	100%
Capital Appreciation	No	76	43	7	5	54	2	187
	%	40.6%	23.0%	3.7%	2.7%	28.9%	1.1%	100%
Income Generation	No	8	3	4	0	4	0	19
	%	42.1%	15.8%	21.1%	0.0%	21.1%	0.0%	100%
Tax Benefit	No	2	0	1	0	1	0	4
	%	50.0%	0.0%	25.0%	0.0%	25.0%	0.0%	100%
Total	No	178	83	14	9	118	3	405
	%	44.0%	20.5%	3.5%	2.2%	29.1%	0.7%	100%

Source: Computed from Primary data

From the Table No. 6.2, it is inferred that the p value is 0.048 which is lesser than 0.05 (5% level of significance) hence the null hypothesis is rejected. Therefore there is significant relationship between reason for preference of Investment Avenue and Household Investment decision-maker. The term Investment decision-maker refers to the person in household who make all or most of the Investment decisions. Household Investment decision-maker could be the respondent, the respondents' spouse, the respondent's parents or any other members of the family. The Table No. 6.6 presents the 50% of respondents who prefer to invest for tax benefit and 48.9% of those prefer safety aspects state that Investment decisions are taken by Self decisions. 31.5% of respondents who prefer to invest for liquidity purpose, state that their household Investment are made by their parents. 23.0% of respondents who prefer capital appreciation for their Investment, state that their spouse makes Investment decisions.

Table No. 6.7 - Friedman's Chi-Square test results of Most Preferred Investment Avenue and Age group

Most Preferred Investment Avenue		Age Group (Years)			
		≤ 25	26 - 30	31 - 35	> 35
Deposit	Mean	2.52	2.78	2.71	2.80
	Rank	1	1	1	1
Gold	Mean	2.64	2.84	2.98	3.30
	Rank	2	3	3	4
Property	Mean	2.92	2.79	2.89	2.69
	Rank	3	2	2	2
Insurance	Mean	3.59	3.32	3.28	3.14
	Rank	4	4	4	3
Shares / MF	Mean	4.14	4.44	4.31	4.13
	Rank	5	5	5	5
PF/PPF/ NSC	Mean	5.21	5.03	5.00	5.18
	Rank	6	6	6	6
Others	Mean	6.98	6.80	6.83	6.78
	Rank	7	7	7	7

Source: Computed from Primary data

From the table no. 6.7, it is inferred that respondents of all age groups prefer deposit investment the most. Respondents of age group ≤ 25 years have ranked gold investment as second and all other ranked property investment as second.

Table No. 6.8- Friedman's Chi-Square test results of most preferred Investment Avenue and Risk profile

Most Preferred Investment Avenue		Risk Profile				
		Low risk	Below Average	Average	Above Average	High risk
Deposit	Mean	3.00	2.55	2.51	2.97	2.74
	Rank	3	1	1	3	1
Property	Mean	2.50	2.68	2.80	2.91	2.80
	Rank	2	3	2	2	2
Gold	Mean	3.00	2.65	2.92	2.88	2.95
	Rank	4	2	3	1	3
Insurance	Mean	1.50	3.35	3.64	3.00	3.33
	Rank	1	4	4	4	4
Shares / MF	Mean	5.50	4.26	4.28	4.23	4.26
	Rank	5	5	5	5	5
PF/PPF/ NSC	Mean	5.50	5.52	5.04	5.16	4.98
	Rank	6	6	6	6	6
Others	Mean	7.00	7.00	6.80	6.86	6.93
	Rank	7	7	7	7	7
Chi Square		10.29	116.07	549.37	383.00	185.94
Asymp. Sig.		0.11	0.00	0.00	0.00	0.00

From the table no. 6.8, it is inferred that the respondents with low risk profile have ranked insurance as the most prefer investment avenue, and the above average risk profile have ranked gold and the rest of the risk profile group have ranked deposit as the most preferred investment avenue.

Table No. 6.9 - Friedman's Chi-Square test results of Most Preferred Investment Avenue and Annual Individual Income

Most Preferred Investment Avenue		Annual Individual Income (Rs)						
		≤ 100000	100001 - 200000	200001 - 300000	300001 - 400000	400001 - 500000	500001 - 600000	> 600000
Deposit	Mean	2.57	2.57	2.86	2.63	2.56	2.90	2.92
	Rank	2	1	1	1	1	1	1
Gold	Mean	2.45	2.75	3.11	2.90	3.21	2.71	3.08
	Rank	1	2	3	3	4	2	3
Property	Mean	2.90	2.80	2.77	2.85	3.13	3.14	2.42
	Rank	3	3	2	2	3	4	2
Insurance	Mean	3.48	3.50	3.24	3.46	3.10	3.05	3.39
	Rank	4	4	4	4	2	3	4
Shares / MF	Mean	4.31	4.42	4.04	4.38	4.18	4.19	4.21
	Rank	5	5	5	5	5	5	5
PF/PPF/ NSC	Mean	5.29	5.15	5.22	4.94	4.82	5.00	5.11
	Rank	6	6	6	6	6	6	6
Others	Mean	7.00	6.81	6.76	6.83	7.00	7.00	6.87
	Rank	7	7	7	7	7	7	7

Source: Computed from Primary data

From the table no. 6.9, it is inferred that the respondents whose annual individual income have ranked gold as the most prefer investment, and the rest of the income group have ranked deposit as the most preferred investment avenue.

6. FINDINGS OF THE STUDY

- There is a positive association between most preferred investment avenue and mother tongue, gender and liquid investment for contingency management.
- It is also inferred that there is no significant association between most preferred investment avenue and age, education, marital status, life stage, occupation, work experience, family type and risk profile of an Individual.
- Men prefer property investment whereas women prefer gold investment the most.
- Low risk profile has ranked insurance and above average risk profile respondents ranked gold investment as top.

- Respondents of all age categories have ranked deposits as the most preferred investment avenue.
- Tamil and Malayalam speaking respondents prefer property investment, telugu speaking respondents prefer gold investment, Kannada speaking respondents prefer to invest in deposit and hindi speaking respondents' most preferred investment avenue is Insurance.
- Respondents who maintain more than 50% of their Investment as liquid assets prefer insurance and property, while those who maintain 10-25% of their portfolio as liquid Investment prefer shares and gold investment the most.
- Household investment decision maker has influence over the reason for investment, it is found that Self decision on Investment prefer safety and tax benefit, whereas parents prefer to invest for liquidity, spouse prefer to investment for capital appreciation.
- Low income group have prefer gold investment the most, while the rest of income group have preferred deposit investment the most.

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MOTIVATIONAL CLIMATE AND ITS IMPACT ON JOB SATISFACTION: A COMPARATIVE STUDY OF PRIVATE AND GOVERNMENT B-SCHOOLS

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ABSTRACT

The utilization of most critical resource “human” within an organization to achieve goals and objectives is tough as ever before. The significance of motivating the people at work has been known since time immemorial but scientific studies why people behave the way they do in their work settings, and the improvement in their present state of motivation at work, are most recent. The increasing employee turnover, low productivity and morale within employees’ exhibits work behaviors, which is a result of several motives at work. On the other hand, job satisfaction of employees is an important determinant of Organizational effectiveness. The organizational climate is a set of attributes which can be perceived about a particular organization and its subsystems, and may be induced from the style that organization and its subsystem adopt to deal with their members and environment. The instrument Motivational Analysis of Organizational –Climate (MAO-C), developed by Pareek (1989), to study organizational climate, specifically related to motivational aspects has been adopted for this study. Job satisfaction of employees is measured using “Job Satisfaction Questionnaire” developed by Kanungo, Gorn and Dauderis (1976). The results indicate that there is a difference in the organizations’ motivational climate between private and government business school. Organizational climate of achievement and expert influence are found to have a significant positive correlation with job satisfaction of employees.

Key Words: Motivational climate, Job Satisfaction, Management Education.

1. INTRODUCTION

“Man is a social animal”. He is a creator, he is a *karta*, and he is the brain behind all encompassing socio-economic, technological, innovations and even destroying activities. Organization commitment is an invisible contract between organization and employee. How to use this to inspire and keep employees in organization is vital to managers. (Guo Wei, Li Tai, 2010), proposed the use of three level organization commitment model and turning over model based on a sample from a certain IT company in Wuhan to discuss the relationship between organization commitment and intention of employees turning over. At the organizational level, effectiveness is likely to enhance productivity, increased output and reduce wastage, the quality of the goods can be improve and that organization can be proactive, dynamic with competitive advantage.

Human being is in association with others forms the society. Society is conglomerate of people and society needs value and benefits from this creator. Now the question arises, why people leave Organizations; modern research explains the five important reasons (Dr. Pawan Km. Singh, 2007):

1. It doesn't feel good around the Organization. 2. The Organization and Co-workers wouldn't miss me if were gone. 3. It doesn't get the support needed to get the job done. 4. There is no opportunity for advancement. 5. Compensation is the last reason that people must leave. Effectiveness is the ultimate justification for continuance of an organization. The waves of Liberalization, Privatization and Globalization have changed the structure of business processes, nature of employment and economic activities. The conceptual definition for turnover intentions is the relative strength of an individual's intent to leave the organization. It is an outcome variable in this studies, and is operationally defined by three single indicators: thinking of quitting, intent to search, and intent to quit.

The coming decade will witness a significant change in the structure and composition of the management faculty because of changing demographics and dynamics of business environment which are continuously making market volatile and expanding. The social expectations are on the rise, the introduction of family

business management, continental courses, international exposure as an integral part of management education, changes in the use of technology, changes in the competitive strategies and free market systems where cost is the major factor of success will be seen. The challenges from the growing private university system and globalization, demand of management education for working executives, education through satellite, online programmes and the responses from the education providers are of different types. Some institutions have started to response on quality and excellence, others have responded by becoming more market driven and issues other than quality.

The mushrooming growth of private universities and business schools across pan India opened floodgates for students, academicians and researchers. The past century has been characterized by a massive worldwide educational expansion. Increasingly complex economies demand a better-educated workforce. Moreover, in a globalizing world culture, nation-states are increasingly expected to take over the duty of educating citizens (Meyer, Ramirez, and Soysal 1992). However, whether educational expansion is sufficient to reduce educational inequalities or whether explicit affirmative action is needed remain thorny issues facing many national governments, with little empirical evidence to guide future policies. Research on educational stratification suggests that inequality in education between different social strata continues and sometimes even widens in spite of educational growth (Halsey, Heath, and Ridge, 1980; Hauser and Featherman, 1976).

This Research Paper is intended to find out the motivational climate and job satisfaction in a private and government business school. The climate of both are naturally different and the four types of climate, proposed by Likert are Exploitative, benevolent, consultative and participative. The organizational climate and leadership style are mutually dependent variables and are affected by organizational processed and structure. The number of studies indicates that organizational climate has got an enormous effect on effectiveness, role efficacy and stress. The increasing number of Management Institutes and Universities offering management courses motivated to attempt this study and to discover the motivational climate and job satisfaction of employees for private and government business school.

2. REVIEW OF LITERATURE

Organizations are purposeful entities of the society brought together to fulfill certain dreams, goals and objectives. The organizations are generalized by different authors under different parameters, as an entity to achieve goals, and as information processing units. Effectiveness is the ultimate justification for continuance of an organization. The waves of Liberalization, Privatization and Globalization have changed the structure of business processes, nature of employment and economic activities (Geogopoulos and Tannenbaum, 1957). Research done at University of Michigan-1967, shows that 10 dimensions of effectiveness under performance of 75 organizations are: Business volumes, production cost, youth fullness, business mix, workforce growth, devotion to management, maintenance cost, member productivity, market penetration and new member productivity. *Barnard-1938* explains effectiveness in terms of organizational long term goals and objectives through induction and training whereas efficiency in terms of satisfaction and cooperation among organizational participants. Finally, the organizational effectiveness was treated as maximization of return to the organization by all means, but by economic and technical means which is efficiency.

Pareek (1989) posits that the organizational structures and systems, norms of accepted behavior, and values and traditions, constituting the organizational culture; and other important elements of organization such as psychological needs of the employees, its leadership behavior, and the goals of the organization; interact and constantly effect each other to create organizational climate. Organizational climate is a perception and how different members of the organization perceive it in terms of their affiliations. The organizational climate can be of different types such as supportive, hostile, conducive to achievements, fostering for individual growth or may be non supportive also.

The employee engagement is a key business driver for organizational success. High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational

performance and stakeholder value. A complex concept, engagement is influenced by many factors—from workplace culture, organizational communication and managerial styles to trust and respect, leadership and company reputation. For today's different Generations, access to training and career opportunities, work/life balance and empowerment to make decisions are important. Thus, to foster a culture of engagement, HR leads the way to design, measure and evaluate proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability (Nancy R. Lockwood, HR Content Manager, 2007).

Khandwalla (1989) explains organizational climate as the psychological feeling of the work place and organizational norms which correspond to that feeling within the employees. Ansari (1986), in the study of three organizations found that differences in climate differ between organizations far more than the inter-departmental differences within the organization. The humanistic theories (Maslow's, 1954; and Roger, 1963) consider humans to be energized by an actualizing tendency and believe that wellbeing occurs to the extent people can freely express their inherent potentials. In situations of conditional positive reward (Roger, 1963) or for external demands, individuals often forego their own actualization to attain rewards or outcomes for others. Sinha (1980), analyzed organizational climate and leadership styles are mutually dependent variables which were affected by the organizations processes and systems, and , in turn, they affect job attitudes.

Pareek (1989) has identified six types of motives appropriate for developing a framework for analyzing interrelationship between organizational climate and motivation. These are motivation, affiliation, expert-influence, control, extension and dependency. The Indian researchers have used a variety of conventional criteria for effectiveness; some are the organizational health and job satisfaction study done by Khandwalla & Jain (1984), quality of work life and creativity at work by Zahir (1988).

However, it is found that in the last decade there is dearth of studies done with an objective to examine this linkage between organizational climate and job satisfaction especially in education sector. The advent of private universities and a number of affiliated colleges in the last decade necessitate the need for this study to understand the difference in the organizational climate in two different types of management institutes.

3. METHODOLOGY

3.1 Objectives of the study

The purpose of this study is to determine the difference in motivational climate of a private and government business school and correlation of job satisfaction of employees with motivational climate of organizations. This study is an attempt to understand the relationship between motivational climate of organizations as an independent variable and job satisfaction of employees as a dependent variable. Specifically, the objectives of the study are:

1. To examine how motivational climate differs in private and government business school on the six dimensions of climate viz. Achievement, Expert Influence, Extension, Control, Dependency and Affiliation.
2. To examine the relationship between motivational climate of organizations and job satisfaction of employees.

3.2 Hypotheses of the Study

Many researchers observed that climate is an integral part of an organization as whole and leadership styles, job attitudes were affected by the organizational climate. Khanna (1986), and Pareek (1989), observed that organizational climate of achievement, expert influence has got a positive influence on job satisfaction, whereas that of dependency, and affiliation, affect it negatively. The hypotheses that have been evolved based on literature review are as follows:

1. H1: There will be a difference in the organizations' motivational climate of private and government business school.

Ho: There will be no significant between the motivational climate of private and government business school.

2. H1: Organizations' motivational climate would affect the job satisfaction of employees Ho: There is no significant correlation effect of organization's motivational climate on job satisfaction of employees.

3.3 Sample

A predominantly quantitative approach was adapted for this study. The present study is a sample study and conducted in education sector. The two management institutes were chosen for the study viz. a private business school and a government business school of Delhi NCR region. The data is collected, either personally or through e-mails. The sample consisted of 80 employees (40 each) from two B- schools. The sample was drawn from faculty members, research scholars and visiting faculty members of the business schools using convenient sampling design.

About the selected business schools: The taken sample unit, private and government business school opened with a focus on multidisciplinary research and education and a learning model that emphasizes active learning, aspires to be globally known for innovation at the intersection of disciplines. Although recently established as a university, with a bold vision builds upon over a decade of excellence of Institutions in business education. Sample Institutions have been nationally ranked by India Today, Business Today and Outlook for their programs in Management. The private business school was recently recognized by Dun and Bradstreet as a leading business school in India with a 100% placement record for the last four years supported by multinational firms like Accenture, Hewitt, IBM, Infosys, Nokia, and Samsung.

3.4 Data Sources

For this study primary data as well as secondary data is used. The primary data was collected by researcher personally conducting a field survey. The secondary data available in print form and various online databases were also used.

3.5 Instruments and tools for data collection

The instrument Motivational Analysis of Organizational-Climate (MAO-C) was developed by Pareek (1989), to study organizational climate, specifically related to motivational aspects. It employs twelve dimensions of organizational processes relating to climate, namely, orientation, interpersonal relationships, supervision, problem management, conflict management, risk taking, mistake management, communication, decision making, reward management, trust environment, innovation and change management; each of these are analyzed in six types of basic motives, affiliation, control, expert influence, achievement, dependency and extension. The Organizations' climate can be formulated by all the six motives when separately added, and averages are determined. The values show relative strengths of the climate with regard to the six types of motivators. The second instrument used for this study is "Job Satisfaction Questionnaire" developed by Kanungo Gorn and Dauderis (1976). It measures the importance of fifteen job outcomes as perceived by the respondents, by indicating their satisfaction level on a six point scale, ranging from 'Extremely Satisfied' to 'Extremely Dissatisfied'.

3.6 Data analysis

The quantitative data collected was subjected to various statistical analyses. The data analysis was done by using frequency distribution, independent sample T test and correlation and regression analysis. Statistical analysis was performed using SPSS (ver.17).

4. RESULTS

4.1 Descriptive Statistics for Organizational Climate on six motivation dimensions in the selected B-schools

The organizational climate with respect to the six types of basic motives, affiliation, control, expert influence, achievement, dependency and extension is measured on twelve dimensions of organizational processes relating to climate, namely, orientation, interpersonal relationships, supervision, problem management, conflict management, risk taking, mistake management, communication, decision making, reward management, trust environment, innovation and change management. The organizational climate of the two B schools selected on the six dimensions of motivational climate is shown in Table 1. The results indicate that achievement (Mean= 54.9) and extension (Mean= 43.38) dimensions of organizational climate are more prominent in private business school as compared to government business school (Mean=41.45 and Mean= 32.48 respectively). The government business school emphasizes more on control dimension (Mean=55.2000) as compared to private business school (Mean=39.6250). Affiliation climate and Expert Influence is almost similar with the two types of B schools. However, dependency climate is high in government business school (Mean=48.12) as compared to private business school (Mean=40.58).

Table1: Organizational climate of the two B schools selected on the six dimensions of motivational climate

<u>Dimensions of Climate</u>	Private Business school				Government Business School			
	Minimum	Maximum	Mean	Std. Deviation	Minimum	Maximum	Mean	Std. Deviation
Achievement	41.00	68.00	54.9000	9.93517	31.00	51.00	41.4500	6.66006
Expert Influence	30.00	44.00	37.1000	4.55057	30.00	43.00	37.7750	3.74500
Extension	24.00	54.00	43.3750	8.63115	24.00	52.00	32.4750	8.81429
Control	30.00	54.00	39.6250	6.24166	41.00	68.00	55.2000	9.53859
Dependency	31.00	53.00	40.5750	6.12639	40.00	54.00	48.1250	4.97268
Affiliation	24.00	54.00	35.4250	10.00228	30.00	44.00	36.9750	4.45195

4.2 Independent Sample t-test for comparing the motivational climate of private and government business school

Independent sample T-test is done for hypothesis testing. Hypothesis 1 states that there will be a difference in the organizations' motivational climate of private and government business school. For this study, a comparison between both has been carried out with the help of independent Sample t-test. The results of comparison of two types of business schools on the six dimensions of organizational climate are given below in table2

Table 2: Comparison of Organizational climate of the two B schools using Independent Samples T-Test

*Significance level of .05

The results of the t-test indicate that there is a difference in four of the six dimensions of climate between private and government business school. The null hypothesis is rejected for the achievement, extension, control and dependency dimensions ($p < 0.05$). However, we do not reject the null hypothesis stating there is no significant difference between the private and government business schools on the six dimensions for two dimensions viz Expert influence and Affiliation. Hypothesis 1 is thus proved partly, thereby asserting that there is a difference in the organizations' motivational climate between private and government business school.

4.3 Correlation Analysis of Job satisfaction of employees and climate dimensions:

In an attempt to understand if the organizational climate affects the job satisfaction, it was hypothesized that organization's motivational climate would have significant effect on the job satisfaction of employees. To determine if the hypothesis were supported by the data, a correlation matrix of Job satisfaction and climate Dimensions is shown below in Table3.

Table 3: Correlation of Job satisfaction with climate Dimensions

		Job Satisfaction
Achievement	Pearson Correlation	.283(*)
	Sig. (2-tailed)	.011
Expert Influence	Pearson Correlation	.514(**)
	Sig. (2-tailed)	.000
Extension	Pearson Correlation	-.077
	Sig. (2-tailed)	.497
Control	Pearson Correlation	-.331(**)
	Sig. (2-tailed)	.003
Dependency	Pearson Correlation	-.347(**)
	Sig. (2-tailed)	.002
Affiliation	Pearson Correlation	.150
	Sig. (2-tailed)	.184
Job satisfaction	Pearson Correlation	1
	Sig. (2-tailed)	.

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

Thus, the climate of achievement and expert influence has a significant positive correlation with job satisfaction of employees. However, control and dependency are found to have significant negatively correlation with job satisfaction. The findings support the observations of Khanna (1986), and Pareek (1989).

5. DISCUSSION & IMPLICATIONS

The major objective of the present research was to examine how motivational climate differs in private and government business schools on the six dimensions of climate viz. Achievement, Expert Influence, Extension, Control, Dependency and Affiliation. The study clarifies that the organizational climate differs greatly in a private and government business school. The different aspects within the system reflect different mechanisms and implications. The results affirmed that there is a difference in four of the six dimensions of climate between private and government business school viz achievement, extension, control and dependency dimensions. However, expert influence and affiliation climate is not significantly different in the two types of B schools. The results of the descriptive statistics also indicate that the climate in private business school is higher on achievement and extension; whereas, in government business school it is higher on control and dependency. Affiliation climate and Expert Influence is almost similar with the two types of B schools. The business schools higher on achievement reflects more research oriented and career development for employees, expert influence explains dominance of expertise in related fields like consultancy services, affiliation explains more bonding with the work culture and belongingness for the organization. The school which is higher on control defines

strict rule and regulations which can be better and worse under different circumstances. The study reveals that training, development, counseling and most important is top level zeal and commitment towards employees for future and continuously changing dynamics for business schools. The second objective of the study was to examine the relationship between motivational climate of organizations and job satisfaction of employees. The motivational behavior has been found to have its consequences on job satisfaction of employees. There are researchers who examined the relationship between satisfaction and performance by using effects of ability as the moderator. It was observed that the persons with both high levels of job satisfaction and job related ability showed significantly higher performance than others. There is a positive relationship between job satisfaction and organizational effectiveness. The results of the study have some practical implications that can be useful for researchers as well as for managers and policy makers in the organizations. . This study has thrown light on the impact of motivational climate in organizations and its relation with the job satisfaction of employees. The findings of this study give an insight to the managers for a need to improve the motivational climate on the selected dimensions and thereby leading to organizational effectiveness.

6. LIMITATIONS

The present research is restricted to a private and government business school. The differences that are discussed in this study require future research in order to establish more concrete and valuable inputs. The other sectors of the industry can be taken in to analysis for better understanding and insights. The sample units of present study belongs to same business family, there is a scope to identify more by taking different business schools and universities across India. The study comprises only research scholars, faculty members and visiting faculty. There is a scope for further study by including management and other staff members as well. There is a need for further research in order to establish the factors and correlations which are causing unfavorable climates and have negative impact on the job satisfaction. Effective interventions and appropriate measures can be undertaken for effective improvements.

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**ROLE OF LIFE INSURANCE COMPANIES IN ECONOMIC DEVELOPMENT-WITH REFERENCE
LIC, ICICI PRU**

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ABSTRACT

Global life insurance industries are facing major challenges in the present scenario hence the leading insurers are effectively design their financial products and services in order to compete. The main role of Life Insurance Business is to shift from traditional ways of doing business to designing new policies, process and technologies to meet consumers needs. This exploratory research covers the popular life insurance companies (LIC, ICICI Pru.) in economic development and highlighting the key areas which require some concern on part of Comparing traditional life insurance product in the Indian market –and observed after liberalisation contribute in Indian economic. the main Objectives covers in this paper, To know the contribution, growth of life insurance companies after liberalization ,and analyze the performance of latest life insurance policies in LIC, ICICI Pro, insurers consistently focus on the optimization of products, processes and services. Two major life insurance companies were taken for study, were assessed before and after liberalisation development. Data is collected from IRDA regulation and from various secondary sources. The study also tried to predict the future economic development.

Key Words: Economic Development, Growth, Performance.

INTRODUCTION

Life insurance in the present form came to India from the United Kingdom (UK) with the establishment of British firm. In 1818 the oriented life insurance company came into existence in Calcutta following Bombay. Life Insurance Company was setup in 1823.in 1829 the madras equitable life insurance society and oriental government security was established. Life Insurance Company came into force during the year 1956. Prior to 1871 Indian lives were treated as sub standard and charged an extra premium of 15% to 20%. Bombay mutual life insurance society, an Indian insurer which came into existence in 1871, was the first to cover Indian lives at normal rates. The Indian life assurance companies Act 1912 was the first statutory measure to regulate life insurance business. Later in 1928, the Indian insurance companies act was enacted, inter alia to enable the government to collect statistical information about both life and non- life insurance business transacted in India by Indian and foreign insurers including provident fund societies.

The insurance act of 1938 was well thought out legislation passed to perform and control the activities of the companies carrying on various businesses relating to life, marine, fire and accident. It contained various provisions of the 1938 act relating to deposits, investment, premium, role and power of insurance companies that did not apply to life insurance business. Efforts in the direction continued progress and the act was amended in 1950. It was in jan.1956 that the management of 245indian and foreign insurance companies and provident societies operating in the life insurance business were taken over by the union government and nationalized on Sep 1 1956. The life insurance corporation business has increased from 5 million policies at the time of nationalization to over approximate 69 million policies at (2012).

Life insurance may be defined as a contract in which the insurer in consideration of a certain premium either in lump sum or other periodical payments, agrees to pay to the assured or to the person for whose benefits the policy is taken, a stated sum of money on the happening of a particular event contingent on the duration of human life. Thus ,under a whole life assurance , the policy money is payable at the death of the assured and under an endowment policy, the money is payable on the assureds' surviving a stated period of a year , for example, on his attaining the age of 55 or his death should occur earlier.

According to act sec. (2) (11) of the insurance act, life insurance business means “the business effecting contracts upon human life. It includes:

- Any contract where by the payment of money is assured upon death (except death by accident only) or the happening of any contingency dependent on human life.
- Any contract which is subject to the payment of premium for a term dependent on human life.

Any contract which is including the granting of disability and double or triple indemnity, accident benefits, the guaranties of annuities upon human life , and the granting of superannuation allowances.

RESEARCH METHODOLOGY

Currently, according IRDA there are 26 life insurance companies in India and selected only two life insurance companies to measuring their performance over quarterly June 2011. For this purpose, secondary data and statistical IRDA journal used.

SCOPE OF THE STUDY

The scope of the study lies in finding out the popular life insurance companies (LIC, ICICI Pru.) in economic development and highlighting the key areas which require some concern on part of Comparing traditional life insurance product in the Indian market –and observed after liberalisation contribute in Indian economic.

OBJECTIVES OF THE STUDY

1. To know the contribution, growth of life insurance companies after liberalization.
2. To test the Awareness of buyers on various aspects of life insurance policies offered by LIC, ICICI Pro.
3. To analyze the performance of latest life insurance policies in LIC, ICICI Pro,

MACRO-ECONOMIC IMPORTANCE OF LIFE BUSINESS

While the forgoing analysis indicates substantial growth in the life business, especially since the early 1980s, it will be incomplete as no comparison has been made with relevant macro-economic aggregates. In evaluating the macro-economic importance of life business no definite criteria seem to be available. In the limited literature [Agarwala 1961:103] available two criteria are identifiable.

- (i) Life insurance per capita, which is life insurance in force per head of population,
- (ii) Life insurance carrying capacity, which is defined as the percentage of life insurance in force to national income in a given year. To these two criteria we add another one, viz, life insurance coverage. This can is defined as policies per head of population. This will reflect the life insurance coverage in terms of policies in relation to population. It will provide a 'basis to evaluate whether life insurance coverage is growing more rapidly than increase in population.

LIBERALIZATION DISCUSS

The committee for insurance sector reforms: Liberalization of the insurance sector commenced with the setting up of the insurance reforms committee by the government of India in 1993. Among other things the committee recommended [GOI 1994] that private insurers be allowed to co-exist along with government companies like LIC and General Insurance Corporation (GIC) companies. This recommendation had been prompted by several factors such as need for greater and deeper insurance coverage in the economy, and a much greater scale of mobilization of (savings) funds from the economy for infrastructural development. Liberalization of the insurance sector is at least partly driven by fiscal necessity of tapping the big reserve of savings in the economy. Its main recommendations are as follows:

- Raising the capital base of LIC from Rs 5 to 200 crore, half retained by the government and rest sold to the public.
- Restructuring of LIC involving delegation of financial, administrative and operational authority to the zonal offices. Central office should concentrate on policy formulation, product development, investments, personnel policies, and accounts of the corporation.

- Use of modern technology at all levels and development of effective management of information system.
- Setting up of a strong and effective regulatory body with independent source for financing before allowing private companies into the sector.
- Limited number of private companies to be allowed in the sector. But no firm to be allowed to operate in both lines (life and non-life) of insurance.

WHY BUYERS NEED LIFE INSURANCE

Life insurance is a contract by which you can protect yourself against specific uncertainties by paying a premium over a period. Since each one of us during our lives are faced with numerous risks-falling health, financial losses, accident and even fatalities.

- Protection
- Retirement
- Savings and Investments
- Tax Benefits

BUYER'S PROSPECTIVE DIFFERENCE BETWEEN INSURANCE AND ASSURANCE

Insurance:

- In the case of insurance, loss due to risk is not certain to happen i.e., loss likely to happen or not.
- Generally goods or property of any other kind are the subject matter of non-life insurance.
- Insurance contract is usually for one year.
- Fire, marine insurance and other contract of indemnity.
- In fire insurance, insurable interest must be approved both at the time of policy is effected and at the time of policy is effected and at the time when loss occurred. In marine insurance, it must be present only at the time of loss occurring.
- The term insurance is used to other kind of non-life insurance contracts.
- In the case of marine and fire insurance, the policy cannot be surrendered by the assured before its maturity.
- In the case of fire and marine insurance, insurance contain only the protection element.

Assurance:

- Loss due to risk is certain to happen .risk of death is bound to happen sooner or later.
- Human life is the subject matter of life insurance contract.
- In the case of life insurance contract, the contract is a continuing contract i.e., long term contract.
- It is not a contract of indemnity.
- Insurable interest must be present only at the time of taking out the policy, but need not have insurable interest at the time of maturity of the policy.

- The term ‘assurance’ is referred only to life insurance business.
- In life insurance policy can be surrendered by the assured before its maturity.

AWARENESS OF BUYERS ON VARIOUS ASPECTS OF LIFE INSURANCE POLICIES

1. Awareness Though Personal Issues

- Awareness regarding personal risks like loss of health, disability, untimely death, property losses and liability losses.
- Awareness of availability of insurance for such losses; and actual insurance products to cover each personal risk.
- Awareness of insurance and insurance products for each type of risk helps the individual to select the right product which suits his need and discourage lapsation.

2. Awareness through Financial Problems

individual is aware of his financial problem in near future then he intent himself to awareness of the policies.

- **Awareness Through Competition:** LIC, ICICI Pru, Bajaj Allianz faces competition with other insurance companies and financial institutions. The effect of competition and investments with higher returns in the market may influence to lapse the insurance policies.
- **Awareness through Advertisement:** to make awareness of the policies many life insurance companies invest huge capital in advertisement i.e. advertisement thorough TV channels, hording, e – advertisement, through executive and attracting fans of famous personalities by keeping them brand ambassadors.

LIFE INSURANCE PRODUCT IN THE INDIAN MARKET – BUYERS PROSPECTIVE

Life insurance is an appropriate financial tool for managing and mitigating the financial risk associated with untimely death. However, Life Insurance decisions are often complex. The choice of a life insurance product for an Indian Consumer is now a problem of plenty, even when confined to only traditional life insurance products—term insurance and cash value policies (i.e., whole life and endowment insurance). For any given product, we can choose from amongst several competing insurance companies. Depending only on a policy illustration provided by an insurance company can be a big mistake. While comparing life insurance decisions, the concern of many financial planners is the quantitative assessment of the cost of protection against untimely death and the return on the savings component of the premium paid. Such an analysis can give a rational basis for comparing different Insurance Policies. In this paper, we perform such a comparison of traditional life insurance products. We propose to consider the unit-linked life insurance products in a follow-up paper

Choosing a Policy a buyer has to find a policy which best suits his needs. Some of the important questions he needs to ask himself are:

- Do I need protection for my entire life or for a specified period only?
- Is my current insurance protection adequate? If I were not around, what would my dependents need to maintain their quality of life?
- Should I create specific sums of money for meeting planned expenses? How much and by when?
- How much premium can I afford to pay?

It is difficult to apply any rule-of-thumb, because the amount of life insurance one individual needs depends on factors such as his/her wealth, sources of income, number of dependents, debts, and lifestyle and risk aversion. In this paper, we do not venture into such questions. We restrict ourselves to a comparison of Insurance Policies for a given amount of death protection, term of protection, and/ or savings accumulation.

Tabular Statistical Analysis of the Different Channels for the Life Insurance Policies

Table: 1 Individual New Life Insurance Performance of (LIC, ICICI Pru, Bajaj Allianz) As at June 2011

Life insurer	Individual Agent		Corporate Agents				Brokers		Direct selling		Total individual new business		Referrals	
			Banks		Others									
	Policies	Premium	Policies	Premium	Policies	Premium	Policies	Premium	Policies	Premium	Policies	Premium	Policies	Premium
LIC	5464734	7239.42	65911	106.34	26778	16.67	1280	2.52	13542	36.80	5572245	7401.75		
	98.079	7.81	1.18	1.44	0.48	0.23	0.02	0.03	0.24	0.50	100.00	100.00	0.00	0.00
ICI Pru	79958	252.70	25374	114.84	6804	23.15	6244	28.81	182582	37.38	300962	456.88	176784	19.28
	26.57	55.31	8.43	25.14	2.26	5.07	2.07	6.31	60.67	8.18	100.00	100.00	176784	19.28

Source: IRDA journal statistical supplement quarterly 30th June 2011

Performance of the Selected Companies In India

Table: Individual new business underwritten of India as in June 2011

Country	LIC		ICICI Pru	
	No of policies	Premium	No of policies	Premium
India	5572245	7401.75	300962	456.88

Source: IRDA journal statistical supplement quarterly 30th June 2011

As analyzed in the IRDA journal statistical supplement quarterly 30th June 2011 most successful companies statistical data is shown in the above table. The LIC is dominant in the all companies In policies as well as in the premium. It stands first with the 5572245 Policies and 7401.75 premiums. ICICI Pru stood second with 300962 policies and 456.88 premiums. The Bajaj Allianz was the third most successful with the 171433 policies and 261.21 premium. The performance of the ICICI Pru seems to be the most drastically improved one since it has only the eleven years of life in India have taken birth in Dec 2000. This improvement is drastic and if the company progress in the same manner it could overtake the government sectors that is LIC.

Statistical Analysis of Death Claim of Selected Companies

Table: 3 Individual death claims – as at June 2011

Life insurer		LIC	ICICI Pru
Claim pending start of year	No of policies	10803	361
	Benefit amount	177.32	7.14
Claim intimated booked	No of policies	165982	3312
	Benefit amount	1494.74	51.72
Total claim	No of policies	176785	3673
	Benefit amount	1672.06	58.13
Claim paid	No of policies	135781	3111
	Benefit amount	1057.39	45.08
Claim repudiated	No of policies	295	100
	Benefit amount	6.23	2.49
Claim written back	No of policies	15	-
	Benefit amount	0.65	-
Claim pending at end of year	No of policies	40694	462
	Benefit amount	607.79	10.74

Breakup of claim pending-duration wise(policies)	< 3 months	31399	375
	3-<6 months	3788	26
	6-< 1 year	3197	11
	>1 year	2310	50
	Total	40694	462

Source: IRDA journal statistical supplement quarterly 30th June 2011

The above data given in the table shows us the information about number of policies with that of the number of policies claimed this data is the statistical information allows us to calculate the total amount benefited to the companies and number of policy holders benefited. Here in this discussion the estimate and calculation of the expected present value of the policies (EPVP) and the expected present value of the death benefit (EPVDB) of the selected company with help of the above data and below formula can be done these answers will be the factor to calculate the exact performance and progress of the policy.

$$EPVP = \sum_{t=0}^{N-1} (1+i)^{-t} [P_x \cdot CN / (1+i)^t]$$

Where,

N : Term of the policy in years (5, 10,15,20,25, or 30 years)

T : Year of payment of the premium t = 0, 1... N-1.

t P x : Probability of survival after t years of a person currently aged x

X : Age at the time of purchase of the policy (in our case, 30)

CN : The applicable annual premium for a policy of term N years and a Sum assured of E.g. Rs 10, 00,000 Amount

i : Zero- coupon interest rate for a term of t years

q_{X+T} : Probability of a person who will be alive at age of X+T will die in the X+T+1th year.

CONCLUSION

- As LIC being government sector government is benefited by the policies and hence it has given 7% GDP.
- Among the competitors LIC is the leading one.
- The company's success depends upon the awareness of the individual policy buyer.
- The policies are directly proportional to the advertisement and capital invested in advertisement.
- The life insurance policies are proportional to the life of the individual uncertainty.
- This research paper concludes that the company's success depends upon the Area, culture, income, awareness of the individual.
- It is difficult to calculate the exact agent for the selling of the policies of the company. There is uncertainty of success of channels of the company. Since it depends upon the Area and, culture, income, awareness of the individual.

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SOCIAL MEDIA BRANDING AND BRAND IMAGE DEVELOPMENT – CONCEPTS AND CASES

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ABSTRACT

Recently there has been a incredible increase in the growth and popularity of social media networks. Majority of people accessing Internet and they are also actively involved with these sites. There is evidence which is increasing day by day that the users of social networking sites now including various age groups people with the sufficient number of active users i.e. 40 years or older with the popular sites such as Facebook. A brand is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company who owns the idea or image. Branding is when that idea or image is marketed so that it is recognizable by more and more people, and identified with a certain service or product when there are many other companies offering the same service or product. Advertising professionals work on branding not only to build brand recognition, but also to build good reputations and a set of standards to which the company should strive to maintain or surpass. Branding is an important part of Internet commerce, as branding allows companies to build their reputations as well as expand beyond the original product and service, and add to the revenue generated by the original brand.

Keyword : social media networks, Brand Image, brand recognition, Advertising.

INTRODUCTION

Branding is also a way to build an important company asset, which is a good reputation. Whether a company has no reputation, or a less than stellar reputation, branding can help change that. Branding can build an expectation about the company services or products, and can encourage the company to maintain that expectation, or exceed them, bringing better products and services to the market place. Social media has naturally attracted the attention of marketers and there has been a continuous effort to leverage the reach and access of social networks for brand promotion in terms of actual sales and customer service. Here Marketing in social media channels, presents a set of unique challenges. The paper discusses some illustrative case studies of businesses creatively using social media channels.

In the roman mythology, Janus is known as the god of beginning and transition, peace and war. It is perhaps an apt metaphor for the social media that seems to have acquired an ubiquitous presence in the modern world. The networked population of the world has grown from a “low million” in the 1990s to a “low billion” in the first decade of the 21st century. It is the remarkable pace of adoption of a new technology.

RISE VALUE OF BRANDS IN THE DIGITAL AGE

Many believe that brands will become less important as digital technology marches onward. They will surely be disappointed. In fact, it is likely that branding will become more important in the digital age. With more media and more brands, consumers have to more to filter out. In order to cut through the clutter, marketers will have to work harder to build brands that inspire loyalty.

To understand why, let's start at the beginning...

➤ CREATIVE KINGS IN A CONSUMER AGE

After World War II, most of the globe went through several decades of seemingly boundless economic expansion. Consumers had ever more money to spend and business expanded to meet the demand. It was the dawn of the branding age and marketers strove to make their products popular with consumers hungry to join the consumer culture. It was also an era of mass media. There was a limited amount of TV stations and programming was geared to mass audiences. Popular broadcasts like **The Ed Sullivan Show** in the US could reach more than 50% of the population.

In this environment, creativity was king. Advertising pioneers such as **David Ogilvy** and **Leo Burnett** developed powerful brand images that transformed the landscape of commerce. Great creative work combined with mass audiences proved to be a powerful combination. Brands evolved into consumer icons and built enormous profitability for the companies that owned them.

➤ THE MEDIA REVOLUTION

Cable and satellite technologies transformed media in the 80's and 90's. New, thematic channels chipped away at mass media, making it harder to reach audiences and increasing clutter. With the exception of special events like the World Cup and the Super Bowl, advertisers had to cobble together mass audiences by aggregating smaller ones. In the new media environment, brand messages became harder to get across. Media fragmentation emerged as the new reality.

COMPREHENSIVE STRATEGY FOR HUMANIZING YOUR BRAND ON SOCIAL MEDIA

Where most businesses have trouble sharing their brand identity without annoying their social media followers. While there are several steps you can follow to humanize your brand, your main goal should be engagement. Talking to your consumers and listening to what they have to say is the easiest way to develop and cultivate ties that could lead to future purchases. Beyond that, you still have your work cut out for you. Let's examine a few ways to humanize your brand so your customers will feel that connection:

1. Humanize Your Business

While consumers like to know a business is serious when it comes to a product or service, they also want to know those responsible for those goods are people, too. If you give your staff a chance to shine, your target audience is more likely to identify with the people who make up your company. We all want to know whoever developed the latest software, beauty product, pair of jeans, or iPhone app is a flesh-and-blood person with the same thoughts, interests, and concerns. We're more likely to trust your products because we trust your staff.

2. Avoid the Serious Businesses on Social Media

If you can't think past the numbers, analytics, and bottom lines, don't attempt to engage your customers. They won't be concerned with your company's accounting practices; they just want to know your product works. That disconnect will never serve you well on social media, and will in fact widen the gap between you and your buyers. Instead, keep executives off the social media when necessary. We're not saying you guys don't have a sense of humor or a connection to the consumer and if you do, feel free to tweet away but you should be aware of the image your company projects if your social campaigns aren't personable.

3. Share Content from Others

While your customers don't necessarily want to know all the down and dirty details of doing business, they do want to know your company is top in its field. You can make this clear with your content. Share fun facts, video, industry news—so many things apply to your business and your social media profile. By acknowledging others in the field, you build trust with your customers, who often just want to know they have options.

4. Talk

If your social media strategy doesn't include responses, you're wasting your time. Without engagement, you're simply talking at people. You might as well be a machine, and that's exactly how your potential customers will see you. If you're not comfortable with banter, accepting criticism, or issuing heart-felt thanks, you may want to find someone else to handle your social media accounts.

5. Put a Face to the Name

Many companies incorporate branding seamlessly with their social media accounts but forget the human aspect. Yes, buyers will recognize your logo and your slogan, but the connection to an actual person may never occur to them. By connecting your social media accounts to your staff members, buyers will start to see that real people have an impact on your company's products and services. Consider an image of your company's CEO or even the Social Media Director in addition to the company logo on your Twitter, Facebook, and LinkedIn pages.

6. Give an Inside View

Sharing content shouldn't be hard. Yes, you want to engage and inform, but sometimes you just need to open the doors wide open and let people inside. Consider posting Vine videos of hijinks in the office, YouTube videos of a company field trip or karaoke contest, or images of your latest office cubicle decorating contest. Give consumers the reassurance that your employees are just like everyone else.

7. Set Aside Conversation Times

You're busy; we get it. Still, customers want to hear from you. How did you create your product? What do you hope to accomplish with it? How do you hope people see your brand? You can give the answers to these and so many more questions through scheduled Twitter chats or open forum Q&A sessions on Facebook. Your customers will love the chance to interview you. They'll feel special, included, and in-the-know.

8. Admit When You're Wrong

One thing that will really set you apart from other companies on Twitter and Facebook is your ability to accept blame. Past snafus have seriously harmed the companies who chose to hide the issue on social media rather than face the problem head-on. We could list them for you, starting with Applebee's and never ending, but the true lesson is just to own up, apologize, and maybe find a positive spin. You could lose face, but you'll save customers.

There's a good chance you've already noticed several companies on Twitter, Facebook, and LinkedIn breaking these rules. Sometimes the easiest way to learn is to just watch others make the mistakes first. The most important thing to remember is that your customers are real people, and they want to know you are, too. If you keep that in mind and prepare to make apologies when you mess up, you'll succeed in humanizing your brand quickly.

REMARKABLE AND UNMISTAKABLE BRANDS DIFFERENTIATE THROUGH AN EMOTIONAL CONNECTION

With low-consideration products like deodorant or disinfectant, social media can be used to promote the unique emotional benefits that make the brand stand out and stave off price erosion from lower-priced store-brand competitors. To unlock this brand value:

➤ BRING THE EMOTIONAL BENEFIT TO LIFE.

Social engagement can bring a personal and emotional benefit to life beyond what is communicated in paid and owned media. For example, Lysol's broad positioning around "the trusted brand for health" is made tangible for moms by sharing tips via online and social media around the importance of good hand hygiene to help prevent illness. The positioning also feeds product offerings such as the Lysol No-Touch Kitchen System, which keeps dishes, surfaces, and hands germ-free. And the disinfectant brand integrates the campaign with a school education program and similarly themed video spot.

➤ ENGAGE AROUND A SHARED CAUSE.

If you compete in an undifferentiated category, use social engagement to create a bond around a shared cause. Secret built off the brand's heritage of "fearlessness" with a "Mean Stinks" anti-bullying campaign that encouraged teenage girls to speak out against bullying. Procter & Gamble drove awareness for the Secret campaign through mobile ads and print ads featuring *Glee*'s Amber Riley, created engagement with an in-depth 2-minute commercial on YouTube, and gave consumers an opportunity to lend their voice to the cause through Facebook. The campaign also contributed to sales results, with a 9% lift in brand sales.

➤ BOND YOUR BRAND TO YOUR CONSUMER'S REAL LIFE.

Use social engagement to forge an emotional connection between your consumer's life and your brand proposition. Concerned that the packaging for Jim Beam Black made the premium product seem too cheap, the distiller created more luxurious packaging and promoted it to men in their 30s. The key to success was to link the brand's unique proposition — that it was aged for eight years — with how men's lives had changed during the same eight years. Starting with the "8 Years Changes Everything" concept, Jim Beam's social media agency Tenthwave created an integrated social campaign, including a "Beamfire challenge" — a virtual fire on Facebook into which consumers could throw anything from the past eight years that was no longer relevant to their life. Consumers' association that Jim Beam Black is a premium brand increased 43%, and sales grew in the double digits as a result of the campaign.

ESSENTIAL BRANDS NURTURE LOYAL FANS

For brands that need to become more essential, social efforts support broad-mass-reach paid media with personalized social experiences. To develop deeper and more personal connections with fans:

❖ **ENGAGE BRAND LOVERS WITH A MORE IMMERSIVE EXPERIENCE.**

Make consumers' multiscreen addiction work to your advantage. Use social to back up a paid media campaign with lean-in in depth content for brand lovers. For example, during Coca-Cola's 2012 Super Bowl spot, Coca-Cola's Facebook fans watched the polar bears react in real time to the game on TV, including having them leave the cave when the competitor's ad aired. Another leg of this campaign encouraged consumers to join the soda maker in its support of a World Wildlife Fund to protect the polar bears' Arctic home through both on-air and online activation.

❖ **REWARD BRAND LOYALISTS WITH PERSONALIZED COMMUNICATIONS.**

Social allows marketers to segment mass-reach campaigns with mass-customized communications around fans' passion points. McDonald's engaged existing fans of its french fries through a "You Want Fries With That?" online contest promoted through Twitter with \$25,000 going to the winner. It was one of McDonald's biggest and most successful contests to date, using social to generate awareness and submissions.

❖ **ACTIVATE NEW ADVOCATES USING THE ESTABLISHED LOYAL FAN BASE.**

Under Armour and Skullcandy have taken social engagement one step further — they use their loyal fans to deliver customer service and create new advocates. Working with social commerce platform provider Needle, they have their fans answer questions and engage the community. So while delivering the service they need to offer, they make the existing fans stronger, reduce customer service costs by using social channels, and initiate a new round of rabid loyalists.

CONCLUSION

When working on branding, or building a brand, companies that are using web pages and search engine optimization have a few details to work out before being able to build a successful brand. Coordinating domain names and brand names are an important part of finding and keeping visitors and clients, as well as branding a new company. Coordination of a domain name and brand names lends identification to the idea or image of a specific product or service, which in turn lets visitors easily discovery the new brand. The dynamic and interactive nature of the social media demands that marketers have to be constantly engaged with the target market. So apart from money, successful social media marketing requires significant investment in time and creative input.

We have primarily focused on the two most dominant social media networks, Facebook and Twitter, to highlight the success stories in few select categories. The cases illustrate a range of creative strategy employed by organizations to rise over the clutter of competition and gain greater competitive advantage in the market place. The new media have forced organizations to constantly think outside the box and in the process have redefined the very concept of marketing. Finally the paper points to some future trends in social media marketing and suggests strategies how organizations can deal with them to their best advantage.

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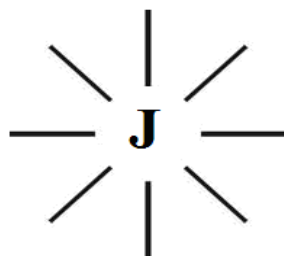
THE RADIANT MANAGER?...
(A New theory on “ Scientific Management module ”)

M.Arulmani and V.R.Hema Latha

ABSTRACT

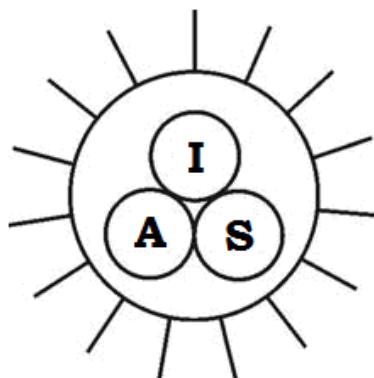
This Scientific research article attempts to accommodate thousands of confused management theories and Principles within THREE-IN-ONE base frame called “**Standard Scientific Management Module**” or “**J-CODE**”.

Creativity needs management skill?... This article emphasize that creativity needs “**Radiant Skill**” rather than **Managerial Skill** which focus only on **productivity**. This article focus that the “**Radiant Manager**” shall be considered as referred to “**CREATOR**” who is distinguished from conventional “**MANAGER**”, “**LEADER**” and “**RULER**”. Further it is emphasized that standard scientific module shall mean identifying the characteristics and behavior of fundamental particles PHOTON, ELECTRON, PROTON emanated from **J-Radiation**.



(RADIANT MANAGER LOGO)

Further the whole process of management Philosophy shall be considered accommodated within fundamental “**Three-in-one Domain**”. The goal of creativity shall be considered as providing **PEACE** rather than productivity which aims to focus **COMFORT**.



(STANDARD DOMAIN)

*“**ARTS, SCIENCE, INTUITION** shall be considered as **THREE-IN-ONE** fundamental domain of Creativity”*

-Author

1. Key Words

- a) Creator differs from **LEADER**?...
- b) Leader differs from **MANAGER**?..
- c) Manager differs from **RULER**?..
- d) Science differs from **ARTS**?..
- e) Arts differs from **INTUITION**?...
- f) Intuition differs from **SCIENCE**?...

2. INTRODUCTION:

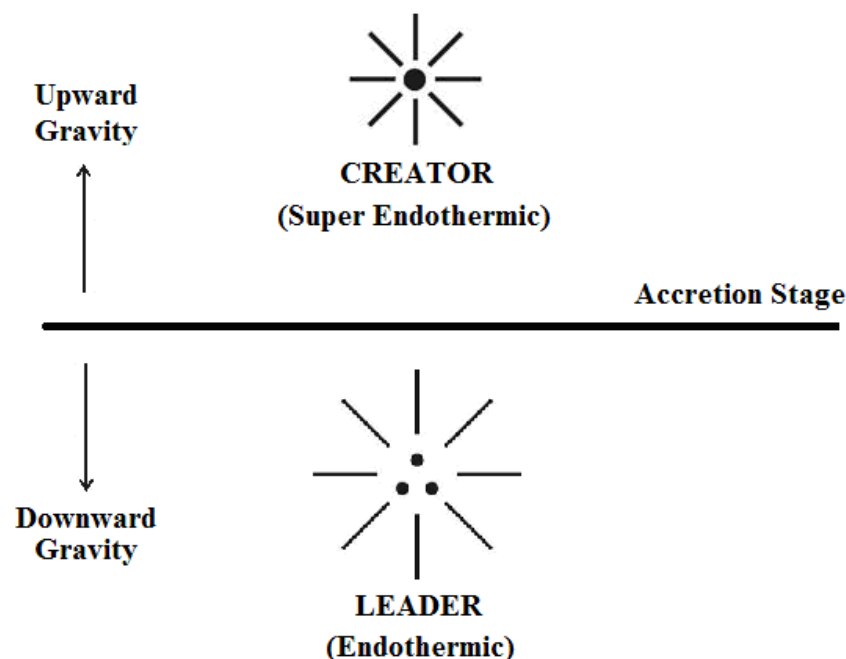
Global Scientist focus that the origin of Cosmo Universe shall be understood based on standard model of “**BIG BANG THEORY**”. If so is there any “**Standard module**” system of management principles. This research article focus that the philosophy of management system shall be considered as a “**FAMILY**” in which **FATHER, MOTHER, INFANT** shall be considered as a three-in-one distinguished element of family having distinguished characteristics and behavior. It is emphasized that thousands of management principles shall be accommodated within the three fundamental domain of family.

1. “**FATHER**” is like “**RULER**” (Intuition)
2. “**MOTHER**” is like “**MANAGER**” (Science)
3. “**INFANT**” is like “**LEADER**” (Art)

3. HYPOTHESIS AND NARRATION

a) Creator differs from Leader?..

It is hypothesized that **Creator, Leader** shall be considered as distinctly varied structure and characteristics and shall be described as below.

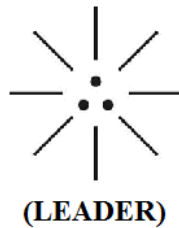


The philosophy of **Creator, Leader** shall be defined within the following scope.

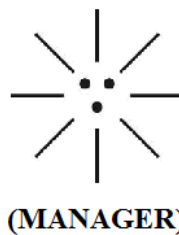
- i. Creator shall mean influenced by “**Upward gravity**”
Leader shall mean influenced by “**Downward gravity**”
- ii. Creator shall mean under “**Highly Endothermic**”
Leader shall mean under “**Moderate Endothermic**”
- iii. Creator shall mean under “**FISSION**” process
Leader shall mean under “**FUSION**” process
- iv. Creator shall mean like “**SUPERNATURE**”
Leader shall mean like “**TRINITY NATURE**”
- v. Creator shall mean capable of “**FLY**”
Leader shall mean “**SEMI-FLY**”
- vi. Creator shall mean like “**SPIRIT**”
Leader shall mean like “**SOUL**”

b) Leader differs from Manager?...

It is hypothesized that **Leader, Manager**, shall be considered as having distinctly varied structure and characteristics and shall be described below.

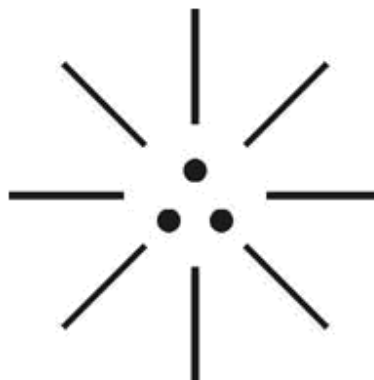


Transformation &
Plasma barrier



The philosophy of **Leader, Manager, Ruler** shall be defined within the following scope.

- i) Leader shall mean like “**ATOM**”
Manager shall mean like “**TISSUE CELL**”
Ruler shall mean like “**ELEMENT**”
- ii) Leader shall mean under “**Endothermic**”
Manager shall mean under “**Exothermic**”
Ruler shall mean under “**Plasma cloud**”
- iii) Leader shall mean like “**BRAIN**”
Manager shall mean like “**LUNGS**”
Ruler shall mean like “**HEART**”

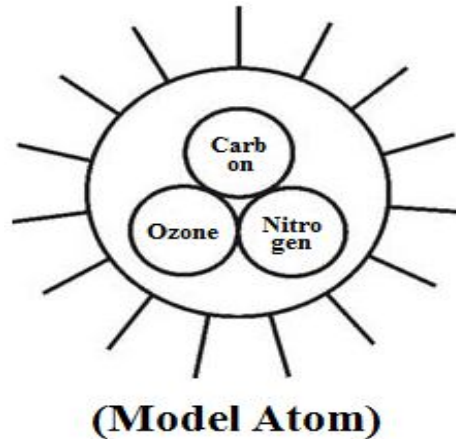


- 1. Right dot is like “**COMMONSENSE**” (Proton ion)
- 2. Left dot is like “**INTELLIGENCE**” (Electron ion)
- 3. Centre dot is like “**WISDOM**” (Photon ion)

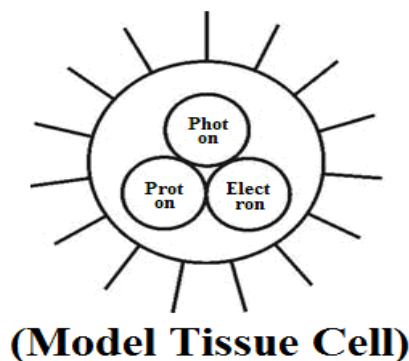
c) **Scientific model of Ruler, Leader, Manager?..**

It is hypothesized that Ruler, Leader, Manager shall be considered as distinct form of “**Trinity Nature**” and shall be scientifically moduled as below.

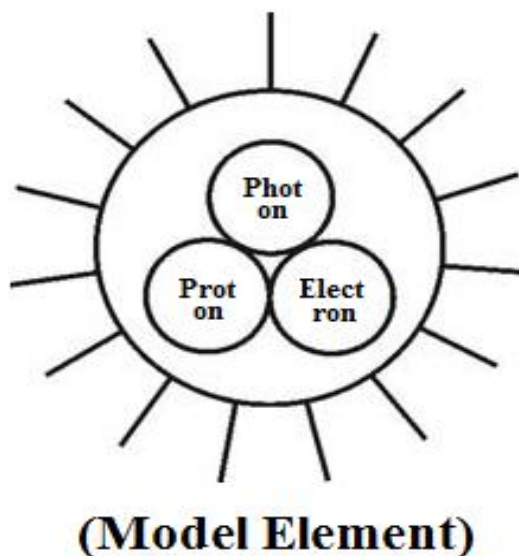
- i) “**LEADER**” is like “**ATOM**” surrounded by inbuilt energy of “**Hydrogen**”



- ii) “**MANAGER**” is like “**TISSUE CELL**” surrounded by inbuilt energy of “**J-Radiation**” (with high entropic value)



- iii) “**RULER**” is like “**PLASMA ELEMENT**” surrounded by “**J-Radiation**” (with Zero entropy)

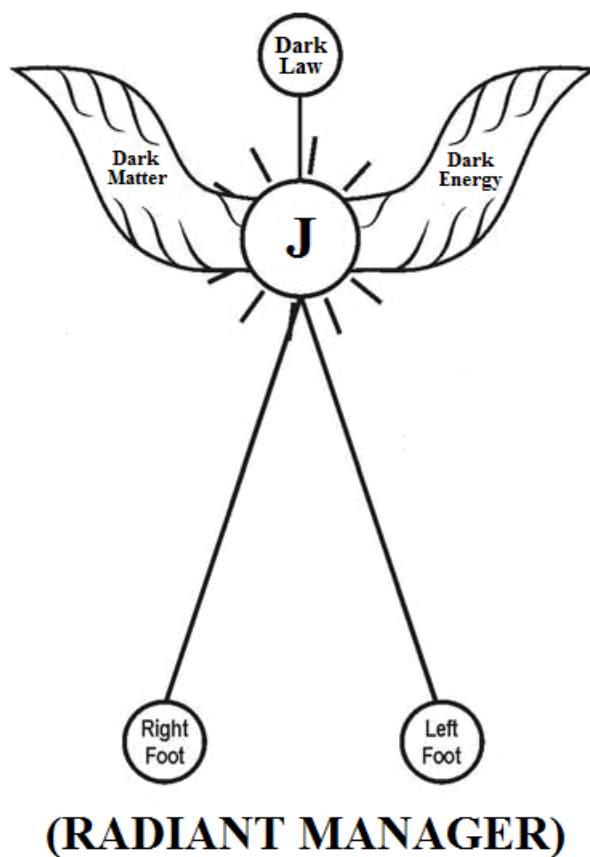


d) **Philosophy of Radiant Manager?..**

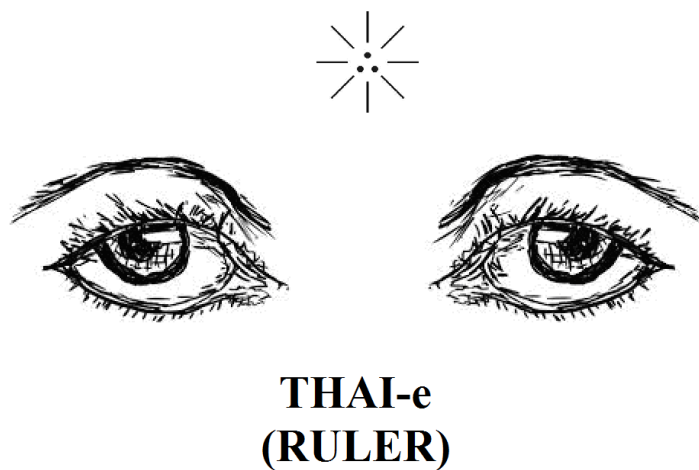
It is hypothesized that Radiant Manager shall be considered as Creation having only three chromosome derived from photo, electron, proton ions surrendered by “**SPIRIT**”. The prehistoric angel family lived in MARS planet shall be considered as radiant manager having enriched commonsense rather than intelligence.

- e) Can we Visualize Radiant Manager, Ruler, Leader?...
Why not...

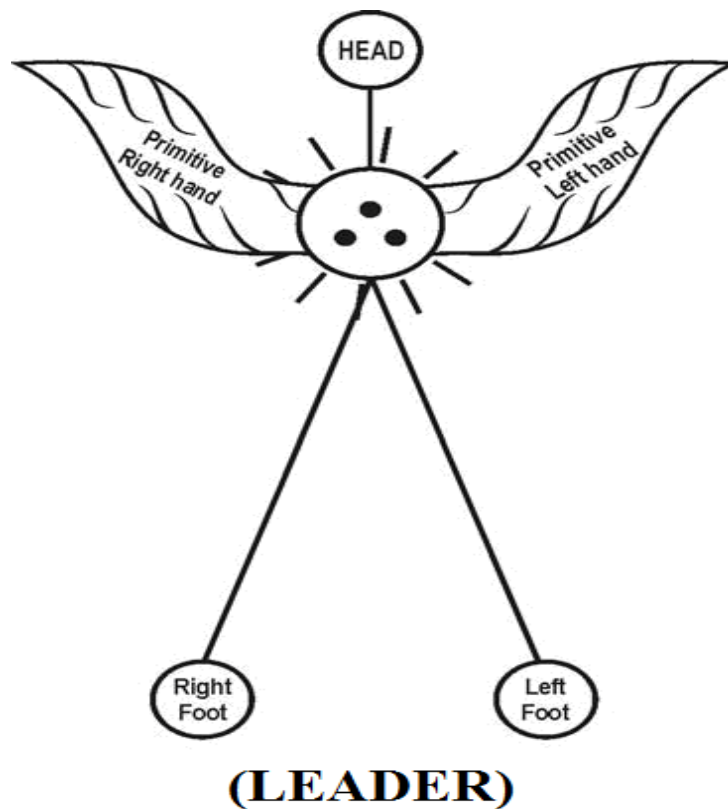
(i)



(ii)



(iii)

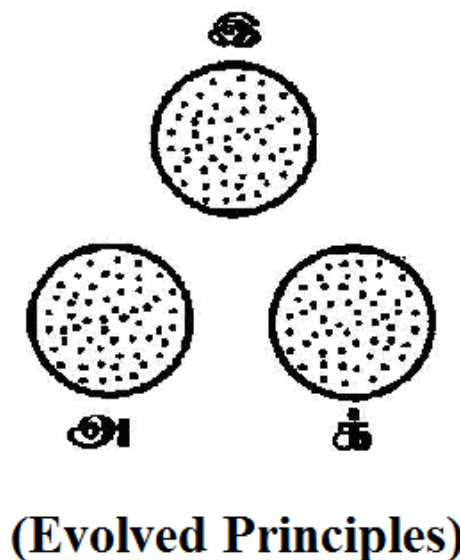


*“Ancient Human Ancestors shall be considered as **Super Scientific Manager** well versed with astrophysics, astronomy in efficient management of various planets from earth”*
-Author

f) Philosophy of standard module Domain?...

Case study shows that Frederic Winslow Taylor is considered as father of Scientific Management contributing to industrial productivity and Shri. Peter F.Drucker contributing to Management Philosophy especially in **Management by Objectives (MBO)**.

It is hypothesized that thousands of evolved management principles, theories shall be moduled under fundamental THREE-IN-ONE Domain as below.



Sl. No.	System Id	RULER Role	MANAGER Role	LEADER Role
1.	J-RADIATION	PHOTON ION	ELECTRON ION	PROTON ION
2.	CELL	RNA	HORMONE	DNA
3.	ATOM	CRABON	NITROGEN	OZONE
4.	ENERGY	OPTIC	ELECTRIC	MAGNETIC
5.	SYSTEM	LAW	SCIENCE	ARTS
6.	CREATION	CONTROL	STRUCTURAL	FUNCTIONAL
7.	SUPER NATURE (DARK FLAME)	SPIRIT	DARK ENERGY	DARK MATTER
8.	TRINITY NATURE (WHITE FLAME)	SOUL	WHITE ENERGY	WHITE MATTER
9.	HUMAN ANATOMY	WISDOM (HEART)	INTELLIGENCES (LUNGS)	COMMONSENSE (BRAIN)
10.	HUMAN J-CODE	NAVAL	LEFT NIPPLE	RIGHT NIPPLE

g) “VETTI” is dress code of creator?...

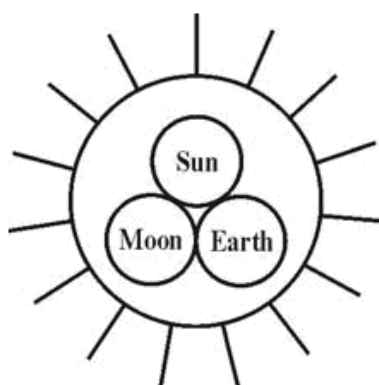
It is hypothesized that wearing “VETTI” (Veshti) is considered as cultural dress of India since ancient time. It is focused that Mahatma Gandhi, Jesus Christ considered wearing Vetti like garment. “VETTI” shall be considered as symbol of **love and sacrifice**.

It is further focused that in Indian culture Vetti is worn during the occasion of **marriage** and Philosophy of marriage ceremony shall be considered as “**CREATION PROCESS**” and Vetti shall be considered as dress code of Creator. During the course of time wearing “**LUNGI**”, “**PANT**” might be adopted as additional culture.

- (i) VETTI shall mean symbol of **LOVE**
- (ii) LUNGI shall mean symbol of **MERCY**
- (iii) PANT shall mean symbol of **HOPE**

4. CONCLUSION

The philosophy of global management system shall be considered like a visible “**Radiant Manager**” having three-in-one fundamental inbuilt qualities for betterment and sustainability of “**human life**” on the Earth planet which forecast creativity and peace rather than productivity and comfort.



(Universal Management Module)

- i) “**HOPE**” is like “**SUN**” (Ruler)
- ii) “**MERCY**” is like “**EARTH**” (Manager)
- iii) “**LOVE**” is like “**MOON**” (Leader)
- iv) “**J-RADIATION**” is like “**MARS**” (Soul, Radian manager)

5. PREVIOUS PUBLICATION:

The philosophy of origin of first life and human, the philosophy of model Cosmo Universe, the philosophy of fundamental neutrino particles have already been published in various international journals mentioned below.

Hence this article shall be considered as **extended version** of the previous articles already published by the same author.

- [1] Cosmo Super Star – IJSRP, April issue, 2013
- [2] Super Scientist of Climate control – IJSER, May issue, 2013
- [3] AKKIE MARS CODE – IJSER, June issue, 2013
- [4] KARITHIRI (Dark flame) The Centromere of Cosmo Universe – IJIRD, May issue, 2013
- [5] MA-AYYAN of MARS – IJIRD, June issue, 2013
- [6] MARS TRIBE – IJSER, June issue, 2013
- [7] MARS MATHEMATICS – IJERD, June issue, 2013
- [8] MARS (EZHEM) The mother of All Planets – IJSER, June issue, 2013
- [9] The Mystery of Crop Circle – IJOART, May issue, 2013
- [10] Origin of First Language – IJIRD, June issue, 2013
- [11] MARS TRISOMY HUMAN – IJOART, June issue, 2013
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- [14] Prehistoric Triphthong Alphabet (IJIRD, July issue, 2013)
- [15] Prehistoric Akkie Music (IJST, July issue, 2013)
- [16] Barack Obama is Tamil Based Indian? (IJSER, August issue, 2013)
- [17] Philosophy of MARS Radiation (IJSER, August 2013)
- [18] Etymology of word “J” (IJSER, September 2013)
- [19] NOAH is Dravidian? (IJOART, August 2013)
- [20] Philosophy of Dark Cell (Soul)? (IJSER, September 2013)
- [21] Darwin Sir is Wrong?! (IJSER, October issue, 2013)
- [22] Prehistoric Pyramids are RF Antenna?!... (IJSER, October issue, 2013)
- [23] HUMAN IS A ROAM FREE CELL PHONE?!... (IJIRD, September issue, 2013)
- [24] NEUTRINOS EXIST IN EARTH ATMOSPHERE?!... (IJERD, October issue, 2013)
- [25] EARLY UNIVERSE WAS HIGHLY FROZEN?!... (IJOART, October issue, 2013)
- [26] UNIVERSE IS LIKE SPACE SHIP?!... (AJER, October issue, 2013)
- [27] ANCIENT EGYPT IS DRAVIDA NAD?!... (IJSER, November issue, 2013)
- [28] ROSETTA STONE IS PREHISTORIC “THAMEE STONE” ?!... (IJSER, November issue, 2013)
- [29] The Supernatural “CNO” HUMAN?... (IJOART, December issue, 2013)
- [30] 3G HUMAN ANCESTOR?... (AJER, December issue, 2013)
- [31] 3G Evolution?... (IJIRD, December issue, 2013)
- [32] God Created Human?... (IJERD, December issue, 2013)
- [33] Prehistoric “J” – Element?... (IJSER, January issue, 2014)
- [34] 3G Mobile phone Induces Cancer?... (IJERD, December issue, 2013)
- [35] “J” Shall Mean “JOULE”?... (IRJES, December issue, 2013)
- [36] “J”- HOUSE IS A HEAVEN?... (IJIRD, January issue, 2014)
- [37] The Supersonic JET FLIGHT-2014?... (IJSER, January issue, 2014)

- [38] “J”-RADIATION IS MOTHER OF HYDROGEN?... (AJER, January issue, 2014)
- [39] PEACE BEGINS WITH “J”?... (IJERD, January issue, 2014)
- [40] THE VIRGIN LIGHT?... (IJCRAR, January issue 2014)
- [41] THE VEILED MOTHER?... (IJERD, January issue 2014)
- [42] GOD HAS NO LUNGS?... (IJERD, February issue 2014)
- [43] Matters are made of Light or Atom?!... (IJERD, February issue 2014)
- [44] THE NUCLEAR “MUKKULAM”?... (IJSER, February issue 2014)
- [45] WHITE REVOLUTION 2014-15?... (IJERD, February issue 2014)
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- [58] THAI-e ETHIA!... (AJER, May issue 2014)
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- [60] THE IMPACT OF HIGHER QUALIFICATION?... (AJER, June issue 2014)
- [61] THE CRYSTAL UNIVERSE?... (AJER July 2014 issue)
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WOMEN IN INDIAN INFORMAL ECONOMY AND THEIR DEVELOPMENT THROUGH SHGs

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ABSTRACT

Introduction: In India almost 400 million people (more than 85 percent of the working population) work in informal economy and of these at least 120 million are women (census-2001). Out of the total working women in India, 94% are working in informal economy where they are facing gender discrimination and marginalization in terms of wage, working hour and treated as unskilled labour. The informal economy is characterized by nonuniformity in the nature, characteristics and conditions of jobs. Majority of women workers in this sector are uneducated and unaware about the laws, work in unhygienic environment with no medical facilities, and come from those sections of the society which need income at any cost. It becomes a major objective for the govt. to develop these women politically, educationally, economically socially and legally by implementing and monitoring several rules and regulations. Self Help Groups play an effective role for promoting women empowerment not only to fight against poverty but also to raise awareness of gendered power structures, self-esteem, and self-confidence (Kabeer, 2001).

Purpose: The purpose of this paper is to explore the present scenario of India's women workers in informal economy. It analysed how the Self Help Groups are playing a major role to develop the overall conditions of the female workers in informal economy in India.

Methodology : Impact of SHGs in developing and empowering the women workers in Indian informal economy are analyzed. Different reports on women workers in informal economy are reviewed.

Findings : The women worker working in informal economy in India are living a life far below from satisfaction. They do not have any job security, income security or social security. Again they are carrying the 'double burden of work'. It is the need of the hour that through the self help groups (SHGs) they could come forward for the betterment of their life, thus fulfill the primary aim of women empowerment- improvement of the quality of life by which they can take control and be the owner of their choice.

Keywords: women, informal economy, development through empowerment, SHGs

INTRODUCTION

In the mid 1950s, W.Arthur Lewis developed a theoretical model of economic development based on the assumption that there was an unlimited supply of labour in most developing countries and this vast pool of surplus labour would be absorbed with the growth of modern industrial sector of these countries. Therefore the traditional organized sector comprised a number of man, women and children act as petty traders, small producers and a range of casual labour that would eventually be absorbed into the economy and disappear. In the absence of a more analytical definition, this sector becomes synonymous with unregulated, poorly skilled and low-paid workers. Highlighting this chaotic assortment Keith Hart first used the term 'informal economy' in 1971 with the distinction between wage and selfemployment as the essential difference between the formal and informal sectors.

Fifteenth International Conference of Labour Statisticians (1993) defined the informal sector as follows:

The informal sector is regarded as a group of household enterprises or unincorporated enterprises owned by households that includes: 1) Informal own-account enterprises, which may employ contributing family workers and employees on an occasional basis; and 2) Enterprises of informal employers, which employ one or more employees on a continuous basis.

Later ILO broadened the scope of the informal sector as activities typically characterized by ease of entry, reliance on indigenous resources, family ownership of enterprises, small scale of operations of labour intensive and adaptive technology, skills acquired outside formal schooling system, and unregulated and competitive markets. So, informal economy employment is comprised of both self-employment in informal enterprises and wage employment in informal jobs. Again informal economy means an enterprise owned by individuals or self-

employed workers and engaged in the production or sale of goods or in providing services of any kind whatsoever, and where the enterprise employs less than 10 workers (India-Ministry of Law and Justice, 2012). ILO's study (2002) showed that half or almost two-third of labour force of the developing countries are working in informal economy.

The National Commission on Labour describes some characteristics and constraints of informal economy, namely: (a) casual nature of employment; (b) ignorance and illiteracy; (c) small size of establishment with low capital investment per person employed; (d) scattered nature of establishments; and (e) superior strength of the employers operating singly and in combination.

An estimate by the World Bank (2000) shows that 90% of the women working in the informal sector are not included in the official statistics and their work is undocumented and considered as disguised wage work, unskilled work, unskilled, low paying and do not provide benefits to the workers. In India almost 400 million people (more than 85 percent of the working population) work in informal economy and of these at least 120 million are women (census-2001). Another data shows that, almost 93% of total labour force of India is engaged in informal economy (NCEUS-2009-Final Report) and out of which male-female ratio stood as 51.7: 48.26 (Census 2001).

PRESENT POSITION OF WOMEN WORKERS IN INDIAN INFORMAL ECONOMY

According to census 2011, women constitute 48.46 percent of the total population in India and about 25.67 percent of female population is designated as workers. Almost 94% of total women workers are engaged in informal sector, of which about 20% work in the urban centers (Census 2001). Thus we can say that informal economy is the women economy. The Report of the NCEUS (2009) highlights the existence and qualification of unorganized or informal workers, defined as those who do not have employed security, work security and social security. This definition can easily describe the position of women worker in this sector.

Three notable facts about the women in informal sector are –

- Majority of women workers in this sector come from those sections of the society who are very poor and socially backward,
- Nearly 50 per cent of these women workers are sole supporters of their families and
- Out of all women workers a mere 7.5% are availing the membership of authentic registered trade unions (Census 2001).

Women workers are mostly engaged as agricultural labour and non agricultural labour like mine labour, construction labour, garment labour, vendor, sales girls and as domestic workers and most of the women are appointed to their job as contract labourers

Informal economy constitutes a pivotal part of the Indian economy. The National Commission for Enterprises in the Unorganized Sector (NCEUS 2009) in its report, "The Challenges of Employment in India-An Informal Economy Perspective" revealed that more than 50 per cent of the national products are accounted for by the informal economy though the contribution of women workers is not properly estimated. The most important finding in this report is that the economy will see a greater percentage of informalisation of employment in near future. Within 2016-2017 the % of workers in informal economy will increase from 91.8% to 93.9% which is significantly very high. As per the Human Development Report of UNDP, "women's work is greatly undervalued in economic term". Another fact is that they have to do household works like upbringing of children etc. besides the GDP production. This is termed as the "Double Burden of work" which definitely differentiates the women workers from men workers.

These women are unprotected labour force of our country with lack of proper training and have very few options to avail as far as gainful jobs. Various studies by Papola (1982, 1992) show another important fact that, the urban labour market discriminates against women much more than the rural labour market concerned. They are suffering from mental and physical harassments as because they are women (NCEUS-2009) -the weaker sex of the society. They are to face discriminations in terms of wage, increment, promotion, type of work, working hour and permanency from the male workers. For example, they are forced to make them satisfy by working as unskilled labour carrying construction material on their heads to the construction site, or, while the skilled/ semi-skilled work is done by men or they work as the helper for the male tailor. In this sector the average wage is much less than the wage of Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) i.e. Rs.100. Bargaining power is mostly with the employers, so exploitation is naturally the fate of these poor- marginal women. Women workers in informal economy suffer under highly insecure and

vulnerable working conditions. There are no social security measures to provide risk coverage and ensure maintenance of basic living standards or health issues. They work long hours without health and safety regulation, and are not entitled to overtime rates, weekly holidays etc. as with other informal workers, they do not have any social protection.(NCEUS-2004).

Majority of women workers in this sector are uneducated and unaware about labour laws like The Bonded Labour System Abolition Act, 1976 or Equal Remuneration Act, 1976, Maternity Benefit act, 1961, and come from those sections of the society which need income at any cost. They are not aware about the Indira Gandhi Matritva Sahyog Yojana (2010) which is a Direct Benefit Transfer (DBT) facility for pregnant and lactating mother or about the New Legislation -- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) , Bill 2012 to protect them from sexual harassment and the right to work with dignity or about the National Mission for Empowerment of Women (NMEW)-2010.

Global Gender Gap Report (2008) revealed that India is one of world's 20 countries where gender discrimination is mostly found. The National Commission on Self-Employed Women and Women Workers in the Informal Sector (NCSEW -1987) noted the flagrant violation of statutory provisions regarding payment of wages, safety regulations, provision of housing and medical facilities, accident compensation against women employed in informal economy. Without meaningful skills, social status, and economic power, they are unable to do any business on their own even with financial assistance.

DEVELOPMENT THROUGH EMPOWERMENT

To develop these women politically, educationally, economically, socially and legally is become a major objective for the country. The core elements of development is empowerment, which is the ability to define one's goals and act upon them, awareness of gendered power structures, self-esteem, and self-confidence. The concept of Empowerment was introduced at the International Women's Conference in 1985 in Nairobi. The conference defined empowerment as a 'redistribution of social power and control of resources in favour of women'. The extent of empowerment of women in the national hierarchy is determined largely by the three factors – her economic, social and political identity and their weightage.

Development through empowerment is a long process. It has to pass through different stages. In the first stage, these women should be trained to look into the situation from a different perspective and recognize the power relations that perpetuate their oppression. The Govt. has taken several steps to improve the conditions of the labour in informal economy. National Commission for Enterprises in the Unorganized Sector (NCEUS) was set up by the Government of India in 2004, to "review the status of unorganized/informal sector in India including the nature of enterprises, their size, spread and scope, and magnitude of employment". The Expert Group on Informal Sector Statistics, commonly known as the "Delhi Group", was set up in 1997 as one of the city groups of the United Nations Statistical Commission to address various methodological issues involved in the treatment of the informal sector. So process of development through Women Empowerment is an individual and collective process based on the following six principles:

- self-reliance,
- self-awareness,
- collective mobilization and organisations,
- capacity building,
- external exposure and interaction and
- creating leadership

On the other side a large number of agencies, including cooperatives, rural banks, commercial banks, non-banking financial institutions, self-help groups together comprise the Indian credit delivery system for the informal economy. They act not merely as financial intermediaries but also play a key developmental role.

The Sixth and in the Seventh Five year Plans, primarily emphasized on health, education and employment of women. But in Eighth Plan the focused area was 'empowerment' of women and the Govt. accepted it as a distinct strategy. The Twelfth Plan also identify that the gender equity will be the focused area for the next five years to empower women in terms of economic, social and physical infrastructure.

ROLE OF SHGs IN DEVELOPING WOMEN WORKERS IN INFORMAL ECONOMY

Self Help Groups (SEGs) play an effective role for promoting development through women empowerment to fight against poverty. It consists of a group of people of three to twenty persons on the condition that each of

them would be assuming responsibility for the development of all. The group enables its members to gain their identity as individuals, while realising – and utilising – the immense power of mutual aid. It provides them with a platform from where they can access banks and public services, and spearhead changes that affect them as poor women. SHGs work for the women in a number of ways: they provide guidance; they give support and financial assistance to women; and they identify and promote home-based enterprises among its members.

The Ninth Plan approached to identify women living in poverty and to guide them through help themselves by several initiatives like Self Help Groups. Support to Training & Employment Programme for Women (STEP) - 1986-87 was aimed to upgrade skill, mobilizing women in viable groups, arranging for marketing linkages and access to credit. These are nothing but the concept of SHGs.

In India, NABARD initiated the self-help group concept in 1986–1987. After 1991, commercial banks concentrated more on SHGs under bank linkage. A SHG is a small, economically homogeneous affinity group of rural/urban/tribal poor voluntarily coming together to save small amounts regularly, which are deposited in a common fund to meet members' emergency needs and to provide collateral free loans decided by the group (Chaudhary- 2008). It is the Grameen replication model of Bangladesh and India's MYRADA experiences. There is nearly 3, 00,000 SHGs working whole over India (NABARD). The Government of India introduced two major programmes, the first one is SJSRY for urban areas and the second one is SJGSY for rural and tribal areas. Under SJGSY, the government promoted Development of Women and Children in Rural Areas (DWCRA) groups and the Development of Women and Children in the Urban Areas (DWCUA) groups under SJSRY. After few years, the government changed the name DWCRA and DWCUA groups as Self-Help Groups. Through these SHGs the women workers of the unorganized sector can develop their skill as well be an entrepreneurs for self employment which includes tailoring, packaging, computer application, interior decoration, leather goods production and marketing, bee keeping etc. The Govt. also takes care of marketing of products of SHGs through different exhibition.

It has been found that the micro finance programme of Rashtriya Mahila Kosh (National Credit Fund for Women) –RMK (1993) for the socio-economic upliftment of poor women through the SHGs is the most successful one in the country.

A number of studies show that the participation of women in SHGs has made a significant impact on their empowerment in both social and economic aspects.

- SHGs movement is affecting the social dynamics of village life as seen never before. Most women reported that after their participation in SHGs they are more respected in their own families' and society in general. Their contribution to the family is valued and the family in turn supports them to undertake activities like these. These women also now voice their opinions in family decisions and get heard.(Vetrivel S.C. and Mohanasundari M,2011)
- SHGs are Giving women the opportunity to realise their potential in all spheres of society is increasingly important. (Narasaiah 2010)
- the formation of SHGs have boosted the self-image and confidence of rural women (Sahu and Manimekalai 2011)
- SHGs are continuously striving for a better future for tribal women as participants, decision-makers and beneficiaries in the domestic, economic, social and cultural spheres of life. (Pattanaik 2003)

As per NABARD's microfinance report by March 2012, 79.6 lakh SHGs, with an estimated membership of 9.7 crore, have savings accounts in the banks, with aggregate bank balance of Rs 6,551 crore. Over 43.54 lakh SHGs have loan accounts with total loan outstanding of Rs 36,340 crore. The successful concept of SHGs would help the women workers of informal economy to access loans and repay them without collateral security to improve of their livelihood activities and can take decisions and participate in social, economic and political activities. By empowerment, these women would be able to develop self-esteem, confidence and would realize their potential and enhance their collective bargaining power. Thus the empowerment of women through SHGs would lead to benefits not only to the individual women and women's groups, but also for the family and the community as a whole, through collective action for development.

FINDINGS and CONCLUSIONS

The women workers working in informal economy in India are living a life far below from satisfaction. They do not have any job security, income security or social security. They work more than men as they have to play a dual role working both in and outside the home. They are facing gender discrimination and marginalization in terms of wage, working hour and treated as unskilled labour. It is the need of the hour that through the self help groups (SHGs) these women could come forward for the betterment of their life, thus fulfill the primary aim of development through empowerment- improvement of the quality of life by which they can take decisions, take control and be the owner of their choice.

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**RESPONSIVENESS OF UNIVERSITIES TOWARDS COMMUNITY BASED RESEARCH AND
ENGAGEMENT WITH SPECIAL REFERENCE TO INDIA**

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ABSTRACT

Today's youth are different. They have different expectations. They think, feel and take actions in their own new ways. The gap is getting wider as parents, schools, colleges, universities and society as such are not able to fully understand or reciprocate to youth's expectations and aspirations. One such area which requires a lot of refinement considering the aspirations and expectations of all the stakeholders is Education.

Schools, colleges and universities are refining their curriculum, management is striving to create better infrastructure, teaching fraternity is adopting new methodologies of teaching, parents today are more participative and vocal about their expectations of educational institutions. Interestingly many organizations and forums at national and international level are having discussions, conferences to redefine the entire segment of higher education. Many debates over how universities curriculum should be community based is altogether taking a different shape. How universities and higher education institutions are involved in community based research and engagement is interesting to note.

The Planning Commission, Government of India, constituted a task force which made recommendations in the 'Report of the Subcommittee on Community Engagement', (2011) for the 12th Five Year Plan.

This paper is an attempt to understand the efforts of Indian Government and other higher education institutions in this regard through various examples. This paper is based on the secondary sources and views and opinions of the author.

Keywords: Higher Education Institutions, Universities, Community Engagement

RESEARCH DESIGN

Objectives

- To understand the concept of community engagement by universities.
- To understand the recommendations of Task Force constituted by Planning Commission with respect to 'strengthening community engagement of Higher Education Institutions'.
- To study the existing works done in this regard by various colleges and universities.

Methodology adopted for study: The research paper is based on the review of literature and experiences, observations and opinions of the author. Secondary sources like articles and websites have been accessed to collect the information for study.

Limitations of the Study: The research paper is limited to work done in some Indian Universities and colleges.

Scope of the Study: The study can be further extended, understood and analyzed through the work happening in this regard in other countries.

INTRODUCTION

Today's youth are different. They have different expectations. They think, feel and take actions in their own new ways. The gap is getting wider as parents, schools, colleges, universities and society as such are not able to fully understand or reciprocate to youth's expectations and aspirations. One such area which requires a lot of refinement considering the aspirations and expectations of all the stakeholders is Education.

Schools, colleges and universities are refining their curriculum, management is striving to create better infrastructure, teaching fraternity is adopting new methodologies of teaching, and parents today are more participative and vocal about their expectations of educational institutions. Interestingly many organizations and forums at national and international level are having discussions, conferences to redefine the entire segment of

higher education. Many debates over how universities curriculum should be community based is altogether taking a different shape. How universities and higher education institutions are engaged Community based research and engagement is interesting to note.

The Planning Commission, Government of India, constituted a task force made recommendations in the 'Report of the Subcommittee on Community Engagement', (2011) for the 12th Five Year Plan.

NEED FOR STRENGTHENING RESPONSIVENESS OF UNIVERSITIES AND HEIS TOWARDS COMMUNITY BASED RESEARCH AND ENGAGEMENT:

Youth Today:

Today, 27 million youth between 18 and 23 years are pursuing higher education in 36,000 Indian colleges and 610 universities. Today's youth are different. They have different expectations. They expect skills, competencies and capabilities which can make them employable. Youth and parents expect curriculum update, pedagogical innovation and examination reform from universities and HEI. Basically redefining the education and making it holistic for the better grooming of the youth is the need of the hour.

Economic factors:

The pace in which Foreign Universities are revamping and redefining the education in their countries and the foray of Foreign Universities in India has compelled our Universities to rethink and redesign our education to be abreast with other Universities. The private and foreign investment in education sector is increasing. Rapid economic growth in India has influenced our Universities to rethink and redesign their curriculum.

Undertapped Student Community:

Given the potential the student community has, they are definitely under tapped. There is a compelling need to make education research and community based. 32 million learners are estimated to be enrolling in some form of formal post-secondary education by the end of the 12th Five Year Plan (2012-2017). It is a great challenge to tap their potential. The Government of India has been increasing its public investment in the growth of tertiary and vocational education since the 11th Plan.

Societal factors:

India even today faces the same age old problems of poverty, hunger, homeless, Casteism, racism, tribal issues, new forms of social exclusion, urban poverty, environmental degradation, conflict and violence. Off late even safety and security issues for women and children, degradation of our culture, drug and human trafficking, early sexual debut, HIV/AIDS etc are plaguing our country. All these issues need to be addressed more powerfully than before. And it is said that education would address these problems to a large extent. New institutional capabilities and new knowledge in Universities and HEIs can bring about inclusive development, democratic governance, sustainable growth and enhanced human competencies in the country.

However, according to the report by the Sub committee, in spite of enhanced investment on expenditure, leading to increased enrolment, these issues remain largely unattended. The role of institutions of higher education in societal development seems to be the missing link.

Competency Upgradation and Capacity Enhancement:

According to the report by the Sub committee, in the implementation of the ambitious goals of RTE in the 12th Plan, nearly Rs 48,000 crores per annum are likely to be spent; nearly one million teachers would require professional upgradation. The economic development of the country, driven largely through the service sector in the informal and small-scale social economy, would entail competency upgradation through new forms of knowledge systems and educational provisions.

The challenging goals of skills development as envisaged in the National Knowledge Commission, and the huge requirements of capacity enhancement in hundreds of municipalities alone would require many more knowledge workers in the next decade. Teachers and students in institutions of higher education can play their roles of public intellectuals in support of such efforts, and institutions of community knowledge can be developed to support such requirements.

Assorted Activities with Limited Impact:

From the pre-Independence Zakir Hussain Commission to the post-1947 Radha krishnan and then the Kothari Commission on higher education, educationists have emphasized the need for students to be aware of social issues. Higher education in India has attempted in integrating advanced knowledge and skills with larger social concerns. To create the future generation more powerfully and to empower and enable them in active engagement with society, General education and complementing curricular instruction of more specialized varieties was emphasized.

The instituting of the National Service Scheme (NSS) in 1969 was a concrete manifestation of this emphasis. This was, however, in the mode of 'adding on' community engagement to teaching and learning. The NSS, which exists in every university in the country and in some of the undergraduate colleges, has about 20 lakhs of students enrolled as volunteers. While many worthwhile projects are undertaken by the NSS (such as blood donation, building village roads, afforestation, teaching children in urban slums), they tend to remain as assorted activities without any clear links to the role of higher education itself.

Harnessing the Knowledge Base:

The whole idea of the university is undergoing drastic changes. There is a conflict between education as public good (social transformation and attainment of social justice through education) and education as commodity (education as means to individual prosperity). The social composition of the classroom today is different. Heterogeneity is the order of the day. This is an opportunity for students who come from diverse communities to take the benefits of higher education to those communities. Similarly even higher education can draw upon the knowledge nurtured by such communities.

Inclusive Development:

Broadening and deepening the involvement of HEIs is the need of the day for inclusive societal development and democratic governance. Sustainable growth can be meaningfully achieved by harnessing the idealism and dynamism of the youth.

Rajesh Tandon, UNESCO Chair in Community Based Research and Social Responsibility in Higher Education, says, *"As public institutions, Higher Education Institutions (HEIs) worldwide are being challenged to demonstrate their societal relevance through their core functions of teaching and research. With rapid growth in enrolments in post-secondary education, the issues related to social relevance of curriculum, inclusion of indigenous knowledge, access to hitherto excluded students and direct contribution to solve problems in their communities have gained ascendancy in India."*

The Planning Commission, Government of India, constituted a task force to make recommendations to **'Strengthen Community Engagement of Higher Education Institutions'** for the 12th Five Year Plan.

The new 12th Five Year Plan has, **for the first time**, included an action agenda in this respect:

"In the face of growing isolation of HEIs from society, there is a need for renewed effort by them for genuinely engaging with community, conducting socially relevant research and education and fostering social responsibility amongst students, as part of their core mission. For this purpose, the British Council and UNESCO Chair in Community Based Research and Social Responsibility in Higher Education have initiated a project to strengthen and support community engagement in Higher Education in Punjab and West Bengal. An Alliance for Community Engagement, an independent association of practitioners, academics and community leaders would be created to support its implementation."

TASK FORCE SET UP BY PLANNING COMMISSION MADE THE FOLLOWING MAIN RECOMMENDATIONS:

1. Community engagement should not be seen as an 'addition' to learning and teaching, but intrinsic to it. This is essential if education is to be a vehicle for social transformation and attainment of social justice, rather than as means to individual prosperity alone, on the other; if education is to be a public good rather than merely a commodity. For this, institutions of higher education need to locate their learning and teaching in the communities in which they are located, and to harness the idealism and dynamism of the youth.

2. Facilitate the creation of an Alliance for Community Engagement, which will be a membership-based network primarily engaged in promoting ideas and practices of community engagement throughout the country.

3. Create an Autonomous Empowered Committee on Community Engagement as a funding and policy mechanism (also link the Committee formally to various Centrally Sponsored Schemes where capacity development requirements may well be included at the district/provincial levels to these efforts, to mobilize more resources)

It is recommended that Rs 1200 crores may be earmarked for this initiative in the 12th Plan, with Rs 100 crores in year 1, Rs 150 crores in year 2, Rs 250 crores in year 3, Rs 300 crores in year 4 and Rs 400 crores in year 5.

4. Enable Flexibility in Curricula to enable more meaningful Community Engagement in Higher Education institutions

5. Credit Community Engagement in Higher Education Institutions in conducting evaluations

6. Create new Community Institutions primarily engaged in community based knowledge

FORMS OF COMMUNITY ENGAGEMENT SUGGESTED BY THE TASK FORCE:

In recent years, several innovative forms of such engagement have already begun to take place in different institutions of higher education in the country. These have been largely individual efforts as a result of pioneers and champions inside the institutions, and support from certain civil society actors from outside.

Forms of engagement:

□ Linking learning with community service

In this approach, students and teachers apply their knowledge and skills in a chosen community to improve the lives of people in that community. This can be achieved through ‘adoption’ of a specific village or slum, and then providing engagement opportunities to students from various disciplines and courses to apply their knowledge to address the challenges of that specific community.

For Example: One of the activities of The Board of Students Welfare, University of Pune is Samarth Bharat Abhiyan. This massive movement started to involve the entire student community in a constructive manner in nation building activities to fulfill the dream expressed by the Ex-President of India Dr. A.P.J. Abdul Kalam. This is to make the University socially responsive to society's problems. Knowledge needs a social purpose. It is this purpose along with igniting the minds of the students of India and establishing a missing link that are getting served in through this program.

□ Linking research with community knowledge

In this approach, various faculties and programmes of higher educational institutions devise joint research projects in partnerships with the communities. In this approach, the community's own knowledge is integrated into the design and conduct of the research. New research by students and their teachers gets conducted and students complete their thesis/dissertation and research papers to complete their academic requirements (which can later be published), and at the same time the community's knowledge is systematized and integrated in this research.

For Example: Bhagat Phool Singh Mahila Vishwavidyalaya, at Khanpur Kalan, Haryana, which is the first State Women University of North India has set up Centre for Society – University Interface and Research (CSUIR) to realize the need to create and sustain a collaborative framework between the university and society. The Centre offers innovative courses in three areas viz. Integrated Energy Resource Management, Microfinance Practices and Folk Medicine, besides developing low cost innovative technologies for rural folk and adopting villages for their overall development.

□ Knowledge Sharing & Knowledge Mobilization

The knowledge available with students and teachers in various disciplines is made available to the local community to realize its developmental aspirations, secure its entitlements and claim its rights from various public and private agencies. These can take the forms of enumerations, surveys, camps, trainings, learning manuals/films, maps, study reports, public hearings, policy briefs, and engagement with urban homeless shelters, teaching and health services in poor communities, legal aid clinics for under-privileged etc.

For Example: North Bengal University's programs in knowledge Dissemination with respect to Agriculture Extension

- Hands on Training on Mushroom Cultivation, conducted by the Plant pathology Department, for rural enemployed youth/women, etc. Herein, mostly the final year students are associated with it. The training is given by the teachers, along with some technical assistants who help in conducting the training program.
- Hands on Training on Biofertilizers & Biocontrol Agent Production, conducted by the Department of Agriculturual Entomology & Plant Pathology
- Hands on Training on Vermi composting, conducted by the Department of Agronomy
- Hands on Training on Floriculture & Post Harvest Technology, conducted by the faculty of Horticulture.

□ **Devising New Curriculum and Courses**

In consultations with local communities, local students, local community-based organizations and local government agencies, institutions of higher education can develop new curricula in existing courses as well as design new courses. This will enrich the curriculum of existing courses through locally-appropriate subject-matter (which interests local students most); this will also create new, locally appropriate educational programmes that will interest new generation of students.

For Example: Dayalbagh Educational Institute, Agrahas introduced a scheme of innovative and comprehensive education.

- **Adult Continuing Education, Extension and Field Outreach Programme:**
Though now an independent programme on its own, it was started under the Adult Literacy Programme (with its limited connotation) of the National Service Scheme (N.S.S.). However, now it is being given a wider perspective to include literacy, functionality and awareness. Like N.S.S., this programme too has become a compulsory component of the undergraduate studies.

A few of its core courses are as below:

- **Rural Development**

Study of rural society and economy to foster a fuller understanding of rural life with a view to appreciate properly the polity and economy of our country and the social forces at work.

- **Agricultural Operations**

To create an awareness of agricultural processes so that students from purely urban background are exposed to rural realities.

- **Social Service**

To inculcate a spirit of brotherhood of man and to engender societal commitment, discipline, ability to work with one's own hands, selfless service to society, humility, a co-operative spirit and not the least, dignity of labour. This includes - (a) Village adoption for rural reconstruction (b) Adult and Continuing Education Programme

- **Cultural and Literary Activities and Games and Sports**

To direct the energy of every student into useful channels and develop a high level of self-reliance, self-confidence, maturity and leadership qualities and nurture the spirit of team work.

- **Comparative Study of Religion**

To ingrain religious tolerance, humanism and secularism in a world of discord, fear and suspicion. This includes the study of Hinduism, Buddhism, Jainism, Judaism, Christianity, Islam, 'Sant Mat' and Modern Religious movements.

□ Including practitioners as teachers

Local community elders, women leaders, tribals and civil society practitioners have enormous practical knowledge of a wide variety of issues—from agriculture and forestry to child-rearing, micro-planning and project management. This expertise can be tapped by inviting such practitioners inside the institution to co-teach courses both in the classrooms and in the field. Such instructors should be duly recognized, compensated and respected for their knowledge

For Example: The Society for the Promotion of Area Resource Centres (SPARC) is one of the largest Indian NGOs. SPARC supports two people's movements, the National Slum Dwellers Federation and Mahila Milan, in organizing the urban poor to come together, articulate their concerns and collectively produce solutions to the problems they face. Together, these organizations known as the Alliance are active in over seventy cities across India and in global networks spanning over twenty countries, working to improve the lives of slum dwellers in India and around the world.

To this end, SPARC has built partnerships with organizations and groups at various levels, primarily, Government, Educational institutions and peer organizations. Women slum leaders act as instructors in urban planning courses.

SOCIAL INNOVATIONS BY STUDENTS

In consultation with student unions, associations and clubs, student initiated learning projects which have a social impact can be supported. Such social innovation projects by students can also have meaningful links to curriculum and courses

For Example: Tata Institute of Social Sciences, through field action projects and fieldwork placements, has been involved in intervention at the Beggars' Home in Mumbai, with the police, in various welfare institutions, and recently, directly with the homeless. TISS's engagement with displacement and shelter issues is also longstanding.

To build on its engagement with socially excluded populations, TISS started a Field Action Project named Koshish in 2006 where it committed itself for the protection of the rights of the one of the most vulnerable population i.e. Destitute and shelter-less people criminalized under Beggary Prevention Legislation.

It aims at addressing the interrelated issues of beggary, destitution and homelessness through a combination of measures, pitched at the varying levels of providing support for basic and immediate needs, facilitating linkages to gainful and secure employment and advocacy for integration into the larger society. It also aims for the development of meaningful policy for securing rightful entitlements.

In practice, the above **six** forms can be integrated together in an organic and dynamic manner for each institution and its surrounding communities. These are illustrative of what can be further innovated upon, adapted and evolved by higher educational institutions in partnership with their communities and civil society actors.

OUTCOMES:

Specifically, therefore, the following **goals** can be realized through promotion of such community engagements:

- To bridge the gap between theory and practice, in order to make theory more relevant and practice more informed, where community knowledge systems are seen as legitimate partners in the process of development of innovations and trained human resources;
- To promote deeper interactions between higher educational institutions and local communities for identification and solution of real-life problems faced by the communities in a spirit of mutually agreed interest and interaction;
- To facilitate partnerships between local communities and institutions of higher education so that students and teachers can learn from local knowledge and wisdom, thereby democratizing knowledge production;

- To engage higher institutions with local communities in order to make curriculum, courses and pedagogies more appropriate to achieving the goals of national development as described in the 12th Plan;
- To catalyze acquisition of values of public service and active citizenship amongst students and youth alike in the process of such engagements, which would also encourage, nurture and harness the natural idealism of youth;
- To undertake research projects which are need-based and community-oriented, including community as research partners, leading to policy formulation for societal development

SUGGESTIONS AND RECOMMENDATIONS:

*Task Force set up by Planning Commission says, "A clear requirement for the effectiveness of these forms of engagement and their sustainability is an **interface structure** within each institution of higher education; such a structure would act as a communicator, mediator and coordinator of institutional linkages and partnerships with the communities and civil society. The structure should be inside the institution, have 2-3 staff, led by a champion of community engagement from the current faculty members, and report to head of the institution. Its governing mechanism should have representatives from within the institution and outside, including certain community leaders from the region. It should have some resources for operational, communication and coordination activities."*

Evidently it could be understood that HEIs and Universities have to start adapting themselves to community based research and engagement to be relevant. Government is more than willing to extend monetary and non-monetary resources to develop a structure and system in this regard.

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CORRELATION BETWEEN FDI AND INDIAN STOCK MARKET: A STUDY

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ABSTRACT

The post liberalization period has witnessed an increasing trend in Foreign Direct Investment inflows into India commensurate with increasing economic growth rate. As a result, the inflow of FDI has become a striking measure of economic development in both developed and developing countries. India is one of the largest emerging markets in the world and has become an important destination for Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI). FDI not only leads to accessing foreign capital, but also facilitates the flow of sophisticated technology, desired skills, tools of innovation etc to home country. The increased foreign inflow has a huge bearing on the fluctuations caused in the stock market. Using statistical tools like correlation coefficient and regression, the paper makes an attempt to examine the relationship and impact of Foreign Direct Investment on Indian stock market. By analyzing the extracted data from Sensex, CNX Nifty and FDI for the period of 13 years, it was found that the increase in the FDI significantly influenced the fluctuations in the stock markets in India in tandem with the results of similar studies examined in the literature review. The study concludes that the flow of FDI in India is one of the determinants influencing the trend of Indian stock market.

Keywords: FDI, FPI, FII Stock Market, SENSEX, CNX Nifty

INTRODUCTION

Investment Capital is one of the important factors of production. The capital is required not only for commencement of the new venture but also to throughput the life of the company. However capital, especially when it is short in supply, can be the limiting factor for commencing, expansion and diversification of the business. In view of economic crisis on one hand and the perceived importance of foreign capital in the economic development of the country on the other, the government of India has been making continuous efforts to attract foreign capital during the post liberalization period. As a result of the continuous efforts by the government of India, there has been steady rise in the inflow of foreign capital on the one hand and overall progress in various sectors of the Indian economy on the other.

Foreign Investment refers to investments made by residents of a country in financial assets and production process of another country. After opening up of the borders for capital movement these investments have grown in leaps and bounds. But it had varied effects across the countries. In developing countries, there is great need for foreign capital, not only to increase their productivity of labour but also to build the foreign exchange reserve to meet the trade deficit. Foreign investment provides a channel through which these countries can have access to foreign capital. Foreign investment can come in two forms: Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI). While the former results in creation of physical infrastructure, the later is invested in financial markets.

Foreign Investment (FI) has long been a controversial issue for the beneficial and adverse effects. Two main aspects are concerned when it comes to FI, destabilization and demonstration effects. Destabilization effect deals with the issue that whether FI increases or decreases the volatility of stock prices while demonstration effect indicates whether the fundamental factors on stock markets would change (Kit and Yi, 2006). The recent global financial crisis has revived the need to place some restrictions on capital flows. Even the International Monetary Fund (IMF), a staunch votary of capital account convertibility, has acknowledged that capital controls are a legitimate part of the toolkit to manage capital inflows in certain circumstance (Ostry, 2010). Thus, FDI is preferred over FPI because the former is seen to be stable and, being a bundle of assets in addition to capital, it could enable the host economy to gain competitiveness. Portfolio flows are rendering the financial markets more volatile through increased linkage between the domestic and foreign financial markets (Kohli, 2001, 2003, and Sethi and Patnaik. nd).

REVIEW OF LITERATURE

The comprehensive literature centered on economies pertaining to empirical findings and theoretical rationale tends to demonstrate that FDI is necessary for sustained economic growth and development of any economy in this era of globalization. The extent of literature on impact of FDI is discussed below:

Shaveta Gupta, Neha Kalra And Rajesh Bagga examined the Impact of FDI on stock market volatility - evidence from Indian stock market. The objective of the research was to analyze the impact of foreign direct investment on Indian stock market and also to analyze the impact of foreign portfolio investment on Indian stock market. Using Correlation and Multiple Regression Methodologies, this paper examined the impact of Foreign Investment inflows on the Indian stock market. The paper found long-run relationship between Foreign investment and stock exchange barometer index Sensex by extracting the data on monthly basis, for both the Sensex and the FDI and FPI from January 2001 to February 2012. Using Regression Model, it was found that increase in FDI significantly influence the fluctuations in the stock market in India.

Dr. Syed Tabassum Sultana, Prof. S Pardhasaradhi examined the impact of Flow of FDI and FII on Indian stock market. The paper made an attempt to study the relationship and impact of FDI & FII on Indian stock market using statistical measures correlation coefficient and multi regression. Sensex and Nifty were considered as the representative of stock market as they are the most popular Indian stock market indices. Humid on 11 years data starting from 2001 to 2011, it was found that the flow of FDI & FII was moving in tandem with Sensex and Nifty. The study concludes that Flow of FDIs and FIIs in India determines the trend of Indian stock market.

In order to investigate whether FDI announcements provide information to investors, Ding & Sun (1997) studied whether shareholder benefits were a product of their firms' FDI decisions, and whether abnormal returns were attainable by trading shares. Their results showed that on an average 2.73% additional return could be observed by investors buying and holding the stock of an announcing firm 21 days around the announcement date. On the same lines, Wang and Shen (1999) put forth that large and sudden inflows may stimulate stock prices while the outflow of FI may reduce equity value, thus, ultimately, increasing the volatility of stock markets. In another related study by Bekaert and Harvey (2000), it was found that insignificant increase in the volatility of stock returns follow capital market liberalizations.

Nitin Kansal examined the "Impact of FDI & FII on India". The objective of his research was to find the trends & patterns in the FDI from different countries flown into India during 1991-2007 period means i.e. during post liberalization period & Influence of FII on movement of Indian stock exchange during the post liberalization period that is 1991 to 2007. The key findings of this research are that net FDI in India during 2005-2006 was valued at \$4.7 billion. During 2006-2007, it got tripled, to \$15.7 billion. Almost one-half of all FDI is invested in the Mumbai & New Delhi regions. Researcher concludes that the process of economic reforms initiated from July 1991 have opened up many sectors to the financial institutions. It concludes that FII did have high significant impact on the Indian capital market.

A study conducted by the World Bank in 1997 reports that stock market liquidity improved in those emerging economies that received higher foreign investments.

Li (2002) studied the impact of opening up of domestic market to foreign investors in Taiwan and found no significant changes in stock market return after market opening. But author agreed that the impact on return would be there because large international investors tend to study companies more thoroughly.

Chopra examined the effect of policy reforms on the FDI in India. The analysis was carried out with the help of annual data from 1980-2000. The research includes policy related variables such as the degree of openness of the economy, debt-service ratio, foreign exchange rate and GDP as the explanatory variables of FDI inflows in India. Empirical result shows that GDP is an important factor which motivates FDI in the country.

Another attempt was made in Indian context by Badhani (2005) to examine the long-term and short-term relationship among stock prices, dollar rupee exchange rate and net FPI investment in India, using the monthly data of BSE Sensex, dollar-rupee exchange rates and net monthly FPI investment flows from April 1993 to March 2004. The study showed that there is co-integration between net FPI investment flow and stock prices. Related to the earlier studies, Desai et al (2005) studied the FDI and domestic capital stock during 1970 to 1980 and by applying the regression, concluded that FDI has significant impact on capital stock.

Jayachandran and Seilan investigate the relationship between Trade, Foreign Direct Investment (FDI) and Economic Growth of India over the period 1970-2007. The results of Granger Causality Test show that there is a causal relationship between the examined variables. The direction of causality relationship is from FDIs to growth rate and there is no causality relationship from growth rates to FDIs.

Nayak (2006) conducted a research on Globalization of Foreign Direct Investment in India covering time from 1900-2000. The study revealed that today's liberalized economy and globalized structure of FDI in India have been an outcome of the adjustment and alignment process of the Indian Government to the dynamics of the various domestic and, international pressures and global competition since the 1900s, and it is not merely a phenomenon of post 1991 as popularly perceived. Bekaert et al (2007) also demonstrated a positive effect from the level of openness to foreign investors to liquidity in emerging equity markets.

OBJECTIVES OF THE STUDY

From the past few years, India has emerged as one of the safe investment heavens in the eyes of various foreign nations. The huge foreign investment flows have been witnessed in Indian market associated with increased chances of vulnerability and destabilization of the economy, a need was felt to examine the impact of Foreign Investments on the stock market. The main objectives of the study are:

- To study the trends and patterns of foreign capital flow into India in the form of FDI
- To analyse the impact of foreign direct investment on Indian stock market (Sensex and CNX Nifty)
- To find whether there is any relation between foreign direct investment on Indian stock market (Sensex and CNX Nifty). Incase there is relation also to find degree of relationship thereafter.

SCOPE OF THE STUDY

The present study takes into consideration 13 years data pertaining to 2000-01 to 2012-13. To study the impact of FDI on Indian stock market.. The most popular Indian stock market indices - Sensex and CNX Nifty were considered as the representative for analysis.

RESEARCH METHODOLOGY

Data collection - The secondary data is used as a base for conducting the study. The required data related to FDI have been collected from various sources i.e. Bulletins of Reserve Bank of India, publications from Ministry of Commerce, Department of Industrial Policy & Promotion (DIPP), Govt. of India. The BSE Sensex and CNX Nifty data is down loaded from the websites of BSE India and NSE India respectively. Monthly closing index values are taken and averaged to get the index values for each year. The present study considers 13 years data starting from the financial year 2000-01 to 2012-13.

ANALYTICAL TOOLS AND TECHNIQUES

In order to analyze the collected data, the statistical tools such as linear regression and Karl's Pearson's co-efficient of correlation are used.

Correlation coefficient is a statistical measure that determines the degree to which two variable's movements are associated. Correlation coefficient value ranges from -1 to 1. Negative value of correlation indicates: if one variable increases in its values, the other variable decreases in its value and positive value indicates: if one variable increases/decreases in its values the other variable also increases/decreases accordingly in its value. In the current study to study the linear relationship between variables such as FDI and Sensex & Nifty correlation is applied.

The linear regression analysis is an approach to modeling the relationship between a scalar dependent variable Y and one or more explanatory variables denoted X. The case of one explanatory variable is called simple linear regression.

Linear regression Model 1

$$Y=a + bX$$

X = FDI (Independent Variable)

Y = BSE Sensex (Dependent Variable)

Linear regression Model 2

$$Y=a + bX$$

X = FDI (Independent Variable)

Y = CNX Nifty (Dependent Variable)

Hypotheses:

H₀: Flow of FDI in to India and BSE Sensex/CNX Nifty trend are independent

H₁: Flow of FDI in to India and BSE Sensex/CNX Nifty trend are dependent

Data analysis

Table 1 - Table showing the FDI and Values of BSE Sensex and CNX Nifty

Year	FDI (US \$ Million) X	BSE Sensex Y	CNX Nifty Y
2000-01	4,029	4,212.23	1,336.49
2001-02	6,130	3,322.97	1,077.13
2002-03	5,035	3,167.25	1,036.08
2003-04	4,322	4,581.89	1,428.13
2004-05	6,051	5,785.67	1,808.54
2005-06	8,961	8,482.32	2,517.67
2006-07	22,826	12,374.50	3,584.70
2007-08	34,843	16,799.01	4,890.47
2008-09	41,873	12,124.80	3,713.29
2009-10	37,745	15,799.06	4,645.75
2010-11	34,847 P	18,647.65	5,584.07
2011-12	46,553 P	17,453.89	5,247.26
2012-13	27,197 P	18,332.90	5,485.12
Sources - FDI from Department of Industrial Policy & Promotion BSE - BSE India Website: www.bseindia.com NSE-NSE India Web site: www.nseindia.com			

The above table shows that the amount of FDI inflow into the country. The FDI inflow into the country has shown an increasing trend during the considered period except during the 2002 to 2004, also in the year 2010 - 11 and 2012-13 (Provisional). The BSE Sensex values showing a increasing trend in almost all the years except 2001 to 2003, 2008-09 and the same trend is repeated in 2011 -12 also. The CNX Nifty values showing a increasing trend in almost all the years except 2001 to 2003, 2008-09 and the same trend is repeated in 2011 -12 also as similar to that of BSE Sensex.

CORRELATION BETWEEN FDI, SENSEX AND NIFTY

The Karl Pearson's correlation coefficient is applied to study the relationship of variables FDI, BSE Sensex and CNX Nifty. The following table presents the output, after considering 13 years data as mentioned earlier. Based on the results, it can be concluded that there is a high positive correlation between FDI & BSE Sensex and FDI & CNX Nifty, the correlation is found significant at 1% level.

Table 2 - Table showing Correlation coefficients

	BSE Sensex	CNX Nifty
FDI (US \$ Million)	0.8901	0.8942

Model 1 - Impact of FDI on BSE Sensex using Linear Regression Model

Independent Variable – FDI

Dependent Variable - BSE Sensex

The null hypothesis and alternative hypothesis with respect to BSE Sensex and FDI are as follows:

HO - Flow of FDI in to India and BSE Sensex trend are independent

H1 - Flow of FDI in to India and BSE Sensex trend are dependent

Table 3 - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	0.8901	0.7924	0.7735	2928.50
a. Predictors: (constant) FDI (US \$ Million)				
b. Dependent Variables: BSE Sensex				

Table 4 - ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig
1 Regression	360187510.5	1	360187510.5	41.9988	4.5466
Residual	94337399.72	11	8576127.247		
Total	454524910.2	12			

Calculated value of F (F Cal = 41.9988) belongs to critical / rejection region (F tab = 9.65 for VI = 1, V2 = 11 at 1% level of significance). Therefore HO is rejected. It implies that HI is accepted. Hence it can be concluded that flow of FDI into India and BSE Sensex trend are dependent.

Model 2 - Impact of FDI on CNX Nifty using Linear Regression Model

Independent Variable - FDI Dependent Variable - CNX Nifty

The null hypothesis and alternative hypothesis with respect to CNX Nifty and FDI are as follows:

HO - Flow of FDI in to India and CNX Nifty trend is independent

H1- Flow of FDI in to India and BSE Sensex trend is dependent

Table 5 - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	0.8942	0.7997	0.78815	838.41
a. Predictors: (constant) FDI (US \$ Million)				
b. Dependent Variables: CNX Nifty				

Table 6 -ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig
1 Regression	30883001.54	1	30883001.54	43.93	3.718
Residual	7732419.286	11	702947.207		
Total	38615420.83	12			

Calculated value of F (F Cal = 43.93) belongs to critical / rejection region (F tab = 9.65 for VI = 1, V2 = 11 at 1% level of significance). Therefore HO is rejected. It implies that HI is accepted. Hence it can be concluded that flow of FDI into India and CNX Nifty trend are dependent.

FINDINGS OF THE STUDY

Following are the findings of the study .

- ❖ The amount of FDI inflow into the country has shown an increasing trend during the considered period except during the 2002 to 2004, also in the year 2010 -11 and 2012-13 (Provisional).
- ❖ The BSE Sensex values shows increasing trend in almost all the years except 2001 to 2003, 2008-09 and the same trend is repeated in 2011 -12 also.
- ❖ The CNX Nifty values showing a increasing trend in almost all the years except 2001 to 2003, 2008-09 and the same trend is repeated in 2011 -12 also as similar to that of BSE Sensex.
- ❖ There is a high positive correlation between FDI & BSE Sensex and FDI & CNX Nifty, the correlation is found significant at 1% level.
- ❖ Model 1 -Calculated value of F (F Cal = 41.9988) belongs to critical / rejection region (F tab = 9.65 for V1 = 1, V2 = 11 at 1% level of significance). Therefore HO is rejected. It implies that H1 is accepted. Hence it can be concluded that flow of FDI into India and BSE Sensex trend are dependent.
- ❖ Model 2 - Calculated value of F (F Cal = 43.93) belongs to critical / rejection region (F tab = 9.65 for V1 = 1, V2 = 11 at 1% level of significance). Therefore HO is rejected. It implies that H1 is accepted. Hence it can be concluded that flow of FDI into India and CNX Nifty trend are dependent.

CONCLUSION

From the current study, it is evident that there is a high positive correlation between FDI & BSE Sensex and FDI & CNX Nifty, the correlation is found significant at 1% level. The two models developed were tested using linear regression analysis. In the first model BSE Sensex as a dependent variable and FDI as independent variable. Based on the analysis it can be concluded that flow of FDI into India and BSE Sensex trend are dependent. Similar results were obtained for second model Nifty as a dependent variable. Hence it can be concluded that the impact of flow of FDI on Indian stock market is significant. No doubt, FDI not only leads to access to foreign capital, but also facilitates the domestic countries the flow of sophisticated technology, desired skills, tools of innovation etc. Today India is considered as one of the biggest emerging markets in the world and has become an important destination for Foreign Direct Investment (FDI). Stock Market is affected by many factors and in long run FDI is one of the dominant factors. It might not result any immediate effect but after investment flow it will definitely affect the stock market prices. The listed scrip's values will vary as its is evident from Trend Analysis. Prices of stock market will have a direct impact on Earning Per Share (EPS) over a period of time. More EPS would mean more wealth to the share holders which would consequently attract additional inflow in the form of FDI. This will ultimately have favourable impact on the growth and development of Indian Economy.

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ECONOMIC PERFORMANCE & GLOBAL GOVERNANCE: EVIDENCE FROM DEVELOPING INDIA

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ABSTRACT

In the post-independence era 1947 – 91, India was a mixed economy with a high degree of state intervention – including nationalisation and price controls. The economic performance was mixed, but generally disappointing. Since 1991, the economy has pursued a general approach of free market liberalisation and greater investment in infrastructure. This helped the Indian economy to achieve a rapid rate of economic growth and economic development. The economy has become more open, with significant growth in exports and imports. The economic growth has led to a boom in investment, real estate and a growth of the financial sector. India is the second China and the economy has the potential to become one of the largest in the world. India, often referred to as the “sleeping giant”, is today the third largest market in the world when GDP is measured on the scale of purchasing power parity. After a promising start to the decade in 2010-11 with achievement like GDP growth of 8.4%, bringing down fiscal deficit to 4.7% from 6.4 of GDP in 2009-10. GDP growth decelerated sharply to a nine year low of 6.5% during 2011-12. The slowdown was reflected in all sectors of the economy but the industrial sector suffered the sharpest deceleration with decelerated to 2.9% during 2011-12 from 8.2% in 2010-11. Certainly, for a country that represents one sixth of the world's population, India still remains a modest player in the global economy. The nation's share in global GDP is about 2% compared to China's 5%, and represents 0.9% of global merchandise exports versus China's 7.3%. One of India's biggest challenges remains sufficient job creation to meet the needs of India's growing population, especially for the migrating rural workers. The country needs to further develop its manufacturing base, chiefly automobiles, steel, textiles and leather products, as well as in higher value-added activities. However, enhancing job creation will necessitate important reforms to India's labour laws, notoriously inflexible.

Key Words: Governance in India, Government Initiatives, Economic Growth, India's GDP Annual Growth Rate, India's Strong Entrepreneurial Spirit, India and China: Strategic Partners, jeopardize Challenges for India.

67 years after Independence and 68 years after the establishment of Republic there is a widely shared desire in the country to evaluate the gains made to assess our future. Undoubtedly, the people of the country and the managers of the society can be congratulated on many counts for India's achievements since independence which include self-sufficiency in food-grains, a strong industrial base, a rising expectancy of life, higher percentage of literacy, a united and better integrated India and a growing recognition by the world of our capabilities & potential. On the other side, one could count the nagging problems of unemployment, illiteracy and poverty accentuated by an ever increasing population, a low per capita income, inadequate infrastructure, worst of all a pathetic contempt of rule of law and ethics in public life. Finally, India sounds as an administration which is perceived as self-seeking and citizen unfriendly.

1. GOVERNANCE IN INDIA

The policy regimes, public investment and approach to governance have contributed in a large measure in keeping the country together, in strengthening public administration, in realizing social and economic goals and in the amelioration of the conditions of the people to an extent. The total scenario is changing very fast. In this setting, it would be interesting to ask as to what would be the shape and contours of governance in India after 25 years from now.

India, one of the world's largest countries, has made tremendous strides in its economic and social development in the past two decades and is poised to realize even faster growth in the years to come. One major achievement of the last 60 years is a better integration of the constituent units of India and this process of integration is likely to become even more effective. With great maturity in the political governance of the country, with a more imaginative administration, with a more astute judiciary and with an effective civil society, the basic structure should remain un-affected.

India currently stands at the threshold of a unique opportunity regarding governance and public management reform. However, with 17% of the world's people, India accounts for less than 2% of global GDP and 1% of world trade. The 73rd and 74th Constitutional amendments gave considerably increased powers to local governments including increased financial and administrative autonomy. Where administration is weak, the burden falls heavily on the poor, who suffer from skewed government spending, limited access to services, and

employee indifference. Although India's civil service is not unduly large by global standards, there is a pronounced imbalance in the skills mix. Around 93% of the civil service comprises Class III and IV employees for both the Government of India and various state governments. Effective civil service reform will have to include measures that improve access to information, strengthen accountability, and reduce political interference.

India's priority reforms includes improving the composition of public expenditures by reducing the share spent on wages, pensions, interest payments, and agricultural subsidies, and increasing investment and operations and maintenance for priority social, infrastructure, and agricultural programs. An expenditure restructuring plan has been prepared to ensure that ministries adhere to a spending timetable to avoid an expenditure glut in the last quarter of the fiscal year. Achieving this goal depends on strong recovery in manufacturing growth and extending the tax base to the booming services sector.

The Indian press and public opinion have been concerned about problems of corruption in public affairs. The **Right to Information Bill** was passed in 2005 in an effort to improve governance and public administration and eliminate corruption. This bill accords all citizens greater access to public documents than was earlier possible. Corruption investigations have increased significantly in many states; and several states working to provide a baseline against which future progress can be measured.

It is another matter that the number of states of the Indian Union may increase and we may have 35 to 40 states by 2020, thanks to the process of breaking down of larger States. This may happen irrespective of lack economic viability since the political aspirations of the people and the social pressures would lead to the formation of new States. Also, the number of districts which presently is close to 600 is bound to increase and administration is bound to be better networked.

A long-established legal system has given India the underpinnings necessary for free enterprise to flourish. Although India's courts are notoriously inefficient, they at least comprise a functioning independent judiciary. Property rights are not fully secure, but the rule of law, a legacy of British rule, generally prevails.

One such global policy where India can have a significant impact is Climate Change negotiations. With regards to policies around Climate Change most countries have adopted defensive strategies in order to protect their interests. India, along with China, has shown a lack of commitment with regards to the climate change agenda. However, over the coming years it is expected that there will be a change in international diplomacy with China becoming more open to discussing the Climate Change issue. India can take advantage of this and focus its strategy on pursuing its own interests in this regard, thus, having a significant impact in determining the course of the Climate Change agenda.

A major point of contention in the context of global governance is the outdated nature of multilateral institutions such as the World Bank and the United Nations with a need for reform especially within the UN Security Council. There is a strong possibility that sometime in future, India along with Brazil, Nigeria, and South Africa could be a great combination on the UN Security Council.

If India is to be more effective in global governance and cement its role as a rule-shaper, there is a need for India to be clear on how multilateral institutions can contribute to furthering its own interests. India also needs to address its strategic hesitation in deciding its foreign policy agenda as well as being able to articulate new policies on a global platform. Internal reforms are essential if India is to have an impact in global governance and to further its own interests.

2. GOVERNMENT INITIATIVES

In a bid to bring more investments into India's debt and equity markets, the Reserve Bank of India (RBI) has set up a framework for investments which will enable foreign portfolio investors to take part in open offers, buyback of securities and disinvestment of shares by the Central and State governments.

FII's and non-resident Indians (NRIs) will now be able to invest in the insurance sector, within the 26% cap on FDI. DIPP confirmed in a press note that the norms would also apply to insurance brokers, third-party administrators (TPAs), loss assessors and surveyors. The investments can be made through the automatic route.

The Government of India along with the industry has been working towards fashioning a more dynamic environment for small and medium enterprises (SMEs) and start-ups over the last few years. Indian SMEs employ about 40% of the country's workforce and contribute 45% to the overall manufacturing output. A positive policy framework allied with the growth of angel funds and a vibrant entrepreneurial culture is contributing to the growth of first generation entrepreneurs in the country.

In India FDI policy has undergone drastic changes and now 100% FDI is allowed in a large number of industries except a few like banks, insurance companies, telecommunications and airlines. This has changed the complete scenario and now Indian companies have upgraded their technology and expanded to more efficient scales of production.

Road Ahead-

In an effort to take bilateral trade relations to another level, the Cabinet has given the green signal to the proposal of the Free Trade Agreement (FTA) on services and investment with the Association of Southeast Asian Nations (ASEAN). The two-way partnership is targeting US \$100 billion by 2015, for which an integrated and comprehensive transport network is necessary. Thus, the emphasis is on a massive road connectivity plan which will tie the region together and subsequently enhance economic objectives. Also, agricultural gross domestic product (GDP) in the country is projected to grow by over 5% in the current agricultural year (July 2013–June 2014).

Market Size-

The World Bank has projected an economic growth rate of 5.7% in FY-15 for India, due to a more competitive exchange rate and several significant investments going forward. India is the third biggest economy in the world in terms of Purchasing Power Parity (PPP), according to a World Bank report. The country was ranked 10th in the previous survey conducted in 2005. *India will become the third largest economy in the world by 2043, as per Mr. P. Chidambaram, Union Finance Minister of India.* The country has been consistently rated among the world's top three investment destinations by international bodies such as the World Bank and UNCTAD, supported by its liberal foreign investment policies.

3. ECONOMIC GROWTH

Indian economic growth is predicted to be around 5% by March 2014. From European standards, this sounds very impressive. But, it is much lower than the rate of nearly 10% achieved in much of the recent decade. Growth of 5% reflects the fact there is much spare capacity and scope for improvement. Without a high rate of growth, the concern is that it will lead to unemployment and discourage future investment. Politicians have been predicting upturns in the rate of economic growth for a long time, hoping it would come in the next quarter. Unfortunately, this has raised and then broken expectations. However, growth did finally picked up to 4.8% in Q3 2013. (Higher than previous quarter of 4.4%)

The **economy of India** is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country is one of the **G-20** major economies and a member of **BRICS** (Brazil, Russia, India, China & South Africa). On a per-capita-income basis, India ranked 141st by nominal GDP and 130th by GDP (PPP) in 2012, according to the IMF. India is the 19th-largest exporter and the 10th-largest importer in the world. The economy slowed to around 5.0% for the 2012–13 fiscal year compared with 6.2% in the previous fiscal. *According to Moody's, the Economic Growth Rate of India would be 5.5% in 2014-15.* On 28 August 2013 the Indian rupee hit an all time low of 68.80 against the US dollar. In order to control the fall in rupee, the government introduced capital controls on outward investment by both corporate and individuals. India's GDP grew by 9.3% in 2010–11; thus, the growth rate has nearly halved in just three years. GDP growth rose marginally to 4.8% during the quarter through March 2013, from about 4.7% in the previous quarter. The government has forecast a growth rate of 6.1%–6.7% for the year 2013–14, whilst the RBI expects the same to be at 5.7%. Besides this, India suffered a very high fiscal deficit of US\$ 88 billion (4.8% of GDP) in the year 2012–13. The Indian Government aims to cut the fiscal deficit to US\$ 70 billion or 3.7% of GDP by 2014.

Inflation-

Inflation is a real problem for the Indian economy. It has proved stubbornly high. Inflation reached 11.24% in November 2013 – the highest for years. Inflation did fall back to 9.92% in Dec, but there is concern about the stubbornness of high inflation, despite the relatively sluggish growth. The chief of the Reserve Bank of India, Mr. Raghuram Rajan has made control of inflation his highest priority and has increased interest rates twice since his appointment in September. Mr. Rajan argues that price stability is a key to India's long term prosperity. However, the concern is that inflationary pressures tend to be due to supply side factors (e.g. rising vegetable prices) and the use of monetary policy may be limited in solving this. For Mr. Rajan to tackle cost push inflationary pressures using interest rates may damage prospects for growth without tackling the underlying inflationary causes. To tackle supply constraints which are behind the cost-push inflation will prove much more difficult. The Central Bank repo rate is 7.75% (Central Bank of India).

Current Account Deficit-

One benefit of the slowdown in economic growth has been the improvement in the current account deficit. Reaching a deficit of over 6.7% in last quarter's 2012, the deficit has fallen to 1.2% in Q3 2013. This is an important improvement, and means less foreign currency needs to be attracted to finance the deficit. However, the Economist notes that 75% of the deficit reduction is artificially related to reducing imports of gold through government restrictions. Therefore, there is still an underlying trade deficit; India will need to work on through

increasing exports and competitiveness. This may require further devaluation in the Indian Rupee, which will increase the cost of living for many.

4. INDIA GDP ANNUAL GROWTH RATE

The Gross Domestic Product (GDP) in India expanded 4.60% in the first quarter of 2014 over the same quarter of the previous year. GDP Annual Growth Rate in India averaged 5.82% from 1951 until 2014, reaching an all time high of 11.40% in the first quarter of 2010 and a record low of -5.20% in the fourth quarter of 1979. GDP Annual Growth Rate in India is reported by the **Ministry of Statistics and Programme Implementation (MOSPI)**.



SOURCE: WWW.TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

Indian Rupee-

Since the beginning of 2012, there has been a significant fall in the Indian Rupee against the US dollar. From 1 Indian Rupee = 0.023 US dollars (2012), the Rupee has fallen to 1 Indian Rupee = 0.0016 US dollars (2014). This is a reflection of the large current account deficit and uncertainties about the Indian economy. The concern is that a recovering American economy could see US rates and the US dollar increase, putting more pressure on the Indian Rupee.

To some extent, the devaluation in the Rupee has been necessary to improve India's competitiveness. But, there is a danger that a rapid fall can cause a loss of confidence and increase import prices.

What is Competitiveness Today?

Today, the analysis of the competitiveness of nations is far more encompassing than it was some years ago. Now we measure how nations manage the totality of competencies and capitalize on the vast amount and diversity of skills available. There's still room for progress in India's economy - In 2007, despite the fact that India's overall competitiveness ranking remained stable at 27th place, India declined in all four of the major factors that IMD uses to measure competitiveness. First, in Economic Performance, India fell 3rd ranks from 7th to 10th, compared to China's 2nd place, even though 2007 marked the fourth year of healthy economic growth in India, averaging 8.6% a year. This strong growth has been supported by a buoyant domestic economy, high business confidence and a capacity of companies to adapt better and faster than rivals. India shines in eighth place for its "resilience to economic cycles".

Nonetheless, the two countries' economic performances have been driven in diverse manners: China's growth has been mainly export-driven, focusing on low-cost manufacturing, and fuelled by high rates of investment, whereas India's growth has mostly been derived from a strong services sector and buoyant domestic consumption.

How is the Government Measuring-up?

Second factor of competitiveness: Government Efficiency. India also declined from 30th to 33rd position and remains significantly below China (8th). Like any large democracy, India faces political resistance in pursuing the necessary, but not always popular, reforms to meet the challenges of rapid economic expansion. India also suffers from an under-performing public sector. Its substantial public deficit restrains its ability to distribute the benefits of growth more equitably. Other drawbacks include high corporate taxes, restrictive labour laws and

regulation that continue to stifle some sectors such as retailing. More optimistically, India does gain from a strong legal system and business legislation that is starting to open more sectors to foreign investment, after decades of inward-oriented policies.

5. INDIA'S STRONG ENTREPRENEURIAL SPIRIT

Considering the third competitiveness factor, Business Efficiency, India's position fell one place to number 19, but remains ahead of China's 26th position. This is where India can further exploit its competitive advantages in "*brain power*" by drawing on its innovative capacity and effective corporate governance. The country has gained international recognition for world-class companies that are becoming tough global competitors and expanding abroad through foreign acquisitions. Indians are among the many founders of technology companies overseas and who are repatriating more investments and profits.

What Pitfalls Lie Ahead?

The government must now address the weaknesses in infrastructure, especially in the rural economy. India has not progressed at all on this front, trailing behind in 50th position, compared to China's 28th place. The energy sector remains laggard and the poor conditions of roads and highways, transport bottlenecks and congestion remain significant obstacles. In addition, remedying the problems of insufficient irrigation, water management and electricity remains essential.

Equally important, the need to improve India's social infrastructure. The country's educational system, ranking 54th, is especially deficient at the primary level and in rural areas. China has done a much better job in raising the educational standards of its young people and practically eliminating illiteracy. And worse, significant poverty levels in India will continue to stigmatize the country's potential of becoming a global leader.

6. INDIA AND CHINA: STRATEGIC PARTNERS IN GLOBAL GOVERNANCE REFORM

China-India relations have "*strategic significance*" and "*global impact*" as both are large developing countries and emerging markets, Chinese Premier Li Keqiang told visiting External Affairs Minister- Salman Khurshid, and on his return, the minister, in a press interview, said that "*India and China have to collaborate for the Asian century*". Shaping this vision should be top of the agenda of the high-level dialogue later this month.

Changing the political relationship between two rising powers seeking to establish their territorial integrity, identity and rightful place in world affairs requires that both countries use the opportunity provided by their shared interest in global governance reform to develop close cooperation, which will lead to a demarcated border rather than let a colonial legacy dominate bilateral relations.

The re-emergence of India and China is a response to globalization, with states gaining in influence not because of the size of their military but the strength of their economy. According to an objective analysis of long-term economic trends by the OECD around 2030 Asia will be the world's powerhouse just as it was prior to 1800. Currently the OECD has two-third of global output compared to one-fourth in China and India, and by 2060 these two countries will have a little less than half of world GDP with OECD's share shrinking to one-quarter. China is expected to surpass the US by 2016 to become the largest economy in the world, and India's GDP is expected to exceed that of the US by 2060, increasing from 11% to 18% as a share of global GDP while China's share will remain at 28% during this period, and the relative share of both the US and the Euro area will decline.

By 2060, in developing countries demand for food, water and energy is expected to double. Reshaping a global system that served the natural resource and security needs of 20% of the population to one that will share prosperity and peace with all in an interdependent world will require a common definition of the collective future of countries. Therefore, India and China will have to reconstruct international relations theory, as the focus of both realists and idealists is on material force and material benefit whereas we now need a global vision of sharing natural resources and technology. A shared vision of prosperity for four billion people who have yet to benefit from globalization will provide the legitimacy to reshape the global order.

The multilateral system is now divided into three related but distinct spheres. In the United Nations, with its stress on political and human rights, redistribution has been kept outside the agenda. Economic and social issues have been relegated to the Bretton Woods Institutions with governance based on 'one dollar one vote' rather than 'one country one vote'. The Security Council continues to give the victors of World War-II veto powers to serve their national interests, even in a multi-polar world. This compartmentalized arrangement is not able to respond to tradeoffs between economic growth and global ecological limits.

Therefore, the shift will be more than just a continuation of the current system, because it will require new global rules based both on markets and social considerations. Creating markets for economic growth and then creating new markets to clean up have led to the current global ecological crisis; climate change is an example of market failure. After the financial crisis of 2008 there is also a questioning of the free market ideology, or

“Washington Consensus”. In a multi-polar world sitting on the high-table has lost its relevance, and in the Security Council the focus is shifting to preventive diplomacy and mediation - promoting peace rather than managing conflict. In just five years the BRICS grouping has moved beyond a dialogue forum to cooperative mechanisms challenging the 60 year hegemony of the undemocratic Bretton Woods Institutions by agreeing to establish a new development bank. The real significance of the Fifth BRICS Summit, in March, was that developing countries will not look to the West for developmental guidance and will evolve their own state-driven infrastructure led frameworks that will support sustainable development.

The deliberations on the post-2015 agenda for the United Nations provide the opportunity to shape the global agenda on how standards of living can be raised world-wide within ecological limits, by taking an integrated view of global change.

First, the focus will have to be on consumption, rather than production, and with human welfare measured not just in terms of economic activity but through broader criteria including ecosystem services.

Second, it must be recognized environmental, technological and societal transformations are interlinked and cannot be considered in isolation. The current scientific consensus on how to meet the challenge of global change focuses on societal dynamics as both the root of environmental problems and the potential solution to them. Therefore, technological innovation will be a key driver, requiring a review of the Intellectual Rights Regime, which ignores societal concerns.

Third, in this re-balancing, while reliance will continue on a global rule-based system, new approaches responding to new challenges will be needed in areas such as cyberspace, outer space, energy, water and food. The shift will not be easy because the post world war-II global governance was designed by the current powers to serve their interests.

India has the capacity for global leadership in developing new pharmaceuticals and crop varieties, as India-China are the only country with both extensive endemic biodiversity and a world class endogenous biotechnology capacity. Along with global leadership in software led innovation, India-China should develop treatments and solutions for common problems with other developing countries, which will gain their respect also enabling productivity gains for us. In climate change there is already a close collaboration with China. India has the opportunity-

- To make our country increasingly interdependent economically,
- To allay future concerns as we will continue to grow long after China's growth stabilizes.

A shared global vision will overcome both the rulemaking deficit and competition inherent in the rise of two Asian giants.

7. JEOPARDIZE CHALLENGES FOR INDIA

The task ahead for India's government is how to meet the standards and expectations of a buoyant economy. Failure to do so may create economic and social imbalances that could slow down or jeopardize what has been achieved so far. However, the robust economic performance of the past few years, supported by a vibrant democracy, well-developed private sector and emergent middle class, is leading investors to be increasingly optimistic about India's potential to quickly become one of the largest and most attractive markets in the global economy.

Weaknesses can be turned into opportunities. Infrastructure development represents interesting prospects to private investors, both domestic and foreign. India can also “ride the wave” of China's growth. In addition, countries heavily invested in China may move to diversify their markets to avoid any of the inherent risks of being overly dependent on China (rising costs, inefficient financial system, corruption, political interference, etc). India could become an enticing alternative.

However, at the present time, the Indian economy faces several challenges:

- In the past couple of years, there has been a fall in the rate of growth causing concern that the period of high growth is coming to an end. (growth fell to a low of 4.4% in 2013 – bear in mind, India's rising population mean GDP per capita is less impressive than just real GDP growth)
- India has struggled to keep inflation low. In 2013, inflation was nudging near 10%, hurting the living standards of the poor who are particularly vulnerable to the price of food. High inflation is also harming confidence for investment.
- Current account deficit. India's growth has been at the cost of a persistent current account deficit (which reached over 6% of GDP in 2012). India needs to import crude oil, machinery and many other raw commodities. Its export sector has struggled to match the growth of imports.

- Rupee devaluation. The large current account deficit has caused the Rupee to fall, despite very low interest rates in US and Europe.
- Inequality / poverty. Parts of the Indian economy have made rapid growth, but it has proved difficult for the fruits of economic growth to filter through to all areas of the economy, especially isolated rural areas where there is poor infrastructure.
- Government budget deficit. Despite years of economic growth, the government has found it difficult to balance the budget. The budget deficit is 4.8% of GDP in the year 2012–13. Public sector debt is 68.05% of GDP, one of highest for a developing economy. Tax collection is still limited by tax evasion and corruption (tax collection only accounts for 9% of GDP – one of lowest in the world). The government is committed to reducing the budget deficit, but this may be at cost of social welfare programmes.

8. CONCLUSION

India has recently marked its presence on the Global economic space. India's recent progress towards economic growth finds its roots in the reforms undertaken after the Fiscal Crisis, 1991. The country steadily climbed up the economic ladder and by the year 2008 it became the 2nd fastest growing economy in the globe. However, much more remains to be done.

A slow recovery is likely to shape India in 2014-15 with progressive implementation of some of the reforms such as inter alia, liberalization of FDI in multi-brand retail, amendment of the Banking Regulation Act, setting up of debt funds to provide long term resources for infrastructure projects.

The task ahead for India's government is how to meet the standards and expectations of a buoyant economy. Failure to do so may create economic and social imbalances that could slow down or jeopardize what has been achieved so far. However, the robust economic performance of the past few years, supported by a vibrant democracy, well-developed private sector and emergent middle class, is leading investors to be increasingly optimistic about India's potential to quickly become one of the largest and most attractive markets in the global economy.

India is unlikely to accept global rules blindly, and will increasingly act as both a stake-holder and share-holder in the system of global governance. India has been relatively successful in maintaining bilateral relations with key partners. However, not so successful with regards to maintaining longer term commitments to multilateral relations. Each country has a set of bilateral relations which are critical to it, as is the case with India. India's relationship with China is one such example, with China being India's largest trading partner, despite several contentious issues. However, India also sees multilateral organizations as a means of promoting its values and interests, perhaps that is why India is attracted to regional and plurilateral groupings, with a possibility of adopting a sectoral approach to trade. India has also played a major role in multilateral organizations particularly in UN Peacekeeping. Thus, India has a major role to play in the global context and have a significant impact in terms of providing expertise as well as manpower for peace operations worldwide.

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CORPORATE ENVIRONMENTAL ACCOUNTING IN INDIA

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ABSTRACT

Every business has an overriding responsibility to make the fullest possible use of its resources both human and material. An enterprise is a corporate citizen. Like a citizen it is esteemed and judged by its actions in relation to the community of which it is a member as well as by its economic performance. As far as Indian corporate sector is concerned it is sad, but true that it has not been performing as a good citizen that's why there are so many laws that have been laid down and further amended from time to time as and when required to bound the corporate sector to fulfil their social responsibility for better development of Indian economy. For proper implementation of environmental accounting in India a large number of researches, discussion, accounting standard and regulatory framework is necessary. The status of environmental awareness provides a dynamic for business reporting its environmental performance. For India both 'Environment Protection' and 'Economic development' are the matters of great importance. However, some sort of trade off is needed between the two. For this purpose, environmental accounting is required to measure the environmental impact of economic activities by corporate sector. A standard system of this type of accounting is still evolving in India. The article provides an insight into the concept in the Indian perspective.

Key words: corporate sector, Environmental accounting, Environment Protection, Social responsibility

INTRODUCTION

Earth's environment is a rich heritage handed over to us by previous generations. The present civilization has involved us in varied activities. Many of these activities generated waste with potential constituents. The ultimate disposal of the waste leads to environmental pollution. In many parts of the world, the magnitude of pollution of environment has already reached at an alarming level. During fifties through sixties of the 19th century, people all over the world become more concerned about the quality of their environment. Due to ignorance of environment Problems such as Global warming rapid changes in climate, glacier Meltdown, soil erosion, land degradation, deforestation, and loss of biodiversity and pollution of all kinds such as water, air, marine, noise. Light etc are commonly experiences in the present century for which both developed of developing nation may be held responsible. So in the 21st century we have an urgent need of protecting our environment, because the environment is responsible for the survival of human beings.

A Native American provost states that, "Only when the last tree is cut, only when the last river is polluted only when the last fish is caught only then they will realize that you cannot eat money," the economic development without environmental considerations can cause various irreversible environmental damages, which in turn endangers the life of present as well as future generations.

We know that there are limited resources available for the use of all species on the earth and the enormous damage is cadged to the environmental due to the activities of the business enterprises. In fact the industrial and business activities are directly or indirectly responsible for birth to the remarkable incidence of the Bhopal chemical leak (1984), Tsunami in India (2004).

Responsibility towards environment has become one of the most crucial areas of social responsibility. Recent years have witnessed rising concern for environmental degradation, which is taking place mainly in the form of pollution of various types, viz. air, water, sound, soil erosion, deforestation, etc. it is a worldwide phenomenon. It spoils human health, reduces economic productivity and leads to loss of amenities.

The developing countries like India are facing he twin problem of protecting the environment and promoting economic development a trade-off between environmental protection and development is required. A careful assessment of the benefits and costs of environmental damages is necessary to find the safe limits of environmental degradation and the required level of development.

Environmental accounting needs to work as a tool to measure the economic efficiency of environmental conservation activities and the environmental efficiency of the business activities of company as a whole. Management seldom tries to make proper arrangement to save the environment unless it is required as per law as there is no direct relationship between investment and benefits.

In many contexts environmental accounting is taken to mean the identification and reporting of environment specific cost such as liability cost and waste disposal costs. It is accounting for any costs and benefit that arises from change to a firm's, products and processes where the change also involves a change in environmental impact.

Corporate enterprises are facing the challenges to determine their true profits, which are environmentally sustainable ones. For this, companies need to account for the environment. They should take account of its most significant external environmental impacts and in effect, to determine what profit level would be left (if any) if they attempted to leave the planet in the same state at the end of the accounting period as it was in the beginning.

FORMS OF ENVIRONMENTAL ACCOUNTING

1. *Environmental Management Accounting (EMA)*

Management accounting with a particular focus on material and energy flow information and environmental cost information. This type of accounting can be further classified in the following subsystems:

- a. Segment Environmental Accounting: This is an internal environmental accounting tool to select an investment activity, or a project, related to environmental conservation from among all processes of operations and to evaluate environmental effects for a certain period.
- b. Eco Balance Environmental Accounting: This is an internal environmental accounting tool to support PDCA for sustainable environmental management activities.
- c. Corporate Environmental Accounting: This is a tool to inform the public of relevant information compiled in accordance with the Environmental Accounting. It should be called as Corporate Environmental Reporting. For this purpose the cost and effect (in quantity and monetary value) of its environmental conservation activities are used.

2. *Environmental cost accounting*

An advanced step of development of environmental accounting is development of environmental cost accounting (ECA). Cost accounting is defined as use of the accounting record to directly assess costs to products and processes (Lally, 1998). In this approach, costs are accounted for by their specific causes.

Environmental cost accounting directly places a cost on every environmental aspect, and determines the cost of all types of related action. Environmental actions include pollution prevention, environmental design and environmental management. Past approaches on environmental impacts were based mainly on environmental cleanup costs and past product disposal. The contribution of ECA is to account for a way of doing business. Arbitrary allocation of environmental overhead is eliminated or reduced, and true costs of products are determined. Environmental cost accounting in producing environmental costs is described in two ways (Grinnell and Hunt, 2000).

- One is the A-B-C framework, looking for 'cost drivers' at organizational levels: unit, batch, product-sustaining and facility.
- The other is a cost-of-quality framework, which defines environmental costs in prevention, appraisal and internal and external failure. This cost-of-quality approach supports pollution prevention as an appropriate management strategy.

Another significant contribution of ECA is its linkage to ISO 14000. The environmental data in an environmental management system (EMS) based on ISO 14000 standards is consistent with environmental cost accounting. ECA is a tool, part of a process for treating the environment as integrated with (i) business strategy and (ii) decision making

CORPORATE ENVIRONMENTAL ACCOUNTING: GUIDELINES

The following are the specific issues (problems) with regards to the environmental accounting:

1. Identification of environmental costs (expenses);
2. Capitalization of costs;
3. Identification of Environmental liabilities and
4. Measurement of Liabilities.

As regards environmental costs (expenses), there is no standardized definition and is left to the discussion of the corporations to decide which expenditure or costs would be included under the environmental expenses or costs. Moreover, there are no specific or concrete guidelines from the "accounting regulators in this regard. However, some industry guidelines are available, such as:

1. International chamber of commerce's (ICC's) "Business charter for sustainable Development;
2. The Japanese Industry Association, "KEIDANREN's Global Environmental Charter; and
3. The Chemical Manufacturer's Association's "Responsible CARE program.

These guidelines are followed by more and more enterprises. According to these guidelines, operating expenses have defined as expenses associated with environmental measures to primarily include production related costs and product research and development expenses that are solely incurred for environmental protection as distinct from product improvement.

In the absence of government or industry guidelines, enterprises may design own mechanism for the same. The survey of the international standards of accounting and reporting (ISAR) revealed that where there was no formal instruction from regulatory authorities though companies had divided the total environmental expenditures into six categories, which are :

1. Capital investment;
2. Operating costs;
3. Research and development costs;
4. Environment administration and planning;
5. Expenses for remediation measures; and
6. Recovery expenses.

The second problem for the accountants is how to treat the environmental outlays i.e., whether to capitalize or charge them to expense and how to attribute those to accounting periods. The issue of whether environmental costs should be capitalized or expensed is one of the most controversial subjects for accountants as well as for financial analysts. In principle, under the conventional accounting, the difference between an expense and an asset is :

"An Asset is a resource collected by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprises (IASC, 1995: 54, IAS F 49); and "Expenses are the decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or occurrence of liabilities that result in decreases in equity, other than those relation to distributions to equity participants. (IASC 1995:60, IAS F-70)

So, simply, an expense is a cost that has led to a benefit and has now expired, whereas costs that have been incurred and can lead to future benefits are classified as assets. However, in practice, it is not easy to determine what the increased or decreased (economic) benefits of pollution prevention and emission reduction measures might be. Environmental investments have been defined by the Canadian Institute of Chartered Accountants (CICA, 1993) as those undertaken to:

- Prevent or mitigate environmental damage or conserve resources;
- Clean up past environmental damage.

Canadian Institute of Chartered Accountants identified two approaches to the question of when to capitalize environmental costs (CICA, 1993):

- i. The increased future benefits (IFB) approach: the disbursement has to result in an increase in expected future economic benefits from the assets.
- ii. The additional cost of future benefits (ACOFB) Approach: Environmental cost can be capitalised if they are considered to be a cost of the expected future benefits from the assets, regardless of whether there is any increase in economic benefits.

Financial statements are prepared in order to report the financial performance of a company and should not be distorted with issues that are not material in financial terms. From a strict economic perspective, capitalization of costs should be allowed if the costs can contribute to additional future economic benefits beyond the originally assessed standard of performance (IFB approach).

From an environmental point of view, capitalization in the accounts should be favoured if pollution prevention creates future environmental benefits. Furthermore, capitalization facilitates amortization over a number of years and therefore, enhances long-term thinking. The ACOFB approach may be favoured if the rapid emergence of new environmental issues is considered to be enforceable and likely to cause unexpected future liabilities. In this case prudent economic management would require those costs of environmental protection that impede possible future economic problems to be considered as assets.

The international Accounting standards committee (IASC) has chosen the IFB approach (IASC 1995; IAS 16), where as the federation des expert's compatible Europeans (FEE) and Emerging Issue Task Force (EITE) of the

Financial Accounting Standard Board (FASB) have adopted the ACOFB approach. In the short-run, such contradictory positions do little to enhance development of a 'global financial architecture' and the emergence of a truly global standard-setter with a global market place. In the long-run, the FEE has decided to put its weight behind the acceptance of IASC standards:

In the long-run IASs are the only option, if one does not want to have a separate set of European standards, and will help to achieve accounting harmonization in Europe for listed companies and may in addition being convergence in national standards(FEE,1999).

IAS 16, Section 14, allows the capitalization of environmentally related costs for property, plant and equipment if an increase of future economic benefits from other assets is expected and if the costs are recoverable.

International accounting standards committee changed the perspective that it expressed in its earlier exposure draft. The most important change is the omission of paragraph 24 of exposure draft E43, which would have made explicitly clear that environmental clean up costs and fines should be expensed if they do not result in an improvement in the originally assessed standards of safety or efficiency of the assets.

The FEE recommends that costs incurred to prevent future environmental impacts should be capitalized (treated as an asset, providing expected future economic benefits) whereas clean-up costs for past environmental damage should be expenses. Also the EITF of the FASB has consensus view that treatment costs of environmental contamination should, in general, be expensed. Nevertheless, capitalization is possible, if one of the following three criteria is met (EITF 1990, Issue 90-8):

- The cost extends the life, increase the capacity or improve the safety or efficiency of property owned by the company;
- The costs mitigate or prevent environmental contamination that has net to occur and that otherwise may result from future operations of activities. In addition, the costs improve the property compared with its condition when constructed or acquired, if later;
- The costs are incurred in preparing for a sale of property that is currently held for sale.

So, the International Accounting Standards Committee, the Financial Accounting Standards Board EITF and the FEE all recommended expensing fines, fees and costs of past environmental impacts. Capitalization is allowed if a future economic benefit is expected to result from present expense. Costs of voluntary activities to comply with the requests of critical stakeholders in the company may not qualify for capitalization under IAS 16. The EITF and the FEE allow a capitalization of costs that result in the improvement of the safety or efficiency of the company property, even if no future benefits are expected and no legal requirements exists. However, the EITF and the FWW do not require capitalization of the costs so that the decision whether to capitalize or to expense is left to management. Athur Anderson & Co. has criticized this FASB EITF statement because it allows a free choice on whether to capitalize or to expense (FASB EITF, 1990: 21, discussion issue 90- 8). This results in a lack of consistency in conventional financial reporting. Depending on the industry or its financial position, some companies may decide to expense whereas others may capitalize environmental expenditure on voluntary pollution prevention. Management of other companies might seek to change the treatment at their own discretion. Although the method chosen has substantive implications, consistency in the treatment of environmental outlays is of critical importance to external stakeholders. Consistency reduces uncertainties about the contents of financial statements and adds quality to the disclosed information.

Although consistency is provided by use of international accounting standards, the divergent views of different accounting standards bodies serve to confuse stakeholders seeking comparable reported information overtime and between companies. One possible way forward is to abandon the historical cost basis of conventional financial reporting. This may appear to be a radical step to take but, if assets were reported at market values instead of at accumulated cost, it has been suggested that clear guidance would be provided for stakeholders.

Expenditure on pollution clean up would be treated as an expense and, if such expenditure led to an increase in the market value of an asset, the incremental gain in the market value would be reported as a gain. If it produced a decline in the market value of an asset, a loss would be shown.

The next problematic issues are the identification, recognition and measurement of liabilities. An environmental liability is an obligation to pay a future expenditure to remedy environmental damage that has occurred because of past events or transactions or compensate a third party that has suffered from damage.

A contingent environmental liability is an obligation to remedy environmental damage dependent on the occurrence or non-occurrence of one or more uncertain future events, or to compensate a third party that would suffer from such damage. So far, no specific standard has been issued purely for the identification or recognition of environmental liabilities. Some authors argue that general accounting standards are already

sufficient to accommodate environmental liabilities if they are applied correctly (Hawkshaw, 1991). The most important accounting standards specifying it and when to recognize (all) liabilities are IAS 37 and FAS 5.

“A liability is recognized in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably”

As a rule, environmental liabilities should be recognized in financial statement if they are material and if the liabilities or the events leading to the liabilities are probable and can be reliably measured (or reasonably estimated). A liability must be measured or reliably estimated in order to qualify for recognition in the main body of a financial statement. The key factors which can be considered at the time of estimating the environmental liabilities are:

- ✓ Current laws and regulations;
- ✓ The extent of regulatory involvement;
- ✓ Prior legal, economic, political and scientific experience;
- ✓ The complexity of the problem, existing technologies and available technological experience.

CORPORATE ENVIRONMENTAL REPORTING IN INDIA

In the context of requiring environmental related information from business on a periodic basis the first public announcement was made by the central government in 1991. The ministry of environment and forests has proposed that

“Every company shall, in the Report of its Board of Directors, disclose briefly the particulars of steps taken or proposed to be taken towards adoption of clean technologies for prevention of pollution, waste minimization, waste re-cycling and utilization, pollution control measures, investment on environmental protection and impact of these measures on waste reduction, water and other resource conservation. The companies Bill, 1997, Section 173 had proposed that every company should disclose through its Board of Directors’ Report the measures taken for the protection of environment.

A Gazette Notification on Environmental Audit has been issued by the Ministry of Environment and Forests on 03.03.1992 (India: Environment Statement, As part of Environment Audit, Government of India, 19993). The notification requires submission of an environment statement to the nature. Secondly, it may be due to the lack of awareness and/or commitment on the part of the company management about the social responsibility of the company. Thirdly, the poor environmental performance of the company may also bound them to non-disclosure or less disclosure. And finally, the poor enforcement of the environment protection acts is also partly responsible for freeing the companies from disclosure of such information.

So, it can be concluded that the absence of standardized environmental accounting practices and disclosure techniques at both the national and international levels as well as legal enforcement spur the advocated of environmental accounting practices to consider other alternatives from a global perspective.

CONCLUSION

Environmental accounting is in preliminary stage in India and whatever shows in the accounts in this regard is more or less compliance of relevant rules and regulation in the Act. Actually, unless common people of India are not made aware towards environmental safety, development of accounting in this regard is a little bit doubtful.

It is the call of the time that corporate prepares a firm environmental policy, take steps for pollution control, comply with the related rules and regulations, and mention adequate details of environmental aspects in the annual statements. For sustainable development of country, a well-defined environmental policy as well as proper follow up and proper accounting procedure is a must.

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**CHALLENGES IN FRONT OF INDUSTRIAL RELATION IN A CHANGING SCENARIO WITH
SPECIAL REFERENCE TO SELECTED INDUSTRIES IN BARAMATI MIDC**

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1. ABSTRACT

In this global world Industrial relation has become one of the most delicate issue. It is playing very dynamic role not only among stakeholders but also on business strategies for emerging market. The success of every businessman is constructed by application of appropriate business policy, relation among stakeholders, budgeting and implementation of overall managerial functions. As we know that Industrial relations is a multidisciplinary field which studies the employment relationship, therefore it is increasingly being called employment relationships. Many outsiders also associate industrial relations to labour relations and believes that it studies unionized employment situations, but this is an generalization. It is used to denote the collective relationships between management and the employees. Traditionally, the term industrial relations is used to cover such aspects of industrial life as trade unionism, collective bargaining, employees' participation in management, discipline and grievance handling, industrial disputes and interpretation of employees laws and rules and code of conduct.

To understand the range of industrial relations (IR) challenges that employers and their organizations are likely to face in Asia and the Pacific during the next decade, it is necessary to appreciate the current as well as historical factors which have shaped and are shaping such relations in the region. During the 1990's, the new demands of international competition and dramatic advances in technology - the forces of globalization - have changed substantially the nature and operation of the "market place", and how production is organised, in many industries across the world. A new approach is emerging, relying on a broader concept of employment relations.

Key words: IR, Employees, Employer, Globalisation

2. INTRODUCTION

This paper examines industrial relations (IR) trends and its development in India, The paper does this against the background of an clarification of the changing nature of IR, how IR are developing in the global context, as influenced by the forces of globalization and liberalization, and the particular historical and current factors which are influencing those relations in the region.

3. INDUSTRIAL RELATION –PAST, PRESENT AND FUTURE

3.1-Nature of Industrial Relation

(a)Industrial Relation- Definition And Nature

1. **Lester-** "Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom, between authority and industrial democracy; between bargaining and co-operation; and between conflicting interests of the individual, the group and the community”.
2. **The National Commission on Employees (NCL)** – “Industrial relations affect not merely the interests of the two participants- employees and management, but also the economic and social goals to which the State addresses itself. To regulate these relations in socially desirable channels is a function, which the State is in the best position to perform.”

(b) Three faces of Industrial Relation

Before discussion of past, present and future of Industrial relation, it is better to know the three faces and actors of industrial relation which create this concept, and these are -:

- i. science building,
- ii. problem solving, and
- iii. Ethical.

In the science building face, industrial relations is part of the social sciences, and it seeks to understand the employment relationship and its organizations through high-quality, employees' research. In this manner, industrial relations scholarship overlaps with scholarship in industry economics, industrial sociology, employment and social history, human resource management, political science, law, and other areas. **In the problem solving face**, industrial relations seeks to design policies and institutions to help the employment relationship work better. **In the ethical face**, industrial relations contains strong normative principles about employees and the occupation relationship, especially the rejection of treating employees as a commodity in favor of seeing employees as human beings in democratic communities entitled to human rights.

C) Three Actors in the IR system

Three main parties are directly involved in industrial relations:

Employers: Employers possess certain rights to hire and fire employees.

Employees: Employees seek to improve the terms and conditions of their employment. They exchange views with management and voice their grievances. They also want to share decision making powers of management. Employees generally unite to form unions against the management and get support from these unions.

Government: The central and state government influences and regulates industrial relations through laws, rules, agreements, awards of court and the like. It also includes third parties and employees and tribunal courts.

3.2 A Changing Scenario Of Industrial Relation From Past To Present

To get information about changing and developing face of Industrial relation is an interesting job. While getting this information, we get knowledge about contribution of various thinkers, their approaches from ancient time to this global domain.

INDUSTRIAL RELATION DURING ANCIENT/PAST TIME-(HISTORICAL BACKGROUND & DEVELOPMENT)

Industrial relations has its roots in the industrial revolution which created the modern employment relationship by spawning free employment markets and large-scale industrial organizations with thousands of wage employees. Society wrestled with these massive economic and social changes, employees' problems stand up. Low wages, long working hours, monotonous and dangerous work, and abusive supervisory practices, improper job descriptions and workload led to high employee turnover, fierce strikes, and the threat of social instability. Intellectually, industrial relations was formed at the end of the 19th century as a middle ground between classical economics and Marxism, with Sidney Webb and Beatrice Webb's *Industrial Democracy* (1897) being the key intellectual work. Industrial relations thus rejected the classical econ. Institutionally, industrial relations was founded by **John R. Commons** when he created the first academic industrial relations program at the University of Wisconsin in 1920. Early financial support for the field came from John D. Rockefeller, Jr., who supported progressive employees-management relations in the outcome of the bloody strike at a Rockefeller-owned coal mine in Colorado. In Britain, another progressive industrialist, Montague Burton, endowed chairs in industrial relations at Leeds, Cardiff and Cambridge in 1930, and the discipline was formalized in the 1950s with the formation of the Oxford School by Allan Flanders and Hugh Clegg. Industrial relations was formed with a strong problem-solving orientation that rejected both the classical economists' laissez faire solutions to employees' problems and the Marxist solution of class revolution. It is this approach which underlies the New Deal legislation, such as the National Employees Relations Act and the Fair Employees Standards Act.

During this phase various theoretical perspectives also gave their contribution

Industrial relations scholars have described three major theoretical perspectives or frameworks, that contrast in their understanding and analysis of workplace relations. The three views are generally known as **unitarism, pluralist and radical**.

Each offers a particular perception of workplace relations and will therefore interpret such events as workplace conflict, the role of unions and job regulation vary differently. The radical perspective is sometimes referred to as the "conflict model", although this is somewhat unclear, as pluralism also tends to see conflict as inherent in workplaces. Radical theories are strongly identified with Marxist theories.

- i. **In unitarism**, the organization is perceived as an integrated and harmonious whole with the ideal of "one happy family", where management and other members of the staff all share a common purpose, emphasizing mutual cooperation. Furthermore, unitarism has a paternalistic approach where it demands loyalty of all employees, being predominantly managerial in its emphasis and application. Consequently, trade unions are deemed as unnecessary since the loyalty between employees and organizations are considered mutually exclusive, where there can't be two sides of industry. Conflict is perceived as disruptive and the pathological result of agitators, interpersonal friction and communication breakdown.
- ii. **Pluralist perspective** perceived as being made up of powerful and divergent sub-groups, each with its own legitimate loyalties and with their own set of objectives and leaders. Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees, conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing and, if managed, could in fact be channeled towards evolution and positive change.
- iii. **The Radical perspective** view of industrial relations looks at the nature of the capitalist society, where there is a fundamental division of interest between capital and employees, and sees workplace relations against this history. This perspective sees inequalities of power and economic wealth as having their roots in the nature of the capitalist economic system. Conflict is therefore seen as inevitable and trade unions are a natural response of employees to their exploitation by capital. Whilst there may be periods of acquiescence, the Marxist view would be that institutions of joint regulation would enhance rather than limit management's position as they presume the continuation of capitalism rather than challenge it.

While studying nature of Industrial relation in past time we get information that the journey of IR from past to present ,travels through the great contribution of following approaches-

1 Dunlop's approach: An industrial relations system at any one time in its development is regarded as comprised of certain actors, certain contexts, an ideology, which binds the industrial relations system together, and a body of rules created to govern the actors at the workplace and work community. There are three sets of independent variables: the 'actors', the 'contexts' and the 'ideology' of the system

2 Oxford approach: According to this approach, the industrial relations system is a study of institutions of job regulations and the stress is on the substantive and procedural rules as in Dunlop's model. Flanders, the exponent of this approach, considers every business enterprise as a social system of production and distribution, which has a structured pattern of relationship. The "institution of job regulation" is categorized by him as internal and external – the former being an internal part of the industrial relations system such as code of work rules, wage structure, internal procedure of joint consultation, and grievance procedure. He views trade unions as an external organization and excludes collective agreements from the sphere of internal regulation. According to him, collective bargaining is central to the industrial relations system

3 The Industrial sociology approach: G. Margerison, an industrial sociologist, holds the view that the core of industrial relations is the nature and development of the conflict itself. According to this school of thought, there

are two major conceptual levels of industrial relations. One is the intra-plant level where situational factors, such as job content, work task and technology, and interaction factors produce three types of conflict – distributive, structural, and human relations. These conflicts are being resolved through collective bargaining, structural analysis of the socio-technical systems and man-management analysis respectively. The second level is outside the firm and, in the main, concerns with the conflict not resolved at the intra- organisational level

4 The Action theory approach: Like the systems model, the action theory approach takes the collective regulation of industrial labour as its focal point. The actors operate within a framework, which can at best be described as a coalition relationship. The actors, it is claimed, agree in principle to cooperate in the resolution of the conflict, their cooperation taking the form of bargaining. Thus, the action theory analysis of industrial relations focuses primarily on bargaining as a mechanism for the resolution of conflicts. Whereas the systems model of industrial relations constitutes a more or less comprehensive approach, it is hardly possible to speak of one uniform action theory concept

5 The Marxist approach: The Marxist approach is primarily oriented towards the historical development of the power relationship between capital and employees. It is also characterized by the struggle of these classes to consolidate and strengthen their respective positions with a view to exerting greater influence on each other. In this approach, industrial relations is equated with a power-struggle. The price payable for labour is determined by a confrontation between conflicting interests. The capitalist ownership of the enterprise endeavors to purchase labour at the lowest possible price in order to maximize their profits. The lower the price paid by the owner of the means of production for the labour he employs, the greater is his profit. The Marxist analysis of industrial relations, however, is not a comprehensive approach as it only takes into account the relations between capital and labour. It is rather, a general theory of society and of social change, which has implications for the analysis of industrial relations within what Marxists would describe as capitalist societies

6 The Pluralist approach

The focus is on the resolution of conflict rather than its generation, or, in the words of the pluralist, on ‘the institutions of job regulation.’ Kerr is one of the important exponents of pluralism. According to him, the social environment is an important factor in industrial conflicts. The isolated masses of employees are more strike-prone as compared to dispersed groups. When industrial jobs become more pleasant and employees’ get more integrated into the wider society, strikes will become less frequent.

7 Weber’s social approach : Weberian approach gives the theoretical and operational importance to “control” as well as to the power struggle to control work organisations – a power struggle in which all the actors in the industrial relations drama are caught up.

8 The human relation approach: The human relations approach highlights certain policies and techniques to improve employee morale, efficiency and job satisfaction. It encourages the small work group to exercise considerable control over its environment and in the process helps to remove a major irritant in labour-management relations.

9 The Gandhian approach: This approach to industrial relation is based upon fundamental principal of truth, non-violence and non-possession. This approach presumes the peaceful co-existence of capital and labour. Gandhiji emphasized that if the employers follow the principal of trusteeship then there is no scope of conflict of interest between labour and management, Gandhiji accepted the employees right to strike, but cautioned that they should exercise this right for a just cause and in a peaceful and non-violence manner and this method should only be resorted when all methods failed in getting employers response.

The journey of industrial relation during past time, traveled through various visions ,approaches and built its mission “To develop mature relationship among stakeholders”, We found great impact of Gandhian thoughts on development of Industrial relations in India from past to present.

INDUSTRIAL RELATION IN PRESENT SCENARIO

The present decade phenomenal developments in the field of industrial relations, reflect the adjustments and responses to the emerging and continuing changes in the world of work. The impact of globalization on employment relations is also influenced by the institutional arrangements in MNCs' home countries and the power

relations between corporate headquarters and their subsidiaries. Healthy IR in business and Industry are of paramount importance for increasing productivity. Industrial Law has played a crucial role in shaping Industrial Relations of this country. The Employees Laws seek to protect the interests of weaker segment in Industrial Relations and it has all along been the labour. The era of protective labour laws began with the enactment of Factories Act, which is still continuing and literally it has been taken over by our Hon'ble Judicial System. Periphery of Industrial Law and concept of social justice are expanding. By a process of liberal and beneficial interpretation, the judiciary have sought to expand the horizon of social justice with the result that no area relating to Industrial Relations is immune from judicial intervention. There is no other country in the world perhaps with the possible exception of west Germany, where there is so much job security as in India.

Our nation is governed by rule of law. All actions, therefore, must be taken in accordance with law. Law declared by this Court in terms of Article 141 of the Constitution of India, as noticed in the decisions, categorically demonstrates that the Tribunal would not normally interfere with the quantum of punishment imposed by the employers unless an appropriate case is made out there for. The Tribunal being inferior to that of this court was bound to follow the decisions of this Court. The Tribunal can neither ignore the ratio laid down by this Court nor refuse to follow the same." While one can appreciate the anxiety of our Government to improve the lot of the workman by protective legislation, too much protection is obviously undesirable. Most of the laws are one sided and operate to the detriment of employer and the industry and the result is growing indiscipline, corruption and loss of efficiency and productivity among labour force.

While getting knowledge about changing scenario of IR in India from past to present ,paper writer become curious about changing face of industrial relation in Baramati MIDC. In fast changing scenario of industrial area i. e. MIDC of Baramati is having vital scope for career planning system for the dual growth of employees and organization.

(C) Changing scenario of Industrial Relation in selected industries in Baramati MIDC from past to present -

Baramati is a well known historical place in Dist Pune, Maharashtra. It is situated on the banks of the river Karha. The town has historical significance because of KaviMoropant and Shri. BabujiNaik. Baramati uses 800 hectares of land as MIDC (Maharashtra Industrial Development Corporation) Industrial Area along Baramati-Bhigwan Road, 5 km outside Baramati town's municipal limits. After Pune and Mumbai all world is looking at Baramati for better prospective of industries. Various MNCs are showing their interest for starting their unit branches, simultaneously employees are also mobiles from one industry to another in search of better opportunities. So we had selected some well-known companies to find out if there is a secrete of there successes in their industrial relation ., these industries are- i)Indian Seamless Metal Tubes (ISMT), ii)Piaggio Automobiles, iii)Dynamix Dairy, iv)Spantex Industries Ltd, v)Somani Textiles.

Even though these industries are working in different manufacturing process and functional area ,the management of these industries are aware about their caretaker role,even though various times these industries are facing IR related tremendous problems . While doing this role the management of all these industries are implementing training programmers, welfare-activities, career planning programs ,grievance handling processes etc. Management of these industries are also aware about strategic planning in creating various opportunities for employees as well as themselves, because these management knows better that ,the growth of their unit is in the hand of their employees, who can give their 100% productivity only in harmonious Industrial relation atmosphere. The summary of objectives of these five industries gave us information about their objectives –**I**) to become a market leader in their functional area to achieve the status of a world-class company, **II**) To behave with proper Business ethics **III**)To achieve continuous improvement through total quality control programme ,improving human resources productivity, and by offering an interactive professional environment of trust, openness, self-Confidence and commitment, which encourages team efforts, employee empowerment and career progression. producing quality product and observing highest social, economic and environmental standards. **IV**)To deliver the highest quality product and prompt services to their customers. is **V**)To provide good value through a competitive atmosphere of defined system and processes to the employees. E facing tre

In this way we get interesting information about awareness of management of five selected industries in Baramati MIDC, in establishment and development of Industrial relation .From this observation we came in this conclusion that the secrets of success of these industries are hidden in proper implementation of IR policies and awareness in accepting changes according to the changes, from past to present and also in future.

Now we are fastly travelling in 21st Century. A century of knowledge management and technology. Better understanding, negotiation in good faith, productivity related wage increase, fixed team appointments, proactive approach of employees and unions, better work environment and work culture would be new dimensions of good IR in 21st Century.

TO AVOID OBSTACLES IN IR HERE ARE FEW GUIDELINES FOR CONTINUATION OF GOOD IR IN BARAMATI MIDC AS WELL AS IN WHOLE NATION

- Increase power and expansion of HRM functions,
- Forming teamwork-groups,
- Using skill-based pay to broaden employees' competencies,
- Heavy emphasis on training, more open communications,
- Greater participation to develop people's commitment,
- More concern about employment security
- Interests between stakeholders can be developed
- Joint union-management efforts based on improving quality of worklife and organisational effectiveness,
- Importance on employees self-esteem with positive human and business outcomes
- Open channels of communications to build trust,
- Commitment of greater sharing of information of business with unions,
- Work groups, organisational units greater communication about design and administration of pay systems
- Out of Box Thought provocation

And above all, industries need to create a better workplace, so that employees are highly engaged in their work. Engaged employees treat organisation's concerns as their own, because they identify them closely with matching their goals with the vision of industry. Then and then only MIDC Baramati as well as all industries in India will become able to create and maintain good Industrial relation to achieve success and satisfaction.

4. CONCLUSION

The impact of globalization is requiring IR systems in India to adapt to ensure improved economic competitiveness, flexibility and overall efficiency to respond to changing international market circumstances. This will require action in the areas of policy, legislation, institutions, and workplace practices and associated capacity building.

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BRAND IDENTITY AS A TOOL OF COMPETITIVE ADVANTAGE

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ABSTRACT

When you have a product or service that everyone needs and no one else offers, it's easy to be the best. Unfortunately, that's not a reality for most businesses today. To succeed in the real world, businesses need every advantage they can get. And many business leaders agree that the way to win today is to build and manage their company's brand identity. A brand identity audit should take place annually and at the start of the new financial year to align the brand strategy and marketing plan. Over time your competitors, customer values, products and services can change, Henceforth customer perceptions also change. At Competitive Edge Branding, we help you to develop a strong brand so that you can compete more effectively. By creating a clear brand message that promotes your personal brand with your business, all of your sales and marketing plans fall into place—from strategy and development, to your website, social media communications, and yes... even your advertising! It's true! Before you invest in any kind of sales strategy or marketing plan for yourself or your business, take a look at your brand. If your brand does not clearly communicate who you are and what you do for your target audience, you will be wasting money on your sales and marketing efforts and the result would be disappointing. Brand equity created by customers' loyalty brings benefits not only to customers, but also to manufacturers, commercial intermediaries, society, and, of course, brand owners. Customers' loyal support of a brand may contribute to the creation of competitive advantage for a firm.

Keywords : Competitive Edge Branding, brand identity, brand identity audit, Customer perceptions, customers' loyalty, competitive advantage, Brand equity.

INTRODUCTION

One of the most commonly overlooked sources of competitive advantage is brand. Branding is not just advertising, nor is it simply a catchy name for a company or product. The most important value in a brand is the value that it holds for actual customers. This value is very difficult and expensive to build - and fragile and easy to destroy. The difficulty of building and maintaining a brand is one reason why managers the world over tend to avoid spending much time or money on branding - especially in smaller companies. This is a shame, because a well-managed brand is so powerful that it can overcome almost any other competitive advantage. This one fact is the reason why larger companies with lots of managerial horsepower tend to spend a lot of time and money on branding.

BRAND VALUE

Brands are valuable simply because they cause customers to be inclined to purchase your product rather than someone else's. In a way, a brand is shorthand for the things the customer can expect from your product. In products that hold little meaning for the customer, this might be worth less, but in markets where the customer invests his or her ego in the purchase of a particular brand, that meaning can be priceless. Let's look at some examples to see where branding may or may not be important.

First of all, let's look at some examples of brands with tremendous pull. These brands will sell well just about anywhere they show up, because the customer associates the brand with qualities they prefer. Examples include:

DISNEY

Interestingly, none of these brands has universal appeal, in that not every possible customer will prefer the attributes of the brand over their alternatives. For example, the Disney brand is applied to many products:

- Theme Parks
- Movies
- Licensed products such as clothing and toys
- Computer games
- Time shares
- Cruise line
- Broadway shows
- Television programming

In each of these very different product areas, the Disney brand means something a little different. For example, in theme parks, Disney means clean, family-oriented, creatively designed, expensive and (to many) crowded. The negative elements of the Disney branding in their theme park business are inevitable - you always have to accept the negative with the positive. But the positive elements are so compelling that millions of people from around the world spend a significant portion of their income to travel to a Disney theme park.

APPLE

The Apple brand has a similar story. Apple carries a number of meanings, including well designed, easy to use, less popular and expensive. As with any great brand, this brand has a lot of ego invested in it for some people. This aspect of branding is more visible in computers because it is significantly more difficult and time consuming to use a computer operating system that isn't the most popular (in other words, Microsoft). Despite this difficulty, Apple has a hard core of fans who wouldn't think of using another brand, given a choice. Clearly, this doesn't translate into top market share for Apple, but it is a significant advantage that has clearly kept the Apple name alive when others have fallen by the wayside. Apple's newer products - notable the iPod - have drawn upon the positive elements of the Apple brand. The negative elements of the Apple brand have been far less problematic for the iPod because it is competing in a new product area where niche status has not been seen as a drawback. This is an excellent example of using a brand to grow beyond the core product line.

BRANDING AND GLOBAL MARKETPLACE

In an increasingly global market, branding can serve two distinct functions that may be useful to you: first, a "local" brand gives you an entrenched customer base that is more difficult (and expensive) to displace, and second, a "global" brand can give you a foot in the door when seeking to enter new geographic areas. Be forewarned: building a "global" brand is expensive, and often a "local" brand can be just as costly. Even so, the brand can be a useful offensive tool and defensive tool when you are competing with non-local companies.

There is one reason why "local" brands can be more cost-effective, and a good tool for defending your home turf from foreign competition: brand success is built upon three critical factors:

1. Understanding the key values in the mind of your customer
2. Knowing how to put the customer's values into your product or service
3. Effectively associating your brand with those values

Two of these factors, understanding your customer and associating your brand with values, are very much defined by culture. Thus, someone from outside your culture - and this could even be someone who speaks the same language from a different region - will find it much more difficult to get an accurate read on what your customer's key values are, and how to convince the customer that his product or service embodies those values. This is not saying that a foreign competitor cannot do this - just that it's a lot more expensive and difficult.

BRAND EVALUATION

Objectively evaluating your brand is difficult, especially if you want to put an exact dollar number on it. Fortunately, this is usually not required for good strategic decision-making. Still, it's a good idea to have at least a general concept of the value of your brand when you are considering strategic options.

The most objective way to evaluate your brand is to measure the outcomes that occur with and without the use of your brand. Sometimes this is simple, because the way you market may well lend itself to testing different hypothesis about your brand. For example, a seminar company might test mailing brochures that feature (or don't feature) specific brands, to find out the extent to which one of those brands is pulling in attendees at the seminars. Likewise, if you have the wherewithal, you might go so far as to test selling a "generic" version of your product in the marketplace to see if it can carry the same price as your current brand - at acceptable volumes. This is a little more difficult with retail products, as some retailers will insist on only stocking brand name products on their shelves. In addition, retail stores - especially large chains - typically demand some kind of compensation for the use of their shelf space, which makes retail brand testing quite expensive.

If testing is out of the question, you can also approximate brand value by looking at the popularity and price of competing brands with little or no brand power. If you don't have an absolutely generic "no-name" competitor, it can be difficult to be objective about this - after all, how do you decide which competitor has the least brand

power? Also, there may be some confusion about value because there are several components to the success of a brand:

$$\text{Brand Sales} = (\text{Cost} + \text{Margin}) * \text{Volume}$$

If you were to attempt a calculation of brand value, you would be faced with extracting non-brand factors, which affect these three numbers. For example, cost can go up or down depending on operation skills, management, underlying cost structure, and purchasing skills. Margin may be driven by brand power, pricing skill, and power in the distribution/retail channels. And volume can be affected by both cost and margin, brand power, and distribution network, as well as underlying demand for the products or services being offered.

Even so, at the end of the day your brand gets you one of two measurable outcomes: margin or volume. Comparing your margins to the competition is one way to assess the value of your brand, if you take heed of the caveat about other factors, which may change margin. Comparing volume is less likely to yield a good estimate of brand value, because you can - in many markets - drive higher volumes with no brand value at all by charging lower prices. This, by the way, is a terrible strategy to be following if you are concerned about cheaper foreign competition, because there are significant costs that you simply will not be able to beat your foreign competitors on.

IS THERE A "CRASH COURSE" WAY TO BUILD BRAND?

Yes - but it's inherently risky and not for the faint of heart. This is because the brains of our customers, not our desires, drive branding. In order to build a strong, positive awareness of your brand in a hurry, you will have to do something that stands out. By "stands out" we don't mean "is a bit better" - we mean something that is truly remarkable, or, in other words "worthy of remark". Customers don't make remarks about brands that are a little better - they remark on differences that they find really interesting.

An excellent example of something remarkable is the Honda Element. This is a truly distinctive design in the overcrowded sport utility vehicle market. The design is, in fact, so unusual that it almost never made it into production. Marketing people at Honda were extremely uncomfortable that the design was so different from any other brand in the SUV market that they wanted to scrap it. The designers won the fight to manufacture a small number of Elements as a "niche" product, along with a more mainstream design. By the end of the first year of production, the Element was outselling the "safe" design by five to one!

The lesson here is clear: if you are behind some savvy competitors, you should be prepared to seriously consider strategic options that make you uncomfortable. We wouldn't recommend betting the farm on outlandish new brands - in most cases - but we would suggest that having one or two every couple of years might just push your brand into the lead by giving you a reputation for having edgy, innovative products.

CONCLUSION

So your brand isn't that valuable - is there hope?

In some cases, companies run into a "brick wall" when they objectively evaluate their own brand. This can be caused by a number of factors, but the outcome is the same: some brands just don't mean anything to the customer, and so do not carry any premium in the marketplace. Naturally, such brands offer little defense against inexpensive foreign competition, and companies that rely too heavily on brand power that doesn't really exist inevitably get into hot water as foreign competition uses its compelling power - the lower price - to erode the market share of domestic competitors. At Competitive Edge Branding, it helps you to develop a strong brand so that you can compete more effectively. By creating a clear brand message that promotes your personal brand with your business, all of your sales and marketing plans fall into place—from strategy and development, to your website, social media communications, and yes... even your advertising!

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KNOWLEDGE MANAGEMENT AND KNOWLEDGE SOCIETY

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ABSTRACT

Highlights the understanding of data, information, knowledge and wisdom (DIKW) with suitable examples; cycle of knowledge creation; definition and concept of knowledge management (KM); windows of KM in organization; concept of knowledge society (KS) with pictorial presentations; impact of social capital; four pillars and thirteen dimensions of KS; concept of knowledge economy (KE) and its drivers and concludes that three terms (KM, KS & KE) are interlinked and the value of KM relates directly to the effectiveness of an organization to deal with today's competitive situation and create their future.

Keywords: Knowledge management, Knowledge society, Intellectual Capital, Dimensions of KS

1 Knowledge Management

The knowledge management is probably only the segment in the world on which a lot of attention is being given. In fact, knowledge is being recognized universally as the most important strategic asset that an organization has. Before understanding the knowledge that what actually is it? It will be better to know how it generates? And is it same to data, information and wisdom? According to Russell Ackoff (1989), the content of the human mind can be classified into five categories:

1. Data: symbols
2. Information: data that are processed to be useful; provides answers to “who”, “what”, “where”, and “when” questions (*understanding relation*)
3. Knowledge: application of data and information; answer “how questions (*understanding patterns*)
4. Understanding: appreciation of “why”
5. Wisdom: evaluated understanding (*understanding principle*)

Example 1:

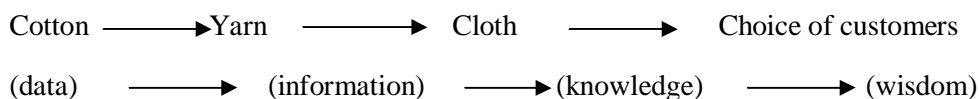


Figure 1: Conversion from Data to Information Knowledge and Wisdom (DIKW)

Here is the example given above that cotton is data and yarn can be treated as information, when it converts in a cloth, it becomes knowledge, now buyer purchase it or not, it is totally his/her choice, i.e., wisdom.

It cannot be said that always ‘cloth’ and ‘choice’ can be treated as knowledge and wisdom respectively. For example, if customers purchase any piece of cloth, it is a data for that person. The dress tailored by tailor is information. The dress put up in a show room, the customer purchases it or not it’s his/her choice, is the wisdom.

Example 2:

As by Ler Albertha² “Like water, the rising tide of data can be viewed as an abundant, important and vital resource with enough preparation, we should be able to tap into reservoir and ride the wave by utilizing new ways to channel raw data into meaningful information which in turn can become the knowledge that leads to wisdom.

```
graph TD; K[KnoWER  
• Scientists  
• Researchers  
• Authors  
• Investigators or  
• Any producer of a  
byte of  
information]; I[Interaction  
(i.e. on Data)]; O[Output]; C[Communicates]; M[Management of  
Information,  
Knowledge, Wisdom  
through the tools and  
techniques of Lib. & Inf.  
Sc.  
• Classification  
• Cataloguing  
• Indexing  
• Abstracting  
• Automation  
• Networking]; PKM[Part of  
Knowledge  
Management]; EE[KnowEE (wants to know)  
• Society  
• Community  
• Government or  
• Any Needy Group]; I1["(It becomes Information)  
i.e. Information  
(If, properly delivered and  
handled and combination  
of experience and context  
interpretation, becomes -  
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i.e. Wisdom"]; K --- I; I --- O; O --- EE; O --- C; C --- PKM; PKM --- I1; I1 --- I2["(If, properly delivered and  
handled and combination  
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Wisdom)  
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Wisdom)  
i.e. Wisdom"];
```

KnoWER

- Scientists
- Researchers
- Authors
- Investigators or
- Any producer of a byte of information

Interaction
(i.e. on **Data**)

Output

KnowEE (wants to know)

- Society
- Community
- Government or
- Any Needy Group

Communicates

Part of Knowledge Management

Management of Information, Knowledge, Wisdom through the tools and techniques of Lib. & Inf. Sc.

- Classification
- Cataloguing
- Indexing
- Abstracting
- Automation
- Networking

(It becomes Information)
i.e. **Information**
(If, properly delivered and handled and combination of experience and context interpretation, becomes - Knowledge
i.e. **Knowledge**
(If, provides better outputs, now it becomes - Wisdom)
i.e. **Wisdom**

Since the mid-nineties the label ‘knowledge management’ has attracted much attention (Ponzi, 2002) while information management has been used less. As with information management, there is no agreement on what constitutes knowledge management (Corrall, 1998; MacMorrow, 2001; Wilson, 2002a). According to Wilson (2002b), knowledge management is either used as a synonym for information management or for the ‘management of work practices’ which are to improve the sharing of knowledge in an organization.

However, Knowledge management can be defined as follows:

1. Knowledge Management basically requires blending a company's internal and external information and turning it into actionable knowledge via a technology platform. Knowledge management involves capturing the knowledge generated by a firm – its best thinking on products, customers, computers and process and sharing it. (Dimattia, 1997)
2. Knowledge management is as a useful term to signal the more complex work involved in organizing access to networked information resources, and thus equates it with subject gateways.
3. Knowledge Management is the process of transforming information and intellectual asset into enduring value. It connects the people with the knowledge that they need to take action. In corporate sector

managing knowledge is considered as a key to achieve break through competitive advantage. (Labranche, 1997)

4. Knowledge Management is an excellent opportunity to elevate the library's position in the company and promote the staff's skills. It is often a daunting task.

The windows of knowledge management in an organisation are:

1.1 You know what you know. This is a good for knowledge management, but however rare except for in small organisations. You can always improve conditions by working with facilitating access and knowledge sharing over time.

1.2 You know what you don't know. This is not so bad. You have some gaps in information and knowledge but you are aware of them. Focused seeking after information and knowledge can narrow the gaps.

1.3 You don't know what you know. This is a very common phenomenon especially in large organisations. Facilitating knowledge sharing by different means is essential.

1.4 You don't know what you don't know. A difficult but not uncommon situation. A broad and open information and knowledge scanning both internally and externally is needed. Facilitating knowledge sharing is a must, but also to stimulate the surveillance of the external world for information and knowledge that can affect your business.

Embedded in these windows are some challenges for the knowledge manager. There are also a lot of other challenges as well, for example *Hierarchical organisations*. If the organisation is very hierarchical knowledge and information is expected to flow through the formal line organisation. The managers should be the ones to be first informed and to decide to whom to share the information.

1.5 Corporate culture and models for economic control. If the organisation is built on internal competition between departments or companies within the corporation, the flow of information and knowledge across departmental boundaries often is inhibited. One example of this is a consultant firm where the different business areas were different profit units. The organisation had identified that knowledge sharing needed to be improved and engaged some students to investigate the knowledge sharing behaviour.

The result pointed out that the different business areas did not benefit from sharing their knowledge with other business areas. On the contrary such behaviour could lower their bonus and profit. Under such circumstances it was no surprise that the wanted behaviour failed to appear.

1.6 Measurements. A great challenge is to be able to measure the eventual benefits from knowledge management. How do you know that your increases in turnover and profit or cost savings emanate from qualified knowledge management? The link between these factors is not very straightforward.

1.7 Short term – long term. It is often difficult for individuals to find time for the extra efforts that could be required to accomplish a good flow of information and knowledge in the organisation when customers, clients or colleagues are screaming for work to be done and deadlines to be met. It is the eternal dilemma to match the short term and the long term commitments. For an organisation pressure to produce quarterly results could be a hindrance to more long term thinking and acting.

2 KNOWLEDGE SOCIETY

The concept of knowledge society is as old as the civilization itself. Ever since the innovation of fire and wheels as not looked back and set him firmly on the path of knowledge generation, accumulation, storage and utilization. Knowledge has given human beings a certain degree of sophistication, but their basic instincts (nature) remain untouched. It is a result of evolutionary process that transpires over a period of time. At present, the term 'Knowledge Society' has become a thrill word and such expressive use of the term gives an impression that it is a new phenomenon that not seems to be a truth. The knowledge has always has a function in the social life of human beings and most of the human actions are based on the knowledge. The power has frequently been based on advantages in knowledge and not on the physical strength alone. It has always been considered as power.

A Knowledge Society (KS) can be considered as a society in which the majority of it's members are engaged in knowledge generation, organization and utilization. It can be one where there is much knowledge and where many people do their work of knowing in a systematic manner. In KS members generally:

- Inquire into the basis of their belief about man, nature, society, etc.
- Are guided by objective standards with verifiable truth

- Follow scientific and logistic rules of evidence
- Dedicate considerable resources to their inquiries, and thus, develop a large store of knowledge
- Employ knowledge to illuminate their values, goals, etc. as well as to enrich of the social mass.

In accordance with the Law of Change: “nature keeps everything throughout the universe in a constant state of flux.”

Nothing from the Electrons and the Protons of the matter to the Suns and the Planets which float throughout space is ever still for a single second.

Nature’s Motto is keep Moving or Perish!

There is no halfway ground, no compromise, and no expectations for any reason whatsoever. This law finds its appreciable applicability in social dynamics where change acts as an essence and as a matter of paramount importance. The innovative and qualitative change leads to the development of Agrarian Society to Industrial Society and further leads to the emergence of Knowledge Society.

This could be depicted via Graphical Format:

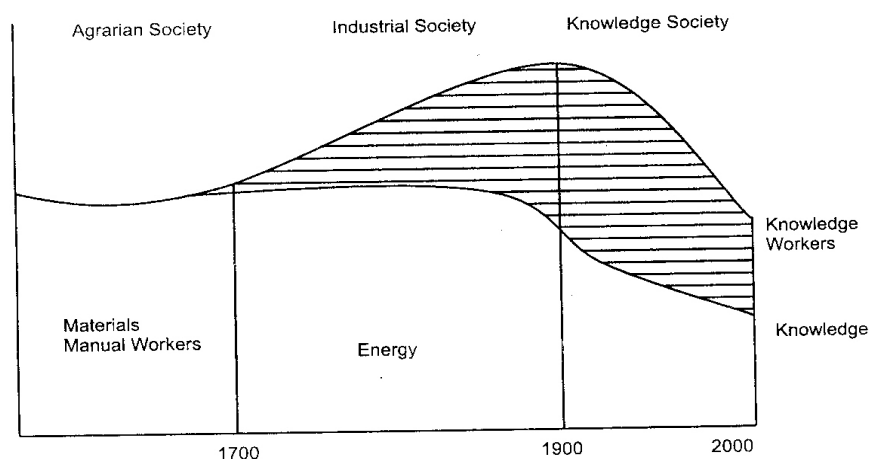


Figure 3: Knowledge Society

In this age, efficient and prominent group of knowledge generators, knowledge workers, knowledge executives and knowledge entrepreneurs etc. are engaged in creating and evaluating the knowledge as a commodity and a valuable economics resource.

The building blocks of this society are IT, telecommunications, Financial Services, management perspectives and global networking etc. contemporarily, knowledge is a conventional resource and can be effectively and repeatedly utilized thereby holding an unusual point of benefit in this society.

This society has a lot to do for its dwellers, not only scientists or an information officer or a documentalist, etc. but a farmer can also act as a Knowledge Worker. For example, a farmer could become a resourceful person provided; he must be properly educated to improve the crop yield. He can improve the pesticide coverage by adding a “Performance Maximiser” because it is an ADJUVANT when added to water, reduces the property of surface tension and makes the water “wetter”. It also helps water to penetrate the soil faster and more evenly. Here, the farmer is behaving as a knowledgeable person of the society.

Above example illustrates the substantial input of knowledge and emphasizes over it is an intangible asset.

During this global movement of knowledge, our country, a rich source of intellect must make a drive towards the establishment of a collaborative and co-operative culture.

“Does the aim of building knowledge societies make any sense when history and anthropology teach us that since ancient times, all societies have probably been, each in its own way, knowledge societies?” (UNESCO, 2005). In an environment of globalization and competition, governments at regional, national, provincial and municipal levels have turned to knowledge as a strategic asset that drives sustainable economic advantage. The

value of knowledge is particularly enhanced when it is created, shared and re-used within a critical mass of a society that possesses the requisite absorptive capacity or the ability to understand and apply knowledge. As Rodrigues (2003) states: "...what is at stake is more than information: it is knowledge, which implies cognitive capacity, learning, cultural patterns and understanding - in a single word, people." We may term such a community of people a *knowledge society*, an integral feature of a knowledge based economy with its consequent higher quality of life and standard of living afforded to its members – an aspect which appeals to much of the advanced as well as developing world.

The term 'knowledge society' was first coined by Peter Drucker in 1969 and is often used interchangeably with "Knowledge Based Economy" (UNESCO, 2005). When OECD defined *Knowledge-Based Economy* (KBE) as being "directly based on the production, distribution and use of knowledge and information" (OECD, 1996), it was readily adopted and later expanded to also cover the "production, distribution, and use of knowledge is the main driver of growth, wealth creation and employment across all industries" (APEC, 2000). It is generally accepted that a KBE does not rely solely on high technology industries for growth and wealth production, but also requires industries in the economy to be knowledge intensive. It further introduced the notion that the knowledge required by a KBE is wider than purely technological knowledge; also including, for example, cultural, social and managerial knowledge. What is also accepted is the idea from Joseph Stiglitz (the 2001 Nobel Economist) that knowledge is a "global public good" that is most effective when shared without distribution inequities. Hence the community of people and the manner in which they organize themselves play a major role in creating a knowledge society.

In order to create such a knowledge society or economy, the conditions for knowledge sharing have to be conducive, where knowledge is a public good with universal access to the community and low entry costs. As Koichiro Matsuura (2006), UNESCO's Director-General puts it: "An economy based on the sharing and diffusion of knowledge provides an opportunity for emerging nations to increase the well-being of their populations." He goes on to cite the examples of several communities which have transformed themselves into network societies favourable to "knowledge seeking, innovation, training and research". He concludes that knowledge sharing is indeed a powerful tool in both the fight against poverty as well as the key to wealth creation.

From the academic arena, Powell and Snellman (2004) posit that although the causal factors of a KBE is subject to much discussion and debate, current studies may be classified into three major areas of research: (i) the rise of new science-based industries and their role in social and economic change (ii) sociology and labour economic investigations on whether new kinds of jobs and novel forms of work organizations have emerged in knowledge societies and (iii) managerial focus on the role of learning and continuous innovation inside firms. Alternately, Houghton & Sheehan (2000) suggest that as society progresses up the value chain of quality and productivity, the role of knowledge as a factor of production and its subsequent influence on skills, learning, organization and innovation are increasingly the determinants of success.

Hence there is considerable agreement that the increasing importance of knowledge and learning is an international trend as rapid technological advances have resulted in a highly integrated global marketplace (APEC, 2000 Conceicao et al., 2003; Dolfisma, 2006; Houghton & Sheehan, 2000; Powell & Snellman, 2004; Rodrigues, 2002; Soete, 2006; UNESCO, 2005).

Economies, which are versatile and can adapt rapidly to the changing environment by exploiting the opportunities offered by the knowledge will prosper while those, which lag behind, may lose their competitive edge. The central role of knowledge and learning has been embraced universally and has hence raised challenges for countries in the formulation of public and economic policies.

As advanced and developing economies make the inevitable approach towards knowledge societies, we also witness a revolution that is characterized by the amalgamation or transformation of various aspects of society which do not only include technology changes, but one that involves institutional and cultural impact as well (Rodrigues, 2003). It is therefore abundantly clear that the creation and measurement of a knowledge society moves beyond the realm of human capital and includes what is known as structural and relational capital (Bontis, 2001; Edvinsson, 2000).

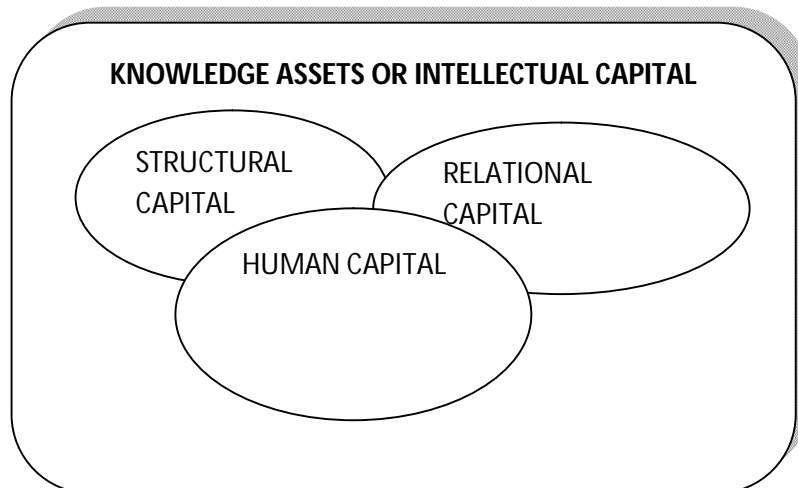


Figure 4: The Intellectual Capital of a Knowledge Society

Knowledge (even when it is explicit rather than tacit) is fluid and this unique feature makes it difficult to quantify in conventional financial management and hence to justify its value in metrics form. This intangibility of knowledge can be explained in terms of Intellectual Capital (IC) shown in Figure 4. More formally, IC refers to the knowledge, skills and technologies used to create a competitive edge for an organization or community. IC captures the soft and intangible part of the value of business enterprises in addition to the traditional balance sheet (Bucklew & Edvinsson, 1999). The benefits of having substantial IC in a society are: improved productivity, greater innovation, new thinking and of course, increased economic value. In a pioneering work, Stewart had categorized IC as essentially made up of Human Capital (HC) and Structural Capital (SC) (also including the idea of Customer Capital in the context of a business enterprise). To this, Bontis (2001) - also inspired by Edvinsson (2000) had added Relational Capital (RC). HC is the knowledge, skill and experience of the employees within an enterprise; SC is the organizational structure, technology and professional systems which remain within society; and RC (which is often used interchangeably with Social Capital) is the relationship of trust and authenticity that members enjoy within a community.

The United Nations sponsored World Summit on the Information Society joint declaration on moving towards a knowledge era for all, had put in place infrastructure targets in tele-density, access and training (ITU 2002). And indeed, in much of the developing world, impressive gains have been made over the past 5 years in achieving universality and affordability in telecommunications services, particularly in the mobile sectors of China, India and Indonesia. Sharma & Azura (2005) have shown that an enterprise-oriented regulatory regime that promotes the build-up of information-communications technologies (ICT) infrastructure is one pillar of this growth. Cultivating user communities is the other pillar. Empowering the mass market with information literacy skills is yet another. They then build on the major trends in the prolific growth of telecommunications in the major markets of the region and outline some of the best practices that have been adopted by regulators and user communities. These include addressing the digital divide between haves and have-nots in the various communities and summarizing some key challenges for policy makers and private enterprise in the information society with the goal of strengthening the knowledge economy and directing efficient investments.

Increasing social capital will positively impact four intermediate variables and subsequently foster the creation and sharing of organizational knowledge:-

1. access to parties for combining or exchanging intellectual capital,
2. anticipation of value through combining or exchanging intellectual capital,
3. motivation of individuals to combine/share intellectual capital,
4. ability of society to change according to the needs of its environment.

Therefore societies have for some time organized themselves in order to achieve a healthy environment of knowledge development and sharing. The characteristics of a knowledge society are that they are part of a knowledge economy; possess high absorptive capacity; have structures and cultures that facilitate frictionless knowledge diffusion and sharing; undergo complex chains of creation, production and distribution including inter-functional collaboration; and are sustainable learning communities with an emphasis on innovation (APEC 2000; Houghton & Sheehan 2000; Powell & Snellman 2004; UNESCO 2005).

If these characteristics can be embraced by the community at large, then, conventional public policy holds that a competitive economy and a higher quality of life is the outcome. Drawing on the synthesis of Edvinsson (2003) of what constitutes the IC of nations and the framework of Nahapiet and Ghoshal (1998) which suggests how knowledge societies organise themselves, a review of the highly-cited literature on the social, structural and relational aspects of knowledge societies was conducted. This was followed by a critical analysis of the related literature from which the authors devised a set of dimensions that contribute towards the formation and evolution of a successful knowledge society. As will be elaborated in the next section which describes the research methodology, this process was and cumulative and iterative. However, Figure 5 conceptualizes a model operationalizes the 4 major philosophical constructs of a knowledge society with some 13 dimensions which may serve as measurable and actionable items for policy-makers. In short, the model in Figure 3 transforms the three components of the “Intellectual Capacity of a Knowledge Society” (See Figure 1) into what is proposed as the four fundamental pillars on which a knowledge society is built on – 1. Infrastructure; 2. Governance (which together form Structural Capital); 3. Human Capital; and Culture (which is a part of Relational Capital). Guided by this framework, a review of the related literature has unearthed the dimensions necessary for creating and sustaining a knowledge. It is apparent that the 13 dimensions are not mutually exclusive to any one pillar. More specifically the definitions of the 13 dimensions indicate that they overlap as contributing factors and outcomes of the infrastructure, governance, human capital and culture facets of a knowledge society.

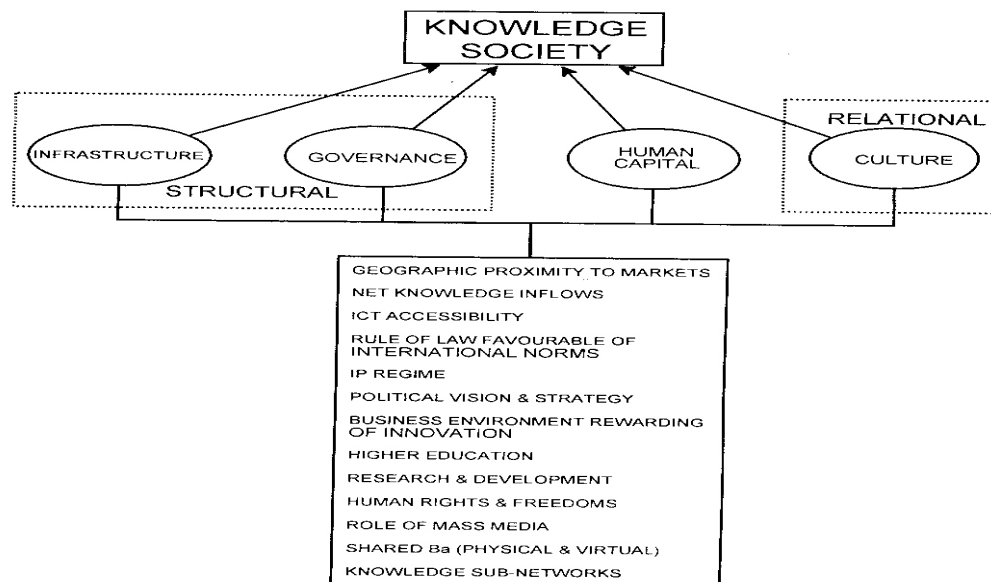


Figure 5: A Framework for Analyzing Knowledge Societies

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FDI IN INDIAN RETAIL – THE CAPITAL PUNISHMENT TO DOMESTIC INDUSTRIES

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ABSTRACT

Foreign direct investment (FDI) in the retail sector in India is restricted. In 2006, the government eased retail policy for the first time, allowing up to 51 per cent FDI through the single brand retail route. Since then, there has been a steady increase in FDI in the retail sector, and the cumulative FDI in single-brand retail stood at \$195 million by the middle of 2010 (DIPP, 2010). According to the Department of Industrial Policy and Promotion (DIPP) of the Government of India, single-brand retail comprises those retailers selling products “of a ‘single brand’ only, such that products should be sold under the same brand internationally; and single-brand product retailing covers only products which are branded during manufacturing. In this category, FDI is allowed to the extent of 51 per cent. In contrast, no FDI is allowed in the multi-brand retail category. This includes all firms in organized retail that seek to stock and sell multiple brands, such as large international retailers like Wal-Mart and Carrefour. This is the sector that is most under dispute. This paper deals with the oppositions of FDI in Indian retail sector.

Key Words: Retail, Inflation, Methods of FDI, Domestic Industry.

PREAMBLE

Foreign direct investment (FDI) is a direct investment into production or business in a country by a company in another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast to portfolio investment which is a passive investment in the securities of another country such as stocks and bonds. India has been ranked at the second place in global foreign direct investments in 2010 and will continue to destinations for international investors during 2010-12 period, according to United Nations Conference on Trade and Development (UNCTAD) in a report on world investment prospects titled, ‘World Investment Prospects Survey 2009-2012’. The 2010 survey of the Japan Bank for International Cooperation released in December 2010, conducted among Japanese investors, continues to rank India as the second most promising country for overseas business operations. India attracted FDI equity inflows of US\$ 2,014 million in December 2010. The cumulative amount of FDI equity inflows from April 2000 to December 2010 stood at US\$ 186.79 billion, according to the data released by the Department of Industrial Policy and Promotion (DIPP). The services sector comprising financial and non-financial services attracted 21 per cent of the total FDI equity inflow into India, with FDI worth US\$ 2,853 million during April-December 2010, while telecommunications including radio paging, cellular mobile and basic telephone services attracted second largest amount of FDI worth US\$ 1,327 million during the same period. Automobile industry was the third highest sector attracting FDI worth US\$ 1,066 million followed by power sector which garnered US\$ 1,028 million during the financial year April-December 2010. The foreign direct investment (FDI) in India has increased by 34.7% to US\$ 13.6 billion during the first half of 2013 (January-June 2013) amid bulk of inflows coming from the merger and acquisitions an UNCTAD report stated. The Housing and Real Estate sector received FDI worth US\$ 1,024 million.

STATEMENT OF THE PROBLEM

There is a lot to be said for big retail to come to India, but we cannot simply be taken in and mimic something which is being pushed down our throats because those who make the policy appear to not have the faintest clue on how retail really works in India. The main problem with the current status of foreign direct investment (FDI) in retail in India is that it does not provide a level playing field to other players of the domestic and small sort. In addition, it appears to take a rather naive and simplistic view on certain aspects, which like myths being repeated, tend to become urban legends. On the other hand, no country can afford to take on an isolationist approach. With this background researcher has to take this problem for his study to explore the hurdles for domestic industries from foreign direct investment.

OBJECTIVES OF THE STUDY

- To highlight the methods of FDI in India.
- To know about the sectoral share of FDI in India.
- To study the remarks of FDI in India.

METHODS OF FDI IN INDIA

The foreign direct investor may acquire voting power of an enterprise in an economy through any of the following methods:

- by incorporating a wholly owned subsidiary or company anywhere
- by acquiring shares in an associated enterprise
- through a merger or an acquisition of an unrelated enterprise
- participating in an equity joint venture with another investor or enterprise

According to 2012 statistics the maximum share (39.8) occupied by FDI is Manufacturing sector and minimum share (1.4) occupied by FDI is Real Estate.

OPPOSITIONS OF FDI IN INDIAN RETAIL SECTOR

FDI in retail is a non-critical area of intervention. Nobody in urban India is suffering for lack of 'accesses to food or grocery items. If at all it is the public distribution system that is diseased with corruption and needs to be replaced or removed. Access to food is an issue in the remote and rural impoverished areas of the country, where as the fine print tells you, FDI in retail will not be implemented. Comparative examples that try and portray an opposition to FDI in retail as regressive are not only misplaced, they are patently suspected.

Middlemen are key to distribution. The myth about 'farm-to-store' supply chain should end with the simple fact that middlemen will not be removed from the operation but that existing middle men will be replaced by bigger, more organized, more prosperous middlemen. Anyone who knows the business of distribution knows that there is nothing called a direct sale from farmer to retail, unless it is self-owned farm by the retailer. The process requires a minimum of three transactions. From the farmer to the transporter, to the distributor and to the end supplier.

Farmers will not get better prices. The idea that the farmer will get a better price for his produce if FDI in Retail is allowed is a baseless suggestion. The open market does not work on altruism and social service. It negotiates the best for itself so it can corner the most for itself. Farmer suicides are not because they cannot sell, as is being written about by irresponsible columnists and business leaders but because they are unable to get remunerative prices for their produce wing to poor quality produce due to lack of proper crop management or crop failure, an inability to pay back their loans or make ends meet and lose their land.

Brands compete to secure market share. Market share can only be secured at the cost of another existing competitor. It is equally naive to imagine that the anomalies of predatory pricing will be taken care of once the sector is open to competition. Let us understand the idea of competition. All competition starts from a baseline price point. The base line price already exists with the current prices the farmer gets. All competition is normally over and above that base line. Nobody sells below his purchase price.

Big Retail cannot co-exist with small retail. That big retail can coexist with *kirana* is a flat impossibility. It can't because big retail alters the playing field permanently. The instruments of small retail are redundant in the schema of big retail. The grammar of big format selling influences the buying habits of people. The *kirana* sells on the basis of daily consumables of a middle class. The big-format pushes for bulk sales, weekly big purchases where you buy four when you need one simply because it is priced in an attractive deal for the day.

Big Retail is one big cause of food inflation. That food inflation will be curtailed with FDI in Retail is a plain lie. Food inflation has to do with supply side shortages and distribution bottlenecks that have mostly to do with government policy in each case. The advent of big retail will not induce any farmer to grow more food or make any dent in the fossilized mechanisms of food procurement and distribution policies of Government. The truth remains that agriculture has suffered for long, that farmers do not get remunerative prices and that they are unable to pay back when they have borrowed. Food inflation is a derivative of the paralysis of government and states and nothing to do with FDI in retail. We're talking about FDI in retail for God's sake, not FDI in agriculture.

Consumers do not get better prices. Consumers will get lower prices is another figment of the lobbyist's fertile imagination. Prices never come down. Big bazaar or Walmart, prices never come down. The argument is a facetious assault on the principle of growth and inflation. Big retail can at best sell you cheaper potatoes or

five such items carefully selected on seasonal variations or bulk deals with producers cheap for only a week and no more. For everything else you buy from them, you will pay more. That is how big retail works.

Big Retail kills small jobs. More jobs will be created when big retail comes in is a fallacy and a purposeful falsehood. For an economy where 80% of the population engaged in trade and local retailing is self employed, how do the numbers stack up if you dislodge even 20% of that population? Does any math support the theory that any number of big retailers in a city like Delhi will be able to support 5 lakh people who will progressively be thrown out of business. For a government that is unable to provide employment in big cities with reasonable opportunities, the impact in smaller ones will be unmanageable.

Big Retail is relative to Real Estate. Retail is a first cousin of the real estate industry. Already the calculators are out fantasizing about the acreage these new big format retail marts will need and the newer malls that will be coming by design around such anchor stores. Big Retail loves Big Development and vice versa. The upshot is that the already skewed real estate market will only get more out of control and housing for middle classes and the ordinary folks that much farther.

FDI in Retail is a political hot-potato and a non-issue. The political expediency attributed to the opposition on the issue of FDI in Retail is actually misdirected and it is the government of the day which should be under a cloud of suspicion for the timing of this move. If this is about proving that there is no paralysis in governance, it is plainly a bravura act which should be set aside for the moment. On the other hand, if this passes for reform, how about we discuss instead FDI in education, a sector that holds the key to prosperity for this country and its future generations.

CONCLUSION

Though India stands today as the largest democracy, its administrative as well as the political set up have many flaws and shortcomings. The Indian system of administration and governance is impregnated with flaws like shortages of power, bureaucratic hassles, political uncertainty, and infrastructural deficiencies. In spite of all these political shortcomings, India is perceived to be one of the most lucrative grounds for investing, in the eyes of the wealthy European as well as American investors.

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FINANCIAL LIQUIDITY STUDY OF MILK PRODUCING CO-OPERATIVE SOCIETY
(With special reference to Gujarat State in India , Dist-Valsad of backward areas of Taluka Kaparada.)**Prof. Alkaben Harilal¹ and Patel Dilipkumar Chunilal²**Associate Professor¹, Arts & commerce Collge, Motapondha, GujaratResearch Scholar², Pacific University, Udaipur, Rajasthan

ABSTRACT

The Financial Statements are generally prepared for the measurement of financial position of a particular business firm for a particular period of time. The financial statements i.e. (i) Profit and loss account and (ii) Balance sheet provide useful information regarding financial situation of company. The information has its own value, but if some one wants to have better judgment of the concern, he has to analyse them. This paper provides the guidelines about analysis of Liquidity ratio of The Waroli Milk Producer Co-operative Ltd. located at Valsad District. of Backward area Kaparada Taluka.

Key word : Current ratio , Quick ratio , Stock, Average stock , Current Assets.

CO-OPERATIVE SOCIETY OF TALUKA KAPARADA

Different education level of five talukas of dist Valsad of Gujarat can be seen .Base on the education level of the people, a variety can be seen in their languages, culture, living standard etc has undergone a huge changes in last two decades to go. One cannot ignore the opportunity in term of trade, religion, heritage, and industry in these areas under study. Even today one can see the presence of traditional as well as modernization touch in the business of these local areas. The areas are surrounded by lush green natural beauty covering the areas by hill. Even till date, many areas are under developed. Due to bad economic condition, many people are still living below poverty line. We find good presence to traditional system of “HAAT” bazaar catching the heart of local peoples. People prefer to visit such bazaar for buying their basic requirement .The political benefits has not reached this areas and that is also responsible for underdevelopment of this areas. Considering all the above mention factors.

REVIEW OF LITERATURE

²⁶Gurumoorthy.T.R (2001) revealed that the loan recovery would contribute to fresh loans that create new business and employment and interest income would meet establishment expenditure and profit requirement of the financial institutions. Sarthak Chowdhury and Prabuddha Ray (2001) found that women were not given equal opportunity in availing credit from the Cooperative Banks. A study conducted by Somorendra Singh (2001) identified that Self reliance, deployment of Resources, Member Utilization, participation and Economic Performance were the criteria for assessing the performance of PACCS.Veerakumaran G (2001) stated that the huge overdue, breaks the recycling of funds and thus adversely affects the profitability of the banks. Ravi Verma S (2003) revealed that among the different categories of the farmers, large and medium farmers are provided disproportionately higher amount of credit than their corresponding share in the number of accounts.Mariappan,V (2003) indicated that 75 percent of deposits come from high cost schemes such as fixed deposits, deposits doubling schemes etc. The Report of the Task Force on Revival of Cooperative Credit Institutions (2004) pointed out that the low recovery of loans obviously affected the profitability of the institutions and poor loan recovery had resulted in a peculiar phenomenon, often referred to as imbalances. Mishra J.P. and Maurya S.K (2005) expressed that agricultural credit disbursed by coopearatives in Gola block of Gorakhpur District has increased production, productivity income and employment of borrowers in crop and milk production. Shacheendran V. (2007) indicated that Cooperatives showed a better performance in issuing Kisan Credit Cards than RRBs (Regional Rural Bank) and CBs (Commercial Bank). Deepak Shah (2007) made an attempt to measure the viability of PACCS during pre economic reform period and the post economic reform period.

²⁶AN ANALYSIS OF FINANCIAL PERFORMANCE OF SELECT PRIMARY AGRICULTURAL COOPERATIVE CREDIT SOCIETIES IN METTUR TALUK,SALEM DISTRICT -Dr. T.Thirupathi, www.researchfront.in

OBJECTIVE OF THE STUDY

1. To study the financial Liquidity Position Study of the selected Milk Producing co operative society.
2. To analyze the Liquidity performance of selected Milk Producing Co operative society.
3. To know the effectiveness of asset utilisation of Milk Producing Cooperative society.

Research Methodology

The study is based on secondary sources only. The secondary data were collected from , Co operative society Waroli,Tal-kaprada Dist : Valsad, And personal Meeting sof cooperative society's Manager Mr. Bablebhai Gaane And Mr.Nathubhai A.Dalvi.The study period was during the Year : 2008-9 to 2010-11.

RATIO ANALYSIS**LIQUIDITY RATIOS INTRO DUTION :**

Liquidity ratios are the ratios that measure the ability of a company to meet its short term debt obligations. These ratios measure the ability of a company to pay off its short-term liabilities when they fall due.

The liquidity ratios are a result of dividing cash and other liquid assets by the short term borrowings and current liabilities. They show the number of times the short term debt obligations are covered by the cash and liquid assets. If the value is greater than 1, it means the short term obligations are fully covered.

Generally, the higher the liquidity ratios are, the higher the margin of safety that the company posses to meet its current liabilities. Liquidity ratios greater than 1 indicate that the company is in good financial health and it is less likely fall into financial difficulties.

Most common examples of liquidity ratios include current ratio, acid test ratio (also known as quick ratio), cash ratio and working capital ratio. Different assets are considered to be relevant by different analysts. Some analysts consider only the cash and cash equivalents as relevant assets because they are most likely to be used to meet short term liabilities in an emergency. Some analysts consider the debtors and trade receivables as relevant assets in addition to cash and cash equivalents. The value of inventory is also considered relevant asset for calculations of liquidity ratios by some analysts.

The concept of cash cycle is also important for better understanding of liquidity ratios. The cash continuously cycles through the operations of a company. A company's cash is usually tied up in the finished goods, the raw materials, and trade debtors. It is not until the inventory is sold, sales invoices raised, and the debtors' make payments that the company receives cash. The cash tied up in the cash cycle is known as working capital, and liquidity ratios try to measure the balance between current assets and current liabilities.

A company must possess the ability to release cash from cash cycle to meet its financial obligations when the creditors seek payment. In other words, a company should posses the ability to translate its short term assets into cash. The liquidity ratios attempt to measure this ability of a company.

1. Current Ratio
2. Quick Ratio

I. Current ratio :

The current ratio is balance-sheet financial performance measure of company liquidity. The current ratio indicates a company's ability to meet short-term debt obligations. The current ratio measures whether or not a firm has enough resources to pay its debts over the next 12 months. Potential creditors use this ratio in determining whether or not to make short-term loans. The current ratio can also give a sense of the efficiency of a company's operating cycle or its ability to turn its product into cash. Current ratio calculating following formula :

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current liabilities}}$$

The higher the ratio, the more liquid the company is. Commonly acceptable current ratio is 2; it's a comfortable financial position for most enterprises. Acceptable current ratios vary from industry to industry. For most industrial companies, 1.5 may be an acceptable current ratio.

Low values for the current ratio (values less than 1) indicate that a firm may have difficulty meeting current obligations. However, an investor should also take note of a company's operating cash flow in order to get a better sense of its liquidity. A low current ratio can often be supported by a strong operating cash flow.

If the current ratio is too high (much more than 2), then the company may not be using its current assets or its short-term financing facilities efficiently. This may also indicate problems in working capital management.

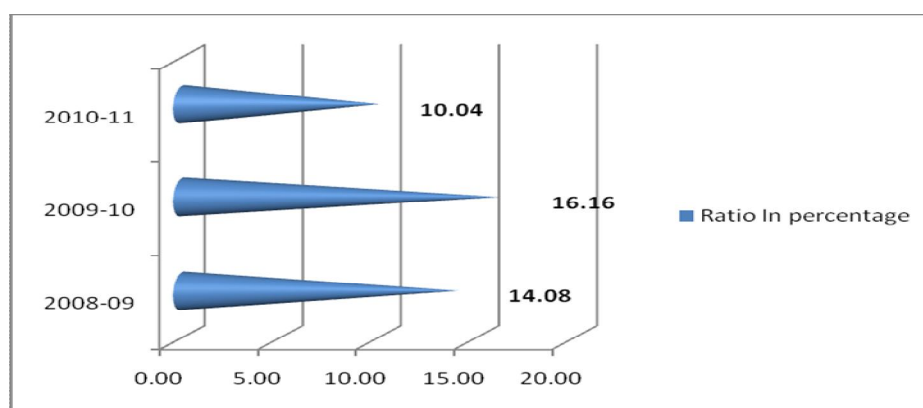
All other things being equal, creditors consider a high current ratio to be better than a low current ratio, because a high current ratio means that the company is more likely to meet its liabilities which are due over the next 12 months.

☞ Following Detail showing Current Ratio Milk Producing Cooperative society, Waroli

Year	Current Assets	Current Debt	Ratio
2008-09	1314249	93362	14.08
2009-10	1975153	122194	16.16
2010-11	1856082	184879	10.04

Source: Compiled Calculated Data

It is clear from the above calculations that the current ratio is Medium Average. We cant say that the Co operative society, waroli is having higher solvency. Hence steps have to be initiated to increase the sales as well as liquidity of the milk producing society. During the year 2010-11 the current ratio was not good. The current assets are just equal to the current liabilities in 2009-10 year.. However during the year 2008-9 there was Slowly improvement in the liquidity position of the milk producing co operative society. It is concluded that the overall Liquidity is Good of but, last year 2010-11 position ratio not good, so the milk producing Cooperative society has to be increased and the management has to Improv its current ratio Position.



Source : Compiled Calculated Data

II. Quick ratio :

The quick ratio is a measure of a company's ability to meet its short-term obligations using its most liquid assets (near cash or quick assets). Quick assets include those current assets that presumably can be quickly converted to cash at close to their book values. Quick ratio is viewed as a sign of a company's financial strength or weakness; it gives information about a company's short term liquidity. The ratio tells creditors how much of the company's short term debt can be met by selling all the company's liquid assets at very short notice. This ratio is calculated as under :

$$\text{Liquid Ratio} = \frac{\text{Liquid or quick assets}}{\text{Current liabilities}}$$

where, liquid assets = current assets – (stock + prepaid expenses)

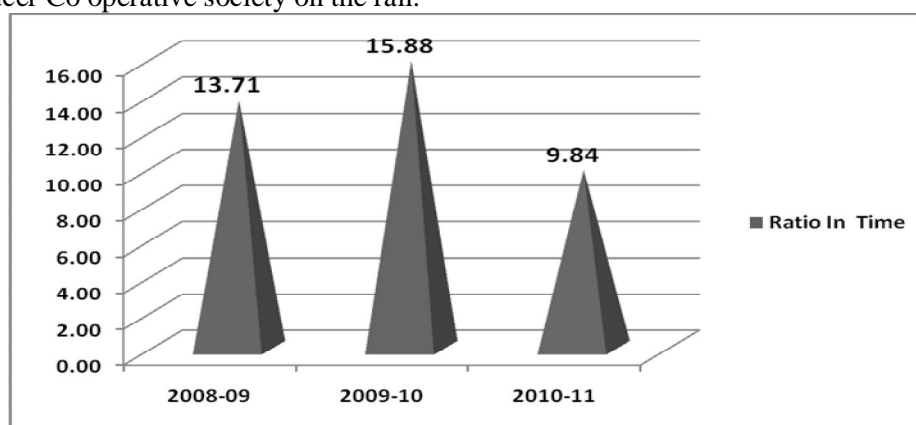
The higher the quick ratio, the better the position of the company. The commonly acceptable current ratio is 1, but may vary from industry to industry. A company with a quick ratio of less than 1 cannot currently pay back its current liabilities; it's the bad sign for investors and partners.

Following Table Show Quick Ratio Waroli Milk Producer Co operative Cooperative society :

Year	Quik assets	Quik Debt	Ratio
2008-09	1280429	93362	13.71
2009-10	1940598	122194	15.88
2010-11	1819942	184879	9.84

Source : Compiled Calculated Data

It is clear from the above table that the quick ratio is as per the standards and the society is above to meet the current liabilities at any point of time as it is maintaining liquid resources or funds to meet the immediate obligations. The quick ratio was good during the year 2008-9, 2009-10. when compared with other years. And During the year 2010-11 the current ratio was not good. The management has to take several steps to bring back the Waroli Milk producer Co operative society on the rail.



ANALYSIS FINDINGS & SUGGESTION

- The Current ratio of Molk producing cooperative society. During the year 2010-11 the current ratio was not good. The current assets are just equal to the current liabilities in 2009-10 year.. However during the year 2008-9 there was Slowly improvement in the liquidity position of the milk producing co operative society. the overall Liquidity is Good of but, last year 2010-11 position ratio not good,so the milk producing Cooperative society has to be increased and the management has to Improw its current ratio Position.
- The quick ratio was good during the year 2008-9, 2009-10. when compared with other years. And During the year 2010-11 the current ratio was not good. The management has to take several steps to bring back the Waroli Milk producer Co operative society on the rail.

CONCLUSION

It can be concluded from the study of 3 financial periods of Co operative society ,Waroli in Kaprada taluka that the maximum Financial Indicators of co operative society are not at a very good position but Medium Situation. From the analysis of main Financial Indicators it is clear that Stock Current Ratio, And Liquidity Ratio, etc are at a Average position.

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HR ROLES IN HANDLING WORKPLACE BULLYING ISSUES

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ABSTRACT

The outlook to Human Resource Management in India has witnessed sea-change in last two decades. Economic liberalization in 1991 created a hyper-competitive environment. As international firms entered the Indian market bringing with them innovative and fierce competitiveness, Indian companies were forced to adopt and implement innovative changes in their HR practices.

Increasing demand for skilled performers forced the companies to shift focus on attracting and retaining high-performing employees in a competitive marketplace. Human Resource policies, forming the framework for the culture in the business management, create awareness towards the need to achieve the business goals in the best possible and ethical manner. Now a day's HR Department diversified its activities i.e. HR Forecasting, training and development, Maintenance of relationship with consultancies, Performance appraisals, deciding perks facilities and ultimately achieving cost effective by retaining the resourceful employees with the organization in the competitive environment. HR department is also involving development of new techniques for bullying issues in various areas with respect to promotions, transfers, Compensation, Increments, Leave ,Medical benefits etc.,. Now days the employees are treating as internal customers and also getting more importance in any organization irrespective of size. The main mantra of any company is satisfying customer in this competitive global economy because of free movement of labor around the globe.

Key words: Promotions, Transfer, Compensation, Increment, Leave, Medical benefits.

INTRODUCTION

If we trace back the history of business environment, in the early years, trading patterns and markets were stable, technology was static, customers were passive, speed in getting to market was secondary, competition was limited to sectors and regions, and hierarchies were generally accepted in all walks of life. No more, since 1960's, America and much of the rest of the world has been almost continually buffeted by change. Customers demand that businesses do it better, faster, cheaper; employees want to control more than the "Stop" button on the assembly line. The twentieth century saw nations around the world become part of the global village, with trade barriers between them reduced or removed completely. Globalization of trade and economy are taking deep roots in India. The holistic paradigm shift to a single global company has opened up new economic opportunities. Events of the last five years of the previous century have focused our attention on knowledge industries. Quality human resources have therefore become an important base with which to respond to the emerging environment. The knowledge workforce in particular has a vital role to play in the emergence of the digital economy.

A look at the trends in managing people in this dynamic industry reflects that Attracting, Managing, Nurturing talent and Retaining people has emerged to be the single most critical issue in lieu of the enormous opportunities spun off by the market. The new avatar of talent is the knowledge professional who is innovative, business savvy, quick on the uptake, has an instinctive ability to network, and possessing unbridled ambition. They are propelled by an urge to experiment, scan new avenues that can spur their creativity. This has led to companies proactively taking measures on three fronts. First, companies create an organizational ambience where talent can bloom. Second, they put in place systems that help unleash their potential and third, they build a reward and recognition mechanism that provides value for people.

LITERATURE OF REVIEW

Holly Latty- Mann president of the leadership trust a Executive consulting form in Durham, North Canada stated that Maintaining quality of work life for its employees is an important concern for the any organization. The grievance handling procedure of the organization can affect the harmonious environment of the organization. The grievances of the employees are related to the contract, work rule or regulation, policy or procedure, health and safety regulation, past practice, changing the cultural norms unilaterally, individual victimization, wage, bonus, etc. Here, the attitude on the part of management in their effort to understand the problems of employees and resolve the issues amicably have better probability to maintain a culture of high performance. Managers must be educated about the importance of the grievance process and their role in maintaining favorable relations with the union. Effective grievance handling is an essential part of cultivating good employee relations and running a fair, successful, and productive workplace. Positive labor relations are

two-way street both sides must give a little and try to work together. Relationship building is key to successful labor relations.

THEORETICAL FRAMEWORK

Significance

In the modern management process, discipline should be viewed as a behavioral modification process. Although may be many norms fixed for desirable behavior wherever there are deviations. Appropriate corrective measures should also be taken for overall effectiveness of an organization, promotion, maintenance and strengthening of discipline will be a counting affair, only if some of the following conditions are fulfilled .They are normally

-A SHARED CULTURE

-INCLUTION OF POSITIVE ATTITUDES

-SCOPE FOR PROBLEM SOLVING

-A FEELING OF SATISFACTO

If an organization has to move towards excellence, maintenance of harmonious and cordial relationship is a vital condition. Similar to organization' expectations from the employees. The employees do have more expectation in terms what they have contributed to each other. Failure to meet with each other's expectation or the deviations from what has already been accepted may lead to indiscipline, grievance and stress are of continuing in nature and often judicial- legal process may not be of much help in resolving them.

INDIA'S CHANGING HRM HORIZON

The outlook to Human Resource Management in India has witnessed sea-change in last two decades. Economic liberalization in 1991 created a hyper-competitive environment. As international firms entered the Indian market bringing with them innovative and fierce competitiveness, Indian companies were forced to adopt and implement innovative changes in their HR practices. Increasing demand for skilled performers forced the companies to shift focus on attracting and retaining high-performing employees in a competitive marketplace.

EMPHASIS ON EMPLOYEES

Human Resource policies, forming the framework for the culture in the business management, create awareness towards the need to achieve the business goals in the best possible and ethical manner. Indian companies have realized that in today's competitive business milieu, the quality of people you employ can make all the difference. In the last few years, the Human Resource has become a key player in strategic planning – it has come a long way from traditional HR operations like managing the recruitment process, handling staff appraisals. That is why Infosys CFO T. V. Moahndas Pai and Marico CFO Milind Sarwatewas were moved to head the human resources (HR) function in their respective companies. Rajiv Dube, CEO and managing director of Rallis, left his position to join as HR chief at automobile major Mahindra & Mahindra.

HRM CHALLENGES

One of the challenges HR managers face is issues of upgradation of the skill set through training and development in the face of high attrition. Indian companies are recognizing their responsibilities to enhance the employee's opportunity to develop skills and abilities for full performance within the position and for career advancement.

PROGRESSIVE HR POLICIES

In 1974, an angry Sudha Murthy had to write a letter to JRD Tata to protest against job discrimination against women in Telco. Today, most Indian companies are committed to providing equal employment opportunities for all. The employers are increasingly realizing the value of trained human resource, especially women in India. Some organizations are changing their HR policies to stick with their valuable employees. MNCs like Pepsi co. are providing flexibility so that female employees at various life stages could benefit from these policies like working from a different city, sabbatical from corporate life, and extended maternity leave.

ENTREPRENEURSHIP BY EMPLOYEES

India Inc. is encouraging 'intrapreneurs' or employees who have ideas that could potentially become a venture. Companies like Pepsi co., NIIT, and Adobe are actively promoting practice of entrepreneurship by employees

within the organization. Human Resource Management has taken a leading role in encouraging CSR activities at all levels. Companies like Wipro inculcate CSR values amongst its workforce right at the beginning during the induction process. Corporate presentations and keeping employees updated through regular newsletters are the instruments used by HR to keep employees energized about the organization's socially responsible initiatives.

Over the last decade, India's vast manpower has played an instrumental role in its economic success story. Indeed, the success of Indian companies is not based on superior access to raw materials or technology or patents, but fundamentally upon human skills. The synergy between the strategic planning and innovative HRM practices will be pivotal as Indian Inc. embarks itself on the global journey.

NATURE OF GRIEVANCES

In an organization a grievance may be presented by an employee or group of employees, with respect to any measure or a situation that directly affects the individual or is likely to affect, the conditions of employment of many workers .If such a grievance is transformed into a general claim. Either by the union or by a group of employee's .then the claim falls outside the scope of grievance procedure as it is a collective grievance and therefore it falls under collective bargaining. In grievance procedure, A survey of practices in industries in India .It is classified in to 19 causes of employee grievances have been outlined they are

1. Promotions
2. Amenities
3. Continuity of service
4. Compensation
5. Disciplinary action
6. Fines
7. Increment
8. Leave
9. Medical benefits
10. Nature of job
11. Payment
12. Acting promotion
13. Recovery of dues
14. Safety appliance
15. Super Annuation
16. Suppression
17. Transfer
18. Victimization
19. Condition of Work

The international labor organization (ILO). Clarifies a grievance as a complaint of one or more workers with respect to wages and allowances. Conditions of work and interpretation of service stipulation. Covering such areas as overtime leave transfer, promotions, seniority, job assignment and termination of service.

DIFFERENT APPROACHES

(1) Approaches to deal with Discipline

This approach tends to emphasize the coercive and punitive methods that fall within the legal constitutional frame work .It may not always be realistic.

(2)Judicial Approach

This is only an after effect approach .it follows the law of natural justice and provides the offender all possible opportunity to bring out his side of the case. This is a time consuming process and conducive climates are not restored.

(3)Humanistic Approach

It lays emphasis on a healthy inter personal relationship between the employer and employee. Corrective steps are taken in helping the employees to get over their difficulties and to the extent possible .punitive actions are avoided in spite of some perceived inconsistency that may exist among other workmen.

(4) Human resource development (HRP) Approach

Keeping in mind the theory Y and its implications organizational goals have to be enhanced through adequate training motivational patterns and personnel policies. Groups are used as influences and often made to act as catalyst to emulate norms of behavior. Likewise, the effectiveness in maintaining discipline is also possible through the process of leadership. A leader has to exhibit mutuality of interaction, persuasion, highly interpersonal in his relationships and get him involved and should expect participation from others to achieve the organizational goals and bear in mind not to indulge in favoritism while taking appropriate actions.

To avoid displeasure among the employees while enforcing discipline, it would be a desirable course of action if only one employee has his diagnostic skills and intervention skills. If a change is to be expected in an individual's behavior, some amount of influence had to be exercised in order to create a congenial atmosphere.

MANAGING GRIEVANCE

In a democratic set up any employee should be in a position to express his dissatisfaction, whether it be a minor irritation, a serious problem, or a difference of opinion in the work assignment or in the terms and conditions of employment. The feeling of discontent or dissatisfaction becomes a complaint when (a) it has not assumed (b) the matter has been presented in a highly informal way. A complaint turns into a grievance when (i) there is a feeling of injustice (ii) expressing the feeling formally, either verbally or in writing and (iii) it is related to policies, procedures and operations of the organization. The national commission on labor (1969) for example defines grievance in the following way:

“Complaints affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharge would constitute grievance. Where the points at dispute are general applicability or of considerable magnitude they will fall outside the scope of this procedure”.

METHODOLOGY

Hindupur is a beautiful town situated near to Bangalore (Metropolitan city) in Anantapur district, Andhra Pradesh. Hindupur is the second biggest town in the Anantapur District and also Mandal Headquarters. Being a centre of trade, commerce and major business centre, well connected by railways and road Transport. There are three spinning mills. The nearby villages and outskirts of Hindupur are very famous for their Silk saris and iron industries. As of the 2001 India census, Hindupur had a population of 125,056. Males constitute 51% of the population and females 49%. Hindupur has an average literacy rate of 62%, higher than the national average of 59.5%: male literacy is 69%, and female literacy is 55%. But as usual summer is hot here. It is a major hub of industries and agriculture. Its exports are Cotton and Iron etc. The data has been collected through primary (Survey) and secondary data (Internet) and analyzed by using tables and percentage of 30 sample size at Wipro infrastructure Engineering Pvt. Ltd., Super Spinning mills Ltd. and Exel rubber (I) Pvt. Ltd.

OBJECTIVES OF THE STUDY

1. To study the current grievances' in the organization.
2. To find out the reasons for grievances.
3. To find out the suitable actions to avoid grievance.

Sampling design:

The present study attempts to probe into the problems and difficulties in the way of HR roles in bullying issues at organization with the help of statistical tools such as, percentages and simple averages.

For the purpose of the study, 30 employees were selected in the Wipro Engineering Manufacturing Pvt. Ltd. Super Spinning Mills Pvt. Ltd. The study is based on primary data and secondary data. Primary data were collected with help of a well structured questionnaire. Secondary data were collected from the internet & literature on the topic.

Questionnaire:

Educational Qualification of the respondent?

- (a) BE/B.Tech
- (b) Diploma

(c) Post Graduation

(d) SSC and below

Sl No.	Particulars	Response	Percentage
1	BE/B.Tech	10	33.33
2	Diploma	10	33.33
3	PG	5	16.67
4	SSC and Below	5	16.67

Source: Survey

Majority of the employees belonging to the technical background are 20, post graduation are 5 and below the secretariat level are 5.

1. Do you think bullying issues in the organization will affect the employee performance?

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	10	33.33
2	No	20	66.67

Source: Survey

It is found from the above analysis that the bullying issues in the organization will not affect the employee performance.

2. Taking Disciplinary actions and laying fines is prompt in organization?

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	15	50
2	No	15	50

Source: Survey

As per the above it is analyzed that there are 50-50 chances for taking disciplinary actions and laying fines is prompt in organization.

3. Does every organization follow the rules and regulations of ILO?

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	25	83.33
2	No	5	16.67

Source: Survey

Majority (83.3%) of the employees Say that every organization will follow the rules of the ILO and only a few (16.67%) of them say that organization will not follow the rules of the ILO.

5. Which of the following approach is more effective?

(a) Legal Approach

(b) Judicial approach

(c) Humanistic approach

(d) Human Resource development approach

Sl No.	Particulars	Response	Percentage
1	Legal Approach	10	33.33
2	Judicial Approach	5	16.67
3	Humanistic Approach	8	26.67
4	HRD Approach	7	23.33

Source: Survey

Out of 30 respondents 10 of them agree that Legal approach is more effective and the other 5 agree that judicial approach is more effective, 8 of them agree with the Humanistic approach and the rest of the 7 go with the HRD approach.

6. In this democratic setup “Are employees feeling free to explain their grievances?”

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	20	66.67
2	No	10	33.33

Source: Survey

The global sourcing of employee as well as more competition in the market is forcing the company to provide independent or democratic set up to retain the skillful employees. Majority of the respondents have felt that the companies providing chances to express their views with respect to grievances and also helpful for taking fair decision.

7. Which of the following is an important grievance in the organization?

(a) Promotion

(b) Transfer

(c) Safety measure

(d) Harassment

(e) Victimization

Sl No.	Particulars	Response	Percentage
1	Promotion	10	33.33
2	Transfer	10	33.33
3	Safety Measure	5	16.67
4	Harassment	2	16.67
5	Victimisation	3	10

Source: Survey

Majority of the respondents (20) says that promotion and transfer are the most important grievance.

8. Promotion and transfer would be the effective measures to avoid grievances?

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	25	83.33
2	No	05	16.67

Source: Survey

Promotion and transfer are the most effective measures to avoid the grievances even the large percentage of respondents (83.33%) are agreeing that.

9. Do you think that manager should participate in the grievance management?

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	20	66.67
2	No	10	33.33

Source: Survey

The manager would be having better managerial skill and participation of the manager will leads to better grievance management. As per the above the number of respondents who agree with this is 20 and who don't is only 10.

9. Do the company have better manpower inventory?

(a) Yes

(b) No

SI No.	Particulars	Response	Percentage
1	Yes	15	50
2	No	15	50

Source: Survey

It is observed that half of the respondents agreeing that the organization has better manpower inventory and the rest of the half don't have the better man power inventory.

10. Awareness about Training and development?

(a) Yes

(b) No

SI No.	Particulars	Response	Percentage
1	Yes	15	50
2	No	15	50

Source: Survey

It is observed that half of the respondents agreeing that the organization has better Training and development and the rest of the half, don't have Training and development.

11. Do you think that documentation of complaints are necessary?

(a) Yes

(b) No

SI No.	Particulars	Response	Percentage
1	Yes	20	66.67
2	No	10	33.33

Source: Survey

Out of 30 respondents 20 of them says that documentation of complaints are necessary and the other 10 of them says that documentation of complaints are not necessary.

12. Is the company maintaining effective Incentive system?

(a)Yes

b) No

SI No.	Particulars	Response	Percentage
1	Yes	20	66.67
2	No	10	33.33

Source: Survey

Out of the selected respondents majority of the percentage(66.67%) believes that the organization is maintaining the effective Incentive system and the rest of the respondents(33.33%) does not believe.

14. Does the organization have victimization safety measures?

(a)Yes

(b) No

SI No.	Particulars	Response	Percentage
1	Yes	18	60
2	No	12	40

Source: Survey

Out of 30 respondents 18 of them say that the organization have victimization safety measures and the rest them say that the organization don't have.

15. Do you think the organization maintaining better appraisal technique?

(a) Yes

(b) No

Sl No.	Particulars	Response	Percentage
1	Yes	22	73.33
2	No	08	26.67

Source: Survey

Effective Performance appraisal will be giving better employee satisfaction and also it promotion based technique. The current performance appraisal used in industries is satisfied according to major respondents.

FINDINGS

The organization should take care of following aspects to develop a culture of trust and confidence upon the employees.

1. Legal approach would be the feasible method of solving the grievances.
2. Disciplinary actions and laying fines may yield equal resolving chance.
3. According to the more number of respondents resolving the grievances will boost the performance.
4. Most of the respondents were having literacy above Diploma.
5. Eliminating the source of the irritation or discomfort being complained off.
6. There is no proper measurement of investigation of the facts and figures.
7. The performance appraisal tool is not much effective in most of the organizations.
8. Lack of proper Documentation of Human resource issues.

SUGGESTIONS

1. Always ensure that the managers involved in the grievance handling procedures have a quiet place to meet with the complainant.
2. Fully explaining the situation to the employee to eliminate any misunderstanding and promote better acceptance of the situation complained of.
3. Try to let employee present their issues without prejudging or commenting.
4. Do use a positive, friendly ways to resolve the crisis than punitive steps, which disturb the system.
5. Be aware of the staff member's potential concerns to the possible repercussions of raising a grievance.
6. Eliminating the source of the irritation or discomfort being complained of.
7. The investigator or decision maker acts impartially, which means they must exclude themselves if there is any bias or conflict of interest.
8. Ensuring that there is proper investigation of the facts and figures related the problem under concern.
9. Consider all relevant information in the investigation process.
10. Try to get a better idea of whether the alleged discrimination or harassment happened or didn't happen.
11. Grievances are preferably to be settled informally at the level of the employee's immediate superior.
12. Follow documentation the procedures, of all necessary steps taken to resolve the problem/complaint.

CONCLUSION

To a great extent the aggravation of industrial problems depends on manager's approaches and attitude in effective handling of employees grievances at work place. Care should be taken in the way Legal approaches the problem and perceiving the pros and cons of the situation. The conflict management approaches include the win-win strategy that help in the healthy organizational practices and which reflects the strong organizational culture. The cooperation from both parties is the pre-requisite to handle the problem and effective settlement of the grievances. Conscious use of professional self can help managers in the conflict handling situations grievance redress process.

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QUESTIONNAIRE:

1. Educational Qualification of the respondent?
 - (a) BE/B.tech
 - (b) Diploma
 - (c) Post Graduation
 - (d) SSC and below
2. Do you think bullying issues in the organization will affect the employee performance?
 - (a) Yes
 - (b) No
3. Taking Disciplinary actions and laying fines is prompt in organization?
 - (a) Yes
 - (b) No
4. Does every organization follow the rules and regulations of ILO?
 - (a) Yes
 - (b) No
5. Which of the following approach is more effective?
 - (a) Legal Approach
 - (b) Judicial approach
 - (c) Humanistic approach
 - (d) Human Resource development approach
6. In this democratic setup "Are employees feeling free to explain their grievances?"
 - (a) Yes
 - (b) No

-
7. Which of the following is an important grievance in the organization?
 - (a) Promotion
 - (b) Transfer
 - (c) Safety measure
 - (d) Harassment
 - (e) Victimization
 8. Promotion and transfer would be the effective measures to avoid grievances?
 - (a) Yes
 - (b) No
 9. Do you think that manager should participate in the grievance management?
 - (a) Yes
 - (b) No
 10. Do the company have better manpower inventory?
 - (a) Yes
 - (b) No
 11. Awareness about Training and development?
 - (a) Yes
 - (b) No
 12. Do you think that documentation of complaints is necessary?
 - (a) Yes
 - (b) No
 13. Is the company maintaining effective Incentive system?
 - (a) Yes
 - (b) No
 14. Does the organization have victimization safety measures?
 - (a) Yes
 - (b) No
 15. Do you think the organization maintaining better appraisal technique?
 - (a) Yes
 - (b) No
-

QUALITY EDUCATION THROUGH P³- A STEPPING STONE TOWARDS ENHANCING EMPLOYABILITY

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ABSTRACT

Background: *In ancient India, education was related to the pursuit for knowledge. The Vedic era of Gurukul system saw education being imparted free of cost. With passage of time, universities of Taxila, Nalanda, Ujjain etc., were established to cater to the demand for higher education. In the Pre Independence era (during the British rule) the education structure weakened and the growth of higher education institutions slowed down. Diversification in areas of studies was also limited. Post Independence there was a significant increase in the number of institutions all over the country to generate and propagate knowledge. From 20 universities, 500 colleges and 2, 10, 000 students prior to 1947 to 659 universities, 33, 023 colleges and 25.9 million students in 2011-2012¹(FICCI & EY: Higher Education in India: Twelfth Five Year Plan (2012-2017) and beyond, pg. 08) However, the expansion was chaotic and unplanned. During this phase, most of the universities were Public institutions and they played a dominant and controlling role with a motive to provide easy access to higher education to the Indians. This drive to make higher education socially embracing witnessed a sudden increase in the number of institutions without a proportionate increase in material and intellectual resources. This led to academic standards being endangered and employability factor being ignored. Several other basic problems also emerged like inadequate infrastructure, large vacancies in faculty positions, academically incompetent faculty, de-motivated students, overcrowded class rooms and other rampant imbalances. Apart from this, the system of higher education also faced severe challenges with regard to its regulatory framework, funding and finances. On the other hand if private institutions are entrusted the responsibility of education it would lead to monopolization of higher education, profits would have superseded the quality and noble cause associated to education and employability, dilution of control and many other issues. One of the finest options available is to merge the public- private initiatives to meet these short comings. Hence, the much debated and controversial move of PPP in higher education and its underlying issues will be identified and addressed in this paper.*

Objectives: *a) This paper shall identify possibility of enhancing employability through PPP system of higher education in India. b) The paper shall examine various arguments, cases and recommendations in highlighting the concerned issues.*

Methodology: *This paper is based on research compiled from numerous articles, journals, working papers, statistical data and case laws.*

Results and Conclusion: *The researchers have tried to contribute in a small way to recognize PPP as an option to boost employability through providing quality education. As of now, the PPP projects in education sector constitute only a little over 2.2 percent of the total PPP projects in the country² (as on 31st July 2011). As per the study, PPP was found to be a lucrative opportunity to synergize and build mutually beneficial alliance in the educational field thus paving way for better employment opportunities.*

Key words: *Public Private Partnership (PPP or P³), education, employability.*

INTRODUCTION

“There is a market for education”³ - with several providers ranging from Government institutions, non- profit institutions run by NGO's, for profit institutions, religious institutions, publicly funded institutions operated by private boards and community based institutions.

To promote literacy and to provide easy access to education, several Government institutions were set up across the country to meet educational requirements at all levels (elementary, vocational, higher education etc.,). The disequilibrium between the number of institutions and quality of materials, knowledge imparted and other resources led to depletion in academic standards and falling percentage of employability. The unmet demand for education coupled with shrinking Government budgets, led to a sudden increase in the number of private players in the field of education.

At present 60% of the educational institutions in the country is private catering to 60% of the total student population⁴. No doubt these private institutions share the responsibility of education but tagged along several other concerns like monopolization of Higher education, dilution of control, importance to profits etc., this bifurcated our society into two clear groups on the basis of affordability.

Irrespective of the organizations running educational institutions, statistics show that only 25% of students graduating annually are employable⁵. In addition to this, the HRD Ministry is anticipating to achieve a national

goal of generating 50 crore employable Indians by 2022⁶. At this point, synergy between the public and private bodies seems to be a promising solution to overcome these shortcomings.

PUBLIC- PRIVATE PARTNERSHIP

Public- Private Partnership describes a Government service or Private business venture which is funded and operated through a partnership of Government and one or more Private sector organizations, such schemes is sometimes referred to as PPP⁷ or P3 or P³.

In other words, PPP involves a contract between a Public sector authority and a Private party in which, the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

CURRENT SCENARIO

The HRD Ministry has been deliberating over implementing PPP in higher education in India since 1990s⁸. The topic has been a part of discussion at several seminars and conferences in the education field. However, no consensus has been reached due to several view points and oppositions from educational thinkers that seem to be a hurdle for its implementation. The oppositions related to excessive conditions and regulations for setting up and functioning of education institutions as a nonprofit entity or to permit entry of foreign educational institutions in India.

An article by Venu Narayan⁹ in the Economic and Political Weekly in February 2010 entitled 'The Private and the Public in School Education' said that "The poor quality of the state-run education system has led to demands that the State should withdraw from higher education, and that the government should only fund private initiatives or let the private sector take over higher education with public-private partnership initiatives. However, proper regulation of private higher education and quality-driven reforms in public institutions is a better alternative to PPP."

Another article published in the Economic and Political Weekly in January 2008, by Krishna Kumar¹⁰, entitled 'Partners in Education' says "Public-Private Partnership in education is projected as a strategy to distribute the ownership of institutions, rather than tasks within institutions, between private entrepreneurs and NGOS on the one hand, and the government or state on the other. While the rationale for PPP is inefficiency of the government, the means offered to overcome it actually promise no relief or improvement. PPP is not an idea, but rather an ideology which promotes privatization as a means of reducing the government's responsibility to increase the number of institutions."

Apart from these severe oppositions some of the common misconceptions¹¹ about PPP's are-

- Public Private Partnerships are the same as privatization.
- By entering into a Public Private Partnership, public sector loses control over the provision of services.
- Public Private Partnerships apply only to infrastructure projects.
- The principal reason for Government entering into Public Private Partnerships is to avoid debt.
- Public sector employee will lose under Public Private Partnerships.
- The cost of service will increase to pay for the Private Partner's profit.
- There are only two patterns in a Public Private Partnership.

Despite these challenges the PPP concept in the education sector was and is being explored. Sri. Kapil Sibal, the then Union Minister for HRD looked into setting up 14 Innovation Universities of world class standards under the 11th Five Year Plan using the PPP model. A press note issued on the 15th of September, 2009 (Source: TOI) states that the Government is working on the process of involving PPP model in education sector. During a meeting with Lord Mervyn Davies, the then Minister for Trade, Investment and Business of the United Kingdom, Shri Sibal pointed out that the education sector could see massive growth in the coming years to cater to the rising demand in the education field both in India and abroad.

An order was issued by The Higher Education Department of HRD Ministry on 25th February, 2011 pointing out the Government's decision to set up 20 new Indian Institutes of Information Technology (IIIT's) on the basis of PPP model. As per the approved scheme, the Central, State Governments and industry were expected to

be stake holders in the project. However, this was turned down in the 2013 Budget session in Lok Sabha out of fear of conflict between the welfare motive of the Government and the profit motive of the industry¹².

A master list on PPP projects prepared by the Department of Economic Affairs as on 31st January, 2011 showed that around 27 projects have been undertaken on PPP model basis¹³ in the educational fields across various states of the country. However, a scrutiny of this list reveals that a majority of projects are being experimented at the school level and only a trivial number cater to Higher education. Moreover, these projects for Higher Education seem to focus on developing ICT or infrastructure development only.

The present HRD Minister Dr. M M Pallam Raju has constituted a National Skills Development Agency as PPP collaboration to survive the world wide economic competition. During the sixth Global Skills Summit (GSS), he pointed out that a strong skill training system is required to highlight vocational, educational and training scenario in India¹⁴.

SUGGESTIONS

PPP has ventured into Indian education sector and major initiatives have been proposed for development but they seem to largely focus on funding and financing. However, there are other possible spheres on which PPP assistance could be easily sought which would reinforce quality education that is directly proportionate to employability.

Modes through which, higher education institutions can collaborate with industry may include the following:

1. Academic community generating ideas and acting as incubators to new business.
2. Funding academic and applied research and engaging students for project work.
3. In order to get hands on practice and experience, the students in every semester should be sent for internship in industries so that they can relate their educational knowledge with the reality.
4. Industry can encourage students through educational institutions to be on their campus in the form of Industrial visits to get a practical insight to theoretical aspects taught in class room environment.
5. Industries belonging to specific discipline could be encouraged to set up State of Art Research and Training centers to develop necessary specialized man power.
6. Industries and individuals may be encouraged to channel a percentage of their profits to the education sector without any reciprocation in terms of favors.
7. Industry providing financial and infrastructure support to academic institutions for their development.
8. Guest Lectures by industry representatives and Faculty sharing.
9. Suggestions in curriculum and content designing. Inclusion of industry experts in governing councils and other board of studies.
10. Joint seminars and workshops by academia and industry both for executives and students.
11. Consulting on management and related issues by academia.
12. Executive Education and Management Development Programmes.

CONCLUSION

It is a known fact that in the Indian job market there is a dearth of employable work force. There is scarcity of skilled manpower in every industry, from good carpenters and plumbers to factory workers, doctors, scientists etc..., the Banking industry which is currently employing around 9,00,000 people is expected to increase by 67% approximately over the coming years. Similarly the IT and ITeS industry may need around 8, 50,000 additional skilled manpower. The Retail industry will need nearly 2, 50,000 skilled professionals. Similarly other Industries too have similar requirements¹⁵.

In short, the opportunity before India is huge provided our education sector gears up to take these on. As per the UGC¹⁶ website our country has 45 Central Universities, 311 State Universities and approximately 129 Deemed Universities along with 171 Private institutions. Despite of large number of institutions there seems to be an employability gap which could be bridged by partnering with the Private sector. Education has always played and continuous to play a significant role as change agent. This paper has attempted to extend realistic viabilities

for PPP in Higher education. It is expected that this arrangement will bring radical changes to the employability quotient of our youth.

LIMITATIONS AND RECOMMENDATIONS FOR FUTURE STUDY

The fact that this paper is based on secondary information is a set back by itself. Future research may be undertaken through primary resources which could give a better empirical view to this aspect. Further research may be conducted to help various public and private educational organizations to realistically map the contribution of PPP in imparting quality education and thereby increasing the employability ratio.

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SUSTAINABLE MARKETING - VITAL OR OPTIONAL ?

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ABSTRACT

Sustainability itself has become a hot topic of discussion in today's context, may be in the area of agriculture, forest, trade, industry, service, environment or society. In this research paper, the authors have rightly pointed out the growing importance of sustainability even in the field of marketing for facing the threats and uncertainties, increasing the competitive advantages and core competences and staying in the market for a long time for the benefit of the stakeholders and society. The authors are concerned for the immediate induction and application of major areas like green marketing, consumerism, marketing ethics, corporate restructuring, corporate governance, marketing information system, environmental scanning, strategic alliances and managing cultural diversities in the marketing operations of the organizations irrespective of their size, nature and the place of work. At the end, some pragmatic suggestions have been put forth by the authors to make sustainable marketing more meaningful for the overall development of the organizations.

Key Words: Sustainability, Restructuring, Governance, Alliances

INTRODUCTION

The language of sustainable development is slowly entering into the business mainstream. Involving the use of natural products and energy in a way that does not harm the environment or that can continue or be continued for a long time is the meaning and definition of the term sustainable. Even though the meaning of sustainable development is different to different people, in essence, it is concerned with meeting the needs of the people today without compromising in meeting the needs of the future generations. The so called buzz words like sustainable agriculture, sustainable forest management, sustainable society, sustainable environment and sustainable marketing are becoming very common now days. As the broad view, sustainable development involves the social, economical and environmental outcomes and as the long term view, sustainable development concerns for the interest/rights of future generations as well as people of today by recognizing the need for the people involved in the decisions that affect their lives. Possessing sustainability values can be a successful differentiator to contribute for the growth of the organization.

CORPORATE RESPONSIBILITIES TOWARDS SUSTAINABLE DEVELOPMENT

- To be better equipped for complex, competitive, high velocity global dynamic environment.
- To strengthen company's potential with resource.
- To have sufficient commitment, dedicated approach and loyal workforce.
- To show good amount of professional approach with more rationality and less emotionality.
- To have considerable amount of freedom for decision making.
- To endure positioning through preemptive, defensible and difficult to attack.
- To promote a good market image with holistic marketing principles, with the Mantra, "Do good everywhere, No good nowhere".
- To improve long term impact of one's action on communities, environment and future generations.
- To encash opportunities over time by investigating weak areas by having visionary role and using responsibility accounting.
- To emphasise on Triple Bottom line Principle i.e. People, Planet and Profit where People, part of the equation, comes first.
- To maintain 3S Principle i.e. Self confidence, Simplicity and Speed.

Looking at the above responsibilities of corporate, it can be deduced that the nature and scope of sustainability is more than mere eco-friendly. By embracing sustainability, a manager can avoid the dangers of environmental disaster, political protest, human rights and work place abuses. If not, unsustainability rises.

FIELD OF MARKETING AND SUSTAINABILITY

The marketing manager is broadly responsible for the reputation of the brand on the one hand and responsible to the company, customers, competitors, media, regulators, NGOs and international agencies on the other hand. The manager has to build mechanisms like R&D, market intelligence (feedback) and relationship with stakeholders through CRM, SRM, ERM etc. The manager should search avenues to communicate marketing innovation to customers through advertising and public relations for increasing awareness and generating interest. While developing new products, the manager should have high concern for society and environment.

CONCERN AREAS FOR SUSTAINABLE MARKETING

1. **Green Marketing:** This is nothing but ecological/environmental marketing with a 'Go Green' Mission for marketing green goods and/or green ideas. It includes green segmentation, green positioning, green lobbying, green packaging, eco-labeling, green pricing, green distribution/channel, green promotion, green financing, green processing, societal marketing, cause-related marketing, pollution preventing, waste managing and supporting to environmental causes. It needs to take urgent steps to ameliorate the problems like global warming, acid rain, depletion of ozone layer, air and water pollution, hazardous waste disposal etc. Emphasis should be given to recyclable, reusable, degradable compostable products.

2. **Consumerism:** Consumerism is the shame of the total marketing concept. Therefore, the delivery of right goods to right people on time, in full and with no error through customized products and services by seeing the needs of the consumers is the need of the hour. Sometimes, the spread of consumerism in the society provides an opportunity to the marketers to make themselves correct if at all they are indulged in any type of unfair trade practices with malevolent intention. The inner urge (voluntary adoption) should always be there to take the customers from the stage of satisfaction to the stage of delight because retention of the customers becomes more cost effective than attracting new customers.

3. **Corporate Social Responsibility:** The CSR philosophy motivates the manager to go for public welfare by looking beyond the written code of conduct to perform the business as a social function with more caring and civil minded attitude by adopting and adhering professional ethics, advertising norms and standards, value marketing, sense of mission marketing, consumer oriented marketing. Sense, Serve and Satisfy, the Mantra of 3S model may be practiced for an effective result.

4. **Marketing Ethics:** Ethics gives all efforts for a solid foundation. The principles of honesty, integrity, responsibility, trust, respect, citizenship have to be strongly imbibed to be a good manager for sustainable marketing. The idea is not to go for short term profit but to have long run relationship with customers by reducing the cost and maximizing the delivery. Seeing the business interest not at the cost of environment and society should be the motto. Even toxic waste dumping, trade in exotic, endangered species, and products from such species (Pet Market) should be avoided. Much care should be taken while going for technology transfer. Principles of bio ethics (Trade in organ transplantation, pre-natal diagnosis, abortion and drugs) should not be overlooked. Global warming has now been considered as a global warning for us. Therefore, much of our steps should be towards overcoming the climate change and its negative effect. Even a new area named ethical retailing has emerged to prohibit deceptive claims, price fixing, counterfeiting of products, commercial bribery, trade mark infringement, inventory shrinkage because of employee theft, disclosure of confidential information, deceitful promotional schemes for gaining customers' confidence. The marketer needs to be attentive sensitive and reactive.

5. **Corporate Restructuring:** The 7S Framework model where the organization should give emphasis upon its own strategy, system, style, skill, structure, staff and shared values or super ordinate goals needs proper attention. Reorganizing for achieving efficiency and effectiveness, repositioning the company through reform, rearrangement by selling, divesting, and downsizing, renegotiation with labour, employees and internal customers, refinancing of debt to reduce interest payment, rebuilding public relations, reconstructing through mergers and acquisitions (M&A) and reengineering of different functions of management are some of the efforts required by the managers for achieving sustainability. Added to this, convergence of technologies, deregulation of markets, globalization of brands and consolidation of industries contribute more to fulfill the mission.

6. **Corporate Governance:** CG is gradually attracting public interest too. The common belief is that, CG is no longer optional, rather vital for an organization. Openness and accountability are the governance watch wards and ethical standards are the basis on which lasting governance system is built. The common corporate goal

should be “Prosperity to All” through fair, efficient and transparent administration, by reducing inefficiencies and by including performance orientation, responsibility mutuality and soundness. CG has to be good for sustainable development because good CG is a tool for socio-economic development. 4Ps of CG i.e. People, Purpose, Process and Performance may be the thrust areas inside an organisation to move the people from passive to active, negative to positive and job non-performer to job performer. The CAMEL principle of RBI i.e. Capital Adequacy, Asset Quality, Management, Earnings And Liquidity to upgrade the quality of CG in all banks may also be extended and adopted as a model for bringing reform in other organizations.

7. Marketing Information System: Information is vital to marketing, be it in organizations’ operational level, functional level and strategic level. Therefore, utmost attention should be given in bringing sophistication, perfection and precision in MIS. Time has already come to get rid of marketing myopia and simultaneously to embrace Visionary Marketing. The organizations in today’s business context need marketing intelligence; however, they should be refrained from any type of corporate espionage practices which are highly unethical. Conduct of Test Marketing, relying upon Syndicated Research Firms, periodic scanning and screening of the market and above all knowing oneself through self introspection (SWOT/TOWS Analysis) may increase the intense of sustainability. It should always be kept in mind that managing information leads to managing business and managing future too.

8. Facing Economic Adversity: The Mantra is, face the adversity without losing the hope in hard time. Adversity is a short term phenomenon. It is just like a wave in the sea or a hump on the road. It can be overcome. The only requirement is patience, perseverance and proper management i.e. planning, analysis, implementation and control. Top down review of cash management, management of working capital, reducing expenses, supporting revenue growth, prioritizing growth, maintenance of current business, saving cost by rationalizing IT, improving operational efficiency, terminating high risk contracts, stressing on focused investment programmes and having a transparent and strong balance sheet may be the some of the ways and means to restore normalcy during adversity.

9. Strategic Alliances: The disadvantageous factors of M&A build the rationality for strategic alliances. Today, SA is used both for competition and co-operation. The negative factors like high cost of acquisition, taken over problems of the acquired firms, difficulties in integrating the acquired firms in parent company’s organizational set up and the positive factors like bringing synergy by building Competitive Advantages(CA), Core Competences(CC) and Sustainable Competitive Advantages(SCA) lead the firms of both complementary and competitive nature to go for strategic alliances in the fields of production, operation, finance, marketing, R&D, system etc. in both national and international level. Now days the firms believe that every strength of the company need not necessarily result in CA because strength is an internal aspect while CA is an external competitive aspect. Further the firms are experiencing that a core competence in one area can lead to core competence in many a products. However, an effective SCA should be substantial enough to make a noticeable difference in look, performance, price etc. and sustainable in the face of competitors’ actions and environmental changes. Even though, the focal points for corporate strategies are CA, CC and SCA, the firms of today concentrate more on Distinctive Capabilities (DC) by obtaining patents, exclusive license, tacit knowledge, having and promoting strong brands, maintaining effective leadership, going for team work etc. They are on the verge of building synergy by consciously manipulating DC (which cannot be replicated or replicated with great difficulty) with Reproducible Capabilities (RC) where capabilities can be bought or created by competitors.

10. Organisation Culture: Last but not the least, for better positioning in the market, organizations are giving more weightage to have a strong corporate culture of Openness, Confrontation, Trust, Autonomy, Proactive, Authenticity, Collaboration, and Experimentation (OCTAPACE) for having employee commitment and building a culture of innovation for a passionate pursue of organizations’ cause and mission. The climate and culture should be made conducive and congenial by having a Quality of work Life (QWL) for increasing the interpersonal relationships between the boss and the subordinates, among peers and for achieving group cohesiveness and simultaneously to reduce the rate of employee attrition and to manage cultural diversities.

MAINTAINING SUSTAINABILITY: SOME PRAGMATIC SUGGESTIONS

- To think and contribute about the key issues in one’s own company today, may be in the area of Change Management, diversification, expansion, modernization, etc.
- To contribute to some of the most significant challenges the world is facing today, may be climate change, Bio-diversity, working condition, health, poverty, employment, child labour, human rights, philanthropic initiatives, community development programmes, environmental impact assessment, etc. for long run success of business. If possible, the organization should try to be action oriented by raising the voice in various national and international forums.

- Not to push any unsustainable product, service or life style idea for use or consumption. The industry standard should be set with best product, useful product or cheapest product.
- To understand the paradigm shift in society, like social trends, technological innovations, economic integration, change in taste and preferences, etc. Focus on the rich, but don't overlook/ignore the poor.
- To be careful for any negative portrayal of CSR image in the media. As consciousness is growing, public may be ready to switch brands. Make credible external claims, i.e. no tall talks, no high promises and no misrepresentation of facts.
- The scope for sustainability becomes high when there is a real product/service differentiation. It is essential to bring improvement in product/service to have sufficient edge over others.
- Past performance is the foundation of future success. Therefore, effort should be taken to minimize the risk of corruption or scandal. People trust the companies who live and act with values.
- Corporate Affairs Managers, Brand Consultants, PR Consultants, Ad Agencies should be serious and concentrate more on public association of brands with sustainable development principles. The flow of consumers will be automatic when brand leads.
- To use innovative approach to serve consumer needs. Through reduced price, affordability packaging, new product development, customers' confidence can be gained.
- Through active involvement and participation of staff in community programmes, an organization may build sustainability for a long time.
- Showing voluntary response to government's mandatory/regulatory provisions can be a befitting example for competitors too.
- The ambition of the marketing team and market researchers should align with company's strategies, values and culture to help in delivering sustainable returns to investors and satisfaction to customers.
- Timely dissemination of market information and proper diffusion of knowledge are required to make the consumers aware and educate about the value and impact of their purchasing decisions.
- If possible and available, sustainable development specialists who are expected to act as agents of change for changing the perceptions of others may be appointed.
- Last but not the least, the regular practices of finding models of great men, business tycoons, missionary icons and translating their ideas into practices may help in inspiring others.

CONCLUSION

Sustainable marketing is now the demand of the day and the need of the hour. Going for sustainable marketing is not optional rather vital for today's organizations. The thrust area should always be the company's stakeholders, may it be the investors, customers, suppliers, government or public. It requires a thorough analysis and periodical review of stakeholders' interest, willingness, expectation and relationship to bridge the gap between the performances of the corporate and the perception and expectation of the stakeholders to excel the market vis-à-vis competitors for a bright tomorrow.

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**THE MOST SUCCESSFUL CREDIT COOPERATIVE SOCIETY OF VALSAD DISTRICT : A STUDY
(With special reference to India: Gujrat State in India , Dist-Valsad of backward areas of Taluka
Kaparada)**

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ABSTRACT

There are 2103 co operative societies in valsad district which is boosting the economic growth rate of Gujarat which in return is helping the district. Various Cooperative societies of waroli.Taluka Kaprada hold an important position due to its working activities in kaprada taluka and Gujarat state.

Key word : Profit, Share fund, Loan ,Divident, Audit Grade

AN OVERVIEW OF CO-OPERATIVE SOCIETY IN INDIA

Cooperatives play an important role in the socio-economic development of rural masses. A small beginning was made with the enactment of first Cooperative Credit Societies Act in 1904 and now the cooperative movement has completed a century. In order to increase the tempo of economic development through financial stability of the cooperatives in general and cooperative credit societies in particular, steps had been taken to promote the development of various types of economic activities in the sphere of cooperation both in rural and urban areas. However, the financial stability of these societies has a direct bearing to the extent of mobilization of deposits and the collection of loans before they become overdue. If the overdues are not kept under control, they will have a crippling effect of curtailing the ability of the societies to recycle the funds and expand their business. Co-operatives all over the world have become an effective and potential instrument of economic development. There is not a single major sphere of economic activity which has not been touched by Co-operatives. Co-operatives are also envisaged as an instrument for implementing many important policies like agricultural credit, urban credit, market intervention, price support for agricultural commodities through Co-operative wholesale stores, public distribution system etc.

CO-OPERATIVE SOCIETY OF TALUKA KAPRADA

Different education level of five talukas of dist Valsad of Gujarat can be seen .Base on the education level of the people, a variety can be seen in their languages, culture, living standard etc has undergone a huge changes in last two decades to go. One can not ignore the opportunity in term of trade, religion, heritage, and industry in these areas under study. Even today one can see the presence of traditional as well as modernization touch in the business of these local areas. The areas are surrounded by lush green natural beauty covering the areas by hill. Even till date, many areas are under developed. Due to bad economic condition, many people are still living below poverty line. We find good presence to traditional system of “HAAT” bazaar catching the heart of local peoples. People prefer to visit such bazaar for buying their basic requirement .The political benefits has not reached this areas and that is also responsible for underdevelopment of this areas. Considering all the above mention factors.

REVIEW OF LITERATURE

²⁷Gurumoorthy.T.R (2001) revealed that the loan recovery would contribute to fresh loans that create new business and employment and interest income would meet establishment expenditure and profit requirement of the financial institutions. Sarthak Chowdhury and Prabuddha Ray (2001) found that women were not given equal opportunity in availing credit from the Cooperative Banks. A study conducted by Somorendra Singh (2001) identified that Self reliance, deployment of Resources, Member Utilization, participation and Economic Performance were the criteria for assessing the performance of PACCS.Veerakumaran G (2001) stated that the huge overdue, breaks the recycling of funds and thus adversely affects the profitability of the banks. Ravi Verma S (2003) revealed that among the different categories of the farmers, large and medium farmers are provided disproportionately higher amount of credit than their corresponding share in the number of accounts.

²⁷AN ANALYSIS OF FINANCIAL PERFORMANCE OF SELECT PRIMARY AGRICULTURAL COOPERATIVE CREDIT SOCIETIES IN METTUR TALUK,SALEM DISTRICT -Dr. T.Thirupathi, www.researchfront.in

Mariappan,V (2003) indicated that 75 percent of deposits come from high cost schemes such as fixed deposits, deposits doubling schemes etc. The Report of the Task Force on Revival of Cooperative Credit Institutions (2004) pointed out that the low recovery of loans obviously affected the profitability of the institutions and poor loan recovery had resulted in a peculiar phenomenon, often referred to as imbalances. Mishra J.P. and Maurya S.K (2005) expressed that agricultural credit disbursed by coopearatives in Gola block of Gorakhpur District has increased production, productivity income and employment of borrowers in crop and milk production. Shacheendran V. (2007) indicated that Cooperatives showed a better performance in issuing Kisan Credit Cards than RRBs (Regional Rural Bank) and CBs (Commercial Bank). Deepak Shah (2007) made an attempt to measure the viability of PACCS during pre economic reform period and the post economic reform period.

OBJECTIVE OF THE STUDY

4. To study the financial Performance of the selected co operative credit society.
5. To analyze the of selected Co operative society.
6. To suggest measures for improving the performance of Cooperative Societies

RESEARCH METHDOLOGY

The study is based on secondary sources only. The secondary data were collected from , Co operative society Waroli,Tal-kaprada Dist : Valsad, And personal Meeting sof cooperative society's Manager Mr.Nathubhai A.Dalvi.The study period was during the Year : 2008-9 to 2012-13.

FINANCIAL ANALYSIS OF CO OPERATIVE SOCIETY

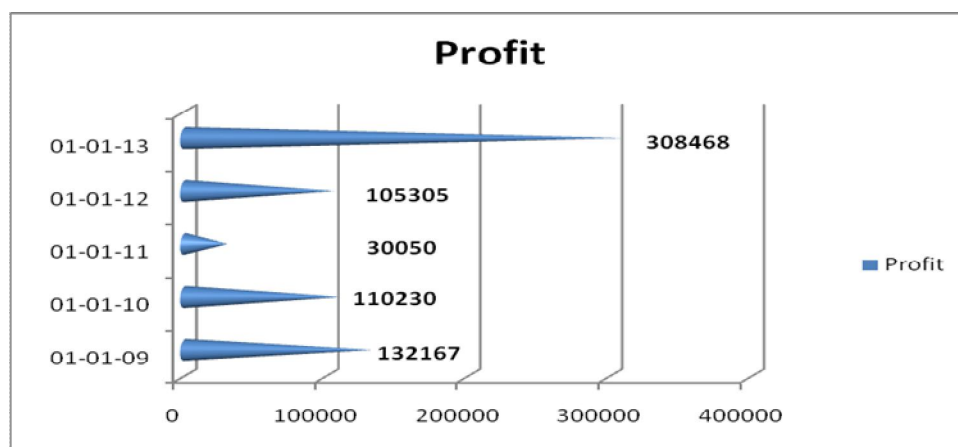
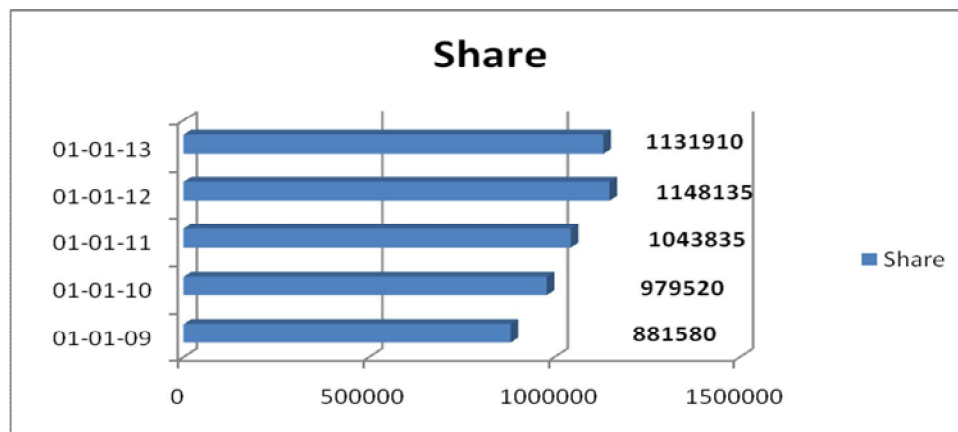
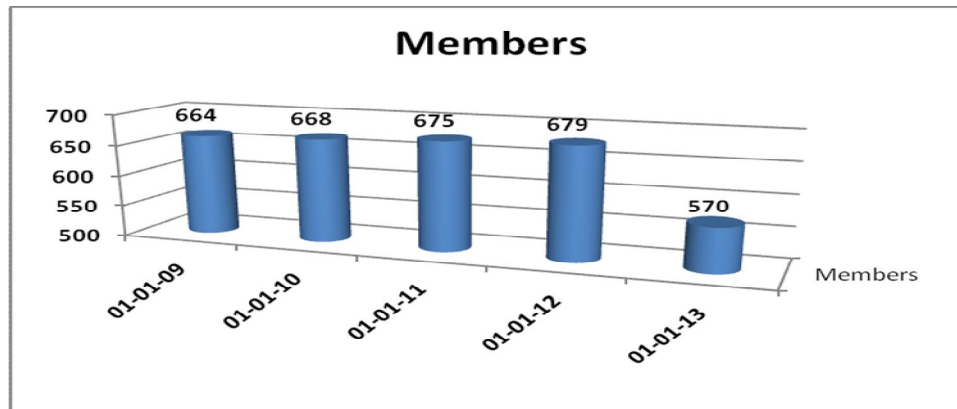
The Coopearative activities in the state of Gujarat holds a substatiol place in india. Cooperative activities have played a major roll in increasing the production of goods and services which in return has benifited economical, industrial, agricultural field in Gujarat, at present 67,135 Cooperative societies if Gujarat are working progressively, which is also benefited the common people by employing about 1 crore 50 lacs people. There has been tremendous growth in economy and society with the help of co-operative society.

There are 2103 co operative societies in Valsad district which is boosting the economic growth rate of Gujarat which in return is helping the district. Various Cooperative societies of Waroli.

Following table show The Financial Position Cooperative society Waroli, Taluka Kaprada :

No.	Particular	31-03-2009	31-03-2010	31-03-2011	31-03-2012	31-03-2013
1	Members	664	668	675	679	570
2	Share	881580	979520	1043835	1148135	1131910
3	Researve	1261373.80	1303713	1527177.80	1639272.97	1679168
4	Other fund	1516174.64	1674044.59	1818435.47	1966594.45	2137641
5	Loan	8375860	8801847.30	9905005.30	7455278	11873566
6	Collection	7510788	7867610.15	10038586	6056460	11100381
7	Profit	132167	110230	30050	105305	308468
8	Divident	8 %	6 %	-	6 %	12 %
9	Audit Class	A	A	A	A	A

Source : Financial Statements data of cooperative society.



Taluka kaprada hold an important position due to its working activities in kaprada taluka and Gujarat state, which can proven by the following activities mentioning :

- The cooperative societies established on 2-12-1953,completing their 59 years in the same sector.
- The cooperative society was itself founded by the pure sipporters of mahatma gandhi.
- Inspite of going through financial loses, they kept the pillars of the co operative society still and standing.
- From the time it was founded, they gave equal chance to the people for its membership and it is noticable that every year there is increasing the number of members,which at present 679.
- After auditing their work and performance, they are rewarded with ‘ A ’ Grade every year.
- Taking its progress in to note the cooperative organisation of Gujarat has awarded these society with various awards such : At district level, they achieved first position five times .second position four times, and third position for once.

- Note only helping the common man in india directly, they help the milk cooperative society being at 85 lacs. has been increased 1 about 1 crore in two years. This itself proves that the cooperative society is inded doing a great job.
- Co operative society provided a credit as loan to the members (Farmers) of Rupees 50,000 to 1 crore, which they deposite the loan before time period ,they are benefited at 3 % rebate in their bank account.
- Keeping the fund safe and sound,the co operative society deposite the money in the bank which in turn helps the co operative society by getting interest on the funds deposited.
- Co-operative good job is also reflected on the detail of village progress fund.
- Helping the people the co operative has also established a liabrary which highlight that they want to develop education and reading habits.
- The Co opearive society are also providing Godown facilities to the farmers of the villages, which help them to store their goods and protecting it from getting damaged. They also help the farmers till the end by benefited to the common man and mainly the ‘ Farmers ’
- They provide credit facilities to the farmers few years ago, the credit was none other than food grains and which helped the farmers from merchants blackmailing.
- Poultry is also being taken care of in the village with the help of these co operative society funds. this provides farmers with fertilizers free of cost and thus improving the quality of land and also producing bio gas by gobar gas plant.
- Co operative society provides quality goods at the least price possible in fair price Shops.
- In the broder sense, the co operative society has invested its funds and loans given to major cities and which in return gives interest to the co operative society,this also points to the intelligent /smart work.
- Looking at improwment in co operative society of varoli village, other co oprative society in valsad are gaining their dadication and passion to be like that village.

CONCLUSION

It can be concluded from the study of 5 financial periods of Co operative society ,Waroli in Kaprada taluka that the maximum Financial Indicators of co operative society are very good position. From the analysis of main Financial Indicators it is clear that , Detail of Member,Share ,Other Fund, loan,collection,Divident, audit class etc are at a Good position.

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EMPLOYEE RETENTION MANAGEMENT
“TALENT ACQUISITION AND RETENTION STRATEGIES IN IT COMPANIES”

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ABSTRACT

Talent strategies focusing on acquisition and retention are making an impact on organisational development. Companies vying among themselves to unearth talent and employing them is not a new phenomenon, employers know that attracting outstanding talent is basic to the success of their companies .but what is necessary is that, the searching for talent must be comprehensive and a system approach for recruitment and retention of candidates be followed .Now a days HR managers are facing problem in retaining their knowledgeable resources. This paper endeavors to provide an insight in to how companies for tenant by adopting necessary changes in management .organization design and HR Policies in a way that can turn the companies in to a magnet for top performer.

Keywords: Talent Management, Retention strategy, Acquisition

INTRODUCTION

Human resources have a compelling mission to provide “value added” services. However, this expectation is often hard to describe. Furthermore leaders are asked to provide “line of sight” plans that support institutional strategy and challenges; again, not an intuitive task. It perhaps, more clarifying to examine effective, leading – edge practices that have been or could be put in place that deliver on the promise of excellence in human resource management. Here, some successful strategies are examined in the areas of talent retention, growth and employee engagement. The human resources profession is one often perceived by those outside the function as a bureaucratic, compliance –driven, administrative function that is reactive versus proactive and that changes at the speed of a rock in most of the organizations, that perception is one well-earned ,since most HR processes and policies are developed in response to significant event and are intended to limit certain behaviors instead of enabling others.

Historically organizations have not treated the recruitment process as one of strategic importance, but later many are now waking up to the reality that the world has changed dramatically. No more can the organizations pick and choose between several great candidates for one position. Several changes in our connected world talented individual looking for a new opportunity.

The new age economy ,with its attendant paradigm shifts in relation to the human capital, in terms of its acquisition, utilization, development and retention, has placed a heavy demand on today’s HR is expected to comprehend , conceptualize, innovate ,implement and sustain relevant strategies and contribute effectively towards giving the company its wining edge. These efforts on the part of the company have resulted in recognizing talent as priority of the company edge and talent becoming a strategic priority.

TALENT MANAGEMENT

Talent management refers to the skills of attracting highly skilled workers of integrating new workers, and developing and retaining current workers to meet current and future business objectives. Talent management in thus context does not refer to the management of entertainers. Companies engaging in a talent management strategy shift the responsibility of employees from the human resources department to all managers through out the organization. The process of attracting and retaining, profitable employees, as the war for talent management is also known as HCM (Human capital management)

Retention strategy

HR can assist the organization in identifying its high achieving strategies and core performers .It can coach local academic and operational leadership in the conduct of retention interviews, which include one on- one meetings with high performers to assure that the individual understands that his or her performance is highly valued and to discover how the organization can best support the performers continuing future engagement and success.

DEVELOPING AND RETAINING TALENTS AS HR ROLE

The modern organization depends on the quality of its employees. The modern organization invests in to the development of employees .the hr role is in identification of the best development opportunities of employees. HR identifies the needs of mangers and the organisation. HR works with the business strategy and identifies gaps in the organizational design. The employees have to be prepared for the coming challenges, and they have to be trained

HR is responsible for finding rich sources of talent, and it is responsible for setting talent management programs. The success of hr is measured by the turn over and fluctuation of top talents. The retention of the top talents in the organization

CREATING AND EVALUATING TALENT MANAGEMENT SUCCESS

In order to set and evaluate talent management priorities, begin with how the organization hopes to describe its human performance capabilities and capacity in the future .these descriptions will usually be focused on organizational strengths and areas of distinction both current and developing Plan Numerically define strategic strengths and competencies needed to achieve organizational expectations.

1. Set goals that result in closing gaps in current competencies.
2. Set specific targets based on adaptive competencies that must be acquired
3. Determine metrics that will demonstrate “bench” strength needed.
4. provide measurable (cost benefit analysis) business plan proposals that demonstrate the value Hr proposes as initiative to supply and support the performance chain
5. Clarify executive endorsement among the possible HR initiatives

SET GOALS

Identify specific, measurable goals that will predict success.

Demonstrate the line of sight established between needed organizational outcomes and HR initiatives.

INVEST

Clarify how HR will realign generalists and specialists efforts to serve these initiatives.

Realign HR’S budget to serve talent management initiatives.

Take responsibility for growth by substitution and seek based funding.

PERFORM

Integrate HR’S initiatives and budget to achieve intended organizational performance.

Deliver on initiatives as planned, on time and with in budget.

Report progress in annual HR reports and in the human capital plan.

MEASURE

Compare outcomes to predictions, for instance

Core skill areas are experiencing higher retention than the rest of the organization.

Core skill areas are compensated at or above the target relationship market

Perform in core areas excel.

High performers in core skills areas report higher than average employee’s commitment

Internal promotion rates in key performance areas are higher than average

Strong career communities have been established in core competency areas.

STRATEGIES FOR RETAINING TALENT

1. Effective performance management
2. Career development opportunities
3. Work-life balance

METHODOLOGY

A well structured questionnaire was used, which covered the following topics; education , job position, sources of recruitment and process retention strategies, opportunities for talents and retention strategies.

OBJECTIVES

1. To know the recruitment process of the companies.
2. To know the importance of head hunting
3. To identify the sources of recruitment at higher positions of the companies
4. To know whether the company gives opportunities to employees to share ideas, participate in decision making and take suggestions from employees.

5. To identify whether the companies are successful in recognizing and retaining talent.

The sample included 18 respondents who are working in different organizations of software industry. The respondents were HR department heads and well experienced in HR practices Hence was been able to collect the data

ANALYSIS AND INFERENCE

1.Reporting managers

General manager	3
Managing director	0
Immediate Managers	15

Immediate manager are the most responsible person as most of the companies employees are reporting with them.

2. Head hunting as a source of recruitment

Yes	9
No	9

Most of respondents reveal that head hunting is a major source of recruitment. But some companies principles will not allow recruiting through head hunting .

3. Recruitment tracker

Yes	15
No	3

Most of the respondents companies maintain recruitment trackers because of its 10% transparency and it is easy to keep complete record.

4. Post interview strategies adopted in organization

Putting potential problems on the table	6
Traveling with the finalist for top position	6
If any , please specify	

Companies follow many strategies while interviewing. But to select for higher post they will put potential problems in front of prospective employees and also they travel with them to know about their potentiality.

5. Hiring and selection process

Focusing on objectivity defined success behaviors (job competencies)	6
Asking only open ended question, following by listing and encouraging	15
Using a common tool and process(to ensure cross interviewer consistency)	6
If any, please specify	

To hire a talented employee the process of recruitment plays a major role as the employees using various techniques and strategies to have talents. Among that they focus on objectivity defined and also the candidates will be asked open ended questions through those communication skills, presentation skills, decision making process.

6. Relationship between manger and employee

Excellent	6
Very good	12
Good	0
poor	0

Employees and mangers have healthy relationship and it helps to share the ideas and suggestions.

7. Rewards and recognition for the achievement of the employees

Yes	18
no	0

Company gave importance to employees as they are assets of the organization. Companies are providing incentives, awards, rewards.

8. Employees satisfaction with the facilities provided by the organization (cafeteria, transport, other corporate services)

Yes	15
no	3

Now a days employees are provided with healthy working environment and also facility which fetch to motivate employees

9. Company measures the performance of talents

Yes	18
No	0

Companies are measuring performance of talents for many reason take to reward, appraise, to encourage motivate them to continue with the better performance.

10. How employees of respondent companies differ from others

Highly satisfied	9
Prefers to work long period	9
Stressful working environment	0

Respondent organizations employees are highly satisfied and they prefer to work for long period, as it provides opportunity for growth and development

11. Efforts of organization in stop talented employees from resigning

Yes	15
No	3

Companies are putting efforts to stop talents from resigning when the employees are leaving organization it is employers responsibility to stop them specially the talents. From the survey it is found that most of the companies try to stop talents from resigning through interviewing them to know the reason behind that decision and if it is regarding monetary rewards they will take decision with the company norms.

12. Efforts to recognize talents

Yes	15
no	3

Companies put efforts to recognize talents, but few companies doesn't bother and they treat talent and common employees same.

13. Retention strategies adopted by companies

Recognizing and supporting talents	6
Performance appraisal	3
Retention bonus	6
Providing opportunities for growth and development of talents	6

Most of the respondents are accepting that company is taking necessary steps to retain the best employees through different methodologies.

14. Opportunities of talents to share their ideas at work

Yes	18
No	0

Companies provide opportunities to talents to share their ideas with management which can be taken in to consideration.

15. Talent participation in management decision making process

Yes	12
No	6

Some organizations provide opportunity to employees to participate in management decision making process. But some management will not allow employees in any management decision making processes because of secrecy.

16. Management preference in employee's suggestion at work

Yes	18
No	0

Companies listen to employees suggestions at work place, if it is within the norms of company they will consider.

CONCLUSION

The study was undertaken with the objectives of examining the company's strategies and to retain talents. An effective retention strategy begins at the earlier stages of selection and recruitment. But this practice makes it difficult to retain top performers to retain top talent in future , executive will need to clearly identify develop involve and recognize key people . The best way to retain is to provide work motivation job satisfaction treating the employee with significance, being predictable with systems and practices that are lot bent or changes to accommodate any individual at any time may help retention.

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ENHANCING THE STRENGTH PROPERTIES OF CONCRETE THROUGH ACTIVATION TECHNIQUES

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ABSTRACT

As a green building material fly ash is advantageous to solve the questions of environmental protection and energy conservation. This research paper presents the importance of fly ash in concrete and its reactive mechanism with cement at the time of producing C-S-H gel. This paper describes about the strength development is attributed to concrete through activation techniques like chemical activation, mechanical activation, thermal activation. The mechanisms of all activations and their activators, various properties like characteristic compressive strength, durability, bulk density and young's modulus that took changes during their activations are discussed. The graphs and composition tables are plotted with respective to the analysis.

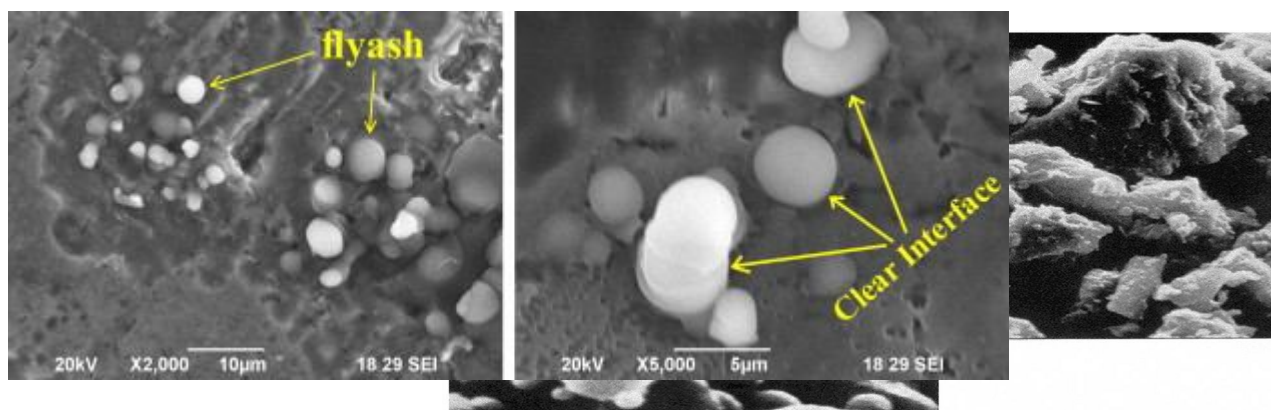
INTRODUCTION

Global Scenario

Concrete is the most important and widely used construction material in the world. Over 10 billion tons of concrete are produced each year. . The most common waste/by-product materials that have found acceptance in concrete are fly ash which is a residue from coal-burning power plants, ground granulated blast-furnace slag which is a waste product from steel production, and silica fume which is a by-product of the semiconductor industry.[1] Among these cement replacement materials, fly ash is the most widely used supplementary cementations material in concrete.[1]

About Fly Ash

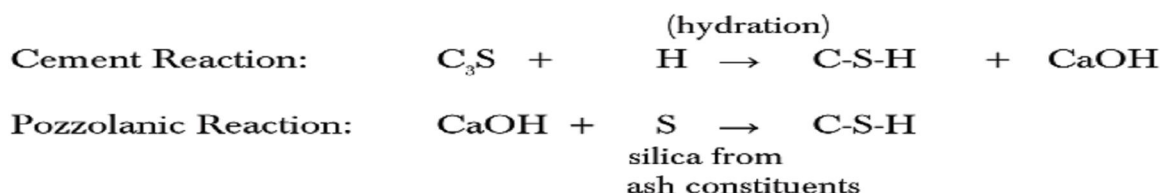
Fly ash is the finely divided residue that results from the combustion of pulverized coal and is transported from the combustion chamber by exhaust gases [2]. Fly ash is a pozzolonic material widely used as a mineral admixture. In the case of a highly reactive ash it may replace 20 to 30% of the cement.



Microscopic photographs Clear Interface Diagram of fly ash (left) and Portland cement (right).

Reactive Mechanism:

In short view:



In detailed view:

OPC + Water \rightarrow Calcium Silicate Hydrate + Calcium Hydroxide

OPC-Fly Ash Mix + H₂O \rightarrow Calcium Hydroxide + Fly Ash \rightarrow Calcium Silicate Hydrate.

Chemical Composition of fly ash and quicklime is given in Appendix table. 1

LITERATURE REVIEW

Various Techniques of Activation:

There are mainly three techniques for Activation of Fly ash. They are:

1. Chemical Activation.
2. Mechanical Activation.
3. Thermal Activation.

Chemical Activation of Fly Ash:

Definition of Chemical Activation:

Chemically activation of fly ash is nothing but to activate fly ash constituents chemically to produce a material that has binding properties.[1]

In general Fly ash and slag typically are rich in alumina and silica, when used as part of normal concrete, fly ash reacts with calcium hydroxide produced from cement hydration to form secondary hydration products that results in better material properties.. [1]

Activators namely:

Alkali's such as Sodium Hydroxide (NaOH), Sodium Silicate (Na₂SiO₃) and alkaline solutions made with NaOH, KOH , water, glass etc. having a very high OH⁻ concentration. When activated by alkalis they are referred to as geopolymers or alkali activated cements [1][5]. The use of chemical activators can significantly accelerate the pozzolonic reactions between flyash and lime, and increase the strength development rate around 1431 (psi)[ref.1] and ultimate strength of hardened materials containing flyash[6].Sodium carbonate alone show very weak activation effect but a mixture of sodium hydroxide, sodium carbonate and calcium hydroxide will produce much improved strength. Nitrate salts of calcium, sodium and ammonium show a low activation effect. Of all the activators studied only the sodium hydroxide in low concentration meets or exceeds the performance of 100% OPC [3].

Methods of Activation:

Numerous investigators have utilized chemical activation to activate flyash systems Two different methods commonly utilized include alkali-activation and sulfate-activation. Alkali-activation involved the breaking down of the glass phases in an elevated alkaline environment to accelerate the reaction whereas sulfate activation is based on the ability sulfate to react with aluminium oxide in glass phase of flyash to form sulfates that contributes to strength at early ages. The possibility of flyash activation mainly lies in the breaking down of its glassy phases.[7] So, the alkaline solution-to-flyash weight ratio, alkali activated concentration and flyash content in different percentages were varied to determine their effects on the compressive strength of concrete mixture at different curing temperatures and standard design mixes.[1][3][5][7]

Reactive Mechanism of Activation of Fly Ash with Lime:

Quick Lime (CaO) + H₂O \rightarrow Calcium Hydroxide

Quick Lime + Fly Ash + H₂ \rightarrow Calcium Hydroxide + Fly Ash \rightarrow Calcium Silicate Hydrate.

Transformation of fly ash into CSH in an APC-based Environment [4]

The reaction of fly ash with lime results in an immediate improvement of the soil's mechanical properties during stabilization. It reduces the moisture content of the soil, which has a fast stabilizing effect, increases soil pH, preparing a condition for secondary pozzolonic reactions and also it produces heat, which accelerates the chemical reactions.[8]. Flyash, when used in combination with Lime Kiln Dust acts as mineral filler to fill voids in the granular pulverized pavement mix and hence reduces the permeability of FDR(Full Depth Reclamation) stabilized base layer. So here Class-F flyash acts as chemical stabilizer for FDR work. Obviously usage of Lime-activated Class-F flyash in full depth reclamation and asphalt pavements increased.[9]

Mechanical activation of fly ash:

Definition:

Increasing reactivity and accelerate the process of fly ash activation by grinding and ball milling fly ash is called mechanical activation of fly ash.

Mechanical activation, which is based on the fact, that smaller grains are more active and ensure higher density of cement stone. Fly ash of smaller fractions shows more advantageous chemical and morphological properties. This grinding and ball milling is the procedure to break or cut the fly ash particles into small, very fine particles. Reduction in the size of fly ash particles by increasing the time of grinding is shown in the graph (refer appendix graph 1) [11]. Increasing of specific surface area of fly-ash due to the increase in grinding time is shown in the table (refer appendix table 2) [10]. Specific surface area is inversely proportional to the particle size so that by grinding particle size decreases and specific surface area increases [12] .

Compressive strength after 7, 28, 60 and 90 days was tested on three cubes of each mix-design. Results are figured out in table (refer appendix table 3) [10]. Compressive strength of mix designs with fly ash of lower specific surface did not change between 60 and 90 days. Compressive strength of mix-design PP 405 even decreased by 2 MPa during this time. Strength of other mix designs grew in this period. Even though increasing specific surface of addition increases strength of hardened concrete, fineness close to fineness of cement seems to be most appropriate. Development of strength of concrete with fly ash in time is advantageous, in particular because of economical gains of long-term strength.

Durability: Addition of fly ash in concrete increases the density of concrete. Increase in the surface area of fly ash increases the density of fly ash, so mechanical activation of fly ash leads to densification of concrete. Dense texture is the factor for reduction of alkali aggregate reaction so durability of mechanically activated fly ash concrete is more when compared to fly ash concrete.

Setting time: Setting time of concrete decreases due to increase in milling (grinding) time of fly ash. This is shown in appendix graph 2 [33] in the form of graph

Bulk density and Young's Modulus: Variation of bulk density and young's modulus are shown in graph (appendix graph 3) [33]

Thermal activation of fly ash

Introduction: In recent years changes at fossil fuel electric generating stations have been made to meet regulatory emissions standards. These changes can result in higher level of carbon and ammonia in fly ash. Higher levels of carbon are detrimental to air entrainment in concrete and ammonia may produce unacceptable levels of ammonia emission from the concrete(13). Ensuring changes in coal combustion products have prompted technological developments to maintain sufficiently low carbon and ammonia levels in fly ash for acceptability in its primary market- a pozzolan in market.

Mechanism: Test samples were prepared with different ways of fly-ash alkali activation. The first way of alkali activation is preparation in heating chamber at temperature 80°C for 24 hours – it is marked as heat cured samples. Second way of activation is at temperature 20°C – it is marked as ambient cured samples. Effect of grinding was confirmed in both events. The growth of compressive strength was negative, because of shrinkage (14).

Compressive strength of fly-ash pastes: Heat cured samples were measured after 7, 14 and 28 days. So prepared samples have approximately 80-90% value of their final strength characteristics after finish of heating. After 28 days is value of compressive strength constant. Ambient cured samples were measured after 14, 28 and

90 days. So prepared samples have after 28 days approximately 60% value of their final strength and after 90 days is value of compressive strength constant.(appendix graph 4)

For compressive strength development in time is for ambient cured samples typical long time period to reach the final physical-mechanical characteristics. Therefore was measurement focused on compressive strengths after 14, 28 and 90 days, that it is possible consider as final value(14).(appendix graph 5).

CONCLUSION

In general terms, the activation process of fly ashes allows getting a material with similar cementing features as the Ordinary Portland Cement. After a detailed study on activation of fly ash namely three techniques are most likely prevailing. They are Chemical Activation, Mechanical Activation and Thermal Activation. When fly ash is activated by using activators like NaOH, Na₂SiO₃ and solution made with NaOH, KOH, water glass etc, it is said to be Chemically activated. Increase in the surface area of fly ash which was done by piercing equipment's and mechanisms like ball milling, it is called Mechanical activation. Whereas in Thermal activation, the fly ash is heated at several degrees of temperature and hence activation is done. The chemical composition of fly ash and quick lime were detailed. The properties like compressive strength, durability etc of activated concrete shows a very better results.

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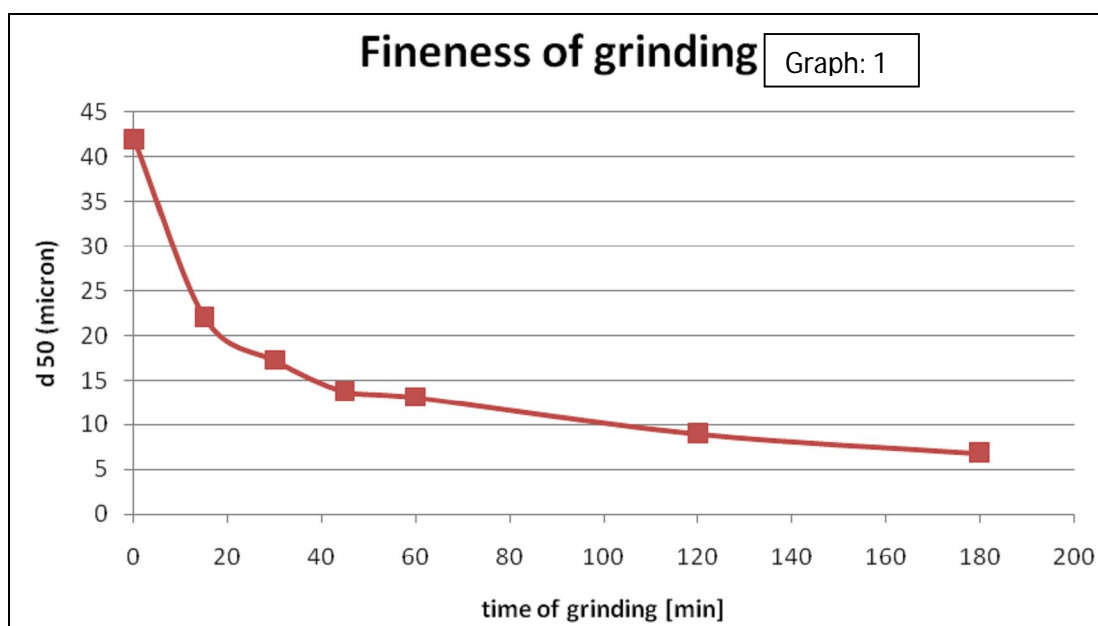
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APPENDIX

	% of Constituent Materials			
	Cao	SiO ₂	Al ₂ O ₃	other
Fly Ash	1.57	51.56	27.60	19.27
Quick Lime	56.52	2.13	0.50	40.85

Table 1

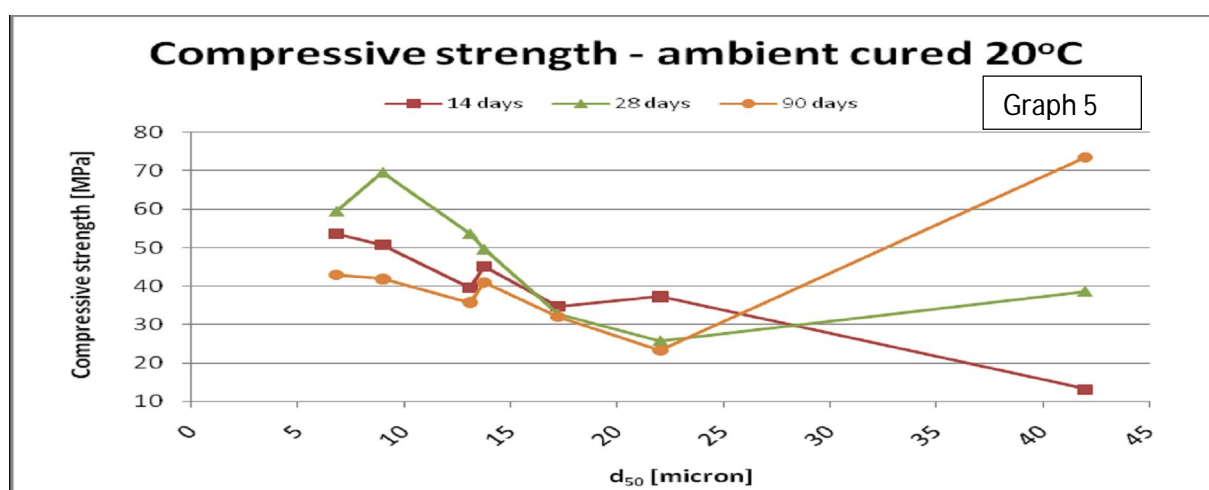
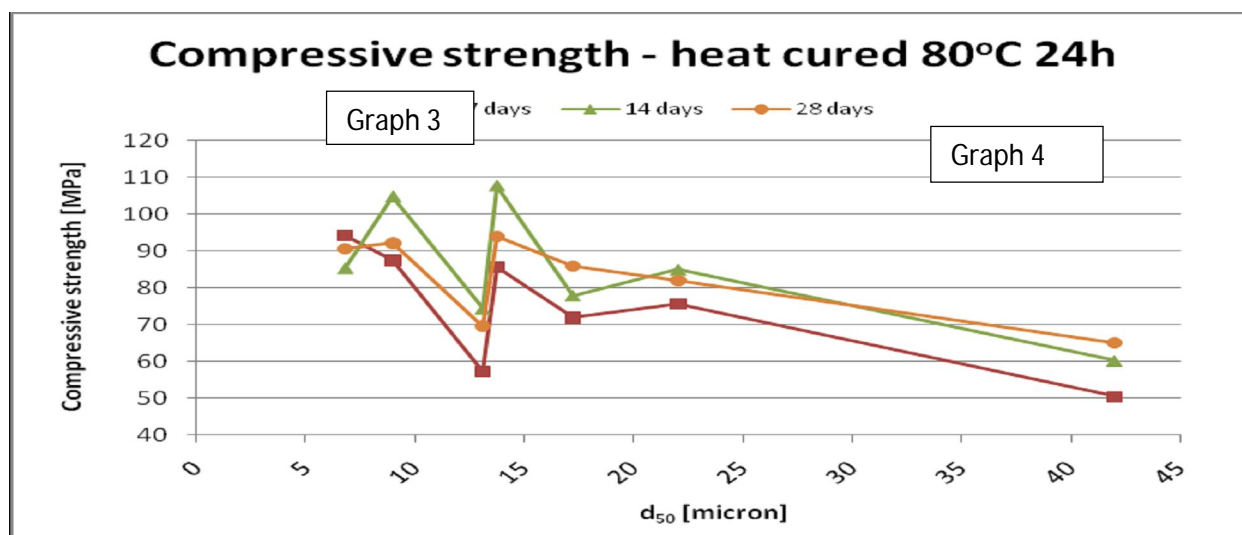
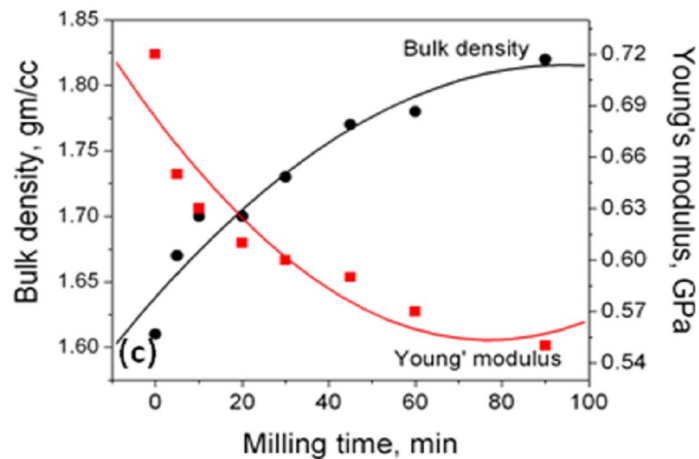
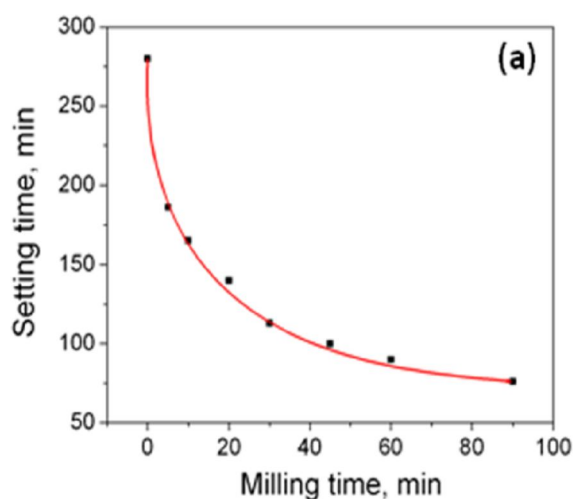


Age	7days	28days	60days	90days
Fly ash input	36.5	47.5	61.0	61.5
PP270	35.5	50.5	62.0	62.0
PP345	41.0	52.0	64.5	68.0
PP405	36.5	53.5	67.0	65.0
PP460	36.0	52.5	60.0	65.0
PP520	43.5	55.0	63.0	67.0

Table 2

	Time of grinding (min)	Specific surface area (m ² m/kg)
Fly ash input	0	216
PP270	20	270
PP345	38	345
PP405	45	405
PP460	60	460
PP520	75	520

Table 3



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