

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 4945 Cities in 183 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	HIGHER EDUCATION INSTITUTIONS PERSPECTIVES ON LINKAGES WITH THE INDUSTRY IN NIGERIA <i>DR. MILINDO CHAKRABARTI, DR. HARI SHANKAR SHYAM & MBONU CHIKWELU MADUABUCHI</i>	1
2.	PRIORITIZING CRITICAL FACTORS IN DELIVERING QUALITY SERVICES TO PATIENTS <i>SUGANDHA SIROHI & RAJENDRA SINGH</i>	8
3.	EDUCATION & WOMEN EMPOWERMENT ARE INTER RELATED: AN OVERVIEW <i>DR. RADHA GUPTA</i>	11
4.	IMPACT OF GLOBAL OIL EQUILIBRIUM ON INDIAN ECONOMY <i>DR. M. SELVARAJ</i>	13
5.	THE IMPACT DEGREE OF SOCIAL CAUSES OF POVERTY ON THE TRENDS OF CITIZENS OF AL-MAFRAQ GOVERNORATE, JORDAN <i>SALEH GNEAAN ALMASAEED & TORKI M. AL-FAWWAZ</i>	15
6.	THE DETERMINANTS OF PROFITABILITY: AN EMPIRICAL INVESTIGATION ON SUN PHARMA <i>P. SATHYA & DR. A. VIJAYAKUMAR</i>	20
7.	SERVICE QUALITY OF PUBLIC SECTOR BANKS: A CASE OF DOMESTIC MIGRANT LABOR IN KERALA <i>AHAMED RIAZ K & DR. T. C. SIMON</i>	24
8.	ANALYSIS OF SOCIO-ECONOMIC BENEFIT OF ELECTRIFICATION THROUGH CREDA IN CHHATTISGARH STATE <i>SUMONA BHATTACHARYA & DR. R. P. AGARWAL</i>	29
9.	EFFECTIVENESS OF DISTRIBUTION CHANNELS: INTERNET IN SERVICE DELIVERY WITH REFERENCES TO INDIA <i>ANUBHAV SINGH & ADITI PANDEY</i>	34
10.	LEARNING ORGANIZATION AND ITS IMPACT ON ORGANIZATIONAL EFFECTIVENESS: A LITERATURE REVIEW <i>ESHA SINGH</i>	37
11.	IPO PROCESS IN INDIA <i>NARENDRASINH B. RAJ</i>	40
12.	IMPACT ASSESSMENT OF FRINGE BENEFITS IN JOB SATISFACTION AND EMPLOYEES' ATTITUDE <i>R. SARANYA.</i>	43
13.	INTERNET SHOPPING: FACTORS INFLUENCING STUDENTS BUYING INTENTION ONLINE <i>ANUPAMA SUNDAR D</i>	47
14.	ROLE OF PRODUCT AND SERVICES ON SATISFACTION OF CUSTOMERS: A CASE STUDY OF ASIAN PAINTS <i>PARINDA V. DOSHI</i>	55
15.	A LITERATURE REVIEW ON CORPORATE SOCIAL RESPONSIBILITY: SOCIAL IMPACT OF BUSINESS <i>DR. TARUNLATA</i>	58
16.	TREND OF INTERNAL FINANCING IN INDIAN CORPORATE SECTOR: A STUDY OF CEMENT AND CEMENT PRODUCT INDUSTRY <i>SANKAR PAUL</i>	60
17.	ANALYZING THE WEAK FORM MARKET EFFICIENCY AND PERFORMANCE OF SELECTED INDIAN IT STOCKS <i>DR. RAJNI SOFAT</i>	64
18.	A STUDY ON WORK LIFE BALANCE OF MARRIED WOMEN IN BANKING SECTOR IN MUMBAI <i>PRAJAKTA DHURU</i>	69
19.	TARGET ORIENTED COMPETITIVE INTELLIGENCE PRACTICE AND PERFORMANCE OF FIRMS LISTED ON THE NAIROBI SECURITIES EXCHANGE, KENYA <i>PAUL WAITHAKA, HANNAH BULA & LINDA KIMENCU</i>	75
20.	A BRIEF REVIEW OF EMPLOYEE ENGAGEMENT: DEFINITION, ANTECEDENTS AND APPROACHES <i>SWATI MEGHA</i>	79
	REQUEST FOR FEEDBACK & DISCLAIMER	89

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

FORMER CO-ORDINATOR

DR. S. GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. BHAVET

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. ANIL K. SAINI

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P. J. L. N. Government College, Faridabad

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. ABHAY BANSAL

Head, Department of I.T., Amity School of Engineering & Technology, Amity University, Noida

PROF. V. SELVAM

SSL, VIT University, Vellore

PROF. N. SUNDARAM

VIT University, Vellore

DR. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

DR. S. TABASSUM SULTANA

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

DR. JASVEEN KAUR

Asst. Professor, University Business School, Guru Nanak Dev University, Amritsar

FORMER TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ' _____ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR :
 Designation/Post* :
 Institution/College/University with full address & Pin Code :
 Residential address with Pin Code :
 Mobile Number (s) with country ISD code :
 Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :
 Landline Number (s) with country ISD code :
 E-mail Address :
 Alternate E-mail Address :
 Nationality :

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

<http://ijrcm.org.in/>

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. ***pdf. version is liable to be rejected without any consideration.***
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER. It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

HIGHER EDUCATION INSTITUTIONS PERSPECTIVES ON LINKAGES WITH THE INDUSTRY IN NIGERIA

DR. MILINDO CHAKRABARTI
PROFESSOR & HEAD
DEPARTMENT OF ECONOMICS
SHARDA UNIVERSITY
GREATER NOIDA

DR. HARI SHANKAR SHYAM
HEAD
DEPARTMENT OF MARKETING
SHARDA UNIVERSITY
GREATER NOIDA

MBONU CHIKWELU MADUABUCHI
RESEARCH SCHOLAR
SCHOOL OF BUSINESS
SHARDA UNIVERSITY
GREATER NOIDA

ABSTRACT

This paper seeks to assess the state and capacity of higher education institutions (HEIs) for industries linkages in Anambra State, Nigeria, identifying fostering and inhibiting factors and supports needed to building linkages between HEIs and the industry. Questionnaire and unstructured interview were administered on knowledgeable experts chosen from individuals in the higher education institutions. Excel and SPSS software will be used to analyzed the data. The study reveals that Higher education institutions and industry linkages in Nigeria in general and Anambra State in particular are at nascent stage. Quality of tertiary education, non-relevance of courses, inadequate infrastructure among others have contributed in impeding linkage between the industry and the higher education institutions. There is urgent need for HEIs in Anambra state to develop competences and skills that align with industry, national and regional demand, focusing on the establishment of industrial parks, Centers of Excellence and Small Medium Enterprises (SMEs) projects as engine of growth. On its part, Government needs to associate more with the Organized private sector in finding lasting solutions to the: low funding of Nigerian tertiary institutions as this affects the quality of facilities provided for effective teaching, learning and research activities with adverse impact on student performances. The Government needs to enact legislations to encourage entrepreneurs to seek linkage with the HEIs such as tax rebates.

KEYWORDS

higher education institutions, industry, linkages.

INTRODUCTION

The knowledge spill over theory of entrepreneurship suggests that knowledge spill overs serve as the source of knowledge creating the entrepreneurial opportunities for small and new firms. One of the ways small and new firms who spend negligible amount of investment into knowledge-generating inputs such as research and development (R & D) can generate innovative output is through exploiting knowledge created by expenditures on research on R & D in universities and large managerial firms (Audretsch, 2006:84). Knowledge capital is often defined as productive contributions by research and development and education (Nijkamp, 2011) and the primary mission of Higher education institutions is education. Education is viewed by virtually everyone as good, and perhaps because higher education institutions are among the most geographically stable entities in existence, rarely relocating to other localities, policy makers often look for ways to turn higher education institutions in their region into engine of economic development. Mechanisms to enhance technology transfer from higher education institutions, to reduce brain out of a region and policies to create linkages between higher education institutions and industry are among the many efforts chosen by policy makers to use higher education institutions to enhance regional development (Scott, 2005).

The number of graduates that are turned out from higher education institutions (HEIs) in Nigeria are on the increase, from 514,214 in the year 2003 to 619,097 in the year 2005 (ILO, 2010). The graduate turnout has been on the increased since then. There is the problem of high graduate unemployment in Nigeria which is reported at 40.3% at both rural and urban levels (ILO, 2010). One of the reasons given for such high graduate unemployment is mismatch between graduate employee skills and those skills required for performance in the work place (Akinyemi et al, 2012). This is not only Nigeria problem as it had been observed that the skills, knowledge and training that students receive at many African universities do not prepare them adequately to meet the requirements of industry and the job market. This mismatch between what the students learn and what the industry needs- coupled with under- training in the critical skills of problem- solving, analytical thinking and communication is blamed, at least in part, for the emerging high graduate unemployment and underemployment many African countries are witnessing (Jegade, 2012). Proper linkage between the academia and the industry will both allow the students gain necessary skills required in the industry and encourage technology transfer thereby creating employment.

A Sectoral study conducted by African Institute of Technology, USA, on Science & Technology Innovation in Nigeria, revealed that Nigerian's economy has seen little innovation in information and communications technology, ICT. The reason according to the study was that a weak partnership exists between the companies, universities, and government laboratories and researchers in most clusters in Nigeria. The report evidenced its claim against the backdrop that when government labs or universities go on strike, it never immediately gives the companies any setbacks. <http://www.vanguardngr.com/2015/02/nigerias-ict-innovation-weak/> The report advised that such relationship should be structured in a way that schools must show more influence in local economies by working together to nurture innovation. Nigeria is currently facing economic challenges as a result of fall in crude oil price which is the main stay of her economy. Government efforts in economic diversification will be enhanced through regional economic growth through successful linkage between Higher education institutions and industry. There is therefore need to identify the state and capability of the HEIs for industry linkages and the inhibiting, facilitating and support factors for effective linkage with the industry in Nigeria.

LITERATURE REVIEW

ANTECEDENTS

The locations of certain tertiary institutions, and indeed of firms in particular regions, have a bearing on the nature, scope and outcome of industry and HEIs linkages. The nexus of relationship is often a function of the state of the economy, the propensity of the firms to absorb knowledge from higher education institutions, and the capability of the tertiary institutions to meet the needs of the firms in the region (Mitra, 2012). Research intensive tertiary institutions play an important role as a source of fundamental and blue sky knowledge and, sometimes, relevant (for industry) technology in modern economies. The nature and value of higher education institutions and industry interaction and the institutions contribution to innovation in developed western economies, suggests a natural correlation with their industrialized status. In the context of this paper, higher education in Nigeria represents any form of education above secondary school level where students are taught specialized subjects, enabling them to become professionals in their chosen fields. Therefore, higher education institutions otherwise referred as post-secondary or tertiary institutions will include the Universities, Polytechnics, Colleges of Education, Technical Colleges and other institutions of higher learning (Owofemi, 2013).

The higher education institutions (HEIs) in Nigeria comprises mainly the universities and the polytechnics, however there are other HEIs such as the colleges of education/ monotecnics which are mostly affiliated to universities if they are degree awarding. There are as at 2015, 46 federal owned, 40 state owned and 61 private universities giving a total of 147 universities (www.nuc.edu.ng);

25 federal owned, 40 state owned and 29 private owned polytechnics giving a total of 94 polytechnics;

23 federal owned, 2 state owned and 2 private owned monotecnics giving a total of 27 monotecnics (www.nbte.gov.ng);

83 colleges of education owned by federal, state governments and the private sector respectively (www.ncceonline.edu.ng).

Higher education- Industry relationship started several years ago. Pioneering industry-academic link started in the middle ages in Bologna and Paris. Then in Germany with the emergence of the Technische Hochschulen in the late nineteenth century, the industry-academic linkage in Germany enabled innovation in terms of new product development, new technology standards, new supply side measures (as in education and training, and the creation of new forms of intellectual and human capital which paved for German industrial growth (Shin, 1998; Mitra, 2012).

HEIs role in entrepreneurship in economic development is best understood in terms of the linkages they develop with firms in their region. This satisfy one of the key elements of the mission of universities which is serving the needs of the industry, commerce (Goddard et al, 1994) and the wider social community-the triple helix network and the generation of social capital. HEIs have long been recognized as sources of knowledge creation, innovation and technological advances in modern economies, universities and other HEIs are being positioned as strategic assets in innovation and economic competitiveness, and as problem-solvers for socio-economic issues affecting their countries.

Table 1 shows the development of certain models of HEIs research activity which impact on the development of national innovation systems.

TABLE 1: HEIs RESEARCH MODELS

S/N	Models	Source	Scope	Critiques
1.	The Linear Model	Vannevar Bush,(1945),Science: The Endless Frontier	Expanding public funding critical to innovation and economic growth: universities were most appropriate institutional locus for basic research; based on 'market failure' rational for funding basic academic research developed by Nelson (1959) and Arrow (1962)	Critiques offered by Kline and Rosenberg (1999) pointing to curvilinear approach; reference to growth of industrial Japan and evidence of non-essential requirement of basic research; technology considered to be more useful than science for economic growth.
2.	Academic Research V. Industrial Research	Dasgupta and David (1987); David, Foray and Steinmueller(1999); Branscombe et al.	Cultural differences between academic and industrial research: academic research concerned with original insights, discoveries and critical methodologies plus prompt, refereed publication; industrial research dependent on sponsorship, secrecy, problem-solving issues.	Differences can be overstated- pharmaceutical research relies heavily on publications, for example; many academic researchers combine 'pure' and 'applied' work, which support each other, especially in new technology areas.
3.	Mode 2 Science	Gibbons et al (1994)	Holistic, interdisciplinary approach linked to networked institutions; different from past and associated with post-modern economic environment and scale and diversity of knowledge inputs required from various sources for modern forms of production.	Does not imply decline in value of HEIs in producing knowledge and in the contribution of such knowledge to economic growth.
4.	Triple Helix	Etzkowitz and Leydesdorff (1996); Etzkowitz et al. (1998)	As in Mode 2 above, emphasizing increased interaction among institutions, and quite importantly each institution taking on some of the roles of others (universities creating firms; firms taking on more academic research, etc.)	Emphasis on 'industrial' component of academic research obscures limited scope of such an approach; lack of sufficient empirical evidence.
5.	National System of Innovation(NIS)	Goransson and Brundenius, (2011); Edquist(2004)	Innovation is viewed as a collective process in which firms do not innovate in isolation but within a larger system involving firms, universities, research centres, government agencies and other actors. The NIS model considers all aspects of the economic and institutional structure of a country that influence development, diffusion and use of innovations.	

SOURCE: Adapted from Mitra (2012)

HEIs-INDUSTRY LINKAGES (AFRICAN PERSPECTIVE)

Universities and other HEIs hold three overlapping missions or mandates: teaching, research and outreach. The third mandate involves integrating or connecting universities activities to society and the economy. However, many African universities have not actively or comprehensively pursued this third mission and consequently have been criticized as ivory towers (Fourie, 2003).

Many countries in Africa lack an enabling environment for reorienting and aligning universities and other HEIs towards a more entrepreneurial role. Apart from perhaps the Maghreb region and South Africa, most of sub-Saharan Africa lack high tech industries and a true technology culture (Barry and Sawyer, 2008). Many Africa's industries are often small to medium-scale firms producing for local markets, while the relatively larger ones are subsidiaries of transnational companies which draw upon the in-house R&D capabilities of the parent company (Munyoki et al, 2011). Others are lack of awareness of the existing results and new technologies by industry; the absence of strong involvement of the users in defining the research agenda; and the irrelevance of some university research (Dhesi and Chadha, 1995).

Many African universities are not in a position to conduct research and technology development. Long years of neglect in financing higher education in Africa have left many universities with weak research infrastructure (Atuahene, 2011) and reliant on donor financing for research (Mouton et al, 2008). Under the present era of higher education in Africa, research activities among academic staff frequently take a back seat to fulfilling ever growing teaching demands (Mohamedbhai, 2008). Despite growing student numbers, enrollment in science and engineering in many countries is low (Boerrsmas and Gibbons, 2008), with less than 10% of students enrolled in these disciplines in some universities (Goransson and Brunenius, 2011). Meanwhile, the migration of many talented academics to wealthier parts of the world compounded by low salaries and search for greener pastures by some academic staff, have left many universities with few qualified researchers to conduct local research (Barry and Sawyer, 2008). As a result, many African countries produce negligible research output (Mouton et al, 2008).

Many African countries do not invest significantly in R&D with gross expenditure on research and development (GERD) falling well below the standard 1% of GDP set for developing countries (Mouton et al, 2008). Similarly, many African countries lack relevant Science and Technology strategies, up-to-date policies on intellectual property rights (IPR) protection, and other such policies needed for direction and governance (Mouton et al, 2008). The lack of relevant strategies is also evident at the university level (Belete, 2009).

Despite the challenges inherent in establishing linkages with the productive sector in Africa, numerous African universities are responding to these new roles and expectations.

BURKINA FASO

The International Institute for Water Engineering in the country has 27 formal partnerships with companies, has established a technology incubator to help students launch their own innovative business, and over 90% of its graduates find employment six months of completing their studies (www.2ie-edu.org).

UGANDA

The Gatsby Fund at Makerere University has established a business park and other services to help support small and medium-sized enterprises (SMEs) involved in manufacturing and industrial services in the small city of Mbarara (<http://gatsbyuganda.com>).

AFRICA KNOWLEDGE TRANSFER PARTNERSHIP

The British council launched the partnership in November, 2007 to help scale up linkages between the academia and the industry in five African countries of Ghana, Nigeria, Kenya, Uganda and South Africa. This effort has yielded positive results, for example Zoomlion Ghana Limited and Kwame Nkrumah University of Science and Technology, Faculty of Engineering are partnering in adding value to waste recycling and analyzing data from composite. Biodiesel 1 Ghana Limited and University of Ghana are partnering in production of Biofuel (British Council, 2010).

KENYA

Commission for Higher Education (CHE) and Kenyan Universities have surveyed the different models used in Europe, and Africa for sustainable university-industry linkages- www.siteresources.worldbank.org. The task force has developed the strategic goals, objectives, strategies for the linkages and partnerships. The strategies support seven types of linkages and partnership, namely: i. University-Industry, ii. University-University, iii. University- Research Institute, iv. University- Middle Level Colleges, v. University-International Organization, VI. University-Community, vii. University-Relevant Professional Bodies. These strategies have helped scale up partnership between the industry and the universities.

SOUTH AFRICA

South Africa universities have established university-industry linkages and partnerships at two main levels:

- i. Direct university-industry links. For example, Telkom South Africa has established Centres of Excellence in selected departments of engineering in South African universities. These Centres of Excellence conduct joint research. The mining companies have also established links with mining engineering departments.
- ii. National research partnership- established through the National Research Foundation of South Africa. For example, the Hartebeesthoek Radio Astronomy Observatory (Hart RAO) will be an international project that will be an international facility that will allow South African Universities to collaborate in research in radio astronomy, space geodesy and satellite ranging.

NIGERIA

The Federal Government agency, National Board for Technology Incubation (NBTI) is partnering with higher education institutions in Nigeria on establishment of incubators in some of the HEIs. Some universities in Nigeria are partnering with the industry, for example Nnamdi Azikiwe University, Awka, is partnering with Juhel Pharmaceutical limited in the state on drug development and manufacturing.

These examples highlight the potential of HEIs-industry linkages in Africa although, to date, many such engagements have been ad hoc, dependent on a few interested individuals at their particular institutions. It is now increasingly recognized that an institutional approach is crucial for the facilitation of HEIs-Industry linkages (Hernes and Martin, 2000).

METHODOLOGY

SAMPLE POPULATION

The survey targeted higher education institutions in Anambra State who are members in good standing of Association of African Universities (AAU) and participated in the survey sponsored by the 'Association of Universities and Colleges of Canada (AUCC) on 'Strengthening University-Industry Linkages in Africa'. One federal government owned Polytechnic (Poly), one federal government owned university (Univ.1) and one state government owned university (Univ. 2), one private owned university (Univ. 3) and one federal owned college of education (Colleduc) were selected by judgmental sampling. The AAU is in fore front of research on university and industry linkages. (www.aau.org/membersingoodstanding).

Questionnaires and unstructured interview were administered to respondents such as Vice Chancellor, Rector, Provost, Deputy Vice Chancellor, Deputy Rector, Deputy Provost, Directors, Deans, Heads of departments, Professors, Coordinators, Directors and Lecturers of these five institutions. The questionnaire comprised of close ended questions which were administered to the knowledgeable staff of relevant departments of HEIs in Anambra State. One hundred and thirty respondents returned their questionnaire out of one hundred and sixty that was administered. The one hundred and thirty respondents comprise of 40 from university 1 (HEI 1), 30 from university 2 (HEI 2), 25 from the Polytechnic (HEI 3), 15 from the university 3 (HEI 4), and 10 from the college of education (HEI 5).

SURVEY QUESTIONNAIRE

The questionnaire for higher education institutions in Anambra State was designed using the questionnaire used in 'Strengthening University-Industry Linkages in Africa' (AAU-AUCC, 2012) as a guide as it adequately covered the objectives of study. The questionnaire comprised of close ended questions and was shaped around the following sections:

A. CAPABILITY

- Percentage of doctorate degree holders
- Institutional arrangements and interface structures
- Institutional policies on external engagement and intellectual property rights

B. STATUS

- Type of engagement with the productive sector
- Academic staff and curriculum
- Funding

C. CHALLENGES AND NEEDS OF RESPONDING INSTITUTIONS.

- Factors fostering industry linkages
- Factors inhibiting industry linkages
- Support services needed for industry linkages

D. DEMOGRAPHIC PROFILE OF RESPONDENTS

The questionnaire contained categorical questions requiring binary answers (yes/ no) and were coded 1 and 0. Other questions were close ended five point Likert scale and were coded as follows: strongly agree (SA) - 5, agree (A) -4, undecided (UD) - 3, disagree (D) - 2, strongly disagree (SD) -1 and No - 0. Each respondent from the HEIs was asked to provide answers to a set of questions developed around the subsections mentioned above. Giving the embryonic state of HEIs and industry linkages in Nigeria, the research focus is to identify the current capability and status of HEIs in Anambra State linkages with the industry and the fostering, inhibiting and support factors.

FINDINGS AND INTERPRETATIONS: HIGHER EDUCATION INSTITUTIONS(HEIs)

TABLE 2: SUMMARY OF RESULTS

A. CAPACITY VARIABLES

S/N	VARIABLES	HEIs					MEAN
		UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	
2	SAMPSIZE	40	30	25	20	15	
3	DERMODOCP	3	2	1	1	1	1.6
4	INSTADVCL	1	0	1	0	0	0.4
5	INTSAIRC	1	1	1	1	1	1
6	INSTAOLI	1	0	1	0	0	0.4
7	RESPINDNEP	3.83	0	3.6	2	0	1.89
8	RESPINDCN	0	0	0	0	0	0
9	RESPINDMCBE	5	0	4	3	4	3.2
10	RESPINDSP	0	0	0	0	0	0
11	RESPINDEIP	0	0	0	0	0	0
12	RESPINDBO	1.45	0.77	0	0	0	0.44
13	ISTPOCI	2	1.67	3	0	0	1.33
14	INSTPOSOIP	0	0	0	0	0	0
15	INSTPOSRP	5	1.77	4	0	0	2.15
16	INSTPOEPAI	3	2.8	3	0	0	1.76
	GROUP MEAN (CAPACITY)	1.88	0.71	1.54	0.5	0.43	

B. STATUS VARIABLES

S/N	VARIABLES	HEIs					MEAN
		UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	
1	COLAAGB	1	3.83	5	1	3	2.77
2	COLACEIT	3	1.63	2	2	1	1.93
3	COLABANA	3	2.53	4	3	1	2.71
4	COLABPHARM	5	0	0	1	0	1.2
5	COLABBEV	0	0.33	5	2	0	1.47
6	COLABCEEM	2.25	2.43	0	5	0	1.94
7	ACTSSCIP	3	3.83	3	4	1	2.97
8	ACTSCSE	2	2.3	2	2	4	2.46
9	ACTSSP	0	0	0	0	0	0
10	ACADIS	4	3.4	5	3	4	3.88
11	ACADICD	4	3.53	4	3	4	3.71
12	ACADRSES	1	0	0	0	0	0.2
13	FUNDINC	2	1	1	0	0	0.8
14	FUNDLEB	4	3.67	4	4	4	3.93
15	FUNDRTD	2	1	2	2	0	1.4
16	FUNDSS	3	2	3	4	3	3
17	FUNDGSR	1	0	0	2	1	0.8
	GROUP MEAN (STATUS)	2.37	1.85	2.35	2.24	1.53	

C. BENEFITS OF INDUSTRY LINKAGES

S/N	VARIABLES	HEIs					MEAN
		UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	
1	BENEINDLAB	4	3.83	4	4	4	3.97
2	BENETIND	5	3.7	4	4	4	4.14
3	BENEJOPUB	5	4	5	5	5	4.8
4	BENESCO	0	0	0	0	0	0
5	BENELIP	0	0	0	0	0	0

D. FACTORS FOSTERING INDUSTRY LINKAGES

S/N	VARIABLES	HEIs					MEAN
		UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	
1	FOSTLSP	4	4	4	4	4	4
2	FOSTLP	3.23	3	3	3	3	3.05
3	FOSTRCS	3.23	2.8	2.72	2.73	3	2.90
4	FOSTGP	5	5	5	5	5	5
5	FOSTSGC	4	4	4	4	4	4
6	FOSTAPEE	3	3	3	3	3	3

E. FACTORS INHIBITING INDUSTRY LINKAGES

S/N	VARIABLES	HEIs					MEAN
		UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	
1	INHIBMRD	4.28	5	5	5	5	4.86
2	INHIBRC	4	4	4	4	4	4
3	INHIBIPL	3.8	3.7	3.76	3.8	4	3.81
4	INHIBNI	3.98	4	4	4	4	4
5	INHIBFS	3	3	3	3	3	3
6	INHIBESK	2	2	2	2	3	2.2

F. SUPPORT NEEDED FROM GOVERNMENT AND OTHER STAKE HOLDERS

S/N	VARIABLES	UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	MEAN
1	SUPISP	5	5	5	5	5	5
2	SUPTICS	4	4	4	4	4	4
3	SUPTAES	2.73	2.6	3	3	3	2.87
4	SUPCRO	2	2	3.76	4	4	3.15

G. DEMOGRAPHIC PROFILE OF RESPONDENTS

S/N	VARIABLES	UNIV. HEI 1	UNIV. HEI 2	POLY. HEI 3	UNIV. HEI 4	COLLEDC HEI 5	MEAN
1	SEX	1.25	1.2	1.12	1.13	1.2	1.18
2	AGE	2.9	2.87	2.96	2.73	3.15	2.92
3	EDUC	2.98	2.87	2.84	2.73	2.4	2.76
4	RANK	2.65	2.73	2.52	3	2.55	2.69
5	LOS	2.8	2.57	2.84	2.73	3	2.79

INERPRETATIONS**SECTION A: CAPABILITY VARIABLES**

The five HEIs surveyed show that HEI 1 has the highest number of PhD holders (DERMODOCP) with mean of 3 followed by HEI 2 with mean of 2 and the rest of the HEIs were at par in mean values of 1. Only two HEIs, HEIs 1 and 3 have a deputy vice chancellor in charge of industry linkages (INSTADVCL) and office dedicated to promoting and facilitating industry linkages (INSTAOLI). The five HEIs have a representative from the industry in their governing council (INSAIRC) - 1. The most common responsibilities of industry liaison office are managing cooperatives business entrepreneurs (RESPINDMCBE) – 3.2, networking and seeking out external partners (RESPINDNEP) – 1.89 and having annual budget less than USD 10,000 (RESPINDBO) for the industry liaison office – 0.87 from HEIs 1 and 3 that have industry liaison office. The five HEIs have zero scores in responsibilities such as contract negotiation (RESPINDCN), managing science parks (RESPINDSP), employment of contract/ intellectual property expert (RESPINDEIP). Three institutions, HEIs 1, 2, 3 have industry linkages plan containing the following: guidelines for sharing of profits and royalties from linkages with external actors (INSTPOSRP) – 2.15, environmental policies governing on activities undertaken with the industry (INSTPOEPAI) – 1.76, policy on conflict of interest (INSTPOCI) – 1.33. Two HEIs, 4 and 5 have no policy plan on industry linkages as they have zero values on all the indices and the five HEIs have no policy on the sharing and ownership of intellectual property (INSTPOSOIP). The cumulative mean for capability variables for the five HEIs are as follows: HEI 1 – 2.02, HEI 3 – 1.62, HEI 2- 0.66, HEI 4 – 0.5 and HEI 5 – 0.43

Doctorate degree holders by virtue of their training and educational attainments, are typically responsible for initiating and undertaking research, graduate student supervision, and holding senior management positions. The two Federal owned HEIs have performed better in capacity variables than others but below average. The survey revealed that almost all the indices are at low level which shows that the HEIs/ research institutions and industry linkages are at nascent stage in Anambra State. The HEIs and industry linkages in the institutions are still done at departmental level and are yet to be institutionalized with only HEIs 1 and 3 having offices in charge of industry linkages. The linkages in the institutions are funded on departmental/ faculty/ school level or donor financing as there are no institutional budget except in HEIs 1 and 3 but the figure is insignificant. It is unfortunate that there is no formal linkage between the research institutions and the HEIs thereby showing a 'standalone' relationship. There are no incubators or parks in the HEIs but there is an incubator facility in a research institution but since there is no formal linkage between the HEIs and the research institution the HEIs cannot utilize the facility. The reason for not having policies on conflict of interest, sharing and ownership of intellectual property and others are obvious as the institutions have little formal institutional linkages with the industry. The institutions should take over the various linkages existing in the departments/faculties/schools in order to build the institutions research capacity. The strategic plan of the institutions should reflect their actual capacity and a realistic vision of its future direction and avoid irrelevant policies (Mouton et al, 2008). In order to have effective governance of HEIs/research institutions and industry linkages, the institutions should put up policies governing time spent on external activities, costing of consultancy services, IP sharing, royalties, environmental concerns and conflict of interest. HEIs in Anambra State have opportunity in helping to upgrading or adapting existing technology of local firms. There is therefore need for HEIs in the state to appraise their research capacity and field of specialization in order to market their expertise to the right constituents. These institutions need to identify their different research capacity, expertise, location and other distinguishing features that will affect their ability to attract external research or problem-solving contracts. This will go a long way of attracting funding and quality staff to these institutions.

SECTION B: STATUS VARIABLES

The HEIs linkages and activities with the industry in Anambra State are in the following areas: agriculture and agribusiness (COLAAGB) – 2.77 with HEI 3 leading - 5, banking and accounting- 2.71 with HEI 3 leading-4, engineering and environmental management (COLABCEEM) – 1.94 with HEI 4 leading, computer engineering and ICT (COLACEIT) – 1.93 with HEI 1 leading – 3, beverages and food technology (COLABBEV) – 1.47 with HEI 3 leading -5, pharmaceutical and medical sectors (COLAPHARM) – 1.2 with HEI 1 leading – 5. The activities carried out with the industry are in the following areas: conducted short courses for industry personnel (ACTSSCIP) – 2.97 with HEI 4 leading -4, provided consultancy services for enterprises (ACTSCSE) – 2.46 with HEI 5 leading -4 and none of the HEIs are involved in activities of supporting science parks (ACTSSP) -0. The status of the HEIs in respect of academic staff and curriculum are as follows: offer internship/ student attachment (ACADIS) – 3.88 with HEI 3 leading, engage industry professionals for curricula development (ACADICD) – 3.71 and almost all the five HEIs do not have resources dedicated to supporting entrepreneurial activities of academic staff (ACADRSES) – 0.2. The status of fund from industry linkages are as follows: investment in HEIs laboratories, equipment and buildings (FUNDELB) – 3.93, student scholarships (FUNDESS) – 3, industry commissioned research and / or technology development (FUNDRTD) – 1.4, income generated in the last 5 years from activities undertaken with the industry (FUNDEINC) – 0.8 and graduate student research (FUNDEGSR) – 0.8.

The survey revealed that the HEIs have specialized in particular sectors of the industry linkage and it is advisable for the HEIs to focus where they have comparative advantage. In terms of activities undertaken, the most common activities include conducting short courses for industry personnel, provision of consultancy services to enterprises. The institutions are not engaged in supporting science parks, technology incubators and surveying the skill needs of the industry. African countries are marked by a small high-tech sector with low level processing of natural resources (Barry and Sawyer, 2008). The collaborations in the manufacturing sector entail mainly training and consultancy as the industry is filled with manufacturing products already patented abroad. A number of factors have made cost of manufacturing to be uneconomical thereby making entrepreneurs to outsource overseas. The HEIs should focus on the agricultural sector, local entrepreneurs, and development-oriented technology transfer as they have been noted to be major contributors to most African economies. They should also work towards establishment of science parks and technology incubators which serve as formal structures to develop, mature, and showcase novel technology and solutions; they can help legitimize, formalize, and publicize the entrepreneurial role of HEIs.

The survey revealed that the HEIs have good record of offering students' internship. The polytechnic demand one-year compulsory internship with the industry as part of its graduate academic training while it may not be required in the universities or where it is required it is less than six months. This is one of the reasons why university graduates are criticized as being less practical oriented than polytechnic graduates in Nigeria. The student attachment should be evaluated as to the quality of training and supervision to ensure that students, host organization, and HEIs gain maximum benefits from these placements.

In respect to improving the relevance of curricula to the industry, more than average number of the respondents in the HEIs indicate that industry professionals are engaged in their curricula development. However, curricula are developed centrally by the regulatory bodies. Regulations have not enabled the institutions to engage qualified professionals from the industry as part-time or full-time lecturers. There are lots of improvement to be made in industry input in curricular development.

The survey revealed that no resource is specifically dedicated to supporting entrepreneurial activities of academic staff. One of the reasons for poor resource is lack of interest among academic staff. A shift away from promotion based exclusively on publications towards a promotion scale that includes recognition for contributions to industry and entrepreneurial activities could perhaps improve the participation of academic staff in these areas.

The result of the survey shows indicate that the institutions have received funding for industry linkages from the industry but the amount have been lean. The amount has been applied mainly in provision of equipment, laboratory and buildings (3.93), industry-commissioned research (1.4), and student scholarships (3). However, the information on how much that has been generated from joint research with the industry is lean (0.8) or none at all. This is attributable to lack of institutional organizational framework as the HEIs-industry linkages are operated on department/faculty/school level. The ranking of the status variable of the HEIs is as follows: HEIs 1 – 2.37, HEIs 3 – 2.35, HEIs 4 – 2.24, HEIs 2 – 1.85 and HEIs 5 – 1.53

SECTION C: BENEFITS OF INDUSTRY LINKAGES

The survey revealed that benefits of industry sector-oriented research/collaboration are as follows: journal publications (4.8), networking and access to industry partners (4.14), access to industry laboratories and equipment (3.97). There are no benefits in respect of creation of spin-off/ start-up firms (BENESCO) and ownership of licenses or patents (BENELIP). These institutions seem to be teaching universities as they are yet to institutionalize HEIs-industry linkages hence little or no revenue accruing from industry linkages (Research Info source Inc, 2010). These HEIs are contributing minimally to the economic growth of the state.

SECTION D: FACTORS FOSTERING INDUSTRY LINKAGES

Respondents from the following factors fosters industry linkages in the following order: government policies promoting linkages (FOSTGP) - 5, promoting linkages in the strategic plan (FOSTLSP) - 4, expressed support by the board of governors/ governing council (FOSTSGC) -4, senior leadership position promoting linkages (FOSTLP) – 3.05, presence of academic staff and / or professional staff with entrepreneurial experience (FOSTAPEE) – 3 and revenue from consultancy services (FOSTRCS) – 2.90.

The HEIs have to build on these variables to foster industry linkages in their institutions.

SECTION E: FACTORS INHIBITING INDUSTRY LINKAGES

The respondents from the five HEIs agreed that the most inhibiting factors to industry linkages are as follows: multinational R & D/ globalization factors (INHIBMRD) – 4.86, inadequate research capacity (INHIBRC) – 4, lack of established network with the industry (INHIBNI) – 4, absence of institutional IP policies and laws (INHIBIPL) – 3.81, lack of financial support for research and other activities relevant to the productive sector (INHIBBFS) – 3 and lack of entrepreneurial skills/ knowledge among academic staff (INHIBESK) – 2.2.

These inhibiting factors should be tackled by the HEIs and government/ stake holders in order to boost industry linkages.

F. SUPPORT NEEDED FROM GOVERNMENT AND OTHER STAKE HOLDERS

The respondents from the five HEIs agreed that the most support services needed from government and other stakeholders to help enhance institutional capacity to link with the industry are as follows: developing the institutional strategic plan with private sector focus (SUPISP) – 5, support for establishing technology incubators/ science parks (SUPTICS) –4, fund to commercialize research output (SUPCRO) – 3.15 and training of academic staff in entrepreneurial skills (SUPTAES) – 2.87.

Although HEIs-industry linkages require pro-activity on the part of both sides, the need for internal capacity-building (skill development, strategic planning, leadership etc) rather than on non-conducive external conditions (lack of national policies, industry weakness, etc) should be pursued by the institutions taking responsibility and action for strengthening their own internal capacity to work with the industry.

CONCLUSIONS

Nigeria in an effort to diversify the economy through entrepreneurship, has embraced knowledge base economy as contained in the vision 202020 document (www.Nationalplanning.gov.ng/index.php/national-plans/nv20-2020). Collaboration between the industry and the higher education institutions in Anambra State will greatly boost the state economy. Higher education institutions are seen as valuable institutions for economic development and as citadel of learning are best positioned in the knowledge based economy in diffusion of knowledge. Partnership between the industry and the higher education institutions in Anambra State will greatly boost the state economy. It will enable firms gain access to students and a window on emerging technologies on one hand and equip students with the necessary skills needed in the industry. The partnership programmes foster a higher and more rapid rate of technological innovations (Feller, 2005). The linkage programme may result in higher education institutions aggressively seeking industrial sponsorship of faculty research, to invest in research / innovation parks, and increasingly to enter into equity relationship with startup firms (Feldman et al, 2002).

The paper concludes as follows:

- HEIs in Anambra State need to appraise their research and fields of specialization in order to help in upgrading or adapting existing technology of local firms and producers and build linkages with the informal and agriculture sectors which may not rely so heavily on patentable products and processes. This will help increase the institutions funding and quality of staff.
- The HEIs in Anambra State should strengthen their research governance and management through establishment of intellectual property units. Science and mathematics education and graduate training at doctorate level should be given emphasis.
- Government both at state and federal levels should put up legislations and policies to promote linkages between the HEIs, the research institutes and industry in the state to boost the economy. Policies should be put in place to discourage the activities of entrepreneurs whose activities are detrimental to the uptake of higher education institutions research and innovation.
- The HEIs should include building linkages with the industry in their strategic plan which should reflect their actual capacity and avoid irrelevant policies.

The industry on the other hand should include building linkages with HEIs in their vision statement and learn to look inwards for solution to their challenges which the HEIs in the state can provide.

- The HEIs should be given autonomy to enable interaction with the local industry in development of curriculum and in hiring of qualified industry professionals as part-time or full-time lecturers. Promotion scale based on contributions to industry and entrepreneurial activities should be used for appraisal of academic staff to increase the entrepreneurial activities of lecturers.

The industry assessment criteria should be based on their linkage programme with the HEIs, for example through tax rebate.

- Government should provide the necessary infrastructure and enabling environment for industry to thrive in the state. Lack of infrastructure like electricity has made cost of production to be uneconomical thereby making entrepreneurs to relocate to where there is cheaper cost of production.
- Government should enact legislations to streamline the research institutes whose vision and mission statement need to be duplicating the roles of HEIs in research uptake. This has relegated the relevance of HEIs and made such research institutes to be limited in capacity and operations. This can be done by merging the HEIs and the research institutes.
- Government should put up legislations and policies to promote linkages between the HEIs and the industry in their locality to boost the state economy. The institutions need to strengthen IP management since patents and copyrights are often considered the measure of innovation. They should also build linkages with the informal sector which may not rely so heavily on patentable products and processes.

POLICY IMPLICATIONS

The study shows that the state of HEIs and industry linkages is at embryonic stage in Anambra State. The management of the HEIs should pursue policies to improve upon the status and capacity indices identified in this study in order to make the institutions contribute on the economic growth of the state. The government should put in place policies to encourage linkage programmes between the HEIs and the industry in the state as the Mechanisms to enhance technology transfer from tertiary institutions, to reduce brain drain out of a region, and policies to create linkages between higher education institutions and industry are among many efforts chosen by policy makers to use tertiary institutions to enhance regional economic development (Scott, 2005).

SCOPE FOR FURTHER RESEARCH

This study should be replicated on a national level assessing the status and capacity of the HEIs in the six geo-political zones of Nigeria for industry linkages. This will boost the country's efforts in national innovation system.

REFERENCES

1. Akinyemi, S et al (2012) 'Graduate Turnout and Graduate Employment in Nigeria' in international journal of Humanities and Social Science, vol.2 No. 14, July(ed.)
2. Anthea, V. Z. (2009) 'University and Industry- driving knowledge transfer' Pretoria: Essays Innovate, no.3,
3. Arrow, K. (1962) 'Economic welfare and the allocation of resources for intervention', in R. R. Nelson(ed.), The rate and direction of innovative activity, Princeton: Princeton University: Princeton University Press, pp. 609- 26
4. Atuahene, F. (2011) 'Re-thinking the mission of higher education: An anatomy of research challenge of African Universities in Journal of Asian and African Studies, vol. 46 (4), 321-341.
5. Barry, B. and A. Sawyer (2008) 'African Higher Education and Industry: what linkages? Paper presented at the Annual bank conference on development economics (ABCD), Cape Town, South Africa, June 8-11
6. Belete, W. (2009) 'The patent system and innovation performance in Ethiopia' presentation by the Ethiopian intellectual property office on the regional forum on the role of patents and patent cooperation treaty(PCT) in research in developing countries, hosted by the world intellectual property office(WIPO), Nairobi, March 30- April 1
7. Blumentritt, R. and R. Johnson (1999) 'Towards a strategy for knowledge management', technology analysis and strategic management, 11(3) 287-300
8. British Council (2010) 'Scaling up the partnership and linkages between the companies and the academia, Accra: Oracle multimedia.
9. Cummins, J.L. and B.S. Teng (2003) Transferring R&D knowledge: the key factors affecting knowledge transfer success, Journal of Engineering and Technology Management, 20, 30- 68
10. Dhesi, A. S. and V. Chadha (1995) 'Factors influencing technology transfer from R&D institutions to manufacturing, empirical evidence from India', in Science Technology & Development, vol.2, 225- 237.
11. Edquist, C. (2004) 'System of Innovation: prospectives and challenges', in Fagerberg J., Mowery, D. Nelson, R.(eds.), the oxford hand book of innovation, Oxford University Press, Oxford, p. 181-208
12. Etzkowitz, H., A. Webster and P. Healey (eds.) (1998) Capitalizing knowledge: University intersections of industry and academia, Albany: State University of New York Press.
13. Feldman, M., I. Feller, J. Barcovitz and R. Burton (2002) Equity and technology transfer strategies of American research universities; Management Science, 48, 105- 21
14. Feller, I. (2005) 'An historical perspective on government-university partnerships to enhance entrepreneurship and economic development, Chaltenham: Edward Elgar Publishing Ltd.
15. Fourie, M. (2003) 'Beyond the ivory tower: service learning for sustainable community development' in South African Journal of Higher Education, vol.7(1), 31-38
16. Gibbons, M., C. Limoges, H. Nowotny, S. Schwartzman, P. Scott and M. Trow (1994) The new production of knowledge, London: Sage.
17. Goddard, J., D. Charles, A. Pike, G. Potts and D. Bradley (1994) 'Universities and Communities' Committee of Vice Chancellors and Principals, London
18. Goransson, B. and C. Brundenuis(eds.) (2011) Universities in transition: the changing role and challenges of academic institutions, New York: Springer
19. International Labour Organization (2010) Report on Nigerian on Nigerian Education, ILO: Nigeria
20. Jegede, O. (2012) Strengthening University- industry linkages in Africa- A case study on institutional capacities and gaps, Accra: Association of African Universities
21. Leydesdorff, L. and H. Etzkowitz, (1996) 'Emergence of triple helix of university- government relations', Science and Public Policy 23151: 279- 86.
22. Mitra. J. (2012) Entrepreneurship, Innovation and Regional Development- An introduction, Oxford: Routledge Taylor Francis Group
23. Mohamedbhai, G. (2008) The effect of massification on higher education in Africa, Accra: Association of African Universities.
24. Mouton, J. et al. (2008) Science and Technology and higher education in the SADC region, Wits: South Africa Regional Universities Association (SARUA)
25. Munyoki, J., Kibera. F. and M. Ogutu (2011) 'Extent to which university- industry linkage exists in Kenya: A study of medium and large manufacturing firms in selected industries in Kenya', in Business Administration and Management, vol.1 (4), 163- 169
26. Nelson, R. R. (1959) 'The simple economics of basic scientific research', Journal of Political Economy, 67: 297- 306
27. Owofemi, D. (2013) 'Higher education and industry: critical perspectives', www.nrguardiannews.com/focus/135712, October 19, Wed.
28. Research Info source inc. (2010) Canada's top 50 research universities, www.researchinfosource.com
29. Scott, S. (2005) Economic development through entrepreneurship, Cheltenham: Edward Elgar Publishing Ltd.
30. Shin, T. (1998) 'The impact of research and education on industry: A comparative analysis of the relationship of education and research systems to industrial progress in six countries', Industry and higher education journal, October, 270- 89.
31. Society for innovation and entrepreneurship (2004) Policy and Procedure for Business Incubator, Mumbai: Indian Institute of Technology

PRIORITIZING CRITICAL FACTORS IN DELIVERING QUALITY SERVICES TO PATIENTS

SUGANDHA SIROHI
RESEARCH SCHOLAR
INSTITUTE OF MANAGEMENT STUDIES
DAVV
INDORE

RAJENDRA SINGH
DIRECTOR
SCHOOL OF COMMERCE
DAVV
INDORE

ABSTRACT

Background & objectives: In today's era of competitive healthcare market it has become important to find out the critical factors which are helpful in delivering quality healthcare services to the patients. The hospital management is spending a lot of time and money on finding out ways to provide quality services to their patients and such efforts can be put into right direction and will prove to be more productive only when these critical factors are prioritized and maximum improvements are done on the targeted factors. The study was conducted with an objective of measuring service quality and prioritizing critical factors to deliver quality services to patients in a private hospital of Indore District of Madhya Pradesh. **Methods:** Cross-sectional study was conducted by collecting primary data from 422 IPD patients on the day of discharge using SERVQUAL questionnaire developed by Parasuraman et al. **Results:** As per the results of the present study most of the respondents are satisfied with most of the services of the hospital. Major satisfiers were admission and reception, room preparation at the time of admission, other basic amenities like drinking water availability, ventilation, etc, sign boards placement, behavior of nurses, behaviour of doctors, radiology and pathology, discharge process, nursing services and quality of doctors whereas the major dissatisfiers were cleanliness of the toilet, dietary services, pharmacy, behavior of housekeeping staff. The various critical factors for the study unit are also enlisted priority wise. **Interpretation & Conclusions:** For the present study unit, the study suggests that keeping the factor which requires the maximum improvement to deliver quality services are firstly- cleanliness of the toilet, secondly-dietary services and then pharmacy and behavior of housekeeping staff respectively. Therefore, hospital managers should implement service quality evaluation tools to prioritize critical factors in delivering quality healthcare services to patients.

KEYWORDS

patient satisfaction, service quality, SERVQUAL.

INTRODUCTION

Service quality plays a significant role in service industry especially hospitals because in service industry where tangibility is less the features cannot be defined for patients to directly make an opinion before it has been properly found out. For a hospital to progress and uphold a superior position in the competitive era, it is necessary to assess the performance of the services rendered to the patients. Nowadays, hospital management puts in lots of efforts in the form of time and money in putting together high quality services to satisfy their patients. Satisfied patients in most of the cases are likely to become loyal to the hospital and are expected to recommend the hospital to those who need healthcare services. In hospitals critical factors in delivering quality services can be prioritized by assessing patient's expectations and perceptions of service quality and the level of satisfaction obtained from the services rendered by the hospital. SERVQUAL instrument with five dimensions including Tangibility, Reliability, Responsiveness, Assurance and Empathy will be applied in this study to enable the assessment of patients' expectations and perceptions of the service quality provided by the study unit. This will help us know the extent to which patients are satisfied with the services they get from the hospital. Parasuraman et al., (1988) acknowledged that the difference between customer's expectation and customer perceptions is called the "performance gap". This gap determines the level at which customers are satisfied, that is, this gap serves as a yardstick for management to know their performance and if the services delivered are up to customers' expectations or not and if they are satisfied with the services delivered to them.

REVIEW OF LITERATURE

In today's era when hospital management is spending a lot of time and money on finding out ways to provide quality services to their patients, it has become very important to prioritize factors which when taken care off will raise the level of patient satisfaction. If patient satisfaction is given top priority by healthcare services providers, then the possibility to build efficient bases and minimize cost for petitioning new users since the cost of obtaining new patients surpasses that of upholding existing ones (Barlow and Moller, 1996). This would ultimately help give a proper direction to the management efforts with respect to time and money both. Service quality has become an essential subject in view of its significant relationship to profit, cost saving and market share (Devlin and Dong, 1994). When competition is on an increasing trend, rapid growth and changes in technology in the healthcare market and the fact that patients nowadays possess a certain level of awareness about medical care, healthcare service providers are somehow limited in their ability to improve service quality to mark a hundred percent fulfillment of patient satisfaction (Chahal and Kumari, 2012).

NEED OF THE STUDY

It has become very important to prioritize critical factors in delivering quality services to the patients in order to help give a proper direction to the management efforts with respect to time and money and will eventually help raise the level of patient satisfaction ultimately the more a patient is satisfied the more he/she is expected to recommend the hospital to other patients who need healthcare services.

OBJECTIVE

This study is aimed to use SERVQUAL in healthcare to prioritize critical factors in delivering quality services to patients.

RESEARCH QUESTIONS

As this study is directed to know patient's service quality perception, the following research questions will surely facilitate us know what patients expect and what they experience:

1. Are patients satisfied with the quality of services received from the hospital?
2. What are the factors which require maximum improvement to provide quality services to the patients?

RESEARCH METHODOLOGY

A cross-sectional study was conducted and a pre-structured and pre-tested SERVQUAL questionnaire developed by Parasuraman et al. was got filled from 422 IPD patients of a Private Hospital of Indore district of Madhya Pradesh on the day of their discharge that were selected using Simple Random Sampling depending upon the total average no. of discharges/day. SERVQUAL is designed to measure quality expectations and perceptions about quality of services using 22 items representing five dimensions, using a seven-point Likert scale: 1. Tangibles – physical facilities, equipment and appearance of personnel. 2. Reliability – ability to perform the promised service dependably and accurately. 3. Responsiveness – willingness to help consumers and provide prompt service. 4. Assurance – competence, courtesy and security. 5. Empathy – caring and individualized attention. Consumer ratings across all the 22 items of the survey instrument were collected in paired expectation and perception scores and SPSS software was used for data analysis. Informed consent was taken from the patient before filling the questionnaire. Period of study was April 2015 to June 2015. Including the patients who have used hospital services during the study period and excluding those patients who are working in healthcare facilities and also excluding readmitted patients during the same study period.

RESULTS AND DISCUSSIONS

The study was conducted using SERVQUAL questionnaire and getting it filled by 422 IPD patients and their relatives covering all the wards of the private hospital. Two open ended questions were given for their opinion about the problems and suggestions for improvement of services.

ADMISSION AND RECEPTION

About 16% respondents felt it was excellent, 26% felt it was very good, 40% felt good, 18% felt it was average. None of them said it to be poor. Overall, 82% respondents were satisfied with the services at admission counter. There is a procedure of issuing only two attendant's passes. However, respondents faced problem when attendant is a lady and the attendant has to go out to get anything like medicines, etc.

ROOM PREPARATION AT THE TIME OF ADMISSION

About 18% respondents felt it was excellent, 58% respondents felt very good, 14% felt good, 9% felt it was average. One percent of them said it to be poor. As a whole, 90% respondents were satisfied with the room preparation at the time of admission.

NURSING SERVICES

About 27% respondents felt it was excellent, 46% felt very good, 23% felt good, 3% felt it was average. One percent of them said it to be poor. So on a whole, 96% respondents were satisfied with the nursing services. Respondents were satisfied with the expertise of nursing staff.

QUALITY OF DOCTORS

Nearly 38% respondents felt it was excellent, 40% respondents felt very good, 16% felt good, 3% felt it was average. 3% of them said it to be poor. In total, 94% respondents were satisfied with the explanation about disease and treatment by doctors.

CLEANLINESS OF TOILETS

Nearly 10% of respondents felt it was excellent, 17% respondents felt very good, 42% felt good, 22% felt it was average. About 9% of them said it to be poor. On a whole, only 69% respondents were satisfied with the cleanliness of the toilets. This was the biggest dissatisfier.

BASIC AMENITIES (INCLUDING DRINKING WATER, VENTILATION, ETC)

About 49% respondents felt it was excellent, 40% felt it was very good, 10% felt good, only 1% felt it was average. None of them said it to be poor. So on a whole, 99% respondents were satisfied with the drinking water facility. RO were put at all the floors and the water cooler area was clean.

SIGN BOARDS

Nearly 45% respondents felt it was excellent, 42% respondents felt very good, 10% felt good, 3% felt it was average. None of them said it to be poor. In total, 97% respondents were satisfied with the placement of sign boards in the hospital premises to help and direct the patients at the right place without any trouble.

PHARMACY

About 3% respondents felt it was excellent, 23% respondents felt very good, 50% felt good, 14% felt it was average. About 10% of them said it to be poor. So on a whole, 76% respondents were satisfied with the pharmacy. It was the third major dissatisfier.

DIET SERVICES

About 11% respondents felt it was excellent, 28% respondents felt it was very good, 35% felt good and 12% felt it was average. 14% of them felt it to be poor. In total, only 74% respondents were satisfied with the dietary services. It was the second major dissatisfier.

BEHAVIOR OF NURSES

About 11% of respondents felt it was excellent, 41% respondents felt very good, 42% felt good, 6% felt it was average. None of them said it to be poor. On a whole, 94% respondents were satisfied with the behavior of Nurses.

BEHAVIOUR OF DOCTORS

Nearly 51% respondents felt it was excellent, 30% respondents felt very good, 9% felt it was good. About 6% said it was average. Only 4% said it to be poor. Some respondents felt that the doctors were less sensitive and empathetic to their problems. The new generations of doctors should be trained in soft skills and value of empathic care must be reemphasized. However, 90% respondents were satisfied with the behavior of Doctors.

BEHAVIOR OF HOUSEKEEPING STAFF

About 11% respondents felt it was excellent, 32% respondents felt very good, 35% felt it was good, 9% felt it was average, 13% of them said it to be poor. It was felt that there is less sensitivity about protocols to avoid cross infection. Some respondents complained about the bad behavior of housekeeping staff, although they did not give in writing. The shortage of staff for taking the patient for investigations and physiotherapy was also reported. On a whole, 78% respondents were satisfied with the behavior of housekeeping staff. It was one of the dissatisfier.

RADIOLOGY AND PATHOLOGY

About 11% of respondents felt it was excellent, 42% respondents felt very good, 45% felt good, 2% felt it was average. None of them said it to be poor. On a whole, 98% respondents were satisfied with the radiology and pathology services. Respondents observed that the ward staff on duty received quick reports of all the pathological investigations which in the due course facilitated the timely treatment of the patients. They also had confidence on the accuracy of the investigation results as the laboratory was NABL accredited and hospital had all high end technology radiology machines.

DISCHARGE PROCESS

Nearly 51% respondents felt it was excellent, 30% respondents felt very good, 10% felt it was good. About 5% said it was average. Only 4% said it to be poor. Overall, 91% respondents were satisfied with the discharge process.

RECOMMENDATIONS AND SUGGESTIONS

For the present study unit, the study suggests that keeping the factor which requires the maximum improvement to deliver quality services at the top followed by others as per their priority is as follows:

1. Cleanliness of the toilet
2. Dietary services
3. Pharmacy
4. Behavior of housekeeping staff
5. Admission and reception
6. Room preparation at the time of admission and behaviour of doctors
7. Discharge process
8. Behavior of nurses and quality of doctors
9. Nursing services

10. Sign boards placement
11. Radiology and pathology
12. Other basic amenities (like drinking water facility, ventilation, etc.)

On interaction with the patients and their attendants, following suggestions came out for improvement:

- The policy of issuing two passes may have to be reconsidered.
- The patients and their relatives should be clearly informed in writing about the rules and regulations. This should be available in Hindi also.
- There should be package charges for some procedures to avoid running around by patient's attendant for minor requirements.
- The doctors should be trained and value of empathic care and soft skill must be re-emphasized.
- More number of staff nurses should be posted for patient care.
- Housekeeping staff should be trained about the importance of hand washing and other universal precautions, before and after touching any patient.
- The timing of ward rounds should be fixed so that the patient is mentally prepared for the same and can take rest at other time.
- Toilet cleaning should be done thrice a day and frequent and surprise checks by administrators will instill a sense of responsibility and alertness in house-keeping supervisors.
- Effective measures should be taken for pest control in the hospital.
- More variety of food items should be added in the menu list of the canteen. Also diet charts should be given along with the patient diet and patient's food should be supplied in the ward on time.

CONCLUSION

As per the findings of the present study most of the respondents are satisfied with most of the services of the hospital. Major satisfiers were admission and reception, room preparation at the time of admission, other basic amenities like drinking water availability, ventilation, etc, sign boards placement, behavior of nurses, behaviour of doctors, radiology and pathology, discharge process, nursing services and quality of doctors whereas the major dissatisfiers were cleanliness of the toilet, dietary services, pharmacy, behavior of housekeeping staff.

LIMITATIONS OF THE STUDY

Firstly, the respondents were only inpatients thus views of outpatients could not be covered during the study which in effect may affect the result to some extent. The study was also limited to patients of a private hospital only. As a result, it is therefore suggested that further study be carried out in the public healthcare facilities in order to ascertain a comprehensive understanding of patients' satisfaction in healthcare delivery. Also the sample is drawn from the patients who have used hospital services during the study period and excluding those patients who are working in healthcare facilities and also excluding readmitted patients during the same study period.

ACKNOWLEDGMENT

Thanks are due to the Director of the hospital for providing the opportunity to conduct the study. Special thanks to Parasuraman et al. for developing SERVQUAL questionnaire. We also express our gratitude to the patients for providing their valuable time for interview.

REFERENCES

1. Barlow, J., & Moller, C. (1996), "A complaint is a gift" San Francisco: Berrett-Koehler Publishers.
2. Chahal & Kumari (2012), "Service Quality and Performance in the Public Health-Care Sector", Health Marketing Quarterly, pp.181-205.
3. Devlin, S.I. and Dong, H.K., (1994)," Service Quality from Customers' Perspective", Marketing Research, Vol. 6, No. 1, pp. 5- 13.
4. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988), "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", Journal of Retailing, 64(1), 12-40.

EDUCATION & WOMEN EMPOWERMENT ARE INTER RELATED: AN OVERVIEW

DR. RADHA GUPTA
PROFESSOR
AMITY LAW SCHOOL
AMITY UNIVERSITY
JAIPUR

ABSTRACT

Empowerment is a multi-faced, multi-dimensional and multi-layered concept. Women empowerment is a process in which women gain greater share of control over their resources like human, material, intellectual, financial etc. Education is the pillar for women empowerment, prosperity, development and welfare. It is the only tool to fight all social evils prevailing in the society from ancient era. Illiteracy among women is the single most important factor leading to high birth rate, infant mortality, malnutrition of children, dowry problems and proliferation of dismal poverty, gender discrimination, casteism, exploitation, domestic violence etc. During the British ruling India some social thinkers of the time paid their attention to the education of women in our country. Man and woman are like the two sides of a coin, without one, the other cannot exist. Women are the mothers of the future generation. If women are uneducated, the future generations will be uneducated. Thus women must be educated so that we can secure the women by giving power in the hands of women and make India healthy, wealthy and wise.

KEYWORDS

women literacy, empowerment, discrimination, social evils.



woman, you are not merely the handiwork of God, but also of men; these are ever endowing you with beauty from their hearts. Poets are weaving for you a web with threads of golden imagery; painters are giving your pearls, the mines their gold, the summer gardens, their flowers to deck you, to cover you, to make you more precious. And the desire of men's hearts has shed its glory over your youth. You are one half women and one half dream".¹

INTRODUCTION²

"If you educate a man you educate an individual, however, if you educate a woman you educate a whole family. Women empowered means mother India empowered".³

A Woman is the Back Bone of the body, gate keeper of the home, builder and moulder of a nation's destiny. After every great man we find a woman being him whether it is mother of Abraham Linkon or Mahatma Gandhi or beloved Chacha Nehru. It is a woman only, who gives birth to a child and also rites. Half of the World's population known as better half are women. But better half are great sufferers in man dominated society under man made Laws like 'Might is Right'. Though, Law makes similar provisions for men and women but due to above quoted phrase and illiteracy of women in India, the curse of social evils is assuming alarming shape which are engulfing the Goddess of Wisdom i.e. Mother of India as well as deteriorate the development rate of India. India has the most diverse religion and has a very rich culture. There are many beliefs and rituals that people are following from a very long period of time. Many rituals have transferred into social evils and engulfing the powers of women and also have made the progress of India go down. People are not judged on the basis of quality but on the basis of caste, creed or gender.

SOCIAL EVILS PREVALENT IN INDIA

India is developing at a very fast rate but the social evils have hindered the growth of this nation.⁴ Some of the most prevalent social evils are mentioned below:-

- i. **Gender inequality** – In India men are considered for superior than women in every field. There are many religions in India which force women to cover their faces and their heads while going out. They are still treated to be lower than men. Gender inequality has given rise to many other types of discrimination and other evils too like harassment, wage discrimination etc. It is still not considered important to educate the girl child in many parts of the country.
- ii. **Dowry**- Dowry system is the most deep-rooted problem in the Indian society. Due to dowry system in Indian society many other social evils have taken birth eg. Girl children are neglected, sex-selective abortion, illiteracy of girls, etc. Parents don't spend money to teach their girl child as they think they have to pay this money in future when their daughter will get married. Even in the Rig Veda it is mentioned that the bride's family have to offer the dowry to the boy's family.
- iii. **Casteism** - Casteism is one of the social evils that is found in India unlike the gender division. Every society of India is divided into many groups according to the family they are born in. Members of the same caste have to do the same occupation, marry in the same caste and many of the lower caste were not allowed to eat with people who belong to upper classes. People of the lower caste are termed as untouchables and were not allowed to even touch the people from higher caste. Though there are many rules and laws made in India to eradicate the caste system but they are not successful.
- iv. **Child exploitation**- Child exploitation is the worst social evil in India. Children are exploited and are made to work in dangerous places like cracker factories. They are not treated properly. Like other social evils there are rules and laws made to stop the child exploitation but nothing has been ever properly implemented in India and hence you can still see teenagers and children working in the shops and factories. It should be eradicated by literacy.
- v. **Female infanticide**- Female infanticide is the most shameful social evil prevalent in India. Girl child is considered to be a burden on the family and hence people get sex-selective abortions done. There are thousands cases of abortion intentionally. Though female infanticide is not legal in India but still in many rural parts of the country it is practiced.
- vi. **Prostitution**- Prostitution is the sexual service people give in return of money. Many women are forced sexual slavery and many of them work as prostitute to earn their living. Women and girls are made as sexual slaves from a very long period of time in India.
- vii. **Drug abuse**- Drug abuse is also a very major problem in India that not only affects many of the people addicted to it but also their near and dear ones. Drug addicts are mainly found in the Urban areas. People who are more influenced by the drugs are street workers and transportation workers. There are many social awareness programs started in India to reduce the number of drug users in India but all in vain. Due to the modern lifestyle people are getting more used to drugs and alcohols.

¹Tagore – in the Gardner

²Sharma Kumud, —Grassroots Organisations and Women's Empowerment: Some Issues in the Contemporary Debate]], in Samya Shakti, Centre for Women's Development Studies, New Delhi, Vol. VI, 1991-92,p. 29.

³Pt. Jawaharlal Nehru

⁴S. P. Agarwal (2001), Women's Education in India (1995-98) Present Status, Perspective, Plan, Statistical Indicators with Global View, Vol III Concept Publications Co, New Delhi.

- viii. **Sati**- The practice of sati was considered to be religious in the history of India. Wives used to burn themselves alive on the corpse of their husband. Sati means the burning of the Hindu widow in India. Though this practice used to be voluntarily done but in many cases the women were forced to burn on the pyre of their husband. Sati was a Hindu Goddess, who burnt herself alive for his dead husband's corpse.
- ix. **Domestic violence**- Domestic violence is an endemic predominantly against woman. In almost every house woman are tortured for dowry by her in-laws. In every city of India girls are harassed and tortured in every street they walk. Today girls are afraid of coming out from their houses, they are afraid of walking alone in the streets. There are several Acts and laws are passed but no serious action is taken against this dispute.
- x. **Poverty**- Poverty has given rise to many other evils in India. unemployment and the increasing population is the main cause of poverty in India. People commit many kinds of crimes like robbery and murders because they are not able to get the basic amenities of life. There are measures taken by the Indian government to reduce poverty in India. Awareness programs are started; subsidies are provided to poor people. Many other measures are also taken.

Education is the pillar of development of a country. It is the only tool to fight all social evils and make the society and country a healthy one. Well educated people live in harmony and believe in a well knit social community. It has always played a very vital role in fighting social evils. Education of woman can eradicate many social evils. India is the second largest country in the world so far as population is concerned. But so far as education is concerned it is a backward country. In past, women did not receive any education at all. They were not allowed to come out of the four walls of their houses. Domestic works were their only education, which is now the country faced many problems due to lack of education in the past. The role of education as an instrument of development and social change, policies regarding equity, access, relevance and also administrative leadership should be highlighted. Illiteracy among women is the single most important factor leading to high birth rate, infant mortality, malnutrition of children, dowry problems and proliferation of dismal poverty, larger spread of female education is bound to raise the age of marriage promote planned and smaller families and result in healthy and educated children and better citizens. Growth of any society necessarily depends on education of women world around.

During the British ruling India some social thinkers of the time paid their attention to the education of women in our country. Raja Ram Mohan Ray, Iswar Chandra Vidyasagar were famous reformers who gave emphasis on the education of women. They put forth a very strong argument- Man and woman are like the two sides of a coin, without one, the other cannot exist. They help each other in every sphere, where are we standing when it comes to men and women's education in our family and in our society.

Therefore, education should be given to both man and woman at equal level and balance it well. Women's can do what a man can do and performed better than a man. Further, women are the mothers of the future generation. If women are uneducated, the future generations will be uneducated. For this reason, the Greek Warrior Napoleon once said-

"Give me a few educated mothers; I shall give you a heroic race".⁵

In day-to-day life, women first face the real problems and then the same problems are conveyed to men for solution. If the women are educated, they can solve all the problems of their houses. Which will further lead to development in the family, and once a family in the society is developed the so-called development in the society will come into exist. Very often, the workers of some families become handicapped in unfortunate accidents. In that situation, the complete burden of the family rests on the women of the families. To meet out this problem, women must be educated. Education or literacy is a creative process. Its aim is to develop the capacities latent in human nature and to co-ordinate their expression for the enrichment and progress of society, by equipping children with spiritual, moral and material knowledge. True education releases capacities, develops analytical abilities, confidence in himself, will-power and goal setting competencies, until the vision that will enable him to become, self-motivating agent of social change, serving the best interests of the community. A well educated person is determined and becomes the centre of the divine appearances, the source of spiritual qualities and divine aspirations. Education brings honor, prosperity, independence and freedom to a government and its people. Through educator savage nations become civilized and even animals become domesticated.

Education is the light house of society consisting building blocks & pillars of education-

BUILDING BLOCKS⁶

1. Universal values – Like honesty, sincerity, truthfulness, hard work etc. that are extolled in all religions.
2. Global understanding- Developing an international perspective to become a true world citizen.
3. Excellence in all things- Making pursuit of quality & excellence a habit and cultivate purity of heart, fine manners and humility.

PILLARS OF EDUCATION⁷

1. Knowledge- Thorough knowledge of prescribed subjects.
2. Wisdom- Use of knowledge with positive mind set in the service of mankind.
3. Spiritual perception – Service of mankind according to the teaching of God contained in spiritual books of all religions.
4. Eloquent speech – to acquire perfection in speaking global language and be able to express one's views fearlessly with best interest of welfare and goodness of mind.

CONCLUSION

On the above discussion we can say that if we shall educate the women and wipe out their tears, our country will certainly develop automatically. In fact, this is the right time when we should save Goddess of wisdom or Saraswati of the nation i.e. women from social evils by way of giving education to women & develop our beloved nation. The menace of social evils is deep-rooted in our society and bring miseries, sorrows and atrocities to women. These social evils must be eradicated with full vigor on the social level. Hence it is the moral duty of people of India to struggle for eradicating the aforesaid social evils with this slogan:

Forget that the Earth is round

Forget that the Sun is bright

But do not forget the women education

with whom we must always rise our Nation.

REFERENCES

1. R. C. Majumder ed., History and Culture of Indian People-The Maratha Supremacy, Vol.VIII, Bhartiya Vidya Bhawan, Bombay, 1951, p. 757.
2. S. P. Agarwal (2001), Women's Education in India (1995-98) Present Status, Perspective, Plan, Statistical Indicators with Global View, Vol III Concept Publications Co, New Delhi.
3. Sharma Kumud, —Grassroots Organisations and Women's Empowerment: Some Issues in the Contemporary Debate, in Samya Shakti, Centre for Women's Development Studies, New Delhi, Vol. VI, 1991-92, p. 29.
4. Sarla Gopalan, Role of govt in Empowerment of Women, in book Empowering the Indian Women, by Promilla Kapur, Ministry of Information and Broadcasting, Govt. of India. Pp. 317, 318

⁵Greek Warrior Napoleon

⁶R. C. Majumder ed., History and Culture of Indian People-The Maratha Supremacy, Vol.VIII, Bhartiya Vidya Bhawan, Bombay, 1951, p. 757.

⁷Sarla Gopalan, Role of govt in Empowerment of Women, in book Empowering the Indian Women, by Promilla Kapur, Ministry of Information and Broadcasting, Govt. of India. Pp. 317, 318

IMPACT OF GLOBAL OIL EQUILIBRIUM ON INDIAN ECONOMY

DR. M. SELVARAJ
ASSOCIATE PROFESSOR
ARIGNAR ANNA GOVERNMENT ARTS & SCIENCE COLLEGE
KARAIKAL POST

ABSTRACT

This article aims at knowing the impact of recent fall in crude oil price at global level. A previous literature review covering articles between 1998 and 2015 showed that there is a correlation between crude oil price and economy. This article investigates to impact of crude oil shocks and its impact on Indian Economy. Statistical tools like correlation co-efficient used for the study and the findings reveal that India has to enhance its oil storage capacity through improving diplomatic relations with oil producing countries. Special emphasis is given to alternative fuels keeping in view the environment.

KEYWORDS

equilibrium, diplomatic relations, energy security, hydrocarbon vision, strategic petroleum reserve.

1.1 INTRODUCTION

India's import mostly consist of crude oil and gold. According to The Energy and Resource Institute (TERI) New Delhi, India's oil import was United States Dollar (USD) 8.7 billion in June 2015. There is a vast gap between demand and production of crude oil in India. The domestic oil consumption will rise to 392 million tons of oil equivalent (mtoe) in 2021 – 22 against 12.6 mtoe in 1965.

Till 2014, the global crude oil price of a barrel was about USD 100. The US Shale oil revolution, the global recession and economic crisis 2008 have ultimately brought down the crude oil price to USD 37 a barrel in the middle of 2015. Such a sharp decline would be a boost to Indian economy. It was indicated by way of drastic reduction in oil subsidy from ₹60,270 crore in 2014-15 to ₹30,000 crore in 2015-16 in the India's budget. In Fiscal year (FY) 2016-17, it is estimated that India will save ₹2.14 lakh crore in its oil import bill due to decline in oil prices.

The value of USD gets stronger due to the fall in crude oil price and 40 years old ban on limited states (US) oil exports lifted in Dec 2015. But timely intervention by the Reserve Bank of India (RBI) has helped to stabilize the Indian currency against USD.

The sign of sustainable recovery of crude oil price is a major challenge to Indian economy. In addition, the domestic oil production was very low and stagnated in the recent years. Among 247 oil blocks awarded under the New Exploration Licensing Policy (NELP), so far only 16 blocks were developed. Moreover, only 22% of sedimentary basins of India were explored so far. Unfortunately, majority of Indian private refiners are exporting their output due to the liberalized Govt. policy.

1.2 REVIEW OF LITERATURE

Cristini (1998) observed that there is a correlation between crude oil price and country's economy. Michael Mussa, IMF (2000) also endorsed the same.

Kaushik Bhattachary et. al (2001) predicted periodical oil shocks and its impact on oil importing countries.

Aparna A (2013) explained the direct relationship between oil prices and macro economic factors like inflation, trade deficit and currency value. She advocated the use of Vector Auto Regression (VAR) model for analysis.

Monetary Policy Report, IMF (2015) proved that the fall in crude oil price due to supply factor have a positive impact on oil importing countries and vice versa.

1.3 STATEMENT OF THE PROBLEM

The vast gap between demand and production of crude oil forces India to import more than 90% of its demand. The recent fall in crude oil price will have a positive impact on India. In addition, the crude oil price starts to move upwards. According to Dan Dicker, Newyork Mercantile Exchange, the crude oil price may touch USD 120 a barrel in 2018. The present study attempts to know the impact of fall in crude oil prices on Indian Economy. The study also attempts to predict the future trend in global oil sector and what India has to do in this regard.

1.4 OBJECTIVES OF THE STUDY

Following are the objectives of the study.

- To know the impact of recent fall in crude oil price on Macro Economic indicators of Indian economy.
- To know the movement of crude oil prices and offer suggestions based on the findings of the study.

1.5 PERIOD OF STUDY

The study covered a period of Five fiscal years from 2011-12 to 2015-16.

TABLE I: CRUDE OIL PRICES AND INDIAN MACRO ECONOMIC INDICATORS

Fiscal Year	Average crude oil price per barrel (USD)	Trade deficit to GDP (%)	Inflation (%)	Average Rupee Exchange Rate against USD (₹)	Average Fiscal Deficit based on Quarterly average to GDP (%)
2011-12	88.93	4.82	9.94	45.56	4.4
2012-13	92.40	1.74	9.44	47.92	4.8
2013-14	85.34	1.31	5.93	54.41	4.5
2014-15	60.00	1.60	4.93	61.14	4.1
2015-16	46.00	1.30	5.51	67.17	3.99
correlation (Y)	X	Y ₁ (0.44)	Y ₂ (0.76)	Y ₃ (-0.96)	Y ₄ (0.39)

Sources: (i) www.tradingeconomic.com, MOF, Government of India & (ii) RBI – hand book of statistics – Indian Economy

1.6 METHODOLOGY

The study is based mainly on the secondary data. To meet the objectives, the Karl Pearson Co-efficient of Correlation (Y) is applied.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

x = Crude Oil Price

y = Macro Economic Indicators

n = No. of Years of Study

1.7 IMPACT OF CRUDE OIL PRICE ON INDIAN ECONOMY

The following are the findings of the study:

a. TRADE DEFICIT

Trade deficit indicates the value of goods imports over its exports of a country. A fall in crude oil price helps to reduce the trade deficit. Table I shows that there is a declining trend in trade deficit against Gross Domestic Product (GDP) during the study period. The analysis also indicates a moderate positive correlation ($\Upsilon = 0.44$) between two variables.

b. INFLATION

Inflation is a sustained increase in the general price level of goods and services. Inflation rates in India average at 7.74% during the study period. It is all time high in Nov 2013. (11.67%) and low at 3.69% in July 2015. A fall in crude oil price helps to reduce inflation rate in India (Table I). The analysis signifies that there is a positive correlation ($r=0.76$) between two variables during the period study.

c. RUPEE EXCHANGE RATE

As the demand in the currency market decides the value of rupee, the value of USD is also a deciding factor for rupee. The market sentiments are also a matter of concern. For instance, the rupee closed at 67.45 per dollar, (down 0.3%) on 1st June 2016, even though the GDP at 7.9% following a report that RBI Governor did not want to remain at the central bank for second term.

Table I shows that the value of rupee had a continuous declining trend against USD. It is also proved by analysis that there is a negative correlation ($\Upsilon = -0.96$) between two variables during the study period.

d. FISCAL DEFICIT

Fiscal deficit is an indicator of total borrowings of the Govt. to meet its expenditures. The fall in crude oil price will certainly lead to contract the fiscal deficit. The study also signifies that there is a moderate positive correlation ($\Upsilon = 0.39$) between two variables during the period of study. The subsidy on LPG and Kerosene and Govt.'s share to meet the under recoveries of oil companies may lead to such moderate $\Upsilon(0.39)$.

1.8 SUGGESTIONS

Following are the suggestions based on the study.

a. STRATEGIC PETROLEUM RESERVE (SPR)

India has to improve its oil storage capacity to store more oil by importing and by taking advantages of fall in crude oil price.

b. DIPLOMATIC RELATIONS

India has to improve the diplomatic relations with oil exploring countries. In this regard, our present foreign policy needs attention. But the safety and integrity of the country is more important.

c. ALTERNATIVE FUELS

The Govt. has to encourage the consumers to substitute bio-fuels, solar energy and other affordable renewable energy to cut oil import bill. Importance will be given to electric vehicles.

d. MERGER AND AMALGAMATION

Merging of Indian Public Sector oil undertakings is the need of hour, in contrast to country's liberalization process. The merging of upstream, mid stream and downstream activities may lead to cost reduction and the public oil companies become a giant to meet global competition. In this regard, the co-operation employees of public sector oil companies are more important.

e. HYDRO CARBON VISION 2025

The self reliance in oil is the ultimate aim of Hydro Carbon Vision 2025. Hence the Govt. has to relook on technology, machineries and strategy in the oil sector so that public sector oil majors become more productive.

1.9 CONCLUSION

India is emerging as a fast developing economy. Its GDP was 7.9 % in 2015-16. But import dependence of oil is a major concern. So the Govt. has to ensure energy security to the Nation at the earliest, but at affordable prices.

REFERENCES

1. Aparna A 'Impact of oil prices on the Indian Economy, 'ISSN :0971-1023, NMIS Management review, Vol xx111 Oct – Nov 2013.
2. Cristini (1998) 'Oil and Macroeconomic price world war II, Journal of Political Economy,'91, pp228-248.
3. Dan Dicker (2016) '\$120 Oil As Soon As 2018',viewed on 30.4.2016, www.oilprice.com
4. Joana Taborda (2016), 'India GDP Annual Growth Rate', viewed on 25.5.2016, www.tradingeconomics.com
5. Kausick Bhattachery et.al (2001), 'Impact of increase in oil prices on inflation and output in India'. Economic and political views, Vol.36, No.51, pp4735-4741.
6. Micheal Mussa, IMF Research Dept (2000) 'Impact of Higher oil prices on the Economy,'viewed on March 16,2016, www.imf.org>external>pubs>oil
7. Shaun Walker et.al (2015) 'Recession Retrenchment, revolution? Impact of Low crude price on oil prices,' viewed on 18.04.2016.www.the guardian.com.
8. Sudeer pal singh(2015) 'India to save Rs.2Lakh Cr on crude oil hits 11 year low', viewed on 15.4.2016, www.Business standard.com.

THE IMPACT DEGREE OF SOCIAL CAUSES OF POVERTY ON THE TRENDS OF CITIZENS OF AL- MAFRAQ GOVERNORATE, JORDAN

SALEH GNEAAN ALMASAEED
ASST. PROFESSOR
CENTER FOR ISLAMIC WORLD STUDIES
AL AL-BAYT UNIVERSITY
MAFRAQ

TORKI M. AL-FAWWAZ
ASSOCIATE PROFESSOR
FINANCE & ECONOMIC DEPARTMENT
FACULTY OF FINANCE & BUSINESS ADMINISTRATION
AL AL-BAYT UNIVERSITY
MAFRAQ

ABSTRACT

This study aimed to identify the degree of influence of social causes of poverty on the trends of citizens of Al-Mafraq Governorate. The study consisted of (294) researched persons, who were chosen using relative random sampling from the three provinces of Al-Mafraq Governorate (North -Eastern Badia, North Western Badia and Al-Mafraq Town (Al-qasabah) for the study purpose, a 16-item questionnaire was constructed and used for data collection. Descriptive and deductive analyses were used to determine substantial differences. The study revealed the following results: the degree of influence of social causes of poverty on the trends of citizens of Al-Mafraq Governorate was (high), reaching the arithmetic mean of the respondents (3.76: 5.00) in terms of: weak social safety nets, high population growth rate, women competing against men in the labor market, increased migration from rural areas to cities in search of better work, unsuitable work place and wages. In light of the results of this study, a number of scientific and practical recommendations have been presented.

KEYWORDS

social causes, poverty, social trends, Al-Mafraq governorate, impact degree.

1. INTRODUCTION

Poverty is one of the phenomena that identify the general features of a country's economy; it exists in all countries, developed or underdeveloped. Poverty rates rose due to demographic, political, cultural and environmental factors (Hayder and Saleh, 2005). Poverty exists in urban and rural areas. Jordan, for example, is one of the countries where poverty exists. Statistics show that the poverty gap there amounts to 5.1 in rural areas, while it is 3.1 in urban areas (Saleh,2002).

The existence of poverty in Jordan can be attributed to the following factors(FAO,1998;World Bank,2004): inadequate emphasis on social aspects in the development plans that have been implemented in Jordan, low economic growth, the approved development patterns being related to patterns of production, distribution and consumption, inability to tackle poverty, slow decline in total fertility rates in Jordan, disparity between education and training outputs and labor market needs, weak domestic investment rates, difficulty of attracting foreign investments to Jordan, failure of public spending to reach the poor, lack of incentives provided to them, difficulty of reforming institutions to improve services provided to them, modest health, nutrition, drinking water, and sanitation services, weakness of pro-poor production projects in Jordan, failure of structural reform and privatization programs in reducing the number of poor people who are suffering mostly from chronic malnutrition.

Poverty is a complex phenomenon with economic, social, political and historical dimensions(Chambers,1995). Poverty is not acceptable: socially, economically, politically, and morally. Yet, there are large areas and broad prospects for governments to confront and handle poverty, or at least curtail its severity (Ckshad, R, 2011).

Zones of poverty have low levels of health, not only because health service expenses are not affordable, but also because health awareness is low. They also witness a rise in the total fertility rate compared with less poor areas, where the total fertility rate among the poor reaches 5.2 births born during the reproductive period for women, compared with an average of 3.1 births for women in zones not classified as poor (Ministry of Planning,2002; Haider and Saleh,2005).

The World Bank (2004), in collaboration with the Ministry of Planning and International Cooperation, the Ministry of Social Development and the Department of Statistics prepared a study entitled: "An Evaluation of World Bank Assistance for Poverty Reduction, Health and Education: A Country Assistance Evaluation." This study showed that the poverty rate in the Jordan reached 14.2% in 2002. In addition, poverty exists in urban and rural areas with a greater proportion of the poor in the latter (Shari'a et al., 2004). Department of Statistics (2009) data showed that the crime rate in Jordan reached (7.6%). Al- Mafraq governorate is ranked as the third place for general crimes after Aqaba and Amman. The estimated number of general crimes in Al- Mafraq Governorate was 1,681 in 2006, rising to 2,212 in 2007 and to 2,412 in 2008. However, based on this data, it is not certain that there is a correlation between the high level of crime and high poverty and unemployment in Al- Mafraq Governorate due to the absence of pertinent data from the relevant security authorities. Yet, it is assumed that high unemployment rate is among the factors causing the high level of crime in Al- Mafraq.

Poverty is generally a challenge for Jordan, as approximately 14.2% of the population were below the poverty line in 2002. The unemployment rate was estimated at 14.5% in 2003 and at about 13.7% in 2000. This indicates that the average annual growth rate of unemployment did not exceed 1% during the period 2000–2003. A national strategy to combat poverty through an anti-poverty program in Jordan has been developed. It involves the public sector, the private sector, civil society organizations, international organizations and donors (Poverty Combat Program,2002). Because of the negative impact of poverty on the social characteristics of the population and its consequent negative impact on the political and security situation in Jordan, it has become necessary to conduct a comprehensive analysis on the areas of poverty in order to identify the nature of the problem of poverty, as well as know its dimensions and the factors causing it. Combating poverty requires the implementation of a number of policies and strategies by the government, the private sector and civil society institutions. Therefore, many studies have been conducted to find out the geographical distribution of poverty and the strategies and policies adopted for poverty reduction in Jordan (Sqor,2009). Combating the problem of poverty requires the implementation of policies and strategies adopted by the government (Bakr,2004).

But, before implementing any poverty reduction program, it is necessary to define the concept of poverty in Jordan, identify its causes and methods of measurement and then handle it by providing the opportunity for all people to earn their livelihood with sustainable means and implementing policies and strategies generating adequate levels of funding such a program (Abu Khurma and Sundus,2003). It is also necessary to emphasize integrated human development policies, boosting local control over resources, reinforcing organization and capacity building at the local level, increasing the involvement of non-governmental organizations, development of integrated strategies and programs to manage the environment in a sound and sustainable way, resource mobilization, eradication of poverty and mitigation of its impact, job creation and income generation for all areas, especially those suffering from poverty. National development plans and

budgets should underscore investment in human capital with special policies and programs for the poor, women and children in both urban and rural areas (Hafar,2000).

1.1 PROBLEM AND QUESTIONS OF THE STUDY

Lower per capita income as well as increasing intensity of poverty in all parts of Jordan widened the gap between the rich and the poor in all the governorates of the Jordan with some variations from one governorate to another. This is particularly true for Al-Mafraq Governorate, which is the poorest governorate of all. In light of this fact, the researchers decided to study this phenomenon. to identify the degree of influence of the social causes of poverty on the trends of the citizens of Mafraq Governorate. Therefore, the study sought to answer the following question: What is the impact degree of the social causes of poverty on the trends of the citizens of Mafraq Governorate?

In light of the previous discussion, the study aims to achieve the following objectives:

1. Evaluating the efforts to battle poverty. This evaluation can be achieved by a scientific methodology to analyze oral and written views of the respondents in order to identify poverty as it is linked to the relationship of people with wealth and social demographic factors.
2. Identifying the size of the problem of poverty, as well as its causes and characteristics with regard to social causes in Al-Mafraq Governorate, where the population of the study meets the conditions of generalizing the findings.

1.1.1 SIGNIFICANCE OF THE STUDY

The study derives its significance from its concern about the problem of poverty which has a direct impact on the social groups in Jordan, resulting in lowering the purchasing power of the Jordanian dinar by percentage of 60% against foreign currencies. This decline contributed to a sharp rise in prices with negative effects on the social sectors. Interest in poverty is one of the top priorities in formulating national development plans and strategies, mainly those related to the present and the future of communities. Therefore, this study seeks to conduct a comprehensive survey of the social causes of poverty in order to find out the most prominent dimensions of poverty facing the social sectors as seen by the people involved in the study. Then, the study will put forward recommendations for decision makers and concerned organizations with solutions to the problem of poverty, where these recommendations can be benefited from in preparing plans, programs, and priorities that secure sustainable community development.

The significance of the study emanates from its analysis of the causes of poverty and the identification of its levels. Al-Mafraq Governorate has been selected as a field of study, because it is the poorest governorate in the Jordan, with a poverty rate of 23%, representing 8.2% of the poor in Jordan.

1.2 DEFINITION OF TERMS

Trends: are sensations, feelings and internal transformations that control the individual's behavior, lead to adopting a position, a principle, a standard, a value, a behavior or a judgment (Hiayari, 1997). Trends are the outcome of responses to poverty included in the scale of trends used in this study. These include the social causes that constitute grounds for poverty through the culture of the community and the principles that it adopts.

Poverty: Poverty is the individual's inability to achieve a minimum standard of living. In its simplest sense, it is a standard of living lower than the level of certain economic and social standards. According to the income perspective, poverty does not mean a lack of income per se. Rather it is not meeting the income activities and investments that generate the appropriate human capacity of the person (Ministry of Social Development, 2001).

2. LITERATURE REVIEW

Following is a summary of some of the previous studies in the field:

(Tayeb, 1990) conducted an economic and social field survey involving a regular random sample representing about 20% of the total families of Al-Karak Governorate. He studied 3,126 families, distributed across Al-Karak Governorate. In order to determine the poverty line, he adopted Squor's study (1989), which stated that the abject poverty line was about 8.2% of the families of the province, while the absolute poverty line was at estimated at about 15 dinars a month per person and about 100 dinars a month for a family. The families living below the absolute poverty line accounted for about 32.6% of the governorate's total households(Tayeb,1990).

Squor et al. (1993) aimed at finding out the reality of poverty and its characteristics. They adopted the data of the survey: (Labor Force and Unemployment Returnees and Poverty in 1991), conducted by the Jordanian Department of Statistics. The study revealed that extreme poverty rate amounted to 6.6%, whereas absolute poverty rate was 21.3% of the total Jordanian families, with disparity among the governorates of Jordan. This study showed some of the poor families' characteristics in terms of size, dependency ratio, disability and unemployment. It also showed their educational status and indicated the huge gap among the average incomes of poor families.

Kharabsheh et al. (1994) studied how to reduce poverty in Jordan by adopting strategies and mechanisms. The study provided the basis for a strategy to curtail poverty in Jordan. The study revealed that the anti-poverty strategy in Jordan should be based on several principles, taking into account the social and demographic aspects of the environment, giving them the importance in parallel to that given to the economic growth and emphasizing that any strategy to reduce poverty is the responsibility of several ministries as well as public, private and voluntary organizations, because one organization cannot by itself encounter poverty. The study emphasized that effective management of these institutions and popular participation in decision-making have a significant role in facilitating the implementation of the strategy.

Hamdan and Crane's study (2000) sought to determine the impact of the economic reform on the pattern of food programs for the poor, the daily food consumption costs, the deficit (if any) in the food budget and the size of the required support for the poor family budget. The study used the variance analysis to test the significance of differences among the rates of consumption. The study also used the food tables of the Beirut American University and the1973 WHO and FAO resolutions. The study found a negative impact of the economic reform programs on the kind of food available to the poor families in Amman region.

Baqer's study (2000) aimed to identify the concept of poverty, stages of combating it and the style of the poverty line in Jordan. It also reviewed the indicators of poverty in Jordan.

Edinat and Wazani's study (2000) put forward a number of recommendations for tackling the poverty and unemployment problems in Jordan in light of similar cases in other Arab countries. These cases had been put forward in a poverty and unemployment seminar in 2000, in which a group of Arab countries participated. The study showed that there were many efforts made to deal with the problems of poverty and unemployment in Jordan, but they were not effective enough to eradicate the problem of poverty; they were rather palliative than curative solutions.

Tarawneh's study (2000) traced the methods and mechanisms used on the ground to reduce poverty and unemployment. The study conducted a descriptive analysis of the role of foreign aid reducing poverty in Jordan. It concluded that there is a substantial defect, not in the anti-poverty policies or the lack of or amount of foreign aid, but in the philosophy of the current development trend. In addition, the flaw lies in managing the fight against poverty and unemployment, the multiple parties working in this field, the contradiction in methods and trends, waste of efforts and money and lack of coordination among multilateral parties, whether governmental or non-governmental.

Hunaiti et al. (2002) aimed to identify factors raising the level of life quality of the Bedouin community in the Jordanian southern desert region according to the viewpoint of the people themselves. The study used the social survey method on a sample selected by the Department of Statistics. It consisted of 227 Bedouin families representing households located in seven population constellations belonging to three units of development; namely: Al- Qatraneh, Al-Hasa and Al-Husseiniyah. The study showed that eight factors had the greatest effects on the community development in the region; namely, the wife's participation in agricultural tasks, the agricultural extension services, sheep production, household spending on communications and gifts, manufacturing and home economics, public health indicators, housing, spending on food and goat production.

(Bajali, 2003) reviewed the main factors in the eradication of poverty in Jordan, such as unemployment, economic growth, free trade, governmental anti-poverty programs and the efforts of governmental and non-governmental organizations. Her study relied on reports issued by international organizations, such as the United Nations Development Program(UNDP) and the International Labor Organization(ILO). It showed that unemployment in Jordan began to rise in the late eighties, jumped to 16.9% by 1995 and remained high through the rest of the decade, but in 2003 it dropped to 14.6%. The economic growth rate is not sufficient

to boost the welfare of the population. The empowerment of poor people is the starting point. This includes opportunities for women, opening the political climate for the poor, training of young people to enter the labor market and enhancing the awareness of citizens.

The researchers used previous studies to define the research plan, study sample, study tools, and statistical methods.

3. METHOD AND PROCEDURE OF THE STUDY

This study is a descriptive analytical research. Therefore, the researchers present a precise account of the procedure and methodology for the implementation of this study, including a description of the study population, study sample, tools used, validity and reliability of the instrument, stages of implementation, variables and statistical processing used in the analysis of data to obtain the results.

3.1 THE STUDY SAMPLE

The study consisted of (294) researched persons from the three provinces of Al-Mafraq Governorate (North -Eastern Badia, North Western Badia and Al-Mafraq Town (Al-qasabah)) (Ktejcie, 1999). Table 1 shows the distribution of the study sample according to residence area.

TABLE 1: DISTRIBUTION OF THE STUDY SAMPLE ACCORDING TO RESIDENCE AREA

Residence Area	Number	Percentage
North- Eastern Badia (desert)	151	51.36 %
North –Western Badia	13	4.42 %
Al-Mafraq Town (Al-qasabah)	130	44.22 %
Total	294	100%

3.2 THE STUDY TOOL (THE QUESTIONNAIRE)

A questionnaire commensurate with the study objectives and questions was designed using literature and the views of specialized judges and reviewers. The objective of the questionnaire is to identify the impact degree of social causes of poverty on the trends of citizens of Al-Mafraq Governorate. It consisted of 16 items of social poverty causes; each was given an ordinal weight according to a 5-point Likert scale.

3.3 THE PILOT STUDY

The tool of the study was applied to a stratified random sample consisting of 30 members, who were included in the field sample of the study (North- Eastern Badia, North- Western Badia and Al-Mafraq Town (Al-qasabah), representative of the population characteristics. The statistical validity of the tool was tested, depending on the analysis of the results of the pilot study which tested the experimental and construct validity. The results showed that the correlation factor of the social causes of poverty was 0.85, which generally means that there is a correlation among the questionnaire items.

The data obtained from the field study were statistically processed by using the (SPSS), descriptive analysis of data and deductive methods to verify the differences.

3.4 THE STUDY VARIABLES

The study included an independent variable and a dependent variable.

The independent variable: is the social causes of poverty included in the questionnaire format consisting of (16) items.

The dependent variable: is the response of the sample members and their opinions on the social factors causing poverty in Al-Mafraq Governorate.

4. DISCUSSION OF THE STUDY RESULTS

This study aimed to identify the degree of impact of social causes of poverty on the trends of inhabitants of Al- Mafraq Governorate. The causes were presented in 16 items, each stating a social cause of poverty in Al- Mafraq Governorate. The mean, standard deviation and rank of each item are shown in Table 2.

TABLE 2: MEAN, STANDARD DEVIATION, AND RANK OF THE QUESTIONNAIRE ITEMS

Number	Social Cause	Mean	standard Deviation	Rank
1.	Significant increase in birth rates	1.90	0.88	16
2.	Women competing against men in the labor market	4.45	0.67	3
3.	Increased migration from rural areas to cities in search of better work	4.33	0.47	4
4.	Lack of seriousness and dedication to work	2.76	0.62	14
5.	Emphasizing human relationships rather than actual work	3.24	1.42	13
6.	Low perception and contempt of manual work	4.09	1.26	8
7.	High population growth rate	4.56	0.49	2
8.	Parental disapproval of some of certain works	3.53	1.01	11
9.	Weak focus on community development plans	2.92	1.37	15
10.	Weak social safety nets	4.58	0.57	1
11.	Head of the family disabled, old or dead	4.22	.052	7
12.	Dependency and fatalism	3.32	0.75	12
13.	Unsuitable work place and wages	4.27	0.44	5
14.	Difficult access to services and employment opportunities	4.24	0.53	6
15.	High dependency ratio	3.85	0.70	10
16.	Lack of women's contribution to domestic production	3.93	0.78	9
	Total for all social causes	3.76	0.31	-

It is noticed that from above (table 2) the means for the social causes as a whole ranged between (1.90 - 4.58). Item (10) " Weak social safety nets" came in first rank with a mean of (4.58), item (7) " High population growth rate " came in second rank with a mean of (4.56), item (2) " Women competing against men in the labor market " came in the third rank with a mean of (4.45), item (3) " Increased migration from rural areas to cities in search of better work " ranked in the fourth place with an arithmetic mean of (4.33), while item (13) " Unsuitable work place and wages " ranked in the fifth place with an arithmetic mean of (4.27). Which means that the impact of the social causes of poverty trends of the citizens of Al-Mafraq Governorate is (High), where the arithmetic mean of the responses of the study sample is (3.76: 5.00).

These results, which reflect the social causes of poverty, can be explained by discussing the following sub results:

These results reflect the real cause about the weakness of government programs to reduce poverty and unemployment, since the weakness of social safety nets and competition between women and men in terms of employing women over men had a negative impact on the reality of poverty in males, in addition to these reasons, the internal migration to urban areas also had an impact on the villages' people in terms of spatial dimension between places of residence and the sites of the work. Workers coming from remote rural areas have to either rent places of residence or commute daily, and this consumes nearly all their wages, let alone fatigue and late reporting to work. This difficulty may force them to eventually quit work. This is an indication of the failure of the economic system to satisfy the need of housing, a need which is one of the goals of the science of economics that seeks to solve the society's economic problems.

"Women competing with men in the labor market": Women are not responsible for unemployment; their right to work is guaranteed by the constitution. The question that poses itself is: can unemployment be eradicated by lessening the competition of women with men in the work place? The answer to this question is that the percentage of women in the labor force is low. If a woman seeks work outside the home, this is an indication that she needs a monthly salary to support herself and her children. By going to work, she sacrifices and waives her right to take care of her children in the family context. There is another reason for a woman to work: it is the high cost of living. To combat the difficult economic conditions, men and women have put in their thoughts and efforts at the work site.

Based on this discussion, the problem emanates from the unfounded perception of competition between men and women in the labor market. This perception overlooks the real causes of unemployment represented by the development cessation at all levels. There are also considerations that affect the work of women, such as culture, level of unemployment and its impact on the family income as well as the obstacles facing the family of a working woman (Miles, 2002).

As for the work place and wages, laborious work and inadequate pay are among the main causes of poverty and unemployment, because they drive young people to shun work, especially when prices and the cost of living are high. This situation has raised the percentage of poverty in Jordan to 10%–20% of the total population. Therefore, this situation is highly hazardous, as it compels this sector to seek several improper alternatives of attaining income, such as excessive work hours in poor conditions or resorting to crime or corruption. A practical remedy for this situation is necessary for the government and the concerned authorities. They have to market local labor in other Arab countries and foreign markets beyond these, give the young people of the poor families priority in government appointments, raise the minimum wage in proportion to the line of absolute poverty, unify the poverty funds, continue attracting foreign investments to ensure the employment of a greater number the unemployed and find solutions to the unemployment insurance system (Shra'ah, 2005).

There is a direct relationship between the value of the dependency burden rate and the level of poverty in Jordan, assuming stable labor productivity. This indicator is influenced by a number of indirect causes of poverty; namely, the rate of labor force participation, the participation of women in the labor force, unemployment, income distribution which is affected by inequality in the distribution of property and financial assets among the population and inadequate transfers to the poor (Karimah, 2005). Large family size, excessive consumption pattern, social disintegration and role conflicts, as well as lack of clear objectives are all reasons closely linked to poverty. Consequently, the researchers propose practical solutions to address such reasons through the organization of the Jordanian family size by activating awareness programs, increasing attention to the role of women in the work force through teaching and providing adequate employment opportunities proper for her, involving all of the family members in the development process.

It indicates that the total fertility rate is higher in the Al-Badia of Jordan with 4.2 births per woman, compared with 3.6 births in Jordan as a whole, due to the high birth rates of the age group (30–34) years (Massarwah, 2007). This increase in birth rate increases both family size as well as the burden of dependency. As mentioned above, there is a relationship between the value of the dependency burden rate in Jordan and the level of poverty. Assuming a stable productivity of labor, the concerned parties need to intensify the awareness programs related to family planning.

Regarding to High population growth rate can be explained by the relationship between population growth and its size. The poverty phenomenon soars if the population growth rate exceeds the rate of economic growth, a situation which has been characteristic of Jordan since the mid-eighties of the past century. Accordingly, both problems of poverty and unemployment should take priority in governmental programs for a comprehensive national plan taking into account the most important reasons intensifying poverty and unemployment, such as an abnormal population growth rate, the decline of GDP at constant prices, the decline in per capita GDP and the dinar's low purchasing power.

The negative corollaries of the high rates of poverty and unemployment manifest themselves through the increased demand for economic resources and investments to provide more health services. The increase in demand for more health services raises the cost of such services, entails expanding the establishment of health facilities and increasing the number of trained personnel in the field of health care to meet the needs of the growing population.

Population growth also depletes more economic resources due to spending on education which requires more school buildings, equipment and teaching staff. Schooling also needs preparation of curricula, textbooks and other equipment required for education. This expenditure rises with time as the number of students goes up. Population growth has its bearing on environmental and natural resources, especially the two main basic supplies: food and water. Thus, curtailing population growth to reasonable levels and reinforcing awareness programs and family planning initiatives are among the most effective methods of addressing poverty.

As for dependency, many young people shun work as they depend on their families in all aspects of their lives, believing that the jobs available are not commensurate with their social status. So, they embrace optional unemployment, turn away from work, although they deny doing this. Unemployed means that they are fit and qualified for work, but work is not available to them. But "denial" indicates that work is available but job seekers are not allowed to work by other people, or the market laws ban it (George, 1992). Communities facing poverty fall into two categories: communities that reject the whole issue of poverty believing that it is due to free will, not predestined. In this vein, some European and Western nations erupted in revolution against feudalism and the classes in power, rejecting the reality of slavery for food under their lords' injustice. Popular revolutions erupted, such as the French Revolution, rejecting all causes of poverty. Poverty, they believed, is not fatalistic, prompting those nations to claim equality. According to them, poverty is not proportional. In the East, the problem of poverty is accepted; it is believed to be fatalistic; i.e. predestined as inevitable and accepted due to faith considerations. Therefore, people remained slaves at the mercy of a minority of feudal lords. This conviction still holds strong in the minds of 85.2% of the poor women who believe that it is the "Will of God" or the so-called fatalism that makes them poor, while 72% of poor women believe that it is their community that determines the proper and improper economic behaviors of women. As a result, they were deprived of opportunities to improve their income (Akhbaruna, 2010).

The increased migration from rural areas to cities in search of better work can be ascribed to lack of sources of income in the repellent areas. This explains the increased rates of internal migration which affect the poverty rate for the indigenous population in terms of bringing about emerging changes in terms of numbers of employees. The presence of different levels of education and skills changes wages and employment opportunities for the natives. However, the migration of workers with their families from the countryside to the central cities negatively affects their lives with more poverty. The traditional existence of poverty in rural areas cannot be compared to the abject poverty near the central cities, because with poverty in the countryside there is greater elasticity in income depending on agricultural products (Glazier et al., 2008).

The findings above show that the arithmetic mean of the responses of the study sample is 3.76 indicating a high impact of social causes on poverty and unemployment in Al-Mafraq Governorate. The results indicate that social causes have a profound impact on aggravating both poverty and unemployment in this area. As poverty is inherently linked with high levels of political and social risks, the political stability is pinned on the ability of the state to create and realize the economic growth in order to raise the level of income for the general public. Unemployment is a dangerous problem, because it depletes the community resources both quantitative and qualitatively. Therefore, it is imperative to develop policies to tackle unemployment in the framework of the national economy closely linked to the strategy of economic and social development. To bring about integration in solving social problems resulting from poverty and unemployment, the illiteracy rate of 20% must be cut by preventing student drop-outs in the compulsory schooling stage. Prices must be controlled to reduce their negative effects on citizens, particularly the poor; poverty funds must be unified for this purpose. More foreign investments should be attracted to ensure the employment of a larger number of the unemployed, an unemployment insurance system should be set up, the economic base should be enlarged and economic adjustment policies should be enhanced (Shra'ah, 2005). There is also a need to find other solutions to social causes of poverty by reducing the disparity among the applications of comprehensive social policies, providing educational, health and social care services, allocating pensions for those without breadwinners, providing adequate housing and striking a balance between rates of workers in administrative state organizations and the percentage of workers in the economic sector.

5. RECOMMENDATIONS

The results of this study lead to the following recommendations:

1. Creating mechanisms that prevent disparity between the number of graduates and the number of jobs through synchronization of education, rehabilitation and training outputs with the needs of the labor market and employment policy in light of a knowledge-based economy.
2. Converting the development process into cumulative process in order to eliminate poverty as well as to develop investment and provide social welfare services on the one hand and eliminate all forms of administrative and financial corruption on the other.
3. Reducing the number of foreign workers, except for careers where the Jordanian work force is not sufficient, like construction and agriculture.
4. Organizing the Jordanian labor market by establishing a database for all Jordanian job seekers, creating suitable job opportunities and regulating expatriate informal employment conditions.

REFERENCES

1. Abu Kharma, Suleiman Abu Sondos, Jihad (2003), Poverty: concept and methods of measurement. Unpublished paper submitted to the conference of unemployment and poverty held in Amman during the period 06/22 to 07/01 / 2003, the Amman, Jordan.
2. Adinat, Mohammed Khalil and, Khaled Wassef, (2000). Proposals to contribute in the face of poverty and unemployment in Jordan. In: Unemployment and Poverty: Reality and Challenges: Jordan, Morocco, Egypt, Tunisia, Lebanon, Abdul Hameed Shoman Foundation, Amman, Jordan.
3. Akhbaruna. (2010). Coordinating social solidarity: (62%) of the Jordanian poor women are widows, 17/02/2010 (the study is not officially recorded).
4. Anti-poverty Program in Jordan (2002). For a Stronger Jordan, Amman, Jordan, p. 16.
5. Bajali, Lubna. (2003). A long way to eliminating poverty by 2015. Arab Organization for the Fight against Illiteracy.
6. Baker, J.L, (2000). Evaluating the impact of development projects on poverty. World Bank, Washington.
7. Baqir, Mohammed Hussein. (2000). Methodologies and studies for the purpose of developing programs to address poverty in Jordan. In Evaluating Foreign Economic Assistance to Jordan (1989-1999), edited by Ethel Jawmrd, Center for Strategic Studies, University of Jordan, Amman, Jordan.
8. Ckshad, Rabeah, (2011), The problem of the fight against poverty in the Arab and Muslim worlds. Faculty of Economic Sciences and Science Steering, Saad Dahlab University of Blida. (www.kantakji.com/fiqh/Files/Economics/2110.doc).
9. Department of Statistics, (2009). Jordan in figures, selected indicators, No. 11, of the Hashemite Kingdom of Jordan, p. 3.
10. FAO. (1998). Rural woman and food security, current situation and perspectives. Rome.
11. George, Vic. (1992). Trapped in poverty. Public Money & Management, Vol. 12, Issue 3, p71.
12. Glaeser, Edward, L. Kahn and Matthew E, Rappaport. (2008). Why do the poor live in cities? The role of public transportation. Journal of Urban Economics, Vol. 63, Issue 1, p.1.
13. Hafar, Saeed Mohammed (2000), Is poverty can contribute to sustainable development or sustainable development is designed to combat poverty?, Journal of Education, University of Qatar, p. 165.
14. Haider, Faris Salah and Saleh, Hassan Abdel Kader. (2005). The impact of human fertility in unemployment and poverty - a sample study of the hotbeds of poverty in Jordan. Population and Development, No.11, pp. 1-76.
15. Hamdan, Mohammed Rafiq and Karaki, Mohammed. (2000). The impact of economic reform on the pattern of food programs for poor families in the city of Amman. Studies, Horticulture, Volume 27, Issue 1.
16. Hiari, Mahmoud. (1997). Yarmouk University students' attitudes towards subject of Islamic. culture, Yarmouk Research, Volume XIII, Issue III, p. 250.
17. Hunaiti, Dokhi and Tarawneh, Khalid and Omar, Ayed. (2002). Identifying the economic and social factors affecting the development process (a field study of the southern region in Jordan), Menoufia Magazine, Faculty of Agriculture Branch, Cairo University, Cairo, Egypt.
18. Kareemah, Kareem. (2005 Poverty and Globalization; Egypt and the Arab Countries, a collection of studies in English translated to Arabic by the Supreme Council of Culture, Cairo, Egypt, p. 417.
19. Kharabsheh, Abd, Amal Al-Sabbagh, Hussein Shakhatreh, Hussein Al-Khatib, Walid Abd Rabbo, and Musa Shteiwi (1994). Jordan Poverty Reduction Strategy. Amman: Ministry of Social Development [in Arabic].
20. Ktejcic, Ed. (1999). Ensnarement: determining sample size of a given population, vol.30, pp. 607-610.
21. Masarweh, Isa. (2007). Family health survey of the population in the desert of Jordan. Department of Statistics, Amman, Jordan, p. 21.
22. Miles, Rebecca. (2002). Employment and Unemployment in Jordan: the importance of the gender system. World Development, Vol. 30, Issue 3, p.413.
23. Ministry of Planning and International Cooperation. (2002). A study to assess poverty in Jordan, Amman, Jordan.
24. Ministry of Social Development. (2000). Measurement of poverty in Jordan. Ministry of Social Development, Amman, Jordan.
25. Ministry of Social Development. (2001). National Anti-Poverty Strategy 2001, Amman, Jordan.
26. Mohammed Abdullah. (2004). The impact of unemployment in the social construction of society - an analytical study of unemployment and its impact on Saudi Arabia. Journal of Social Sciences, Vol. 32, No. 2, pp. 263-295.
27. Robert, Chambers. (1995). The professionals and the powerless who's reality counts? Choices. human development magazine, New York, United Nation, Developments Programme.
28. Saleh, Hassan Abdul Qadir. (2002). The resources and the development and applications of the foundations of the Arab world. Dar Wael for Publication. Amman, p. 137.
29. Shara, Munther. et al. (2004). The reality of poverty and unemployment in Jordan. National Conference on the fight against poverty and unemployment. Department of Statistics, Amman, Jordan.
30. Shra'ah, Hussein. (2005). A workshop on training and employment in the face of poverty and unemployment. Monday, 24/10/2005.
31. Squor, M. et al. (1993). A Report on Poverty: Characteristics and Reality, Unpublished Report, Amman. (in Arabic).
32. Squor, Mohammed. (1998). The problem of poverty in Jordan: fact and treatment, unpublished.
33. Tarawneh, Mohammed. (2000). Smna informal activities: a new approach to reducing poverty in Jordan, in evaluating foreign economic assistance to Jordan (1989-1999), edited by Ethel Jawmrd, Center for Strategic Studies, University of Jordan, Amman, Jordan.
34. Tayeb, Saud et al. (1990). Social and economic reality for the people of Karak.South Center of Studies, Muta University.
35. Tayeb, Saud. (2002). Income distribution and poverty in Al-Karak governorate. Muta for Research and Studies, Vol. XVII, No. VII, p. 75.
36. "World Bank. 2003. World Development Report 2004: Making Services Work for Poor People. World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/5986> License: CC BY 3.0 IGO."

THE DETERMINANTS OF PROFITABILITY: AN EMPIRICAL INVESTIGATION ON SUN PHARMA

P. SATHYA
ASST. PROFESSOR
ERODE ARTS & SCIENCE COLLEGE
ERODE

DR. A. VIJAYAKUMAR
ASSOCIATE PROFESSOR
ERODE ARTS & SCIENCE COLLEGE
ERODE

ABSTRACT

The profit of a business may be measured by studying the profitability of investment in it. It is the test of efficiency, powerful motivational factor and the measure of control in any business. Profitability is highly sensitive economic variable which is affected by host of factors operating through a variety of ways. The objective of this study is to examine the determinants of profitability of Sun Pharma. Determinants of profitability are analyzed using the techniques of ordinary least squares. It is evident from the results that size is the strongest determinants of profitability of Sun Pharma followed by the variables vertical integration, past profitability, leverage, current ratio, inventory turnover ratio, fixed assets turnover ratio and operating expenses. The study concluded that the company should consider all these possible determinants while considering its profitability.

KEYWORDS

sun pharma, determinants of profitability, profitability and leverage and vertical integration.

INTRODUCTION

Indian pharmaceutical sector has come a long way, being a small sector 1970 to a vital supplier of healthcare products, serving almost 95 per cent of the countries pharmaceutical needs. It ranks third in the world in terms of production volume and 13th in domestic consumption volume. Indian pharmaceutical industry grew at 15.7 per cent during December 2011. The Indian pharmaceutical industry is estimated to grow at 20 per cent compound annual growth rate (CAGR) over the next five years. India is now among the top five pharmaceutical emerging markets. There will be new drug launches, new drug filings, and phase II clinic trials throughout the year. On back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in the rural markets, the domestic pharm market will grow at 10-12 percent in FY 15 as compared to 9 percent FY 14.

Sun pharmaceutical was set up in 1983 and the company started off with only 5 products to cure psychiatric illness. Sun pharma is known worldwide as the manufacture of specialty Active Pharmaceuticals Ingredients and formulations. However, the company is also concerned with chronic treatments such as cardiology, psychiatry, neurology, gastroenterology, diabetology, and respiratory ailments. Active Pharmaceuticals Ingredients (API) includes peptides, steroids, hormones, and anti-cancer drugs and their quality is internationally approved. The international offices of Sun Pharmaceuticals Industries Ltd. are located in British Virgin Islands, Russia, and Bangladesh. In India, the offices are in Vapi, Silvassa, Panoli, Ahmednagar, and Chennai.

The question of determination of profit is of great importance. The profit of a business may be measured by studying the profitability of investment in it. Profitability is a relative term and its measurement can be achieved by profit and its relation with the other objects by which the profit is affected. It is the test of efficiency, powerful motivational factor and the measure of control in any business. Actually profitability is highly sensitive economic variable which is affected by a host of factors operating through a variety of ways. Some of them affect product prices and quantities; some affect the cost of production while others make changes in capital stock, size, market share and growth of the firm. Further, corporate policy relating to various functions will affect profitability. Some of them are relevant in short run while others have impact in the long run. It is doubtful to build a theory of profitability, which accounts for all such factors. Because of these difficulties, it is quite natural to analyse the variation in profitability by taking the partial approach i.e., to find the effect of certain major variables, ignoring the implications of other left out independent variables at a time. The present study is a step towards this direction.

THEORETICAL BACKGROUND AND THE DEVELOPMENT OF HYPOTHESES

The study of how and why firms attain profitability levels has been the main pre-occupation of industrial organization economists for the last 13 years. In determining factors influencing performance diversity, literature dealing with such work suggests that industrial performance and performance differences among firms can be explained as arising from various characteristics: those which are firm – specific and those which are industry specific.

Lyroudi & Lazaridis (2000) suggests that the profitability of the company depends on working capital management where the cash conversion cycle has a significant impact with the company's liquidity.

Chakraborty and Bandopadhyay (2007) In their research studied strategic working capital management, and its role in corporate strategy development, ultimately ensuring the survival of the firm. They also highlight how strategic current asset decisions and strategic current liabilities decisions had multi-dimensional impact on the performance of a company.

Raheman and Nasr (2007) In their study made an attempt to show the effect of different variables of working capital management including average collection period, inventory turnover in days, average payment period, cash conversion cycle, and current ratio on the net operating profitability of Pakistani firms. They selected a sample of 94 Pakistani firms listed on Karachi Stock Exchange for a period of six years from 1999 – 2004 and found a strong negative relationship between variables, it leads to decreasing profitability of the firm and managers can create a positive value for the shareholders by reducing the cash conversion cycle to a possible minimum level.

Samiloglu and Demirgunes (2008) analyze the impact of working capital management on companies with profitability and the results of the study is the existence of a relationship between profitability and average collection, inventory and leverage while the variable sales growth has a significant positive relationship with profitability.

Karaduman et al. (2010) analyze the impact of working capital management revenue in the Turkish companies listed where results indicate the need for a balance between profitability and risk, which could lead to influence financial decisions.

Hifza Malik (2011) investigated the determinants of profitability in insurance companies of Pakistan and examine effects of firm specific factor (age, size, volume of capital, leverage ratio and loss ratio) on profitability peroxide by ROA. It includes 35 listed life and non life insurance companies under the period of 2005-2009 lastly concluded that there is no relationship between profitability and age of the company and there is significantly positive association between size of company and profitability. It also shows that volume of capital is significantly and positively related to profitability. Loss ratio and leverage ratio shows negative but significant relationship with profitability.

Dhulia Hirenkumar Kantilal (2012) studied on analysis of gross profit to sales ratio of top ten pharmaceutical companies and shows that there is significance difference between in the gross profit to sales ratio among different companies under study as well as different years of each company lastly the researcher concluded that Gross Profit to sales ratio among different companies and among different years under study is not same.

Sandhar et.al (2013) examined the relationship between liquidity and profitability of selected Indian cement companies using regression analysis and revealed that current ratio and liquid ratio are negatively associated with return on assets (ROA), return on investment (ROI) and cash turnover ratio is negatively associated with ROI and ROA.

R.Amsaveni & Gomathi (2013) analyzed the fundamental analysis of BSE listed FMCG companies for a period 2006-07 to 2011-2012. Researcher has studied economic, industry and company analysis and found that from economic analysis, GNP, Inflation, Interest rates, Exchange rate foreign exchange reserves, Agricultural Production, Government Receipts and expenditure has a positive growth rate during the study period and gross domestic product, gross domestic capital formation savings and balance of payments has negative growth rate during the study period.

Sarvanan and Abarna (2014) conducted study on liquidity analysis of selected automobile companies in India using Anova and found that there is significant difference among the absolute liquid ratios of the selected automobile companies.

PROFITABILITY

Many researchers use different measures of firm profitability in the analysis of the determinants of profitability. Among, return on assets (**Hall & Weiss, 1967; Shepherd, 1972; Bothwell et al., 1984; Amato & Wilder, 1990;**) and Return on sales (**Samuels and Smyth, 1968; Nagarajan and Barthwal, 1990; Amit Mallick and Debasish Sur, 1998; Vijayakumar, 2002**) are widely used measures of profitability – It is assumed that management may be concerned with effective utilization of all resources and these two measures could be proper in this line of arguments. The profit rates measured by sales will give a short-term perspective of profitability because sales are annual flows. On the other hand, the return on assets will give us long- term perspective of profitability. In this study, ratio of profit margin on sales is used as dependent variable in the specified model.

SIZE

Firm size is one of the most acknowledged determinants of a firm's profits in terms of its effect on competitive market power in given industry (**Beard & Dess, 1981**). Economies of scale, raw material costs and production strategy are a few of the benefits larger firms employ because their structure allows for the minimization of operational costs (**Sidhu and Bhatia, 1998**) and higher returns on account of access to capital market (**Hall and Weiss, 1967**). Hence, generally a positive hypothesis is set for size – profitability relationship. The size – profitability relationship is perhaps best explained as a curvi – linear relationship where beyond a certain point, scale economies cease to exist and the relationship then may reverse owing to the problems associated with size (enlarged demand, imperfections, increased tariff protection and inflationary conditions in the Economy). Therefore, impact of firm size on profitability cannot be determined a priori. Thus, from this theoretical background, the study advances the following hypothesis.

H₀ 1: Firm size is significantly associated with profitability.

The existing literature mentions an array of alternative measures of firm size. Generally, two sizes measures are employed; they are assets (**Shepherd, 1972; Amato & Wilder, 1990; Sidhu & Bhatia, 1998**) and sales turnover (**Amirkhalkhali et al, 1993; Abdurahman et al., 2003; Vijayakumar 2002**). Assets express amount of resources utilized for producing output whereas sales is an output variable. Sales are an annual flow depending upon output produced and sold in the market. Therefore, in this study the log of total assets as the measure of size has been employed.

LEVERAGE

Leverage has been employed widely as a measure of risk in previous studies of financial performance reflecting a trade – off between shareholders returns and risk (**Hall & Weiss, 1967; Scott & Pascoe, 1986; Pant, 1991**). The usual supposition is that a leveraged firm with relatively more borrowed capital represents a greater financial risk to equity holders than a firm with relatively low debt (**Bothwell, Cooley & Hall, 1984**). Depending on the cost of debt, the effect of Leverage may be favorable or unfavorable. When the cost of debt is lower than the company's rate of return, Shareholders' earnings will be magnified. However, when the rate of return on the company's assets is lower than the cost of debt capital, then the leverage effect will be unfavorable. It seems that the relationship between leverage and rate of return is indeterminate a priori. Based on this theoretical background, the study advances the following Hypothesis:

H₀ 2: Leverage is significantly associated with profitability.

The debt equity ratio as the measure of leverage has been employed in this study.

CURRENT RATIO

The management of working capital involves decisions about the amount and composition of current assets and how they are financed. Such decisions involve a tradeoff between solvency and profitability. In inter-firm comparison, the firm with higher current ratio has better liquidity. A high ratio of current assets to current liabilities may be indicative of slack management practices, as it might signal poor credit management in terms of over-extended accounts receivables. So far as these current assets are kept for meeting the working capital requirements, it may exert positive influence on profitability through growth, otherwise, negative effect on profitability can be expected. Therefore, the study proposes the following hypothesis:

H₀ 3: Current ratio is significantly associated with profitability.

INVENTORY TURNOVER RATIO

Another variable, which can influence the profitability, is the inventory turnover ratio. It is the ratio of sales to inventory which indicates the number of times inventory is replaced during the year. Instead of taking year end stock of inventory, an average of the opening and closing stock of inventory is considered. A high ratio implies good inventory management. But low inventory will adversely affect the ability of a firm to meet customer demand and in turn will affect profitability. On the other hand, a very low inventory turnover ratio signifies excessive inventory or over investment in inventory and high carrying cost. The sign of inventory coefficient is ambiguous. With the respect to the above line of argument, the study proposes the following hypothesis:

H₀ 4: Inventory turnover ratio is significantly associated with profitability.

FIXED ASSETS TURNOVER RATIO

Sarkaria and Shergill (2000) suggest that firms seeking to improve profitability performance must shift from labour intensive to capital intensive methodologies. This would lead to process modernization, improved product quality, wastage reduction and better cost of production. It should be noted however that large investment made in fixed assets may find a firm to a certain business even if the business is declining. Moreover, whether capital intensity increases profitability would also depend on the cost of input (**Sidhu & Bhatia, 1998**). Based on this argument, the study proposes the following hypothesis:

H₀ 5: Fixed Assets Turnover ratio is significantly associated with profitability.

OPERATING EXPENSES TO SALES RATIO

Apart from the above discussed factors operating expenses ratio is included as an explanatory variable in this study. A low operating ratio is by and large a test of operational efficiency. The implication of low operating expenses ratio is that relatively a high percentage share of sales is available for meeting financial liabilities like interest, taxes and dividends. Therefore, a negative relationship is expected with operating expenses and profitability. Therefore, the study proposes the following hypothesis:

H₀ 6: Operating Expenses to Sales ratio is significantly associated with profitability.

VERTICAL INTEGRATION

Firm-specific vertical integration motivated by considerations such as the avoidance of costs incurred in using the market of organize production, government policies and also consideration of market power is an important determinant of profitability. The costs of using the market alternatively known as transaction costs include search cost, cost of drawing up contracts, monitoring costs, etc., In our context government policies assume an important role in determining vertical integration. The degree of vertical integration is sought to be measured by the value added to sales ratio in the analysis. Value added is defined as total sales revenue less costs of purchased inputs, repair charges and customs and excise duty. With respect to the research presented above, the study advances the following hypothesis:

H₀ 7: Vertical Integration is significantly associated with profitability.

PAST PROFITABILITY

The hypothesis that the level of future profitability of a company will reflect its past profitability is one of appealing simplicity. (Geoffrey Whittington, 1971). However, the future cannot be analyzed; it is only an expectation, and any such expectation, would not be dependable unless based on the past experience. So, Past Profitability (Pt-1) may have the relevance as a determinant of current profitability. If profitability depends on the quality of a firm's management, or on the monopoly power which the firm enjoys or on both of these factors, we should expect to find some persistency in the profitability of firms over successive years. (Singh and Whittington, 1968). Since there is usually some continuity of good management and of monopoly power, so we expect that profitability in the previous year will determine the profitability in the current year. But if profitability in the previous years, is purely a chance phenomenon, then it may not affect the profitability in the current year. In order to test this general notion, the study postulates the following hypothesis:

H₀ 8: Past profitability is significantly affects profitability.

VARIABLES SPECIFICATIONS AND EMPIRICAL MODEL

In order to explain the profitability of Sun Pharma, the various factors discussed above, have been taken together. The analysis of data employs the use of correlation and a multiple regression model that consists of factors associated with profitability of Sun Pharma. The basic model consists of a multiple regression of profitability on a set of independent variables. The dependent variables of the regression model are return on capital employed which relates the profitability to the asset base. This study investigates the effect of size, leverage, current ratio and inventory turnover ratio, fixed assets turnover ratio, operating expenses to sales ratio, vertical integration and past profitability. The current study use correlation analysis to identify the association between profitability and the independent variables, as well as regression analysis to estimate the causal relationship. The researcher considers the following regression model.

$$PR_{it} = \beta_0 + \beta_1 (\text{Size})_{it} + \beta_2 (\text{Leverage})_{it} + \beta_3 (\text{Current ratio})_{it} + \beta_4 (\text{Inventory Turnover ratio})_{it} + \beta_5 (\text{Fixed Assets Turnover Ratio})_{it} + \beta_6 (\text{Operating Expenses to Sales Ratio})_{it} + \beta_7 (\text{Vertical Integration})_{it} + \beta_8 (\text{Past Profitability})_{it} + e_t$$

Where,

PR	Measures the firm profitability with Return on Capital employed as a percentage of sales turnover for the firm (i) in the year (t)
Size	Natural logarithm of firm's sales for the firm (i) in the year (t)
Leverage	Measures with debt to equity for firm (i) in the year (t)
Current ratio	Current ratio for the firm (i) in the year (t)
Inventory turnover ratio	Inventory Turnover Ratio for the firm (i) in the year (t)
Fixed assets turnover ratio	Fixed Assets Turnover Ratio for the firm (i) in the year (t)
Operating expense to sales ratio	Operating Expenses to Sales ratio for the firm (i) in the year (t)
Vertical Integration	Vertical Integration for the firm (i) in the year (t)
Past profitability	One year lagged profitability for the firm (i) in the year (t)

ANALYSIS AND DISCUSSION

This section describes descriptive statistics summary, correlation, regression analysis and discussion of results.

DESCRIPTIVE STATISTICS AND ANALYSIS

Descriptive statistics includes the mean, standard deviation, minimum and maximum for the period of 2001-2014.

Table 1 contains descriptive statistics of the variables used in this study. The table reveals that profit rate ranges between 0.01 percent to 35.95 per cent with mean of 21.76 per cent and a standard deviation 10.49. The same applies leverage, current ratio, inventory turnover ratio, fixed assets turnover ratio, operating expenses to sales ratio, vertical integration and past profitability, which show that the Standard deviation is less than the Mean. This implies that there is a low variation in the firm's mean.

CORRELATION ANALYSIS

A correlation analysis was performed to verify a possible association between and among the variables, in order to test whether there is any linear correlation between and among the variables. Collinearity explains the dependence of one variable to other. When variables are highly correlated they both express essentially the same information. Table 2 reports the Pearson correlation co-efficient of all the variables employed in the study. Simple correlations among the variables that are reported in table 2 are quite low. Hence, the performance variables used in this study do not seem to pose a serious multicollinearity problem and this allows for standard interpretation of the regression coefficients.

DISCUSSION OF RESULTS

Using pooled regression technique, the study ran the regression of the profitability on the firm structure variables like size, leverage, current ratio and inventory turnover ratio, fixed assets turnover ratio, operating expenses to sales ratio, vertical integration and past profitability with aim to investigate whether these variables have significant explanatory powers. The estimated results are reported in table 1.

It can be observing from the table that the estimated value of the R-Square is 0.99. This implies that more than 90 per cent of the variation in profitability of the firms is jointly determined by the said variables. The value of F-statistic indicates that the overall model is good. The Durbin-Watson statistic is also close to 2 which imply that the successive values of estimated residuals are not dependent on each other. This means that there is evidence to accept that there is no auto correlation problem in the estimated model.

It is evident from the results that vertical integration is stronger determinant of profitability followed by fixed assets turnover ratio, size, inventory turnover ratio, past profitability, operating expenses to sales ratio, current ratio and leverage.

It is evident from the result that co-efficient of size shows the increase of 1.18 per cent in profitability as a result of one per cent increase in size, which is statistically significant at 5 per cent level. The co – efficient of leverage indicated that a decrease of 2.79 per cent in profitability as a result of one per cent increase in leverage which is significant at 10 per cent level. It is appeared from the result that value of one per cent increase in current ratio resulted in 2.45 per cent decrease in profitability, which is significant at 10 per cent lever. One per cent increase in fixed assets turnover ratio shows 2.92 per cent increase in profitability during the study period. The co – efficient of operating expenses to sales ratio indicated that a decrease of 0.21 per cent in profitability as a result of one per cent increase in operating turnover ratio at 10 per cent level. Further, one per cent increase in vertical integration and past profitability shows 19.06 per cent and 0.39 per cent increase in profitability in the study period. However, the co – efficient of inventory turnover ratio shows 0.82 per cent increase in profitability as the result of one percent increase in inventory turnover ratio. This is not statistical significant.

The overall explanatory power of regression appears to be good. This may be inferred from the co – efficient of determination (R²) which is the measure of extent of movement in the dependent variable that is explained by the independent variables. It is 99 per cent and the adjusted explanation is around 96 per cent.

CONCLUSION

It can be concluded from the above analysis that the selected variables explain 99 per cent of variation in profitability in Sun Pharma. It is evident from the results that vertical integration is the strongest determinant of profitability followed by the variables fixed assets turnover ratio, size, inventory turnover ratio and past profitability. The selected variables have both positive and negative contribution in variation of profit rate. In nutshell, it can be concluded that firm should consider all these possible determinants while considering its profitability.

REFERENCES

- Amato, L and Wilder, R.P. (1990). "Firm and industry effects in industrial Economics", *Southern Economic Journal*, Vol. 50, pp.93-105.
- Amsaveni, R and Gomathi, S. (2013). Fundamental Analysis of Selected FMCG Companies in India. *Asia Pacific Finance and Accounting Review*, 1(3), 37-55.
- Bothwell, J.L., Cooley, T.F and Hall, T.E. (1984). "A new view of the Market Structure-Performance Debate", *Journal of Industrial Economic*, Vol. 32, pp. 397-417.
- Demirgunes, K. and Samiloglu, F. (2008). The effect of working capital management on firm profitability: Evidence from Turkey, *International Journal of Applied Economics and Finance*, Vol. 2, No. 1, pp. 44-50.
- Hall, M. and Weiss, L. (1967). "Firms Size and Profitability", *The Review of Economics and Statistics*, Vol. 49, pp.319-331.
- Kantilal, D.H (2012). Financial Analysis of Selected Pharmaceutical companies in India with Special Reference to Gross Profit to Sales Ratio, *Indian Journal of Applied Research*, 2(2), 5-6.
- Karaduman, H.A., Akbas, H.E., Ozsozgun, A., Durer, S. (2010). Effects of working capital management on profitability: The Case for selected companies in the Istanbul stock exchange (2005-2008), *International Journal of Economics and Finance Studies*, Vol. 2, No. 2.
- Lyrودي & Lazaridis (2000) suggests that the profitability of the company depends on working capital management where the cash conversion cycle has a significant impact with the company's liquidity.
- Malik, H. (2011). Determinants of Insurance Companies Profitability: An Analysis of Insurance Sector of Pakistan. *Academic Research International* 1(3), pp 315-321.
- Raheman A, Nasr M. (2007), "Working Capital Management and Profitability – case of Pakistani Firms", *International Review of Business Research Papers*.
- S.S. Saravanan, & J. Abarna. (2014). A Study on Liquidity Analysis of Selected Automobile Companies in India. *Indian Journal of Applied Research*, 4(2), 6-8.
- Samuels, J. M. and Smyth, D.J. (1968). "Profits, Variability of Profits and Firm size," *Economica*, Vol. 35, pp. 127-139
- Sandhar, Kaur, S., Janglani, & Silky. (2013). A Study on Liquidity and Profitability of Selected Indian Cement Companies: A Regression Modelling Approach. *International Journal of Economics, Commerce and Management*, 1(1), 1-24.
- Shepherd, W.G. (1972). "Elements of Market Structure", *Review of Economics and Statistics*, Vol. 54, pp. 25-38.
- Vijayakumar, A. and Kadirvel, S. (2003). "Profitability and size of the firm in Indian Minerals and Metals industry", *The Management Accountant*, pp. 816-821.

TABLES

TABLE – 1: DESCRIPTIVE STATISTICS

Variables	Mean ± SD	Minimum	Maximum	N
PR	21.76 ± 10.49	0.94	35.45	13
S	7.44 ± 0.58	6.55	8.04	13
LEV	0.31 ± 0.52	0.01	1.64	13
CR	2.93 ± 1.44	0.79	5.57	13
ITR	5.45 ± 1.46	2.8	7.07	13
FATR	2.58 ± 0.73	1.41	3.97	13
OPES	37.83 ± 20.67	17.69	81.9	13
VI	0.32 ± 0.08	0.25	0.55	13
PP	24.01 ± 8.61	8.47	35.95	13

PR – Return on Capital Employed; S - Natural logarithm of Sales; LEV- Leverage; CR- Current Ratio; ITR – Inventory Turnover Ratio; FATR – Fixed Assets Turnover Ratio; OPES – Operating Expenses to Sales Ratio; VI – Vertical Integration; PP – Past Profitability of Return on Capital Employed.

TABLE – 2: CORRELATION MATRIX

	PR	S	LEV	CR	ITR	FATR	OPES	VI	PP
PR	1.00								
S	0.18	1.00							
LEV	-0.17	0.36	1.00						
CR	-0.04	0.34	0.16	1.00					
ITR	0.47	0.46	0.39	0.36	1.00				
FATR	0.19	0.43	-0.02	0.32	0.32	1.00			
OPES	-0.26	-0.18	-0.14	-0.41	-0.40	-0.47	1.00		
VI	-0.46	-0.46	0.17	-0.29	-0.31	-0.31	0.42	1.00	
PP	0.38	0.32	0.24	0.02	0.13	0.39	-0.50	-0.45	1.00

PR – Return on Capital Employed; S - Natural logarithm of Sales; LEV- Leverage; CR- Current Ratio; ITR – Inventory Turnover Ratio; FATR – Fixed Assets Turnover Ratio; OPES – Operating Expenses to Sales Ratio; VI – Vertical Integration; PP – Past Profitability of Return on Capital Employed.

TABLE – 3: DETERMINANTS OF PROFITABILITY – MULTIPLE REGRESSION MODEL

Dependent Variable: Return on Capital Employed (PR)

$$(PR=13.80+1.18S-2.79LEV-2.45CR+0.82ITR+2.92FATR-0.21OPES+19.06VI+0.39PP)$$

Variables	Beta Co-efficient	t value	Significant / Not Significant
Constant	13.80		
Size (S)	1.18	3.60	Significant*
Leverage(LEV)	-2.79	2.07	Significant*
Current Ratio (CR)	-2.45	3.49	Significant*
Inventory Turnover Ratio (ITR)	0.82	0.79	Not Significant**
Fixed Assets Turnover Ratio (FATR)	2.92	3.75	Significant*
Operating Expenses to Sales Ratio (OPES)	-0.21	2.85	Significant*
Vertical Integration (VI)	19.06	4.06	Significant*
Past Profitability(PP)	0.39	3.60	Significant*
R ² = 0.99			
Adj R ² = 0.96			
F = 44.43			
D.W = 2.07			

D.W – Durbin-Watson Statistics; * - Significant at 0.05 levels; ** - Significant at 0.10 level; Source: Computed.

SERVICE QUALITY OF PUBLIC SECTOR BANKS: A CASE OF DOMESTIC MIGRANT LABOR IN KERALA

AHAMED RIAZ K
RESEARCH SCHOLAR, BHARATHIAR UNIVERSITY, COIMBATORE; &
ASST. PROFESSOR
F.I.M.S.
KOZHIKODE

DR. T. C. SIMON
ASSOCIATE PROFESSOR
M.A.M.O. COLLEGE
MUKKOM

ABSTRACT

Banking industry has evolved into one of the most competitive industry in India after the economic liberalization and the entry of new private sector banks in the market. The public sector banks have been feeling the crunch to maintain their business and live up to the expectation of the customers for the last few years. Service quality is the most important factor which influences the customer retention and acquisition of new business. The service quality gap or the gap between the customer expectation and customer perception of service plays the pivotal role in customer attrition and loss of business. In this context every segment of customers and their perception on service quality is important. This research paper will focus on the customer segment of domestic migrant labor in Malappuram district of Kerala. The research was done among a sample drawn out of the population of domestic migrant labor from other states of India who are working in various sectors like construction industry, hotel industry, furniture industry and barbers. A stratified convenience sampling was done with a total sample size of 60. The findings show that empathy and responsiveness are the most important dimensions as far this segment of customers is concerned. The tangibility is the least important dimension which influences this segment of customers. The results of this study can help the management to formulate strategies to satisfy this segment by improving on human dimensions like empathy and responsiveness by imparting suitable trainings.

KEYWORDS

service quality, empathy, responsiveness, tangibility, expectation, domestic migrant labor.

1. INTRODUCTION**1.1 SERVICES QUALITY**

According to Asubonteng et al., (1996), due to intense competition and the hostility of environmental factors, service quality has become a cornerstone marketing strategy for companies. This highlights how important improving service quality is to organizations for their survival and growth in the market as it could be a critical factor to be competitive in markets. This has led to a situation that service-based companies are compelled to provide excellent services to their customers in order to have a clear competitive advantage. It has become inevitable for these organizations to understand the intricacies of service quality in order to attain their business objectives.

In service marketing literature, service quality is generally defined as the overall assessment of a service by the customers, (Eshghi et al., 2008, p.121) or the extent to which a service meets customer's needs or expectations, Asubonteng et al., (1996). Parasuraman et al., (1985) define service quality as "The discrepancy between consumers' perceptions of services offered by a particular firm and their expectations about firms offering such services". If what is perceived is below expectation, consumer judges quality as low and if what is perceived is meets or exceeds expectation then consumer sees quality to be high. Critical component of service quality identified are; consumer's expectation which is seen as what they feel service provider should offer and this is influenced by his/her personal needs, past experience, word-of-mouth and service provider's communications, Parasuraman et al., (1985, p.49). However, this meaning of expectation is that of service quality literature which is different from expectation in the customer satisfaction literature which defines expectation as predictions made by consumer about what is likely to happen during an impending transaction. Consumers' perception of performance is what he/she experiences, (Parasuraman et al., 1988, p.17). Generally, it is interesting to study expectations and experiences of consumers in many different contexts.

According to Douglas & Connor, (2003, p.166), Parasuraman et al., (1985, p.42), and Ladhari, (2008, p.172), the intangible elements of a service (inseparability, heterogeneity and perishability) are the critical determinants influencing service quality perceived by a consumer. This means that a service must be well defined by the provider in terms of its characteristics in order to understand how service quality is perceived by consumers. According to Johns, (1999, p.954), a service could mean an industry, a performance, an output, an offering or a process and it is defined differently in various service industries. The differences in service industries are based on the characteristics of service which include; intangibility, heterogeneity, perishability and inseparability. Intangibility means there is no physical product, nothing to be touched, tasted, smelled or heard before being purchased and this therefore means that it is difficult for consumer to understand the nature of what they receive. This means that service providers must try to determine the level of intangibility of services and try to include tangible elements that could aid understanding of expectation from the consumer's perspective (Beamish & Ashford, 2007, p.240). Heterogeneity means that, difference which comes in at the level of delivery of service due the difference in human behaviour of those offering services and the consumer. Example occurs when a salesperson offers assistance to one customer at the counter, that same person cannot offer exactly the same thing to the next customer because of differences in behaviours. This is why it is difficult to determine the quality and level of service provided since consumers and service providers are different, the same consumer could act differently with the same service provider (Beamish & Ashford, 2007, p.241). Perishability means that, since services are produced and consumed at the same time implying they cannot be stored for later usage. If the service is not used then, it cannot be used again. This does not however hold in every service industry (Beamish & Ashford, 2007, p.241). An example occurs when a person books a hotel room for a night and does not use it, no other person can use at that same time. Inseparability means services are consumed as they are purchased. An example is seen when a consumer is making a telephone call, he/she consumes the service while paying the charges. This implies that the consumer is involved in the production and delivery of the service meaning he/she takes special note of what is actually produced by the service provider (Beamish & Ashford, 2007, p.240). These above mentioned aspects of service make it very difficult measure service unlike product quality which is measured objectively using factors such as durability and number defects because of its tangible nature quality (Parasuraman et al., 1988, p.13). Gronroos, (1982, p.36-43), developed the first model to measure service quality. He identified three components of service quality; the technical quality is concerned with what is delivered (outcome), the functional quality deals with the process of service delivery (how it is delivered) and the image quality which is identified as corporate image of company resulting from both technical and functional qualities of service components. The technical quality component of products unlike services is easy to assess because they are concerned with tangibility (servicescape) such as physical features that are visible to the consumer. Servicescape is defined as the physical facilities of a service company and this concept is related to the SERVQUAL model in that the tangible aspects of the physical environment are covered in the SERVQUAL model. Servicescape therefore plays a great role in that it influences customers' evaluations of other factors determining perceived service quality like empathy, reliability, responsiveness, and assurances (Reimer & Kuehn, 2004, p.785). William & Dargel, (2004, p.310) further suggest that, servicescape is more in service setting because of the unique characteristics of services (intangibility, perishability, inseparability and

heterogeneity). Summarily, servicescape is very important in the delivery of services and affects perceived service quality which further leads either customer satisfaction or not.

1.2. SERVICE QUALITY MODELS

The SERVPERF model developed by Cronin & Taylor, (1992), uses the performance approach method which measures service quality based on customer's overall feeling towards service. This model is good to measure service quality but does not provide information on how customers will prefer service to be in order for service providers to make improvements. Teas, (1993), developed the Evaluated Performance model which measures the gap between perceived performance and the ideal amount of a dimension of service quality, rather than the customer's expectation. This was to solve some of the criticism of some previous models Gronroos, (1984); Parasuraman et al., (1985, 1988). Parasuraman et al., (1985), developed a model of service quality after carrying out a study on four service settings: retail banking, credit card services, repair and maintenance of electrical appliances, and long-distance telephone services. The SERVQUAL model represents service quality as the discrepancy between a customer's expectations of service offering and the customer's perceptions of the service received Parasuraman et al., (1985). This makes it an attitude measure. What this model strives to measure exactly is the consumer perception of the service quality which depends on the size of the gap between expected service and perceived service which in turn, depends on the gaps under the control of the service provider such as delivery of service, marketing, (Parasuraman et al., 1985). This measurement of service quality is based on both on how consumer evaluates the service delivery process and the outcome of the service, (Parasuraman et al., 1985, p.42). A good service quality is considered as one which meets or exceeds consumer's expectation of the service (Parasuraman et al., 1985, p.46).

The SERVQUAL model was made of ten dimensions of service quality when created; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding the customer, and access, Parasuraman et al., (1985, p.47-48) but later on these dimensions were reduced to five because some dimensions were overlapping (communication, credibility, security, competence, courtesy, understanding customers and access) and they included, Tangibles- physical facilities, equipments, and staff appearance. Reliability- ability to perform the promised service dependably and accurately; Responsiveness- willingness to help customers and provide prompt service; Assurance- knowledge and courtesy of employees and their ability to inspire trust and confidence; Empathy- caring, individual attention the firm provides its customers (Parasuraman et al., 1988, p.23). These dimensions mainly focus on the human aspects of service delivery (responsiveness, reliability, assurance, and empathy) and the tangibles of service. According to study carried out by Ladhari, (2009), it is recommended that the SERVQUAL model is a good scale to use when measuring service quality in various specific industries but that it is appropriate to choose the most important dimensions of this model that fit to that particular service being measured in order to assure reliable and valid results. In this regard, we will use this model because it takes into account customer's expectation of a service as well as perceptions of the service which is best way to measure service quality in service sector (Shahin, 2005, p.3). Buttle, (1996, p.8) makes mentions of several researchers that have used the SERVQUAL model in various industries (retailing, restaurants, banking, telecommunication industry, airline catering, local government, hotels, hospitals, and education). He further suggests that service quality has become an important topic because of its apparent relationship to costs, profitability, customer satisfaction, customer retention and positive word of mouth and it is widely considered as a driver of corporate marketing and financial performance. In our study, we are more interested in service quality and customer satisfaction by using the SERVQUAL model to assess them in banking service.

TABLE 1: DIMENSIONS OF SERVICE QUALITY BY PARASURAM ET AL.

1980s (10 dimensions framed)	1990s (10 dimensions merged to 5)	Objectives
1. Reliability	1. Reliability	The ability to perform the promised service dependably and accurately
2. Responsiveness		
3. Competence	2. Empathy	Caring, individualized attention provided to customers.
4. Access		
5. Courtesy	3. Assurance	The knowledge and courtesy of employees and their ability to convey trust and confidence
6. Communication		
7. Credibility	4. Responsiveness	The willingness to help customers and to provide prompt service.
8. Understanding/ knowing the customer		
9. Tangibles	5. Tangibles	The appearance of physical facilities, equipment, personnel and communication materials
10. Security		

SERVQUAL model a multi-dimension model proposed by Parasuraman et al., as a result of their extensive research on service quality, has been a significant model in research on the area of service quality in various context. These dimensions, revealed by the factor analysis, were named as tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. Later in nineties some of the original dimensions were combined, leading into a five-dimensional index: tangibles, reliability, responsiveness, assurance (credibility, security, competence, courtesy) and empathy (communication knowing/understanding the customer, and access).

2. OBJECTIVES OF STUDY

1. Study the customer expectation about the service offering and service quality of public sector banks in Malappuram District and find out the gap between customer perception and expectation by using SERVEQUAL Model.
2. Study the perception of service quality among a specific customer segment of domestic migrant laborers in Malappuram District of Kerala.

3. SIGNIFICANCE OF THE STUDY

Every research work conducted has its own significance and importance. This study also has some constraints but at the same time has its own significance and importance. The below mentioned points highlight the importance of this study.

- To identify the service gap and suggest a better solution to bridge the service gap in this particular segment.
- To suggest how to give more value to the customer, so that customer and bank is benefitted.
- To assist for service recovery.

4. RESEARCH DESIGN

A descriptive research approach was followed in this study. The existing system was studied in a time frame and analyzed using descriptive analysis and results presented.

4.1 SOURCES OF DATA

The data required for the present study are collected from both secondary and primary sources.

- The secondary data was collected from internet, journals and other literatures.
- The primary data was collected from customers of the specific segments through structured questionnaires.

4.2 METHOD OF DATA COLLECTION

The researcher has collected relevant literature and other information related to the topic from the online sources and journals. For primary data, structured questionnaires were administered and personal interviews conducted wherever necessary (especially laborers from other states who speak different languages and are not comfortable with English) to elicit relevant information.

4.3 DATA COLLECTION INSTRUMENTS

The research data was collected from the respondents by means of a structured questionnaire, which consists of some close ended questions and rating scales. A translator was used in some cases when the respondent was not comfortable with English.

4.4 TOOLS AND PARAMETERS

The following parameters and tools were used to collect the primary data from the sample respondents

TABLE 2: STATEMENTS USED TO EXTRACT DIMENSION SCORES

Sl. no		Expected	Actual
1.	Banks have modern equipments and machines like ATM & CDM		
2.	Facilities provided inside bank and lobby are good and attractive		
3.	Bank officials and staff are well dressed and neat in appearance		
4.	Posters, Notices, Signboards, Forms etc are visually attractive		
5.	If bank promise to do something by a certain time, they do		
6.	When you have a problem bank shows a sincere interest in solving it.		
7.	Always bank performs the service right the first time itself.		
8.	The bank provides its service at the time it promises to do so.		
9.	The bank insists on error free records.		
10.	Bank employees tell you exactly when the services will be performed		
11.	Employees in the bank give you prompt service.		
12.	Employees in the bank are always willing to help you.		
13.	Employees in the bank are never too busy to respond to your request.		
14.	The behaviour of employees in the bank gives you confidence.		
15.	You feel safe in your transactions with the bank.		
16.	Employees in the bank are consistently courteous with you.		
17.	Employees in the bank have the knowledge to answer your questions.		
18.	The bank gives you individual attention.		
19.	The bank has operating hours convenient to all its customers.		
20.	The bank has employees who give you personal attention.		
21.	The bank has your best interests at heart.		
22.	The employees of the bank understand your specific needs.		

TABLE 3: STATEMENTS USED TO EXTRACT RELATIVE IMPORTANCE OF DIMENSIONS IN PERCENTAGES

Features	Percentage
1. The appearance of the banks physical facilities, equipment, personnel and communication materials.	
2. The bank's ability to perform the promised service dependably and accurately	
3. The banks willingness to help customers and provide prompt service.	
4. The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence.	
5. The caring individual attention the bank provides its customers.	
Total:	100%

5. DATA ANALYSIS

The data was collected and analyzed using statistical software package Megastat. Descriptive analysis was done with the master data which was tabulated in spread sheets. The outputs like central tendencies mean, median, maximum, minimum, standard deviation, range etc were obtained in the system for each set of data. The scores of the five point scales responded by respondents for all the 22 questions were tabulated to analyze the following.

TABLE 4: DEMOGRAPHIC PROFILE OF RESPONDENTS

Sample Profile	Count	%
Age	Below 18	26 43.3
	19 – 30	19 31.7
	31 – 50	11 18.3
	Above 50	4 6.7
Gender	Male	49 81.7
	Female	11 18.3
Marital Status	Married	39 65.0
	Unmarried	21 35.0
Occupation	Construction Labour	15 25.0
	Furniture Labour	15 25.0
	Hotel Labour	15 25.0
	Barbers	15 25.0
Migrated Since	< 1 year	27 45.0
	1 - 3 years	22 36.7
	3 - 5 years	8 13.3
	> 5 years	3 5.0

The demographic analysis shows that the majority of the sample belonged to younger aged category male laborers who are married and have migrated only recently.

TABLE 5: CALCULATION OF UNWEIGHTED SERVQUAL SCORE

Dimension	Statement	Expectation Mean	Perception Mean	Gap Score	Average for Dimension
Tangibles	1	4.54	4.01	-0.53	
	2	4.50	3.91	-0.59	
	3	4.25	3.88	-0.37	
	4	4.55	3.75	-0.8	-0.57
Reliability	5	4.54	3.65	-0.89	
	6	4.55	3.59	-0.96	
	7	4.51	3.75	-0.76	
	8	4.53	3.71	-0.82	
	9	4.45	3.92	-0.53	-0.79
Responsiveness	10	4.49	3.95	-0.54	
	11	4.52	3.53	-0.99	
	12	4.55	3.54	-1.01	
	13	4.48	3.88	-0.6	-0.78
Assurance	14	4.55	3.92	-0.63	
	15	4.56	3.95	-0.61	
	16	4.55	3.75	-0.8	
	17	4.55	3.96	-0.59	-0.65
Empathy	18	4.62	3.45	-1.17	
	19	4.55	3.61	-0.94	
	20	4.65	3.42	-1.23	
	21	4.54	3.43	-1.11	
	22	4.61	3.39	-1.22	-1.13
Unweighted Average SERVQUAL score:					-0.78

TABLE 6: SERVQUAL IMPORTANCE WEIGHTS

Features of Dimensions	Average %
1. The appearance of the banks physical facilities, equipment, personnel and communication materials.	15
2. The bank's ability to perform the promised service dependably and accurately	12
3. The banks willingness to help customers and provide prompt service.	21
4. The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence.	10
5. The caring individual attention the bank provides its customers.	42
Total:	100

FIGURE 1: SERVICE QUALITY GAP IN RATER DIMENSIONS

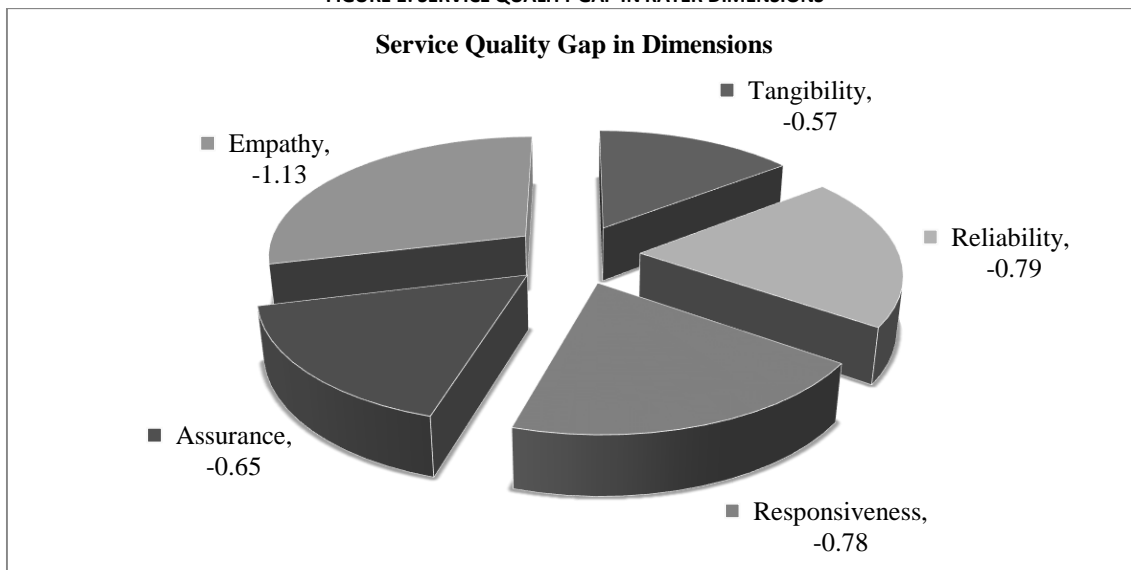


TABLE 7: CALCULATION OF WEIGHTED SERVQUAL SCORES

SERVQUAL Dimension	Score Unweighted Table :3	Weighting from Table :4	Weighted Score
Tangibility	-0.57	15	-8.55
Reliability	-0.79	12	-9.48
Responsiveness	-0.78	21	-16.38
Assurance	-0.65	10	-6.5
Empathy	-1.13	42	-47.4
Average Weighted score:			-17.6

The analysis of the SERVQUAL statements show that Empathy is the dimension which has maximum un-weighted and weighted gap score, whereas Tangibility is the dimension which has minimum un-weighted and weighted gap score. The statement number 20 has recorded maximum mean gap score followed by statement number 22, which shows the wide gap in the individual attention and empathy shown to migrant laborer customers in public sector banks.

6. CONCLUSION

This study measured service quality gap of public sector banks with reference to domestic migrant laborers in Malappuram District by using the Servqual Model. The primary part of the empirical analysis indicated that the five dimensions of perceived service quality generally have a negative gap. It was also found that there is a huge service gap on Empathy and less on Tangibility. This study also showed that Servqual instrument is valid and reliable to measure the perceived service quality in banking service from specific customer segment and their point of view that need improvement.

The public sector banks have to consider the huge customer base of domestic migrant labourers who have migrated to Malappuram district from northern states of India as a potential business segment. Bank staff should be trained to give a better service to this segment by giving personalized and individual attention. Language also plays a crucial role in providing better experience. Bank may consider translators for better service.

7. LIMITATIONS

- The sample size was 60 respondents only but for better generalization of results, sample size can be increased.
- Findings are purely based on sample survey through questionnaire method. Hence there is a scope for the respondents to be biased in this study.
- The findings of the study are purely an outcome of the responses given by the sample respondents who are not very comfortable in English and so there could be bias during translation.
- The study is geographically restricted to Malappuram district of Kerala. Convenience sampling technique was mainly used for selecting the respondents of the study.

8. SCOPE FOR FURTHER RESEARCH

There is ample scope for further research in this area. Studies can be conducted on comparative perceptions of service quality of banks among various segments of customers including natives, migrants, migrants of different states, different languages etc. Further studies can be conducted on the comparative service quality of various banks of public sector, private sector and cooperative sector.

REFERENCES

1. Asubonteng, P., McCleary, K.J. & Swan, J.E. (1996). SERVQUAL revisited: a critical review of service quality, *The Journal of Services Marketing*, Vol.10, Number 6, p.62-81.
2. Badri, M. A., Abdulla, M. & Al-Madani, A. (2005). Service quality assessment and application of SERVQUAL, Vol.22, Number 8, p. 819-848.
3. Cronin, J. J., & Taylor, S. A. (1992) Measuring service quality; a re-examination and extension. *The Journal of Marketing*, Vol. 56, Number 3, p.55-68.
4. Gronroos, C. (1982). A service quality model and its marketing implications, *European Journal of Marketing*, Vol.18, Number 4, p.36-44.
5. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research, *Journal of Marketing*, Vol. 49, p.41-50.
6. Parasuraman, V.A. Zeithaml and Berry, L.L. (1998), 'SERVQUAL: A multiple item scale for measuring consumer perceptions of service quality', *Journal of Retailing*, vol.64, no.1, pp. 12-40.

ANALYSIS OF SOCIO-ECONOMIC BENEFIT OF ELECTRIFICATION THROUGH CREDA IN CHHATTISGARH STATE

SUMONA BHATTACHARYA
ASST. PROFESSOR
DEPARTMENT OF COMMERCE & FINANCIAL STUDIES
BILASPUR UNIVERSITY
BILASPUR

DR. R. P. AGARWAL
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
KALYAN PG COLLEGE
BHILAI NAGAR

ABSTRACT

On 25th May 2001 under the Department of Energy, Government of Chhattisgarh, CREDA - Chhattisgarh State Renewable Energy Development Agency, has been constituted for generating electricity through Renewable Energy sources and implementation of various schemes of Energy production, security and Energy Conservation activities. Chhattisgarh State has 27 administrative Districts divided into 146 blocks. Chhattisgarh state is well known as power hub, providing electricity 24x7, as it is a surplus power producer and also exports power to other State. As per Economic Survey, 2012, the level of electrification through conventional and non-conventional sources stands around 97% in Chhattisgarh. CREDA has electrified remote villages and Hamlets- scattered population in dense forest, through non conventional sources. 810 villages have been electrified by the end of 2015. My study is regarding the socio-economic benefits derived by that population who have been electrified by CREDA. A random sample of 100 people were given the questionnaire based on various aspects for collection of primary data. Such data has been analysed to justify the socio-economic benefits. It was found that the impact of electrification is positive on the performance of school going student, generation of income through main and secondary sources and also the upliftment of living standard but the impact of electrification is less significant on health issues. It is recommended that the post electrification maintenance of devices must be implemented on regular basis. Further the Govt. must focus to create awareness regarding non-conventional energy production, energy security and conservation activities.

KEYWORDS

CREDA, socio-economic benefits, solar energy, village electrification.

INTRODUCTION

The term socio-economic can be widely used with variable meanings and approaches. Basically if economics is used in society for the sake of its development then such study can be identified as socio economic analysis. Further the socio-economic analysis can also mean the impact of certain changes brought about which may or may not significantly contribute to the society. Such change aims to development of the society by upliftment of living standard of specific region, establishment of equality and free from discrimination etc. In general, such changes are related to technology.

Electrification is one of the most important technical changes which can be addressed as a milestone towards development. In some country the basis of growth is analysed by calculating the units of energy consumed. Thus, the expansion of electricity services and electrification are vital to both the economic and social development of India. Electrification in rural and remote areas would reduce isolation through telecoms and other road and transport services with street lights. Further, it will help to increase the productivity of agriculture and other occupations. Electrification can also contribute at large towards health and medical facilities. At last but not least, Education can prosper well in electrified areas.

Sources of energy are one of the prime requirements of the world to generate energy. The Chhattisgarh State of India has taken a wide step to establish the consumption of renewable sources of energy in rural as well as urban areas by establishment of CREDA- Chhattisgarh Renewable Energy development Agency. This organisation was established in the year 2001 under the Ministry of Energy when the Chhattisgarh state was carved out of Madhya Pradesh. Since its establishment, CREDA did extensive work in the field of Renewable Energy focusing on rural areas and stand alone devices. It has implemented projects in the field of power generation from renewable energy and environment friendly sources. The basic sources of finance for its regular operation are the grants from State Govt., Central Govt and some recovery from beneficiaries. In concern to the growth and development of such prime sector, it is very important to analyse the financial strength of the organisation to increase its efficiency and sustainability. In the same context, The Income –expenditure A/c and the Balance Sheet of CREDA, for the year 2002 to 2011, has been collected for the purpose analysis through formulae based technique.

IMPORTANCE OF THE STUDY

Since CREDA is a State designated organisation for implementation of the renewable sources of energy, thus the organisation is working with contribution of Government of India, Government of Chhattisgarh and a small contribution of beneficiaries. Therefore, it is very important to justify the contributions in respect of the population of remote area for their socio economic benefits.

OBJECTIVES

My objective of this research work is to analyse weather electrification in remote areas and other power generation activities of CREDA has a positive impact on various aspects of social and economic changes in the life of remote area population.

HYPOTHESES

The hypotheses of my research work is simply stated as “CREDA immensely contributes in socio- economic development of the state through its various services.”

RESEARCH METHODOLOGY

Systematically solving a research problem is known as Research methodology. In other words, all those methods which are used by the researcher during the course of studying his research problem are termed as research methods.

In case of my research on the topic “ANALYSIS OF SOCIO-ECONOMIC BENEFIT OF ELECTRIFICATION THROUGH CREDA IN CHHATTISGARH STATE”, it would be defined as “Analytical research”, where I would be using the facts, figures and information’s collected through sample survey, and analyse them to make a critical

evaluation of the material. My research methodology is totally based upon **primary data** Collection and analysis. The classified data has been represented in tabulated forms followed by respective graphs. The comparisons would be presented in forms of graphical presentations and diagrams.

The sequence of analysis is presented as follows:

DESCRIPTION OF RESEARCH FIELD

To analyse the socio-economic benefit to the society, from the rural electrification programme of Chhattisgarh Government, through CREDA, I had conducted a field work, with a questionnaire in **four** villages namely, **Arisiya, Morga, Korbi and Jatga** of **Poundi Uproda** block (sub-district code:03273) taking a total sample size of **N=100**.

In the Korba district of Chhattisgarh State, Poundi Uproda is the biggest block with **205** villages. Many villages in this block are in remote and forest areas. The rural electrification programme of Chhattisgarh Government through CREDA did extensive and much significant work in the villages for electrification. The nearby towns/cities of Poundi Uproda are Kartala, Katghora, Korba and Pali.

ARISIYA

In Poundi Uproda tehsil of Korba district in Chhattisgarh, **Arisiya** village is a gram panchayat. 1315.18 hectares is the total geographical area of the village. It is situated at 109Km away from district head quarter, Korba and about 65 Km from sub-district headquarter of Poundi Uproda. There are about 256 houses in the village and it is approximately 73 km away from the nearest town Katghora. The total population of the village is 974 which includes 515 males and 459 females. Public and Private bus services are available for transportation. Railway station is within 10 Km distance.

MORGA

In Poundi Uproda tehsil of Korba district in Chhattisgarh, **Morga** village is a gram panchayat. 2160.73 hectares is the total geographical area of the village. It is situated at 95Km away from district head quarter, Korba and about 53Km from sub-district headquarter of Poundi Uproda. There are about 396 houses in the village and it is approximately 65km away from the nearest town Katghora. The total population of the village is 1,771 which includes 914 males and 857females. Public and Private bus services are available for transportation. Railway station is within 10 Km distance.

KORBI

In Poundi Uproda tehsil of Korba district in Chhattisgarh, **Korbi** village is a gram panchayat. 1046.56 hectares is the total geographical area of the village. It is situated at 74Km away from district head quarter, Korba and about 43Km from sub-district headquarter of Poundi Uproda. There are about 319 houses in the village and it is approximately 43km away from the nearest town Katghora. The total population of the village is 1,302 which includes 660 males and 642females. Public and Private bus services are available for transportation. Railway station is within 10 Km distance.

JATGA

In Poundi Uproda tehsil of Korba district in Chhattisgarh, **Jatga** village is a gram panchayat. 4360.42 hectares is the total geographical area of the village. It is situated at 70Km away from district head quarter, Korba and about 50Km from sub-district headquarter of Poundi Uproda. There are about 676 houses in the village and it is approximately 38km away from the nearest town Katghora. The total population of the village is 2946 which includes 1506 males and 1440 females. Public and Private bus services are available for transportation. Railway station is within 10 Km distance.

COLLECTION AND TABULATION OF DATA FOR ANALYSIS

Primary Data has been collected on the basis of a questionnaire and further classified and tabulated for analysis. In the above mentioned four villages of Poundi Uproda Block, I have selected 25 families from each village and filled the Questionnaire to collect the data.

The following grounds were taken into consideration to reach the conclusion are–

1. IMPACT OF ELECTRIFICATION ON PERFORMANCE OF SCHOOL GOING CHILDREN

In this ground the socio benefits have been analysed regarding the impact of electrification the performance of the school going children. The aim is find out whether there is any improvement in their results or not. Due to electrification are the children attracted towards school?

2. IMPACT OF ELECTRIFICATION ON HEALTH FACILITY OF THE REGION

In this ground, the motive of study is to find out the impact of electrification on the health facilities of the village. Whether the health centres are giving their services at night time also? Is there any new and advanced medical equipment installed after electrification? Whether the dependency of the villagers on urban areas has reduced after electrification or not?

3. IMPACT OF ELECTRIFICATION ON LIVING STANDARD

In this ground the impact of electrification is observed on the overall living standard of the natives. In today's world using electrical devices in day to day life is most common event. Moreover, use of such equipments is not considered as luxuries but some have become mandatory for safe and comfortable life. My study is regarding the actual condition of the villagers, whether they are able to update themselves with electronic technologies or not? At least they are able to connect themselves with the world, by using mobile phones or not?

4. CHANGE IN TOTAL INCOME OF THE PERSON BEFORE AND AFTER ELECTRIFICATION

In terms of economic benefits, it is important to calculate the change in total income of the families after electrification. The income can be classified as the main source, which is mostly Agriculture and the other sources. It is expected that most of the income from other sources such as grocery shop, tailoring and others must have boosted up with electricity.

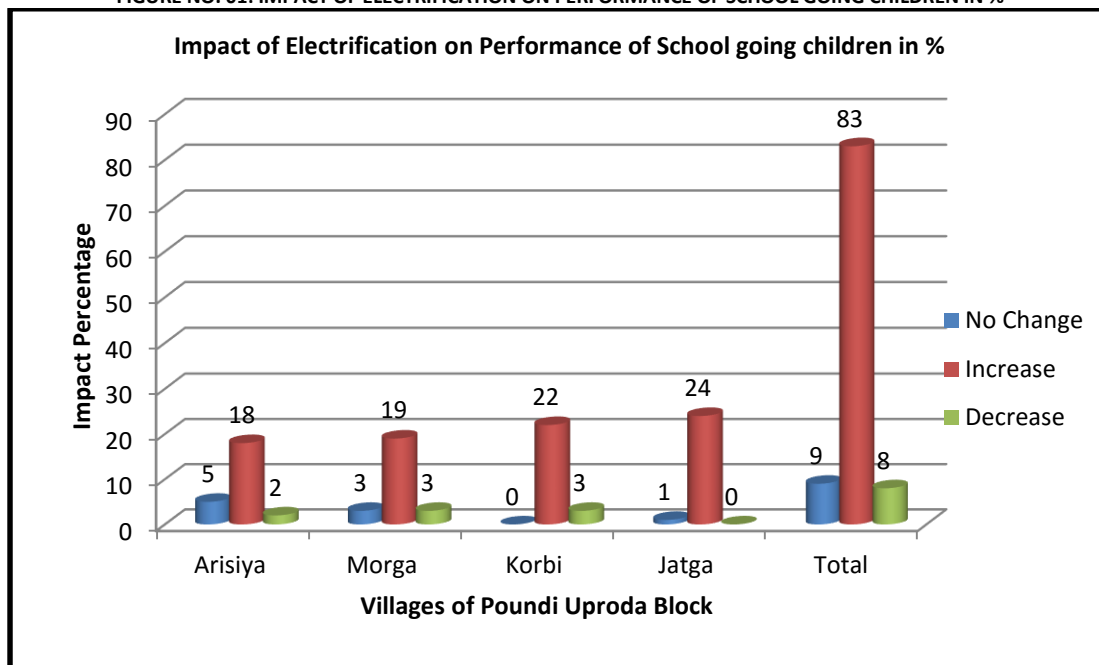
IMPACT OF ELECTRIFICATION ON PERFORMANCE OF SCHOOL GOING CHILDREN

TABLE NO. 01: IMPACT OF ELECTRIFICATION ON PERFORMANCE OF SCHOOL GOING CHILDREN

Name of villages (No. of Samples)	No Change	+ve(increased)	-ve(decreased)
Arisiya (25)	5	18	2
Morga (25)	3	19	3
Korbi (25)	Nil	22	3
Jatga (25)	1	24	Nil
Total	9	83	8
Result	83%of sample have positive impact of Electrification on Performance of School going children		

The observation of the classified and tabulated data resulted that out of 100 families in four villages of Poundi Uproda Block 83% families accept that there is a positive change in performance of school going children. The reason behind this is the ability to study even in late evenings.

FIGURE NO. 01: IMPACT OF ELECTRIFICATION ON PERFORMANCE OF SCHOOL GOING CHILDREN IN %



Further 8% reported there is negative impact of electrification because children are more indulge in watching television and playing games till late evening.9% of sample also reported that the change in performance of school going children after electrification is insignificant. Such as few children are never interested in education and few children are studious irrespective of electrification.

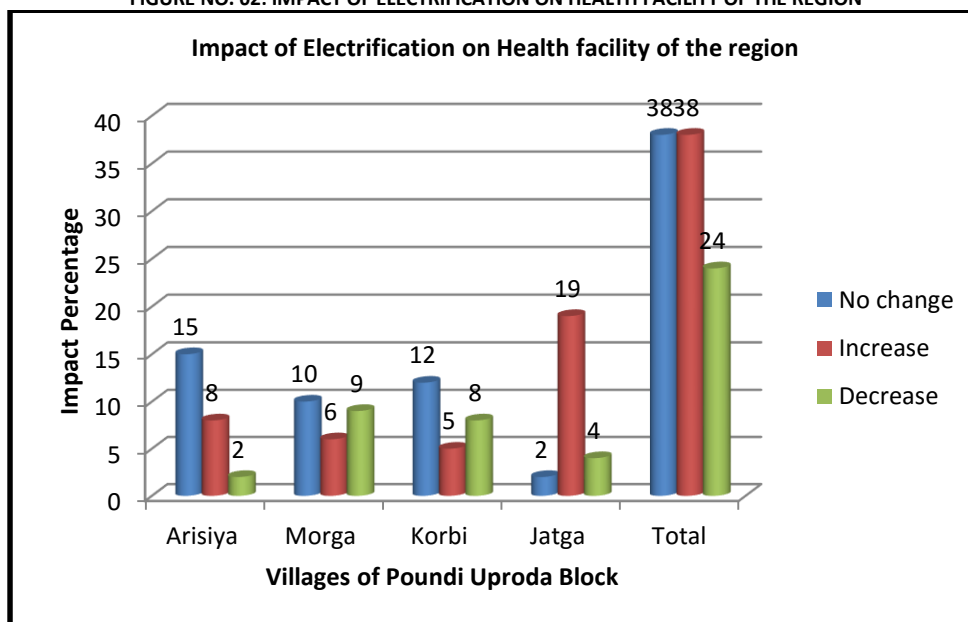
IMPACT OF ELECTRIFICATION ON HEALTH FACILITY OF THE REGION

TABLE NO. 02: IMPACT OF ELECTRIFICATION ON HEALTH FACILITY OF THE REGION

Name of villages	No Change	+ve(increased)	-ve(decreased)
Arisiya (25)	15	8	2
Morga (25)	10	6	9
Korbi (25)	12	5	8
Jatga (25)	2	19	4
Total	38	38	24
Result	Less significant positive change in health facility of the region		

Health issues are considered as one of the primary factor in which the Government is concerned about. The small health centers have been facilitated even in remote rural areas. In the sample survey the results obtained were not significantly positive. Here positivity means the view was taken from the sample that, if facility of hospital is available for day and night or as required, specially delivery cases or not? Secondly, whether there is increase in availability of no. of medical equipments after electrification or not?

FIGURE NO. 02: IMPACT OF ELECTRIFICATION ON HEALTH FACILITY OF THE REGION



Well, in total of 100 samples 38% believes for no change in medical and health facilities took place after electrification and till date they have to depend on the Govt. hospitals of nearby cities and towns. Especially the samples from Arisiya reported this.

Out of 100 samples survey 38% also reported that definitely the health and medical facilities have improved after electrification. In some health centers 24*7 facilities are available, few pathological laboratories and diagnostic centers are also working. The village Jatga is reported to have most positive impact on health issues after electrification.

24% of total sample also reported that the medical facilities have decreased but the reason stated by them was not concerned to electrification.

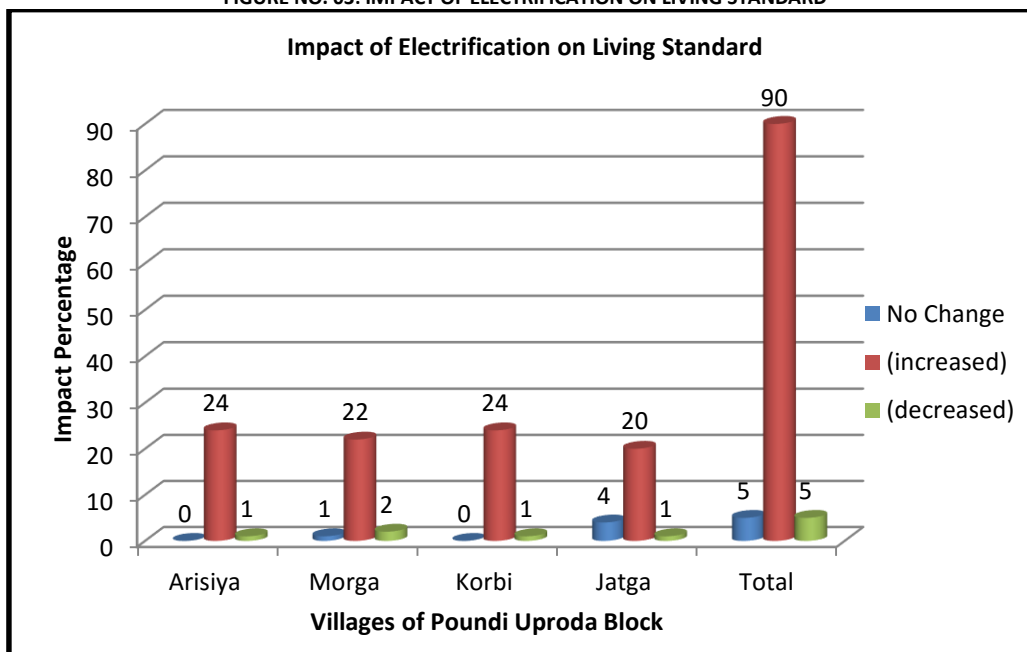
IMPACT OF ELECTRIFICATION ON LIVING STANDARD

Desire, Need, want and Demand is the basic psychology of human life. Improvement in living standards refers to the living style with minimum needs to comforts to luxuries. Now my study is regarding the fact that whether electrification brought about changes in living standard of people or not.

TABLE NO. 03: IMPACT OF ELECTRIFICATION ON LIVING STANDARD

Name of villages	No Change	+ve(increased)	-ve(decreased)
Arisiya (25)	Nil	24	1
Morga (25)	1	22	2
Korbi (25)	Nil	24	1
Jatga (25)	4	20	1
Total	5	90	5
Result	90% of sample have positive Impact of Electrification on		

FIGURE NO. 03: IMPACT OF ELECTRIFICATION ON LIVING STANDARD



In total 90% of sample agree that there is a positive change in living standard after electrification. Such people are using mobile phones television fans and other small electronic instruments which gives comfort to life and also enjoyment of luxuries.

Only 5% of total agrees for no change in living standard and 5% reports negative change in living standard. For both the above opinion proper justification is not stated in respect to electrification.

CHANGE IN TOTAL INCOME OF THE PERSON BEFORE AND AFTER ELECTRIFICATION

The statistical tools have been applied on the data collected regarding change in income after electrification.

TABLE NO. 04: STATISTICS OF INCOME BEFORE AND AFTER ELECTRIFICATION

Descriptive Statistics	IBE	IAE
Valid (N)	100	100
Missing	0	0
Mean	44.97	50.68
Std. Error of Mean	1.035	1.178
Std. Deviation	10.35	11.78
Variance	107.0	138.7
Range	46.00	57.00
Minimum	22.00	30.00
Maximum	68.00	87.00

IBE – Income before Electrification; IAE – Income after Electrification

Interpretation: The above descriptive statistics conclude that the average income has **significantly increased** after electrification but the statistics of variance explains that the **consistency of income after electrification is less** than the consistency in income before electrification.

FIGURE NO. 04: CHANGE IN TOTAL INCOME OF THE PERSON BEFORE AND AFTER ELECTRIFICATION

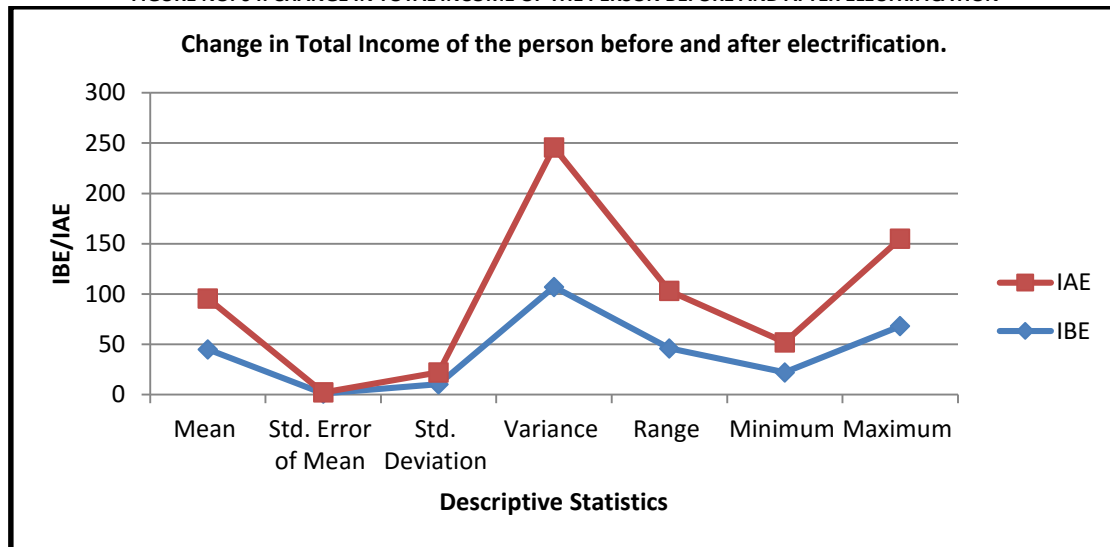


TABLE NO. 05: T-TEST

Paired sample	t	df	p	Mean Difference	SE Difference	Cohen's d
IBE-IAE	-9.213	99	<.001	-5.710	0.620	0.921

Interpretation

Since the computed value of t is less than the tabulated value of t (1.99), thus we conclude that the change in income is significant,

Correlation, r = +0.851

Interpretation:

r represents, **High degree positive correlation**, which signifies that the change in income is positive irrespective of electrification.

CONCLUSION

From the above statistical analysis, the following result is concluded:

- There is a positive impact of electrification observed in the performance of school going children in their examination results.
- But the impact of electrification on health facilities is less significant and till date these villagers are dependent on the Govt. Hospitals of Urban areas for better treatment.
- After electrification of a remote village of Chhattisgarh State, the total income of the people has significantly increased, where the total income include the income from main sources and also the other sources. Thus, rural electrification can be a prime factor for socio-economic benefit to remote rural villages.
- Lastly, the overall impact on living standard of the villagers is much significant with increase in total income. People are using electronic devices like mobile, steam press television etc. whereby being connected to the entire world, their living standards of life is uplifted.

RECOMMENDATIONS

- It is strongly recommended that the post services of this organisation must be strongly implemented so that the remote villagers do not suffer due to lack of repair and maintenance.
- Secondly, The Government of Chhattisgarh State must appoint authorities who will be responsible for continuous survey in such areas so that the prime issues related to electrification can be taken care of, such as health facilities.
- Continuous awareness programmes must be organized to create awareness related to clean and green energy.
- More subsidies should be given in the financial plans of Government to attract the people for implementation.

REFERENCES

BOOK

1. Kumar, Kumar, Joshi, Pramod, Surender, Laxmi, 2015, Socioeconomic and Environmental Implications of Agricultural Residue Burning, 1st ed., India: Springer India

CONFERENCE PAPERS

2. 2012, Going Remote, reinventing the off-grid solar revolution for clean energy for all, Shakti-Sustainable Energy Foundation
3. Khandker, Barnes, Samad, Shahidur R, Douglas F, Hussain A., 2009, Welfare Impacts of Rural Electrification-A Case Study from Bangladesh, World Bank Development Research Group
4. Khandker, Barnes, Samad, Shahidur R, Douglas F, Hussain A., 2012, Who Benefits Most from Rural Electrification? Evidence in India, AAEA Annual Meeting, Seattle, Washington

ELECTRONIC JOURNAL ARTICLE

5. Korhale, Rucha, 2011, Renewable Energy Sources – Policies of India, VPM's Polytechnic, Thane

JOURNAL ARTICLES

6. Dasaraju, Murthy, Himachalam, Kota Sreenivasa, 2011, Efficiency of Indian Power Sector an Analysis of its Performance and Problems, International Journal of Management & Business studies, Vol. 1, Issue 3.
7. Dhingra, Jain, Pandey, Mahajan, Rijul, Abhinav, Abhishek, Srishti, 2014. Assessment of Renewable Energy in India. International Journal of Environmental Science and Development, Vol. 5, No. 5, 459-462.

WEBSITES

8. <http://www.creda.in/>
9. <https://villageinfo.in/chhattisgarh/>

EFFECTIVENESS OF DISTRIBUTION CHANNELS: INTERNET IN SERVICE DELIVERY WITH REFERENCES TO INDIA

ANUBHAV SINGH
ASST. PROFESSOR
SCHOOL OF BUSINESS
LOVELY PROFESSIONAL UNIVERSITY
PHAGWARA

ADITI PANDEY
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT
KRISHNA INSTITUTE OF TECHNOLOGY
MALAU

ABSTRACT

E-transactions are growing at an alarming rate and internet has evolved new distribution channels for it. Apparently, the need to observe and understand how consumer's buying behavior is, has taken an effective gallop. As consumers are resistant to buy online, it becomes an obligation to make sure the things fall at the right place. The objective of this study is to review the factors that most people are putting efforts to shop online now. The main objective of this research on online shopping and e-shopping are surrounded around the factors that directly affect consumer's buying behavior. To this end, a survey was made of various universities and 120 questionnaires were distributed among the students and the general public. The survey results depicts that the people already shopping online, prefer to purchase online in future too and people who haven't experienced it yet are eagerly waiting for the perfect time as they have lagged behind because of psychological factors, social factors or emotional factors and most importantly the privacy factors. Different attitudes of consumers towards online shopping shows that they would still prefer the traditional shopping pattern because of various traits such as easy to shop, value, trust, comfortable and again the privacy security. As per research this paper has two major objectives. One is to examine the literature on using the internet in the service-marketing context. The other is concentrate on the opportunities that the internet creates for services providers with particular emphasis on using internet for delivering services. Also, the purpose of the paper is to develop a framework with Indian Services Providers, can be used as a basis for strategic decision-making about electronic channels for delivering services.

KEYWORDS

E-tailing, E-payments, distribution channels, online shopping, social factors.

INTRODUCTION

ONLINE SERVICES



Online services are a convenience alternative for time-poor and geographically dispersed customers. They can be accessed anywhere, anytime, from any electronic device. There is no more waiting and no queuing more alternatives available, online services are also highly cost-effective for the public sector. Online services presently allow the public to:

- Pay some bills over the internet instead of lining up at a counter or spending time on the phone.
- Fill out and submit some forms online without the need to download print and mail or present at a counter.
- Make you travel arrangement in advance and book your ticket online etc.

CHANNEL STRATEGY

Channel management issued to determine the Optimal mix of service delivery methods. Information on what business and the public want with the cost of delivering the service through each channel. A channel strategy is developed from this analysis, which may include implementing new channels if required, and providing incentives for customers to move to preferred channel, for example providing discounts if bill share paid online.

ONE STOP SHOP

One Stop Shop program is expected to provide landers with easy convenient access to government information online, over the phone and face-to-face. The aim is to deliver a new model for service delivery from the customer's point of view, rather than the traditional way of delivering services through separate departments. This model has been A group of senior from across the public sector is developing a business, case for the One Stop Shop, Innovation and the Arts is the program owner.

SECURITY REQUIREMENTS

There are two main options for entities to deliver services that collect credit card payments online. On option to the collect the payment over departmental systems and transmit the data to the bank. This requires, Innovation and the Arts is the program own for collecting credit card data to a payment service provided by a bank. This entails the entities obtaining an assurance report from the service provider. Approaches are used by the departments and the council include in the scope of this audit.

Developing an understanding for the relationship between online service and customer satisfaction is initial focus of this study. In a broader perspective, this study intended to be a valuable addition to the literature on the relationship between online service and customer satisfaction.

AT PRESENT PROGRESS IN ONLINE SERVICE DELIVERY

Supporting the development of information and communication technology. Development, efficient, effective and sustainable is called permanent. Social and economic development programs in the public sector through the use of ICT in e-government impacts directly on Sustainable Development. In this context, the opportunities offered by new technologies emerging essential today for the people and their integral development with participation in order to understand how to promote the development of e-government to reconsider. Sense of focus and extent of how the world governments and those specific to the greater efficiency and effectiveness in the stability further e-government, are working to assess the need to is there. Such as education, health, finance, social welfare and labor laws in the areas etc., policies, such as the documents contain information; 2012 survey to assess four different types of indicators, such as taxes, fines, license, public services; E-participation information and services; And provide a conduit for information and services to the technical features of these types (audio, video, RSS, etc.), to flow to the citizen.

DIFFERENCE BETWEEN SERVICE DELIVERY AND ONLINE SERVICE DELIVERY

Service delivery is a key strategy to achieve the Millennium Development Goals. Service provision or delivery is an immediate output of the inputs into the health system, such as health workforce, procurement and supplies and finances. Increased inputs should lead to improved service delivery and enhanced access to services. Ensuring availability and access to health services is one of the main functions of a health system. Such services should meet a minimum quality standard.

Availability: Refers to the physical access or reachability of services that meet a minimum standard. The latter often requires specification in terms of the elements of service delivery such as basic equipment, drugs and commodities, health workforce (presence and training), and guidelines for treatment. This can only be obtained by facility visits, using standardized data collection instruments. Data on the population distribution are required to estimate physical access. More precise estimates of physical access use travel time (and costs) rather than distance, but are difficult to measure.

Affordability: Refers to the ability of the client to pay for the services. Data can be collected by facility visits or by household interviews. The latter is likely to be a more accurate reflection of what the consumer paid. The extent to which the service is affordable depends on the clients' ability to pay which complicates measurement.

Acceptability: of the service predominantly has a socio-psychological dimension which can best be measured through household surveys. Client exit interviews are a biased sample as those who stay away from the facility because of socio-cultural barriers will be missed.

Online service delivery: When we speak of online service delivery, we're referring to the services and information we deliver on the web. That includes general information websites, websites with a specific purpose, service or information portals, application or reporting systems, forms, and even contact information. Throughout this module and the rest of the toolbox modules, we'll refer to online service delivery and web interchangeably - that is to say that we define online service delivery as your web presence and vice versa. What we deliver through our websites are online services and a service is defined as a benefit that we deliver to our external stakeholders through business processes which require one or more interactions.

LITERATURE REVIEW

A well-chosen and well planned channel management is necessary because it constitutes a significant competitive advantage, and it is designed to save costs, improve and increase the efficiency, provide transparency, provide a large customer database of whole supply chain management. Designing a good distribution channel is fundamental to good marketing. Within the distribution channel is the ability to use distribution channel to strategically market a product or service (Smith, 2000) Distribution tends to be one of the most immutable of the marketing mix decisions, but a number of external factors have led to an increase in its importance, namely, pressures on competitive advantage, the increased power of distributors, pressure to reduce distribution costs, a new stress on growth, and new technological developments (Hoelho & Collingwood, 2003) Distribution channels are typically composed of multiple companies, each pursuing its own interests, and because these interests are competing, channel members often fail to cooperate with each other and, sometimes, even work at cross-purposes. The main function of a distribution channel is to provide a link between production and consumption. (Kotler and Keller, 2010). Intensive distribution is at one end of the scale where the policy is to distribute to as many outlets as possible (Jobber, 2002). Extensive distribution, on the other hand, is at the other end of the scale where the policy is to distribute to only one intermediary at a given level in a given geographical area. In exclusive distribution, the producer severely limits the number of

intermediaries. This is done in order to maintain control over the service level and service outputs offered by the resellers (Kotler, 2004).

NEED OF THE STUDY

1. Increased inputs should lead to improved service delivery and enhanced access to services.
2. There is no waiting and no queuing online services are also highly cost-effective for the public sector.
3. In a broader perspective, this study intended to be a valuable addition to the literature on the relationship between online service and customer satisfaction.

STATEMENT OF THE PROBLEM

What we deliver through our websites are online services and a service is defined as a benefit that we deliver to our external stakeholders (the citizens of B.C.) through business processes which require one or more interactions so what type of problems comes during digital distribution channels.

HYPOTHESIS

From this research i want to get distribution plays a key role within whole supply chain management and directly and indirectly digital distribution channel improve the quality, efficiency of the whole supply chain management.

OBJECTIVES

1. To find out the role of Internet service in distribution
2. To analyze the role of digital distribution in brand image of the company
3. To analyze the customer satisfaction of the customer towards digital distribution

RESEARCH METHODOLOGY

As per research authors tried to tap some of customer's perceptions and feeling regarding Internet as a service delivery channel on services market in India. As earlier discussed the nature of the research is essentially exploratory. The Sample was convenient as due to time constraints and consisting of various university and business students. The Instrument which I have applied i.e Survey.

Respondent supposed to be asked to participants in an academic study regarding their preferences and actual behavior with services delight through internet and they were asked to described their experience with different services delivered through via Internet. Furthermore I can say, result of this research can help indicate how to best market innovative technologies services to consumers, based on perceived benefit both for customers and services providers.

Convenience sample is taken due to the difficulties of finding people who use several or many services delivered via Internet. Since respondents in our samples are graduate school of marketing, they are highly involvement customers who have experiences in using the internet because of specific educational needs.

RESULT AND DISCUSSION

In this paper, we have taken a proactive approach of digital distribution towards customer satisfaction. That is, it is more effective to use digital distribution system to enhance the brand image of company. We argue since long that it is generally desirable to reduce or minimize the amount of digital channel management.

The top issue for most Business to business companies today is channel conflict among all distributions channels and how interacting with customers on the Internet affects their reseller relationships. Emotions & moods run high when a channel conflict arises and the relations between the channel partners are damaged. Indeed, the biggest disadvantage of Business to business e-commerce is the threat of less distributors, resulting in the loss of physical distribution system. However, while digital channel management may be turning into a battleground for all ecommerce companies.

CONCLUSION

This is in part because the departments have not kept up with the pace of change in customer expectations for online services and are not using the full potential of information technology for its services. Strategic leadership and central direction has been notably ineffective, and departments have not implemented comprehensive strategies for managing all their service delivery channels. Developed and adopted marketing strategy of the company is the milestone and the starting point for decision making on use of Internet for service production, communication and delivery. All marketing decisions concerning the Internet should be consistent with company's goals, strengths, service offerings and area of specialization. The external environment, including all opportunities and threats will also impact on decision of Internet model which will be used for service production and delivery. Effectively managed Internet can lead to beneficial outcomes for both service providers and their customers. Therefore, findings of this study are particularly interesting for practitioners.

LIMITATIONS

Due to time Constraints I can target less audience, so research dint covered mass market.

FUTURE OF THE RESEARCH

There is a lot of further research in this important area is essential if we are to better understand the relationships between marketing on the Internet, distribution channel management, and business success. We need to better understand the effect of Internet-related channel management on outcome variables such as performance and satisfaction of whole supply chain management. Perhaps there is an “optimal” level of improvement required in digital distribution.

REFERENCES

1. A Study in an Emerging Economy” Journal of Management Information System and Ecommerce
2. Associated Chambers of Commerce and Industry of India (Assocham) and PricewaterhouseCoopers (PwC) Report “Evolution of ecommerce in India Creating the bricks behind
3. Biswas Aindrila, Ajmani Jagjeet, Roy Mousumi “Leveraging Factors for Online Shopping
4. Caseley, J. 2003. Blocked Drains and Open Minds: Multiple Accountability Relationships and Improved Service Delivery Performance in an Indian City. IDS Working Paper 211. Brighton: Institute of Development Studies.
5. Coe, A. (2004). Government Online in Canada: Innovation and Accountability in 21st Century Government (Cambridge: Kennedy School of Government).
6. Deichmann, U. and Lall, S. 2007. “Citizen Feedback and Delivery of Urban Services.” World Development. Vol. 35, No. 4.
7. Ernst and Young’s Report “Rebirth of eCommerce in India” 27May2013
8. GrayA2002. Integrated service delivery and regional co-ordination: a literature review. Wellington, NZ: Gray Matter Research Ltd.
9. IAMAI & KPMG Report “India On The Go – Mobile Internet Vision Report 2017”,
10. Joshi, A., 2008, 'Producing Social Accountability? The Impact of Service Delivery Reforms,' IDS Bulletin, Vol. 38. No. 6.
11. Khemani, S., 2008, 'Does Community Monitoring Improve Public Services? Diverging Evidence from Uganda and India', Research Brief, September 16, 2008. Human Development and Public Services Research, World Bank. Washington D.C.
12. KPMG’s Report “Indian Retail The Growth Story” 2014
13. Navish Gupta Nitin, Singh Smriti “The Growth Phase of 3G in India” White Paper February 2012
14. Nishith Desai Associate’s Report on “Ecommerce in India Legal, Tax and Regulatory Analysis” August 2013
15. Prout S 2008. The entangled relationship between Indigenous spatiality and government service delivery. CAEPR working paper no. 41/2008. Canberra: Centre for Aboriginal Economic Policy Research
16. Ray Sarbapriya “Emerging Trend of Ecommerce in India: Some Crucial Issues, Prospects and Challenges” Computer Engineering and Intelligent Systems Vol 2, No.5, 2011
17. Sardana M. M. K “Evolution of ecommerce in India Challenges Ahead (Part 1) ISID

DISCUSSION NOTES

18. Sharma Renuka, Mehta Kiran, Sharma Shashank International “Understanding Online Shopping Behaviour of Indian Shoppers” Journal of Management & Business Studies IJMBS Vol. 4, Issue 3, Spl1 July Sept 2014.
19. Sharma Vani and Kumari Seema “Growth Story of Online Retailing & Ecommerce in India” RESEARCH HUB – International Multidisciplinary Research Journal Volume1, Issue4, November 2014.
20. Singh, R and Vutukuru, V., 2010, 'Enhancing Accountability in Public Service Delivery through Social Audits: A Case Study of Andhra Pradesh', Accountability Initiative, Centre for Policy Research, New Delhi
21. Sinha P Kumar, Gokhale.S. Thomas.S, “Development of modern retailing in India: its impacts on Distribution and procurement networks and Changing consumption pattern, Working Paper No. 20121204
22. Sinha Piyush Kumar and Dwarika Prasad Uniyal (2005), “Using Observation Research for Segmenting Shoppers”, Journal of Retailing and Consumer Research, Vol. 12, pp. 35 – 48.
23. World Bank. 2004. World Development Report 2004: Making Services Work for Poor People. Washington, DC: World Bank.

WEBSITES

24. http://www.iamai.in/PRelease_detail.aspx?nid=3604&NMonth=7&NYear=2015
25. http://www.evalueserve.com/uploads/tx_arxdownload/Evalueserve_White_Paper__The_Growth_Phase_of_3G_in_India__January_2012.pdf
26. Sinha Piyush Kumar, Accenture Consulting (2007). Leadership in Customer Service—Delivering on the Promise (www.accenture.com).

LEARNING ORGANIZATION AND ITS IMPACT ON ORGANIZATIONAL EFFECTIVENESS: A LITERATURE REVIEW

ESHA SINGH
PROJECT LEADER
AKCDS PRIVATE LIMITED
NOIDA

ABSTRACT

Learning Organizations drive collaborative atmospheres like no other type of organizational approach. Furthermore, and perhaps more importantly, they involve simply doing the right thing and also include giving people hope, increasing satisfaction in the workplace, generating creativity and idea sharing, leveling vertical hierarchies, and augmenting participation, which helps in increasing the organization effectiveness. Learning organization provides an opportunity for an individual to grow in his overall personality and thus, contributing to Organization effectiveness. The objective of this study is to study about the Learning organizations and its contribution towards the organizational effectiveness and also the analysis of relationship between learning organization and its impact on organizational effectiveness. With the help of examples/observations/propositions from previous academic researches, the attributes of learning organization and its linkage with the organization effectiveness is depicted. It can be proposed that maintaining an environment of learning among the employees within the organization is of utmost importance and which ultimately leads to the organization's effectiveness as a whole.

KEYWORDS

learning organization, organizational effectiveness.

INTRODUCTION

Aydin and Ceylan (2009) described "learning organizations as an organization capacity to develop capabilities to acquire new information and convert that information into knowledge". It is a combined process of internal and external organizational systems alignment, culture of learning, including an emphasis on exploration and information, open communication, staff empowerment, and support for professional development. Learning organization may become the only sustainable source of competitive advantage. Learning organization is responsible for building an organization.

Jackson (2006) defined that the need for the organizations to learn as holistic entities became more pronounced with the onslaught of globalization, favoring learning organization as a means of creating competitive advantage.

Peter Senge (1997) identified a learning organization is where (i) expansion of the employee's capacity so as to increase the results of the organization, (ii) thinking patterns, where (iii) aspirations of the employees, (iv) learning is continually done in an organization. It takes a lot of commitment to build a learning organization. There are 5 characteristics of a learning organization: Systems thinking, personal mastery, mental models, building shared vision and team learning.

Kontoghiorghes, Awbrey and feurig (2001) described the measurement variables for learning organization which is used earlier in various studies/researches and still is used by many research scholars. The learning organization dimensions given are: emphasis and rewards for learning; learning transfer climate; information sharing and management practices; risk taking promotion and reinforcement; high performance team environment; knowledge management and information, facts, time, resource availability to perform the job in a professional manner. Emphasis and rewards for learning explains that the employees were rewarded by the organizations for their capacity of learning, their performance and new ideas. Learning transfer climate depicts that the employees are functioning in a conducive environment for training transfer and learning is a continuous process. This factor is thus called "Positive training transfer and continuous learning climate". Open communication and information sharing is characterized by open and constant communication among units, level and employees. Support and recognition for learning and development depicts that the employees receive support and encouragement and gives opportunities for growth, as well as gain recognition for the application of new learning in their job. Information sharing and management practices is dealing with the employees are given all the materials, equipment's, facts, information, support, and time so as to perform their job in a manner which is professional. Risk taking promotion and reinforcement establishes the organization's promotion of behavior's which risk is taking. High performance team atmosphere has outlined the extent to that the worker was functioning in an exceedingly team based mostly environment at intervals that the team members are actually committed to the success and growth of every different and are willing to place in effort on top of the minimum needed. Knowledge management delineates the extent to that the workers was expected to manage his/her own learning, had all necessary skills and information to perform the work at expected level, had influence over the items that confirm however the work is completed, similarly because the extent to that technologies were utilized by the organization to capture and distribute the necessary knowledge to people who would like it.

Organization effectiveness is described by Richard (2009) as the effectiveness of the organization is connected with the interior performances outcomes. Organization effectiveness is important to success in any economy. Effectiveness of the organization can facilitate in achieving meant goals through communicative competency and ethics. Organization effectiveness additionally facilitates within the overall development of a company.

Ortiz American state Guinea (2005) delineate that an effectiveness of the organization is once however booming associate degree organization is in terms of satisfaction with the work and therefore the impact of it on the people and therefore the organizations.

Mintzberg (1991) recommended that effectiveness of the organization can occur once the interaction of seven basic forces; direction, efficiency, proficiency, innovation, concentration, cooperation/culture and competition/politics are managed effectively. Effectiveness of the organization is measured in terms of 4 indicators; client orientation, worker satisfaction, commitment within the organization and monetary and growth performance. Client Orientation includes the marketing is obtaining nice importance for the corporation's day by day that facilitate them to extend their profits. The market familiarized corporations perform serious analyses for the selling construct. Deshpande (1993) outlined "customer orientation is that the set of beliefs that puts the client into the middle, whereas not excluding those of all different stakeholders like house owners, managers, employees, so as to develop a long-run profitable enterprise". Therefore, the organizations use the client data to forecast the long run desires of them. Lawler (2003) argued that "a firm's hour strategy ought to be focused on developing skills and guaranteeing motivation and commitment". During this statement, guaranteeing the motivation' worries with the worker satisfaction. That's why; the satisfaction of the workers takes on other importance. Organization Commitment is wide accepted that structure commitment is that the psychological strength of the linkage of a member to his organization within the literature. In step with Meyer associate degreeed Allen "a worker will at the same time be committed to the organization in an affection, normative, and continuance sense, at varied levels of intensity". Monetary and Growth Performance is that the live of a firm's monetary health and therefore the growth performance is said with the rise within the volume of sales, variety of workers and new product compared to previous periods. The monetary and growth performance may be a concrete indicator that informs regarding the strength of a firm.

OBJECTIVES

The following are the objectives of this research paper:

1. To review learning organization and its impact on Organizational effectiveness.
2. To investigate the relationship between learning organization and Organizational effectiveness.

REVIEW OF LITERATURE**LEARNING ORGANIZATION AND ORGANIZATIONAL EFFECTIVENESS**

Chi (2010) explored "the effects of learning organization practices on commitment and effectiveness in Taiwanese little and medium-sized enterprises (SMEs). The results prompt that learning organization practices is viewed as a very important antecedent issue for structure commitment, further as for effectiveness of the organization. It's a moderately positive association with structure effectiveness and a powerfully positive relation with structure commitment. Moreover, the link between commitment and effectiveness is reciprocal however not equal. Organization commitment features a moderately positive impact on effectiveness; but, structure effectiveness features a weak positive influence on commitment".

Aydin and Ceylan (2009) ascertained that a company that features a high level of LO could have higher level of worker satisfaction which can successively improve the money and growth performance of such a company resulting in positive effectiveness within the organization. Also, a company with high level of LO would have abundant data resources embodied in its workers and embedded within the organization. It's thus essential for high management and managers to put larger stress on data creation and data sharing through numerous means that to encourage learning activities that successively may contribute to improvement of the organization's innovation capabilities and competitive advantage.

Zink (2008) analyzed that however the educational Organizations will drive organization effectiveness. The most theme of Learning Organizations is that the productive organizations should frequently adapt to and conjointly learn thus on reply to changes absolutely within the setting and grows.

Harris, Mowen, and Brown, (2005) indicated that learning orientations features a robust influence on employee's satisfaction with the task and their talents to brazenly accepts the challenges and commitment towards the organization that results in organization effectiveness.

Hasan (2006) studied that organizations with a powerful learning orientation usually have a simpler educational program in system (IS) implementation and their effective educational program, in turn, drives higher user satisfaction and overall IS effectiveness, as in it contributes to the organization effectiveness.

Lopez, Peon, and Ordas (2006) examined the linkage among practices supported high performance, learning organizations, and therefore the business performances. However, they detected that practices supported high performance had a positive result upon organizations learning. Therefore, per Lopez ended that it's important to clarify regarding learning organizations and organizations effectiveness.

Farell and Movando (2004) proven that learning organizations conjointly results in effectiveness and originality.

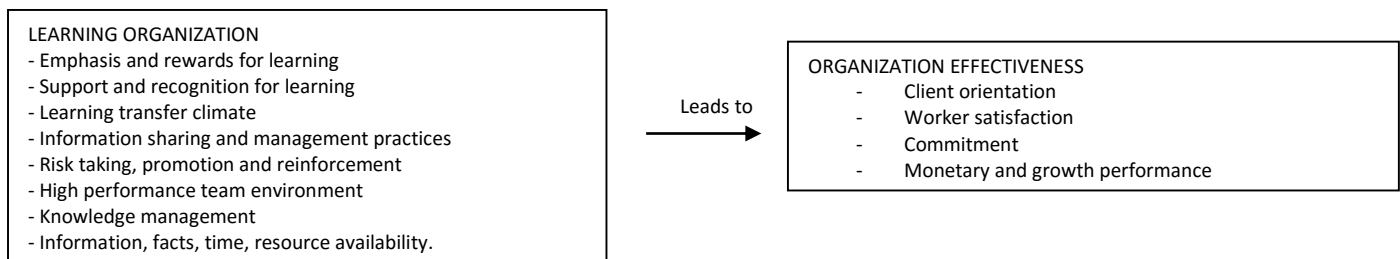
McDonald (2002) argued that learning prospects features a robust influence on the originality of Associate in Nursing business person for little and medium sized companies. Also, it absolutely was expressed that learning organization makes business method reengineering (BPR) easier for organizations effectiveness.

DeLone and McLean (2003) studied on learning organization (LO) and its impact on effectiveness. It's found that once there's a powerful learning culture inside a company, companies will simply face the new challenges. Learning organization affects the performances of its worker and satisfaction with the introduction of latest technology and its implementation.

Murray & Donegan (2003) examined the linkage between learning organization practices and structure effectiveness helps folks discover why issues are seen in an exceedingly one-dimensional framework, motility queries of the present systems and difficult and questioning paradoxes as they occur.

Lindley and Wheeler (2001) studied that a once organization is in a position to find out quicker than it's solely property competitive advantage over different competitors and so to the structure effectiveness and it is also a challenge for the assumptions of business organizations theories.

FIGURE 1: THE FOLLOWING FRAMEWORK IS DRAWN BASED ON THE LITERATURE REVIEW STUDIED.

**RECOMMENDATIONS/ SUGGESTIONS**

It was found that learning organization have a great impact on the Organizational effectiveness. But the recommended steps which an organization must follow in order to maintain a cordial learning environment within the organization is through the senior managers which should regulate data creation and data sharing among the employees within the organization, this will help in bringing the innovation capabilities, increasing the competitive advantage. It is also shown that the employees should continuously adapt to and learn for the organization effectiveness. Also, it is highly recommended that learning organization can be achieved with the introduction of latest technology and its pertinent implementation. Because when a new technology is introduced, this encourages the employees for learning, eventually leading to innovation and thus a healthy learning environment is maintained. Organizations which are learning oriented are much ready to reconfigure their various robust designs and resources, brings in the new opportunities for the employees and the organizations at large, thus contributing in organizational effectiveness.

CONCLUSION

It can be concluded that the learning organization has a great role in the effectiveness of an organization. Various studies have shown that a high level of learning organization increases the satisfaction of the employees and which ultimately increases the profits of the organization, leading to positive organizational effectiveness. This also improves the growth of the firm in a highly competitive environment. Learning organization also helps in bringing the originality within the organization and originality brings in the innovativeness amongst the employees so that the new ideas, methods and procedures of doing a particular work is simplified and often new ways are developed to do it.

Learning orientation within the organization helps in increasing the employee's satisfaction towards the work, the employee feels motivated and accepts the new challenges, bringing in the innovation and eventually the commitment towards the organization is increased at a faster rate leading to organizational effectiveness. If the employees are committed to the organization, he/she relates with the organization and put their maximum efforts in the benefit of it because then, the employee perceives organization success as his own success. Eventually in the process, at the end the major objective of the organization becomes easy to realize which is to have maximum profits, maximum market share and the organization tends to have a competitive edge over its competitors. Thus, the organizational effectiveness is achieved with the learning organization. Studies have revealed that the Organizations which are favoring learning environment usually have simpler education programs and drives higher satisfaction among the employees and organizational effectiveness. It is also observed that when organizations have practices supporting learning atmosphere within the organization, they had a positive effect on Organizations performance and effectiveness.

REFERENCES

1. Aydin, B. and Ceylan, A, (2009), "Does organizational learning capacity (OLC) have impact on organizational effectiveness? Research analysis of the metal industry," *Development and Learning in Organizations*, Vol. 23, No. 3, pp. 21 – 23.
2. Chi T., C., (2010), "The Effects of Learning Organization Practices on Organizational Commitment and Effectiveness for Small and Medium-Sized Enterprises in Taiwan," *University of Minnesota*, Vo. 4, No. 1, pp. 132-238.

3. DeLone, W.H. and McLean, E. R., (2003), "The DeLone and McLean model of information systems success: A ten-year update," *Journal of Management Information Systems*, vol. 19, No. 4, pp. 9-30.
4. Deshpande, R., Farley, J. U., and Webster Jr, F. E., (1993), "Corporate culture, customer orientation, and innovativeness in Japanese firms: A Quadrad analysis," *Journal of marketing*, Vol. 57, No. 1, pp. 359-376.
5. Farrell, M., and Mavondo, F. T., (2004), "The effect of downsizing strategy and reorientation strategy on a learning orientation," *Personnel Review*, Vol. 33, No. 4, pp. 383-402.
6. Harris, E. G., Mowen, J. C., and Brown, T. J., (2005), "Re-examining salesperson goal orientations: personality influencers, customer orientation, and work satisfaction," *Journal of the Academy of Marketing Science*, Vol. 33, No.1, pp. 19 – 35.
7. Hasan, B., (2006), "Effectiveness of computer training: the role of multilevel computer self-efficacy," *Journal of Organizational and End User Computing (JOEUC)*, Vol. 18, No.1, pp. 50– 68.
8. Jackson, S. E., Chuang, C. H., Harden, E. E., Jiang, Y., "Toward developing human resource management systems for knowledge-intensive teamwork," *Research in personnel and human resources management*, Vol. 25, No.2, pp. 27-70.
9. Kim, S., (2005), "Individual-Level Factors and Organizational Performance in Government,".
10. Kontoghiorghes, C., (2001), "Factors effecting training effectiveness in the context of the introduction of new technology- a US case study," *International journal of training and development*, Vol. 5, No.4, pp. 248-260.
11. Lawler, E. E., and Mohrman, S. A., (2003), "HR as a Strategic Partner: What Does it Take to make it Happen?" *Human Resource Planning*, Vol. 26, No.3, pp. 15-29.
12. Lindley, E., and Wheeler, F. P., (2001), "Using the learning square," *The Learning Organization*, Vol. 8, No.3, pp. 114-123.
13. López, S. P., Peón, J. M. M., & Ordás, C. J. V., (2006), "Organizational learning as a determining factor in business performance," *The Learning Organization*, Vol. 12, No.3, pp. 227-245.
14. McDonald, R., E., (2002), "Knowledge Entrepreneurship: Linking Organizational Learning and Innovation, *Ph.D. dissertation*," University of Connecticut, Vol. 2, No.1, pp. 25-50.
15. Mintzberg, H., (1991), "Learning 1, Planning 0 Reply to Igor Ansoff," *Strategic Management Journal*, Vol. 12, No.6, pp. 463-466.
16. Murray, P., & Donegan, K., (2003), "Empirical linkages between firm competencies and organizational learning," *The Learning Organization*, Vol. 10, No.1, pp. 51-62.
17. Ortiz de Guinea, A., H. Kelley, H., and Hunter, M. G., (2005), "Information systems effectiveness in small businesses: extending a Singaporean model in Canada," *Journal of Global Information Management (JGIM)*, Vol. 13, No.3, pp. 55-79.
18. Richard, P. J., Devinney, T. M., Yip, G. S., and Johnson, G., (2009), "Measuring Organizational Performance: Towards Methodological Best Practice," *Journal of Management*, Vol. 35, No.3, pp. 718-804.
19. Senge, P., (1997), "The Fifth Discipline measuring business excellence," Vol. 1, No.3, pp. 46-51.
20. Zink, K. J., Steimle, U., (2008), "Comprehensive change management concepts: development of a participatory approach," Vol. 39, No.4, pp. 527-538.

IPO PROCESS IN INDIA

NARENDRASINH B. RAJ
ASST. PROFESSOR
SHRI V. Z. PATEL COMMERCE COLLEGE
ANAND

ABSTRACT

IPO has always been an important instrument of the primary markets enabling companies to pursue their objectives without facing the hiccups of financial constraints. It strengthens their capital base by providing access to interest free capital. The investors in turn reap the benefits in the form of dividends and capital gains. With the changing phase, the appetite of investors for IPO also increased. In 1976, Dhirubhai Ambani had gifted a broker of Madras Stock Exchange with a Vimal pant piece and Vimal saree to his wife for subscribing to the IPO of RIL and recommending the shares to his clients. Three decades later the IPO of RPower created history in Indian IPO by being 73 times oversubscribed. This type of situation arises due to the technology and investor friendly regulation for the IPO process frame by the authority. So in this paper we try to focus on the Initial public offering process made by the Indian capital market.

KEYWORDS

IPO, primary market.

INTRODUCTION

Initial Public Offers (IPO) is the first direct issuance of its shares by the company to its investors. IPO act as a link between investors for lucrative investment opportunities and companies requiring funds to exploit growth avenues and future potentials. With the advent of liberalization, globalization and privatization the world has become a global market. With global capital pouring into the Indian markets, the impact is visible in the investment pattern of Indian investors. With the advent of modern technology, a lot of transformations are taking place in the investment pattern in India. The Indian capital market becomes more vibrant market in the world. Different types of policy and procedures are laid down by SEBI for the smooth running of the capital market. The number of the issues and amount raised through IPO are increases in the last decade than the traditional market. In this scenario the procedure must be transparent, protective to investors and easy to operate for issuing company as well as share market. In this article we discuss about the IPO procedure followed by Indian capital market for new issue.

OBJECTIVES OF THE STUDY

The study is conducted with the following objectives.

1. To study the Process of issuing IPO in India.
2. To study the regulatory framework regarding public issue in India.
3. To suggest suitable measures for smooth issue procedure in India.

IPO MEANING

An initial public offering (IPO), referred to simply as an "offering" or "flotation", is when a company (called the issuer) issues common stock and shares to the public for the first time. They are often issued by smaller, younger companies seeking capital to expand, but can also be done by large privately owned companies looking to become publicly traded.

Initial public offering is an offering of either a fresh issue of securities or an offer for sale of existing securities, or both by an unlisted company for the first time to the public. IPO enables listing and trading of the issuers securities.

An Initial public offering is referred to as sale of equity of a company to the public by the promoters of the company.

BENEFITS OF IPOs

The long term benefits of being publicly traded are numerous and can include: improved liquidity, higher company value, the ability to make acquisitions or attract and retain employees with the newly public companies stock and greater access to capital at a lower cost. In addition, having public trading status allows a company the ability to make acquisitions with their stock, since publicly traded stock is viewed as currency for mergers and acquisitions. Moreover, public trading status often leads to a higher price for a later offering of a company's securities. The other benefits are as under:

- Additional capital resources for funding of projects / expansion plans.
- Dilution of existing promoters share holding or venture capitalist.
- Liquidity for shareholders.
- Enhances corporate image thus providing visibility.

TYPES OF IPO

There are two types of IPO according to the mechanism used for issues.

1) FIXED PRICE ISSUES**A) PUBLIC ISSUE THROUGH PROSPECTUS**

A common method follows by the corporate enterprises to raise capital through the issue of securities is by means of prospectus inviting subscription from the investing public. Under this method, the issuing companies themselves offered directly to the general public a fix number of shares at a stated price, which in the case of new companies is invariably the face value of the securities, if any. Another feature of public issue method is that generally the issues are underwritten to ensure success arising out of unsatisfactory public response.

B) PRIVATE PLACEMENT

The sale of securities to a relatively small number of select investors as a way of raising capital. Investors involved in private placements are usually large banks, mutual funds, insurance companies and pension funds. Private placement is the opposite of a public issue, in which securities are made available for sale on the open market.

C) OFFER FOR SALE

Another method by which securities can be issued is by means of an offer for sale. Under this method, instead of the issuing company itself offering its shares directly to the public, it offers through the intermediary of issue houses / merchant banks / investment banks or firms of stockholders. The modus operandi of the offer sale are akin to the public issue method in that the prospectus with strictly prescribed minimum contents which constitutes the foundation for the sale of securities and known quantity of shares are distributed to the applicants in a non discriminatory manner. Moreover, the issues are underwritten to avoid the possibility of the issue being left largely in the hands of the issuing houses. But the mechanism adopted is different.

2) BOOK BUILDING ISSUES

Book building is a process of price discovery. The issuer discloses a price band or floor price before opening of the issue of the securities offered. On the basis of the demands received at various price levels within the price band specified by the issuer, Book Running Lead Manager (BRLM) in close consultation with the issuer arrives at a price at which the security offered by the issuer, can be issued.

PROCESS OF IPO IN INDIAN CAPITAL MARKET

The IPO process in India consists of the following steps: -

1. Appointment of merchant banker and other intermediaries
2. Registration of offer document
3. Marketing of the issue
4. Post- issue activities

1. APPOINTMENT OF MERCHANT BANKER AND OTHER INTERMEDIARIES

Indian primary market ushered in an era of free pricing in 1992. SEBI does not play any role in price fixation. The issuer in consultation with the merchant banker on the basis of market demand decides the price. The offer document contains full disclosures of the parameters which are taken in to account by merchant Banker and the issuer for deciding the price. The Parameters include EPS, PE multiple, return on net worth and comparison of these parameters with peer group companies.

One of the crucial steps for successful implementation of the IPO is the appointment of a merchant banker. A merchant banker should have a valid SEBI registration to be eligible for appointment.

A merchant banker can be any of the following – **lead manager, co-manager, underwriter or advisor to the issue.**

Certain guidelines are laid down in Section 30 of the SEBI Act, 1992 on the maximum limits of intermediaries associated with the issue:

TABLE 1

Size of the Issue	No. Of lead Managers
50 cr.	2
50 – 100 cr.	3
100 – 200 cr.	4
200 - 400 cr.	5
Above 400 cr.	5 or more as agreed by the board

The number of co- managers should not exceed the number of lead managers.

There can only be one advisor/consultant to the issue.

There is no limit on the number of underwriters.

OTHER INTERMEDIARIES**REGISTRAR TO THE ISSUE**

Registration with SEBI is mandatory to take on responsibilities as a registrar and share transfer agent. The registrar provides administrative support to the issue process. The registrar of the issue assists in everything from helping the lead manager in the selection of Bankers to the Issue and the Collection Centers to preparing the allotment and application forms, collection of application and allotment money, reconciliation of bank accounts with application money, listing of issues and grievance handling.

BANKERS TO THE ISSUE

Any scheduled bank registered with SEBI can be appointed as the banker to the issue. There are no restrictions on the number of bankers to the issue. The main functions of bankers involve collection of application forms with money, maintaining a daily report, transferring the proceeds to the share application money account maintained by the controlling branch, and forwarding the money collected with the application forms to the registrar.

UNDERWRITERS TO THE ISSUE

Underwriting involves a commitment from the underwriter to subscribe to the shares of a particular company to the extent it is under subscribed by the public or existing shareholders of the corporate. An underwriter should have a minimum net worth of 20 lakhs, and his total obligation at any time should not exceed 20 times the underwriter's net worth. A commission is paid to the writers on the issue price for undertaking the risk of under subscription. The maximum rate of underwriting commission paid is as follows:

TABLE 2

Nature of Issue	On amount Devolving On Underwriters	On amounts subscribed by public
Equity shares, preference shares and debentures	2.5%	2.5%
Issue amount up to Rs.5 lakhs	2.5%	1.5%
Issue amount exceeding %	2.0%	1.0%

BROKER TO THE ISSUE

Any member of a recognized stock exchange can become a broker to the issue. A broker offers marketing support, underwriting support, disseminates information to investors about the issue and distributes issue stationery at retail investor level.

2. REGISTRATION OF THE OFFER DOCUMENT

For registration, 10 copies of the draft prospectus should be filed with SEBI. The draft prospectus filed is treated as a public document. The lead manger also files the document with all listed stock exchanges. Similarly, SEBI uploads the document on its website www.sebi.com. Any amendments to be made in the prospectus should be done within 21days of filing the offer document. Thereafter the offer document is deemed to have been cleared by SEBI.

PROMOTERS CONTRIBUTION

In the public issue of an unlisted company, the promoters shall contribute not less than 20% of the post issue capital as given in Chapter- IV of the SEBI Act, 1992. The entire contribution should have been made before the opening of the issue.

LOCK-IN REQUIREMENT

The minimum promoter's contribution will be locked in for a period of 3 years. The lock-in period commences from the date of allotment or from the date of commencement of commercial production, whichever is earlier.

3. MARKETING OF THE ISSUE

- Timing of the Issue
- Retail distribution
- Reservation of the Issue
- Advertising Campaign

TIMING OF THE ISSUE

An appropriate decision regarding the timing of the IPO should be made, keeping in mind the general sentiments prevailing in the investor market. For example, if recession is prevailing in the economy (the investors are pessimistic in their approach), then the firm will not be able to get a good pricing for its IPO, as investors may not be willing to put their money in stocks.

RETAIL DISTRIBUTION

Retail distribution is the process through which an attempt is made to increase the subscription. Normally, a network of brokers undertakes retail distribution. The issuer company organizes road shows in which conferences are held, which are attended by high net worth investors, brokers and sub-brokers. The company makes presentations and solves queries raised by participants. This is one of the best ways to raise subscription.

RESERVATION IN THE ISSUE

Sometimes reservations are tailored to a specific class of investors. This reduces the amount to be issued to the general public. The following are the classes of investors for whom reservations are made:

- 1) Mutual Funds
- 2) Banks and Financial Institutions; Non-resident Indians (NRI) and Overseas Corporate Bodies (OCB) The total reservation for NRI/OCB should not exceed 10% of the post-issue capital, and individually it should not exceed 5% of the post issue capital.
- 3) Foreign Institutional Investors (FII): The total reservation for FII cannot exceed 10% of the post-issue capital, and individually it should not exceed 5% of the post issue capital.
- 4) Employees: Reservation under this category should not exceed 10% of the post issue capital.
- 5) Group Shareholders: Reservation in this category should not exceed 10% of the post issue capital.

The net offer made to the public should not be less than the 25% of the total issue at any point of time.

4. POST-ISSUE ACTIVITIES

- 1) **PRINCIPLES OF ALLOTMENT:** After the closure of the subscription list, the merchant banker should inform, within 3 days of the closure, whether 90% of the amount has been subscribed or not. If it is not subscribed up to 90%, then the underwriters should bring the shortfall amount within 60 days. In case of over subscription, the shares should be allotted on a pro-rata basis, and the excess amount should be refunded with interest to the shares holders within 30 days from the date of closure.
- 2) **FORMALITIES ASSOCIATED WITH LISTING:** The SEBI lists certain rules and regulations to be followed by the issuing company. These rules and regulations are laid down to protect the interests of investors. The issuing company should disclose to the public its profit and loss account, balance sheet, information relating to bonus and rights issue and any other relevant information.

CONCLUSION

The Indian capital market is a speedy growing market in the world. So that The Indian capital market becomes more vibrant market. As a requirement there is a need to establish a hurdles and transparent process of the issuance of new fund from the capital market. And Indian capital market proves that condition, by which the investors are protected and the companies can raise the fund smoothly. The current process of IPO provides to investors to determine reasonable price with the book building process and at the same time it provides to companies that company can make the issue with fix price.

REFERENCES**BOOKS**

1. Bharati V. Pathak, "The Indian Financial System-Markets, Institutions and Services", Dorling Kindersley (india) Pvt. Ltd., New Delhi.
2. E. Gordon and K. Natarajan (2010), "Financial Markets and Services" Himalaya Publishing House, Mumbai.
3. I.M. Pandey (2006), "financial management", Vikash publishing house Pvt. Ltd., New Delhi.
4. M. Y. Khan and P.K. Jain (2008), "financial management-text, problems and cases", Tata McGraw-Hill Publishing Company Limited, New Delhi.

ARTICLES

5. K. C. John Sasi Kumar. "India Indian Primary Market - A Review", International Journal of Contemporary Business Studies Vol. 1, No. 1 October 2010. ISSN 2156-7506
6. SEBI Guide lines 2000

WEBSITES

7. www.investopedia.com
8. www.slideshare.net
9. www.themanagementor.com

IMPACT ASSESSMENT OF FRINGE BENEFITS IN JOB SATISFACTION AND EMPLOYEES' ATTITUDE

R. SARANYA.

ASST. PROFESSOR

DEPARTMENT OF BUSINESS ADMINISTRATION

NIFT-TEA COLLEGE OF KNITWEAR FASHION

SIDCO


ABSTRACT

The study finds that the today's employees are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. The most important elements for employee retention are providing good benefits to the employees. Monetary rewards are fast forgotten, so organization can try something that will stay forever. Fringe benefits make up a significant portion of compensation packages paid to employees, but their impact on worker job satisfaction has yet to be given much attention. Fringe benefits can affect job satisfaction in opposing ways. Fringe benefits are generally less taxed than wages; they can be purchased at less cost through an employer than if bought on the market. Fringe benefits are often desirable pieces of compensation packages and so increase job satisfaction. Although the pooled cross-section estimation offers more compelling results, unobservable characteristics not measured and therefore not included in the cross-section estimation can bias the estimated impact of fringe benefits on job satisfaction. Moreover, fringe benefits may be simultaneously determined with job satisfaction. If fringe benefits are indeed endogenous, then their estimated impact on job satisfaction will be biased. To further investigate the proposition that fringe benefits are significant determinants of job satisfaction. The results suggest there is no significant difference between the preferences for fringe benefits between males and females.

KEYWORDS

fringe benefits, job satisfaction, employees' attitude.

INTRODUCTION

 Organizations exist in order to render specific products or services to the society. For an organization to be able to actualize its goals in the society, stakeholders in the organization must work towards achieving the set goals and objectives. Therefore, it is expected of management and employees to put in optimum efforts. Thus, it is important for management to build into it, factors that will induce people to contribute effectively and efficiently, by meeting their needs in addition to payment of salaries and wages. The human concept of labor satisfaction has been recognized widely in industrial world. Establishing the determinants of job satisfaction remains at the forefront of empirical testing in using measures of on-the-job utility. In discrepancy theory, satisfaction is the outcome of the distance between two- understanding of an individual & understanding the aspects of the job. This evaluation depends on the employees own needs, values, beliefs, expectation & desires. As a result, higher satisfaction must result if fringe benefits make better match between the benefits which individual desire and the benefits they gain.

As first consideration, desirable job attributes such as fringe benefits should increase job satisfaction. Moreover, employee's benefits and compensation packages can play a strategic role in raising organizational performance and profitability. While a valuable form of compensation, employer provided benefits may lower earnings or reduce job mobility. One of the ways by which an organization can create a satisfying and motivating climate, is by providing fringe benefits for its employee. This article briefly explains about the fringe benefits of Tirupur Industries which in one factor of identifying the satisfactory of employee.

CONCEPTUAL FRAMEWORK

Fringe benefits are wide range of benefits and services that employees receive as an integral part of their total compensation package. Essentially, fringe benefits constitute indirect compensation as they are usually extended as a condition of employment and not directly related to performance of concerned employee. Fringe benefit is something of value apart from the agreed regular monetary payment of salaries and wages given to an employee by an employer (French and Seward, 1977).

According to Crane (1979), fringe benefits are forms of supplementary compensation that can provide mutual advantages to both the employers and employees in terms of increased productivity, job satisfaction and improved standard of living.

Fringe benefits, or that part of the total compensation package other than pay for time worked provided to employees in whole or in part by employer payments, play a major role in the structuring of compensation packages (Williams, 1995:1097).

According to McCaffery and Harvey (1997:1), there are six key reasons why remuneration packages need to be structured, and why fringe benefits will not be eliminated.

- **It's the law:** Certain fringe benefits are required by law. In the United States Social Security, Medicare, and Family and Medical Leave are mandated federally. All the states require workers' compensation coverage and unemployment insurance. A few states have non-occupational temporary disability benefit laws and mandatory health benefit coverage.
- **Duty to bargain with unions:** Virtually every conceivable employee benefit qualifies as a "mandatory subject for bargaining" under federal labour law. This means that in collective bargaining, employers cannot ignore union proposals or eliminate benefit coverage unilaterally.
- **Competition:** Even most small employers now sponsor some benefit plans for their employees – if only paid-time-off allowances and employee-pay-all coverage. A company opting for an "all cash" compensation program certainly would be disadvantaged competitively in the employment marketplace.
- **Benefits are tax-advantaged:** Unlike pay, which is subject to federal and state taxes, most benefits enjoy either a tax-exempt or tax-deferred status. This enables employers to take current-year tax deductions for expenditures without directly or immediately increasing employees' taxable income.
- **Employees want benefits:** Employees are accustomed to receiving benefit coverage as part of their total compensation. They realize that because of tax advantages and economies-of-scale, they are better off having their employers provide benefits. This is evident especially in flexible (cafeteria) plans where most employees forego cash pay-outs for benefit choices.
- **Benefits support employer strategies:** Companies find that certain benefits are often more effective than pay in helping to achieve objectives related to recruitment, retention and motivation of employees, cost management, and social responsibility. Examples of this are profit-sharing plans, work-and-family programs and flexible benefit plans.

The bottom line is every organization is different – different employees with different cultures, different needs and different objectives (Jensen & McMullen, 2007:157). Effective benefits will align employee needs with the organization's goals, and this is based on careful research into what employees want.

RESEARCHERS VIEWS

Over the past four decades, economists have given job satisfaction increasing attention. Job satisfaction is negatively related to job turnover (Freeman, 1978, McEvoy and Cascio, 1985, Akerlof et al., 1988, Weiss, 1984), absenteeism (Clegg, 1983), and positively related to productivity (Mangione and Quinn, 1975). Therefore, it is useful to understand which job characteristics and provisions increase job satisfaction. Although fringe benefits stand as an important piece of worker compensation packages they have not been given much attention in the job satisfaction literature.

Fringe benefits have merely acted as controls in most studies and not as the primary subject of scrutiny. Indeed, more than one or two measures of fringe benefits are rarely found as independent variables in job satisfaction studies. Rather, pensions often act as the predominant proxy for fringe benefit provision within the job satisfaction literature and consequently the estimated impact of fringe benefits on job satisfaction. Some studies find that pensions do not significantly impact

job satisfaction in cross-section estimates. Artz (2008) uses the Working in Britain 2000 dataset and finds that pensions have no significant impact on job satisfaction. Donohue and Heywood (2004) find a similar result in the tenth wave of the National Longitudinal Survey (NLS) regarding employer-provided retirement plans. Others find that pensions positively impact job satisfaction.

Heywood et al. (2002) use the 1991 – 1994 waves of the British Household Panel Study finding that pensions negatively impact job satisfaction in cross section estimates. Finally, Luchak and Gellatly (2002) study the impact of pension accrual on job satisfaction using a dedicated sample of 429 employees in a large, unionized public utility company in Canada. They posit that as employees' pensions increase in value over their job tenure, workers may feel more vulnerable to job loss since firms may opportunistically layoff employees to reduce pension liabilities. The authors use this hypothesis to explain their result that pension accrual decreases job satisfaction.

Donohue and Heywood (2004) report positively significant estimates for such variables as paid vacation and sick pay but no significance for any of the remaining benefits: child care, pension, profit sharing, employer provided training/education and health insurance. Uppal (2005) uses a measure comprised of the number of fringe benefits employees receive and finds that this is positively related to job satisfaction.

Benz (2005) includes most of the fringe benefits found in NLS waves 1994- 2000 in his study of employees of non-profit organizations and finds only two out of nine fringe benefits are positive and significantly related to job satisfaction and that one is negative and significant. Another field of study examines the impact of family friendly work policies on job satisfaction and is yet another source of research that includes multiple fringe benefit measures.

Bryson et al. (2005), using the linked employer employee British Workplace Employee Relations Survey of 1998, find that the availability of family friendly policies do not significantly increase job satisfaction.

The ambiguous results of past estimates arise primarily from the conflicting theoretical effects that fringe benefits can have on job satisfaction, but theory may not be the only explanation for the differences. Some of these mixed results may stem from the use of alternative sources of data or from the institutions of different countries, primarily the United States and Britain. Yet another source of the inconclusive results could be dependence on potentially biased methods of estimation that fail to control for worker fixed effects or the possible endogeneity of fringe benefits.

First, as an alternative to controlling for fixed effects using panel data, researchers often control for a variety of selection biases in their cross-section estimates. Bender and Heywood (2006) control for workers' selection into the academic sector or nonacademic sector by using instruments correlated with sector choice but not with job satisfaction.

McCausland et al. (2005) use instruments to control for worker selection into performance pay schemes and find that selection is only evident among workers who do not receive performance-based pay. Bryson et al. (2005) control for worker selection into unions and find that union membership does not impact worker job satisfaction.

Therefore, researchers do agree that non-random worker sorting into various workplace characteristics is evident. Without accounting for worker sorting, the mixed cross-section results may be unreliable. Unobservable individual preferences decide, at least in part, the worker's job satisfaction but also what fringe benefits workers receive. In order to discover the true impact of fringe benefits on job satisfaction, we must first hold the effects of unmeasured individual preferences on job satisfaction fixed and only allow observable worker and job characteristics including the provision of fringe benefits to vary. This is only possible by using panel data. As workers move from job to job, their preferences are assumed to remain constant but their fringe benefits are allowed to vary.

Therefore, if worker job satisfaction changes, it is due to changes only in fringe benefits and other measurable characteristics. In this way, fringe benefits are identified as additional determinants of job satisfaction. Second, a formal test of endogeneity between fringe benefits and job satisfaction has not been undertaken. Although not with job satisfaction, fringe benefits such as pensions, health insurance and paid vacations have been found to be endogenous in wage regressions and thus result in simultaneity bias in ordinary least squares estimates (Jensen and Morrisey, 2001). Since wages and job satisfaction are highly related, it is possible that endogeneity between fringe benefits and wages could raise a similar simultaneity bias between fringe benefits and job satisfaction. Therefore, a test for endogeneity should be employed to be certain that a two-stage least squares estimation is not required to control for the correlation in the error terms that jointly determine job satisfaction and fringe benefits.

The following section discusses the results of previous research as well as the importance of controlling for fixed effects and testing for endogeneity in determining the relationship between fringe benefits and job satisfaction. Section three outlines the data and empirical methodology used to control for fixed effects and endogeneity. Section four discusses the results, section five outlines further robustness checks and the final section concludes.

DATA AND METHODOLOGY

The data used are employee of Gokul Knits, Tirupur. Data contain a measure of overall attitude, job satisfaction and dozens of control variables including occupation and industry codes as well as demographic and job characteristics. The means, Chi-square test, ANOVA and T-Test definitions of all utilized variables taken are presented and are categorized by number of fringe benefits workers claim to have.

In internal labor markets, payment and correspondingly fringe benefits are tied more to the job than to the individual (Creedy and Whitfield, 1988). Those jobs that offer the most fringe benefits are more likely to be in big firms where internal promotion is more possible. These jobs are also more likely to offer higher wages, implying that fringe benefits are not only tied to wages but also may be the result of a tournament structure within firms. As a result, those workers at the top of the tournament ladder not only have more fringe benefits and wages but may also have a higher job satisfaction as well.

OBJECTIVES OF THE STUDY

1. To know the existing fringe benefits in the Industry
2. To find out the satisfaction level over the existing Fringe benefits.
3. To find out the employees unsatisfied needs & provide valuable information for the improvement.

ANALYSIS AND RESULTS

The analysis inferred that about 74% of respondents are male. Major respondents are belonging to the age group of 31-35 & 90% are married. It also observed that they having minimum qualification (i.e) SSLC and higher income group falls between ₹ 5000 to ₹ 8000.

1. Existing Fringe benefits status in the Tirupur industry

TABLE 1: EXISTING FRINGE BENEFITS STATUS IN THE TIRUPUR INDUSTRY

Existing Fringe Benefits	Yes	Percentage	No	Percentage
Conveyance	0	0	200	100
Boarding & lodging	0	0	200	100
Transport Facility	193	96.5	7	3.5
Medical expenses	196	98	4	2
Superannuation fund	33	16.5	167	83.5
Telephone usage	58	29	142	71
Conference expenses	26	13	174	87
Prepaid Meal Card	171	85.5	29	14.5
Food or Beverage	20	10	180	90
Festival Celebration	200	100	0	0
Health club	10	5	190	95
Scholarship for Kids	200	100	0	0
Retirement Plans	200	100	0	0
Insurance Plans	200	100	0	0

From the table it is observed that conveyance, boarding & lodging benefits not existing in the company. Health club, food or beverage, Conference expenses and superannuation fund benefits are almost not offered.

2. Criterion of allocating different fringe benefits

Paying employees well is important; don't make any rash decisions on salary. Think carefully about how much the position should pay and base salaries according to performance, not relationships or loyalty. Encourage employees to voice concerns about anything in the company, including issues such as salaries and fringe benefits. The employee's fringe benefits package, employee receives mandatory (required by law) and optional fringe benefits that the company and/or the employee pay for such as social security (FICA), state unemployment (SUTA), federal unemployment (FUTA), Medicare, retirement, and a variety of insurance coverage such as medical, prescription, accident, vision, dental, life, disability, and health savings programs. A comprehensive fringe benefits package will result in higher employee retention. Again, there is no magic formula, but a very good fringe benefits package is a part of our corporate strategy to reduce turnover and thus save time and money.

Each employee will be interested in different fringe benefits and sometimes this may be impacted by age. For example, an older employee may be more interested in the fringe benefits that address medical care, disability, and retirement. The younger employees may focus more on vacation time and less on medical insurance that they rarely use. The key is to provide a balanced package that addresses all ages and needs. However, fringe benefits need to be considered in budget (since all of this will impact your company's bottom line), and have a choice of phasing in benefits over time or setting up a strong program from the beginning.

TABLE 2 & 3

ANOVA			t-TEST		
Factors	F	Sign	Factors	F	Sign
Age	0.097	0.962	Gender	0.023	0.879
Educational Qualification	1.572	0.183	Marital Status	0.109	0.742
Designation	0.622	0.683			
Experience	0.793	0.531			
Income Level	1.010	0.403			

Opinion about criterion of allocating the fringe benefit is most important for the job satisfaction, in my survey it was studied with respect to socio economic factors of respondent's. Further it is concluded that, Socio economic factors are not influencing the opinion in the criterion of allocating the benefits except income level factor. The opinion regarding the segregation and allocation of fringe benefits is varying between experience, education, job and income level.

3. Satisfaction of welfare facilities

The estimated impact of the particular fringe benefits lack wide-ranging significance in determining fringe benefits. The significantly positive impact on job satisfaction. In addition, the fringe benefit count variables show no significant relationship with job satisfaction all workers with at least one fringe benefit enjoy significantly increased job satisfaction, except for those workers with three fringe benefits. Thus estimates of individual satisfaction are inconclusive in determining the relationship between fringe benefits and job satisfaction.

TABLE 4

Welfare Facilities	ANOVA										t-Test			
	Age		Educational Qualification		Designation		Experience		Income		Gender		Marital Status	
	F	sign	F	sign	F	sign	F	sign	F	sign	F	sign	F	sign
First aid facilities	0.8	0.5	1.8	0.1	0.9	0.5	1.5	0.2	2.6	0.03*	0.01	0.9	1.2	0.3
Provident fund	1.4	0.2	0.3	0.9	0.9	0.5	0.5	0.7	0.8	0.5	0.07	0.8	0.05	0.8
Insurance	1.4	0.3	0.9	0.4	0.2	0.9	0.2	0.9	0.2	0.9	0.03	0.9	0.08	0.8
Gratuity	0.9	0.5	0.3	0.9	1.0	0.4	0.4	0.8	0.7	0.6	0.03	0.9	0.9	0.3
Recreation	1.5	0.2	0.9	0.5	1.4	0.2	1.3	0.3	0.05	0.9	0.2	0.7	0.5	0.5

The workers' job satisfaction and fringe benefit provisions may be simultaneously determined. In other words, unmeasured determinants of job satisfaction might also determine fringe benefits for employees. However, in this case, job satisfaction and fringe benefit variables are categorical. From the analysis found that there is no influence between levels of satisfaction of welfare facilities among all socioeconomic factor except First aid facilities in income level. Both males and females seem to value similar fringe benefits including flexible work hours, parental leave and employer provided child care. However, only females significantly value pensions while only males value profit sharing. Therefore, fringe benefits are significant determinants of job satisfaction for both males and females.

4. Level of Employees Satisfaction influenced by socio economic factor

TABLE 5

Level of Employee Satisfaction	Age	Educational Qualification	Designation	Experience	Income	Gender	Marital Status
Am satisfied with the additional benefits provided by the company	0.756	0.686	0.289	0.555	0.166	0.691	0.458
Canteen	0.373	0.946	0.330	0.745	0.832	0.989	0.880
Transport	0.801	0.820	0.781	0.347	0.715	0.598	0.606
Restroom	0.915	0.967	0.443	0.782	0.698	0.641	0.581
Working Environment	0.314	0.998	0.842	0.528	0.134	0.743	0.242
Feel proud to be part of the organization	0.343	0.993	0.507	0.923	0.565	0.840	0.931
Have enough freedom in the job	0.453	0.067	0.668	0.486	0.664	0.834	0.238
Always get feedback about my performance	0.319	0.733	0.571	0.703	0.975	0.890	0.269
Feel that the working condition are good in organization	0.931	0.244	0.367	0.849	0.812	0.774	0.981
The resource utilization is good in the company	0.495	0.433	0.832	0.931	0.559	0.231	0.798
The company always ensures health and safety of employee	0.437	0.378	0.627	0.708	0.758	0.181	0.911
Am receiving reasonable compensation	0.762	0.847	0.165	0.595	0.893	0.034*	0.640

To examine the prevalence of the role of fringe benefits in job satisfaction, several further tests are undertaken. The results are shown in above table. As anticipated, six of the seven Socio economic factors positively impact job satisfaction of workers while only one significantly impacts the job satisfaction of those with no dependents at home. It reveals that there is no difference in the satisfaction level among socio economic groups. The satisfaction of employee does not get affected with socio economic factors. If the company develop new strategies & design attractive facilities in order to construct a good organization climate with loyal employees.

CONCLUSION

Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. The most important elements for employee retention are providing good benefits to the employees. Monetary rewards are fast forgotten, so organization can try something that will stay forever. Fringe benefits make up a significant portion of compensation packages paid to employees, but their impact on worker job satisfaction has yet to be given much attention. Fringe benefits can affect job satisfaction in opposing ways. Fringe benefits are generally less taxed than wages; they can be purchased at less cost through an employer than if bought on the market. Fringe benefits are often desirable

pieces of compensation packages and so increase job satisfaction. Although the pooled cross-section estimation offers more compelling results, unobservable characteristics not measured and therefore not included in the cross-section estimation can bias the estimated impact of fringe benefits on job satisfaction. Moreover, fringe benefits may be simultaneously determined with job satisfaction. If fringe benefits are indeed endogenous, then their estimated impact on job satisfaction will be biased. To further investigate the proposition that fringe benefits are significant determinants of job satisfaction. The results suggest there is no significant difference between the preferences for fringe benefits between males and females.

REFERENCES

1. Alpert, W. T. (1987) "An Analysis of Fringe Benefits Using Time-series Data", *Applied Economics*. Vol. 19, pp. 1-16.
2. Bender, K.A., S.M. Donohue and J.S. Heywood (2005) "Job Satisfaction and Gender Segregation" *Oxford Economic Papers* Vol. 57 pp. 479-496.
3. Clegg, C.W. (1983) "Psychology of Employee Lateness, Absence and Turnover: A Methodological Critique and an Empirical Study", *Journal of Applied Psychology*, Vol. 68, pp.88-101.
4. Donohue, S.M. and J.S. Heywood (2004) "Job Satisfaction and Gender: An Expanded Specification from the NLSY" *International Journal of Manpower* Vol. 25 No. 2 pp. 211-234.
5. Freeman, R.B. (1978) "Job Satisfaction as an Economic Variable", *The American Economic Review* Vol. 68. No. 2. pp. 135-141.
6. Heywood, J.S. and X. Wei (2006) "Performance Pay and Job Satisfaction" *Journal of Industrial Relations*, Vol. 48. No. 4. pp. 523-540.
7. Jensen, G.A. and M. A. Morrisey (2001) "Endogenous Fringe Benefits, Compensating Wage Differentials and Older Workers" *International Journal of Health Care and Economics* Sep – Dec 2001, Vol. 1. pp. 203 – 226.
8. Kiker, B.F. and S.L.W. Rhine (1986) "Fringe Benefits and the Earnings Equation" *Journal of Human Resources* Vol. 22 No. 1 pp.126–137.
9. Luchak, A.A. and I.R. Gellatly (2002) "How Pension Accrual Affects Job Satisfaction" *Journal of Labor Research* Vol. 23 No. 1 pp.145-162.
10. McCausland, W.D., Pouliakas, K., and Theodossiou, I. (2005) "Some are Punished and Some are Rewarded: A Study of the Impact of Performance Pay on Job Satisfaction". *International Journal of Manpower*. Vol. 26 No. 7/8. pp. 636-659.
11. McEvoy, G.M. and W.F. Cascio (1985) "Strategies for Reducing Employee Turnover: A Meta Analysis", *Journal of Applied Psychology*, Vol. 70 pp. 342-353.
12. Vieira, J.C., A. Menezes and P. Gabriel (2005) "Low Pay, Higher Pay and Job Quality: Empirical Evidence for Portugal" *Applied Economics Letters* Vol. 12 pp. 505-511.
13. Weiss, A. (1984) "Determinants of Quit Behavior", *Journal of Labor Economics*, Vol. 2. No. 3. pp. 371-387.

INTERNET SHOPPING: FACTORS INFLUENCING STUDENTS BUYING INTENTION ONLINE**ANUPAMA SUNDAR D****ASST. PROFESSOR****JSS CENTRE FOR MANAGEMENT STUDIES****SRI JAYACHAMARAJENDRA COLLEGE OF ENGINEERING****JSS TECHNICAL INSTITUTIONS CAMPUS****MYSORE****ABSTRACT**

On-line commerce through Internet is gaining attention from students today. The Objective of this research is to study the factors influencing student's buying intention through internet shopping in institutions in Mysore. Several factors such as usefulness, ease of use, compatibility, privacy, security that influence student's buying intention were analyzed. Respondents who were selected are studying in public and private institutions, in Mysore. Based on framework of Philip Kotler forces influencing the consumers online purchase it has been determined that Content clarity, Usability and Personalization. Such framework was used in this study to explain students' buying intention on-line. Besides the ease of use and usefulness, others factors such as privacy, security, are utilized. The results support, usefulness, ease of use and security has been found to be important predictors toward attitude in on-line shopping.

KEYWORDS

internet shopping, students.

INTRODUCTION

Today Internet is not only a networking media, but also as transaction medium for consumers at global market in the world, and becomes dominant retailers in the future. The most necessary element of e-retail offers a direct interactive channel as well as no time definition, people and place. To shop on Internet becomes an alternative for consumers since it is more comfortable than conventional shopping which usually attributed with anxious, crowded, traffic jam, limited time, parking space and etc. Internet in India is still considered as a new medium toll between the retailers and the students as consumers, and also retaining students as consumer on e-retail is the most issue that is faced any e-retail store. To increase the understanding in this area, the question needs a correct answer. Is Indian student ready to embrace Internet shopping? In addition, this study wants to know the reasons, why are the students in India, particularly in a public institution of higher learning accept or refuse internet shopping application? And what are dominant predictors that influence the student's intention to shop on internet in Penang, India? This study can help local e-retail to adjust their e-retailing strategies, by learning of this research results. Consequently, the expectation of this study is to provide relevant results to the e-retail company to engage the students to shop online. E-retailer can be more attractive to encourage the students do shopping on internet. By testing the relevance other beliefs in the context of using the internet for shopping, it can be obtained more understanding, why students in a public institution of higher learning accept or refuse e-retail as medium shopping can be gained. The remainder of this paper is organized as follows. Section II documents literature review related to E-retailing.

LITERATURE REVIEW

Anil (2000) also mentioned that electronic commerce is an important part of the growth of the Internet. Brown, Pope and Voges (2003) mentioned that the key feature of e-retailing, the consumers is facilitated by information with regard to product attributes, comparative pricing, availability and overall value added. According to Oinas (2002) internet retailing seems to be growing in all places on the world, including developing countries. Due to the changes taking place in the business in connection with the technological opportunities provided by the Internet which in the future it become the dominant shopping practically. Hofacker (2001) mentioned that people might have known the word Internet the past several years before.

Rowley (1996) viewed that the Internet was essentially an academic network, but business used is growing, so the Internet is no longer an elite network for communication between research centers, but also is accessible to small colleges, small businesses and libraries through the world

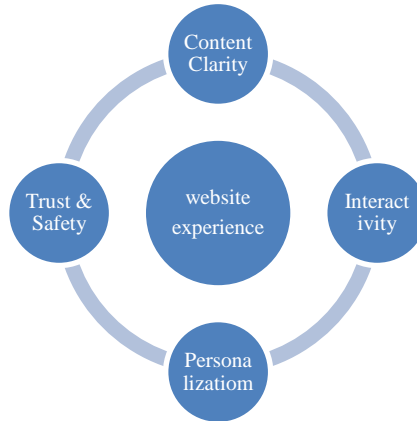
According Eftymios Constantinides (Internet Research) identifies the main constituents of the online experience or web experience as being: the functionality, psychological, and content elements. These three sets of factors are the main online marketing tools under the control of the e-marketer. This study based on extensive review of research published, identifies and classifies these web experience components in a framework emphasizing their extend, variety and interdependence. The study also underlines the fact that knowledge as to the exact way these factors interact with each other as well as their individual weight and importance is still very limited.

Research on online retailing issues is 'likely to continue to develop in the years to come' (Grewal and Levy, 2007, p. 451). Current areas of online retailing research include consumer behaviour, price, promotion, retailing channels, loyalty, services and brands (Brown and Dant, 2008). Turning to online consumer behaviour, Shim, Eastlick, Lotz and Warrington, (2001) presented a model of intention to use the Internet for purchasing. Their study found the intention to search via the Internet contributes a substantial variance in Internet purchase intent. Attitude toward Internet shopping, perceived behavioural control and Internet purchase experience were considered as the antecedents of consumers' intention to use the Internet for information search. In enabling consumers to successfully evaluate the product offerings of e-tailers, online communication strategy is considered to play an important role (Weathers et al. 2007). Further, based on Kotler and Keller's (2006) model, Liu et al. (2008) divided the purchasing process into three stages: information search and alternative evaluation stage, purchase stage, and post-purchase stage. They considered information quality, website design, and merchandise attributes as part of the information search and evaluation stage; transaction capability, response, security/privacy, and payment as a part of the purchase stage; delivery and customer service as a part of the post-purchase stage. Research to date indicates that trust on the Internet is multifaceted (Grabner-Kraeuter 2002). Trust in relation to online retailing primarily relates to the consumer's confidence in the medium and the online vendor (Chen and Dhillon 2003). Trust of the medium, in relation to online shopping is primarily related to a belief that the Internet is trustworthy in terms of the information and the transaction (George 2004). As noted by Horppu et al. (2008) trust has been identified as a major driver of loyalty. High levels of brand trust may turn a satisfied customer into a loyal customer (Ha and Perks 2005; Ha 2004). The relationship of website quality and website brand has also been confirmed with consumers' trust and perceived risk which can lead to consumers' purchase intention (Chang and Chen 2008). Peterson et al. (1997) suggest that highly differentiated products will sell well on the Internet. Eastlick and Lotz (1999) refer to specialty products whilst Figueiredo (2000) hypothesizes that unique and unusual products will sell well. In all three cases the authors suggest that products that have a limited number of substitutes or competitors and/or are hand made and/or are one-offs and/or can only be purchased from a particular website are products that will succeed. This has yet to be established quantitatively and it may be that the opposite is true.

Enjoyment has been identified as an important determinant of why consumers shop (Doolin et al. 2005; Mathwick and Rigdon 2004; Monsuwe, Dellaert and de Ruyter, 2004; Mathwick, Malhotra and Rigdon, 2002; Jarvenpaa and Todd 1997; Hoffman and Novak 1996). Holbrook and Hirschman (1982) identify fantasy, feelings and fun as motivators for shopping. Later articles by Holbrook (2000) extend the shopping enjoyment concept to entertainment, and still later to evangelizing and exhibitionism (Holbrook 2001a; 2001b). Koufaris (2002) found shopping enjoyment to strongly predict intention to return to a website and measured the dimension in terms of the experience being fun, exciting, enjoyable and interesting.

CONCEPTUAL MODEL

FIGURE 1: CONCEPTUAL MODEL



ONLINE BUYING BEHAVIOR

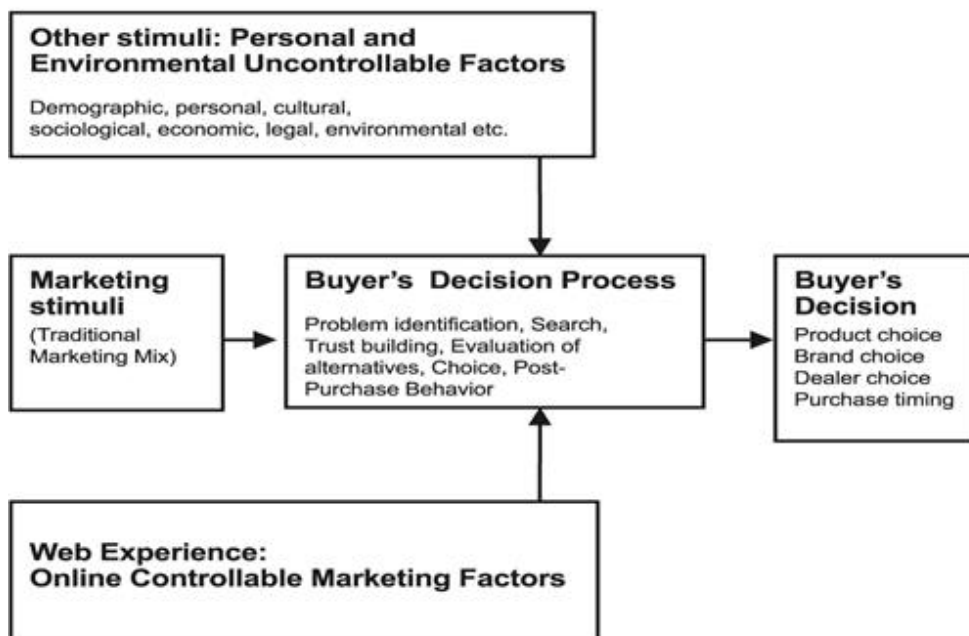
While many research do not see fundamental difference between the traditional and online buying behavior, it is often argued that a new step of building trust or confidence (Lee, 2002; Liebermann and Stashevsky, 2002). The study of Cheung et al. (2003) identifies two groups of uncontrollable factors- consumer characteristics and environmental influences- as well as three groups of controllable ones:

1. Product/services characteristics
2. Medium characteristics.
3. Merchant/intermediary characteristics.

This classification underlines the fact that most researchers endorse the suggestion that – like in traditional markets- the interactivity of controllable and uncontrollable factors underpins also the online decision-making process (O’Cass and Fenech, 2003). This paper focuses on identifying and classifying the elements: the marketing tools and actors under the control of e-marketer that can influence or shape the online consumers behavior during the virtual interactivity. The online experience is in this sense a new, additional input in the traditional buying behavior frameworks found in marketing textbooks (Kotler, 2003). In figure 2 a new category of controllable elements has been added to the factors influencing the online consumer.

Identification and classification of elements is necessary for an all inclusive picture of the controllable actors likely to affect or even determine the outcome of the virtual interactivity. The classification can help marketing practitioners to recognize and better understand the nature and potential of their online marketing tools.

FIGURE 2: FORCES INFLUENCING THE ONLINE CONSUMER’S BEHAVIOR
Forces influencing the online consumer’s behavior



Source: Based on the P. Kotler’s framework (2003)

The definition used in describing the main building blocks of web experience (influencing the online customer behavior the web experience, Constantinides, Efthymios, Internet Research; 2004;)

VARIABLES

Functionality factors

Factors enhancing the online experience by presenting the virtual client with a good functioning, easy to explore, fast, interactive web site. Functionality includes “Usability” and “interaction” elements.

Usability

Nah and Davis (2002) define Web usability as “the ability to find one’s way around the Web, to locate desired information, to know what to do next, and, very importantly, to do so with minimal effort. Central to this idea of usability are the important concepts of ease of navigation and search” (Nah and Davis, 2002, p. 99). Usability is considered as an important quality criterion of information systems (Preece et al., 1994) and Web sites (Osterbauer et al., 1999).

a. Convenience

Research indicates that convenience is a prime motivator for Web customers to stop and interact with online vendors. Customers associate convenience with easy and fast information browsing, shopping and settling of the online transaction; Web designers must try to understand how their customers are likely to perform these activities online and adjust their procedures accordingly.

b. Site navigation

Information architecture and search facilities/search process: online customers expect easy site navigation and easily accessible information. Search engines providing fast and reliable results helping customers to quickly locate information in the site, must be part of every well-designed commercial Web site.

c. Site find ability and accessibility

Most Web consumers are searching for products and services by means of search engines and online directories. It is very important that site designers apply a consistent search engine strategy so that online consumers can easily find the site. Web sites must be furthermore accessible by users making use of different types of Web browsers.

d. Site speed

Online customers expect fast loading Web pages. Web designers must keep in mind that the average time customers per page viewed is low and steadily diminishing over time (Cockburn and McKenzie, 2001).

e. Ordering/payment processes

Cumbersome and lengthy processes required for ordering and settling online transactions are still one of the most important sources of customer irritation, loss of goodwill and interrupted online transactions. A balanced approach is necessary so that Web sites remain simple to use and secure at the same time.

PSYCHOLOGICAL FACTORS

Web sites must communicate integrity and credibility in order to persuade customers to stop, explore them and interact online. Psychological factors are those playing a crucial role in helping online customers unfamiliar with the vendor or unfamiliar with online transactions to overcome fears of fraud and doubts as the trustworthiness of the web site vendor.

Personalization

The interactivity of Internet allows online vendors to enhance the Web experience by presenting the customer with more personalized services and facilitating interactivity with other online users willing to share experiences and suggestions. Interactivity therefore can be seen as underpinning two of the basic elements of the Internet revolution, namely personalization [3] and networking [4]. Interactive elements are contributing to a positive customer experience by reducing uncertainty during the online transaction and the cognitive dissonance afterwards. Elements enhancing interactivity are facilities allowing interactivity with vendors in case customers have questions or difficulty to use the site, online helpdesks for technical assistance or support. Networking and the possibility of establishing contacts with other users by means of active or passive interfaces (user's forums, chat-rooms or bulletin boards) are also factors enhancing the Web site interactivity. The interactivity components are divided in two categories:

(1) Interactivity with the online vendor.

(2) Interactivity with other Web users.

Customer service/after sales service online, interactivity with company personnel and customization are components of interactivity between customer and online vendor. Web customers expect next to convenient shopping and support in case of problems with products promotion.

This element is also rarely found to be one of the essential ingredients of the Web experience; the number of relevant literature references is rather limited. Specific promotional elements mentioned in the literature as enhancing the Web experience are free extra services, sales promotions and incentive programs.

Content Factors

Factors referring to creative and marketing mix-related elements of the website. These factors exercise a direct and crucial influence on the web experience. They are divided in two sub-categories: "Aesthetics" and "Marketing mix".

The content factors are divided into two categories: (a) Aesthetics, (b) Marketing mix

a. Aesthetics

Special attention must be paid to aesthetics, not only because aesthetics elements are often important indicators of online vendor quality (Vrechopoulos et al, 2000) but also form the main clue of vendor and web site credibility for the majority of web users (Fogg et al, 2002).

Aesthetics embrace the artistic and creative elements of the online presentation, aiming at a pleasing appearance or effect (Merriam-Webster's online dictionary, n.d). these elements communicate the web site's atmosphere, something important for attracting online customers by including positive and powerful motives for visitors to stop, explore and possibly interact with site.

Traditional retailers are well aware of the fact that a positive experience of new customers entering their shop is an important factor in their decision to stay or leave; the atmosphere is a major retailing quality evidence affecting his/her impression about a sales outlet and defining the customer's further actions and behavior. The aesthetic elements are design, presentation quality, design elements and style/atmosphere.

Design and style/atmosphere of web site are elements quite crucial in shaping the online experience and the buying decision making process. Like shoppers in traditional shops, for first time web site visitors these elements are particularly important. But unlike traditional shopper's online consumers spend much less time in web shops they visit. Given the very limited time the average internet users spend on browsed pages when searching for information or products online the design and atmosphere of web site must attract the attention and capture the interest of the online customer in a very short time.

There is furthermore strong evidence that the web site design is one of the most important factors communicating the online firm's credibility, something crucial for transacting online. A study of Stanford University among 2,440 respondents meant to identify features of Web sites that online customers usually associate with the site's credibility, found that 46.1 per cent of them consider the design look as the most important credibility cue followed by information design/structure (28.5 per cent) and information focus (25.1 per cent) (Fogg et al., 2002).

Presentation quality refers generally to the customer's total impression on the Web site. It is frequently mentioned as an important motivator for consumers to stop and interact with the site. Design elements specifically mentioned in the literature as contributing to the Web experience are the domain name, colors and site layout.

b. Marketing mix

Several researchers have been focused on the impact of marketing mix elements on the behavior of Web users searching the Internet or buying products and services online. Researchers agree that the marketing mix's 4Ps – including fulfillment – are essential contributors to the Web experience. The ongoing debate on the value of the marketing mix as the toolkit of conventional marketing (Dixon and Blois, 1983; Groenroos, 1994; Gummesson, 1997; Goldsmith, 1999) underlines though the fact that more research is needed in order to define its exact role of the Ps as part of the online content and online marketing in general.

c. Communication

The literature references on this aspect refer to the quality of information provided about the firm's products, the clarity of selling conditions and the delivering terms. Information can to a certain degree compensate the lack of physical contact with the product, reducing the online consumer's uncertainties.

d. Fulfillment

With the exception of digitized products (music, software, e-books, etc.) easily delivered online, for all other types of products offered online the order fulfillment and product delivery do not coincide with the placing the online order. The way online vendors follow up orders and deliver products has an immediate impact on the willingness of customers to order and more importantly, to return to the Web site for business in the future. Alternative payment methods, fast delivery, flexible delivery options and order tracking are frequently mentioned elements of the fulfillment process.

e. Product

Elements affecting the Web experience are the online brands and product assortment, product features and product presentation. Online vendors can in some cases improve the customer experience by enhancing their Product presentation by means of 3D or other high-tech methods.

f. Price.

The number of literature references of the price as an input influencing the online consumer's behavior is limited. Next to that, research on the role and importance of the online price contradicts the predominant belief that price is the main motivator for consumers when choosing a particular Web site. And while most online consumers would insist that low price is their major motive to buy online products, facts do not seem to confirm this. Research based on click-through analysis indicates that only 8 per cent of Web users in North America are aggressive price hunters and only 30 per cent of purchasing managers identify lower prices as the key benefit of buying online (The McKinsey Quarterly, 2001). Factors found in the literature associated with the price as part of the Web Experience are the price level, the online promotional actions or discounts and the price transparency.

METHODOLOGY

Data was collected as in Cross-sectional survey method using structured questionnaire with face to face personal interview.

Sampling Plan

In order to study Factors that influence students buying intention on shopping online, I had originally planned to obtain a sample of students from different age group and gender from Mysore city, area using convenience sampling strategy. The sample for this study consisted of 103 student respondents from different institutions where 94 students' respondents were considered for further study. The study was conducted to investigate the significance level of the variable. Usually, the investigator seeks to ascertain the causal effect of one variable upon another.

Questionnaire design

The questionnaire was contained several instruments measuring dependent variable, independent variable at one point in time. Dependent variable, experience was measured at the 5 point scale. There were three independent variables content clarity, personalization and usability. In addition to measuring the independent and dependent variables, the questionnaire also contained demographic questions: age, gender, marital status, education qualification and use of gadget for making a online purchase. Use of gadget was measured at nominal level. A value "1" for this indicate smart phone, "2" indicate personal computer, "3" indicate tab device, and "4" indicate use of cyber centre for making online purchase. Independent variables were measured using items which were containing 5-point scale measurement.

Primary data: Data was collected through the survey conducted and the structured questionnaire given to 103 respondents. The data was put into the SPSS software for reliability check and it was within the limit. And it was used for analyzing the overall data.

These questionnaires were handed out in the campus of different institutions and in the classroom were collected back. There were no incentives given to students except the knowledge that their opinions would be part of a study on ethics.

Data was collected by questionnaires. During the survey the students were asked how important various factors were for them

The importance was measured on a 5-point scale, where "1" is "strongly disagree" and "5" is "Strongly agree".

DATA ANALYSIS**Descriptive Analysis**

Descriptive statistics was conducted to check for the kurtosis and skewness of data. The data collected was subjected to preliminary descriptive analysis to adjourn the normality assumption. The descriptive statistics are shown in table, and the statistics of each measurement item reveals that none of the skewness statistics exceeds 4 points and kurtosis 10 points. Therefore, by generally accepted criteria the data meets the assumptions of normality

TABLE 1: DESCRIPTIVE STATISTICS

	Mean	Skewness	Kurtosis
Age	1.6702	-.736	-1.491
Gender	1.4574	.174	-2.013
Marital Status	1.9255	-3.295	9.046
Education qualification	2.1170	-.078	-1.569
Use to purchase	1.6383	.769	.644
Ease of use	4.4681	-.881	1.696
Easy to navigate	4.0319	-.681	.239
Find quickly	4.1809	-1.075	1.743
Technical support	3.5957	-.126	-.848
Easy transaction	4.0957	-1.218	2.152
Interaction with other users	3.2979	.084	-.741
Personalization	3.7447	-.661	-.009
Interaction with company personnel	3.2660	-.028	-.903
After sales	3.4409	-.261	-.312
Customized information	3.7979	-.948	1.973
Safe transaction	3.6170	-.268	-.772
Keeps the promises	3.7021	-.497	-.090
Count on information	3.5319	-.458	-.054
Confident	3.5319	-.429	-.390
Attractive	3.9894	-.883	1.198
Visual presentation	4.1064	-.986	1.642
Clearly mentioned	3.9681	-1.027	1.215
Price motivation	4.1809	-.640	.403
Free services	3.5851	-.685	.233
Product presentation	3.8936	-.783	1.539
Description of links	3.7766	-1.048	1.806
Information applicable	3.7234	-.356	.206
Fun to use	3.7766	-.686	.099
Comfortable Surfing	4.0319	-.668	.587
Story of purchase	3.8191	-.747	.297
Frequent visit	3.9681	-.688	.334

TABLE 2: KMO AND BARTLETT'S TEST OF ITEMS CONSIDERED

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.786
Bartlett's Test of Sphericity	Approx. Chi-Square	511.700
	Df	120
	Sig.	.000

TABLE 3: TOTAL VARIANCE OF ITEMS CONSIDERED

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.808	30.047	30.047	4.808	30.047	30.047
2	2.364	14.778	44.825	2.364	14.778	44.825
3	1.378	8.610	53.435	1.378	8.610	53.435
4	1.135	7.093	60.528			
5	1.067	6.670	67.198			
6	.830	5.186	72.384			
7	.729	4.557	76.941			
8	.599	3.743	80.683			
9	.560	3.498	84.182			
10	.485	3.029	87.211			
11	.448	2.802	90.012			
12	.397	2.480	92.492			
13	.345	2.154	94.646			
14	.338	2.110	96.756			
15	.283	1.770	98.526			
16	.236	1.474	100.000			

FIGURE 3: SCREEN PLOT OF ITEMS CONSIDERED

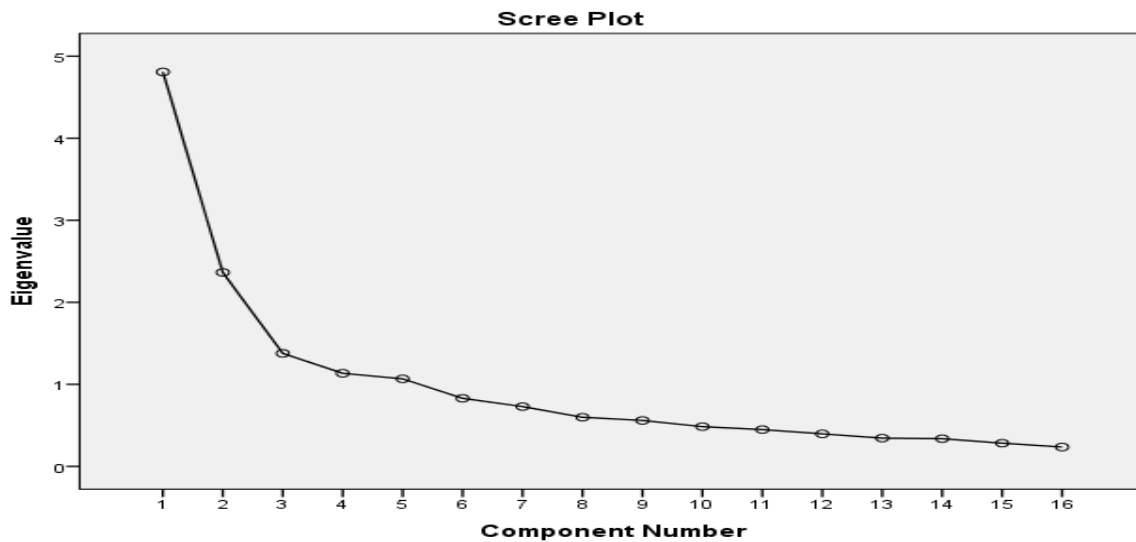


TABLE 4: ROTATED COMPONENT MATRIX OF ITEMS

	Rotated Component Matrix		
	Content Clarity	Usability	Personalization
Ease of use		.755	
Ease of navigation within site		.736	
Find quickly		.558	
Technical support		.639	
Easy transaction		.643	
Interaction with other users			.581
personalization			.603
Interaction with company personnel			.535
After sales			.759
Customized information			.681
Attractiveness towards site	.759		
Visual presentation	.720		
Clearly mentioned	.707		
Free services	.580		
Product presentation	.748		
Description links	.588		

Exploratory Factor analysis was conducted using principal component methods and varimax rotation method for data purification. 3 factor solutions with a KMO statistic of 0.786 which indicates that the sample size was adequate, further the test of sphericity was found significant at .000 and a chi-square statistic of 511.700 with 120 degree of freedom. The total variance explained by the three factors was 53.435. The items that aggregated together was read in conjunction and 3 factors unearthed makes significant meaning. The factors were (1) Content Clarity, (2) Usability and (3) Personalization. Further test of reliability are computed using cronbach's alpha and the respective reliabilities are reported in the tables below.

RELIABILITY

Usability

TABLE 5: ITEM TOTAL STATISTICS OF USABILITY

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Ease of use	.606	.737
Ease of navigation within site	.547	
Find quickly	.384	
Technical support	.560	
Easy transaction	.465	

A reliability test of which measures variable usability has been done. It shows an alpha value of 0.737 which indicates, all items in the scale to measure the variable in question is reliable.

The cronbach alpha value above 0.6 is considered to be reliable and acceptable. Therefore, we can conclude variable in our study pass reliability test.

Personalization

TABLE 6: ITEM TOTAL STATISTICS OF PERSONALIZATION

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Interaction with other users	.570	.762
personalization	.585	
Interaction with company personnel	.532	
After sales	.449	
Customized information	.545	

A reliability test of which measures variable personalization has been done. It shows an alpha value of 0.762 which indicates, all items in the scale to measure the variable in question is reliable.

The cronbach alpha value above 0.6 is considered to be reliable and acceptable. Therefore, we can conclude variable in our study pass reliability test

Content Clarity

TABLE 7: ITEM TOTAL STATISTICS OF CONTENT CLARITY

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Attractive	.590	.783
Visual presentation	.549	
Clearly Mentioned	.581	
Free Services	.455	
Product Presentation	.605	
Description of Links	.460	

A reliability test of which measures variable usability has been done. It shows an alpha value of 0.783 which indicates, all items in the scale to measure the variable in question is reliable.

The cronbach alpha value above 0.6 is considered to be reliable and acceptable. Therefore, we can conclude variable in our study pass reliability test.

Factor Analysis Safety

TABLE 8: KMO AND BARTLETT'S TEST OF TRUST AND SAFETY ITEMS

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	84.828
	df	6
	Sig.	.000

TABLE 9: TOTAL VARIANCE OF TRUST ITEMS

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.321	58.023	58.023	2.321	58.023	58.023
2	.674	16.853	74.876			
3	.538	13.458	88.334			
	.467	11.666	100.000			

Extraction Method: Principal Component Analysis.

Exploratory Factor analysis was conducted using principal component methods and varimax rotation method for data purification, with a KMO statistic of 0.763 which indicates that the sample size was adequate, further the test of sphericity was found significant at .000 and a chi-square statistic of 84.828 with 6 degree of freedom. The total variance explained by the three factors was 58.023.

TABLE 10: COMPONENT MATRIX OF TRUST ITEM

Component Matrix	
	Component
	1
Safe transaction	.771
Keeps the promise	.741
Count on information	.718
confident	.814

Extraction Method: Principal Component Analysis.^a

Reliability safety

TABLE 11: ITEM TOTAL STATISTICS OF TRUST ITEM

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Safe transaction	.566	.758
Keeps the promise	.532	
Count on information	.508	
confident	.623	

A reliability test of which measures variable trust and safety has been done. It shows an alpha value of 0.758 which indicates, all items in the scale to measure the variable in question is reliable.

The cronbach alpha value above 0.6 is considered to be reliable and acceptable. Therefore, we can conclude variable in our study pass reliability test.

Factor Analysis of loyalty

TABLE 12: KMO AND BARTLETT'S TEST OF LOYALTY

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	5.377
	Df	1
	Sig.	.010

TABLE 13: TOTAL VARIANCE OF LOYALTY

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.239	61.945	61.945	1.239	61.945	61.945
2	.761	38.055	100.000			

Extraction Method: Principal Component Analysis.

Reliability Loyalty

TABLE 14: ITEM TOTAL STATISTICS OF LOYALTY

	Corrected Item-Total Correlation	Cronbach's Alpha
Story of purchase	.539	.683
Frequent visit	.539	

A reliability test of which measures variable loyalty has been done. It shows an alpha value of 0.683 which indicates, all items in the scale to measure the variable in question is reliable.

The cronbach alpha value above 0.6 is considered to be reliable and acceptable. Therefore, we can conclude variable in our study pass reliability test.

Regression

TABLE 15: REGRESSION ANOVA OF SAFETY

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.211	3	14.404	27.320	.000
	Residual	46.922	89	.527		
	Total	90.133	92			

a. Dependent Variable: safety
b. Predictors: (Constant), personalization, usability, Content clarity

TABLE 16: REGRESSION TABLE COEFFICIENTS

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.018	.075		-.241	.810
	Content clarity	.495	.076	.501	6.545	.000
	Usability	.317	.076	.320	4.189	.000
	Personalization	.352	.076	.355	4.644	.000

a. Dependent Variable: safety

Content clarity, Usability and Personalization are having beta value of 0.501, 0.320 and 0.355 accordingly, the level of significance with three variable shown is 0.000, therefore the result indicate content clarity, usability, and personalization significantly influenced perception of safety. In other words students who find the website has content clear, find using website easier and is interactive alongside customized feel safe in using the website.

TABLE 17: REGRESSION ANOVA OF LOYALTY

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.049	4	4.012	4.632	.002 ^b
	Residual	76.230	88	.866		
	Total	92.279	92			

a. Dependent Variable: Loyalty
b. Predictors: (Constant), Safe Transaction, Usability, personalization, Content Clarity

TABLE 18: REGRESSION TABLE COEFFICIENTS

Model	Coefficients			t	Sig.
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta		
1	(Constant)	-.004	.097		
	Content Clarity	.222	.118	.221	1.876 .064
	Usability	-.089	.106	-.089	-.835 .406
	personalization	-.007	.108	-.007	-.061 .951
	Safety	.275	.136	.271	2.021 .046

a. Dependent Variable: Loyalty

Content clarity, Usability, Personalization and safety are having beta value of 0.221, -0.089, -0.007 and 0.271 accordingly, the level of significance with four variable shown are 0.064, 0.406, 0.951 and 0.046 therefore the result indicate content clarity, and safety significantly influenced perception of loyalty. In other words, students who find the website has content clear, find using website safe for transaction and will trust the information provided in the website will share the story of their purchase and will visit the website again.

CONCLUSIONS

One hundred and three respondents completed the questionnaire for this research. The questionnaire measured the factors influencing for the online purchase of students using a likert instrument developed for this research. Results of this study indicate that students are more concerned about usability next to content clarity. Personalization was third factor for making online purchase by students. The result also explores that content clarity, usability and personalization are significant for the safety. Content clarity and safety play important role in sharing the story of the purchase and keeping loyal customer. Validity was determined by the results of reliability and regression.

REFERENCES

1. Basyir, A. (2000). A Model of Consumer's Acceptance of Internet Shopping MBA Thesis, School of Management, Universiti Sains Malaysia, Penang.
2. Davis, F.D., Bagozzi, R.P., & Warshaw, P.R. (1989). User acceptance of computer technology: a comparison of two theoretical model. *Management Science*, Vol. 35, pp. 982-1003.
3. Davis, Jessica, Consumer fears of online buying may be abated with new payment option, *InfoWorld*; Oct 23, 2000; 22, 43; ABI/INFORM Global pg. 102
4. Efthymios Constantinides, Influencing the online consumer's behavior: the Web experience The current issue and full text archive of this journal is available at www.emeraldinsight.com/1066-2243.htm
5. George, Joey F, The theory of planned behavior and Internet purchasing, *Internet Research*; 2004; 14, 3; ABI/INFORM Global pg. 198
6. Karyanni, D.A. (2003). Web-shopper and non shoppers: compatibility, relative advantage and demographics. *European Business Review*, vol.15, pp. 141-152.
7. Kotler, P. (2000). *Marketing Management (The Millennium Edition)*. New Jersey, Prentice Hall
8. Liebermann, Yehoshua; Stashevsky, Shmuel, Determinants of Online Shopping: Examination of an Early-Stage Online Market, *Canadian Journal of Administrative Sciences*; Dec 2009; 26, 4; ABI/INFORM Global pg. 316
9. Lohse, Gerald L; Bellman, Steven; Johnson, Eric J, Consumer buying behavior on the Internet: Findings from panel data, *Journal of Interactive Marketing*; Winter 2000; 14, 1; ABI/INFORM Global pg. 15
10. Richard Croome, Meredith Lawley and Bishnu Sharma (2010), Antecedents of Purchase in the Online Buying Process, *Journal of Internet Business Issue 8 – 2010*.

ROLE OF PRODUCT AND SERVICES ON SATISFACTION OF CUSTOMERS: A CASE STUDY OF ASIAN PAINTS

PARINDA V. DOSHI
ASST. PROFESSOR
DEPARTMENT OF COMMERCE & BUSINESS MANAGEMENT
FACULTY OF COMMERCE
M. S. UNIVERSITY OF BARODA
VADODARA

ABSTRACT

Firms enlarge their market share through the tools which give them the competitive advantage over the other firms. The most widely adopted tools to provide competitive advantages are innovations in the product, process and services which help them to be cost effective or target the new segment of market; and the training and development of employees which help them to sustain and grow in the market. Organisations adopt varied practices to provide maximum customer satisfaction which in turn helps the firm in maintaining and increasing their market share. The present study analyse the relationship of customer satisfaction with product and services, it also examines the significance of product and services on satisfaction of the customer and thus observes overall satisfaction of the customer of Asian Paint. Relationship of product is examined by taking variables of features, durability and variety into consideration while the relationship of services is examined by taking services offered by the company and its dealer respectively. Results of the study show the positive relationship between the product and services with satisfaction of the customers. It also observes the significant effect of product and services on satisfaction of the customers of the company.


KEYWORDS

customer satisfaction, product, services.

JEL CLASSIFICATION

M30, M31, M39, L10, L19.

1. INTRODUCTION

 Globalisation and Liberalisation has open up the economies of the world. The two important factors had widened the market for business organisation and had led to the cutthroat competition. Businesses in today's world are making efforts for maintain and increasing their market share by providing maximum customer satisfaction. Firms do this by product and services offered by them. Constant innovation in the product and services by the organisations helps them to satisfy the need of the larger market segment. Paint selling companies are no exclusion from the same. The present study is conducted in order to examine the relationship between the customer satisfaction and the product and services offered by one of the leading paint selling company "Asian Paints". Relationships among the variables are studied by taking samples from Vadodara city of Gujarat State. Samples of 100 respondents were collected, who had already used and avail the services of the company. Data was analysed using a statistical tool: co-relation was used to establish the relationship among the variable and the t-test was used to examine the significance of product and services on satisfaction of customers.

The study is divided into six sections. First section gives introduction of the study, followed by the literature review and concept development in the second section. Third section states objectives and hypothesis of the study, fourth section explain research methodology. Fifth section discusses the result and findings and the sixth section is of conclusion.

2. LITERATURE REVIEW AND CONCEPT DEVELOPMENT**CUSTOMER SATISFACTION**

Customer satisfaction is the customer's subjective evaluation of a consumption experience, based on relationship between the customer's perceptions and objective attributes of the product (Klaus, 1985). It helps in repeated sales of product, positive word-of-mouth and customer loyalty which is an important aspect for the development of an organisation (Bearden and Teel, 1983; Fornell et al., 1996). Researches were carried on by different authors from time to time to measure customer satisfaction in different industries.

Johnson and Fornell (1991) took economic and psychological perspective for measuring customer satisfaction of different firms and industries in Sweden. Pizam and Ellis (1999) developed a tool for measuring customer satisfaction in hospitality and tourism industry. Research work of Athanassopoulos, Gounaris, and Stathakopoulos (2001) investigated the behavioural consequences of customer satisfaction in Service Industry. They examine the impact of customer satisfaction on the decisions - to stay with the existing service provider, engagement in word-of-mouth communications, and intentions to switch service providers. Homburg and Rudolph (2001) measure customer satisfaction in industrial market by developing a scale which contains seven different dimensions to measure customer experience. Sadeghi and Farokhian (2011) measure customer satisfaction through inclusion of customers' requirements and needs in the design of products manufactured. The study investigates the relationship of product performance on customer satisfaction and loyalty.

PRODUCT AND SATISFACTION

Johnson and Fornell (1991) examined product's perceived performance and the customer's expectations as primary antecedents of satisfaction. Anderson and Fornell (1994) consider product as a coercive source of power for an organisation. Organisation differentiating their product by means a unique product line gets the competitive advantage and the barrier for switching (Mihelis et al., 2001; Millana, 2004). Zamazalová (2008) describe product features and services as an essential component which helps the organisation to differentiate their product and enhancing customer satisfaction. Thus, the literature shows the significance of product for differentiation, getting competitive advantage, barriers for switching and providing satisfaction to the customers.

SERVICES AND SATISFACTION

Services are the intangible things that are provided by the organisation to the customer. The quality of service is assessed by consumer on actual delivery and consumption of the services. As service production and consumption go on simultaneously it become important for the organisation to deliver the services timely which help them in better consumption of the product. Services are generally offered through the employees of the company and distributors of the products. The services offered not only help in timely and proper consumption of product but also help in attending maximum customer satisfaction and thus widening the market share (Levitt, 1983; Biong, 1993)

3. OBJECTIVES AND HYPOTHESIS OF THE STUDY

The prime objective of the study is to examine the relationship and significance of product feature and services with customer satisfaction of Asian Paint. Prime objective is further bifurcated into the sub-objectives which are:

- To study the relationship between product feature and services offered by the company and its distributors on satisfaction of customers of Asian Paints
- To examine the significance of product feature on satisfaction of the customers of Asian Paints.
- To measure the significance of services offered by the company and its distributors on satisfaction of the customers of Asian Paints.
- To measure the significance of product feature and services on overall satisfaction of customers of Asian Paints.

In order to attain the above mentioned objectives, the following hypotheses have been established in the study.

- H₁ :** Product feature significantly affect satisfaction of the customers of Asian Paints
H₂ : Services offered by the company and its distributors significantly affect satisfaction of the customers of Asian Paints
H₃ : Product feature and services has a affect satisfaction of the customers of Asian Paints

4. METHODOLOGY AND DATA COLLECTION

A case study of the customers of "Asian Paints" one of the leading paint supping company of India was undertaken to achieve the above mention objectives. Data was collected from the customer of the company in order to understand the relationship of product feature and services offered on satisfaction of customer; and thus to know the overall satisfaction of the customer. The present section of the study provide detail, on the data employed; instrument used for data collection; reference period of the data collected; and methodology adopted for analysing data.

4.1. POPULATION AND SAMPLE

Population for the study are customers of Asian Paints in Vadodara city, who have purchased the product from the dealer of Asian Paints in Vadodara. Data was collected from 100 respondents using technique of Convenience sampling.

4.2. RESEARCH INSTRUMENT

Questionnaire with closed-ended questions was used to gather demographic data. Five- point Likert-type statements ranging from Strongly Disagree (1) to Strongly Agree (5) were used to test respondent's satisfaction pertaining to product feature, services offered by the company and its distributors and to know the satisfaction of the customer of Asian Paints.

The impact of product feature is measured using 6 items, while the effect of services offered by the company and its distributors are measured using 3 items. Customer satisfaction for the product, services and their overall satisfaction is measured using 3 items.

4.3. DATA GATHERING

Primary data was collected through structured close ended questionnaires by undertaking personal interviews of customer of Asian Paints in Vadodara. Personal interviews were conducted from January 2015 to April 2015 for collecting responses of the customer.

4.4. METHOD OF PROCESSING AND ANALYSING DATA

In order to attend the objectives of study, data has been examined and analysed using suitable statistical tools. Correlation was used to study the relationship between product feature and services offered by the company and its distributors on satisfaction of customers of Asian Paints and the T test was used:

- to analyse the significance of product feature on satisfaction of the customer of Asian Paints,
- to examine the significance of services offered by the company and its distributors on satisfaction of the customer of Asian Paints and
- to measure the significance of product feature and services on overall satisfaction of customers of Asian Paints.

5. EMPIRICAL RESULTS

A total of 100 responses are used for interpretation and analysing the finding of the study. Reliability test were conducted to assess the internal consistency of the data. Cronbach's alpha the most widely used method to test the reliability was used in the study. It is mention that its value of Cronbach alpha varies from 0 to 1 but, satisfactory value is required to be more than 0.6 for the scale to be reliable. The Cronbach alpha was found to be 0.801 for the instrument under study, which ensures the reliability of the instrument. After checking the reliability of the scale, normality of the data was checked using P-P plot which depicts that the data was normal.

The demographic profile of the respondent consists of gender, age, occupation and Income. The detail of the profile is mention in Table – 1 given below.

TABLE 1: DEMOGRAPHIC ANALYSIS OF RESPONDENTS

Description	Responses	
Gender	Male	43
	Female	57
	Total	100
Age	Less than 25	41
	25-30	34
	30 and above	25
	Total	100
Occupation	Service	32
	Business	21
	Professional	25
	Others	22
	Total	100
Annual Income	Less than 200000	30
	200000 - 400000	34
	400000 - 600000	20
	600000 and More	16
	Total	100

The respondents were first classified according to their gender. Out of 100 respondents, 43 respondents were male and 57 were female. According to age classification 41 percent of the respondents were found of the age less than 25 years, 34 percent were between 25 to 30 years and 25 percent were above 30 years. Occupation is classified into service, business, and profession and other. In the study 32 respondents were a salaried employee, 21 respondents were businessman, 25 were professional and 22 of them come under other category of occupation. When the respondents were further classified according to their annual Income it was found that 30 of them have income less than 2,00,000 Rupees, 34 of them earn between 2,00,000 to 4,00,000, 20 respondents were earning between 4,00,000 to 6,00,000 and the 16 respondents were earning more than 6,00,000 annually.

5.1. Effect of Product Feature on Satisfaction

In order to find out the relationship between the product feature and satisfaction correlation technique was used. Positive correlation 0.406 was found between the product feature and satisfaction. The positive correlation indicates, with the positive change in the product feature by the company satisfaction of the customer will also change positively. The P value of one tail T test came to be 1.2532E-70 which shows the significance of product feature on the satisfaction of the customer. The result support the hypothesis of the significant influence of product feature on satisfaction of the customer.

5.2. Effect of Services on Satisfaction

The correlation between the services and the satisfaction was 0.284. Positive correlation among the variable showed the positive relationship of the variable. Company undertaken for the study is the paint supplying company and so we find customer to be more emphasising on the product than the services of the company. From the correlation we find product feature to have more relation than the services offered by the company and its distributors. P value of one tail T test came to be 7.16735E-47 which helps to prove the hypothesis of the significant impact of services offered by the company and its distributors on the satisfaction of the customer of Asian Paints.

5.3. Effect of Product Feature and Services on Satisfaction

Positive correlation of 0.443 was found between the product feature and Services with satisfaction of customer of Asian Paints. Positive correlation indicates overall satisfaction of the customer is positively affected by the product feature and the services offered. P value of one tail T test was 4.3816E-74 which proves the hypothesis of the significant impact of product feature and services on overall satisfaction of customers of Asian Paints.

6. CONCLUSION

Numbers of research has been undertaken by the different authors to understand the concept of customer satisfaction and for the development of the instrument for measuring the customer satisfaction in different industries. The paper contributes for the development of the instrument which will helps in measuring the impact of product features and services on customer satisfaction of the paint supplying company. The empirical results of the study lead to the following findings:

- Product feature and the services have a positive relationship with the satisfaction of the customer of the business.
- Product features has a significant effect on the satisfaction of the customer.
- Services offered by the company and its distributors has the significant effect on the customers of the company and
- Product features and services offered had a significant effect on the overall satisfaction of the customers of the company.

The findings enhance the understanding of how customers perceive product and services of the paint selling companies. This will help the executives to identify the critical dimensions of product and services, which eventually affects the level of competitiveness of the organisation. Present study is conducted taking product and service as variables to measure satisfaction of the customer. Responses for the study are from the customers of the single paint selling company in the paint industry. This limitation of the study restricts the general applicability and provide the future ground for further research which may be conducted by taking more variables into consideration, taking another company into consideration or doing a comparative study among different company of the same industry.

REFERENCES

1. Anderson, E. W., & Fornell, C. (1994), "A Customer Satisfaction Research Prospectus," *Service Quality: New Directions in Theory and Practice*, Vol. 14, No. 1, pp. 239-266.
2. Athanassopoulos, A., Gounaris, S., & Stathakopoulos, V. (2001), "Behavioural Responses to Customer Satisfaction: An Empirical Study," *European Journal of Marketing*, Vol. 35, No. 5/6, pp. 687-707.
3. Bearden, W. O., & Teel, J. E. (1983), "Selected Determinants of Consumer Satisfaction and Complaint Reports," *Journal of Marketing Research*, Vol. 20, pp. 21-28.
4. Biong, H. (1993), "Satisfaction and Loyalty to Suppliers within the Grocery Trade," *European Journal of Marketing*, Vol. 27, No. 7, pp. 21-38.
5. Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996), "The American Customer Satisfaction Index: Nature, Purpose, and Findings," *The Journal of Marketing*, Vol. 60, pp. 7-18.
6. Homburga, C. & Rudolph, B. (2001), "Customer Satisfaction in Industrial Markets: Dimensional and Multiple Role Issues," *Journal of Business Research*, Vol. 52, pp. 15-33.
7. Johnson, M. D., & Fornell, C. (1991), "A Framework for Comparing Customer Satisfaction across Individuals and Product Categories," *Journal of Economic Psychology*, Vol. 12, No. 2, pp. 267-286.
8. Klaus, P. G. (1985), "Quality epiphenomenon: The Conceptual Understanding of Quality in Face-to-Face Service Encounters," *The Service Encounter: Managing Employee/Customer Interaction in Service Businesses*, pp. 17-33.
9. Levitt, T. (1983), "The Marketing Imagination," The Free Press, New York, NY.
10. Mihelis, G., Grigoroudis, E., Siskos, Y., Politis, Y., & Malandrakis, Y. (2001), "Customer Satisfaction Measurement in the Private Bank Sector," *European Journal of Operational Research*, Vol. 130, No. 2, pp. 347-360.
11. Millán, Á., & Esteban, A. (2004), "Development of a Multiple-Item Scale for Measuring Customer Satisfaction in Travel Agencies Services," *Tourism Management*, Vol. 25, No. 5, pp. 533-546.
12. Pizam, A., & Ellis, T. (1999), "Customer Satisfaction and its Measurement in Hospitality Enterprises," *International Journal of Contemporary Hospitality Management*, Vol. 11, No. 7, pp. 326-339.
13. Sadeghi, T., & Farokhian, S. (2011), "The Role of Customer Satisfaction in Product Planning," *Middle-East Journal of Scientific Research*, Vol. 7, No. 1, pp. 39-45.
14. Zamazalová, M. (2008), "Spokojenost Zákazníka," *Acta Oeconomica Pragensia*, Vol. 16, No. 4, pp. 76-82.

A LITERATURE REVIEW ON CORPORATE SOCIAL RESPONSIBILITY: SOCIAL IMPACT OF BUSINESS

**DR. TARUNLATA
ASST. PROFESSOR
GOVERNMENT COLLEGE
GURGAON**

ABSTRACT

Corporate social responsibility is a hot buzz in organizations today. CSR is a means of analyzing the interdependent relationships exist between business and economic systems, and the communities within which they are based., CSR reflects a concern for the three p's: profits, people (employees, customer and citizens) and place (environment and community). The aim of this article is to understand its concept, theories, dimensions and literature work done so far.

KEYWORDS

socially responsible behavior, codes of ethics.

1. INTRODUCTION

The term "CSR" has varied meanings. To some it conveys the idea of legal responsibilities and liability; to others it means socially responsible behavior in an ethical sense, to still others, the meaning transmitted is that of 'responsible for', in the causal mode; many simply equate it with charitable contribution (Votaw 1973). The entirety of CSR can be discerned from the three words contained.

The concept of corporate social responsibility is one that deserves to be challenged and examined carefully. It is absolutely correct to expect that corporations should not be "irresponsible" and should comply with all laws and regulations, creating quality products marketed in an ethical manner, in compliance with laws and regulations with finances represented in honest transparent way to shareholders. however, the notion that the corporation should apply its assets for social purposes rather than for the profit of its owner, the shareholders, is an irresponsible use of assets.

Broadly stated, CSR reflects a concern for the three p's: profits, people (employees, customer and citizens) and place (environment and community). By no means is profitability of the corporation set aside but rather supplemented by additional considerations that go beyond financial success. Furthermore, while socially responsible action may initially reduce profits, many corporations are finding that it may also create new opportunities for adding to profits and /or reduce a greater threat of operating losses due to legal/regulatory actions or loss of favor in the marketplace.

2. DEFINITIONS

Archie B. Crroll, 1979 Defines CSR as social responsibility of business encompasses the economic, legal, ethical, and discretionary that society has of organizations at a given point of time

The institute of directors, UK, 2002 CSR is a means of analyzing the interdependent relationships exist between business and economic systems, and the communities within which they are based.

3. CONCEPTUAL FRAMEWORK & THEORIES OF CSR

- ❖ Friedman (1970) Proposed Agency Theory. According to him CSR is indicative of self-serving behavior on the part of managers, and thus, reduces shareholder wealth
- ❖ Freeman (1984) give Stakeholder Theory. In this theory he stated that Managers should tailor their policies to satisfy numerous constituents, not just shareholders. These stakeholders include workers, customers, suppliers, and community organizations
- ❖ Donaldson (1990) Stewardship Theory There is a moral imperative for managers to "do the right thing," without regard to how such decisions affect firm performance.
- ❖ Donaldson and Preston (1995) Stakeholder Theory Stressed the moral and ethical dimensions of stakeholder theory, as well as the business case for engaging in CSR.
- ❖ Jones (1995) Stakeholder Theory Firms involved in repeated transactions with stakeholders on the basis of trust and cooperation have an incentive to be honest and ethical, since such behavior is beneficial to the firm.
- ❖ Hart (1995) Resource-Based View of the Firm for certain companies, environmental social responsibility can constitute a resource or capability that leads to a sustained competitive advantage.
- ❖ Jennings and Zandbergen (1995) Institutional Theory Institutions play an important role in shaping the consensus within a firm regarding the establishment of an "ecologically sustainable" organization
- ❖ Baron (2001) Theory of the Firm The use of CSR to attract socially responsible consumers is referred to as strategic CSR, in the sense that firms provide a public good in conjunction with their marketing/business strategy
- ❖ Feddersen and Gilligan (2001) Theory of the Firm Activists and NGOs can play an important role in reducing information asymmetry with respect to CSR on the part of consumers.
- ❖ McWilliams and Siegel (2001) Theory of the Firm Presents a supply/demand perspective on CSR, which implies that the firm's ideal level of CSR can be determined by cost benefit analysis.
- ❖ McWilliams, Van Fleet and Cory (2002) Resource-Based View of the Firm CSR strategies, when supported by political strategies, can be used to create sustainable competitive advantage.
- ❖ Waldman, Siegel, and Javidan (2005) Theory of the Firm/ Strategic Leadership Theory Certain aspects of CEO leadership can affect the propensity of firms to engage in CSR. Companies run by intellectually stimulating CEOs do more strategic CSR than comparable firms.

4. LITERATURE REVIEW OF CSR

Thompson J.K & Hood J.N. (1993) explored the differences in corporate social performance behaviour between minority and non-minority owned small businesses. In examining the social programs and policies, this study found no significant differences between minority owned small businesses and non-minority owned other than for health and disability insurance programs. This difference was explained due to significant differences in size of the two distinct types of organizations. Larger and older firms would be expected to be more likely to provide health and disability insurance for their employees than smaller, newer organizations.

Gulshan (1995) found that social responsibility is the awareness of MNC's management. A socially responsible MNC acts in a way that not only will advance the corporation but also will serve society. Managers of MNC's must recognize that their decisions have socially responsible implications. It was suggested to the MNC's to ensure that codes of ethics are 'living documents' and not just statements handed out to the employees to file. In fact, the society in the host country is very demanding these days and would not allow MNC's without a code of ethics.

Bhatia (2001) highlighted the responsibility of corporate towards better environment. The role of corporate is not confined to production of goods and service alone. Beyond that the business enterprises have several social responsibilities, the most important one being not to do anything that would result in environment degradation. Thus areas such as waste management, pollution prevention were suggested.

Snider et al. (2003) conducted a study to examine the content of what firms are communicating to various stakeholders about their commitment to socially responsible behavior. To address this query, legal, ethical, and moral statements available on the website of Forbes Magazine's top 50 US and top 50 multinational firms of non-US firms were analyzed with the content of stakeholder theory. It was found that both sets of organizations concentrate their attention on a similar set of stakeholders and approximately the same CSR issues.

Singh (2005) examined the level of disclosure of voluntary environmental information by the companies in the rapidly developing economy of India. The annual reports of 200 companies were examined and found that waste management; environmental research and development; clean technology; emission to air; water and land; and compliance with the environmental laws were the most frequently reported, whereas penalties under the environment laws, proceeding under the environmental laws, and the environmental contingent liabilities were the least reported disclosure variables. It was further found that the company wise status of voluntary environmental disclosure is very discouraging. It was found quite better in high polluting industries than in the low polluting industries.

Prout (2006) developed the self-interested, business rationale for the export of socially responsible business behaviour by multinational firms to developing economics. It was argued that corporation typically have a self-interested approach to adopting CSR values' either for marketing purpose, or to sustain acceptance among socially conscious investors, consumers and competitors. The same approach should be adopted in the developing world, because consumers and investors transfer these same expectations globally, business in developing countries want acceptance and multinationals can test performance-based rather than regulatory based approaches to CSR behaviors.

Gupta (2007) explored the trend of social responsibility of the corporate sector in India. It was observed that to meet economic, legal and ethical responsibilities, business is also expected to display a genuine concern for the general welfare of all constituencies. Society desires a cleaner environment, the preservation of wildlife as their habitats, as well as living wages for employees, but it also demands low-priced products. Companies must balance the costs of these discretionary against the costs of manufacturing and marketing their products in a responsible manner. It was concluded that vision osacro-civic society is a Pacific Business Review International 62 Volume 7, Issue 1, July 2014 w w w . p b r . c o . i n 63 realistic vision and could be achieved through a new corporate model rooted in three fillers of profits, CSR, and good governance.

Amran and Siti-Nabiha (2009) attempted to explain the local CSR trend by interviewing senior managers from selected companies. It was found that despite low level of awareness of CSR, there is an increasing trend of reporters. A popular reason given by the respondents to explain this paradox was the need to follow the reporting trend echoed the fining of an earlier study by Mohamad Zain. By following the reporting trend, the companies expect to be accepted as one of the international players. This mimetic action taken by some of the companies reflected the pressure of globalization where social environmental issues have taken centre stage.

Plaken et al. (2010) investigated CSR platforms and the communication surroundings those platforms in India. Corporations pursue a primarily philanthropic platform with a focus on community development projects. However, it was also indicated that Indian consumers may not value philanthropic CSR as highly as other CSR initiatives and that this may in turn influence their attitude to different marketing communication strategies

Patnaree Srisuphaolarn, (2013) investigated the CSR Practices in Thailand corporations to scrutinize the mechanisms that drove the direction of CSR activities to their current forms. The study revealed two key findings. One is the pattern of CSR development in Thailand that emphasizes social and environmental issues, which are less relevant to the business' core activities. The other is that Thai social and religious values are important antecedents of CSR strategy and implementation.

Sophie Hadfield-Hill, (2014), explored CSR within the Indian context, focusing on the banking sector. The study revealed four levels of CSR engagement which currently exist in the day-to-day operations of Indian companies. Of significance to debates on CSR trends and strategies, it was suggested that western CSR initiatives are influencing executives in India; ultimately causing a reactive response of an ad-hoc nature. Till recently, there were no laws that governed CSR activities in India, but now the Companies Act, 2013 has made compliance of CSR provisions mandatory for all such companies registered under the Companies Act. The ministry of corporate affairs (MCA) has notified Section 135 and Schedule VII of the Companies Act, 2013, which relate to CSR that will be effective from April 1, as part of the new Companies Act.

5. DIMENSIONS OF CORPORATE RESPONSIBILITY

Economic –responsibility to earn profit for owners

Legal – responsibility to comply with the law (society's codification of right and wrong)

Ethical –not acting just for profit but doing what is right, just and fair.

Voluntary and philanthropic –promoting welfare and goodwill.

REFERENCES

1. Pirsch, J., Gupta, S., & Grau, S. L. (2007). A framework for understanding corporate social responsibility programs as a continuum: An exploratory study. *Journal of business ethics*, 70(2), 125-140.
2. Turker, D. (2009). Measuring corporate social responsibility: A scale development study. *Journal of business ethics*, 85(4), 411-427.
3. Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate social responsibility and environmental management*, 15(1), 1-13.
4. Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. (1985). An empirical examination of the relationship between corporate social responsibility and profitability. *Academy of management Journal*, 28(2), 446-463.

TREND OF INTERNAL FINANCING IN INDIAN CORPORATE SECTOR: A STUDY OF CEMENT AND CEMENT PRODUCT INDUSTRY

SANKAR PAUL
ASST. PROFESSOR
GOENKA COLLEGE OF COMMERCE & BUSINESS ADMINISTRATION
KOLKATA

ABSTRACT

The paper shows the trend of Internal Financing of Cement and Cement Product Industry over the period 2003-04 to 2012-13. Here we have seen that External Financing is the major fund of Cement Industry. Moreover, we have also seen that there is a positive relationship between Internal Financing and Total Financing of Cement Industry over the period of the study. Moreover, we have also observed that Retention of earnings is the major component of Internal Financing over Depreciation over the period of the study. This paper also tries to address us that Retained earnings and Depreciation both are positively correlated with Internal Funds of Cement Industry. Due to the nature of Cement Companies i.e. heavy industry, External Financing is the major source of fund by having strong equity base or having good accession to Money and Capital Market.

KEYWORDS

internal financing, retained earnings, depreciation, total financing, cement industry.

INTRODUCTION

Internal source of finance refers to retained portion of profit which is kept invested in the business. It is also called as ploughing back of profits or self-financing. It is called internal financing because the firm relies on its internal funds for financing business. Although internal funds involve opportunity cost to the shareholders but, 'since the funds are easily accessible without making an issue, or without any special effort of justification, it is a short step to assume that internal financing is costless.' Our focus is to highlight the trend of Internal Financing of Cement and Cement Industry in India.

LITERATURE REVIEW

- **Braj Kishor (1980)** in his study on '**Corporate internal finance: A study of overall trends and retentions**', Studied on aggregate trends and retentions and determinants of corporate savings behaviour for the period 1951-52 to 1973-74. He found that average annual retentions recorded a consistently rising trend during the period 1951-52 to 1973-74. In this study retentions played an important role on expenditure incurred on assets expansion.
- **Daniel Creamer, Sergi P. Dobrovolsky, Israel Bornstein, Mertain Bernstein (1960)** in their study on '**Internal and External financing**', measured the trend of long term Internal and External financing and different components of debt & equity components of external financing of manufacturing & mining industry. In their study ratio of retained earnings to assets change showed an increasing trend in 1900-1919 to 1919 to 1929 the ratio was relatively low.
- **B.C. Purohit (1986)** in his research study on '**corporate savings behaviour- An econometric analysis**', measured that during the period 1950-51 to 1979-80 the rate of corporate savings was highest in 1978-79 i.e. 23.9% and was lowest in the year in 1952-53. This study also revealed that savings of private corporate sectors was very low compared to public and household sectors.

RESEARCH GAP

The review of literature suggests that in Indian context, so far no systematic analysis has been made on the components of internal financing, i.e. the proportion of internal funds provided mandatorily by way of statutory requirement like depreciation, reserve creation, etc. and voluntarily by retaining distributable profits.

RESEARCH QUESTION

- Does Internal Financing consume major portion of Total Financing of Cement and Cement Product Industry?
- Does Retained earnings consumes major portion of Internal Financing of Cement and Cement Product Industry?

OBJECTIVES OF THE STUDY

In this paper, we are highlighting the trend of Internal Financing along with its components over the period of the study i.e. 2003-04 to 2012-13 of Cement and Cement Product Companies listed in National Stock Exchange (NSE) of India. The objectives of the study are as below;

- To highlight the trend of Internal and External Financing to Total Financing of Cement and Cement Product Industry.
- To show the trend of the components of internal Financing to Internal Financing of Cement and Cement Product Industry.
- To highlight the relationship between Internal Financing and Total Financing of Cement and Cement Product Companies.
- To establish the association between the components of Internal Financing and Internal Financing of Cement and Cement Product Companies.

HYPOTHESES OF THE STUDY

The paper is based on some Hypotheses. These are as follows;

- H₁ : There is a positive relationship between Internal Financing and Total Financing of Cement and Cement Product Industry in India.
 H₂ : Internal Financing and Retained earnings are positively correlated of Cement and Cement Product Industry in India.

RESEARCH METHODOLOGY

The research paper is mainly empirical in nature. We are highlighting the trend of Internal Financing of Cement and Cement Product Industry. Here we are selecting non-banking and non-financial public Ltd Companies excluding PSUs listed in National Stock Exchange (NSE) in India. The sample Companies in Cement and Cement Product Industry are ACC Cement, Ambuja Cement, Ultratech Cement and Grasim Industries Ltd. The period of the study is 2003-04 to 2012-13. The nature of the data is panel data and we have 40 observations of 4 Companies in 10 years. For the purpose of analysis, SPSS software is used. Here we have also used a Statistical technique i.e. Correlation analysis.

RESULTS AND DISCUSSION

In this paper, we have to address the following issues,

- To show the trend of Internal and External Financing to Total Financing of Cement and Cement Product Industry.
- To highlight the trend of components of Internal Financing to Internal Financing of Cement and Cement Product Industry.
- To establish the relationship between Internal Financing and Total Financing of Cement and Cement Product Industry.
- To show the relationship between the components of Internal Financing and Internal Financing of Cement and Cement Product Industry.

TO SHOW THE TREND OF INTERNAL AND EXTERNAL FINANCING TO TOTAL FINANCING OF CEMENT AND CEMENT PRODUCT INDUSTRY

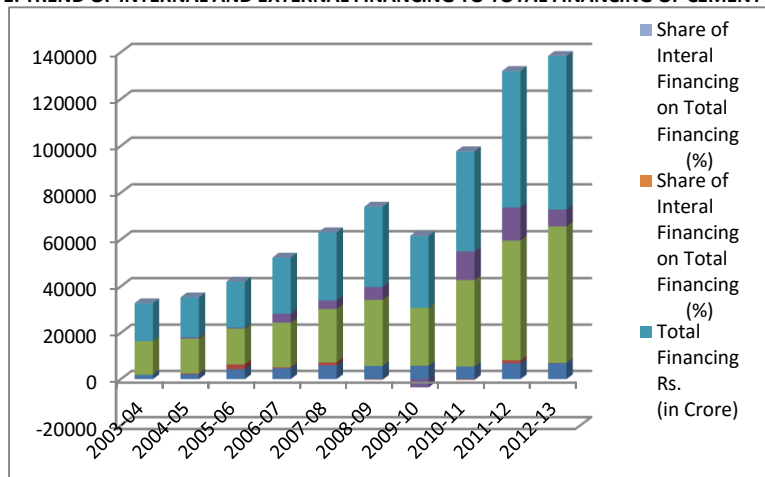
In this segment we are highlighting the trend of Self financing and External Financing to Total Funds of Cement and Cement Product Companies in Indian Corporate Sector during the period 2003-04 to 2012-13.

TABLE 1: TREND OF INTERNAL AND EXTERNAL FINANCING TO TOTAL FINANCING OF CEMENT INDUSTRY

Year	Internal Financing Rs. (in Crore)	Annual Variation Rs. (in Crore)	External Financing Rs. (in Crore)	Annual Variation Rs. (in Crore)	Total Financing Rs. (in Crore)	Share of Internal Financing on Total Financing (%)	Share of External Financing on Total Financing (%)
2003-04	1840.65	0	14537.05	0	16377.7	11.238758	88.761242
2004-05	2160.2	319.55	15045.4	508.35	17205.6	12.555215	87.444785
2005-06	4250.08	2089.88	15483.72	438.32	19733.8	21.537058	78.462942
2006-07	4667.17	417.09	19322.93	3839.21	23990.1	19.454567	80.545433
2007-08	5952.15	1284.98	23064.95	3742.02	29017.1	20.51256	79.48744
2008-09	5734.52	-217.63	28523.88	5458.93	34258.4	16.739019	83.260981
2009-10	5768.46	33.94	24991.44	-3532.44	30759.9	18.753182	81.246818
2010-11	5479.33	-289.13	37222.47	12231.03	42701.8	12.831614	87.168386
2011-12	6792.57	1313.24	51428.03	14205.56	58220.6	11.666953	88.333047
2012-13	6901.11	108.54	58617.49	7189.46	65518.6	10.533055	89.466945

Source: Annual Report of Cement and Cement Product Companies.

FIGURE 1: TREND OF INTERNAL AND EXTERNAL FINANCING TO TOTAL FINANCING OF CEMENT INDUSTRY



Trend of External and Internal Financing have been depicted in Table 1 where External Financing shows a positive trend over the period of the study except in the year of 2009-10. It signifies that Cement Industry do rely on External Financing for growth and expansion. Owing to the nature of the Industry Companies in Cement Industry are able to maintain adequate amount of External Funds for various purposes. Moreover, we have seen that External Financing is the single largest source of Total Financing over Internal Funds. The main reason behind it that Companies in Cement Industry do not earn adequate amount of profit over the period of the study and they simultaneously do not retain earnings.

TO ESTABLISH THE RELATIONSHIP BETWEEN INTERNAL FINANCING AND TOTAL FINANCING OF CEMENT INDUSTRY

Here we are showing the relationship between Internal Financing and Total Financing of Cement Companies listed in National Stock Exchange (NSE) over the period of the study.

TABLE 2: CORRELATION ANALYSIS OF INTERNAL FINANCING AND TOTAL FINANCING OF CEMENT INDUSTRY

Correlations			
		INTERNAL	TOTAL
INTERNAL FINANCING	Pearson Correlation	1	.813**
	Sig. (2-tailed)		.000
	N	40	40
TOTAL FINANCING	Pearson Correlation	.813**	1
	Sig. (2-tailed)	.000	
	N	40	40

** Correlation is significant at 1% level (2 tailed)

This Table shows the association between Internal Financing and Total Financing of Indian Cement Product Industry over the period 2003-04 to 2012-13. Here we have seen that Internal Financing is positively correlated with Total Funds of Cement Companies. The correlation coefficient between them is 0.813 which means they are highly positive correlated. It indicates us that for every one unit change in Total Financing, Internal Financing will move by 0.813 units.

TREND OF COMPONENTS OF INTERNAL FINANCING TO INTERNAL FINANCING OF CEMENT AND CEMENT PRODUCT INDUSTRY

There are two major components of Internal Financing i.e. i) Retained earnings and ii) Depreciation.

RETAINED EARNINGS

Retained earnings mean undistributed part of profits after payment of dividend to the Shredders. It is considered as major component of Internal Fund because over the period of the study, the Company should retain maximum amount of profits for making more profitable investment opportunities and it is involved with no cost of financing except opportunity cost to the Shareholders. It is required for corporate growth and expansion.

DEPRECIATION

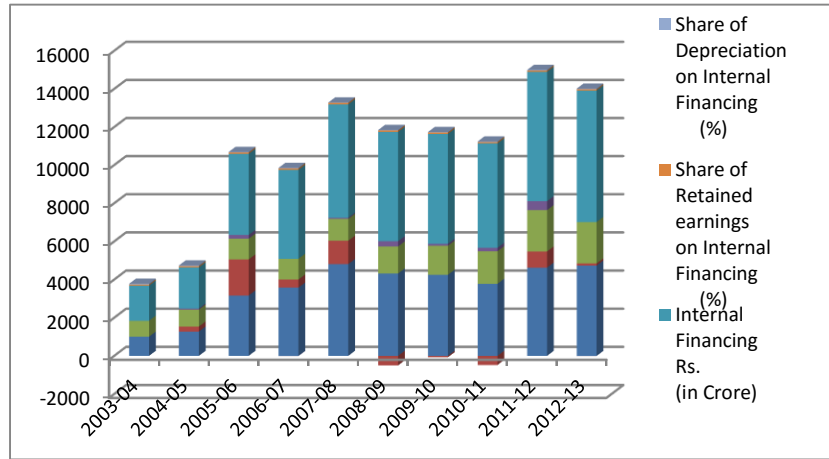
Depreciation is an allowance which is kept by the Company for supplying funds for Assets replacement. More Depreciation funds inserts more amount of investment has been made in Fixed assets over the period of the study. Some of the Experts think that Depreciation is the easy accessible component of Internal Financing over retained earnings.

TABLE 3: TREND OF COMPONENTS OF INTERNAL FINANCING OF CEMENT INDUSTRY

year	Retained earnings Rs. (in Crore)	Annual Variation Rs. (in Crore)	Depreciation Rs. (in Crore)	Annual Variation Rs. (in Crore)	Internal Financing Rs. (in Crore)	Share of Retained earnings on Internal Financing (%)	Share of Depreciation on Internal Financing (%)
2003-04	1007.61	0	833.04	0	1840.65	54.74207	45.25792519
2004-05	1271.58	263.97	888.62	55.58	2160.2	58.86399	41.13600593
2005-06	3161.68	1890.1	1088.4	199.78	4250.08	74.39107	25.60892971
2006-07	3581.24	419.56	1085.93	-2.47	4667.17	76.73258	23.26741901
2007-08	4807.71	1226.47	1144.44	58.51	5952.15	80.77266	19.22733802
2008-09	4315.47	-492.24	1419.05	274.61	5734.52	75.25425	24.7457503
2009-10	4249.37	-66.1	1519.09	100.04	5768.46	73.66559	26.33441161
2010-11	3775.86	-473.51	1703.47	184.38	5479.33	68.91098	31.08902001
2011-12	4621.71	845.85	2170.86	467.39	6792.57	68.04067	31.95933203
2012-13	4732.51	110.8	2168.6	-2.26	6901.11	68.57607	31.42393035

Source: Annual Report of Cement and Cement Product Companies.

FIGURE 2: TREND OF COMPONENTS OF INTERNAL FINANCING TO INTERNAL FINANCING OF CEMENT INDUSTRY



Trend of Components of Internal Financing have been presented in Table 25. Here we have seen that Retained earnings show an insignificant trend over the period of study. Initially it shows a positive trend and then it is negative in three years. After that it shows negative trend. The main reason as we have already discussed previous that Internal Funds of Cement Industry is not significant over the period of the study.

These Companies are not able to retain sufficient amount of profits over the period of the study because of low amount of profits over the period of the study. On the other hand, we have also seen that Depreciation shows an insignificant trend over the period of the study. It signifies that Companies belonging to Cement Industry do not investment sufficient amount in Fixed Assets over the period of the study.

In addition to the above, we have also seen that Retained earnings are the single largest components of Internal Funds over the period of the study. Retained earnings constitute approximately 54% to 68% to Internal Financing over the period of the study and it shows positive trend over the period of the study. It indicates that in spite of having low retentions over the period of the study; Companies of Cement Industry do give priority to Retained earnings over Depreciation. Moreover, we have also noticed that Depreciation only shares 45% to 31% to internal Financing of Cement Companies over the period of the study. It indicates low amount of investment in Fixed Assets over the period of the study.

TO SHOW THE RELATIONSHIP BETWEEN COMPONENTS OF INTERNAL FINANCING AND INTERNAL FINANCING OF CEMENT INDUSTRY

In this segment we are highlighting the relationship between components of Internal Financing and internal financing of Cement Industry.

TABLE 4: CORRELATION ANALYSIS BETWEEN COMPONENTS OF INTERNAL FINANCING AND INTERNAL FINANCING OF CEMENT INDUSTRY

		Correlations		
		RETAINED EARNINGS	DEPRECIATION	INTERNAL FINANCING
RETAINED EARNINGS	Pearson Correlation	1	.564**	.973**
	Sig. (2-tailed)		.000	.000
	N	40	40	40
DEPRECIATION	Pearson Correlation	.564**	1	.740**
	Sig. (2-tailed)	.000		.000
	N	40	40	40
INTERNAL FINANCING	Pearson Correlation	.973**	.740**	1
	Sig. (2-tailed)	.000	.000	
	N	40	40	40

**Correlation is significant at 1% level of significance (2 tailed)

From the above table, it has been seen that both the components of Internal Financing i.e. Retained earnings and Depreciation are positively correlated with Internal Funds of Cement Industry. The correlation coefficient between Internal Financing and Retain earnings is 0.973 which signifies that there is highly positive correlation between Internal Financing and Retained earnings of Cement Industry.

On the other hand, we have seen that the correlation coefficient between Internal Financing and Depreciation is 0.740 which means that there is also highly positive relationship between Internal Financing and Depreciation of Cement Industry over the period of the study.

FINDINGS

We have seen from the study that due to the nature of Cement Industry, External Financing is the major finance over Internal Financing. Most of the Companies either are large or old Company. So they have very good access to money and capital market. So the Cement Companies are able to procure finance with huge cost of financing.

Next we have found that out of the two major components, retained earnings share more to Internal Financing over Depreciation. This is due to the fact that Cement Companies are capable enough to retain sufficient amount of profits over the period of the study for making more profitable investment opportunities.

RESULT OF HYPOTHESES

H₁ states that there is a positive relationship between Internal Financing and Total Financing of Cement and Cement Product Industry in India. Table 2 states that correlation coefficient between Internal Financing and Total Financing is 0.813 which is significant at 1% level of significance. So we can reject null hypothesis and accepts alternative hypothesis which denotes that there is a positive relationship between Internal Financing and Total Financing of Cement and Cement Product Companies.

H₂ states that Internal Financing and Retained earnings are positively correlated of Cement and Cement Product Industry. Table 4 depicts that correlation coefficient between Retained earnings and Internal Financing is 0.973 which is significant at 1% level of significance. So we can reject null hypothesis and accepts alternative hypothesis which denotes that Internal Financing and Retained earnings are positively correlated of Cement and Cement Product Companies.

RESULT OF RESEARCH QUESTION

Does Internal Financing consume major portion of Total Financing of Cement and Cement Product Industry? The Answer is that Internal Financing of Cement Industry does not consume major portion of Total Financing. Table 1 depicts that External Financing consumes major funds of Total Financing.

Does Retained earnings consumes major portion of Internal Financing of Cement and Cement Product Industry? The answer is that Retained earnings consume major fund of Internal Financing of Cement Industry. Table 3 and 4 depicts that Retained earnings is the major component of Internal Financing of Cement Industry.

CONCLUSIONS & SUGGESTIONS

So we can conclude from the study that External Financing is the major source of fund in Cement Industry. This is quite obvious because the Industry has strong capital base. So the Companies in Cement Industry should issue more share capital and retain adequate amount of profits over the period of the study.

The Cement industry should maintain the volume of Internal Financing over the period of the study for making corporate growth and expansion and modernization needs.

The Cement Companies in India must procure adequate amount of Depreciation fund over the period of the study for Assets replacement and making more investment in Fixed Assets.

LIMITATION OF THE STUDY

Our study is completely based on secondary data collected from the Annual report of the respective Companies. So data of some year may be unavailable.

SCOPE FOR FURTHER RESEARCH

Internal Financing is a burning issue in Today's world for corporate sector. This study can be extended to the following areas:

- Determinants of Internal Financing in Indian Corporate Sector.
- Trend of Internal Financing of non-banking and non-finance public limited Companies listed in Bombay Stock Exchange (BSE)
- Role of Internal Financing in expansion of the Company.

REFERENCES

1. Adesola, W.A. and Okwang, A.E.: 'An Empirical study of Dividend policy of quoted companies in Nigeria', Global Journal of Social Sciences, Vol.8, No.1, 2009.
2. Angelo, De H. and Masulis, R.W.: 'Optimal capital structure under corporate and personal Taxation'.
3. Creamer, Daniel, Dobrovolsky, P. Sergi, Borenstein, Israel and Bernstein, Mertain: Capital in Manufacturing and Mining: Its formation and financing, UMI, 0-870-14104-X, 1960.
4. Kishor, Braj: Corporate Internal Finance: A study of overall Trends and Retentions, Vikalpa, Vol.5, No.3, July 1980
5. Purohit, B.C.: Corporate savings behavior: An econometric analysis, Thesis, University of Mysore.

ANALYZING THE WEAK FORM MARKET EFFICIENCY AND PERFORMANCE OF SELECTED INDIAN IT STOCKS

DR. RAJNI SOFAT
ASST. PROFESSOR
GNIMT
LUDHIANA

ABSTRACT

The forms of market efficiency occupy a pivotal role in measuring efficiency of Indian capital market. The present paper aims to analyze the weak form efficiency of efficient market hypothesis of 8 IT companies selected from index of IT sector companies listed under NSE covering a period of one quarter i.e. from 21st Nov. 2011-17 Feb. 2012. For analyzing the weak form of market efficiency and evaluating the performance of selected stocks of IT sector on the basis of risk and return, the run test, treynor and sharpe ratio, beta and standard deviation have been used as statistical tools. The findings of the study highlight that Indian IT market was an inefficient form of market and rejected the efficient market hypothesis. The results of run test at 5% level of significance were rejected which highlighted that price movement in Indian IT sector was not random and stock prices move in a definite pattern. The empirical results of the sharpe and treynor ratio showed that Mphasis Ltd. was the best option among these 8 IT companies for investment by an investor to achieve the objective of minimizing risk and maximizing the returns.

KEYWORDS

efficient market hypothesis, market efficiency, random, sharpe ratio, treynor ratio.

INTRODUCTION

Efficient Market Hypothesis is a debatable issue in finance literature in Indian capital market. The efficiency of stocks plays a pivotal role in the functioning of an economy. The efficient market is one which processes all available information quickly and efficiently. The weak, Strong and semi- strong are the three forms of market efficiency. The market efficiency tells us the extent to which stock prices reflect relevant and available information in a right and proper manner. The theory of efficient market hypothesis has been supported by facts proposed by Samuelson (1965) and Fama (1970) that the share prices adjust rapidly to the appearance of new information and current prices fully reflect all available information. It has also been analyzed by Samuelson (1965) that anticipated price of an asset fluctuates randomly around its expected value. Fama supported this fact in his revised paper based on further developments (Fama, 1991) Market efficiency plays an important role in investment decision of investors. In an efficient market, prices of assets reflect market's best estimate for risk and expected return of asset. There has been no undervalued asset with an expectation of higher than expected risk adjusted return or overvalued assets offering lower than the expected return. In an efficient market, the risk and return characteristics of the asset determine the optimal investment decision. EMH achieves the dual role of a theoretical model as well as an instrument to motivate the investor to invest their savings in stock market (Will, 2006).

The Indian economy, being acclaimed as one of the insulated and vibrant economies of the globe, needs funds to be invested in corporate sector either in the form of debt or equity which forms part of capital market. So, it has been the need of the hour to judge the level of efficiency of stocks of Indian markets in order to enter the trajectory of BRICS nation. The studies on market efficiency of Indian IT stocks are very rare. The main objective of this study has been to examine the weak form efficiency of Efficient Market Hypothesis (EMH) in the selected stocks of IT sector in Indian capital market. The EMH uses past actual prices or returns for tests (Gupta & Yang, 2011). One of the motivators for this research are Kumarasamy & Chellasamy (2011) who analyzed the weak form efficiency on returns from Indian IT stocks. It has been found from their study that with the recent developments in global markets especially in emerging markets, there is need to revise the notion of market efficiency in Indian IT stocks.

The paper has been organized as follows. In Section II the studies relating to market efficiency has been reviewed. Section III highlights the significance and objectives of the study. Section IV sets out the research methodology covering sample size, sources of data collection and statistical tools as well. Section V explores the empirical results and findings of the study and section VI concludes the paper.

REVIEW OF LITERATURE

There has been a lot of literature available on testing the weak form market efficiency of stock markets. Barnes (1986) showed high degree of efficiency in Kuala Lumpur market. Groenewold and Kang (1993) observed in Australian market semi- strong form efficiency. Barua (1987), Chan, Gup and Pan (1997) found weak form inefficiency of Asian markets. Dickinson and Murago (1994) also found weak form inefficiency of Nairobi stock market. Poshakwale (1996) analyzed that Indian stock market was weak form inefficient by using daily BSE index data from 1987-1994. Gupta and Basu (2007) observed mixed results for weak form efficiency from period 1997-2006. Gupta & Yang (2011) analyzed the weak form efficiency for two major equity markets i.e. BSE and NSE in India from 1997-2011 by using ADF, PP and KPSS tests. The results of the tests supported the weak form efficiency for 2007-2011 but there was a slight conflict for 1997- 2007. Khan, Ikram & Mehtab (2011) in their paper analyzed the market efficiency of Indian capital market in its weak form based on the indices of BSE & NSE by using daily closing prices of indices of NSE & BSE over a period of 1st April 2000 to 31st March 2010 by using run test. It was found that Indian capital market neither follows random walk model nor is weak form efficient.

It was observed by Mobarek, Asma & Keavin (2000) in their study on Dhaka stock market that share returns do not follow random walk model and significant auto correlation co-efficient at different lags rejects the null hypothesis of weak form efficiency. Gimba & Victor also analyzed the weak form efficient market hypothesis of NSE by using normal distribution and random walk of return series. It was concluded that the market was inefficient in weak form. Kumarasamy, Umanath & Chellasamy (2013) analyzed the weak form efficiency of Indian IT stocks from 1st August 2006 to 31st July 2012 for 1491 days. Kolmogorov Smirnov test, unit root test and run test were applied on major Indian IT stock indices CNXIT (NSE). It was found that Indian IT stock market was efficient and does not follow random walk model.

SIGNIFICANCE & OBJECTIVES OF THE STUDY

Over the last decade, the Indian capital market has been growing by leaps and bounds. India has the largest number of listed companies in the world today. Incredible performance of stock market in the recent past has attracted many investors to try their luck in the investment of equity, which has made the stocks the hottest investment option.

In this context, the present study entitled, "Analyzing the weak form efficiency and performance of selected stocks of IT sector" helps the investors in knowing the performance of securities, whether they have performed well or not with respect to the benchmark and the randomness appearing in their returns. Further, the study is also useful for the readers in understanding the various aspects of performance evaluation of equity. None of the studies were conducted on the test of efficiency of IT sector companies of Indian Stock Market. To fill this gap this research has been undertaken. The study thus has been helpful in determining which IT company had given a beneficial investment and higher returns. The objectives of the study have been as follows:

- To analyze the weak form efficiency of selected stocks of IT sector.
- To evaluate the performance of selected stocks of IT sector on the basis of risk and return.
- To make a categorization of selected stocks of IT sector based on their performance.

RESEARCH METHODOLOGY**COVERAGE OF THE STUDY**

The universe of the present study is indices of stocks of IT sector companies with special reference to CNX IT index. The CNX IT index are considered as the representative of Indian IT stock market as these are the popular indices of Indian Stock Market.

DATA COLLECTION

The study has been based on indices of selected stocks of 8 IT sector companies from the website of NSE (National Stock Exchange) covering a period of 1quarter (21st Nov, 2011 to 17th Feb, 2012). The CNX IT index has been computed using free float market capitalization method with a base date of Jan 1, 1996 indexed to a base value of 1000 wherein the level of the index reflects total free float market value of all the stocks in the index relative to a particular base market capitalization value. The base value of the index was revised from 1000 to 100 with effect from May 28, 2004. The companies we have considered for our research regarding the weak form efficiency and the performance of IT sector were HCL Technologies Ltd, Infosys Ltd, Mphasis Ltd, Oracle Financial Services Software Ltd, Patni Computer Systems Ltd, Tata Consultancy Services Ltd, Tech Mahindra Ltd, Wipro Ltd.

TOOLS & TECHNIQUES

For the purpose of research, Convenience sampling has been used as the Index from domestic market was taken as sample and thus the closing prices were easily available on daily basis. Sharpe ratio and Treynor ratio have been used as the statistical tools to evaluate the performance of equity to achieve the objective of maximum return and minimum risk. The run test has been used to test the weak form of market efficiency.

RUN TEST

“Run Test” has been used to test weak form of market efficiency.

Runs Test, $Z = \frac{R - \mu}{\sigma}$

σ

Mean, $\mu = \frac{2n_1 n_2 + 1}{n_1 + n_2}$

Standard error, $\sigma^2 = \frac{2n_1 n_2 (2n_1 n_2 - n_1 - n_2)}{(n_1 + n_2)^2 (n_1 + n_2 - 1)}$

$n_1 + n_2$ = number of observations in each category

σ = Standard deviation

Z = Standard normal variate

TREYNOR RATIO

It has been used to analyse the performance of IT sector under NSE.

$T_n = \frac{R_p - R_f}{\text{Beta}}$

Here T_n = Treynor Index

R_p = portfolio Average Return

R_f = Risk Free Rate of Interest

Beta = Beta Co-efficient of portfolio

Sharpe Ratio

$S_t = \frac{R_p - R_f}{\text{S.D.}}$

Here S_t = Sharpe Index

R_p = portfolio Average Return

R_f = Risk Free Rate of Interest

S.D. = Standard Deviation of portfolio return

Standard Deviation

$$\sigma^2 = \frac{\sum (X - \mu)^2}{N}$$

where σ^2 is the Variance,

μ is the mean,

N is the number of scores.

DATA ANALYSIS AND FINDINGS

The closing prices and the daily return values have been calculated for a quarterly period from 21st Nov, 2011 to 17th Feb, 2012 in order to analyze the weak form efficiency and performance of IT sector companies listed under NSE. The hypothesis of the study has been to check the weak for market efficiency of selected IT stocks. The tables given in appendix depict the closing prices, daily return values and runs for all the selected companies. Based on the tabular values of the selected stocks of IT Sector companies under NSE, runs test has been performed by calculating the standard error in the closing price values and based on this the normal distribution i.e. the p-value has been calculated in order to determine whether the hypothesis set by us is valid or not. Further the average daily return, beta values and standard deviation of the returns along with the risk free rate has been used in order to calculate the Sharpe and Treynor ratio to categorize the selected stocks on the basis of their risk return profile.

ANALYSIS ON THE BASIS OF RUNS TEST**TABLE 1: VALUES OF VARIABLES RELATED TO RUNS TEST**

Variables	HCL Tech. Ltd.	Infosys Ltd.	Mphasis Ltd.	OFSS Ltd.	Patni Computer Systems	TCS Ltd.	Tech Mahindra Ltd.	Wipro Ltd.
Mean of closing prices	418.516	2730.7	337.19	2000.7	456.88	1150.0	600.77	407.5
(no. of runs) R	8	12	4	6	4	6	10	10
(no. of binary zero's) n0	42	32	37	36	31	28	37	36
(no. of binary one's) n1	22	32	27	28	33	36	27	28
(no of observations) n	64	64	64	64	64	64	64	64
(expected value) E ^o	29.875	33	32.219	32.5	32.969	32.5	32.219	32.5
(variance) Var ^o	12.776	15.746	14.974	15.25	15.715	15.25	14.974	15.25
(standard deviation) StDev ^o	3.574	3.968	3.87	3.905	3.964	3.905	3.87	3.905
Z	-6.12	-5.292	-7.292	-6.786	-7.308	-6.786	-5.742	-5.762
(normal distribution) P-value	0	0	0	0	0	0	0	0

As the values in the row labeled "Z" are less than -1.96, so the closing prices of the selected stocks of IT sector are statistically significant at the 5% level. The runs test does indicate some non-randomness. Since the p-value is less than the 5% significance level so we reject the hypothesis and thus the difference is statistically significant. The runs test reports a low P value, thus concluding that the data doesn't follow a straight line, and uses nonlinear regression to fit a curve. This means that the selected stocks of IT sector doesn't exhibit the weak form of market efficiency. The prices followed the non random pattern in the market and the change in price could be predicted from the earlier price changes. The investors could earn more than normal profits because the prices in the market absorb the information after a time gap.

Results of the study suggested that the Indian market was an inefficient form of market, and rejected the Efficient Market Hypothesis. The test had been conducted for a period of 1 quarter and it was interpreted that the price followed a non-random pattern in the IT sector Market. The result was further tested at 5% significance level, where the result was rejected and it had been interpreted that the price changes in this market could be predicted from earlier changes in price. It depicted that the price movement in the Indian IT sector market was not random and they move in a definite pattern. The notion of the market Inefficiency showed that the prices in the market absorb the new information after a time gap. And the investors could beat the market by getting advantage of this. The present price was affected by the past changes. So it was interpreted that the Indian IT sector market rejected the Efficient Market Hypothesis and there was an evidence of Inefficiency in the Indian IT sector Market.

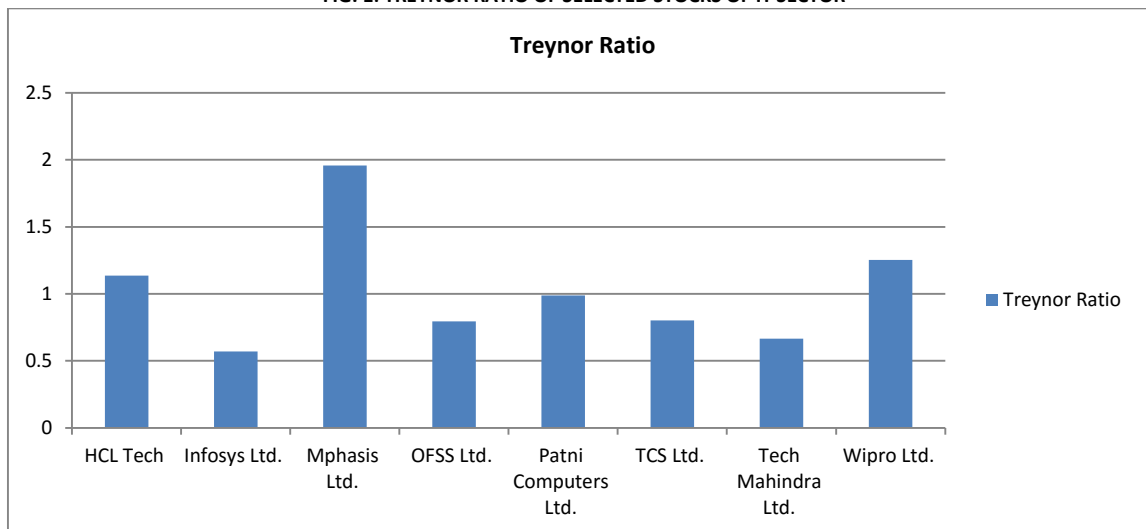
ANALYSIS ON THE BASIS OF TREYNOR AND SHARPE RATIO

TREYNOR RATIO

TABLE 2: TREYNOR RATIO

Companies	Beta values	Risk Free Rate of Return	Average Rate of Return	Treynor Ratio
HCL Tech. Ltd.	1.12	0.08	1.352	1.136
Infosys Ltd.	0.959	0.08	0.627	0.57
Mphasis Ltd.	0.83	0.08	1.705	1.958
OFSS Ltd.	0.65	0.08	0.597	0.795
Patni Computer System Ltd.	0.52	0.08	0.593	0.987
TCS Ltd.	0.97	0.08	0.858	0.802
Tech Mahindra Ltd.	1.08	0.08	0.798	0.665
Wipro Ltd.	0.87	0.08	1.171	1.254

FIG. 1: TREYNOR RATIO OF SELECTED STOCKS OF IT SECTOR



The above drawn table has been showing the beta values, risk less return, average rate of return and Treynor ratio of the different securities. This graph is a graphical representation of Treynor ratio showing the excess returns of selected securities of IT sector companies over the riskless returns. According to this, Mphasis Ltd. is at number one in delivering the excess returns over risk. This graph is a depiction of the earnings made while facing the risk. This indicates that the IT sector companies taken under consideration have a Treynor ratio ranging between 0.57 to 1.975 with Mphasis Ltd. offering the highest returns and Infosys Ltd. offering the lowest returns.

RANKING OF THE COMPANIES ON THE BASIS OF TREYNOR

TABLE 3: RANKING ON THE BASIS OF TREYNOR RATIO

COMPANIES	RANK
Mphasis Ltd.	1
Wipro Ltd.	2
HCL Ltd	3
Patni computers Ltd.	4
TCS Ltd.	5
OFSS Ltd.	6
Tech Mahindra Ltd.	7
Infosys Ltd.	8

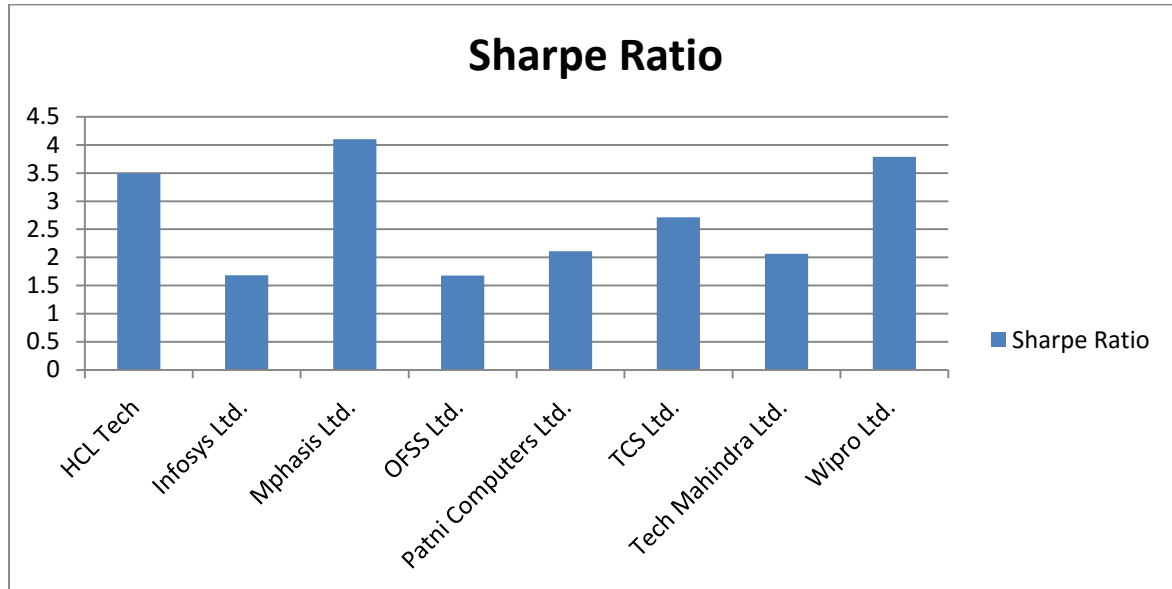
The above table shows the tabular presentation of the securities in the decreasing order of their Treynor ratio. If we compare the returns and Treynor ratio of the securities, then the following companies were at the top 3 positions. The company which was having rank 1 was the maximum return providing company and risk was also very less. Ranking was given in descending order of their Treynor Ratio. The investors were recommended to prefer investing in these top ranking companies rather than going for the companies having lower rank than them.

SHARPE RATIO

TABLE 4: SHARPE RATIO

Companies	Standard Deviation	Risk Free Rate of Return	Average Rate of Return	Sharpe Ratio
HCL Tech. Ltd.	0.364	0.08	1.352	3.494
Infosys Ltd.	0.325	0.08	0.627	1.685
Mphasis Ltd.	0.396	0.08	1.705	4.099
OFSS Ltd.	0.308	0.08	0.597	1.679
Patni Computer System Ltd.	0.243	0.08	0.593	2.112
TCS Ltd.	0.287	0.08	0.858	2.711
Tech Mahindra Ltd.	0.348	0.08	0.798	2.063
Wipro Ltd.	0.288	0.08	1.171	3.787

FIG.2: SHARPE RATIO OF SELECTED STOCKS OF IT SECTOR



The above drawn table has been showing the standard deviation, risk less return, average rate of return and Sharpe ratio of the different securities. This graph has been the graphical presentation of Sharpe ratio which shows that Mphasis Ltd. has been the company which was providing the maximum returns as compared to others and in this way it was compensating better than others. In the given set of securities the range of Sharpe Ratio lies between 1.679 to 4.099 with Mphasis Ltd. giving maximum returns and OFSS offering the lowest return.

RANKING OF COMPANIES ON THE BASIS OF SHARPE RATIO

TABLE 5: RANKING ON THE BASIS OF SHARPE RATIO

COMPANIES	RANKING
Mphasis Ltd.	1
Wipro Ltd.	2
HCL Ltd	3
TCS Ltd.	4
Patni computers Ltd.	5
Tech Mahindra Ltd.	6
Infosys Ltd.	7
OFSS Ltd.	8

The above table shows the tabular presentation of the securities of selected stocks of IT sector companies as per their Sharpe index. The above given ranking shows that if an investor wants to choose the security by using Sharpe tool then he should go for Mphasis first and then for others like Wipro, HCL etc. The investors have been advised to go for the security having higher Sharpe ratio than going with the one having a low Sharpe ratio. By using this ratio one can have a better portfolio providing higher returns and thus according to the study conducted it is more beneficial to invest in Mphasis Ltd. rather than going for OFSS Ltd. or Infosys Ltd. as their returns would be less than the higher ranked securities.

COMPARISON OF SECURITIES ON THE BASIS OF SHARPE AND TREYNOR RATIO

TABLE 6: COMPARISON BETWEEN THE RANKS ON THE BASIS OF TREYNOR RATIO AND SHARPE RATIO

RANKING	Ranking on the basis of Treynor Ratio	Ranking on the basis of Sharpe Ratio
1	Mphasis Ltd.	Mphasis Ltd.
2	Wipro Ltd.	Wipro Ltd.
3	HCL Ltd	HCL Ltd
4	Patni computers Ltd.	TCS Ltd.
5	TCS Ltd.	Patni computers Ltd.
6	OFSS Ltd.	Tech Mahindra Ltd.
7	Tech Mahindra Ltd.	Infosys Ltd.
8	Infosys Ltd.	OFSS Ltd.

The above done comparison of both Sharpe and Treynor ratio has depicted that the same security can be ranked differently according to the two ratios. The difference lies only on the part of tool used. So the investor while doing analysis, first of all must select what sort of technique he was using because same securities show different results when its performance was evaluated by using different tools. Based on the study performed it was clear that Mphasis Ltd. was a safe option

to invest in as it was ranked 1 according to both Sharpe and Treynor Ratio. The same companies were appearing in the top 3 ranks according to both the ratios indicating that these securities were definitely a better investment option as compared to the others.

CONCLUSION AND RECOMMENDATIONS OF THE STUDY

It has been found from the study that the selected stocks of Indian IT sector are inefficient. The behavior of the stock prices does not confirm the applicability of the random walk model in the IT sector. There are undervalued securities in the market and investors can always earn excess returns by correctly picking them. It has been found from the run test that the series follow a significant trend and does not follow random walk. On the basis of analysis of both Sharpe and Treynor ratio, it has been found that Mphasis Ltd. was the best option among these 8 IT sector companies to invest in. As per the Treynor ratio, Mphasis Ltd. was offering the highest returns and Infosys Ltd. was offering the lowest returns. As per the Sharpe ratio, it was more beneficial to invest in Mphasis Ltd. rather than going for Infosys Ltd. as their returns would be less than the higher ranked securities.

The investors were recommended that they could earn superior returns in an inefficient market by efficiently picking up the stocks in the IT sector market. They should follow an active investment strategy which could beat the market and should not stick to a particular evaluation method as there is no ideal one. In case of short term investment, the investor should pick the stock having volatility in contrast to the market volatility by using Treynor Ratio. Investor interested in long term investment should compare the stock present performance with the past one by using Sharpe Ratio. Investors should track the past trends followed by the securities in terms of their risk-return profile in order to get higher profits at low risk level by investing in a company having beneficial investment opportunity.

REFERENCES

1. Barnes, P. (1986), "Thin trading & stock market efficiency: The case study of the Kuala Lumpur Stock Exchange," *Journal of Business Finance & Accounting*, Vol. 13(4), winter, pp 609-617.
2. Barua, S. K. (1987), "Some observations on the report of high powered committee on stock exchange reforms," Annual issue of *ICFAI*, Dec.
3. Basu, P. & Gupta, R. (2005), "Benefits of diversification into emerging equity markets with changing correlations: An Australian Perspective," Paper presented at 18th *Australian Finance & Banking Conference 2005*, Sydney, Dec. 14-16, 2005.
4. Chan, K. C., Gupta, B.E. & Pan, M.S. (1997), "International Stock Market Efficiency & Integration: A study of Eighteen Nations," *Journal of Business Finance & Accounting*, vol.24, no. 6.
5. Dickinson, J.P. & Muragu, K. (1994), "Market efficiency in developing countries: A study of Nairobi Stock Exchange," *Journal of Business Finance & Accounting*, vol. 21, no. 1, pp. 133-150.
6. Fama, E. (1991), "Efficient Capital Markets II," *Journal of Finance*, Vol.46, pp 1575-1671.
7. Fama, E.F (1970), "Efficient Capital Market: A review of Theory and empirical work," *Journal of Finance*. Vol. 25, no.2, pp.382-417.
8. Gimba, Victor K. (2012), "Testing the weak form efficient market hypothesis: Evidence from Nigerian Stock Market," *CBN Journal of Applied Statistics*, Vol. 3, no. 1.
9. Groenewold, N. & Kang, K.C. (1993), "The Semi- Strong Efficiency of Australian Share Market," *Economic Record*, Vol. 69, no.207, pp. 405-410.
10. Gupta, Rakesh & Yang Junhao (2011), "Testing Weak form efficiency in Indian capital market," *International research journal of finance and economics*, ISSN 1450-2887, issue 75.
11. Khan, Ikram and Mehtab (2011), "Testing weak form market efficiency of Indian capital market: A case of national stock Exchange (NSE) and Bombay stock exchange (BSE)," *African journal of marketing management*, vol. 3, issue 6, pp 115-127. June.
12. Kumarasamy, Umanath & Chellasamy (2013), "Weak form efficiency on return from IT stocks – A paradigm from India," *Global research analysis*, Vol. 2, Issue 9, Sept. ISSN no. 2277-8160.
13. Mobarek, Asma & Keasy Keavin (2000), "Weak- form market efficiency of an emerging market: Evidence from Dhaka Stock Market of Bangladesh," paper presented in ENBS conference held at Oslo on May, 2000.
14. Poshakwale, S. (1996), "Evidence on Weak Form Efficiency & Day of the Weak Effect in the Indian Stock Market," *Finance India*, Vol. X, No. 3, pp. 605-616.
15. Samuelson, P. (1965), "Proof that properly anticipated prices fluctuate randomly," *Industrial Management Review*. Spring. 6. pp. 41-49.
16. Will, M. (2006), "The role of performances in an accounting scandal: An insider's perspective on how things went wrong," Proceedings of 5th Global conference on business and economics, Cambridge University, UK, paper no. 152.

A STUDY ON WORK LIFE BALANCE OF MARRIED WOMEN IN BANKING SECTOR IN MUMBAI**PRAJAKTA DHURU****ASST. PROFESSOR****IES****MANAGEMENT COLLEGE & RESEARCH CENTER****MUMBAI****ABSTRACT**

The role of working women has changed throughout the world due to economic conditions and social demands. This has resulted in a scenario in which working women have tremendous pressure to develop a career as robust as their male counterparts while sustaining active engagement in personal life. The ever-increasing work pressure is taking a toll on the working women leaving them with less time for themselves. Work life balance is a state of equilibrium in which the demand of both professional and personal life is equal. Each role having different set of demands and when such role demands overlap, multiple problems are faced. In designing the work life policies employer should think that the commitment of employees can make the difference between those companies which compete at the marketplace and those which cannot. A balanced life for women is one where they spread their energy and effort between key areas of importance. The main challenges in professional life were found to be extended/odd working hours, travel time between home and workplace and participation in additional jobs and assignments. In personal life, the main stresses were guilty of not being able to take care of self, children and elders at home. Most women would prefer flexible timing, and supportive spouse, family and friends as well as an environment conducive for work at the office. This research study aims to figure out the comparison of work life balance among the married women in public sector banks and private sector banks. The research attempts to study the perception of married women employees and their perception about the policies and initiatives of banks and their effects on their personal lives.

KEYWORDS

work life, working women equilibrium, flexible timings, work life balance.

INTRODUCTION

Work-life balance has emerged as a hot topic in recent years— fuelled in part by changing trends in women’s social roles. Work-life balance is what makes a particular individual feel balanced while playing different roles in life as an employee, peer, and subordinate at workplace and as a parent, a sibling and other social characters at home. Work life Balance of women employees has become an important subject since the time in today’s world where both men and women equally share the responsibility of earning for the betterment of their family life. Hence it is very necessary to know how the women balance very professional and domestic life. In the initial stages, women had to struggle a lot to establish their identity in this competitive world, both in the society as well as in the professional life.

Due to the changing nature of work, work-life balance is now at the top of the agenda for government and Private bodies. It is recognized that work-life balance can lead indirectly to productivity gains through increased retention and helps organizations to respond to customer needs more effectively. In any business and industrial activities, it is of utmost importance to have well trained, well-groomed and emotionally balanced workers available to take up employment challenges. This highlights the need among the companies to pay adequate attention to the work life balance of the workers. Today, the concept of fixed working hours is vanishing away. Instead of fixed 7 or 8 hours a day, people are spending as more time every day in office. Therefore, work related pressure and family responsibilities an individual difficult to find balance between work and personal life.

Today, Industries have realized the importance of the work life balance of their employees. Organizations are setting up policies for maintaining a work life balance. They are introducing innovative methods to keep their employees happy and satisfied, as it makes office a better place to work and also impact positively on productivity.

WHAT IS WORK LIFE BALANCE?

Work-life balance is used to describe the equilibrium between responsibilities at work and responsibilities outside paid work; having a work-life balance means that this equilibrium is in the right position for the individual concerned. It is about managing our work commitments with career goals, and our responsibilities at home and the wider community. Work life and personal life are inter-connected and interdependent. People have to make tough choices even when their work and personal life is nowhere close to equilibrium.

Work-life balance policies and practices emphasizing on flexi working hours are becoming increasingly important to employers even in banks because employee’s motivation and satisfaction, profitability and productivity and recruitment and retention policies can be improved by adopting flexible working arrangements. Companies have to attract and keep the best employees to remain competitive. With more than 20% of urban women in India are working. Conglomerates like Tata’s running the second career internship program or Flipkart’s attractive maternity package to retain women employees proves the fact that there is a need and considerable rise in the number of women employees in corporate.

With changing family patterns from joint family to nuclear family, altered family value systems, and diminished quality time for self and children, increase in time spent on internet and altered social exchanges and communications bring out tense anxiety into the life of the women. This constant worry can cause disorder on the psychological comfort of the women due to a feeling of diminished control over one's life and a hopeless perception that there is never enough time to have a sensible stability and balance in life. This mental stress for women leads to physical stress and cause ill health. All these problems generate Work life conflict especially for women employees, which results in increased absenteeism, reduced productivity, reduced job satisfaction, damaged family and social relationship, increased employee turnover.

A well planned and structured initiative of work life balance will not only reduce these problems but at the same time ensure employee retention, employee health, ensure high job satisfaction, motivation and reduce employee turnover. It will

LITERATURE REVIEW

Vartha Raj & Vasantha (2012) studied the Work Life balance of working women in service sector. They specified that the ultimate performance of its employees which in turn depends on numerous factors. The relationship between personnel and professional life can be achieved through emotional intelligence. Better emotion management is necessary in order to accomplish objective of life.

The aim of the study of **Lalita Kumari (2012)** was to find out about the employee’s perception of their work life balance policies and practices in the public sector banks. The findings of the study emphasized that there is a significant gap among the female and male respondents with job satisfaction with respect to various factors of work life balance. The result of study had a practical significance for human resource managers of especially banks to improve staff commitment and productivity along with designing their recruitment and retention policies.

Grossman, (1981) the knowledge economy has created greater access for women coupled with factors such as changes in marital patterns and smaller families. This has led to an increase in the number of working women and, hence, working mothers.

Guek et al (1991), indicated that women reported more work interference in family than men, despite spending about the same number of hours as men. Although women spent more hours in family, they reported some level of interference in work.

Sunita Malhotra & Sapna Sachdeva, (2005) the gift of this knowledge era for women is occupational opportunity and mobility. But this gift has become a great challenge for the working women of today as they are not only exposed to the same working environment as men but in turn are also exposed to the pressures created by the multiple role demands and conflicting expectations.

Jeffrey H. Greenhaus, Karen M. Collins & Jason D. Shaw (2003) suggested that an equally high investment of time and involvement in work and family would reduce work-family conflict and stress thereby enhancing an individual's quality of life. And so it goes without saying that married working women of this era can have a healthy quality of life only when work-life balance is maintained making the topic of work life balance for working women, the need of the hour.

The purpose of article of Ken Roberts (2007) is to consider why work-life balance has become a major issue, and the likely outcomes of the widespread dissatisfaction with current work schedules. Working time has not lengthened and complaints about time pressure are unrelated to hours actually worked. The sources of the widespread dissatisfaction with current work schedules will lie in a combination of other trends – increased labor market participation by women, work intensification, the spread of feelings of job insecurity, more work being done at odd hours, the spread of new information and communication technologies, free time increasing more slowly than spending power and aspirations, and relatively long hours becoming most common among employees (and the self-employed) in higher status jobs. An outcome is unlikely to be a general downward trend in hours worked on account of the substantial opportunity costs that would often be incurred by employees, and because some (mainly middle class) employees have access to a number of effective coping strategies.

Ronald J. Burke, Mustafa Koyuncu and Lisa Fiksenbaum (2010) examined the relationship of the perceived presence of organizational practices designed to support women's career advancement and their work attitudes and satisfaction and their psychological well-being. Five organizational experiences were considered in the study: negative attitudes towards women, equal treatment, support, career barriers and male standards. Women reporting more supportive organizational experiences and practices were more engaged in their work, more job and career satisfied, and indicated greater levels of psychological wellbeing.

Gunavathy and Suganya (2007) in their study among married women employees of BPO companies traced the causes, consequences of work life imbalance and interventions for work life balance. More than two-third of the respondents stated the experienced work-life imbalance primarily on account of work interference with personal life. The causes for work life imbalance were classified as organizational and personal factors. The organizational factors included work-related factors, time-related factors and relationship-related factors. The personal factors included lack of family support, marital conflicts and frequent change in sleeping patterns. According to the study, the three main consequences of work-life imbalance were stress and burnout, ill-health and poor work performance. The respondents also experienced guilt of not being able to spend time with family, anxiety about poor performance, displacement of negative emotions on family members and on co-workers.

Wentling, R.M. (2003) his shown that the twin roles of women cause tension and conflict due to her social structure which is still more dominant. In her study on working she concluded that women face problem of role conflict, change in attitudes of men and women according to the situation can help to overcome their problem.

Skinner and Pockock (2008) investigated the relationship between Workload, work schedule control, work hours and their fit with preferences and work life conflict among full time employee. It was found that the strongest association with work life conflict was demonstrated by work overload followed by work schedule control and work hours fit. Time Based work life policies, procedures and interventions were found necessary but not sufficient, for addressing work life conflicts.

RATIONALE OF THE STUDY

This study is basically for assessing the prevalence of work life among married working women. The purpose is also to present and discuss specifically the problems married women face in the process of balancing their work and family life. A good work life balance is central to employee effectiveness and satisfaction, and apprentice learning work life balance is about helping staffs combine work with their personal interests and commitments. The governing body has a responsibility to ensure, so far as is reasonably practicable, the health, safety and welfare at the work of all their employees.

The objective of this research is to study the work life balance of working women in the public sector banks and private sector bank. It has major influence on maintaining equilibrium between professional life and the personal life responsibilities. The research is conducted in different banks. The concept of balancing work and life is important in more than one way. There can be many factors affecting the balance of work and life, social factors, psychological factors, Working Environment, Type of job, Job satisfaction, Family background, schedule at home and life stage to name a few.

OBJECTIVES OF THE STUDY

1. To study the major factors, influence on the Work Life Balance of Bank professionals (married women) in the present day context.
2. To analyze the challenges associating with balancing of professional and personnel life of the bank professionals.

RESEARCH METHODOLOGY

It was a descriptive survey study. Questionnaire was administered on 100 respondents. Respondents were married women working in private and public sector banks in Mumbai. Out of 100 respondents 60 questionnaires were filled completely and were considered for analysis.

Percentage method test was used for analysis. The formula is as given below:

$$\text{Percentage of Respondent} = \frac{\text{No. of Respondent} \times 100}{\text{Total no. of Respondents}}$$

ANALYSIS OF DATA AND INFERENCE

1. How is the working Environment in your organization?

Options	Public Bank		Private Bank	
	No.	%	No.	%
Participative	16	53.33	4	13.33
Autonomy	8	26.67	4	13.33
Capricious	6	20	18	60
Red Tape	0	0	4	13.33
Total	30	100	30	100

When asked to respondents about the working environment of their banks, 53.33% public bank employees found participative environment as compared to only 13.33% private bank employees. 60% private bank employees found that the environment was capricious.

Inference: From the graph it could be inferred that public sector banks has positive working environment which motivate employees whereas private sector has more of unpredictable environment. Even there is red tape environment found in private banking sector which means there is excessive bureaucracy or adherence to official rules and formalities in the environment.

2. Are you satisfied with the working hours of the organization?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Highly Satisfied (HS)	8	26.67	0	0
Satisfied	19	63.33	16	53.33
Dissatisfied	3	10	11	36.67
Highly Dissatisfied (HD)	0	0	3	10
Total	30	100	30	100

63.33% Public banks respondents were satisfied with the working hours against 53.33% in private banks. 36.67% employees in private banks were dissatisfied with the working hours. No respondent was highly satisfied in private banks. 10% respondents were highly dissatisfied with the private banks and no respondent highly dissatisfied in public banks.

Inference: It could also be seen that the dissatisfied and highly dissatisfied employees in private banking sector could be due to work load and the existing environment.

3. After working hours, you get enough time for your family?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Never	0	0	6	20
Sometimes	6	20	14	46.67
Often	8	26.67	6	20
Always	16	53.33	4	13.33
Total	30	100	30	100

When asked about the family time of women in banks, 53.33% women in public banks respondents agreed on always getting time for family as against 13.33% in private banks. 46.67% respondents of private banks sometimes get time for their family and 20% responded they never got time for their family.

Inference: From the above graph it could be inferred that women working in public sector bank are able to spend more happy hours with their families then when compared to private sector banks. As in the private banks nearly of the employees expressed that they miss valuable time with family and friends even after the bank normal working hours due to completion of all the works on the same day itself

4. Do you feel that you are able to balance your work life?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	10	33.33	4	13.33
Agree	18	60	14	46.67
Disagree	2	6.66	9	30
Strongly Disagree	0	0	3	10
Total	30	100	30	100

60% public bank respondents and 46.67% private bank respondents agreed that they are able to balance their work life. 33.33% public bank respondents strongly agreed of balancing work life as against 13.33% in private banks. Only 10% private bank respondents strongly disagreed of maintaining balance.

Inference: From the above graph it could be inferred that women's in both the sector are able to manage their work life. As women have to play different role of wife, mother, sister etc with the time they are able to manage their life in a better way and with the time and motivation from the bank management it would be able for women to balance it more effectively.

5. How often do you think or worry about work (when not at work or traveling to work)?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Never	0	0	0	0
Sometimes	20	66.67	6	20
Often	5	16.67	16	53.33
Always	5	16.66	8	26.67
Total	28	100	30	100

66.67% respondents of public banks were sometimes worried about work as compared to 20% in private banks. 26.67% of private bank employees responded that they were always worried about work. 53.33% of private bankers were often worried about work.

Inference: From the above graph it could be inferred that employees were worried about work when actually not at working inside the bank premises. And it could be seen in both the sector the work is on the mind of employee but when compared it is more in the private banks compared to public bank. They are more worried or think about their work when travelling or at home reasons could be more work pressure, environment, subordinates etc.

6. Your organization takes initiative to manage work life of its employees?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Never	0	0	7	23.33
Sometimes	9	30	14	46.67
Often	15	50	7	23.33
Always	6	20	2	6.67
Total	30	100	30	100

50% respondents of public banks supported the fact that their organizations often took initiatives to manage work life of its employees. 46.67% private bank respondents agreed that organizations sometimes take initiative to manage work life and 23.33% support that organizations never take initiatives.

Inference: From the above graph it could be inferred that in both the organization management takes various initiatives to manage the work life balance of their employees. Employees also revealed that a supporting environment is most prominent factor that helps to fulfill work and family commitments.

7. If yes, what are the initiatives that your organization has taken for managing work life?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Flexible work timing	10	33.33	18	60
Leaves to manage work life	16	53.33	10	33.33
Job Share Option	2	6.67	2	6.67
All of the above	2	6.67	0	0
Total	30	100	30	100

When asked about the initiatives taken by organizations for managing work life, 53.33% of public bank respondents said that they utilize their leaves, whereas 60% private bankers respond to flexible work timings.

Inference: From the above graph it could be inferred that flexible timings is an absolute factor which helps in dealing with work life commitments.

8. Employees have more pressure of work in the organization or it is evenly distributed.

Options	No.	%	No.	%
	Public Bank		Private Bank	
Have pressure	2	6.67	16	53.33
Evenly distributed	21	70	4	13.33
Depends on situation	5	16.67	8	26.67
All of the above	2	6.66	2	6.67
Total	30	100	30	100

When asked about whether work in organization is evenly distributed 70% of public bankers agreed to even distribution of work, where 26.67% of private bankers commented it depends on situations. 53.33% of private banks have pressure of work.

Inference: From the above graph it could be inferred that private sector banks have more pressure of work when compared to public sector, whereas work in public sector is more evenly distributed. And also in private banks environment being unpredictable factor also affects the quality of work.

9. Employees are able to balance their work life due to work life management policy?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	8	26.67	0	0
Agree	16	53.33	8	26.67
Disagree	6	20	15	50
Strongly Disagree	0	0	7	23.33
Total	30	100	30	100

When asked whether the employees were able to balance their work life due to work life management policy, 53.33% of public bankers agreed, whereas only 26.67% agreed to it. 50% of private bankers and 20% public bankers disagreed to it. 26.67% of public banks strongly agreed to the fact that the work life management policy was able to manage their work life.

Inference: the disagreement in the private banks may be due to the work pressure, policies not properly communicated or policy misinterpreted.

10. Organization is able to retain its employees due to efficient work life management policy.

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	18	60	8	26.67
Agree	7	23.33	10	33.33
Disagree	5	16.67	5	16.67
Strongly Disagree	0	0	7	23.33
Total	30	100	30	100

When asked about retention of employees due efficient work life management policy, 60% public bankers and 26.67% of private bankers strongly agreed to it. 23.33 % of private players strongly disagreed that efficient work life management policy do not help in retention.

Inference: From the above graph it could be inferred that public sector strongly agrees and get the management support on the policy that has been drafted for the employees. Whereas when looking at the response from the private sector banks they do not agree much to it (almost 50%) as there are policy framed but not actually followed to the extent due to work pressure and growing competition due to which employees leave the job.

11. Rate the Flexible Working Hours provided by the organization due to current Work Life Management Policy?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Excellent	6	20	0	0
Good	18	60	16	53.33
Average	6	20	10	33.33
Poor	0	0	4	13.33
Total	30	100	30	100

60% public bankers and 53.33% private bankers rated the flexible working hours' policy good and 20% public bankers rated it as excellent. 13.33% of private bankers rated it as poor.

Inference: From the above graph it could be inferred that in both the banks flexible timing is rated good (50% approx in both the banks). As flexible work time is the trend being followed in the today's working industry which to the major extent helps employee to manage their work life and have a good quality of life.

12. How do you rate the leave policy of the organization?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Highly Satisfied	20	66.67	5	16.67
Satisfied	8	26.67	13	43.33
Dissatisfied	2	6.67	12	40
Highly Dissatisfied	0	0	0	0
Total	30	100	30	100

When asked about rating the leave policy, 66.67% of public bankers were highly satisfied with the leave policy. None of bankers were highly dissatisfied with the leave policy of the organizations, though 40% of private bankers were dissatisfied with the leave policy.

Inference: From the above graph it could be inferred that public sector banks enjoy more on leave policy compared to private sector banks. Leave policy are liberal in public sector banks whereas private banking sector enjoy less leaves due to increasing competition and new technologies. Also there the mandate leave are less in private banks compared to public banks.

13. Do you think that you have good career prospects in the organization?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	4	13.33	6	20
Agree	14	46.67	12	40
Disagree	9	30	10	33.33
Strongly Disagree	3	10	2	6.67
Total	30	100	30	100

46.67% public bankers and 40% private bankers agreed that they have good career prospects in the organization. 33.33% of private bankers disagreed having good career prospects in the organization.

Inference: From the above graph it could be inferred that both the banking sector has a career growth opportunity.

14. Do you think that if employees have good work-life balance then organization will be more effective and successful?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	18	60	16	53.33
Agree	8	26.67	8	26.67
Disagree	2	6.67	3	10
Strongly Disagree	2	6.66	3	10
Total	28	100	30	100

60% public banks employees and 53.33% private bank employees agree that organization will be more effective and successful with good work life balance. Only approximately 15% public banks and 20% private banks disagree to this.

Inference: Work life balance empowers employees to split time and energy between work and other important areas of their life successfully.

15. I can make choices about my current working arrangements?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	8	26.67	2	6.67
Agree	13	43.33	12	40
Disagree	5	16.67	11	36.67
Strongly Disagree	4	13.33	5	16.66
Total	30	100	30	100

Around 70% public banks and 47% private banks agree that they can make choices about their current work arrangements. However approx. 30% public bank employees and more than 50% private bank employees disagree to the statement.

Inference: From the above graph it could be inferred that in both public as well as private bank women's can take the decision on the current working arrangement. Respondents prioritized their care responsibilities, and then proceeded to look for employment that fitted around these responsibilities. And today banks have such policy that could help them to manage their work and family which helps women's to take the decision.

16. Management is committed in helping employees to achieve a good work-life balance?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Strongly Agree	18	60	08	26.67
Agree	10	33.33	12	40
Disagree	02	6.67	06	20
Strongly Disagree	00	0	04	13.33
Total	30	100	30	100

More than 90% public bankers and 66% private bankers agree that they have a committed management to support work life balance among employees. 13% private bankers strongly disagree to the fact of management supporting employees achieve a good work life balance.

Inference: From the above graph it could be inferred that management in public sector banks are more cooperative in helping their employees to manage their day to day work life policy with the help of various initiatives taken by the organization.

17. Who takes responsibility for maintaining the household chores?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Maid	18	60	22	73.33
Yourself	07	31.82	00	00
Husband	02	6.67	00	00
Others (family members)	03	10	08	26.67
Total	30	100	30	100

For women working in public banks 60% household work responsibility was with maid as compared to 73% with private bank employees. Only 26% private bank employees are helped by their family members for household chores.

Inference: From the above graph it could be inferred that in both the cases maid is the one who takes cares of day to day household chores once everyone leave for the work. It is been also observed that in public sector 31.82% women says that they could manage their house hold work. Whereas in case of private sectors it was seen that other family member helps to do day to day work.

18 Who leaves work or stays out of work to care for sick children/parents?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Yourself	20	66.67	18	60
Husband	04	13.33	10	33.67
Both	06	33.33	02	6.67
Total	30	100	30	100

60% of public and private bank women have to stay home to take care of sick children/parents. 33.67% private bankers responded that husbands stayed when required against 13% in public sector. 33% public sector bankers and 6% private sector bankers commented that both husband and wife stayed at home to take care of sick children/parents.

Inference: From the above graph it could be inferred that women prefer more to be at home than any other member. One of the reason might be that women want to ensure that their near and dear once are well taken care of when needed.

19 Do you & your partner have conflicts because of your professional life?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Yes	21	60	22	73.33
No	09	40	08	26.67
Total	30	100	30	100

When asked about whether there are any tensions with spouse in managing professional life, 73.33% of private bank and 60% of public bank employees agreed that they faced tensions at home. 40% public bankers and 26.67% private bankers disagreed to having conflicts at home.

Inference: From the above graph it could be inferred that women do face conflicts due to their professional life. In society there exists a perception that women are completely responsible for their household chores and get very less support from their partners. Conflicts are due to imbalance in professional and personal life.

20 If yes, then who is your mental/emotional support?

Options	No.	%	No.	%
	Public Bank		Private Bank	
Relatives	14	46.67	13	43.33
Friends	10	33.33	15	50
Others	06	20	02	6.67
Total	30	100	30	100

When asked about who acts as emotional support for women who face conflicts at home, 46.67% public bankers and 43.33% private bankers responded that they seek support from their relatives. Friends support almost 33% of public bankers and 50% of private bankers. 20% public bank employees and 6.67% of private bank employees seek support from sources other than relatives and friends.

Inference: From the above graph it could be inferred that in both the cases relatives and friends are the ones who are the mental / emotional support for the women. They are the helping hands who help them in tier times of ups and down. Even other which includes work professional. Mentor's are also the ones who help at the time of difficulty

CONCLUSION

Work-life balance (WLB) is an important area of human resource management which is receiving increasing attention from policy makers, organizations, management, employees and their representatives globally. It is a factor which has the potential to affect important workplace issues such as employee turnover, stress, job satisfaction, and productivity. The pressures of the work or personal life can lead to stress. According to studies, it has been found that such situation affects person's health both physiologically and psychologically. Therefore, it is important for employees to maintain a healthy balance between work and their private lives.

For the employers, Work-life balance of employees will be an important input in designing appropriate policies for employees to address work-life balance issues. Work-life balance initiatives should be designed to help employees to balance their work and personal life.

Work Life Balance is thus a dynamic phenomenon. It is not a structure but process leisure and social interaction is as much important as work and career. Every employee has to continuously juggle around with different priorities and needs of the domains of work and life. It is thus summarized as the Meaningful Daily Achievement and Enjoyment of four life quadrants: Work, Family, Friends and Self.

REFERENCES

- Greenhaus, J.H, Collins, K.M. and Shaw, J.D (2003), "The Relation Between Work –Family Balance and Quality of Life", Journal of Vocational Behaviour, 63: 510-531.
- Grossman, Allyson Sherman. "Working Mothers and Their Children". Monthly Labor Review: Special Labor Force Reports – Summaries. May, 1981: pp 49 - 54.
- Gururaja Umesh Maiya, Elsa Sanatombi Devi, Anice George (2013), "Perceptions and Attitude towards Quality of Work-life Balance among nursing teachers", International Journal of Humanities and Social Science Invention, Volume:2, Issue: 3, pp. 52-54.
- http://www.business-standard.com/article/finance/banks-branches-to-be-closed-on-2nd-4th-saturday-115022300795_1.html
- International Letters of Social and Humanistic Sciences 7 www.scipress.com/ILSHS.7.1.pdf
- Jeffrey H. Greenhaus, Karen M. Collins & Jason D. Shaw, "The relation between work-family balance and quality of life", Journal of Vocational Behavior 63 (2003) 510–531
- Ken Roberts (2007), "Work-life balance – the sources of the contemporary problem and the probable outcomes", Employee Relations, Vol. 29, No. 4, pp. 334-351.
- Lalita Kumari (2012), "Employees" Perception On Work Life Balance and It's Relation with Job Satisfaction in Indian Public Sector Banks", IJEMR, Vol:2, Issue: 2, pp. 1-13.
- Sunita Malhotra & Sapna Sachdeva, "Social Roles and Role Conflict: An Interprofessional Study among Women", Journal of the Indian Academy of Applied Psychology, January - July 2005, Vol. 31, No.1-2, 37-42.
- Varatharaj V., Vasantha S. (2012), "Work Life Balances a Source of Job Satisfaction - An Exploratory Study on the View of Women Employees in the Service Sector", International Journal of Multidisciplinary Research Vol.2 Issue 3, pp. 450-458.

TARGET ORIENTED COMPETITIVE INTELLIGENCE PRACTICE AND PERFORMANCE OF FIRMS LISTED ON THE NAIROBI SECURITIES EXCHANGE, KENYA

PAUL WAITHAKA

LECTURER

**DEPARTMENT OF BUSINESS ADMINISTRATION
KENYATTA UNIVERSITY
KENYA**

HANNAH BULA

LECTURER

**DEPARTMENT OF BUSINESS ADMINISTRATION
KENYATTA UNIVERSITY
KENYA**

LINDA KIMENCU

LECTURER

**DEPARTMENT OF BUSINESS ADMINISTRATION
KENYATTA UNIVERSITY
KENYA**

ABSTRACT

Firms are today's encountering an environment that is in a state of flux, there is need for advanced competencies that support strategic decision-making by providing accurate and timely information on opportunities and threats, competitor assessment that supports strategic planning and implementation, which is the main objective of target oriented competitive intelligence. Target-oriented competitive intelligence is knowledge about the organization's environment that has implications for its specifically identified competitors in its niche market. This is intelligence is about competitors, their capabilities, current activities, plans, and intentions. It is most often used when competitive intelligence efforts are best focused on a small number of competitors that a firm face in several market niches. The target population for the study were all the sixty firms listed on the Nairobi Securities Exchange (NSE). Primary data was collected by the use of a semi-structured questionnaire and secondary data was obtained from published financial reports. The data collected was analyzed using descriptive and inferential statistical tools. The findings indicate that target oriented competitive intelligence practice has a positive and statistically significant relationship with the performance in the firms listed on the Nairobi securities exchange.

KEYWORDS

competitive intelligence, target oriented competitive intelligence, firm performance, competitive strategy.

INTRODUCTION

The competitive environment in which the firms operate makes it difficult for them to raise their level of performance and maintain a sustained competitive advantage (Shih, Liu & Hsu, 2010). This has forced management to consider using new initiatives with the objective of demolishing the competitors' advantage (Devers, 2003). One such initiative is the adoption of target oriented competitive intelligence practice (Yap, Rashid & Sapuan 2013). Competitive intelligence is a problem-solving process that involves information gathering and analysis, interpretation, and speculative consideration of future developments, patterns, risks and opportunities through the exercise of human judgment (McDowell, 2009).

The challenge for the management of many organizations today is the quest to improve performance and deal with the changing competitive landscape. Organizational management like to see tangible results of and positive return on their investment in given activities and may complain if they perceive lack of understanding of how a given activity actually contributes to performance (Kaplan & Norton, 1992). There is a need to evaluate performance with the primary objective of providing valid and reliable data on performance. Measuring performance is essential for enabling researchers and managers to evaluate the specific actions of firms, and how firms perform over time (Sabina, 2009).

Intelligence is information that has been analyzed for strategic decision-making. Competitive intelligence can be viewed both as a process and a product. As a process, it is the set of legal and ethical methods for collecting, developing, analyzing and disseminating actionable information pertaining to competitors, suppliers, customers, the organization itself and business environment that can affect a company's plans, decisions and operations (Yap, Rashid & Sapuan, 2011). Competitive intelligence as a product is information about the present and future behavior of competitors, suppliers, customers, technologies, government, market and the general business environment (Wright, Eid & Fleisher, 2009).

According to Mc Gonagle and Vella (2002) target-oriented competitive intelligence is analyzed information about competitors, their capabilities, current activities, plans, and intentions. It is most often used when competitive intelligence efforts are best focused on a small number of competitors that a firm faces in several market niches. It encompasses elements of what was sometimes called business intelligence or competitor intelligence.

ROLE OF SECURITIES EXCHANGE

A stock exchange is a marketplace in which securities, commodities, derivatives and other financial instruments are traded. The core function of an exchange is to ensure fair and orderly trading, as well as efficient dissemination of price information for any securities trading on that exchange (Capasso, 2006). Singh (1997) stated that stock markets are established to be a means of accelerating economic growth through increased domestic savings and improvement of the quantity and quality of investment. Security exchanges give companies, governments and other groups a platform to sell securities to the investing public.

NAIROBI SECURITIES EXCHANGE

There are 60 companies listed on the Nairobi securities exchange (NSE, 2014). These are grouped into eleven sectors: agricultural; automobiles and accessories; banking, commercial and services; construction and allied; energy and petroleum; insurance, investment; manufacturing and allied; telecommunication and technology; and growth and enterprise market segment. The securities' exchange also lists treasury bonds issued by the Government of Kenya (GoK) and occasionally, there are privately issued corporate bonds as well. The level of performance is influenced by various factors such as corporate governance, weak regulatory

framework and the slow level of economic growth. Performance keeps alternating between bull runs when the prices for most stocks keep rising and bearish season when prices either stagnate or generally decline.

STATEMENT OF THE PROBLEM

The Nairobi Securities Exchange (NSE) has been performing poorly in the recent years and has not managed to make a significant contribution towards accelerating the economic growth of the country (Ngugi, Amanja & Amaana, 2009). In the recent past, there has been an increase in the number of listed firms that have been issuing profit warning. In 2011 only two out of sixty firms operating at the NSE issued a profit warning, in the financial year 2012, the number rose to ten, in the financial year 2013, thirteen companies issued profit warnings (Juma, 2014). The rising number of listed firms issuing profit warnings recently is an indicator that the firms are unable to sustain competitive advantage.

In Kenya studies on competitive intelligence are generally limited. These studies are, however, descriptive case-based in nature, were done on specific firms or industries and used profitability as the measure of performance leaving out non-financial measures. These studies focused on product, market and technology intelligence (Mugo, Wanjau & Ayodo (2012); Muthama, & Ngugi (2012); and Ngugi, Gakure & Mugo (2012) whereas the current study focused on target oriented competitive intelligence practice. In the contextual gap among NSE listed companies and the limited empirical review, the study aimed to establish the effects of target oriented competitive intelligence practice on firms listed at the Nairobi securities exchange and relate it to the firms' performance measured in non-financial terms.

RESEARCH OBJECTIVE

To determine the effect of target oriented competitive intelligence practice on the performance of firms listed on the Nairobi securities exchange.

RESEARCH HYPOTHESIS

H₀₁: Target oriented competitive intelligence practice has no effect the performance of firms listed on the Nairobi securities exchange.

PRACTICAL IMPLICATIONS OF THE STUDY

The management of the listed firms should consider raising the current levels of competitive intelligence activities which was found to be of moderate level to enable firms reap more benefits. Management of the listed firms should increase the amount of resources devoted for competitive intelligence activities as they were found to be low. The firms without a functional unit dedicated to competitive intelligence activities should create one to enable them cope with the changing business environment. Since employee play a critical role in the process of collecting information for competitive intelligence purposes, they should be trained to improve their effectiveness in this task. Management of listed firms should improve the level of utilization of target oriented competitive intelligence to enable them understand competitors, their current capabilities, current activities, plans and intentions and thus train their staff as part of making their company acquire inimitable capabilities.

THEORETICAL REVIEW

This study is anchored on Porter's five forces model. Porter's (1980) work on the analysis of competitive forces affecting firms, which focused on tracking specific competitor behavior and linking competitor analysis to competitive strategy, created the background for the development of competitive intelligence as a business discipline (Peyrot, Childs, Van Doren, & Allen, 2002). Porter took a perspective of scanning the external environment to gather intelligence on competitors. He (Porter) then developed the Five Forces Model to explain the forces that shape competition in an industry. This well-defined analytical framework helps strategic managers to link remote factors and their effects on a firm's operating environment. Porter (1980) identified customers, suppliers, potential entrants, current competitors and substitute products as competitors that may be more or less prominent or active, depending on the industry.

Thompson and Strickland (2003) argued that the collective strength of these forces determines the ultimate profit potential of an industry. Whatever their collective strengths, the corporate strategists' goal should be to find a position in the industry where the firm can best defend itself against these forces or can influence them in its favour. They highlight the critical strengths and weaknesses of the company, animate the position of the company in its industry, clarify the areas where strategic change may yield the greatest payoffs, and highlight the places where industry trends promise to hold the greatest significance as either opportunities or threats. Understanding these forces also proves to be of help in considering areas for diversification. The model is relevant to this study, as it helps managers identify the boundaries of an industry and its key players and their characteristics so as to develop strategies to cope with competition in the particular industry. This model helps firms to understand competitors, their strengths and weaknesses, and gain a thorough knowledge of the competitor's products. With the right kind of information provided by target oriented competitive intelligence practice, firms can avoid unpleasant surprises by anticipating competitor's moves and decreasing response time. Competitive intelligence practices identify and describe threats. Knowing the significance and likelihood of each threat is valuable since it allows a firm employ more concentrated defense for its business

EMPIRICAL REVIEW

Target-oriented competitive intelligence practice typically concentrates on a named set of competitors, assesses their competencies, current and future activities, their commitment to the market segment, tracks patent applications and expiries, and engages in Game Theory and scenarios planning. Freeman (1984) suggested that the monitoring could include any group or individual who can affect or be affected by the achievement of the organization's objectives. A firm that fails to do this would be slow in reacting to substitute products or services, which are alternative ways to reach and satisfy the needs of consumers that are not being met by the industry as a whole.

Target-oriented competitive intelligence practices aid a firm in making accurate prediction of the competitor's next moves and countermoves, facilitate war games and, in general, provide much higher value-added information, not just disseminating volumes of raw market data (Gilad, 2011). Ball (1987) stated that gaining competitive advantage not only deduces the movement of opponent's hand but also watches the way he plays, trying to understand his thinking and gauging how he would react to a challenge or an opportunity. McCubbrey (2009) avers that a firm that has planned for most common threats would be better prepared to faster in the face of a threat. Preparedness allows a firm to move past its less-prepared competitors, as they devote valuable time and other resources reacting to threats. While competitors are reacting, the firm can move to increase its competitive advantage over them.

Kipkorir (2001) examined competitive intelligence practices by FM radio stations operating in Kenya. The study found that employees and majority of industry players were aware of and used competitive intelligence in trying to attain competitive advantage. To a large extent, the FM radio stations were found to use the 12P's of competitive intelligence. These stations were found to have put in place adequate training on ethical and legal guidelines for the purpose of collecting and using competitive intelligence. This study introduced a new concept of the 12 P's of competitive intelligence which seems quite rare in strategic management literature.

Wright, Eid and Fleisher (2009) studied competitive intelligence in practice in the UK retail banking sector. The study applied the Best Practice Model developed by Wright *et al.*, (2002). The findings indicate that banks in the United Kingdom had a common understanding of intelligence despite the fact that they described it in a variety of different ways. It was found that intelligence had been in use for a long time in the various businesses within the banking sector and that it seemed an integral part of banking practice, although it was not immediately clear how varied in use and standardized the practice was within each bank. The primary reasons for using competitive intelligence was understanding customers, market trends and tracking changes in products through R&D. The study also found that the banks in the United Kingdom tended to rely heavily on information for their day-to-day business activities and relied on a combination of information sources, depending on the information need for the moment rather than a specific source.

Gathumbi (2010) investigated the competitive intelligence practices adopted by commercial banks in Kenya. The study found that the competitive intelligence function in most banks was developed through planned action, and most employees were not extensively involved in the process. The study also found that the function was developed through project teams consisting of both employees and external consultants. This study picked on the processes of the competitive intelligence cycle and assumed them to be the competitive intelligence practices. The different variables make it hard to compare the study with a similar one by Wright *et. al.*, (2009) on the banking industry in the United Kingdom.

Mugo, Wanjau and Ayondo (2012) found that Equity Bank employed new market intelligence, concentrating on the 4Ps of the marketing mix. Product intelligence was used to assist in aligning products to customer needs. The technology intelligence practices used by the bank were found to have an impact on profitability. The strategic alliance intelligence was found to be useful to the bank while evaluating candidates for mergers and acquisitions.

In a similar study Ngugi, Gakure & Mugo (2012) found that market intelligence enabled the banks to better understand the attractiveness of the market, customer orientation and identification of new opportunities. Product intelligence was found to assist the firms to align the products and services to the needs of the customers, introduction of new products based on customer needs, re-launching and reviewing existing products to make them more competitive. The study found that technology intelligence had increased the chance for the firms to enjoy sustainable growth and profit. The strategic alliance was found to be useful while banks were making decisions on mergers and acquisitions.

While examining the competitive intelligence practices adopted by Safaricom, Wahome (2012) found that the firm employs new market intelligence as a competitive intelligence practice. This study found that the product differentiation strategies adopted by Safaricom helped to increase profitability. Other strategies included involvement of customers in product development through focused group discussions, aligning products with customer needs and the environment in which they are being offered to ensure that customers identified themselves with the firm.

While studying enabler and inhibitor factors influencing competitive intelligence practices in the higher education sector, Montserrat, Ortoll & Josep (2013) found that the employees' exposure to information was mainly through participating in professional networks and meeting with social agents to discuss subjects related to on-going projects. A climate of information was found to facilitate information-related activities and thus increasing competitive intelligence practices in universities. The outwardness was found to have given the universities knowledge about the environmental needs as well as the societal and labour market needs that enabled them revamp existing degrees or design new degree programs. Environmental pressure and uncertainty was found to act as enabler factor. This was a unique study since it was applying the competitive intelligence cycle in the higher education sector which was contextually different from the business organizations where it is normally applied.

METHODOLOGY

The study adopted a mixed design of descriptive and explanatory survey research. According to Sekaran and Bougie (2009) a researcher should use more than one design to enhance the study; hence these two designs were used to achieve the optimal results as recommended by (Saunders, Lewis & Thornhill, 2009). Mixed methods can elicit insights that may be overlooked by a mono-method and can produce more complete knowledge contributions to theory and practice (Niglas, 2008).

TARGET POPULATION

The target population for this study were all the companies listed on the Nairobi securities exchange. There are 60 companies listed on the Nairobi securities exchange (NSE, 2014). A census study of all 60 firms listed at the Nairobi securities exchange was done. The study targeted the manager or director in-charge of planning /strategy in each firm as the unit for observation.

EMPIRICAL MODEL

The study was guided by multiple linear regression model.

$$P = \beta_0 + \beta_1 \text{TAR} + \epsilon_i$$

Where:

β_0 is the intercept

β_1 are the Beta coefficient

TAR represents target oriented competitive intelligence practice

ϵ_i is a random variable, error term that accounts for the variability in P that cannot be explained by the linear effect of the predictor variables.

DATA COLLECTION

Both Primary and secondary data were collected for this study. Primary data was collected from the director/manager in-charge of planning or strategy in each firm listed on the Nairobi securities exchange. Secondary data was obtained from firm's published annual reports for the years 2011 to 2013 which are available at the Nairobi securities exchange. These are the years when the number of firms issuing profit warnings rose drastically.

Descriptive statistics such as mean scores, standard deviations, percentages, and frequency distribution were computed to describe the characteristics of the variables of interest in the study. Qualitative responses were categorized, coded and grouped into themes that emerged and then triangulated with quantitative data of the study. Inferential statistics such as correlation and regression analysis as suggested by Muthen and Muthen (2007) was used to establish the nature and magnitude of the relationships between the variables and to test the hypothesized relationships. The findings were presented using tables. Data was analyzed using SPSS version 17. A regression model was developed and correlation analysis was conducted at 95% confidence level. Pearson's product moment correlation (r) was derived to show the nature and strength of the relationship. Coefficient of determination (R^2) was used to measure the amount of variation in the dependent variable explained by the independent variables.

FINDINGS

Questionnaire's response rate was found to be 49 out of 60=81.6% which was very good according to (Mugenda & Mugenda, 2003). About half the respondents 52.4% rated information received for competitive intelligence purposes as good and excellent. Employees were found to be the most frequently used means of gathering information for intelligence purposes. Internet was ranked as the most important source of information for competitive intelligence purposes. E-mail was found to be the most preferred means of dissemination competitive intelligence in the listed firms. SWOT analysis was ranked as the most preferred technique for analyzing information

The Pearson correlation coefficient of target oriented competitive intelligence practice versus performance of firms listed at the Nairobi securities exchange was computed as 0.676 (p value=0.000) which is a positive relationship between the variables. The R-Square value of 0.457, indicating that the independent variable (target oriented competitive intelligence practice) explained 45.7% of the variation in performance of firms listed on the Nairobi securities exchange. The remaining 54.3% is explained by other management practices and strategies put in place by managers.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.676	.457	.445	1.48013
a. Predictors: (Constant), target oriented competitive intelligence				

The results on the beta coefficient of the resulting model shows that the constant $\alpha=24.086$ is significantly different from zero. The coefficient $\beta=.316$ is also significantly different from 0 with a p-value=0.000 which is less than 0.05. The findings indicate that when target oriented competitive intelligence practice is increased by 1 unit, performance of firms listed on the Nairobi securities exchange is expected to increase by 0.316 units. The findings agree with Hughes (2006) that firms which employed competitive intelligence activities, regardless of the extent, scope or structure of these activities, performed better than companies with no knowledge of or the use of competitive intelligence.

CONCLUSION

Target-oriented competitive intelligence practice that permits a firm to focus on competitors, their current capabilities, current activities, plans and intentions was found to be positive and statistically significant in this study. The effect of this type competitive intelligence practices was found to be positive and statistically significant. This indicates that firms that carry out competitive intelligence activities stand to gain a competitive advantage over their rivals that do not engage in the practice.

RECOMMENDATIONS

Since target-oriented competitive intelligence practice that permits a firm to understand competitors, their current capabilities, current activities, plans and intentions was found to have a statistically significant effect on their performance its utilization should be increased. Firms should use target-oriented intelligence to track registration of patents by rivals and the expiry of those patents. Listed firms should train their staff on how to collect and analyze information for intelligence purposes as part of making their company acquire inimitable capabilities.

SUGGESTIONS FOR FURTHER RESEARCH

Future research should build on the findings of this study to enrich existing knowledge on the practice of competitive intelligence. Such studies, for example should consider carrying out research on the effect of target oriented competitive intelligence practices on the non-listed corporate sector firms to validate this study and add more knowledge to this area.

REFERENCES

1. Ball, R. (1987). Assessing your competitor's people and organization, *Long Range Planning*, 20, 32-41.
2. Capasso, S. (2006). *Stock market development and economic growth*. Helsinki: World Institute for Development Economic Research.
3. Devers, K. J. (2003). Changes in hospitality strategy: A new medical arms race, *Health Services Research*, 38, (1/2), 447-469.
4. Freeman, R. A. (1984). *Strategic management: A stakeholder approach*. Pitman, Boston. Hughes, S. (2005). Competitive intelligence as competitive advantage: the theoretical link between competitive intelligence, strategy and firm performance, *Journal of Competitive Intelligence and Management*, 3 (3), 3-18.
5. Gathumbi, A. (2010). Competitive intelligence practices adopted by Commercial Banks in Kenya. <http://erepository.uonbi.ac.ke:8080/xmlui/handle/123456789/22735>
6. Gilad, B. (2011). Entrepreneurship: the issue of creativity in the market place, *Journal of Creative Behaviour*, 18, (3), 151-161.
7. Kaplan, R.S. & Norton, P. (1996). *The Balanced Score Card: Translating Strategy into Action*. Harvard Business School Press. Boston MA.
8. Kipkorir, S.S. (2001). Competitive intelligence practices by FM radio stations in Kenya. <http://erepository.uonbi.ac.ke:8080/xmlui/handle/123456789/22285>
9. Mc Dowell, D. (2009). *A Handbook for Practitioners, Managers and Users*, (Revised Edition). The Scarecrow Press. Plymouth UK.
10. Mc Gonangle, J.J. & Vella, C.M. (2002). *Bottom Line Competitive Intelligence*. Quantum, Greenwood, Westport, C T.
11. McCubbrey, D.J. (2009). *Business Fundamental*, Global Text Project, Zurich, Switzerland.
12. Montserrat, G. A., Ortoll, E. & Josep, C.M. (2013). Enabler and inhibitor factors influencing competitive intelligence practice, *Aslib Proceedings: New Information Perspectives*, 45(1), 27-42.
13. Mugenda, O.M., & Mugenda, A.G. (2003). *Research methods: Qualitative and Quantitative approaches*. African Centre for Technology Studies. Nairobi, Kenya.
14. Mugo, H. W., Wanjau, K. & Ayodi E.M. M. (2012). An investigation into competitive intelligence practices and their effect on profitability of firms in the banking industry: A Case study of Equity Bank, *International Journal of Business and Public Management*, 2 (2), 61-71.
15. Muthama, T.M. & Ngugi, K. (2012). Influence of competitive intelligence on profitability of mobile telecommunication companies in Kenya, *International Journal of Innovative Research and Development*, 1(11).
16. Muthen, L. K., & Muthen, B.O. (2007). *M plus User's Guide*, 5th ed. Los Angeles, CA: Muthen & Muthen.
17. Nairobi Securities Exchange (NSE), (2014 November 27). Retrieved November 27, 2014, from www.nse.org.
18. Ngugi, J. Amanja, D. & Amaana I. (2009). Capital market, financial deepening and economic Growth
19. Ngugi, J. Gakure, R W. & Mugo H. (2013). Competitive intelligence practices and their effect on profitability of firms in the banking industry, *International Journal of Business and Social Research*, 2, (3).
20. Niglas, K. (2008). How to make sense of mixed methods design? FIGSEL, Helsinki, 9-10 September.
21. Peyrot, M. Childs, N. Van Doren, D. & Allen, K. (2002). An Empirically Based Model of Competitor Intelligence Use, *Journal of Business Research*, September; 55(9), 747-758.
22. Porter, M. E. (1980). *Competitive Strategy*, FreePress, McMillan, New York, NY
23. Sabina, N. (2009). Top management team diversity: A review of Theories and Methodologies, *International Journal of Management Review*, 1468-2370.
24. Sekaran, U. & Bougie, R. (2009). *Research Methods for Business: A skills building approach*, 6th edition, John Wiley and sons.
25. Singh, S. (1997). Financial Liberalization stock markets and Economic Development, *The Economic Journal*, 107, 771-782.
26. Thompson, A. A. & Strickland, A. J. (2003). *Strategic Management - Concepts and Cases – 13thed*. New York, NY, McGraw-Hill, Higher Education.
27. Wahome, H.W. (2012). Competitive intelligence adopted by Safaricom limited in Kenya. <http://erepository.uonbi.ac.ke:8080/xmlui/handle/123456789/13731>.
28. Wright, S., Eid, E.R. & Fleisher, C.S. (2009). Competitive intelligence in practice: Empirical evidence from the UK retail banking sector, *Journal of Marketing Management*, 25 (9), 941-64.
29. Wright, S., Picton, D.W. & Callow, J. (2002). Competitive intelligence in UK Firms: A typology. *Marketing Intelligence and Planning*, 20 (6), 349-360.
30. Yap, C. S., Zabid, Md. & Sapuran, D. A. (2013). Strategic uncertainty and firm performance: The mediating role of competitive intelligence practices. *Journal of Information and Management Systems*, 12 (4).
31. Yap, C. S., Zabid, Md. & Sapuran, D.A. (2011). Perceived environmental uncertainty and competitive intelligence practices. *Journal of Information and Management Systems*, 43 (4), 462-481

A BRIEF REVIEW OF EMPLOYEE ENGAGEMENT: DEFINITION, ANTECEDENTS AND APPROACHES

SWATI MEGHA
RESEARCH SCHOLAR
DEPARTMENT OF MANAGEMENT
THE IIS UNIVERSITY
JAIPUR

ABSTRACT

Employee engagement, across the globe became a buzzword for business houses and the concept is also gaining importance as many antecedents of employee engagement are recognized, which are directly and indirectly proportional to company's profitability. Hence, employee engagement has become powerful source of competitive advantage and emerged as a new research interest for academicians and practitioners. Although the subject has been carved well however, little rigorous academic research has been done. This research gap has resulted in a disorganized approach to understand and develop employee engagement strategies within organizations. Thus, this article attempts to report the outcomes of a intergrated literature review. The seminal works are identified and reviewed for the (1) defining of engagement construct by different researchers (2) summarize the key antecedents of employee engagement at work and instruments to measure engagement and (3) approaches to employee engagement are explored and interpretations are offered. Implications for theory, organizational practice, and scholarship are discussed.

KEYWORDS

antecedent, approach, definition, employee engagement, literature review.

INTRODUCTION

Employee and management are in symbiotic relationship mediated by good employee engagement practices, in the organizations. Therefore, employee engagement has become a buzzword for business houses and emerged as a new research interest for academicians and practitioners, across the globe (Chalofsky, 2010; Chalofsky & Krishna, 2009; Czarnowsky, 2008; Ketter, 2008; Macey & Schneider, 2008b; Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). Underlying reasons for this popularity of the concept are: (1) conceptualization of engagement as a positive psychological state of motivation with behavioral manifestations and (2) research (Harter, Schmidt, & Hayes, 2002; Saks, 2006; Shuck, Reio & Rocco, 2011) findings depicted a bond between employee engagement and organizational and performance outcome variables such as, discretionary effort, intention to turnover (Shuck et al., 2011) and overall performance (Rich, LePine, & Crawford, 2010).

Inspired from above positive engagement consequences, many corporate leaders have started volunteering the employee engagement programs because this lead to staff performance, reduces staff turnover, improve the well-being of employees (Wright and Cropanzano, 2000; Taris et al., 2003; Griffith, 2004; Michie and West, 2004; Macey and Schneider, 2008b; Robinson et al., 2004; Hakanen, 2008) and helps to accomplish ultimate business goals. Today's organizations share the common notion that knowledge has become an organizational commodity (Kroth & Keeler, 2009; Pink, 2001) in a globalized free-agent talent market and employee engagement surge out as an undeniable preeminent source of sustainable competitive advantage at all levels (Schwartz, 2011). Hence, to become a socially responsible corporate citizen, boosting employee engagement is becoming a part of the ongoing evolution and a sole focus on the organizations.

The maiden use of term "employee engagement" made by Khan in 1990, who described it as being different from other employee role constructs such as job involvement, commitment or intrinsic motivation, asserting that it focus on how psychological experiences of work shape the process of people presenting and absenting themselves during task performances (Kahn, 1990). Since then, it has gained attention of many practitioners and academicians and has been defined, measured and conceptualized by researchers differently. Therefore, this review intent to add value to the current state of knowledge by judgmentally evaluating the prevailing differently conceptualized employee engagement literature and delivering a contemplative viewpoint on existing arguments and findings.

Finally, the concept of employee engagement has achieved place in the mainstream of corporate houses and academic research and scholarly community also advocates its importance in an organization's life. Still the research in the scholarly community has lagged slightly behind (Macey and Schneider, 2008a) intensive academic research (Christian, Garza, & Slaughter, 2011; Maslach, Schaufeli, & Leiter, 2001; Rich et al., 2010; Saks, 2006; Rurkkhum & Bartlett, 2012; Schaufeli et al, 2002a). Comprehensibly, on one hand the admiration of the concept in the practitioner community and on the other hand the escalating appearance and need for answers of the notion in the academic community have motivated the scholars and academicians to conduct more research in the area of employee engagement.

PURPOSE OF THE STUDY

The HR and corporate heads want to ensure the physical, mental and emotional presence of their employees at work place or wish to have an engaged workforce. Reason being engaged employees consistently outperforms and become the strategic competency of an organization. Different organizations of current age have diversified working environments, diversified pool of employees and the antecedents for employee engagement also diversify from organization to organization and employee to employee. Thus, requires the clear understanding of different approaches and drivers of employee engagement in this diversified environment. These are crafted in many empirical studies by the researchers, however, so far has not been clubbed well. So, this literature review makes an attempt to club the employee engagement approaches, drivers and also select the key contributions to impart clarity on the term engagement in diversified organizations.

METHODOLOGY

The integrated literature review is a method to capture data from various emerging fields. It is a distinctive form of research that generates new knowledge (Torraco, 2005). Employee engagement being an emerging topic and conceptualized differently in various frames, so an integrated literature review is recommended. Articles selection and organizing and analysis of data are discussed in section below.

SELECTION OF ARTICLES

In a manner to make scholarly and multi-disciplinary approach the following data sources were searched for the representation of the human resource management, human resource development, business, management, sociology and psychology fields: Proquest, Elsevier, Emerald, Sage, Jstor, PsycInfo, ABI/Inform, ASTD's Training & Development Journal (T&D), the Society for Human Resource Management Journals, the Academy of Management database, all four Academy of Human Resource Development (AHRD) journals and google scholar and research gate were used additionally as a data collection sources. Abstracts from the data sources were queried using the keywords *engagement, employee engagement, work engagement, job engagement and workplace management*. This search was limited to, articles with keywords appearing in the title published or abstract of the English language peer-reviewed and academic journals.

Literature was extensively searched for the keywords and relevant publications were screened. Staged review method was used to analyze articles (Torraco, 2005) and each abstract was examined to check the relevancy of the article such that, the article must have some aspect of employee engagement and other keywords and should not coupled together by happenstance. Articles with the intentional use of keywords were considered relevant for review, were downloaded and saved for reading.

DATA ORGANIZATION AND ANALYSIS

For analysis of existing literature, all identified relevant literature (N=107) was reviewed. All relevant articles were printed and reviewed by the authors. Major theoretical articles were recognized for further review. Key contributions to engagement literature, definitions and drivers of engagement were noted in the data-books from each publication and were referred throughout the data analysis. Articles were also categorized according to the engagement approaches. At the end, 41 of the articles were selected for complete reading as they provided the seminal works on the topic of engagement, the reason being either (a) the authors were well known for the contributions in their areas of expertise, and (b) the abstract of the article was research specific to our topic of employee engagement.

LITERATURE REVIEW OF EMPLOYEE ENGAGEMENT: DEFINITIONS, DRIVERS AND APPROACHES

DEFINITIONS

Since the inception of the engagement concept, it has been defined numerously, interpreted inconsistently in the field of psychology, business and human resource consulting practitioner forums of literature (Macey & Schneider, 2008a; Saks, 2006). The contemporary definition of engagement is created based on qualitative studies with employees, in-depth interviews and consultations (Q12 developed by The Gallup organization; Department of Health, 2008a; Department of Health 2008b; Robinsons et al., 2004; Robinson et al., 2007). The term has become so ambiguous that it is rare to find two individuals defining it in the same way (Macey and Schneider, 2008a). Rotter (1990, p. 490) highlighted the importance of defining terms such as engagement by suggesting that a good definition of a concept, especially one of a cognitive or subjective nature: 'leads to common understanding... is illustrated with many behavioral examples... stated in such a way that the operations for its measurement are ... clear ... and widely accepted as logical and reasonable'. Several definitions were reviewed from academic and practitioner literature for this paper are listed below in chronological order:

Academic Definitions of employee engagement:

- Kahn (1990, p. 694) - the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.
- Maslach & Leiter (1997) - as positive scores on the Maslach Burnout Inventory.
- Schaufeli et al. (2002) - a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption.
- Harter et al. (2002, p. 269) - the individual's involvement and satisfaction with as well as enthusiasm for work.
- Hewitt (2004) - as the employee's desire to say (speak positively about the organization), stay (desire to be a member of the organization) and strive (go beyond the expected for the organization)
- Colber, Mount, Harter, Witt, and Barrick (2004) - high internal motivational state.
- Wellins and Concelman (2004) - illusive force that motivates employees to higher levels of performance. This coveted energy is an amalgam of commitment, loyalty, productivity an ownership. Further added that it includes, feelings and attitudes employees have towards their jobs and their organization.
- Robinson, Perryman and Hayday (2004) - positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context, works with colleagues to improve performance within the job for the benefit of the organization. Further added that organizations must develop and nurture engagement which is a two-way relationship between employer and employee.
- Lucey, Bateman and Hines (2005) - how each individual connects to the company and the customers.
- Saks (2006, p. 602) - a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance.
- Cook (2008) - how positively the employee thinks about the organization, feels about the organization and is proactive in relation to achieving organizational goals for customers, colleagues and other stakeholders.
- Czarnowsky (2008, p. 6) - engaged employees are mentally and emotionally invested in their work and in contributing to their employer's success.
- Macey & Schneider (2008, p. 5, 6) – as a disposition (i.e. trait engagement) an inclination or orientation to experience the world from a particular vantage point. Trait engagement gets reflected in psychological state engagement..... (state engagement) an antecedent to behavioral engagement..... (behavioral engagement) is defined in terms of discretionary effort.
- Newman and Harrison (2008) - the simultaneous presence of three behaviors in employees, namely, their performance in job, citizenship behavior and involvement.
- Shuck and Wollard (2010) - an individual employees' cognitive, emotional and behavioral state directed toward desired organizational outcomes.

These definitions serve the common idea that employee engagement is a desirable condition, has an organizational purpose and connotes involvement, enthusiasm, commitment, passion, focused effort and energy, hence it has both attitudinal and behavioral components (Macey & Schneider, 2008). There is no perfect consensus from all the official definition in the research literature for the term engagement, however, there is a presence of common threads which is an expression of the self through work and other employee-role activities (Finn & Rock, 1997) that surfaced the nature of the construct well.

DRIVERS

Organizations that ensure better engagement of their employees, exceed the competition. Research has proved that committed employees perform better. Thus, to understand the drivers of engagement is clearly in the interest of the organization. An analysis was done to summarize the key antecedents of employee engagement at work and instruments to measure engagement. For this 41 research papers were analyzed and their key contribution to literature was identified for engagement admirers. Analysis results suggest that most of the antecedents of engagement are common to all organizations, regardless of industry; still, some variability exists and the relative strength of each antecedent is also contingent upon the organization being analyzed. Table 1 summarizes the employee engagement drivers, instruments, approaches, industry, and key contributions from the study.

TABLE 1: SUMMARY OF 41 ENGAGEMENT ARTICLES

Author (Year)	Approach	Antecedents and Measuring Instrument (MI) of Employee Engagement	Sample	Key Contribution
Khan (1990)	Need-Satisfying Approach	Antecedents – Meaningfulness (task, role, work Interactions), Safety (interpersonal relations, group and inter-group dynamics, management style and process, organizational norms) and Availability (physical energies, emotional energies, insecurity, outside life)	16 - Summer camp counselors and 16 - Architectural firm employees	First to define engagement as a separate concept using research. Three psychological conditions were identified – meaningfulness, safety, and availability.
May, Gilson, and Harter (2004)	Need-Satisfying Approach	Antecedents – Meaningfulness (job enrichment, work role fit, co-worker relations), safety (supervisor relations, co-worker relations, co-worker norms) and availability (resources, self-consciousness, outside activities) MI - 13-item scale to measure 3 components (cognitive, emotional, physical) of Khan's (1990) psychological engagement.	213 - Insurance Firm's employees	First to perform empirical research on Kahn's (1990) conceptualization of employee engagement. Meaningfulness psychological condition exhibited strongest relation to engagement. Psychological safety partially mediated the relationship of job enrichment and work role fit to employee engagement.

Rich, LePine, and Crawford (2010)	Need-Satisfying Approach	Antecedents – Value congruence, perceived organizational support and core self-evaluations. MI - Self designed with the help of previous sources.	245 - Four municipalities firefighters	One of the first modern studies to reconsider original domains of Kahn’s engagement (meaningfulness, safety, availability).
Shuck et al. (2010)	Need-Satisfying Approach	Antecedents – Job fit, affective commitment and psychological climate (supportive management, role clarity, contribution, recognition, self-expression, challenge) MI - 17-item scale to measure 3 components (meaningfulness, safety, availability) (May et al., 2004)	283 - Service, technology, health care, retail, banking, non-profit and hospitality employees	First empirical research work to advocate engagement as a variable to predict intention to turnover construct. Also suggested against the well-established belief that engagement may not be a predictor of outcome variable: discretionary effort.
James et al. (2011)	Need-Satisfying Approach	Antecedents – Job quality (supervisor support and recognition, schedule satisfaction, career development and promotion, job clarity) MI - 8-item scale to measure 3 components (social, cognitive, behavioral) developed by a company’s vendor	6047 – retail employees	For younger employees development and promotion and for older employees supervisor support and recognition are most important antecedents for engagement. Employees reaching their retirement age are more engaged than younger ones.
Shuck (2014)	Need-Satisfying Approach	Antecedents – Psychological workplace climate. MI - 18-item Job Engagement Scale (JES) to measure 3 components (cognitive, emotional, physical engagement) (Rich et al., 2010)	207 - health care employees	Research findings offer empirical support that psychological climate affects an employee beyond the issues of productivity and turnover and share a relation with employees on an individual affective level.
Leiter and Maslach (2004)	Burnout-Antithesis Approach	Antecedents – Work life (workload, control, reward, community, fairness, values) MI - Maslach Burnout Inventory-General Scale (MBI-GS) to measure 3-dimensions of burnout/engagement (exhaustion, cynicism, efficacy) (Schaufeli et al., 1996a)	1005 - Time 1 992 - Time 2 812 - Time 3 University administrative and support staff employees	Results supported that burnout/engagement is the mediating link between organizational context and employees’ perceptions of organizational change.
Laschinger et al. (2005)	Burnout-Antithesis Approach	Antecedents – Areas of work life (control, value congruence, reward, community, fairness, workload) MI – 9-item MBI-GS to measure emotional exhaustion subscale (Maslach et al., 1996)	285 –medical–surgical unit’s nurses	Three models developed in research suggested that empowerment had an indirect effect on burnout/work engagement through several areas of work life. Structural empowerment had a direct and positive effect on work life. Emotional exhaustion reported strong and direct positive effect on depressive symptoms, a strong and negative effect on energy levels and a moderate effect on physical symptoms.
Laschinger and Leiter (2006)	Burnout-Antithesis Approach	Antecedents – Work environments for professional nursing practice (participation, nursing model, leadership, staffing, nurse/physician relationship) MI - 22-item Maslach Burnout Inventory-Human Service Scale (MBI-HSS) to measure 3 subscales (emotional exhaustion, depersonalization, personal accomplishment) (Maslach et al., 1996)	8597 –different hospital’s nurses	Study results advocate the positive relationship between work environment with greater support for professional practice and engagement and this ultimately results in safer patient care.
Leiter and Laschinger (2006)	Burnout-Antithesis Approach	Antecedents – Work environments for professional nursing practice (participation, nursing model, leadership, staffing, nurse/physician relationship) MI - 22-item Maslach Burnout Inventory-Human Service Scale (MBI-HSS) to measure 3 subscales (emotional exhaustion, depersonalization, personal accomplishment) (Maslach et al., 1996)	8597 – different hospital’s nurses	Good leadership influences the quality of work life (policy involvement, staffing level, nursing model of care, physician-nurse relationships). Results showed a direct path from nursing model of care to personal accomplishment and from staffing to emotional exhaustion.
Cho et al. (2006)	Burnout-Antithesis Approach	Antecedents – Structural empowerment and work life (workload, control, rewards, community, fairness and values) MI - 5-item MBI-GS to measure emotional-exhaustion subscale (Schaufeli, 1996b)	226 – acute care area’s hospital’s nurses	Research displayed direct link between structural empowerment and areas of work life and emotional exhaustion.
Greco et al. (2006)	Burnout-Antithesis Approach	Antecedents – Leader’s empowerment behaviors (enhance meaning, decision-making, express confidence, facilitate goals, foster autonomy), perceptions of staff empowerment (information, resources, support, opportunity, formal power, informal power), work life (workload, control, rewards, community, fairness, value) MI - 5-item MBI-GS to measure emotional-exhaustion subscale (Schaufeli et al., 1996b)	322 - hospital’s nurses	Hypothesized model supported that leader empowering behavior indirectly influences emotional exhaustion through structural empowerment and fits in the areas of work life. The hypothesized model accounted for 30% of variance in burnout/engagement.
Schaufeli, Salanova, González-Roma, and Bakker (2002)	Work Engagement Approach	Antecedents – Vigor, dedication and absorption MI - self-constructed 24-item scale	314 – students from university 619 - private and public companies’ employee	Maslach et al. (2001) burnout model was tested to measure employee engagement and results indicated a negative relationship between levels of burnout and employee engagement.

Schaufeli and Bakker (2004)	Work Engagement Approach	Antecedents – Job demands (workload, emotional demands) and job resources (feedback, social support, supervisory coaching) MI - Utrecht Work Engagement Scale (UWES) (Schaufeli et al., 2002a)	1698 - insurance, occupational health & safety service, pension fund Company and home care institution employees	The research confirmed that: (1) work engagement and burnout are negatively related; (2) job demands and lack of job resources, predict burnout, whereas available job resources, predict work engagement; (3) relationship between job resources and turnover intention mediated by work engagement.
Hakanen et al. (2005)	Work Engagement Approach	Antecedents – Job demands (qualitative workload, physical work environment, emotional dissonance, negative changes), job resources (job control, innovativeness, variability, positive patient contacts, peer contacts) MI - UWES (Schaufeli et al., 2002a)	1919 - dentists	Job resources are beneficial factors in coping with the demands of job and help employees stay engaged.
Salanova et al. (2005)	Work Engagement Approach	Antecedents – Organizational resources, training, autonomy and technology MI – Spanish version (Salanova et al., 2001) of UWES (Schaufeli et al., 2002a)	342 - 58 hotels (reception area) and 56 restaurant employees	A hypothesized model proved to have a positive relation between organizational resources and work engagement and service climate which predict employee performance and customer loyalty.
Hakanen et al. (2006)	Work Engagement Approach	Antecedents – An energetic process (job demands) and a motivational process (job resources) MI – 11-item of UWES to measure vigor and dedication (Schaufeli et al., 2002a)	2308 - Finnish teachers	This study also supported that work engagement mediate the effects of job resources on organizational commitment and burnout mediate the effect of high job demands on ill health and also mediate the effects of scarce resources on low work engagement.
Koyuncu et al. (2006)	Work Engagement Approach	Antecedents – Work-life experiences (control, rewards, recognition, value fit) MI - UWES (Schaufeli et al., 2002a)	286 - Turkish bank women managers and professionals	Work engagement was predicted by work-life experiences not by individual characteristics. In turn, work engagement predicted intent-to-quit, job satisfaction and psychological well-being.
Llorens et al. (2006)	Work Engagement Approach	Antecedents – Job demands (quantitative overload and emotional overload) and job resources (job control, social support and performance feedback) MI – Spanish and Dutch version of UWES to measure vigor and dedication (Schaufeli et al., 2002a)	654 - Spanish & 477 - Dutch Information and communication technology employees	The model supported partially that: burnout and work engagement partially mediates the effect of job demands and job resources, respectively on organizational commitment.
Richardsen et al. (2006)	Work Engagement Approach	Antecedents – Job demands, job resources and type A personality (individual characteristics) MI - UWES (Schaufeli et al., 2002a)	150 - Norwegian police officers	Work engagement partially mediated the effects of job demands, job resources and individual characteristics on organizational commitment and self-efficacy.
Schaufeli, Bakker, and Salanova, (2006)	Work Engagement Approach	MI - Engagement was assessed with the UWES (Schaufeli et al., 2002a).	14,521 - 27 studies were carried out from 1999 to 2003 in 10 countries	Utrecht Work Engagement Scale: shortened UWES-9 item scores were established. Also characterized engagement as a positive work-related state inclusive of vigor, dedication and absorption, supported the earlier Schaufeli, Salanova et al. (2002) model.
Hallberg et al. (2007)	Work Engagement Approach	Antecedents – Type A behavior (achievement, striving, irritability/impatience) MI - UWES short version of 9-item (Schaufeli, Bakker & Salanova, 2006)	329 - information and communication technology managers, programmers, and consultants	Variance shared by Type A behavior and work engagement was only 13% of common variance.
Mauno et al. (2007)	Work Engagement Approach	Antecedents – Job resources (job control, organization-based self-esteem, management quality) and job demands (perceived job insecurity, time demands at work and work-to-family conflict) MI – UWES (Schaufeli et al., 2002a, 2002b)	409 - Finnish health care employees	Work engagement was predicted better by job resources than job demands. Work engagement was best predicted by a job control factor of job resources.
Xanthopoulos et al. (2007)	Work Engagement Approach	Antecedents – Personal resources (self-efficacy, organization-based self-esteem, optimism) and job resources (autonomy, social support, supervisory coaching and professional development) MI - UWES short version of 9-item (Schaufeli, Bakker & Salanova, 2006)	714 - electrical engineering company employees	Research results depicted that personal resources mediate the relationship between job resources and work engagement and exhaustion and also influence the sensitivity of job resources.
Bakker et al. (2008)	Work Engagement Approach	Antecedents – Job resources (social support, performance feedback, skill variety, autonomy, supervisory coaching, learning opportunities) and Personal resources (optimism, self-efficacy, self-esteem, resilience, an active coping style) MI – (1) UWES (Schaufeli et al., 2002a), (2) 9-item of short UWES (Schaufeli et al., 2006) (3) Oldenburg Burnout Inventory (OLBI) (Demerouti and Bakker, n.d.), (4) May et al. (2004) three-dimensional (physical, emotional, cognitive) concept	Qualitative and quantitative studies on work engagement were reviewed	This research consolidated the findings of previous studies in a model that can be used to develop work engagement. Also showed that when job demands are high, job and personal resources have a positive impact on engagement.

Wefald (2008)	Work Engagement Approach	Antecedents – Personality facets (extraversion, conscientiousness, neuroticism, openness, agreeableness) and leadership MI - UWES short version of 9-item (Schaufeli, Bakker & Salanova, 2006) and four item scale by Britt, Thomas, and Dawson (2006)	382 - financial Institution employees	Research critically examined the concept of engagement and delivered empirical support regarding its validity as a work-related constructs.
Cuyper et al. (2008)	Work Engagement Approach	Antecedents – Employability MI - 10-item of UWES to measure vigor and dedication (Schaufeli and Bakker, 2003)	559 - 7 Belgian organization employees	Research has depicted that employability is positively related to work engagement.
Schaufeli et al. (2009)	Work Engagement Approach	Antecedents – Job Resources (autonomy, social support, performance feedback, opportunities to learn and develop) MI - 11-item of UWES to measure vigor and dedication (Schaufeli et al., 2002a)	201 - telecom managers	Research suggested that job resources increases the work Engagement. This study is one of its kind to illustrate that job resources and engagement strengthen each other reciprocally.
Arora et al. (2011)	Work Engagement Approach	Antecedents – Personality dispositional factors (independence, superego-control, tough-poise, extraversion and anxiety) MI – UWES (Schaufeli and Bakker, 2003)	60 - IT Sector employees	Research study indicated that superego-control, tough-poise and independence act as predictor of employee engagement.
Beek et al. (2012)	Work Engagement Approach	Antecedents – Identified regulation, intrinsic motivation and introjected regulation MI - UWES short version of 9-item (Schaufeli, Bakker & Salanova, 2006)	760 - health care employees	This research used the self-determination theory to correlate motivation with work engagement. Results paralleled to previous findings (Schaufeli et al., 2007) that intrinsic motivation was found to be positively related with work engagement and work engagement also correlate with extrinsic motivation factors.
Lee (2012)	Work Engagement Approach	Antecedents – Core self-evaluation and psychological climate (managerial support for service, interdepartmental service and team communication). MI - UWES 9-item (Schaufeli and Bakker, 2003)	394 - hotel employees	The research result supports Kahn's (1991) three psychological conditions theory. Core self-evaluation was found to be significantly associated with employee engagement. Employee psychological climate acted as a significant predictor of engagement and this result was in line with previous researches on the JD-R model.
Remo (2012)	Work Engagement Approach	Antecedents – Job characteristics (autonomy, feedback and skill variety) and organizational culture (supportiveness and innovative culture). MI - UWES 17-item (Schaufeli and Bakker, 2003)	273 - accountant professionals	This study reinforced that Schaufeli et al.'s (2002) 3-factor model of work engagement was better grounded in theory than Shirom's (2003) model of vigor.
Menguc et al. (2013)	Work Engagement Approach	Antecedents – Supervisory Feedback MI - 17-item of UWES (Salanova et al., 2005)	482 - retail employees	Employee engagement was reinforced by supervisory feedback in contrast to supervisory support. In between supervisory feedback and employee performance engagement acted as a mediator.
Danish et al. (2014)	Work Engagement Approach	Antecedents – Self-evaluation, fairness and treatment and services environment MI - UWES 9-item (Schaufeli and Bakker, 2003)	301- Universities, Hospital, Banks, and Telecommunication employees	Results supported the positive and statistically significant relationship between employee engagement and self-evaluation, services environment and fairness and treatment.
Jose et al. (2014)	Work Engagement Approach	Antecedents – Psychological empowerment (meaning, competence, self-determination, impact) MI – UWES short version of 9-item (Schaufeli, Bakker & Salanova, 2006)	101 - three service organization employees	This research also supported the positive relationship between employee engagement and psychological empowerment. Employee engagement was highly influenced by meaning.
Harter et al. (2002)	Satisfaction-Engagement Approach	Meta-analysis study	7939 - Business units of 36 independent companies from 5 industries	First published study which looks at business unit level's employee engagement, satisfaction and business unit outcomes. One of the first research to mention a profit linkage with employee engagement. The study also generalized relationships between unit-level employee satisfaction-engagement and five organizational outcomes: customer satisfaction, productivity, profitability, turnover, employee safety.
Luthans and Peterson (2002)	Satisfaction-Engagement Approach	MI – 12 questions (Q12) of Gallup Workplace Audit (GWA) (Buckingham and Coffman, 1999) was used to measure cognitive and emotional aspects of engagement	170 - Gallup leadership institute managers.	Research examined the relation between employee engagement and manager's self-efficacy. Results showed a positive relationship between manager's self-efficacy and employee engagement.
Cathcart et al. (2004)	Satisfaction-Engagement Approach	Antecedent – Span of control MI – Q12 of GWA (Buckingham and Coffman, 1999)	651 - healthcare system nurses	Results displayed a relation of higher work engagement with a manager's span of control.
Arakawa and Greenberg (2007)	Satisfaction-Engagement Approach	Antecedents – Optimism Positive leadership. MI – Q12 of GWA (Buckingham and Coffman, 1999)	117 - insurance company's technology department employees	This study explored the role of managers in improving employee engagement. Study also provided evidence that management style could affect the level of engagement, performance of a team and optimism.

Britt, Castro, and Adler (2005)	Multidimensional Approach	MI - 4-item scale, a modified version of a scale used in past research (Britt, 2003; Britt, Adler, & Bartone, 2001).	176 - U.S. combat soldiers	Research has inspected the role of psychological, emotional, and cognitive resources on soldiers. Research results displayed that engaged employees experience less fatigue and stress when they are engaged in their work.
Saks (2006)	Multidimensional Approach	Antecedents – Job characteristics, perceived organizational support, rewards and recognition, procedural justice and distributive Justice. MI – 6-item, a self-designed scale	102 – different industries employee	This research was one of its kind to examine the antecedents and consequences of employee engagement in academic literature. Also hypothesized that employee engagement developed from the social exchange model.

APPROACHES

1) Khan (1990) - Need-Satisfying Approach (Personal Engagement)

Khan (1990) credited to introduce the word “engagement” to describe worker’s involvement in various tasks at work in the article “Psychological Conditions of Personal Engagement and Disengagement at Work”. Khan (1990) defined engagement as “the simultaneous employment and expression of a person’s ‘preferred self’ in task behaviors that promote connections to work and with others, personal presence, and active full role performances” (p. 700)”. Khan also suggested that using one’s full self in work, an employee understood to be physically involved, emotionally connected, and cognitively vigilant (Rich et al., 2010) and that these conditions of being were affected considerably by three psychological domains: meaningfulness, safety, and availability (Kahn, 1990).

Psychological *Meaningfulness* defined as the positive “sense of return on investments of self in role performance” (Kahn, 1990, p. 705). Employee’s added value and significance to their work simultaneously received feedback for their value and significance to an organization (Kahn, 1990; Maslow, 1970). Tasks, roles, and work interactions are identified as meaningfulness variables. Psychological *Safety* defined as the ability to show one’s self “without fear or negative consequences to self-image, career or status” (Kahn, 1990, p. 705). Safety speak about each employee’s prerequisite to trust their working environment emotionally, cognitively and behaviorally simultaneously prerequisite to rationally understand what was expected of them at work. Interpersonal relationships, groups and intergroup dynamics, management styles, organizational norms, job descriptions, contingency plans, feedback from a supervisor, etc. are identified as safety variables. Psychological *availability* defined as the “sense of possessing the physical, emotional, and psychological resources necessary” (Kahn, 1990, p. 705) for complete one’s work. Availability for employees means they must have an impression of having all tools to complete their work or that can be obtained for them. Supplies, manpower for task completion, sufficient budget are tangible availability variables (Harter et al., 2002; Wagner & Harter, 2006) whereas, intangible availability variables would be reasonable degree of job fit (Resick, Baltes, & Shantz, 2007), opportunities for learning and skill development (Czarnowsky, 2008), and commitment to the organization (Allen & Meyer, 1997) etc.

The first field study in a large insurance firm of 203 employees (May, Gilson, & Harter, 2004) tested Kahn’s (1990) conceptualization of all three (Kahn, 1990, 1992) psychological conditions of engagement indicated that meaningfulness ($r = .63$), safety ($r = .45$) and availability ($r = .29$) had a positive relationship with engagement. Rich et al. (2010) contributed by providing empirical evidence to Khan’s approach in a sample of 245 firefighters that engagement (Kahn, 1990) arbitrates the relationship between perceived organizational support, value congruence, core self-evaluation, and outcome variables, organizational citizenship behavior and task performance. Moreover, they suggested further refinement of engagement concept because job involvement, job satisfaction and intrinsic motivation failed to elucidate the higher level of variance than engagement (Kahn, 1990). Shuck et al. (2011) also tested Kahn’s framework in multiple industries and suggested that employee engagement was significantly associated to affective commitment, job fit and psychological climate and intention to turnover and discretionary effort. Kahn’s conceptualization of employee engagement is an employee’s internal state of being affected by external forces, is a foremost and popular theoretical framework for engagement studies.

2) Maslach et al. (2001) – Burnout-Antithesis Approach

Maslach and Leiter (1997) rephrased burnout as a lack of engagement in one’s work, i.e. erosion of engagement means, what employee’s starting out as an important, meaningful, and challenging work became unpleasant, unfulfilling, and meaningless (Maslach et al., 2001, p. 416). Engagement is directly opposite of burnout and exist on a gamut—with engagement and burnout on opposite. Maslach et al. (2001) theorized employee engagement as a positive antithesis to burnout. According to Maslach’s framework “burnout is characterized by low levels of activation and pleasure, whereas engagement is characterized by high levels of activation and pleasure” (Maslach et al., 2001 p. 417). Consequently, engagement is measured as the reverse scores of the Maslach Burnout Inventory (MBI-GS; Maslach & Leiter, 1997). Energy changes to exhaustion, involvement changes to cynicism, and efficacy changes to ineffectiveness (Maslach et al., 2001 p. 416). Hence, engagement is portrayed by energy, involvement and efficacy—the direct opposites of exhaustion, cynicism, and ineffectiveness - the three burnout dimensions. *Exhaustion* is the most evident form of burnout manifestation and defined as “being overextended and depleted of one’s emotional and physical resources” (Maslach et al., 2001, p. 399). *Cynicism* defined as “a negative, callous, or an excessively detached response to various aspects of the job” (Maslach et al., 2001, p. 399). *Ineffectiveness* defined as “feelings of incompetence and lack of achievement and productivity at work” (Maslach et al., 2001) and assumed as a direct result of exhaustion and cynicism.

Schaufeli et al. (2002) stated burnout and engagement as distinct concepts experienced as opposite psychological states. Schaufeli et al. (2002) proposed that an employee who is highly engaged may not be experiencing low burnout and vice versa. Consequently, he postulated work engagement separate from burnout. In contrast, additional empirical support for the Maslach et al. (2001) approach (Shirom, 2003, 2007; Shraga, 2008; Wefald, 2008) was provided by using Schaufeli et al. (2002) framework.

3) Schaufeli et al. (2002) – Work Engagement Approach

Schaufeli et al. (2002) used the Maslach Burnout Inventory-General Scale (MBI-GS) to analyze the Maslach et al. (2001) conceptualization among the sample of 314 Spanish university students and 619 Spanish Employees. Results showed a negative relationship between burnout and work engagement ($r = -.46$ and $r = -.61$) and Schaufeli et al. (2002) renamed the employee engagement state (Kahn, 1990) as *work engagement*. In addition, they presented the empirical evidence for using MBI-GS as a measure of engagement. (Schaufeli, Salanova et al., 2002, p. 74) Defined engagement as a “positive, fulfilling, work related state of mind characterized by vigor, dedication, and absorption”, engagement refers to a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual or behavior. Schaufeli et al. (2002a) developed and tested (17-item, Schaufeli et al., 2003; 9-item short version, Schaufeli et al., 2006) a self-report questionnaire called Utrecht Work Engagement Scale (UWES), which includes all three aspects of work engagement: vigor, dedication, and absorption. UWES has emerged out as a widely used engagement measure.

Schaufeli et al. (2001) on the basis of their theoretical analysis underlined two dimensions of work-related well-being: (1) activation – ranging from exhaustion to vigor and (2) identification – ranging from cynicism to dedication. Schaufeli et al. (2002) suggested engagement dimensions - vigor and dedication are opposite of two burnout dimensions (exhaustion and cynicism, respectively). Furthermore, absorption and reduced professional efficacy were identified (Schaufeli and Bakker, 2001) as the third component of work engagement and burnout, respectively. However, these are not the end points of a continuum like their other two counterparts, rather they are conceptually distinct aspects. Vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work and persistence even in the face of difficulties (Schaufeli et al., 2002, p. 74). Dedication is characterized by a sense of significance, enthusiasm, inspiration, pride and challenge (Schaufeli et al., 2002, p. 74). Absorption is characterized by being fully concentrated and deeply engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work (Schaufeli et al., 2002, p. 75).

Job-Demands Resources (JD-R) model have used as an explanatory framework, particularly for scholars who assume that engagement is the antithesis of burnout in their studies on work engagement (Bakker and Demerouti, 2008; Schaufeli and Taris, 2014). The reason being it conceptualizes burnout and engagement as two distinct constructs integrated in an overarching conceptual model (Schaufeli, 2013). Fundamentally, JD-R model believes that work engagement is the result of two inherently motivating nature of resources; (1) job resources – that particular facets of job useful in achieving work goals, stimulate personal growth and

development or reduce job demands (e.g. job control, performance feedback, and social support from colleagues, etc.) (Hakenen et al., 2006; Llorens et al., 2006; Mauno et al., 2007; Schaufeli and Bakker, 2004; Xanthopoulou et al., 2007) and (2) personal resources - that particular facets of self associated with resiliency and have the ability to control and impact one's environment successfully (e.g. optimism, self-efficacy, and emotional stability, etc.) (Schaufeli, 2013). According to the JD-R model, resources cultivates engagement in terms of vigor (energy), dedication (perseverance) and absorption (focus) and in turn, engagement delivers positive outcomes such as job performance (Schaufeli, 2013). As a whole, JD-R model postulates that work engagement mediates the relationship between job and personal resources on one side and positive outcomes on the other side (Schaufeli, 2013).

Johnson (2003) argued that Maslach et al. (2001) and Schaufeli, Salanova et al. (2002) models focus only on emotional and physical absences of burnout and devoid of the cognitive engagement processes to understand engagement conceptualized by Kahn. Moreover, Shirom (2007) guided that due to the Maslach et al. (2001) and Schaufeli, Salanova et al. (2002) models, employee engagement could be distinguished from other psychological constructs for e.g. commitment (Allen & Meyer, 1990), flow (Csikszentmihalyi, 2004) and peak experiences (Schaufeli, Martinez, Pinto, Salanova, & Bakker, 2002). On the contrary, Shirom (2003) also recognized major potential limitation of the Maslach et al. (2001) and Schaufeli, Salanova et al. (2002) framework of engagement and advised that these researches had conceptualized engagement on a continuum as the reverse of a negative, not a distinct state. In addition, studies using a similar framework as Schaufeli, Salanova et al. (2002), have empirically supported the work engagement outcomes, turnover intention (Schaufeli and Bakker, 2004), service climate and customer loyalty (Salanova et al., 2005) and organizational commitment (Hakenen et al., 2006; Richardsen et al., 2006).

4) Harter et al. (2002) – Satisfaction-Engagement Approach

Harter et al. (2002) work was an outgrowth of the positive psychology movement of the early 21st century, and one of the most cited and widely read literature on employee engagement. Harter et al. (2002) conducted the meta-analysis of a gigantic data ($N = 7,939$ business units from multiple industries) on employee engagement held at the Gallup Organization. Over the course of 30 years, The Gallup Organization researchers developed their employee engagement model, indicate thousands of investigations of successful productive work groups, managers and employees. A well-recognized and proprietary 12-item questionnaire (Q12) (Buckingham & Coffman, 1999) Gallup Work Audit (GWA) was used and results recommended a positive relationship of employee engagement to significant business outcomes such as safety ($r = -.32$), turnover ($r = -.36$), productivity ($r = .20$), customer satisfaction ($r = .33$) and profitability ($r = .17$). Gallup researchers define employee engagement as an "individual's involvement and satisfaction with as well as enthusiasm for work" (Harter et al., 2002, p. 417).

Harter et al. (2003) in his model of employee engagement, presented four antecedent elements supposed to be necessary for engagement at the workplace, includes: (a) clarity of expectations and basic materials and equipment provided, (b) feeling a sense of belonging to something beyond oneself, (c) feelings of contribution to organization, and (d) feeling that as there are opportunities to discuss progress and growth. In Harter's model the measurement of employee engagement focuses on these antecedents. Harter et al. (2002) used 12-item well-known Gallup questionnaire and reported that these 12-item explain a big portion of the variance in "overall job satisfaction" and are antecedents of personal job satisfaction and other constructs.

Luthans and Peterson (2002) by using the GWA ($N = 2,900$) and other measures examined the relationship between employee engagement, managerial self-efficacy and the perception of effective management practices to extend Harter et al.'s (2002) model. Results advocated a positive relationship between manager self-efficacy scores and employee engagement when supervisors rated their manager's level of effectiveness ($r = .89$) and when managers rated employee effectiveness ($r = .33$). Luthans and Peterson (2002) suggested that "the most profitable work units of companies have people doing what they do best, with people they like, and with a strong sense of psychological ownership" (p. 376). Their research findings complemented early theories of engagement (Kahn, 1990; Maslach et al., 2001; Schaufeli, Salanova et al., 2002) and also prolong existing theory for a manager's role in generating a supportive psychological climate (Brown & Leigh, 1996). Harter et al. (2002) approach got empirical support from studies of similar framework (Arakawa & Greenberg, 2007; Heger, 2007). There are continuous updates by researchers using the Harter et al. (2002) approach (Harter, Schmidt & Keyes, 2003; Jones & Harter, 2005; Wagner & Harter, 2006) and new findings are also enriching the literature (Fleming & Asplund, 2007; Luthans, Norman, Avolio, & Avey, 2008; Luthans & Peterson, 2002).

5) Saks (2006) – Multidimensional Approach

The fifth approach emerged from a multidimensional perspective of employee engagement. Saks (2006) was the first academic researcher to hypothesize that employee engagement developed from a social exchange model and suggested two separate states of engagement: *job engagement* and *organizational engagement*. Saks 2006 argued that Kahn's (1990) and Maslach et al.'s (2001) models indicated the psychological conditions necessary for engagement, though they failed to entirely elucidate the variance in degrees of engagement of individuals with these conditions. This gave rise to an entirely different theoretical rationale for explaining employee engagement, which came from social exchange theory (SET) (Saks 2006). SET also provides a theoretical groundwork to explicate that why employees select to be more or less engaged in work and organization. Saks defined engagement "as a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance" (Saks 2006 p. 602). This definition was comprehensive of previous literature suggests that employee engagement developed from cognitive (Kahn, 1990; Maslach et al., 2001; Maslow, 1970), emotional (Harter et al., 2002; Kahn, 1990), and behavioral elements (Harter et al., 2002; Kahn, 1990; Maslach et al., 2001) and prolong current thinking on employee engagement by developing a three-component model. Saks also suggested engagement is distinguishable from organizational commitment, organizational citizenship behavior and job involvement.

Saks (2006) enrolled 102 working students of Canadian university to test his cognitive-emotional-behavioral model. Test results showed a positive relationship among antecedent variables of procedural justice, perceived organizational support, and job characteristics, ($r = .18$; $r = .36$; $r = .37$) and intention to quit, organizational commitment, and job satisfaction, had an outcome relationship with employee engagement ($r = .22$; $r = .17$; $r = -.26$). Saks (2006) study results also suggested that antecedent variables influence the development of engagement and engagement mediate the relationship between antecedent and outcome variables. This research is in accordance with Schaufeli, Salanova et al.'s (2002) model of engagement in two ways; (1) that engagement could be practiced emotionally and cognitively and demonstrated behaviorally; and (2) engagement developed as absorption of person's resources into their work (Kahn, 1990 and Harter et al. 2002). As a whole, each framework suggests for absorption to happen, an employee must have physical, emotional, and psychological resources to finish their work and without them, employees ultimately disengage (Maslach et al., 2001; Schaufeli, Salanova et al., 2002). Rich et al. (2010) recent research is the first known research to observe the cognitive, emotional, and behavioral aspects of Kahn's framework of engagement and paralleling the Saks (2006) model of engagement to come up with similar empirical evidence.

Saks's (2006) model was further extended by Macey and Schneider's (2008) work, suggested that each advanced state of engagement (cognitive-emotional-behavioral) framed on the next and leads to complete engagement (Kahn, 1990). They also suggested that variables; (a) job characteristics, (b) personality and (c) leadership had a role to play in development of engagement. Macey and Schneider's work got support specifically on the behavioral manifestation of engagement (Christian et al., 2011; Christian & Slaughter, 2007) however, they faced resistance also (Griffin, Parker, Neal, 2008; Hirschfeld, Thomas, 2008; Newman, Harrison, 2008; Saks, 2008; Zigarmi et al., 2009).

In addition, Shuck and Wollard (2010) conducted an analysis of 159 articles on employee engagement to come up with the definition of engagement, which was inclusive of early research on engagement (Kahn, 1990; Maslach et al., 2001; Schaufeli, Salanova et al., 2002) and multidimensional framework of Saks (2006) and still grounded in emerging frameworks (Macey et al., 2009; Macey, Schneider, 2008; Saks, 2006). Shuck and Wollard (2010) defined employee engagement, very precisely for the field of HRD, as a cognitive, emotional and behavioral state headed toward desired organizational outcomes. Multidimensional approach of Saks's (2006) remains extensively cited in the literature (Macey, Schneider, 2008) and frequently used as a framework for emerging employee engagement models (Dalal, Brummel, Wee, Thomas, 2008; Macey et al., 2009).

SUMMARY AND CONCLUSION

This literature review has concluded not a single agreed definition for engagement and agreed that it has been conceptualized in many different ways as a multi-faceted construct (Kahn, 1990). The fragmented approach to define employee engagement has given itself the mischaracterization of the engagement construct and the potential for its misinterpretation. Various conceptualizations make it difficult to understand the state of knowledge around employee engagement, as every research has been done under a different protocol, by using different engagement measures and under different circumstances, despite of this, a similar pattern was found regardless of the country or synonym where the research was undertaken.

Literature review has suggested different antecedents which affect employee engagement under different circumstances. From psychological literature Kahn's (1990) model suggests that individual differences shape a person's nature, perception and personality which, affects their ability to personally engage or disengage in different role performances. Evidence also suggests the relation between employee engagement and emotional experiences and wellbeing (May *et al* 2004). As emotional factors get linked with individual's personal satisfaction and sense of affirmation and inspiration employees get from their work and from their organization (Towers Perrin 2008). While others argue that employees become more productive when their emotions are managed well (Holbeche, Springett 2004).

Review of literature has indicated that work-life balance relates to engagement. Relationships within the workplace also shown an impact on 'meaningfulness', which in turn relates to engagement. Locke and Taylor (1991) argued that individuals with satisfying interpersonal interactions with their co-workers experience greater meaning in their work. Management style, job design and employee voice affect the employee's level of engagement, regardless of demographic variables. In 2003 Institute for Employment Studies (IES) consultation of HR professionals suggested several factors to increase levels of engagement in the organization: two-way communication, good quality line management, a focus on development, effective internal co-operation, commitment to employee well-being, visible commitment by managers at all levels and clear, accessible HR policies and practices. These drivers for engagement clearly resemble the common drivers found in literature and are important for organizations to have an engaged workforce.

The review of literature highlighted five approaches that formulated the scaffolding for current academic frameworks of employee engagement: (1) Kahn's (1990) need-satisfying approach, (2) Maslach *et al.*'s (2001) burnout-antithesis approach, (3) Schaufeli *et al.*'s (2002) – work engagement approach, (4) Harter *et al.*'s (2002) satisfaction-engagement approach, and (5) Saks's (2006) multidimensional approach. Moreover, each approach remains assured and unanimous in conclusion, though they propose a different perspective: the development of employee engagement in the organizations has the potential to considerably influence vital organizational outcomes (Arakawa & Greenberg, 2007; Christian *et al.*, 2011; Harter *et al.*, 2002; Luthans & Peterson, 2002; Macey & Schneider, 2008; Maslach *et al.*, 2001; Saks, 2006; Schaufeli, Salanova *et al.*, 2002).

For HRD, this synthesis of engagement literature provides a potential framework for the development of workplaces that conceptualize how employees relate to their job and delivers potential drivers which suits across all the five perspectives to intricate how theory and research together can energize practical strategies for employees to reach at different levels of being in work (cognitive, emotional, and behavioral). This literature review aimed to provide a strategic, essential and decisive leverage points for HRD professionals to reshape their current organizational outlook to engage employees in current ambiguous and challenging economic environments with an evolving 21st-century workforce.

LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

There are several limitations to this literature review. The keywords used to describe employee engagement may have led to miss some vital published research. Review was also limited to peer-reviewed and academic business, organizational psychology, business research and HRD journals to define the approach of engagement, to classify the state of the science of engagement and to identify antecedents at work.

To provide beneficial and generalize evidence regarding the antecedents, it is recommended to broaden the scope of engagement-based research and include a diverse set of circumstances. It is also recommended to have an industry specific generalization of antecedents for effective engagement and to provide business leaders with a better understanding of the antecedents at work place. Of equal significance is the necessity to scrutinize the consequences of work engagement. Future research should be directed towards the study of employee engagement as an important mediator between various antecedents and consequences.

REFERENCES

1. Academics, A. D. D. (2011). Dispositional Factors as Determinant of Employee Engagement in IT Sector: A Study in NCR Delhi. *Review of HRM*.
2. Allen, N. J., & Meyer, J. P. (1990). Organizational socialization tactics: A longitudinal analysis of links to newcomers' commitment and role orientation. *Academy of Management Journal*, 33(4), 847-858.
3. Allen, N. J., & Meyer, J. P. (1997). Commitment in the workplace: Theory, research and application. *Thousand Oaks*.
4. Arakawa, D., & Greenberg, M. (2007). Optimistic managers and their influence on productivity and employee engagement in a technology organisation: Implications for coaching psychologists. *International Coaching Psychology Review*, 2(1), 78-89.
5. Bakker, A. B., & Demerouti, E. (2008). Towards a model of work engagement. *Career development international*, 13(3), 209-223.
6. Britt, T. W. (2003). Aspects of identity predict engagement in work under adverse conditions. *Self and Identity*, 2(1), 31-45.
7. Britt, T. W., Adler, A. B., & Bartone, P. T. (2001). Deriving benefits from stressful events: the role of engagement in meaningful work and hardiness. *Journal of occupational health psychology*, 6(1), 53.
8. Britt, T. W., Castro, C. A., & Adler, A. B. (2005). Self-engagement, stressors, and health: A longitudinal study. *Personality and Social Psychology Bulletin*, 31(11), 1475-1486.
9. Britt, T. W., Thomas, J. L., & Dawson, C. R. (2006). Self-Engagement Magnifies the Relationship Between Qualitative Overload and Performance in a Training Setting. *Journal of Applied Social Psychology*, 36(9), 2100-2114.
10. Brown, S. P., & Leigh, T. W. (1996). A new look at psychological climate and its relationship to job involvement, effort, and performance. *Journal of applied psychology*, 81(4), 358.
11. Buckingham, M., & Coffman, C. (1999). *First, break all the rules: What the worlds greatest managers do differently*. Simon and Schuster.
12. Cathcart, D., Jeska, S., Karnas, J., Miller, S. E., Pechacek, J., & Rheault, L. (2004). Span of control matters. *Journal of Nursing Administration*, 34(9), 395-399.
13. Chalofsky, N. E. (2010). *Meaningful workplaces: Reframing how and where we work*. John Wiley & Sons.
14. Chalofsky, N., & Krishna, V. (2009). Meaningfulness, commitment, and engagement: The intersection of a deeper level of intrinsic motivation. *Advances in Developing Human Resources*, 11(2), 189-203.
15. Cho, J., Laschinger, H. S., & Wong, C. (2006). Workplace empowerment, work engagement and organizational commitment of new graduate nurses. *NURSING LEADERSHIP-ACADEMY OF CANADIAN EXECUTIVE NURSES*, 19(3), 43.
16. Christian, M. S., Garza, A. S., & Slaughter, J. E. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology*, 64(1), 89-136.
17. Colbert, A. E., Mount, M. K., Harter, J. K., Witt, L. A., & Barrick, M. R. (2004). Interactive effects of personality and perceptions of the work situation on workplace deviance. *Journal of Applied Psychology*, 89(4), 599.
18. Cook, S. (2008). *The essential guide to employee engagement: Better business performance through staff satisfaction*. Kogan Page Publishers.
19. Csikszentmihalyi, M. (2004). *Good business: Leadership, flow, and the making of meaning*. Penguin.
20. Cuyper, N. D., Bernhard-Oettel, C., Berntson, E., Witte, H. D., & Alarco, B. (2008). Employability and Employees' Well-Being: Mediation by Job Insecurity. *Applied Psychology*, 57(3), 488-509.
21. Czarnowsky, M. (2008). Learning's role in employee engagement: An ASTD research study. *Alexandria, VA: American Society for Training and Development*.
22. Dalal, R. S., Brummel, B. J., Wee, S. E. R. E. N. A., & Thomas, L. L. (2008). Defining employee engagement for productive research and practice. *Industrial and organizational psychology*, 1(01), 52-55.
23. Danish, R. Q., Ahmad, F., & Khan, M. A. (2014). Determinants of Employee Engagement in Service Sector of Pakistan. *Universal Journal of Management*, 2(2), 64-71.
24. Finn, J. D., & Rock, D. A. (1997). Academic success among students at risk for school failure. *Journal of applied psychology*, 82(2), 221.
25. Fleming, J. H., & Asplund, J. (2007). *Human sigma: Managing the employee-customer encounter*. New York, NY: Gallup Press.
26. Greco, P., Laschinger, H. K. S., & Wong, C. (2006). Leader empowering behaviours, staff nurse empowerment and work engagement/burnout. *Nursing Leadership*, 19(4), 41-56.

27. Griffin, M. A., Parker, S. K., & Neal, A. (2008). Is behavioral engagement a distinct and useful construct? *Industrial and Organizational Psychology*, 1(01), 48-51.
28. Griffith, J. (2004). Relation of principal transformational leadership to school staff job satisfaction, staff turnover, and school performance. *Journal of Educational Administration*, 42(3), 333-356.
29. Hakanen, J. J., Bakker, A. B., & Demerouti, E. (2005). How dentists cope with their job demands and stay engaged: The moderating role of job resources. *European journal of oral sciences*, 113(6), 479-487.
30. Hakanen, J. J., Schaufeli, W. B., & Ahola, K. (2008). The Job Demands-Resources model: A three-year cross-lagged study of burnout, depression, commitment, and work engagement. *Work & Stress*, 22(3), 224-241.
31. Hallberg, U. E., Johansson, G., & Schaufeli, W. B. (2007). Type A behavior and work situation: Associations with burnout and work engagement. *Scandinavian Journal of Psychology*, 48(2), 135-142.
32. Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis. *Journal of applied psychology*, 87(2), 268.
33. Harter, J. K., Schmidt, F. L., & Keyes, C. L. (2003). Well-being in the workplace and its relationship to business outcomes: A review of the Gallup studies. *Flourishing: Positive psychology and the life well-lived*, 2, 205-224.
34. Heger, B. K. (2007). Linking the employment value proposition (EVP) to employee engagement and business outcomes: Preliminary findings from a linkage research pilot study. *Organization Development Journal*, 25(2), P121.
35. Hirschfeld, R. R., & Thomas, C. H. (2008). Representations of trait engagement: Integration, additions, and mechanisms. *Industrial and Organizational Psychology*, 1(01), 63-66.
36. Holbeche, L., & Springett, N. (2004). In search of meaning at work. *Roffey Park Institute, Horsham*.
37. Ipsos, M. O. R. I. (2008a). What matters to staff in the NHS. *Research study conducted for the Department of Health by IPSOS MORI*.
38. Ipsos, M. O. R. I. (2008b). Engagement Analysis: NHS Next Stage Review. What we heard from the OUR NHS, our future process. *Research study conducted for the Department of Health by IPSOS MORI*.
39. James, J. B., McKechnie, S., & Swanberg, J. (2011). Predicting employee engagement in an age-diverse retail workforce. *Journal of Organizational Behavior*, 32(2), 173-196.
40. Johnson, J. W. (2003). Toward a better understanding of the relationship between personality and individual job performance. *Personality and work: Reconsidering the role of personality in organizations*, 83-120.
41. Jones, J. R., & Harter, J. K. (2005). Race effects on the employee engagement-turnover intention relationship. *Journal of Leadership & Organizational Studies*, 11(2), 78-88.
42. Jose, G., & Mampilly, S. R. (2014). Psychological Empowerment as a Predictor of Employee Engagement: An Empirical Attestation. *Global Business Review*, 15(1), 93-104.
43. Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), 692-724.
44. Ketter, P. (2008). What's the big deal about employee engagement? *T AND D*, 62(1), 44.
45. Koyuncu, M., Burke, R. J., & Fiksenbaum, L. (2006). Work engagement among women managers and professionals in a Turkish bank: Potential antecedents and consequences. *Equal Opportunities International*, 25(4), 299-310.
46. Kroth, M., & Keeler, C. (2009). Caring as a managerial strategy. *Human Resource Development Review*, 8(4), 506-531.
47. Laschinger, H. K. S., & Finegan, J. (2005). Empowering nurses for work engagement and health in hospital settings. *Journal of Nursing Administration*, 35(10), 439-449.
48. Laschinger, H. K. S., & Leiter, M. P. (2006). The impact of nursing work environments on patient safety outcomes: The mediating role of burnout engagement. *Journal of Nursing Administration*, 36(5), 259-267.
49. Lee, J. (2012). *Antecedents and consequences of employee engagement: empirical study of hotel employees and managers* (Doctoral dissertation, Kansas State University).
50. Leiter, M. P., & Laschinger, H. K. S. (2006). Relationships of work and practice environment to professional burnout: testing a causal model. *Nursing Research*, 55(2), 137-146.
51. Leiter, M. P., & Maslach, C., (2004). Areas of worklife: a structured approach to organizational predictors of job burnout. In: Perrewe, P.L., Ganster, D.C. (Eds.), *Emotional and Physiological Processes and Positive Intervention Strategies, Research in Occupational Stress and Well Being*, 3. Elsevier, Oxford, 91-134.
52. Llorens, S., Bakker, A. B., Schaufeli, W., & Salanova, M. (2006). Testing the robustness of the job demands-resources model. *International Journal of Stress Management*, 13(3), 378.
53. Locke, E. A., & Taylor, M. S. (1991). Stress, coping, and the meaning of work.
54. Lucey, J., Bateman, N., & Hines, P. (2005). Why major lean transitions have not been sustained. *Management Services*, 49(2), 9-13.
55. Luthans, F., & Peterson, S. J. (2002). Employee engagement and manager self-efficacy. *Journal of management development*, 21(5), 376-387.
56. Luthans, F., Norman, S. M., Avolio, B. J., & Avey, J. B. (2008). The mediating role of psychological capital in the supportive organizational climate-employee performance relationship. *Journal of Organizational Behavior*, 28, 219-238.
57. Macey, W. H., & Schneider, B. (2008a). The meaning of employee engagement. *Industrial and organizational Psychology*, 1(1), 3-30.
58. Macey, W. H., & Schneider, B. (2008b). Engaged in engagement: We are delighted we did it. *Industrial and Organizational Psychology*, 1(1), 76-83.
59. Macey, W. H., Schneider, B., Barbera, K. M., & Young, S. A. (2009). Engaging Engagement. *Employee Engagement: Tools for Analysis, Practice, and Competitive Advantage*, 1-17.
60. Maslach, C., & Leiter, M. P. (1997). The truth about burnout: how organization cause, personal stress and what to do about it. *San. rancisco: Jossey-Bass*.
61. Maslach, C., Jackson, S. E., & Leiter, M. P. (1996). MBI-GS Maslach Burnout Inventory Manual Paperback – Import.
62. Maslach, C., Schaufeli, W. B., & Leiter, M. P. (2001). Job burnout. *Annual review of psychology*, 52(1), 397-422.
63. Maslow, A. H., Frager, R., & Cox, R. (1970). *Motivation and personality* (Vol. 2). J. Fadiman, & C. McReynolds (Eds.). New York: Harper & Row.
64. Mauno, S., Kinnunen, U., & Ruokolainen, M. (2007). Job demands and resources as antecedents of work engagement: A longitudinal study. *Journal of Vocational Behavior*, 70(1), 149-171.
65. May, D. R., Gilson, R. L., & Harter, L. M. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of occupational and organizational psychology*, 77(1), 11-37.
66. Menguc, B., Auh, S., Fisher, M., & Haddad, A. (2013). To be engaged or not to be engaged: The antecedents and consequences of service employee engagement. *Journal of business research*, 66(11), 2163-2170.
67. Michie, S., & West, M. A. (2004). Managing people and performance: an evidence based framework applied to health service organizations. *International journal of management reviews*, 5(2), 91-111.
68. Newman, D. A., & Harrison, D. A. (2008). Been there, bottled that: Are state and behavioral work engagement new and useful construct "wines"? *Industrial and Organizational Psychology*, 1(01), 31-35.
69. Perrin, T. (2008). Closing the engagement gap: A road map for driving superior business performance. *Towers Perrin global workforce study 2007-2008*.
70. Pink, D. H. (2001). *Free Agent Nation: How Americans New Independent Workers Are Transforming the Way We Live*. Business Plus.
71. Remo, N. (2012). Comparing two models of employee engagement: An examination of antecedents and outcome variables.
72. Resick, C. J., Baltes, B. B., & Shantz, C. W. (2007). Person-organization fit and work-related attitudes and decisions: examining interactive effects with job fit and conscientiousness. *Journal of Applied Psychology*, 92(5), 1446.

73. Rich, B. L., Lepine, J. A., & Crawford, E. R. (2010). Job engagement: Antecedents and effects on job performance. *Academy of management journal*, 53(3), 617-635.
74. Richardsen, A. M., Burke, R. J., & Martinussen, M. (2006). Work and health outcomes among police officers: The mediating role of police cynicism and engagement. *International Journal of Stress Management*, 13(4), 555.
75. Robinson, D., Hooker, H., & Hayday, S. (2007). *Engagement: The continuing story*. Institute for Employment Studies.
76. Robinson, D., Perryman, S., & Hayday, S. (2004). The drivers of employee engagement. *Report-Institute for Employment Studies*.
77. Rotter, J. B. (1990). Internal versus external control of reinforcement: A case history of a variable. *American psychologist*, 45(4), 489.
78. Rurkkhum, S., & Bartlett, K. R. (2012). The relationship between employee engagement and organizational citizenship behaviour in Thailand. *Human Resource Development International*, 15(2), 157-174.
79. Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of managerial psychology*, 21(7), 600-619.
80. Saks, A. M. (2008). The meaning and bleeding of employee engagement: how muddy is the water? *Industrial and Organizational Psychology*, 1(01), 40-43.
81. Salanova, M., Agut, S., & Peiró, J. M. (2005). Linking organizational resources and work engagement to employee performance and customer loyalty: the mediation of service climate. *Journal of Applied Psychology*, 90(6), 1217.
82. Schaufeli, W. B. (2013). 1 What is engagement? *Employee engagement in theory and practice*, 15.
83. Schaufeli, W. B., & Bakker, A. B. (2001). Work and wellbeing: toward a positive approach in occupational health. *Unpublished manuscript*.
84. Schaufeli, W. B., & Bakker, A. B. (2003). UWES—Utrecht work engagement scale: test manual. *Unpublished Manuscript: Department of Psychology, Utrecht University*.
85. Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of organizational Behavior*, 25(3), 293-315.
86. Schaufeli, W. B., & Leiter, M. P. (1996). Maslach burnout inventory-general survey. *The Maslach burnout inventory-test manual*, 1, 19-26.
87. Schaufeli, W. B., & Taris, T. W. (2014). A critical review of the Job Demands-Resources Model: Implications for improving work and health. In *Bridging occupational, organizational and public health* (pp. 43-68). Springer Netherlands.
88. Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire a cross-national study. *Educational and psychological Measurement*, 66(4), 701-716.
89. Schaufeli, W. B., Bakker, A. B., & Van Rhenen, W. (2009). How changes in job demands and resources predict burnout, work engagement, and sickness absenteeism. *Journal of Organizational Behavior*, 30(7), 893.
90. Schaufeli, W. B., Dierendonck, D. V., & Gorp, K. V. (1996). Burnout and reciprocity: Towards a dual-level social exchange model. *Work & Stress*, 10(3), 225-237.
91. Schaufeli, W. B., Martinez, I. M., Pinto, A. M., Salanova, M., & Bakker, A. B. (2002b). Burnout and engagement in university students a cross-national study. *Journal of cross-cultural psychology*, 33(5), 464-481.
92. Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002a). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness studies*, 3(1), 71-92.
93. Schwartz, T. (2011). *What it takes to be a great employer*. Retrieved from <http://blogs.hbr.org/schwartz/2011/01/what-it-takes-to-be-a-great-em.html>
94. Shirom, A. (2003). Feeling vigorous at work? The construct of vigor and the study of positive affect in organizations. *Research in organizational stress and well-being*, 3, 135-165.
95. Shirom, A. (2007). Explaining vigor: On the antecedents and consequences of vigor as a positive affect at work. *Positive organizational behavior*, 86-100.
96. Shraga, O. (2008). *Vigor at Work: Its Construct Validity, and Its Relations with Job Satisfaction and Job Characteristics, Triangulating Qualitative and Quantitative Methodologies* (Doctoral dissertation, Publisher not identified).
97. Shuck, B., & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations. *Human Resource Development Review*, 9(1), 89-110.
98. Shuck, B., Reio Jr, T. G., & Rocco, T. S. (2011). Employee engagement: An examination of antecedent and outcome variables. *Human resource development international*, 14(4), 427-445.
99. Shuck, B., Twyford, D., Reio, T. G., & Shuck, A. (2014). Human Resource Development Practices and Employee Engagement: Examining the Connection with Employee Turnover Intentions. *Human Resource Development Quarterly*, 25(2), 239-270.
100. Taris, T. W., Horn, J. E. V., Schaufeli, W. B., & Schreurs, P. J. (2004). Inequity, burnout and psychological withdrawal among teachers: A dynamic exchange model. *Anxiety, Stress & Coping*, 17(1), 103-122.
101. Torraco, R. J. (2005). Writing integrative literature reviews: Guidelines and examples. *Human Resource Development Review*, 4(3), 356-367.
102. van Beek, I., Hu, Q., Schaufeli, W. B., Taris, T. W., & Schreurs, B. H. (2012). For Fun, Love, or Money: What Drives Workaholic, Engaged, and Burned-Out Employees at Work? *Applied Psychology*, 61(1), 30-55.
103. Wagner, R., & Harter, J. K. (2006). 12: The great elements of managing. *Washington, DC: The Gallup Organization*.
104. Wefald, A. J. (2008). *An examination of job engagement, transformational leadership, and related psychological constructs*. ProQuest.
105. Wellins, R., & Concelman, J. (2005). Creating a culture for engagement. Workforce Performance Solutions. Retrieved October 8, 2008.
106. Wright, T. A., & Cropanzano, R. (2000). Psychological well-being and job satisfaction as predictors of job performance. *Journal of occupational health psychology*, 5(1), 84.
107. Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2007). The role of personal resources in the job demands-resources model. *International journal of stress management*, 14(2), 121.
108. Zigarmi, D., Nimon, K., Houson, D., Witt, D., & Diehl, J. (2009). Beyond engagement: Toward a framework and operational definition for employee work passion. *Human Resource Development Review*.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

