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IMPACT OF EMPLOYEES' EDUCATING ON PRODUCTIVITY IN BANKING SECTOR

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ABSTRACT

Attending to employees educating among enterprises has developed different notions and has been mixed with training. Educating and training employees affect on firm in particular way. Of course there is not enough research in this field, what has been studied is impact of training on concepts such as efficiency and productivity. The purpose of this research is study impact of employees' educating on bank productivity. For doing the purpose and using correlation, it is studied impact of educating on bank productivity through three variables of efficiency, service delivery, and human resource productivity. According to the research findings, the bank employees educating has not considerable effect on productivity growth, and if this trend to be continues in the way, it will not be affect in future.

KEYWORDS

Banking sector, employees educating, productivity.

INTRODUCTION

Productivity has been always one of the important issues and a faced challenge by managers in business firms. These firms try to set directions in their planning so that increase organizational productivity or total factor productivity (TFP). One of the key factors to increase TFP is human resource.

By developing and simple access to academic education in Iran, many employees tend to gain higher education so that it has created some opportunities and challenges for both employees and firms. Banking sector is not except from this situation, and it should be study.

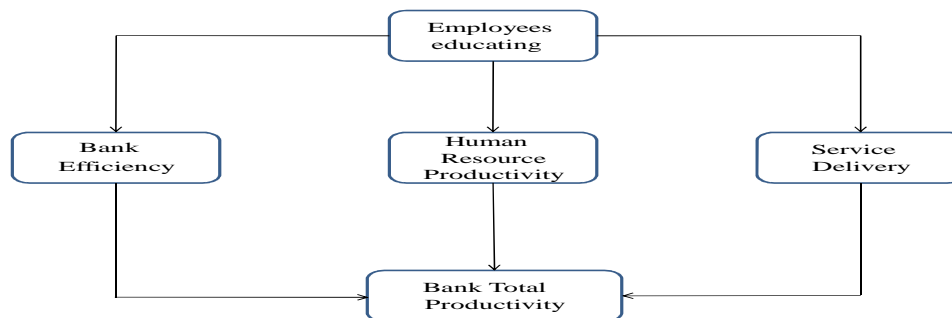
The problem should be solved because of the following:

- a) Maintaining and developing human capital as the most important competitive advantage of the banking sector. Developing human capital is conditioned to increase its capability ability and competency, and training is the most prevalent of such increasing. Determining the positive impacts of employees' educating on productivity can clears the important of this issue.
- b) Decreasing personnel costs such as employees training expenditures. employees educating can be resulted into decreasing reemployment, training, and unplanned mobility of human resource costs within organization. Since the major of the bank costs is salary and wages, decreasing the personnel costs can leads to higher profitability of the bank.
- c) Motivating and job satisfaction. Positive attitude and employees satisfaction to their jobs and tasks is a challenge of human resource management of every organization, and one of the most important ways to achieve it is possibility of employees' job advancement.
- d) Necessity of improving the bank productivity level through increasing human resource productivity. The main pillar of the bank productivity is human resource productivity. Increasing focus on organizational development requires providing context of improving employees' productivity through improving productivity.

Aims of the research are to describe the role of employees' education in the bank productivity, determining long term policy of the firm on continue or cut employees' educating, and help to improving bank productivity through improving human resource productivity.

The conceptual model of the research is according to figure (1). In the model, employees educating impacts some factors such as service delivery, human resource productivity, and bank efficiency, and leads to change total productivity of the bank.

Figure (1) Conceptual model of the research



According to the conceptual model, the research questions are:

- a) Does employees educating influence the bank total productivity in form of improved service delivery?
- b) Does employees educating influence the bank total productivity in form of improved human resource productivity?
- c) Does employees educating influence the bank total productivity in form of improved the bank efficiency?

LITERATURE REVIEW

Education and training are two different concepts which have similar impacts. Education is to pass an academic long term period on a certain field that is led to formal and known certification (WiseGeek, 2011), while training is to pass a professional and applied short term on a certain issue according to employees' need (Singer, 1990).

Productivity is a wide concept that is used widely by economists, politicians, managers, businessmen, and workers and employees. Productivity term means "profitability" (Moin, 2006). There are different notions on factors affecting productivity, and every scholar determines some factors as effective ones on it. The common factors are continuous job training of employees and managers, motivation toward better doing work, creating appropriate context to innovation and creativity, setting up an appropriate performance-based compensation system, reward system, work consciousness and social discipline, organizational systems and methods, organizational policies, and economy as a national function.

There are several indexes to measuring productivity. Human resource productivity indicator is one of the most important ones. This indicator is computed by

dividing value added on employees' numbers. If data will be available in terms of person-month, person-day, and person-hour in organization, there is used the data in fraction denominator of human resource productivity indicator for instance of employees number. It is clear that this kind of indicator shows human resource indicator in more accuracy.

The human resource inputs scale is divided into two categories: the scales which describe workforce input in terms of time unit (working hours), and the scales which are based on working people's number. The ordinary input indicator in some countries is spent working hours but employed people number is prevalent in Iran. Since workers receive different salaries, it is necessary to scale factor days and hours time by their relative value in terms of pay scales. It can be use human resource compensation to compute human resource indicator. Human resource compensation includes all salary and wage costs, and benefits such as rewards and allowances. They are not difficult to compute but what is important is to select base term and to change costs into monetary unit of base year.

Achieving organizational goals depends on employees' ability to perform their functions and to adapt variable environment. Providing human resource training and development are caused people continue to their activities effectively and increase their efficiency according to organizational and environmental change. Then, training and development as continuous and planned effort of management are applied to improve employees' competency and organizational performance.

The most important activity to develop human resource is employees' training. In other words, managers responsible for enabling employees to provide new needs, problems and difficulties, and be success in fighting field. They are responsible for provide to their employees training incentives and achievement opportunities so that employees can use of their all capabilities. Training can be consider as a flow that employees receive appropriate awareness, skills, attitudes and tendencies to play certain role to achieve a certain goal, and by the training the find power of understanding, analysis and recognize people.

- a) Dearden et al (2005) in their research entitled "impact of training on productivity and salaries" in England found that training has significant and direct relationship to productivity. They studied some industries by econometric methods and found that increasing 10 to 11 percent in trained employees numbers, value added per worker will be increase about 6 percent, and increase about 3 percent in his/her salary. It is determined that impact of training on salary is equal 50 percent of impact of training on productivity.
- b) Zwick (2005) conducted a study about impact of training density on productivity in European Center of Economic Research (ECER). According to him, share of trained employees from value added average of production is increased from one percent in first half of 1997 to 7 percent in 1998-2001.
- c) Persaud (2005) conducted a research entitled "training program development for employees of service sector". According to the findings, 1) a training program should be conduct to improve employees skills require to delivery better services, 2) a training program should be includes skills of active listening, trust and adaptability, problem solving, conflict solving, and knowledge and clear understanding of organizational procedures and policies, 3) trainees should be have right of choosing location and type training.
- d) According to Anderson (2009), training increases team performance and arisesfunctional team efficiency average up to 40 percent, and improves skill in 60 percent of cases.
- e) Pennsylvania' researchers studied during ten years on employees quality. The research findings, that were studied 3000 firms, show that 10 percent increase in education will be caused 9 percent in productivity, and 10 percent rise of capital costs just increases 3.5 percent in productivity.

As above noted, majority of research have been conducted on training impact on productivity, and there are a few research about impact of employees educating on productivity.

METHODOLOGY

As figure (1), TFP as dependent variable is a function of service delivery, human resource productivity, and bank efficiency as independent variables. Service delivery, human resource productivity, and bank efficiency is a function of employees' educating. To be feasibility to count the research variables, it is provided some indicators that shown in table (1).

TABLE (1): THE RESEARCH VARIABLES AND INDICATORS

Variable	Main indicator	Sub-indicator
Human resource productivity	Work-days of employees	
Service delivery	- paid loans numbers - bank operation efficiency - customer complaints numbers	
Bank efficiency	Bank income	- income/per employee - income/per employee cost - received net profit/per employee - computer equipment and service efficiency
	Deposits	- gained deposit volume average/per employee - attracted costumer efficiency by employees (total accounts) - attracted costumer efficiency by employees (current accounts) - attracted costumer efficiency by employees (short term accounts) - attracted costumer efficiency by employees (long term accounts) - attracted costumer efficiency by employees (Qarzolhasaneh accounts) ¹
	- number of opened accounts - number of closed accounts	

Type of this research is correlation; its goal is application and has been performed in survey method. Its statistical community is one of specialized banks of Iran, and the sample includes branches in which one or more employees have been educated or being educated during their career in the bank.

The bank has 63 branches that 41 branches selected as the research sample. Needed data in this study are real and performance data; data from performance documents during past years, and have not gathered in result of opinion metric. To gather appropriate data by developed indicators (table 1), it is designed a questionnaire includes 20 information items and is distributed between sample branches. It is asked to performance of 1997-2008.

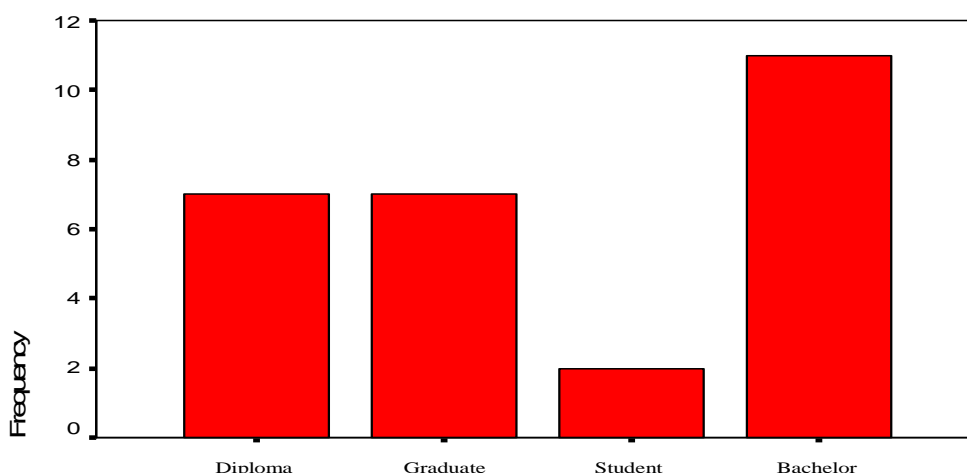
Used statistical methods in the research includes descriptive and illative. Descriptive methods are used to demographic description of the sample. Illative statistics are used to determine and estimate relationships between variables, relationship test, and determine dependent model.

RESEARCH FINDINGS

Questionnaires are distributed between 41 branches and 40 questionnaires are gathered. Since information cannot be accessed information about primary years of the study period and because of deference in education state of employees, it was not feasible to study variable in two periods of before and after employees educating. Figure (2) shows distribution of the sample in terms of education state of employees.

Figure (2) education state of the bank employees

¹. A kind of bank account in Islamic banking system that has not rent.



The first research question: Does employees educating impact on bank productivity through improving service delivery?

In studying the variables, three indicators of number of paid loans, number of complaints, and operation efficiency are used. To find an appropriate answer the question, it is require reviewing state and trend of three indicators without impact of employees educating, then studying relationship between services delivery and its indicators in a hand and employees educating in other hand by statistical test. Thus, the first question survey in two sections: surveying indicators from performance perspective, and surveying indicators from correlation perspective.

Average of number of paid loans by per employee is 100.13 loans in 1997 and 124.9 in 2008 that shows growth 24 percent.

Complaints did not register in many cases, but based on registered complaints, average complaints of costumers have been 1.62 cases for every employee in 1997 and 1.59 in 2008. This trend has been constant during the period.

To measure indicator of operation efficiency, operational non net income divided on operational costs. This indicator shows efficient and quality of bank for implementing related standards and service delivery. According to the findings, operational efficiency of the bank has been 9300900 for every 1000000 Rials operational cost in 1997, but this amount for 2008 has been decreased to 2674100 Rials. In other words, operational efficiency of the bank in 2008 in compare with 1997 declined 3.48 equals.

The second research question: Does employees educating impact on bank productivity through improving human resource productivity?

Human resource productivity is one of main variable of studying productivity in organizations. In the research, to measure this variable, total income of the bank is considered as value added, and work days during year multiply number of people as human resource input.

Employees' productivity was 89 percent in 1997, and 285 percent in 2008. Growth of the productivity is 3/20 multiplication that shows a great rise. According to calculations, employees' productivity trend has been increasingly changed.

Employees' cost productivity indicator can help to study employees' productivity. To measure the indicator, the bank total income is considered as value added, and employees' compensation as input. The measured indicator shows that equal to every 1000000 Rials cost of compensation, it has been created 13801500 Rials value added in 1997, and 7508300 Rials in 2008. The indicator trend is decreasing and shows that employees' compensation has grown more than the bank total income.

The third research question: Does employees educating impact on bank productivity through improving bank efficiency?

It was developed four main indicators to measure bank efficiency. They are bank income, depositions, opened accounts number, and closed accounts number.

Analysis of gathered data shows that created income average by every employee in terms of separated years is 34654700 Rials in 1997 and 2145619800 Rials in 2008.

Average of created income in terms of per employee' compensation has been reciprocal trend so that it has declined from 43041000 Rials in 1997 to 29912600 Rials in 2008. Compensation includes wages and salaries, welfare facilities, monetary and non monetary benefits, rewards, insurance and medical services.

The third indicator is the bank received net profit by per employee which determines the bank income. The bank net profit by per employee has increased from 119832400 Rials in 1997 to 362767100 Rials in 2007, but it has decreased to 881618800 Rials in 2008. This trend, although has vacillation, has increasing trend.

The fourth indicator of income is efficiency of computer equipments and services. This indicator shows amount use of computer equipments and services to create value added. As indicated by calculations, efficiency of these equipments is increased from 114162800 Rials in 1997 to 404643500 Rials in 2007, and then is decreased to 526160 Rials in 2008.

Attracting financial resource and customers is often in forms of creating and retaining different depositions. In the studied bank there are four types of depositions including current, Gharzolhasaneh, short term, and long term depositions. Six indicators are created to study the bank depositions.

One of the indicators is volume average attracted depositions by per employee. Related analysis shows that volume average of depositions by per employee is 131880800 Rials in 1997 and 4691630200 Rials in 2008.

The second indicator, efficiency of customer attraction by employee, shows how attracted depositions can create value added to the bank. Findings indicate the volume average of every deposition has been 131880800 Rials in 1997 and has increased to 268190100 Rials in 2008.

The third indicator is efficiency of customer attraction by employees that shows how they can increase the bank efficiency by current accounts. Amount of this indicator is 196857700 in 1997 and 670716300 in 2008 that shows about 341 percent growth.

The fourth indicator to study depositions is customer attraction of employees by short term accounts. Employees have attracted short term depositions 4.17 multiple in 2008 in compare with 1997.

Customer attraction of employees by long term accounts is another indicator to study impact of employees on the bank depositions. Studying the indicator shows that employees' efficiency has been increased 4.5 multiple in 2008 in compare with 1997.

Surveying the number of closed accounts is an appropriate indicator. According to conducted analysis, the average number of closed accounts by per employee is 18.7 accounts in 1997 and 53.1 accounts in 2008. This finding indicates weakness of employees in satisfying customer.

Calculated correlation between employees educating, service delivery (including the number of loans, operation efficiency, and the number of complaints), employees efficiency (including the bank income, the bank depositions volume, the number of opened accounts, and the number of closed accounts), and human resource productivity is not sufficient. In other words, employees educating of the bank does not have any correlation to human resource productivity, service delivery, and employees' efficiency. As shown in table (3), there are the least correlation (.032) between employees' educating and operation' efficiency,

and the greatest correlation (.275) between employees' educating and the depositions volume.

The correlation coefficient may be resulted error of sampling, error of computing correlation, and such as these factors. In other words, correlation coefficient test shows that computed correlations are real correlations or not. So the reason, the correlation should be statistically tested. Then the statistical assumptions are:

- (0) assumption: there is not a significant correlation between employees' educating in a hand and service delivery, employees efficiency, and human resource productivity in other hand.
- (1) assumption: there is a significant correlation between employees' educating in a hand and service delivery, employees efficiency, and human resource productivity in other hand.

Confidence coefficient in social sciences researches is generally considered 95% with error of $\alpha = 5\%$. If the test amount (t) will be 5%, the null assumption is rejected and it will be locate into 95% area, the one assumption is accepted.

The t test can be computed using the following equation:

$$= r \sqrt{(n-2) / 1-r^2} \cdot t$$

The table (3) shows the results of t tests.

TABLE (3) THE RESULTS OF CORRELATION COEFFICIENT TEST BETWEEN EMPLOYEES' EDUCATING AND THE OTHER RESEARCH VARIABLES

	Human resource productivity (HRP)	Service delivery			Employees efficiency			
		The paid loans	Operation efficiency	Customer complaints	The bank income	Depositions volume	The opened accounts	The closed accounts
Employees' educating	-.73	-.36	-.15	.79	-.47	1.49	-.69	-.52
Sig	.51	.75	.87	.54	.65	.18	.53	.64
Result	Rejected	Rejected	Rejected	Rejected	Rejected	Rejected	Rejected	Rejected

The total factor productivity can be gain from value added divided on total inputs of employees and equipments (Tahery: 2006, p. 23). The relationship between total productivity (TP) as the dependent variable, and three variables of service delivery (SD), human resource productivity (HRP), and the bank efficiency (BE) as independent variables is the following:

TABLE (4) REGRESSION EQUATION OF THE RESEARCH VARIABLES WITHOUT THE BANK EMPLOYEES' EDUCATING

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	625.738	787.422		.795	.437
	BE	.961	.091	.914	10.513	.000
	HRP	1.559	.895	.184	1.741	.099
	SD	-.743	.356	-.221	-2.085	.052

Dependent Variable: TP

As shown in table (4), the R square of the regression model is .864 that is a high validity to the equation.

TABLE (4) R SQUARE OF THE REGRESSION MODEL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930(a)	.864	.841	1252.77676

Predictors: (Constant), SD, BE, HRP

According to the research model, the bank employees' educating influences total productivity of the bank through influencing three variables of service delivery, bank efficiency, and human resource productivity. Now it can be study. Table (5) shows the regression model between the bank employees' educating (BEE) as independent variable and total productivity of the bank as dependent variable.

TABLE (5) THE REGRESSION MODEL WITH THE BANK EMPLOYEES' EDUCATING

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2402.465	1177.920		2.040	.076
	BEE	-11.329	59.570	-.067	-.190	.854

Dependent Variable: TP

As shown in table (5), employees' educating influences a negative impact of .067 (-.067) on total productivity of the bank. Its R square is .005 and indicates that there is not valid this relation in real world.

CONCLUSION

In attention to the research conceptual model, it is studied the impact of employees' educating in frame of three variables of bank efficiency, human resource productivity, and service delivery on the bank productivity.

It can be concluded about bank efficiency that the bank income average was increased but the income in contrast to per employee cost has not been influenced by employees' educating and has declined.

It is concluded that every employee has enabled to attract deposition equal 2.59 multiple all direct and indirect received compensation. Customer attraction efficiency of employees has been increasingly exception Gharzolhasane accounts, and short term accounts have had the best growth rate (450 percent). After that, there are short term accounts (417 percent) and current accounts (341 percent) relatively.

Human resource productivity of the bank has considerably grown. But in attention to the human resource compensation productivity, this indicator is not rational because employees' compensation has increased compare with total income growth of the bank. Efficiency of the bank operations has declined during the 1997-2008, and shows that efficiency amount and service delivery standards have decreased.

In overall, regression estimations show that employees' educating has not had sufficient impact on total productivity of the bank. In other words, the bank employees' educating has not had considerable impact on total productivity growth of the bank.

In future research it can be study impact of certain academic majors such as accounting, business administration, and banking management on productivity that not studied in this research.

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ASSESSING THE EFFECTIVENESS OF FRONTLINE MANAGERS IN PUBLIC SECTOR COLLEGES OF PAKISTAN

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ABSTRACT

Often debated deterioration in the functioning of public sector colleges in Pakistan in general is the rationale of this particular study. The present empirical study is delimited to qualitative assessment of the effectiveness of the Frontline Managers (the principals) of the 35 selected public sector postgraduate peripheral colleges in the Punjab, Pakistan. The study is based on the perceptions of the senior-most staff members from the teaching staff of the colleges under study about their principals. Questionnaires and interviews both structured & unstructured were used for eliciting responses from the respondents. Observations were also used as a tool for triangulation purposes. The data so obtained was tabulated and analyzed using SPSS 15. Analysis of the data revealed that the frontline managers (principals) of these peripheral colleges were barely effective. Some interesting insights were perceived in the colleges under study. Politicized culture, tuition mafia, sponsor- protégé relationships, and no-work culture were some of them. There is considerable room for improvement regarding effectiveness in these colleges.

KEYWORDS

Education, College Principals, Management, Effectiveness, Public sector, Model of Effectiveness, Peripheral postgraduate colleges.

INTRODUCTION

Education plays a key role in transforming individual's instinctive behavior into human behavior. In this process of transformation, the senior members of human society, particularly the educational leadership/ the educational management attempts to shape the advancement of their coming generations in accordance with the preset ideals of life. Thus the effectiveness of the educational institutions directly depends upon the quality of the leadership/educational management in the ambit of academe. The quality of the leadership invariably depends upon the personality factors/traits/competencies/ managerial skills of the leadership in the given context. The educational leaders/ managers who were a success story some fifty years ago may be a complete failure today.

Gupta (1987) observes about a principal of a college that he is the pivot around which the working of the institution revolves. He has a number of colleagues of various categories to work with. It has been observed that a college under one principal shows decline in most respects while under another principal with more or less the same staff it shows marvelous improvement.

The principal of a college occupies a very important position. The fate of an institution in a large measure depends upon the type of man who is presiding over its destiny. Good institutions, for that matter even bad ones, are named after heads. A principal is the key educational leader and a chief executive officer of a complex and heterogeneous community of eminent, devoted and varied professors, lecturers, and clerical staff.

The position of the principal has been under a great change during last four to five decades, particularly in the post-independence period. Those who have been in the colleges before we got freedom can very well witness the change.

NEED FOR THE STUDY

Deterioration in the functioning of public sector colleges in this area in general is the rationale of this particular study. It was revealed through print media.

Experience survey of the provincial education authorities, high ups, experienced people and veterans of this field through personal communication based upon the unstructured interviews gave further insight of the area under study.

Wolotkiewicz (1980, pp.49, 51) has opined that: "Consideration is being given to administration evaluation but to a lesser extent. If teachers can be helped by student evaluation of their teaching, then those with whom they come into contact including faculty and other administrators can help administrators through evaluation. Some means must be developed to ensure that the input is obtained from as broad a base as possible, yet preserving the anonymity of individuals in order to obtain more valid information."

According to Newman (1961, p.326), "It is wise to have several informed people consolidate their opinions and develop a pooled judgment needed in a particular situation."

Hence it is evident that the ineffectiveness is one of the problems, which needs to be redressed through evaluation to investigate the problem of ineffectiveness.

ASSUMPTION OF THE STUDY

The effectiveness of the Frontline College Managers and that of the colleges under study has been treated as synonymous in this study.

REVIEW OF LITERATURE

Effectiveness has different connotations. Some of them are as under:

Hommadi, (1984) opines that creating a good organizational structure does not ensure success or effectiveness. The social aspects of the organizational behaviour are the most important, because personal ambitions of employees and managers or administrators may also conflict with the concepts of proper organization. An organizational plan that is satisfactory at one time may be obsolete in the time to come.

Different authors of organizational effectiveness have viewed it from different perspectives and have proposed different approaches or models to comprehend its whole meanings. Mangla (1995) has mentioned four models of organizational effectiveness viz;

- The Goal Model: considers the accomplishment of goals as the defining criteria of effectiveness.
- The System Resource Model: focuses on the interaction of the organization with its environment.
- The Process Model: relies on the internal organizational processes as the main as the main characteristic of organizational effectiveness.

➤ Strategic Constituency model: helps in studying organizational effectiveness by assessing the extent to which to which it satisfies the demands and expectations of its constituents that have a power influence on all organizational matters.

Robbins & Coulter, (2000, p.7) define effectiveness as, "Completing activities so that organizational goals are attained; referred to as doing the right things."

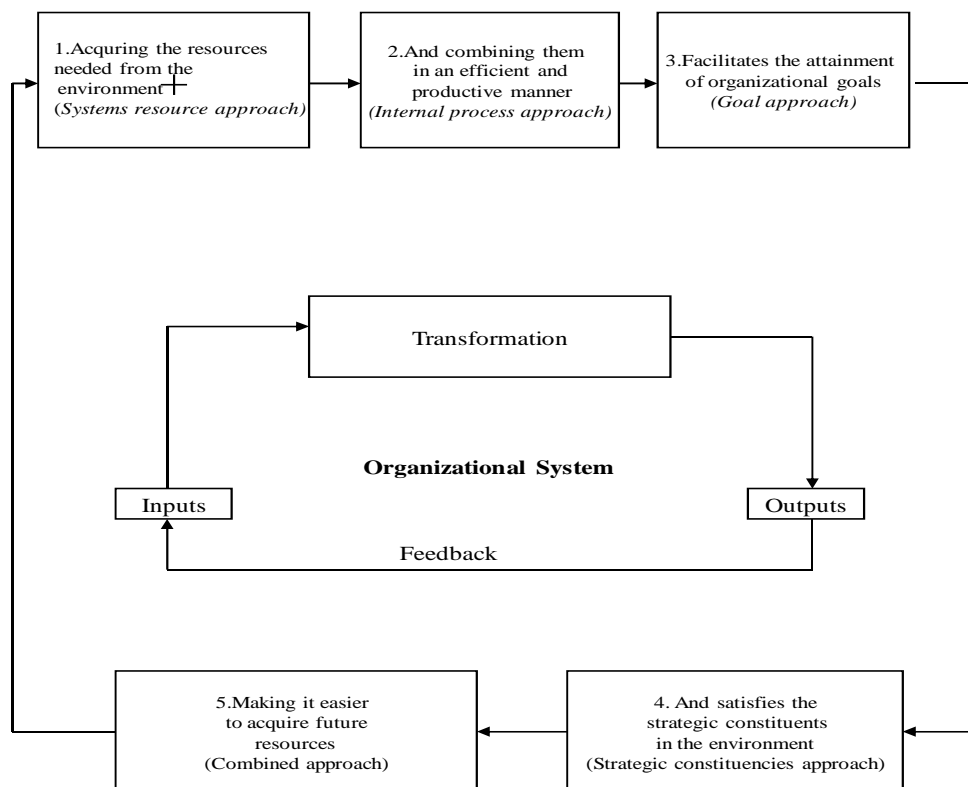
Although it is very difficult to come out with a final word on the ideal model on organizational effectiveness I have to embrace one that serves my purpose and perspective

Although these four basic models of effectiveness (p.4) are not necessarily contradictory, they do focus on different things. The systems resource approach focuses on input, the internal process approach focuses on transformation processes, the goal approach focuses on outputs, and the strategic constituencies approach focuses on feedback.

Thus Griffin (1997) is of the opinion that rather than adopting a single approach an integrated perspective such as the one illustrated below, is the best for understanding organizational effectiveness.

ILLUSTRATION NO. 1

A Model of Organizational Effectiveness



Source:-Griffin (1997,p.91)

MODELS OF INSTITUTIONAL EFFECTIVENESS FROM ACADEMIA

There are various models of institutional effectiveness in vogue in the academia. Some of these models are from various universities. These models have also been considered, as the postgraduate colleges and the universities are many commonalities. Some of these models are briefly discussed below:

EASTERN KENTUCKY UNIVERSITY MODEL

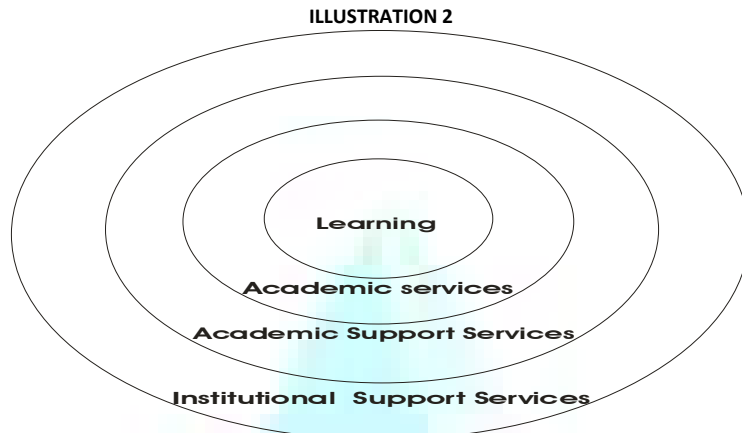
These are the indicators for measuring effectiveness of the Eastern Kentucky University (2007). These key indicators reflect goals already established for Eastern Kentucky University (EKU) by the Council on Postgraduate Education.

- Indicator 1: Student Retention
- Indicator 2: Enrollment
- Indicator 3: Graduation
- Indicator 4: Progress from developmental to college level courses
- Indicator 5: Graduating Student Satisfaction
- Indicator 6: Alumni satisfaction
- Indicator 7: Placement rate in workforce
- Indicator 8: Employer sati

Source: - EKU, Institutional Effectiveness and Assessment principles, Procedures and Resource Manual (2001-2002)

**KANSAS CITY KANSAS COMMUNITY COLLEGE MODEL OF INSTITUTIONAL EFFECTIVENESS
AN OVERVIEW OF MODEL**

In this model as shown in the picture below, learning is the center, and other rings surround it. Thus the central function of the college is to promote student learning. Other units assist the Academic Services



Source: Kansas City Kansas Community College (2006)

The distinctive features of the model are the following:

- The model is learning centered.
- Complete information about the operation of the college is available at glance.

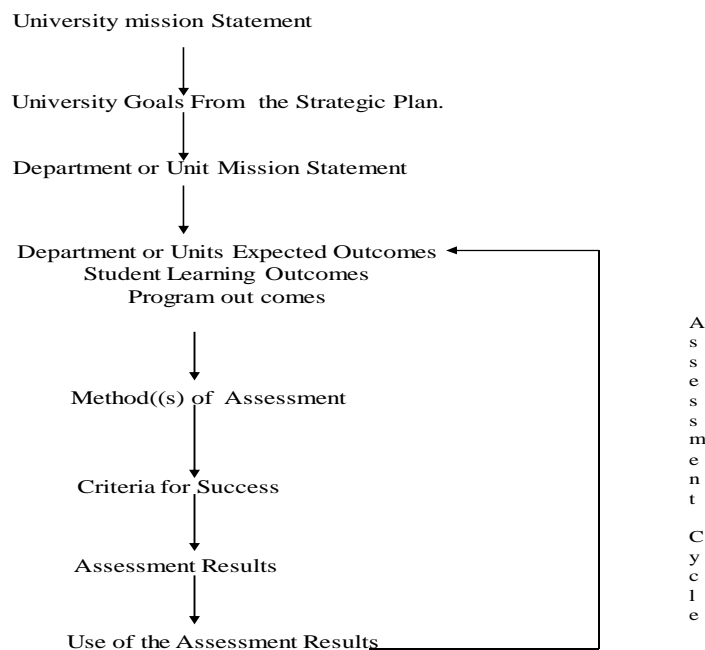
In some areas the best operational indicators may be qualitative rather than quantitative. It has been concluded that both quantitative and qualitative methods of content analysis to examine evaluation instruments, and state and professional standards vogue in any country are prevalent and in use,

THE INSTITUTIONAL EFFECTIVENESS MODEL -ANGELO STATE UNIVERSITY (2006)

Dane (2006) has described the following Institutional Effectiveness Model for the Angelo State University, San Angelo Texas. As the postgraduate colleges are mini universities so there can be similarities in their indicators of effectiveness.

ILLUSTRATION 3

The Institutional Effectiveness Model



Institutional Effectiveness Manual (2006)

Source:- Angelo State University, San Angelo Texas.

Here the mission statement of the institution, the goals set out by the institution, and criteria of success and subsequently method of assessment of these goals

have been given importance in the model of effectiveness.

LACCD MODEL

This is the model of institutional effectiveness used by Los Angeles Community College District (LACCD). These are some of the core indicators for effectiveness of the LACCD College (2006):

Total number of all the students enrolled in all the classes, total degrees awarded per year, total number of students who get vocational certificates, the percentage of graduates and certificate students who are placed in the workforce, average class size annual instructional expenditures and retention rate of the students.

WYOMING COMMUNITY COLLEGES EFFECTIVENESS MODEL (2006)

Wyoming Community Colleges (2006) have established the following indicators for effectiveness:

Student goal attainment, persistence Fall to Fall, degree completion Rates, placement rate in the workforce, employer assessment of students, licensure/certification pass rates, demonstration of critical literacy skill, participation rate in the service area, responsiveness to community needs and demonstration of citizenship skills.

SOME INDIGENOUS MODELS

Two of the indigenous models of effectiveness have been discussed below:

Mehmood (1995) has used 15 indicators for institutional effectiveness measurement. Significant among them are given below:

Emphasis on tidy dress and habits, holding of debates, arrangement for sport activities, public opinion about the institution, Students' and teachers motivation for higher education, coverage of syllabus in time, well –equipped laboratories, protection of institutional property and Concern for the up-keep of the institution.

Noreen (2003) has applied 20 indicators while studying institutional effectiveness in the framework for effectiveness. They are given below.

Participation of the institution in co-curricular activities, proper light and ventilation, facility of clean drinking water, timely coverage of textual material, regular conduct of internal exams., staff commitment towards maximization of learning time, effective classroom planning, maintenance of proper discipline, favourable attitude of the students towards learning, conducive learning environment in the institution, student attendance rate, student and staff morale, discipline in the class, regular evaluation of the staff members, staff growth and development, maintenance of school record, Institutional head understands his responsibilities, institutional head's assistance to his staff in instructional matters, institutional head's understanding and efforts for achieving those objectives.

FRAMEWORKS FOR EFFECTIVENESS

As we have seen in the previous pages that there are various indicators for institutional effectiveness. And no two frameworks for effectiveness have all the common indicators. They have some commonalities. However different educational institutions have different parameters for institutions depending on their conditions and perceptions of the academia there.

According to Teddlie (2000) any framework for effectiveness for some organization, which is framed after deep deliberations of the experts of that field is commonly acceptable.

SOME INDIGENOUS RESEARCHES

The findings of some the indigenous researches are:

Khalique (2000) has investigated the administrative problems of Boys' higher Secondary Schools in the Punjab, Pakistan. No significant difference among the opinions of the respondents was found. All the respondents accepted the problems related to the facilities of residential accommodation, laboratories, libraries, transport and proper teaching staff and the other physical facilities. Delayed posting of principals, low and poor intake, friction among staff, lack of proper supervision, lack of cooperation from community, political pressure in the process of up-gradation, standard co-curricular activities, difficulties in admissions to B.A and B.Sc classes and unsatisfactory instructional standards were accepted as problems by all respondents.

Nisa (2003) has conducted a study of Relationship among Leadership Behaviour of College Principals and their Subordinates' job satisfaction and acceptance of leader. The study was co-relational in nature and sought to establish relationship among various variables of the study. Finding of the study indicated that the environmental factors and subordinates' characteristics differentially affected subordinates' outcomes relationship with the four leader behaviours.

Noureen, (2003), has studied the relationship between school head's management competencies and school effectiveness and designed an in-service Training programme for Secondary School Heads in Pakistan. She found that a significant relationship existed between management competencies of the school heads and school effectiveness All five competencies differentiated between high-effective and low-effective schools.

Ashraf (1972) has evaluated the existing supervisory practices in elementary schools in Pakistan. He found that the schools characterized with the values like setting realistic goals, establishing plans to reach set goals, serving clients with better services, orientation of members regarding their work, innovativeness, and developing outstanding employees for high quality products are more effective. This study evaluates supervisory practices in the primary schools and the respondents were the school inspectors themselves. This study emphasizes the behavioral practices. His findings were that same old supervisory system as in the British era was in vogue, authoritative attitude, corruption, lack of due respect to teachers, and lack of recognition of good work of teachers.

Khawaja (1993), has done an evaluation of the organizational structure of the University of the Punjab, Lahore, Pakistan .She found no internal or external machinery for the evaluation of the performance of the university authorities.

Mehmood (1995), has studied the leadership behaviour and effectiveness of the secondary school heads in Pakistan and found that task-oriented heads are more effective as compared to the relationship- oriented heads. This study aimed at evaluating only two aspects of the school heads with respect to effectiveness in whole of Pakistan, while my study deals with the public-sector college principals' effectiveness in Punjab only and the characteristics being evaluated are eight.

Iqbal (2005) has carried out a comparative study of the Organizational Structure, Leadership Styles, and Physical Facilities of public and private schools in Punjab and their Effect on the School Effectiveness. His findings are that various shades of organizational structure are prevalent in private schools as compared to the uniform organizational structure in the public sector schools the Punjab. There is a wide variety of leadership styles both in the public and private schools of Punjab. The physical facilities also differ both in the public and private schools of Punjab and same is the case with effectiveness.

Ullaha, (2001) has evaluated the Management Practices of the principals of the Government Colleges in North Western Frontier Province of Pakistan using Blake & Mouton's Management Grid. His findings are that 5,5 style is being applied in the above-mentioned colleges i.e., the principals are using middle of the road policy. They are moderately people-oriented and moderately task-oriented.

Aslam (2003), has conducted a survey of the management problems of problems in the regions of Allamah Iqbal Open University of Pakistan. His findings were that buildings in the regional offices were not available, scheduled meetings were not held on time, course related books were not available and there was acute shortage of staff in the regional offices of Allamah Iqbal Open University, Islamabad . Pakistan.

Qureshi (2002) has compared and contrasted the management systems of army Public schools and Federal Government Educational Institutions in Cantonments and Garrisons. His findings were that the management system of army public schools was authoritarian one while the system of management prevailing in the federal government educational Institutions was democratic in nature.

Gul (2005) has assessed the needs of the educational administrators at college level and developed a training model in the Punjab. The main conclusions included the deficiency of computer skills, decision-making delegation of authority, stress management, conflict management, team building, and human relations and about the principal as an instructional leader.

STATEMENT OF THE PROBLEM

Ineffectiveness is one of the eight challenges enunciated by the Education Department Government of the Punjab (2005). Khan (2004) considers the principals one of the major players for ineffectiveness in the colleges.

It is now generally agreed that private sector colleges are fast excelling the public sector colleges in imparting quality education and maintenance of discipline so qualitative evaluation of one aspect of Frontline Managers/principals is the crux of the problem.

The problem under study was: whether the Frontline Managers i.e. principals of the public sector postgraduate peripheral colleges under study were effective?

OBJECTIVES OF THE STUDY

The following objectives were stipulated for the study:

- The qualitative evaluation of the frontline managers/ principals of the selected public sector postgraduate colleges in the Punjab, Pakistan.
- To suggest measures to reduce ineffectiveness based on the results of the present study.
- To enhance the effectiveness of the public sector colleges by suggesting the remedial measures for ineffectiveness.
- To come up with an indigenous framework for measuring effectiveness of the public sector colleges in Pakistan.
- To help the researchers of this field by addition to the existing body of knowledge.

THEORETICAL FRAMEWORK

The effectiveness of the college and that of the principal of the college has been treated as synonymous in this study. Fifteen indicators of effectiveness have been taken and 01 question for each indicator has been devised to measure that very indicator by using the action verb. The indicators of effectiveness were delimited to 15 only i.e., only 15 indicators for measuring the effectiveness exhaustively. These indicators were the following:

- regular class work
- College results for last 03 years
- Maintenance of laboratories, library and play grounds
- Holding of annual sports
- Publishing of college magazine
- Holding of internal exams
- Holding of annual functions in the college
- Student satisfaction
- Public image of the college.
- Placement rate in the workforce
- Functioning of the college office
- Enrollment rate
- Student retention
- Staff development
- College improvement

(The researcher-devised framework, detail on p.16)

HYPOTHESIS

INVESTIGATIVE RESEARCH QUESTION

Do the selected public sector postgraduate peripheral colleges in the Punjab possess effectiveness?

NULL HYPOTHESIS

H₀: The selected public sector postgraduate peripheral colleges in the Punjab, Pakistan do not possess effectiveness.

ALTERNATE HYPOTHESIS

H_a: The selected public sector postgraduate peripheral colleges in the Punjab, Pakistan, possess effectiveness.

METHODOLOGY

The list of non-technical, non-professional Govt. Postgraduate Colleges (Male) run under the General Collegiate Branch, Education Department, Govt. of the Punjab, Pakistan was obtained from the statistical cell, Director Public Instructions (colleges), Punjab. From 51 colleges, 01 vice principal and 02 senior-most staff members from teaching staff from each college, hence a total of 153 respondents constituted the population of this very study

From 51 colleges, 40 colleges were selected, as the study was about the selected colleges and then delimited to 35 peripheral colleges in the Punjab purposively. *CMIS & *PEMIS were of significant importance in selection of these 40 colleges. From each college 01 vice principal and 02 senior-most staff members from the teaching staff were taken, hence a total of 105 respondents constituted the sample of this very study. According to Sekaran (2003, P.294), the corresponding sample size for this population is approximately 105.

*CMIS----College Management Information System

*PEMIS----Punjab Education Management Information System

RATIONALE FOR SAMPLE SIZE

Roscoe (1975) proposes the following rule of thumb for determining the sample size, "Sample sizes larger than 30 and less than 500 are appropriate for most of researches." Hence a sample size of 105 was sufficient for the study under consideration.

THE DATA COLLECTION INSTRUMENTS

The instruments used for collection of qualitative and quantitative data were observations; unstructured interviews and different set of closed end as well as open-ended questionnaires.

As Luthans (1981, p.32) has noted,

"That interview is extremely useful in solving some questions and problems of organizational behavior."

QUESTIONNAIRES FOR MEASURING EFFECTIVENESS OF THE COLLEGES

As Morgan (1997) vividly describes, that there are numerous ways to conceptualize and model an organization, with profound consequences for criteria of effectiveness. These concepts typically deal with organizational form and structure on the one hand and organizational functions and activities on the other. How the organization is designed and how its functions are defined obviously and have important implications for how processes and people are managed.

According to Peters & Waterman (1982) for any given organization, measures of effectiveness vary, depending upon its mission, environmental context, nature of work, the product or service it produces, and customer demands.

Hence the Mission Statement of Education Department Government of the Punjab (2005) and Education policy of Education Department Government of the Punjab (2005), Objectives of Education Policy Government of Pakistan (1998-2010), i.e., social, moral, mental physical training through curricular and co-curricular activities and the 'Progressive Aims of Education' as described John Dewey cited in (Khalid, 1998) i.e., maximum moral, mental, social, physical training

and development of the individual for optimum social competence have been kept in mind, and the following models of institutional effectiveness have also been reviewed before selecting the indicators of effectiveness.

- Goal/outcome Model and Internal process Model
- Kansas City Kansas Community College (2006)
- The Institutional Effectiveness Model -Angelo State University (2006)
- LACCD College (2006)
- Wyoming Community Colleges Effectiveness Model (2006)
- Mehmood (1995)
- Noreen (2003)
- Institutional Effectiveness and Assessment principles, Procedures and Resource Manual (2001-2002) Eastern Kentucky University (EKU)

Although it is very difficult to come out with a final word on the ideal model on organizational effectiveness yet the researcher have to embrace one that serves the purpose and perspective of this study.

In the light of the aims and objectives and the mission statement of the Education Department Government of the Punjab (Government of the Punjab,2005) it is evident that the goal of the education department is the optimum mental, social, physical development of the individuals to render them fit for the society. The educational institutions fulfill these goals through the provision of conditions and atmosphere conducive for the attainment of these goals. Hence certain indicators can be fixed that can manifest whether these aims and objectives are being attained or not. In this very study these indicators are the curricular and co-curricular activities designed for the attainment of the above-mentioned aims and objectives. The following 15 indicators for effectiveness were selected after consulting the veterans of the field and eminent educationists:

Regular class work, College results for last 03 years, Maintenance of laboratories, library and play grounds, Holding of annual sports, Holding of internal exams, Holding of annual functions in the college, Student satisfaction, Public image of the college, Placement rate in the workforce, Functioning of the college office, Enrollment rate, Student retention, Staff development & College improvement.

RATING SCALE USED

The responses were measured on Likerts five Point Interval scale (Sekaran, 2003).

PRE-TESTING OF THE INSTRUMENT FOR VALIDITY &RELIABILITY

Although the items were adapted from the tested models yet it was thought desirable to retest the instruments for and reliability. For this purpose the Cronbach's Alpha was calculated with the help of SPSS.15. In this study the Cronbach's Alpha was found to be 0.756, that indicates a fair level of consistency in the responses and make this research more realistic and authentic. Alpha in the range of 0.60 to 0.80 indicates a fair level of reliability of responses, whereas, a lesser than 0.50 indicates poor level of responses (Sekaran,2003). In order to check the validity of the instruments, in terms of content and format, the instruments were discussed with the expert of the relevant field. After detailed discussions, some items of the instruments were dropped, some were added some were modified; the instruments were improved in the light of their comments, to make them more comprehensible and ambiguity if any was removed.

ETHICAL CONSIDERATIONS

The concept of anonymity has been used to avoid embarrassment in the respondents. As Wolotkiewicz, (1980 p.51), while writing about the evaluation process notes,

"Some means must be developed to insure that input be obtained from as broad a base as possible, yet preserving the anonymity of the individuals in order to acquire more valid information."

According to Salkind (1997, p.40) *"Whereas Anonymity means the records cannot be linked with the names, confidentiality is maintained when anything that is learned about the participant is held in strictest of confidence. This means that information is disguised when necessary (which touches on anonymity as well), but more important all the data are kept controlled situation. The best way to maintain confidentiality is by minimizing the number of people who see or get to handle the data."*

An attempt has been made not to harm any respondent psychologically and the confidentiality of the public document has been maintained to the optimum level.

ANALYSIS

The hypothesis was tested by applying the t-test for single samples.

Decision Rule was:

- When 't' value significant, i.e., $p < .05$ reject H_0 and accept the corresponding H_A
- If value of 't' is insignificant, i.e., $p > .05$, accept H_0 and reject the corresponding H_A

t-test

/testval = 3

/variables = effectiveness

/criteria = ci (.95).

ONE-SAMPLE STATISTICS FOR EFFECTIVENESS

One-Sample Statistics

	N	Mean	Std.Deviation	Std. Error Mean
Effectiveness	105	2.9534	.53261	.05039

ONE-SAMPLE TEST FOR EFFECTIVENESS

One-Sample Test

	Test Value = 3					
	t	df	Sig.(2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Effectiveness	-5.7321	104	.052	-.22654	-.3182	-.1136

Significance Level value is .052, which is not significant at .05. i.e., $p > .05$, so H_0 is accepted and H_A is rejected.

Hence the null hypothesis that the colleges do not possess effectiveness is substantiated, therefore it is accepted and the alternate hypothesis that the colleges possess effectiveness is rejected.

FINDINGS

The following findings can be inferred from this study:

- As the data revealed, the item-wise scores of the 15 items were also not encouraging except a few ones indicating thereby the unsatisfactory situation of effectiveness.
- The class work in these colleges is barely regular, university exams. Results are not satisfactory, Labs. Libraries and playgrounds are not properly maintained, annual sports completions are not held regularly, college magazines are not published every year, the internal exams. are not held regularly, the annual functions are not held every year, the students are not satisfied with the state of affairs in these colleges, the public has not good image of these colleges, the placement rate in the workforce is not significant, principals do not encourage staff development and principal do not take interest in college improvement.
- The indicators which are above mean are class work , working of the college offices, students' enrollment rate, and student, retention rate The values of these indicators are found to be very low on the measuring scale except a few ones and are less than the test value on the rating scale which is = 3. One-Sample Statistics for effectiveness shows that mean value for effectiveness is 2.9534, which is slightly below the test value which is 3. It means these colleges under study are barely effective.
- The results of t-test for single sample indicate Significance Level value is .052, which is not significant at .05. i.e., $p > .05$, so H_0 is accepted and H_A is rejected. Hence the null hypothesis that the colleges do not possess effectiveness is substantiated, therefore it is accepted and the alternate hypothesis that the colleges possess effectiveness is rejected. Anyhow the H_0 is accepted at a very close margin which indicates the effectiveness is barely found in these colleges.
- Some interesting insights were perceived in the colleges under study. Politicized culture, tuition mafia, sponsor- protégé relationships, and no-work culture were some of them.
- The results of the present study pertain to this particular segment of the colleges and as the effectiveness of these colleges and that of the principals was assumed to be synonymous so it is inferred that the frontline managers of these colleges are barely effective.

RECOMMENDATIONS

The following recommendations are worthwhile for enhancing effectiveness in the public sector colleges.

- There should be some criteria for selection of principals that brings the best to the scene.
 - The separate cadre for public sector colleges should be made and professional training for the principals should be comprehensive.
 - Principals should be empowered for hiring and firing of the staff.
 - There is dire need of making the colleges autonomous and posting the professionally competent people as their principles.
 - The Salary package for the principals should be very attractive along with the fringe benefits to attract the best to the scene. Although there are other considerations like, authority, honour, prestige and other fringe benefits attached to a position yet in this material era the financial consideration is for the most the highest consideration, as it is said that it money for which the teacher teaches, the dancer dances and the lawyer pleads. Exceptions may be there but normally people monetize the considerations except the saints.
 - The pre-service training for a long period not less than one year should be a must for the principals, especially in some high rating college like Govt. College Lahore.
 - There should be separate management cadre for colleges, consisting of people selected on merit on the some tough criteria.
 - Principal of a public-sector college be made more powerful to enhance the effectiveness of the public sector colleges?
 - Politicization of the public sector colleges should be curtailed by the government and the principals should be allowed to work in a pressure-free environment.
 - The people to be appointed as principals must be with characteristics necessary for effectiveness like vision, integrity, exposure, initiative and deliverables.
 - Government should play her part by providing the missing facilities in the public sector colleges.
- In the light of the open-ended it concluded that the public-sector colleges are not having effectiveness optimally. They are not delivering the goods properly. Government must take the necessary corrective step to save this sector of public education from deterioration.

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DOES EMPOWERMENT MODERATE OF THE RELATIONSHIP BETWEEN PERCEIVED OVERQUALIFICATION AND JOB ATTITUDES?

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ABSTRACT

In recent years, issue of unemployment and underemployment has been fueled by the changes in both economic and globalization especially in developing countries. The present study was designed to examine the role of empowerment of the relationship between perceived overqualification of employees and attitudes of job satisfaction, performance and intention to remain. A total of 256 employees were surveyed from 21 organisations located in Sri Lanka. The results showed that overqualification was negatively related to job satisfaction and intentions to remain, and positively related to performance. As hypothesized, empowerment moderated the relationship by ameliorating the negative effects of perceived overqualification on job satisfaction, intentions to remain. Empowerment did not affect the positive relationship overqualification with job performance. Implications, limitations and ramifications of our findings for future research are also discussed.

KEYWORDS

Overqualification, empowerment, job attitudes.

INTRODUCTION

Over the past decades, the younger generation's level of education has improved through the extension of free and compulsory education, although this has not corresponded to better job opportunities in Sri Lanka. The increase of education and the relative scarcity of qualified jobs available for them make the underemployment. However, the supply of these qualified workers has outpaced the growth in demand for higher educated labour in such a way that many individuals are forced to accept a job that requires less skill than they actually obtained. This fact, along with the high unemployment rates, makes it particularly difficult for young people to hold a qualified job and once they have finished formal education typically involves the acceptance of jobs for which they are overqualified (Buchel et.al., 2004). Consequently, overqualification has emerged and become a problem. As a result of the emergence and magnitude of the overqualification phenomenon, a sharp increase in responsibility for growing worries and attention in the labour market has been taken place. While the study on unemployment has regained the attention of organisational scholars over the past decade (e.g. Warr et.al., 1988), the issue of underemployment has remained largely ignored. As Zvonkovic (1988) notes, politicians and the popular press have made a low unemployment rate the symbol of economic well being. Largely ignored have been the economic and emotional problems of those who are underemployed in jobs requiring significantly less education and work experience than they possess (Kaufman, 1982; Newman, 1988). High level of unemployment and underemployment rate has significantly contributed to change governments in Sri Lanka especially in 1960s and 1970s. It was one of the main root causes of the emergence of political violence (Karunaratne, 2006).

Perceived overqualification is defined as "a situation where individuals feel that their skills and abilities are not fully utilized" (Khan & Morrow, 1991) or "as an individual's perception that he is working in an inferior, lesser, or lower quality of type of employment" (Feldman, 1996). While underemployment may be a societal problem, management has generally not considered "too much education" or "underutilization of skills" among their employees to be a problem. Employers continue to hire people with higher levels of education than job content requires (Howe, 1988). Moreover, job requirements are rarely, if ever, set to screen out individuals who are overqualified for the job (Feather & O'Brien, 1986).

The logic underlying these studies is that increased education results in higher employee expectations and preferences for different values, and, subsequently the presence of unmet expectations, unrewarded value preferences, or lack of skill utilization influence on employees' attitudes and behaviors, such as high level of job dissatisfaction, low level of job involvement, feelings of being unappreciated, low mental health, and absence of career routes (Newman, 1988; Feldman & Turnley, 1995; Johnson & Johnson, 1992; Johnson & Johnson, 2000; Johnson et.al., 2002; Maynard et.al., 2006; Verhaest & Omey, 2006). Finally, underemployment has potentially serious consequences given its association with higher turnover rates (Buzawa, 1984) and its identification as a source of job related stress (Kaufman, 1982). Overqualification is a clear signal of reduced employee commitment. Most executives believe that employee commitment is a critical factor in determining whether a company is successful (e.g., Cappelli, 1999). Therefore, it stands to reason that underemployment may ultimately hinder organizational effectiveness. Unfortunately, because of the paucity of research on underemployment, our current understanding of this construct and its relations is still inadequate.

A majority of the research conducted on overqualification has been in Western countries including Canada (e.g., Sadava et al., 2000) and Western Europe (e.g., Verhaest & Omey, 2006). Overqualification is even more widespread in developing countries (Gorg & Strobl, 2003), and yet few overqualification studies have been conducted outside of the West. Present study has been chosen to conduct in Sri Lanka. In addition, to date, most of the research on overqualification has focused on effect of overqualification. But this study specially designs to identify empowerment as a moderator of the relationship between perceived overqualification and job satisfaction, intentions to remain and job performance, and would explicate how organisations can benefit from employing workers who perceive overqualification. This research represents a contribution to the existing underemployment literature. The objective of this study is to examine moderating effect of empowerment of the relationship between overqualification and job satisfaction, intentions to remain and job performance. Therefore, this study supports to be maintained overqualified employees' positive attitudes.

CONCEPTUAL BACKGROUND

Underemployment is defined somehow as "an inferior, lesser, or lower quality type of employment". There are five dimensions of underemployment: a) Person possesses more formal education than the job requires, b) Person involuntarily employed in field outside area of formal education, c) more skills or experience than required by the job, d) Person involuntarily engaged in part-time, temporary, or intermittent employment, e) low pay, relative to either a previous job or to others with similar educational backgrounds. The many of the dimensions of underemployment are analogously related to the overqualification (Feldman, 1996).

Perceived Overqualification is defined as "the extent to which employed individuals perceive that they possess surplus job qualification and have limited opportunities to acquire and use new job related skills" (Johnson & Johnson, 1996). Such a scenario exists when individuals perceive that they have more education, skills, or experience than is required to perform one's job. Overqualification may be determined by both the objective characteristics and the subjective interpretations of the employment situation. However, perceived overqualification is distinct from actual qualification. Although actual overqualification can be objectively measured on the basis of job analysis data, measures of perceived overqualification often suspect because of measurement issues. Nevertheless, workers' perceptions of their jobs are meaningful interpretations of the work environment.

Quinn and Mandilovitch (1975) found that their subjective measure of underemployment –the number of years of education that the employee felt was necessary for the job–was a significant predictor of job satisfaction, with those who were the most overqualified for their jobs reporting the most dissatisfaction. The researchers pointed out that this operationalisation of overqualification demonstrated a stronger inverse relationship with job satisfaction than with any of the objective measure. Johnson and Johnson (1992) formulated a multi item measure of underemployment, asking directly about perceptions of overqualification.

The relationship between overqualification and job satisfaction has captured the greatest research attention. A number of studies have evaluated this relationship by equating overqualification with job satisfaction. The logic underlying these studies is that increased education results in higher employee expectations and preferences for different values, and, subsequently, lower job satisfaction (e.g., Qumn & Mandilovitch, 1975; Mottaz, 1986; Johnson & Johnson, 1992). Unfortunately such studies imply that higher levels of education result in job dissatisfaction without actually demonstrating the presence of unmet expectations, unrewarded value preferences, or lack of skill utilization, an implication that is not supported by the literature (Hamilton & Wright, 1981; Lawler, 1985). Drawing on the review of the literature described above, it is hypothesized that:

H₁: Overqualification is likely to be associated with lower job satisfaction

Overqualified individuals tend to report greater intentions to leave their jobs and engage in job search behavior, relative to non underemployed individuals (Feldman & Turnley, 1995; Holtom et al., 2002; Verhaest & Omev, 2006). In his meta-analysis, Thorsteinson (2003) found no difference in turnover intentions between part-time and full-time employees. Maynard and his colleagues (2006) found that employees who perceive themselves as overqualified for their jobs are less likely to report intentions to remain at their jobs. Therefore, there is little evidence for an association overqualification and turnover intentions though these relations have often been hypothesized (e.g., Feldman, 1996). Drawing on the review of the literature described above, it is hypothesized that:

H₂: Overqualification is likely to be associated with lower intentions to remain

Past research indicates a positive relationship between perceived overqualification and job performance. In 2008, Fine and Nevo surveyed among call center employees and found that perceived overqualification was positively related to supervisor ratings of performance. Holtom et al. (2002) established a positive relationship with supervisor ratings in a sample of retail employees. Perceptions of overqualification of employee is to possess skills exceeding job requirement, in general sense, which should lead to higher performance. Drawing on the review of the literature described above, it is hypothesized that:

H₃: Overqualification is likely to be associated with higher job performance

Different researchers argued the way to deal with perceived overqualification. Khan and Morrow (1991) argued that job enrichment could be a way to deal with perceived overqualification. Battu et.al., (2000) argued that employers should offer employees greater initiative to deal with the negative effects of overqualification on employee morale. In the current study, empowerment was introduced as a moderator of the relationship between perceived overqualification and job satisfaction, intentions to remain and job performance. In fact, concepts relating to empowerment have been proposed as moderators of perceived overqualification in the past.

In the sense of Conger and Kanungo (1988), empowerment is the motivational concept of self-efficacy. Thomas and Velthouse (1990) argued that empowerment is multifaceted and that its essence cannot be captured by a single concept. They defined empowerment more broadly as “increased intrinsic task motivation manifested in a set of four cognitions reflecting an individual's orientation to his or her work role: meaning, competence, self-determination, and impact”. At its core the concept of empowerment involves increased individual motivation at work through the delegation of authority to the lowest level in an organization where a competent decision can be made (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). Empirical support has begun to accumulate regarding the relationship of employee empowerment to important work related outcomes (Sparrowe, 1994; Spreitzer, 1995; Spreitzer et.al., 1997; Liden et.al., 2000). Empowerment signals to employees that the organisation trusts their judgment and competence (Eisenberger et.al., 1999; Chen & Aryee, 2007), which may convey to employees that they have high status within the organization. Thus, the relationships between perceived overqualification and job satisfaction, intention to remain and job performance should be alleviated for employees who perceive high levels of empowerment.

H_{3a}: Empowerment will moderate the negative relationship between perceived overqualification and job satisfaction

H_{3b}: Empowerment will moderate the negative relationship between perceived overqualification and intentions to remain

H_{3c}: Empowerment will moderate the positive relationship between overqualification and job performance

METHODS

Participants

The participants in the study consisted of 256 employees working from 21 organisations in Sri Lanka. Of a total of 300 questionnaires directly distributed to employees, 256 were returned for a response rate of 85 per cent. Sixty-nine per cent of the participants were between 30 and 49 years of age; 90 per cent were male, and 85 per cent were married. The sample was consisted of 61 % male (N=156) and 39 % female (N=100) employees. Sixty one per cent of the sample were younger than 35 years of age, with a range of 21 to 54 and 53 per cent were single. Fifty nine percent of the respondents in the sample indicated degree holders and higher professional qualification; 22 percent indicated attainment of A/L qualification; balance of 19 percent completed O/L qualification. On average job tenure was reported 5.57 years.

Measures

Perceived overqualification was measured using four items originally developed by Johnson and his colleagues in 2002. Respondents were asked to report their level of agreement on a five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). A sample item was “ My formal education overqualifies me for my present job”. In the current study, the Chronbach alpha for job satisfaction was 0.83.

Job satisfaction was measured using five items originally developed by Brayfield and Rothe (1951) called as Job Satisfaction Inventory (JSI). Despite the age of this measure, it has still been used widely in recent literature, postgraduate dissertations (e.g., Moorman, 1993; Patel, 1995; Wu & Short, 1996, Aryee et al., 1999; Soler, 2000; Leong, 2001). Further in 2006, Lambert and his colleagues. also used Job Satisfaction Inventory questionnaire to measure job satisfaction in their survey of work family conflict on correctional staff. There are five questions were used to measure job satisfaction, one of them was reverse scored. Items were scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). An example is: “My job is like a hobby to me”. In the current study, the Chronbach alpha for job satisfaction was 0.75.

There are five questions were used to measure *job performance* which is originally developed by Bright in 2007.. Items were scored on a 5-point Likert scale ranging from 1 (Unsatisfactory) to 5 (Excellent). One of them was reverse scored. An example is: “I perform well compared to other employees in my work place”. In the current study, the Chronbach alpha for job performance was 0.77.

Intentions to remain was measured using three items originally developed by Cammann et al. 1983. Items were scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). A sample item was “I rarely think about quitting”. Cronbach's alpha reliability was .76.

Empowerment was measured using the 12-item scale developed by Spreitzer (1995). Four dimensions of empowerment (meaning, self-determination, competence, and impact) combined into the form of the overall empowerment construct (Spreitzer, 1995). A sample item was “I have significant autonomy in determining how I do my job”. In the current study, the Chronbach alpha for empowerment was 0.80.

RESULTS AND DISCUSSION

Means, standard deviations, and inter correlations among variables are provided in Table 1. They reported mean score of 4.12 (*SD* =0.42), indicating that high level of overqualification. Participants were also asked a series of questions about their satisfaction. The mean response was 3.96 (*SD*= 0.32), indicating high level of job satisfaction. Results indicated that employees reported mean score of 3.72 and 4.02 for the intentions to remain the job and job performance respectively. Mean value of reported empowerment was 3.11 (*SD* = 0.22), showing moderate level of empowerment.

TABLE 1: MEAN, STANDARD DEVIATION, AND CORRELATION MATRIX

Variables	Mean	SD	1	2	3	4	5
1 Overqualification	4.12	0.42	1.00				
2 Job Satisfaction	3.96	0.32	-0.37*	1.00			
3 Intentions to remain	3.72	0.19	-0.39*	0.21*	1.00		
4 Job Performance	4.02	0.21	0.43**	0.41*	0.36*	1.00	
5 Empowerment	3.11	0.22	0.43*	0.46*	0.28*	0.31*	1.00

**Correlation is significant at the 0.01 level (1-tailed).

*Correlation is significant at the 0.05 level (1-tailed).

As expected, overqualification was significantly negatively correlated with job satisfaction ($r = -.37, p < .05$), intentions to remain ($r = -.39, p < .01$), and job performance ($r = .43, p < .01$).

Empowerment was tested as moderator of the relationship between overqualification and job satisfaction, intentions to remain and job performance by using hierarchical regression analysis. In this analysis, overqualification was entered as a block at the first step, and the empowerment was entered in the second step. In the next step, the centering procedure was used, suggested by Aiken and West for regression analysis using interaction terms (Martins et al., 2002). The overqualification x empowerment interaction term was entered at the third step.

TABLE 2: REGRESSION ANALYSIS OF THE MODERATING EFFECTS OF EMPOWERMENT ON THE RELATIONSHIP BETWEEN OVERQUALIFICATION AND JOB SATISFACTION

Step		F	df	R	R ²	Beta
Step 1	Overqualification					-.27*
		13.96*	1,254	0.32	0.21	
Step 2	Empowerment					0.33*
		09.13*	1,253	0.45	0.13	
Step 3	overqualification x empowerment					0.02*
		2.38*	1,252	0.49	0.04	

** $p < .01$ * $p < .05$

As shown in the table, results indicated that there was a significant R^2 change value (.21; F change = 13.96, $p = .03$) at step 1. In the second step, again there was a significant R^2 change value (.13; F change = 09.13, $p = .03$). In the third steps, R^2 change value was statistically significant still when the interaction term was entered (.04; F change = 2.38, $p = .04$). These results were consistent with Hypothesis 3_a.

Follow up procedures recommended by Tabachnick and Fidell cited in Treistman (2004) were employed to establish the form of the interaction and its correspondence to the pattern predicted by the present hypothesis. To aid in interpreting the results, a graph was created with the predicted mean outcomes for four conditions. These conditions included low empowerment / low overqualification, low empowerment / high overqualification, high empowerment / low overqualification, and empowerment / high overqualification. Based on a regression equation (Tabachnick and Fidell cited in Treistman, 2004)) using the low or high conditions for overqualification and empowerment, it was possible to derive a predicted score of job satisfaction for the four conditions. The predicted job satisfaction scores for the four conditions were presented in the Figure 1.

FIGURE 1: MODERATING EFFECTS OF EMPOWERMENT ON THE RELATIONSHIP BETWEEN OVERQUALIFICATION AND JOB SATISFACTION

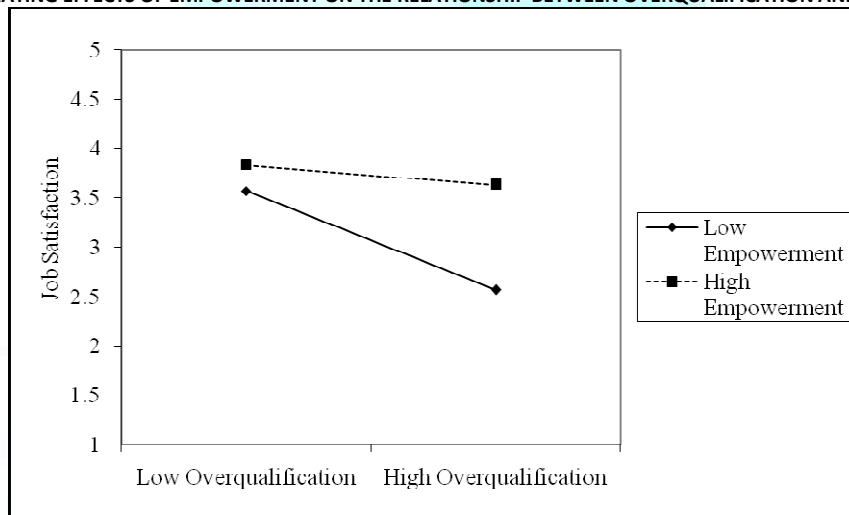


Figure 1 shows the results for the interaction of moderator between overqualification and job satisfaction. As shown in the figure job satisfaction is low when the empowerment is low but the amount of overqualification is high. However, when the empowerment is high and the amount of overqualification is provided is also high, the job satisfaction is slightly negative than low level overqualification at high level of empowerment. Finally, when the empowerment is low, employees actually have lower levels of satisfaction.

Therefore, empowerment appears to moderate the relationship such that higher levels of empowerment are predictive of a positive relationship between overqualification and job satisfaction, whereas relatively lower levels of empowerment are predictive of a negative relationship between overqualification and job satisfaction. Hypothesis 3_a was supported.

TABLE 3: REGRESSION ANALYSIS OF THE MODERATING EFFECTS OF EMPOWERMENT ON THE RELATIONSHIP BETWEEN OVERQUALIFICATION AND INTENTIONS TO REMAIN

Step		ΔF	df	R	ΔR^2	Beta
Step 1	Overqualification	16.97*	1,254	0.21	0.11	-.29*
Step 2	Empowerment	10.17	1,253	0.30	0.09	0.19*
Step 3	overqualification x empowerment	3.17**	1,252	0.33	0.03	0.17*

** $p < .01$ * $p < .05$

As shown in the table, results indicated that there was a significant R^2 change value (.11; F change = 16.97, $p = .03$) at step 1. In the second step, again there was a significant R^2 change value (.09; F change = 10.17, $p = .04$). In the third steps, R^2 change value was statistically significant again when the interaction term was entered (.03; F change = 3.17, $p = .04$). Therefore empowerment does play as moderator between overqualification and intentions to remain.

FIGURE 2: MODERATING EFFECTS OF EMPOWERMENT ON THE RELATIONSHIP BETWEEN OVERQUALIFICATION AND INTENTIONS TO REMAIN

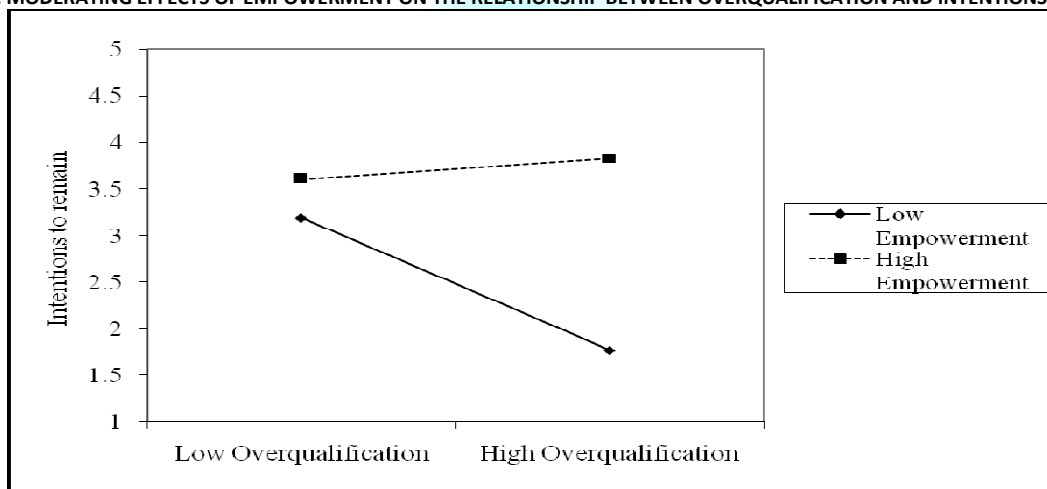


Figure 2 shows the results for the interaction of moderator between overqualification and job satisfaction. As shown in the figure intentions to remain is low when the empowerment is low but the amount of overqualification is high. However, when the empowerment is high and the amount of overqualification is provided is also high, the intentions to remain is positive than low level overqualification at high level of empowerment. Finally, when the empowerment is low, employees actually have lower levels of intentions to remain.

Therefore, empowerment appears to moderate the relationship such that higher levels of empowerment are predictive of a positive relationship between overqualification and intentions to remain, whereas relatively lower levels of empowerment are predictive of a negative relationship between overqualification and intentions to remain. Hypothesis 3_b was supported.

TABLE 4 REGRESSION ANALYSIS OF THE MODERATING EFFECTS OF EMPOWERMENT ON THE RELATIONSHIP BETWEEN OVERQUALIFICATION AND JOB SATISFACTION.

Step		$F \Delta$	df	R	$R^2 \Delta$	Beta
Step 1	Overqualification	14.31*	1,254	0.37	0.28	.32*
Step 2	Empowerment	11.43*	1,253	0.48	0.11	0.22*
Step 3	overqualification x empowerment	4.54	1,252	0.50	0.02	0.37

** $p < .01$ * $p < .05$

As shown in the table, results indicated that there was a significant R^2 change value (.28; F change = 14.31, $p = .04$) at step 1. In the second step, again there was a significant R^2 change value (.11; F change = 10.43, $p = .04$). In the third steps, R^2 change value was statistically significant again when the interaction term was entered (.02; F change = 4.54, $p = .21$). Therefore the results did not support to prove moderating role of empowerment between overqualification and job performance. Hence hypothesis 3_c was rejected.

CONCLUSION

Results supported that perceptions of overqualification were negatively related to job satisfaction and intentions to remain only when employees reported low levels of empowerment. It can be noted that overqualified employees experience negative consequences only when they do not feel empowered. In addition, overqualified employees reported high levels of performance regardless of empowerment which is consistent with past research (e.g., Fine & Nevo, 2008; Holtom et al., 2002). Study found that empowerment moderated the negative effects of perceived overqualification on job satisfaction and intentions to remain, but not job performance.

These findings have implications for the management of organisations. It is certain that overqualified employees exist in contemporary workplaces. This study empirically proves that the negative consequences of perceived overqualification are preventable. It seems that empowering employees is an effective way in which organizations can benefit from the overqualified employees and organisation can maintain them as members of the organization longer. Our findings indicate that there are distinct advantages to hiring employees who perceive that they are overqualified. It was found that these employees may make valuable

contributions to the organization by performing at higher levels, so although they may stay for a shorter period, their time in the organization may be valuable. Though the present study provides number of insights, there were some limitations that have to be pointed out. As the research design of this study was cross sectional one, it is impossible to infer a causal relationship. Undertaking research at one period in time can only reflect that period in time. A greater focus on longitudinal research designs may give a better indication in the area of research. Job performance was measured from the employees' perspective. Future research should obtain data from both supervisors and employees to more objectively measure the construct. In regard to overqualification, deeper investigation needs to take place in the changing forms of management techniques. The melting pot of overqualification spheres provides managers of organisations new challenges.

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LINKING THE 'BIG FIVE' PERSONALITY DOMAINS TO ORGANIZATIONAL COMMITMENT

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ABSTRACT

The objective of this study was to explore the relationships between the personality traits and organizational commitment among non teaching employees of government schools in the Sultanate of Oman. Data was collected by using Big Five Inventory (BFI) and revised Organizational Commitment Scale (Meyer, Allen, & Smith, 1993). Response was received from 95 non teaching employees with a response rate of 47.50%. The findings of this study suggest us the relationships between personality traits and organizational commitment among non teaching staff in the government schools.

KEYWORDS

Affective commitment, big five-factor model of personality, continuance commitment, normative commitment, organizational commitment.

INTRODUCTION

This study explored the relationship between personality traits and organizational commitment among non teaching employees in the government schools of Sultanate of Oman. Organizational Commitment is being considered as an underlying factor for organizational success. Shepherd and Mathews (2000) suggest that employers view Organizational Commitment with increasing interest and importance. Due to increasing interest of employers and researchers, organizational commitment has become highly researched job attitude. It is evident from the fact that commitment has been the subject of many meta-analyses studies (Cooper-Hakim & Viswesvaran, 2005; Mathieu & Zajac, 1990; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Theoretical reviews by Lawler (1992) and Reichers (1985) have also widely explored this attitude. This job attitude has become important for employers because employees with low levels of commitment are more likely to leave their organizations (Meyer et al., 2002).

Research into Organizational Commitment has focused upon exploring the relationships between various antecedents and the components of Organizational Commitment. The primary antecedents to organizational commitment are like age; gender; education level; marital status; position and organization tenure; personality; and role states (Camilleri, 2002). Meyer and Allen, (1984); Grusky, (1966) and Mowday et al (1982) have thoroughly examined various relationships between the antecedents and organizational commitment.

This study was designed to contribute to the Organizational Commitment related literature by exploring the relationships between age, tenure, personality traits (using Big Five Model) and organizational commitment.

THE FIVE-FACTOR MODEL OF PERSONALITY

The 'Big Five' model of personality implies that personality consists of five relatively independent traits that provide a meaningful explanation for the study of individual differences (Kumar, Bakhshi & Rani, 2009) and their responses. The five dimensions in Big Five model of personality are Extraversion, Conscientiousness, Openness to Experience, Agreeableness and Neuroticism. Each of the Big Five traits is a set of traits that tend to occur together in individuals (Kumar, Bakhshi & Rani, 2009).

Extraversion is the state of being predominantly concerned with and obtaining gratification from what is outside. The behavioral tendencies used to measure this factor are sociable, gregarious, assertive, talkative, and active (Barrick & Mount, 1991).

Conscientiousness refers to the tendency to show self-discipline, act dutifully and be focused on the goals. It includes behavioral tendencies like being hard working, achievement-oriented, persevering, careful, and responsible (Barrick & Mount, 1991).

Openness to experience is a general appreciation for art, emotion, adventure, imagination and variety of experience. The behavioral tendencies associated with Openness to Experience include being imaginative, cultured, curious, original, broad minded, intelligent (Digman, 1990). It also reflects need for variety, aesthetic sensitivity, and unconventional values (McCrae & John, 1992).

Agreeableness refers to a tendency to be compassionate and cooperative. This factor includes behavioral tendencies like being courteous, flexible, trusting, good-natured, cooperative, forgiving, soft-hearted, and tolerant (Barrick & Mount, 1991).

Neuroticism refers to the tendency to experience negative emotions like anger, anxiety, or depression in a person. It is also called emotional instability. Behavioral tendencies associated with this factor include being anxious, depressed, angry, embarrassed, emotional, worried, and insecure (Barrick & Mount, 1991).

ORGANIZATIONAL COMMITMENT

Organizational Commitment refers to the degree to which an employee identifies with the goals and values of the organization and is willing to exert effort to help it succeed (Herscovitch & Meyer, 2002).

According to Allen and Meyer (1990) Organizational Commitment is made up of three components or dimensions. First component is affective commitment and it refers to the employee's emotional attachment to, identification with, and involvement in, the organization. Second component is continuance component

and it refers to commitment based on the costs that the employee associates with leaving the organization. Third component of organization commitment is normative component, which refers to the employee's feeling of obligation to remain with the organization.

DEMOGRAPHIC RELATIONSHIPS WITH ORGANIZATIONAL COMMITMENT

RELATIONSHIP BETWEEN AGE AND ORGANIZATIONAL COMMITMENT

According to meta-analysis by Mathieu and Zajac (1990), age and organizational commitment yielded a medium positive correlation. Older employees tend to have a higher degree of organizational commitment because they view their past years of service to the organization as an investment (Camilleri, 2002). Therefore they would tend to be more committed to the organization. Thus,

H1: Non teaching employees' commitment to the organization will positively relate to their age.

RELATIONSHIP BETWEEN TENURE AND ORGANIZATIONAL COMMITMENT

Various studies show a weak positive relationship between tenure and organizational commitment. In these studies, job tenure has been shown to be more positively related to attitudinal commitment, while organizational tenure was more positively related to calculative commitment (Clayton, Petzall, Lynch & Margret, 2007). The given explanation is that years spent in a particular position tend to increase an employee's psychological attachment to an organization, while extended tenure also increases their stake in terms of benefits such as pension plans (Mathieu and Zajac, 1990, p.8). Thus,

H2: Non teaching employees' commitment to the organization will positively relate to their length of tenure.

RELATIONSHIP BETWEEN BIG FIVE PERSONALITY TRAITS AND ORGANIZATIONAL COMMITMENT

AFFECTIVE COMMITMENT

Affective commitment refers to an employee's positive emotional response to the organization. An employee, who is affectively committed, strongly identifies with the goals of the organization and desires to remain in the organization. While extroverts exhibit positive emotionality (Watson & Clark, 1997) and it is reasonable to assume that those high in Extraversion experience higher affective commitment than those who are less extraverted. Many studies have also found significant bivariate correlations between positive emotionality and affective commitment (Williams, Gavin, & Williams, 1996). Thus,

H3: Non teaching employees' extraversion will positively relate to affective commitment.

CONTINUANCE COMMITMENT

Continuance commitment refers to an awareness of the costs (economic and social) associated with leaving the organization. It develops through an employee's perceptions of employment alternatives. Employees who perceive that they have several viable alternatives will have weaker continuance commitment than those employees who perceive that they have few alternatives (Meyer & Allen, 1997).

Extrovert individuals tend to be more socially active and may develop more social contacts than introverts. More social contacts of extraverts may bring them more job opportunities. Therefore,

H4: Non teaching employees' extraversion will negatively relate to continuance commitment.

Neuroticism refers to an enduring tendency to experience negative emotional states by an individual. Neurotic individuals tend to experience more negative life events than other individuals (Magnus, Diener, Fujita, & Pavot, 1993). Due to this tendency, person may prefer to stick to same job instead of facing new work environment. Thus,

H5: Non teaching employees' neuroticism will positively relate to continuance commitment.

Conscientiousness refers to the traits like self-discipline, carefulness, thoroughness, organization, deliberation (the tendency to think carefully before acting), and need for achievement. According to Organ and Lingl (1995), due to conscientiousness nature, employee gets more opportunities to obtain formal (e.g., pay, promotion) and informal work rewards (e.g., recognition, respect). To the extent that a conscientious employee earns such rewards, they should have high level of continuance commitment. Therefore,

H6: Non teaching employees' Conscientiousness will positively relate to continuance commitment.

NORMATIVE COMMITMENT

Normative commitment refers to employees' perceptions of their obligation to their organization. It develops from the investments that an organization makes in its employees (Meyer & Allen, 1991). This will make employees feel indebted to his or her organization and want to respond his or her organization's initiatives favorably. Extraverted employees seek out more social interactions within the workplace and exhibit positive emotions. Therefore extroverts tend to respond favorably towards the organization due to perception of obligation. Thus,

H7: Non teaching employees' extraversion will positively relate to normative commitment.

METHOD

SAMPLE

A sample of 95 non teaching employees was obtained from government schools in the Sultanate of Oman. Questionnaires were bilingual (English and Arabic). Response rate of 47.50 % (95 filled questionnaires received out of 200) was obtained. The gender composition of the sample was 53.7% male (N=51) and 46.3% female (N=44). The average age of the respondents was 35.85 years (SD=4.3). On an average, the respondents had the present organizational tenure as 7.46 years (SD = 3.2) and total job tenure as 8.21 years (SD = 2.9).

MEASUREMENTS

THE BIG FIVE

The Big Five Inventory (BFI) (John et al., 1991) (John et al., 2008) consisting of total 44 items was used to measure personality traits of school laboratory technicians on a five point Likert-type anchoring ranging from strongly disagree (1) to 5 (strongly agree). It contains five dimensions corresponding to big five personality traits (Extraversion, Neuroticism, Agreeableness, Openness and Conscientiousness). The reliabilities (Cronbach's Alpha) for each facet were Extraversion (0.88), Neuroticism (.94), Agreeableness (.92), Openness (.91) and Conscientiousness (.91).

AFFECTIVE COMMITMENT

Affective Commitment was measured by revised version of Affective Commitment Scale (Meyer, Allen, & Smith, 1993). Responses were collected on a seven-point Likert-type anchoring that ranged from strongly disagree (1) to strongly agree (5). The reliability (Cronbach's Alpha) of this six item scale was 0.82.

CONTINUANCE COMMITMENT

Continuance Commitment was measured by revised version of Continuance Commitment Scale (Meyer, Allen, & Smith, 1993). Responses were collected on a seven-point Likert-type anchoring that ranged from strongly disagree (1) to strongly agree (5). The reliability (Cronbach's Alpha) of this six item scale was 0.88.

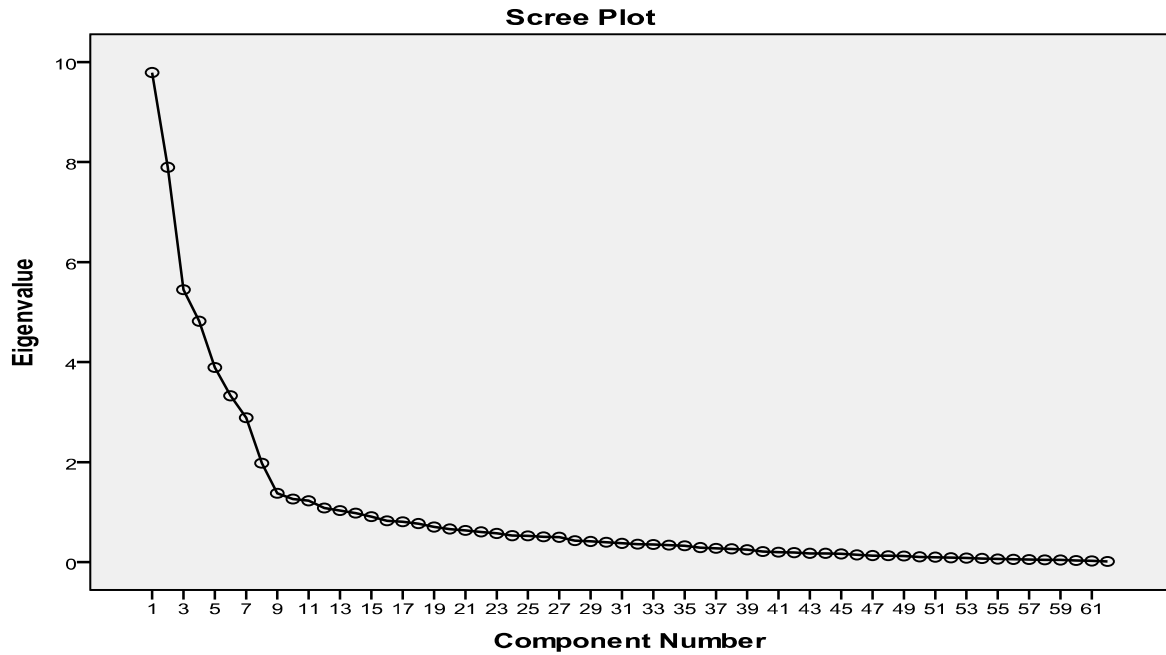
NORMATIVE COMMITMENT

Normative Commitment was measured by revised version of Normative Commitment Scale (Meyer, Allen, & Smith, 1993). Responses were collected on a seven-point Likert-type anchoring that ranged from strongly disagree (1) to strongly agree (5). The reliability (Cronbach's Alpha) of this six item scale was 0.89.

RESULTS

A factor analysis, which is confirmatory in nature, was performed on the different variables such as Extraversion, Neuroticism, Agreeableness, Openness, Conscientiousness, Affective commitment, Continuance commitment, and Normative Commitment. The factor analysis was conducted using principal axis factoring with varimax rotation as an extraction method (see for details, e.g. Nummenmaa et al., 1996, p. 244; Hair et al., 1998, pp. 87-120). The identified factors were selected whose Eigen values are greater than 1.0 from the graph of scree plot.

GRAPH 1: SCREE PLOT SHOWING EIGEN VALUES OF FACTORS



These variables within factors are correlated, is confirmed by the Bartlett’s test of sphericity. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy indicated a practical level of common variance (KMO = 0.587), which implies that the results obtained from factor analysis are appropriate. The factors identified with loadings in appendix 01 exhibits 74.22 percent of the variance of the variables.

The table 01 comprises the means, standard deviations, partial correlations, and reliability coefficients for the proposed variables. The partial correlations among proposed variables provided initial support of our hypotheses. In the support of hypothesis 01 age is positively correlated with affective commitment ($r = 0.255$, $p < 0.05$), continuance commitment ($r = 0.244$, $p < 0.05$), and normative commitment ($r = 0.279$, $p < 0.01$). For supporting hypothesis 02, the duration of organizational and job tenure is positively correlated with affective commitment ($r = 0.217$, $p < 0.05$), continuance commitment ($r = 0.219$, $p < 0.05$), and normative commitment ($r = 0.262$, $p < 0.05$). In support of hypothesis 03, Extraversion is positively correlated with affective commitment ($r = 0.229$, $p < 0.05$). Extraversion is negatively correlated with continuance commitment ($r = -0.224$, $p < 0.05$) supporting hypothesis 04. In support of hypothesis 05, neuroticism is positively associated with continuance commitment ($r = 0.375$, $p < 0.01$). Conscientiousness is positively associated with continuance commitment ($r = 0.233$, $p < 0.05$) to support hypothesis 06. In support of hypothesis 07, Extraversion is positively associated with normative commitment ($r = 0.218$, $p < 0.05$).

TABLE 1: MEANS, STANDARD DEVIATIONS, PARTIAL CORRELATIONS, AND RELIABILITY COEFFICIENTS OF VARIABLES

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11
1. Age in years	35.85	4.27											
2. Job Tenure in years	8.21	3.20											
3. Organization Tenure in years	7.46	2.86											
4. Extraversion	3.10	.90	-.114	-.074	-.033	0.88							
5. Neuroticism	2.69	1.07	.041	.035	.060	-.187	0.94						
6. Agreeableness	3.86	.83	-.001	.028	.076	.229*	.053	0.92					
7. Openness	3.43	.67	-.057	-.115	-.079	.215*	.191	.170	0.91				
8. Conscientious	4.04	.78	.320**	.324**	.318**	-.200	.184	-.127	-.060	0.91			
9. Affective Commitment	3.90	.81	.255*	.217*	.356**	.229*	-.321**	.098	.061	.048	0.82		
10. Continuance Commitment	2.95	1.16	.244*	.219*	.235*	-.224*	.375**	-.084	.139	.233*	-.130	0.88	
11. Normative Commitment	3.48	.95	.279**	.262*	.355**	.218*	-.137	.124	-.008	-.046	.438**	-.152	0.89

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

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

The table 02 shows the results obtained after running multiple regressions. It is evident from the table 02 that the correlations among variables are low. The coefficient of determination of three dimensions of organizational commitment such as Affective commitment, Continuance commitment, and normative commitment are 35.8%, 24.6%, and 20% respectively. The coefficient of determination indicates the change in dependent variable is explained from a change in independent variables. It is evident that the relationship in a linear is medium for affective commitment and small for continuance commitment and normative commitment as the value of the coefficients of determination are very weak. The F-ratio for the three dimensions of organizational commitment such as Affective commitment, Continuance commitment, and normative commitment are 5.255 ($p < 0.001$), 3.08 ($p < 0.01$), and 2.357 ($p < 0.05$) respectively. It is evident from the values of F-ratios that the relationship between dependent and independent variables is statistically significant.

When exploring the beta values of three dimensions of organizational commitment, the magnitude of approximately all values is low. The 35.8% explained variance in the coefficient of determination for the affective commitment may be attributed to organization tenure, job tenure, extraversion, and openness to some extent. The 24.6% explained variance in the coefficient of determination for the continuance commitment may be attributed to organization tenure, extraversion, neuroticism, and conscientiousness to some extent. The 20% explained variance in the coefficient of determination for the normative commitment may be attributed to organization tenure, job tenure, and extraversion to some extent.

TABLE 2: MULTIPLE REGRESSION ANALYSIS

Dependent Variable	Affective Commitment	Continuance Commitment	Normative Commitment
R ²	35.8%	24.6%	20%
F	5.255***	3.08**	2.357*
Independent Variables	Beta	Beta	Beta
Age in years	.028	.086	.041
Job Tenure in years	.604	.016	.330
Organization Tenure in years	.904	.151	.666
Extraversion	.120	-.162	.152
Neuroticism	-.358	.310	-.138
Agreeableness	.034	-.084	.066
Openness	.107	.153	.007
Conscientiousness	.045	.071	-.121

DISCUSSION

The findings suggest that the studied model serves as the foundation in the exploration of the various dimensions of organizational commitment. In particular, Age and organizational tenure has played substantial role in all three forms of the organizational commitment. Moreover, Extraversion has played a role of the most consistent independent variable of the all dimensions of the organizational commitment. Extraversion was positively associated with affective commitment because the positive emotionality is important dimension of personality (Watson et al., 1988; J. Erdheim et al. 2006). Secondly, Extraversion was negatively associated with continuance commitment. In general, extraverts have better relations with peers than introverts which may result into better career options (Watson & Clark, 1997). Finally, Extraversion was positively associated with normative commitment. Because extraverts believe that their extraordinary service by providing congenial social environment may enhance the psychological contract with the organization (Watson, 2000; J. Erdheim et al. 2006).

Correlation between Neuroticism and Organizational Commitment varied for three components of organizational commitment. Correlation between Neuroticism and Affective Commitment was found significantly negative and significantly positive with continuance commitment. While with normative commitment it was found negative (nonsignificant). Neurotics tend to be prone to negative experiences and negative affect. This tendency makes them low on affective commitment. Neurotic individuals used to be conscious of the costs associated with leaving the jobs so continuance commitment used to be high among neurotics.

Conscientiousness displayed positive significant relationship with continuance commitment while nonsignificant relations with affective and normative commitments. Since conscientious individuals tend to be highly involved in to their jobs (Organ & Lingl, 1995) and it increases their chances of workplace rewards. These rewards will have impact on the continuity of individuals in the organizations.

THEORETICAL AND MANAGERIAL IMPLICATIONS

The results of the present study reflect that the role of personality is vital in the development of organizational commitment. It gives a scope of relationship between personality job attitudes and organizational commitment. This theoretical implication gives further scope of study pertaining to the factors of other dimensions of the job attitudes such as job involvement, job embeddedness etc.

Managerial implications of the study are primarily in the personnel selection. Since different components of organizational commitment are correlated with personality traits, organizations need to judge personality traits at the time of selection and foresee the impact on the candidates' commitment. It has been found in meta-analysis that employees with low level of commitment are more likely to leave their organizations (Meyer et al., 2002).

LIMITATIONS AND FUTURE DIRECTIONS

Furthermore, this study suffers from three limitations whereas the results are statistically in most parts. The first limitation is related to the sample size which is relatively small in comparison to similar other studies. The second limitation pertains to the coefficients of regression model which are relatively low and may affect the reliability and validity of findings. The third limitation which is prominent in nature is that the proposed model was tested using correlation and regression analysis among variables. However, this technique can only examine a single relationship at a time (Hair, et al, 1998). An area of upcoming research is to test the proposed model using Structural Equation Modeling (SEM) which may provide better results. SEM is a multivariate statistical technique used to estimate a number of interrelated dependence relationship simultaneously.

The present study will give additions in the literature of the factors pertaining to the organizational commitment in various dimensions. There are evidences of outcomes of the study that the application of the five-factor model of personality assisting the prediction of three forms of the organizational commitment. This model paves the way to a new dimension of the research which may explore the extensive relationship between the unexplored dimensions of personality and organizational commitments. Our findings have various practical implications in the selection procedure of the organization. Further research may be extended to explore the utility of using personality tests to predict organizational citizenship behavior in a selection setting.

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APPENDIX

APPENDIX: 1

Constructs	1	2	3	4	5	6	7	8
I am someone who is talkative	-.113	-.020	-.111	.752	.236	-.216	.152	-.039
Is reserved	-.062	.169	.055	.355	.092	-.020	-.202	.114
Is full of energy	-.013	-.128	.091	.328	.055	-.026	.049	.031
Generates a lot of enthusiasm	-.054	.021	-.123	.764	.071	-.113	.176	.009
Tends to be quiet	-.051	-.026	-.210	.810	.199	-.116	-.063	.008
Has an assertive personality	.056	.149	.018	.833	.038	-.014	.093	.066
Is sometimes shy, inhibited	-.031	-.121	-.082	.842	.111	-.099	-.022	-.032
Is outgoing, sociable	-.023	-.117	-.076	.790	.166	-.002	.141	-.090
I am someone who tends to find fault with others	-.038	.068	.110	.089	-.141	-.080	-.038	.734
Is helpful and unselfish with others	-.049	-.044	-.046	-.077	.064	-.262	.159	.754
Starts quarrels with others	.001	.066	.142	-.055	.005	-.045	.164	.852
Has a forgiving nature	-.021	-.049	.015	-.135	.043	.001	.100	.740
Is generally trusting	-.014	.026	.200	.082	-.141	.077	.089	.842
Can be cold and aloof	-.006	.220	.148	.046	.059	.198	.018	.654
Is considerate and kind to almost everyone	.162	-.017	.139	.130	.036	-.061	-.073	.816
Is sometimes rude to others	-.096	.189	.126	-.122	.058	.060	.046	.784
Likes to cooperate with others	.069	-.021	.101	-.051	-.165	.069	-.104	.795
I am someone who Does a thorough job	.150	-.020	.766	.009	-.072	.057	.027	.196
Can be somewhat careless	.015	.082	.586	-.139	-.179	.073	.037	-.007
Is a reliable worker	.082	.000	.810	-.022	-.004	.000	.006	.094
Tends to be disorganized	.008	-.053	.788	-.092	.089	.114	.112	.041
Tends to be lazy	.005	.032	.785	-.125	-.069	.101	-.077	.030
Perseveres until the task is finished	.171	.176	.748	-.143	.146	.045	.082	.082
Does things efficiently	.225	-.010	.795	.018	-.039	.136	-.039	.050
Makes plans and follows through with them	-.031	.191	.720	-.186	.105	.221	-.053	.225
Is easily distracted	-.110	-.059	.741	-.091	.057	-.078	-.026	-.014
I am someone who is depressed, blue	.808	-.034	.101	-.152	-.151	.125	-.179	.074
Is relaxed, handles stress well	.835	.126	.148	-.078	-.202	.026	-.125	-.066
Can be tense	.702	.062	.234	.046	.093	-.037	-.109	-.033
Worries a lot	.849	.155	.018	-.034	-.089	.127	.032	.068
Is emotionally stable, not easily upset	.778	.084	.042	.115	-.129	.316	-.055	-.040
Can be moody	.818	-.016	-.067	-.107	.064	.187	-.112	.124
Remains calm in tense situations	.859	-.005	.060	.045	-.139	.110	-.056	-.011
Gets nervous easily	.817	.070	-.004	-.055	-.043	.229	-.099	-.089
I am someone who is original, comes up with new ideas	.075	.791	.011	-.080	.039	.072	.014	.022
Is curious about many different things	.107	.717	-.072	-.123	.159	.056	-.221	.029
Is ingenious, a deep thinker	-.103	.779	-.030	-.028	.040	.095	-.132	-.023
Has an active imagination	-.091	.687	.069	.105	-.010	-.003	.023	-.034
Is inventive	.040	.768	-.004	.043	-.043	.092	-.069	.013
Values artistic, aesthetic experiences	.087	.743	.089	.080	.116	-.072	.107	.104
Prefers work that is routine	.221	.761	.048	-.055	-.034	-.159	.072	.389
Likes to reflect, play with ideas	.095	.745	.124	-.048	.041	-.033	.044	.131
Has few artistic interests	.162	.759	-.077	-.050	-.119	-.075	.027	-.091
Is sophisticated in art, music, or literature	.071	.494	.019	-.059	-.149	-.132	.102	.051
I would be very happy to spend the rest of my career with this organization	-.110	-.033	.128	.077	.245	.015	.647	-.064
I feel as if this organization's problems are mine	-.077	-.059	.203	-.105	.061	.016	.686	-.134
I do not feel a strong sense of "belonging" to my organization (R)	-.193	.012	.050	.100	.322	.047	.752	.022
do not feel "emotionally attached" to this organization(R)	-.120	.080	-.040	.277	.317	-.042	.767	.072
do not feel like "part of family" at my organization (R)	-.265	-.002	.021	.114	.279	-.141	.551	.102
This organization has a great deal of personal meaning for me	-.240	-.047	-.104	.106	.187	-.115	.775	.094
Right now, staying with my organization is a matter of necessity as much as desire	.247	.038	.075	-.112	-.042	.860	.023	.031
It would be very hard for me to leave my organization right now, even if I wanted to	.266	-.029	.120	.226	-.264	.503	.090	.105
Too much of my life would be disrupted if I decided I wanted to leave my organization now.	.167	-.043	.154	-.043	.016	.834	-.092	.012
I feel that I have too few options to consider leaving this organization	.105	.033	.072	-.238	-.027	.719	.021	-.031
If I had not already put so much of myself into this organization, I might consider working elsewhere	.172	-.018	.023	-.214	-.101	.816	.030	.030
One of the few negative consequences of leaving organization would be the scarcity of available alternatives.	.161	-.010	.124	-.002	.013	.750	-.131	.051
I do not feel any obligation to remain with my current employer. (R)	-.049	-.051	.029	.263	.774	-.099	.240	-.005
Even if it were to my advantage, I do not feel it would be right to leave my organization now	-.037	-.011	.146	.208	.785	.087	.123	-.118
I would feel guilty if I left my organization now.	.035	-.035	-.127	.103	.741	-.148	.173	-.054
This organization deserves my loyalty.	-.271	.016	.093	.152	.831	-.017	.095	-.035
I would not leave my organization right now because I have a sense of obligation to the people in it.	-.031	-.044	.019	.075	.746	-.007	.117	-.076
I owe a great deal to my organization.	-.199	.185	.014	.087	.787	-.006	.173	.045

A STUDY ON DEVELOPMENT AND PROCESSING IN MYSORE MILK UNION LIMITED

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ABSTRACT

In this paper I have made a study on Mysore dairy regarding the routine work which is carried out by them. This helps the development of dairy industry and the farmers of the rural economy. So for this the information has been collected from the Mysore dairy, based on this the work in the dairy is carried out by stages from the entry of milk to the dairy to packing of products, for this I given importance to types of work carried out and the development of dairy industry in Mysore. This helps in better work to be carried for the milk and milk products for the welfare of the dairy development in Mysore.

KEYWORDS

Mysore Milk Union Limited, Procurement, Contamination, Management, Operation flood

INTRODUCTION

Dairying is often dynamic, challenging and rewarding. Dairying is the heart beat of the people which occupies an important portion for our life. Dairying is a total satisfaction and oldest activities designed to plan, price, promote and distribute want satisfying products the human wants and to achieve organizational objectives of the consumer.

In dairy planning strategies, we use procurement, distribution of animals and information to assess the situation. We have to select specific important dairying targets in the form of village segments. For each segment or subdivision of the market, we formulate a combination activities that are integrated into a single program me to reach a particular target.

OBJECTIVES OF THE STUDY

The study has been carried out in Mysore Milk Union Limited, Mysore (MYMUL). The study is concentrated on Mysore dairy, adopted supply and production strategy in the organization.

The main objectives are:

1. To understand the production and distribution of Mysore Milk Union Limited.
2. To make an analysis of the various activities adopted by MYMUL.
3. To evaluate the effectiveness of the work carried in MYMUL.

THE METHODOLOGY OF THE STUDY

An important criterion to validate any research study lies in the methodology adopted. To get relevant data with reasonable accuracy, it is essential to conduct a research study in an appropriate manner.

Primary data is collected by having discussions with marketing officers of Mysore dairy. And also primary data [first hand information] is collected from plant managers and other officers of the organization and consumers of milk products sold by Dairy.

The secondary data for the study has been collected by referring various files and records of Mysore dairy. And also some important journals and magazines and periodicals like Dairymen, Business India, Dairy Industry and Indian Dairymen.

STUDY AREA

Mysore Milk Union operates its activities in eleven taluks of Mysore and Chamarajanagar District namely Mysore, T. araspura, Nanjangud, H.D. Kote, Hunsuru, Priyapatna, K.R. Nagara, Chamarajanagar, Gundlupet, Kolegala, Yelandur. But before 1987 the Mysore Dairy operated with the jurisdiction over both Mysore and Mandya districts, with the exception of the Nagamangala & Maddur taluks of Mandya Districts.

SCOPE OF THE STUDY

The milk production in the country got a boost with the implementation of several program. In India, during fifties, the term began to attract in the interest market. In sixties, a variety of new products emerged by dairies. The unions at district level formed a Milk Producer's Co-operative at the state level. The Federation renders the necessary help to the unions and in turn to the Dairy Co-operative Societies (DCS) for production, processing and marketing of milk and milk products.

This study is concerned with Mysore Milk Union Limited, Mysore, since Mysore Dairy is the sole agency marketing dairy products in Mysore.

EVOLUTION OF INDIAN DAIRY INDUSTRY

Dairy farming is not new to India; it has been in operation along with crop farming from times immemorial. It started from the year 1913 but the first official move for organized dairying in the country was taken during the British regime when military dairy farms and creameries were established towards the end of the 19th century to meet the demands of the defense forces and their families.

Organized dairy industry on modern scientific lines began taking shape only after countries independence. In 1947, the first large milk bottling plant was established in Bombay in 1947 followed by a daily plant in Calcutta in 1950 in recent years. However India has made strides in developing its dairy industry with a establishment of some 106 liquid milk plants, 64 pilot milk schemes and 50 product factories. Another 60 plants are under the different stages of completion. The total installed capacity in the organized sector is about 100 lakh lts milk per day. Recently, the country's is implementing a massive dairy development with the assistance of World Food Program involving an outlay of Rs.116 crores. While another integrated dairy development program involving Rs.483 crores in the anvil.

The integral approach to dairying included the above elements was adopted by Kaira district co-operative milk producers union limited Anand popularly known as "Amul" which was set up in 1946. Both villages and district dairy co-operatives were owned and controlled by milk producers themselves. This integrated approach to co-operative dairying proved to be a great success with Amul and naturally was adopted by many other districts of Gujarat, this approach to dairying later comes to be known as Anand pattern of dairy co-operative.

TOTAL OUTLAY AND EXPENDITURE ON DAIRYING IN VARIOUS PLAN PERIODS

Plan periods	Approved	
	Outlay	Expenditure
First Five Year Plan (1951-52 to 1955-56)	78.10	77.80
Second Five Year Plan (1956-57 to 1960-61)	174.40	120.50
Third Five Year Plan (1961-62 to 1965-66)	360.80	336.00
Annual plans (1966-67 to 1968-69)	261.40	257.00
Fourth Five Year Plan (1969-70 to 1973-74)	1309.00	787.50
Fifth Five Year Plan (1974-75 to 1977-78)	NA	940.30
Sixth Five Year Plan (1980-81 to 1984-85)	4603.00	4362.90
Seventh Five Year Plan (1985-86 to 1989-90)	4934.70	4762.30

Source: Annual report of the Ministry of Agriculture, Department of Agriculture and Co-operation, Government of India and Planning Commission documents.

OPERATION FLOOD

One of the main aims of the dairy development program of Government of India is Flood with milk in India. One such program is "Operation Flood" designed by the National Dairy Development Board to create virtual flood of rurally produced milk in India. This has been in operation since July 1970. The first phase of the program ended in 1981, 1.5 million families were bound together in more than 12,000 co-operatives.

NATIONAL DAIRY DEVELOPMENT BOARD (NDDDB)

The National Dairy Development Board was set up in year 1965 to replicate the annual pattern co-operatives and make available multidisciplinary professional dairy expertise in the public and co-operative sectors.

It was in October 1964, on the occasion of the inauguration of the cattle feed plant at Kanjari, a unit of Kaira district co-operative, Late Sri Lal Bahadur Shastri, the former Prime Minister of India paid a visit to village milk co-operative society. Thus, the NDDDB was setup with its head quarters at Anand. Under the Ministry of Agriculture, Govt. of India, registered in September 1965 under the Societies Registration Act as a charitable trust. The DDC is a non profit making body.

The Gujarat government provided 25 acres of land for construction of the NDDDB offices. It received aid from UNICEF in the form of teaching aids and equipments, soon NDDDB decided to charge fee for its consultancy services which would cover the cost of providing each service.

INDIAN DAIRY CORPORATION (IDC)

The NDDDB designed the project Operation Flood in 1968 which was approved by the Govt. of India in 1969. However, it had been decided that as Charitable Trust NDDDB could not receive and sell the projects donated commodities. Therefore the govt. of India establishment a new company of its own under the Indian Companies Act, 1956, as Indian Dairy Corporation (IDC) under the control of the Department of Agriculture, Ministry of Agriculture and Irrigation. The IDC is responsible for receiving the project-donated commodities testing their quality, storing them, transferring them to user dairies and receives the dairies payments. The IDC was designed as the authority responsible for the implementations of operation flood.

'ANAND' PATTERN AND ITS SIGNIFICANCE FOR DAIRY DEVELOPMENT

One of the main aims of the dairy development policy of the Government of India is to "flood" India with milk. India ranks twentieth in production of milk, it is because of the vast majority of dairy farmers are rural based. The production of milk is not well marketed and it is dominated by sheer exploitation by middleman, buyers and distress sole by producers. Since returns from milk have been small, hardly any attention has been paid to increase the production of milk.

Impressed with the immense success of the Anand pattern in Gujarat, the Government of India setup the national dairy development board (NDDDB) to replicate dairy co-operative in the pace of the dairy development. NDDDB launched a project known as Operation Flood. The Government of India established the Indian Dairy Corporation (IDC) to analyze the finance for Operation Flood, NDDDB provides the technical expertise.

The essence of Anand pattern is that the milk producers own and run the dairy organization, performing all the functions of dairying. This however, did not find favor with vested interests. Consequently, the implementation of the Operation Flood faced many obstacles. The result of Operation Flood achieved so far, however have very clearly established that the 'Anand' pattern can be the only successful system for dairy development in India. With this realization Operation Flood phase is being implemented with new vigor.

MILK PRODUCTION IN INDIA

The bulk of the milk supply of the country is produced in rural areas. It has been estimated that only 4 percent of milk cows and less than 61 percent of mulch buffaloes are kept in towns and cities. U.P is the largest producer of milk followed by Punjab, Bihar, Andhra Pradesh and Rajasthan. M.P and Orissa account for very low production.

PRODUCTION OF MILK IN INDIA (000 TONS)

YEAR	COW MILK	BUFFALO MILK	GOAT MILK	TOTAL
1951	7,743	9,184	479	17,406
1956	8,180	10,976	561	19,717
1961	8,753	11,087	535	20,375
1966	6,918	11,879	571	19,368
1973-74	7,085	13,498	588	21,171
1989-90	14,895	22,325	1,488	51,408
1990-91	22,240	28,675	2,381	53,938
1996-97	27,679	34,903	2,707	65,289
1997-98	27,832	35,692	2,973	66,497
1998-99	31,546	40,122	3,032	74,700
1999-2000	33,046	41,622	3,432	78,100

Source: Economic & Commercial Geography of India, C.B. Marmoria (P. 108)

MILK PRODUCTION IN INDIA COMPARED TO OTHER DAIRY COUNTRIES

The average annual milk yield per animal in India is very low compared to other countries advanced in dairying such as Canada, Denmark, Japan, Netherlands, UK, USA, etc., This low yield is attributed mainly because of the local breed of milk animals and also the way in which they are maintained. The bulk of milk production in India is in the hands of millions of small producers scattered all over the country. To most of them it is a supplementary or complementary

enterprise. These rural producers are from low economic background and at times it becomes difficult for them to feed animals with proper feed in required quantity. The milked animals are mostly sent for grazing and in most of the cases, the animals are malnourished which leads to poor yield.

AVERAGE MILK PRODUCTION PER COW IN VARIOUS COUNTRIES

COUNTRY	MILK YIELD PER COW
Canada	2896 kg
Denmark	3946 kg
Japan	4284 kg
Netherlands	4207 kg
UK	3797 kg
USA	3767 kg

The poor milk yield of the Indian cow is the combined result of very low level of feeding, indifferent management and indiscriminate breeding. This is basically attributable to the Indian system of farming which has as its primary objective, the production of food and cash crops, the growing of fodder being hardly attended. To the inadequate quantity of feed available is mostly served to the bullocks while cows and female young stock are generally neglected. A cow is kept to procure milk as a produce and bullocks for the work of cultivation. India has world's largest cattle population, nearly 54 percent of the world's buffaloes and 20 percent of the world's cattle has been accounted in India of which more than 90 percent of the cattle population remains in villages. But unfortunately, India's contribution to world milk production is less than seven percent, the average annual production per cow being 175 kgs.

BRIEF HISTORY OF DAIRY DEVELOPMENT IN KARNATAKA

The primary objective of Dairy Development Program in this state has been to encourage the growth of the Dairy Industry in the rural areas and to supply wholesome genuine milk to cities and townships in the state.

In the first phase of the program, no specific provision was made for Dairy Development and thereafter when the recognition of the state occurred in 1956, added to the state, the milk supply scheme at Dharwad-Hubli and Kudige in Kodagu under the control of Animal Husbandry Department of this State. The Dharwad-Hubli region was earlier in Bombay Presidency area, which after 1956 was included in Mysore. Thus, the Dairy Development Program assumed little significance during the second phase of the program of the state. Thereafter, Bhadravati Milk Supply Scheme was initiated in 1960.

This amount was excluding the value of the UNICEF assistance received from the Bangalore Dairy Plant which had been organized as a separate state government until later on. Thereafter, four new milk supply scheme were sanctioned by the government for establishing the same at Mangalore, Belgaum, Gulbarga and Mysore. A Danish modern dairy farm, under Indo-Danish Co-operation was inaugurated at Hesaraghatta in July 1964 and the work was taken up as per the scheme and agreement with Danish Government. Few Holstein Freasion pedigree cows and bulls were received as gifts from Australia and were stationed at Hesaraghatta. During this time, the milk scheme was established at Davangere and it was handed over to Bhatti Co-operative Union, Davangere to work in the co-operative sector for the state.

During the fourth phase program, efforts have been made towards the collection of milk from rural areas on the organized basis so as to ensure the supply of good quality genuine milk and milk products at a reasonable price to the consumer in the urban area in the state.

The outlay has been proposed for opening four rural dairy schemes in the states and they are proposed to be located at Bellary, Bijapur, Raichur and Hassan. As far as possible, these schemes will function through the milk supply unions and their affiliated milk producer's societies. Rs. 1 million has been proposed for the rural dairy extension scheme to be spent by the state government of milk production on co-operative lines in the milk shed areas of the state.

The Bangalore Dairy with the assistance of the UNICEF was inaugurated on January 1965, however due to inadequate and irregular supply of milk and inadequate unorganized marketing facilities. The dairy could not reach targeted 50,000 liter capacity per day until 1970. The efforts are under progress to increase the intake of milk at the Bangalore Dairy up to 1,00,000 liters of milk per day. The NDDB established by the Govt. of India was delegated by the state government to examine the potential and the significant working of the Bangalore Dairy for future prospects and development by deputing a team of technicians and to submit the report to the government for immediate follow up.

MYSORE DAIRY-A BIRD'S EYE VIEW

Prior to 1964, dairying was only undertaken by the unorganized, private individuals in the district. In the early years, very few dairy farms were operated by private people with the encouragement of the rulers of Mysore, mainly for the purpose of supply of milk to the palace, later due to population growth in Mysore City new private dairy farms came into existence to cater to the needs of citizens of Mysore City for dairy products.

In order to popularize dairy farming in Mysore district, it was started in 1964 by the then State Govt. of Mysore to provide for supplementary income to the farmers and to supply quality milk to the urban consumers, in the beginning. The milk was sold in bulk to hotels and other food processing institutions and in later years it was chilled & sold to the city consumers.

In the year 1972 the old Mysore Dairy was modernized at a cost of Rs. 2.3 lack with a capacity million their modernized dairy provided the facility to supply pasteurized milk to the consumers at large. For the first time, the World Bank team visited India in 1974 for taking up feasibility study on dairy development programmer in Karnataka State. The main objective of their project was to bring about socio-economic reformation of the farmers in the rural area through dairying as a main subsidiary occupation to improve their living standards keeping there objectives in mind 450000 farmers families were proposed to be brought under the milk producer's co-operative societies to be established in the project area, over a period of 5 year from 1975 to 1980.

The target number of DCS to be established during their period was fixed at 1800. A separate corporation was established in the year 1975 for the implementation of their project namely, the Karnataka Dairy Development Corporation (KDDC) with its headquarters at Bangalore. For administrative convenience four zones were created in the project area with their headquarters at Mysore, Bangalore, Hassan and Tumkur. Mysore dairy was handed over the KDDC, the field activities were started in all there areas through freshly recruited and well trained staff at NDDB, Anand in the year 1975. This team was known as the spearhead team for implementing the program.

The KDDC established under the Companies Act 1956 in the year 1974 was converted into Karnataka Cooperative Milk Producers Federation Limited (KMF) under the Cooperative Act in the year 1984 at the instance of NDDB for taking up implementation of operation flood phase II from 1984. Automatically the ownership of Mysore dairy was handover to KMF from KDDC.

Later the Union was bifurcated into Mysore and Mandya District Cooperative Milk Producers Societies Union Ltd from 01-04-1987. Consequently to the bifurcation of Mysore District into Mysore and Chamarajanagar Districts, this Union is renamed as Mysore-Chamarajanagar District Coop Milk Producers Societies Union Ltd.

FUNCTIONS OF MILK DAIRY

The overall functioning of the dairy can be studied in many stages:

1. PROCUREMENT AND INPUT DEPARTMENT
2. PRODUCTION DEPARTMENT
3. PRODUCTS DEPARTMENT
4. PROCESSING DEPARTMENT

5. MARKETING DEPARTMENT
6. PURCHASE AND STORE DEPARTMENT
7. TRANSPORT DEPARTMENT

MILK PROCUREMENT AND INPUT DEPARTMENT

Particulars	No. of Centers
A. Dairy Co-operative societies supplying milk	78
B. Procurement routes	38
C. Chilling centers	03
D. Distribution covered (District)	02
E. Taluk covers	11
F. Number of Tankers	10

The Procurement and Input Department is concerned with collection of milk from various DCS. The Milk Producer's Co-operative Societies will receive milk from their member producer, grade it, assemble it and dispatch the entire quantities to the dairy within three hours. Each society is located in an appreciable commending village and its area of operation may be extended to one more satellite village within a radius of two three KMF.

The process of milk procurement in the society begins with each producers pouring the milk in the society is measuring set. Drawing of milk for samples in fat tested recorded the milk delivered, assembling milk of all the producers, testing the sample and recording the results, loading the milk into the tracks, supervising milk transportation and checking pilferage in transport process and collection of empty milk

PROCESSING DEPARTMENT

Processing department is a part of Production department. Here, the tankers are tested for freshness. After the milk is tested, it is weighed and samples are drawn for analysis where milk is tested (fat contents and SNF). This milk is stored in insulated stainless steel tanks. Milk is processed in closed system without exposing milk to the atmosphere or to human hands. Hence, the milk is protected from the contamination by external sources of bacteria and other contaminants.

The processing machinery should match the average milk produced and it should have handling capacity to capture a major share of the market. This arrangement can enable to dairy, assure it producers of good market and its consumers a regular supply of wholesome milk.

Milk is delivered to plant section from the co-operative societies in tankers on reception at the dairy; the tankers are placed on a platform and tested for freshness. After the milk is tested, it is weighted and samples are drawn for analysis where milk is graded. The milk is dumped in a tank and led to another tank as standardized. Here, the milk is standardized by removing excess fat content present, thereby rendering milk to 4.5 percent fat content of 8.5 percent SNF (Solid Not Fat). After standardized milk is chilled in the chillers, to check the growth of harmful micro-organisms. Next, milk is led to the raw milk storage, milk tank to arrange the uniform flow of milk to the pasteurized, where it is heated and then cooled through which is sent to the pasteurizes and the milk is heated and immediately cooled.

After pasteurization milk is kept in cold store and is packed in sachets and distributed when required.

PRODUCT DEPARTMENT

Product's department concerned with reception, storage maintenance of processed milk products which received from processing department.

MARKETING DEPARTMENT

Marketing is the process by which growing needs and expectations of customers are identified and satisfied with internal customer support, retain existing customers and get more new customers to finally realize organizational objectives and consumer delight.

Marketing department plays a vital role in determining the future ability of the company. Its main objective is to distribute goods from producers to the customers. This department is vested with responsibility of marketing milk and milk products under the corporate brand "NANDINI".

AREA OF OPERATION

The dairy authority principle is to market the product by eliminating middlemen. Therefore, the dairy authorities have developed certain agents with the sale purpose of distributing the products to the consumers, the contract vehicles for the transport of milk.

The route covered by each delivery, truck is planned in such a way that the time involved in the process in minimum "cash and carry" system has been followed by the Mysore dairy in marketing. The products up to 1980, the dairy was marketing milk in half liter bottle and now all the dairies in Karnataka have switched over to the plastic sachet system.

The major portion of milk is comprised of household buyers. There are few institutional buyers like factories, hostels, hospitals, etc., There are 31 parlors and 370 agents in city and there are 23 parlors and 257 agents in rural area where the dairy products are sold in the brand name of "Nandini".

GENERAL INFORMATION

1.	No. of Districts covered	2
2.	No. of Taluks covered	11
3.	Total villages covered	1994
4.	No. of DCS functioning	883
5.	Total members enrolled	223551
6.	Women	69532
7.	S.C.	27824
8.	S.T.	6362
9.	Small Farmers	93590
10.	Marginal Farmers	58105
11.	Landlines Labours	30659
12.	Other	32197
13.	Milk Routes	44
14.	Bulk Milk Coolers	27
15.	Automatic Milk collection units	137
16.	E.M.T.	250
17.	Milking Machine	15

18	No. of Employees in the Union	388
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MARKETING ACTIVITIES

Particulars	City	Rural
No. of Distribution routes	24	10
No. of Agents	370	257
No. of Milk Parlors	31	23
No. of Sales Depot	0	4

YEAR WISE SALE OF MILK

Year	Milk in lakhs / kgs
2002-03	93415
2003-04	99398
2004-05	106015
2005-06	110764
2006-07	120536
2007-08	138697

FUNCTIONS

- Planning the marketing programs:** Marketing department in MYMUL will also plan the marketing programs apart from the KMF to market in and around Mysore i.e., in its area of operation.
- Analyze the marketing opportunities and fixing the target:** Marketing department will analyze the marketing opportunities by making the surveys and fixes the target on the basis of consumption pattern.
- Developing marketing strategies:** Marketing department will develop the new marketing strategies in order to increase the sales.
- To connect the consumer with the products:** Marketing department will ensure that, the products produced by the dairy will reach the end user in time.
- To deliver the goods to agents and get cash receipts from beginning to last point as per MIS route sheet:** The salesman of the marketing department will go along with the supply vehicle and deliver the goods to the agents and get the cash receipts from the agents.
- Collects indents from the agents for the next day:** Salesman of marketing department will collect the indents from the agent for the next day.
- Sending the production budget i.e., the quantity to be produced:** Marketing department will prepare the budget i.e., how much products to be produced for the next day, they will prepare it on the basis of indents they had collected from the agents.

PARAMETERS FOR THE TARGET

Local demand
Last year actual sales
Present sales
Future development

OBJECTIVES OF MARKETING DEPARTMENT

- ✓ To increase the market share of 'NANDINI' milk.
- ✓ To increase the average sales in milk and milk products.

To deliver its products to the right place and at the right time

The following table indicates the comparison of year wise sales of milk from 2002-2003 to 2007-08. The performance of the union can be well appreciated, if we have the knowledge of its strength, weakness, threats and opportunities.

ORGANIZATIONAL STRUCTURE OF MYSORE DAIRY

Mysore dairy organization is made up of people. Organization structure plays an important role in reaching goal cooperation between the various departments in organization plays a vital role in smooth flow of work. The organization structure must be in planned manner for not giving scope for future. Mysore dairy carries on its day affairs with various departments and its total workers are 317.

The fact that organizations are also designed around other factors, besides people, such as markets, products, process or regions and complexity to the organizing of the people that manage and staff all those other resources and functions.

FINDINGS

MYMUL is serving the rural region and helping for their upliftment, by way of procuring milk through poor farmers through its formed societies and paying them fair returns. It is contributing for economic upliftment of farmers.

- MYMUL even gives more important towards animal health care, artificial insemination, cattle feed and fodder development (supplier relationship).
- MYMUL is serving the society and its customers by providing better supply chain strategy.
- The presence of large buyers will create an incentive for suppliers to develop technologies yielding greater economies of scale. Such technologies further improve input prices for the largest buyers and damage them for the smallest buyers.
- It can be seen that sales network of Nandini milk is easily accessible.
- MYMUL is equipped with fully automated systems which ensure total quality maintenance.
- It sells its products under the brand name 'Nandini' which has got more consumer preferences and loyalty due to its quality products.
- Marketing department of MYMUL plays a very important role in increasing the sales through promotional activities like supplying milk in time to the consumers.
- MYMUL is also under the process of computerizing whole organization within the short span of time.
- MYMUL is providing remunerative market for the milk produced by the rural farmers throughout the year irrespective of the quantity supplied by them.
- MYMUL is supplying balanced Cattle Feed to the farmers of the Coop Societies at subsidized rates.
- There are effective supervision / extension services through field executives of the Union.

SUGGESTIONS

- MYMUL should give more importance for their interiors and interior design for the departments and make it more attractive.
- MYMUL can increase its sales and earn more profit by increasing its sales points and starting parlors in colleges, market places and in such other public places.

- Information Technology has evolved from a mere transaction processing tool to its present role as an effective aid to decision making. MYMUL should develop IT in Supply Chain Management.
- MYMUL can update its Supply Chain Management Software.
- MYMUL can adopt E-Commerce to its organization, because e-commerce applications manage all the order processing activities for an online store.

CONCLUSION

Today, firms compete not only on their end-products or services of dairy. They have discovered that they can come out with differentiated product offerings and offer better value to their customers, only when they make improvements in all the supply chain processes.

MYMUL, which refers to Mysore Milk Union Limited, is playing a vital role in serving the rural class and contributing for the economic upliftment of farmers. It is helping the farmers by giving them all facilities to rear their cattle by supplying fodder and feed, improving the breed by artificial insemination with the of their veterinary services.

MYMUL is not only helping the rural society but it is also catering the urban region by providing its products to all ages supplying milk to took and corner of Mysore and Chamarajanagar district. Mysore dairy has gained more number of customers in urban area as well as rural areas. The daily sales has increased day-by-day from past 2 years.

It concludes by exploring the drivers of the growth of supply chain management and the objectives of MYMUL by adopting supply chain management practices.

MEASURES FOR IMPROVEMENT

The most urgent need is therefore, stabilizing the number of breed able females which hold the key to increased milk production by way of controlling the total number of useful cow-buffalo population.

Superior quality of fodder is to be provided to the milk cattle at reasonable prices. The successful development of dairy industry depends upon the establishment of close link between the rural producers of milk and urban customers of milk in a centrally organized system of procurement, processing and distribution. It is necessary to find out the ways to assist the primary producers in

- (a) Prevention of premature death/incapacitation of their bull stock through efficient health services.
- (b) Timely breeding of animals through a network of artificial insemination centers.
- (c) Ensuring with milk yield through cross breeding/use of superior bulls.
- (d) Supply of and fodder seeds at fair price.
- (e) Bringing know-how at farmers' doors through an extension service.

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USE OF INTERNET FOR ELECTRONIC GADGETS PURCHASING – IMPACT OF CIRCUMSTANTIAL ELEMENTS

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ABSTRACT

Purpose – This paper seeks to understand the triggers which influence the adoption (and the discontinuation) of online electronics shopping. Specifically, the research aims to establish the role of situational factors in the process of adoption. Design/methodology/approach – A two-step research process is employed. First, exploratory qualitative research is carried out, with the purpose of gaining an in-depth understanding of consumers' online electronics shopping behaviour. This is followed by a large-scale quantitative survey extending the findings of the qualitative research and validating the role of situational factors in instigating the commencement (and discontinuation) of online electronics buying. Cluster analysis is used to segment consumers based on the importance of specific types of situations. Findings – Both qualitative and quantitative results establish the importance of situational factors, such as having health problems or giving gifts to a person in distant location or using the online offers, as triggers for starting to buy electronics online. Many shoppers are found to discontinue online electronics shopping once the initial trigger has disappeared or they have experienced a problem with the service. Practical implications – While situational factors are beyond a marketer's control, they could be used as a basis for marketing communications content and target advertising, for instance, by using magazines containing details on what gift can be given or what all offers are going on. Originality/value – The importance of situational factors as triggers for the adoption of online electronics shopping suggests an erratic adoption process, driven by circumstances rather than by a cognitive elaboration and decision. The adoption of online shopping seems to be contingent and may be discontinued when the initiating circumstances change.

KEYWORDS

Cluster analysis, Consumer behaviour, Internet shopping.

INTRODUCTION

Internet electronics industries are developing on a fast pace. Yet, while the online gadgets and electronics market is reported to have grown by almost 34 per cent in 2006, online electronics purchases are estimated to still account for a very small portion of the total sales (Keynote, 2007). Mintel (2007) concludes that online shopping for gadgets remains a niche market.

The fast growth rate of the online electronics market presents a challenge for retail outlets and supermarket chains competing for share, in terms of balancing their online and offline investments. A better understanding of the triggers which influence the adoption (and the discontinuation) of online electronics shopping is vital for the strategic management of this sector, both in the developing Andhra Pradesh market and elsewhere.

Shopping for electronics online is arguably a discontinuous innovation (Hansen, 2005), requiring a significant change in behaviour (see Robertson, 1967): online shoppers forfeit the social interaction of offline shopping and the potential to evaluate electronics prior to purchase. For online electronics shopping to develop beyond its current "niche" size, retailers need to understand not only what triggers consumers to change their purchase behaviour, but also the extent to which their online shopping experience reinforce the adoption process.

Previous research pertaining to internet electronics shopping has focused on comparing online and offline purchase behaviour in terms, for instance, of brand loyalty (e.g. Danaher et al., 2004), shopping behaviour (e.g. Andrews and Currim, 2004), the importance of brand names (e.g. Degeratu et al., 2000); and consumers' perceptions of the advantages and disadvantages of shopping online for electronics (Ramus and Nielsen, 2005).

Another important stream of research has examined the consumer traits of internet shoppers, either in terms of their general shopping orientation (e.g. Brown et al., 2003), their web-usage-related lifestyle (Brenngman et al., 2005), or psychographic characteristics (Barnes et al., 2007). Additionally, Rohm and Swaminathan (2004) developed a typology of internet electronics shoppers based upon their motivations for shopping online.

The aim of our research is to identify triggers for the adoption and discontinuation of online electronics shopping. Specifically, the objective of this study is to establish the role of situational factors in the process of adoption of online electronics shopping behaviour. This knowledge will assist online retailers in their customer recruitment and retention efforts.

Our research makes a significant contribution to the literature by extending knowledge of online purchase behaviour beyond the much researched influence of consumer traits, assessing the impact of situational factors and their role as triggers for the adoption of online electronics shopping. Bandura (1977) highlighted the importance of contextual factors, including the social, situational, and temporal circumstances under which events occur in shaping the cognitive appraisal of the causes and consequences of one's behaviour. Yet, situational factors have often been ignored in research on consumer behaviour and the adoption of innovations, with rare exceptions (e.g. Dabholkar, 1996; Dabholkar and Bagozzi, 2002, in the general context of the adoption of technology based self-service). The framing of much of the existing literature implies that the adoption of electronics shopping is a once-off process, but our findings suggest that this is a misconception. The importance of situational factors as triggers for the adoption of online electronics shopping suggests an erratic adoption process, driven by circumstances rather than by a cognitive elaboration and decision. The adoption of online shopping seems to be contingent and may be discontinued when the initiating circumstances change.

From a managerial perspective, uncovering the importance of situational factors as triggers for consumers to start (or to stop) online electronics shopping enables e-suppliers to target segments of consumers in relevant predicaments or life-states and will help them to take more appropriate, proactive steps to improve retention rates.

The paper is structured as follows. First we review the literature relevant to the adoption process of online (electronics) shopping and theories relevant to our study, highlighting the gap pertaining to the study of situational factors. In the next section we discuss the sampling frame and data collection procedures for the first, qualitative, stage of the research and present our analysis and findings. This is followed by the method and findings of the second, quantitative, stage. Finally, we discuss the implications of the overall findings for theory and practice.

CONCEPTUAL FRAMEWORK

Our research aims to identify the triggers for the adoption and discontinuation of online electronics shopping relate to the literature on the adoption of innovations in general and of internet shopping in particular. Social cognitive theory informed the specific objective of uncovering the role of situational factors.

THE PROCESS OF ADOPTION

Robertson (1967) classifies innovations as continuous, dynamically continuous and discontinuous. Crucially, discontinuous innovations not only involve the adoption of a new product, but also cause buyers to significantly alter their behaviour patterns. Using Robertson's typology, shopping online for electronics can be classified as a discontinuous innovation, because there is a significant change in behaviour: selecting electronics items from a list on a web page instead of choosing items on display of an electronics store or supermarket shelf. The changes in behaviour patterns that mark discontinuous innovations suggest that the process of adoption for these innovations may be lengthier, and possibly more problematic, than for continuous or dynamically continuous innovations.

Furthermore, consumers' perceptions of the characteristics of an innovation affect its rate of adoption (Mahajan et al., 1995; quoted in Verhoef and Langerak, 2001). According to Rogers (1983), the five characteristics of relative advantage, compatibility, complexity, divisibility and communicability influence the rate of adoption of an innovation. In the context of the adoption process of online electronics shopping, Verhoef and Langerak (2001) investigated the effects of perceived relative advantage, compatibility and complexity on consumers' intentions to purchase electronics online. Their research showed that consumer perceptions of the relative advantage and compatibility of electronic electronics shopping positively influenced the intention to adopt online electronics shopping. Perceived convenience emerged as a potentially decisive factor in determining consumers' perceived relative advantage and compatibility of electronic electronics shopping. Moreover, as expected, consumers' perceptions of the complexity of electronic electronics shopping had a negative influence on their online electronics intentions.

The focus on intentions is a major limitation of Verhoef and Langerak's (2001) findings. In contrast, Hansen's (2005) research investigated both experienced and inexperienced online electronics consumers. Hansen's findings suggest that US adopters of online electronics shopping attached higher compatibility, higher relative advantage, more positive social norms and lower complexity to internet electronics shopping, not only compared with consumers who had never bought anything on the internet, but crucially, also compared with consumers who had purchased other goods/services on the internet, but not electronics.

Hansen's findings are significant for several reasons. Firstly, they indicate that online shopping is not adopted per se, but in connection with specific product categories. This is consistent with Brown et al.'s (2003) findings that the product category, rather than the shopping orientation of the individual, was a significant determinant of online shopping.

Therefore, acceptance of and familiarity with internet technology do not appear to be sufficient antecedents of the adoption of online shopping; other factors instigate the behaviour changes involved in online shopping in particular consumption categories.

Example, Davis et al. (1989, p. 987) note that self-efficacy "is one of the major factors theorised to underlie intrinsic motivation". Putting together Hansen's (2005) and Davis et al.'s (1989) findings, we infer that consumers who have already purchased electronics online have an enhanced assessment of their own self-efficacy or ability to perform this behaviour. This enhanced assessment affects the higher compatibility and relative advantage, the more positive social norms and the lower complexity that these consumers attribute to internet electronics shopping, compared with other internet shoppers. This inference is consistent with Bandura's (1977, p. 205) claim that "experiences based on performance accomplishments produce higher, more generalised and stronger efficacy expectations than [...] vicarious experience".

Furthermore, according to Bandura's (1977) Social Cognitive Theory, contextual factors, including the social, situational and temporal circumstances under which events occur, have an impact on how self-efficacy is cognitively appraised. The suggestion of a continuous reciprocal interaction between the environment in which an individual operates, his or her own cognitive perceptions (self-efficacy and outcome expectations) and behaviour, suggests that situational factors need to be investigated as prompts for the adoption of online electronics shopping.

SITUATIONAL FACTORS AND THE ADOPTION OF ONLINE SHOPPING

Many studies have sought to identify the individual personality or psychographic traits which correlate with the adoption of new technologies in general and of internet shopping in particular. This has resulted in many typologies of internet shoppers (e.g. Brengman et al., 2005; Brown et al., 2003; Childers et al., 2001; Fenech and O'Cass, 2001; Sénécal et al., 2002). Additionally, Rohm and Swaminathan (2004) developed a typology of online electronics shoppers based upon their motivations for shopping online. Shopping motivation was found to interact with the product category in affecting the online purchase frequency of various categories of internet shoppers (convenience shoppers, variety seekers, balanced buyers).

However, many of these studies have evaluated the influence of personality traits on intentions to purchase online, rather than actual behaviour. Yet, as discussed in the previous section, experiences based on performance accomplishments produce higher, more generalised and stronger efficacy expectations (Bandura, 1977).

Furthermore, situational factors are usually ignored in consumer behaviour research, both in general and in the specific contexts of the adoption of technology and of internet shopping. As noted, there has been an assumption that adoption is a rational and enduring decision.

However, those authors who do acknowledge the role of situational factors suggest that these may be very important in the understanding of the process of adoption. Engell and Blackwell (1982) and Dabholkar and Bagozzi (2002) note that situational factors may prevent a consumer from adopting a new product (or technology), even if he/she possesses the "right" consumer trait. Hence Dabholkar and Bagozzi's (2002, p. 197) suggestion that "researchers need to understand the consequences of various situational factors (and their interactions) so that managers can plan to avoid negative situational influences, whether in-store or online".

Two studies have considered the influence of situational factors in the context of home and online shopping. Gillett (1976) found that in-home shopping was often motivated by specific needs or circumstances, such as avoiding an extra trip to pick up a needed item. More recently, Morganosky and Cude (2000) noted that convenience was a particularly relevant motive when there were situational constraints such as ill health or the presence of small children in the household. This suggests that situational factors may be important in shaping and reinforcing online shopping motivations.

METHODOLOGY

The research was in two stages. First, we conducted exploratory qualitative research, (Study 1), with the purpose of gaining an in-depth understanding of what motivates consumers to start shopping online for electronics and the extent to which their online shopping experience encourages them to continue or to stop online electronics shopping. Following the qualitative research, we designed and implemented a large-scale quantitative survey (Study 2), in order to extend the findings of the qualitative research and to validate the role of situational factors in instigating the commencement or discontinuation of online electronics buying. Cluster analysis was used to uncover specific triggers for particular groups of consumers.

STUDY 1: QUALITATIVE RESEARCH

RESEARCH DESIGN OF STUDY 1

The qualitative research consisted of focus groups with both current and lapsed online electronics shoppers. Four 90-minute focus groups were held with eight people in each group. The 32 respondents had all bought electronics online regularly, although some had subsequently lapsed. All were heavy users of the internet and most had access to broadband either at home and/or work. All respondents lived in Andhra Pradesh, were over 25 years old and represented a broad mix in terms of age, occupation and family life stage. The four groups were purposefully recruited to include consumers buying electronics online with different frequency:

- female regular buyers;
- female "mixed" light and regular buyers;
- male "mixed" light and regular buyers; and
- female light and lapsed buyers.

Regular buyers were defined as those who shopped online for electronics once a month or more, with light buyers shopping less than once a month. The inclusion of a male group reflects their relative importance in the market; men account for one third of online electronics shopping (Verdict, 2004). The focus groups were led by an experienced moderator. All groups were tape-recorded; the tapes were transcribed by a professional audio-typist. Data analysis took place in two stages. First, the group moderator analysed the transcripts using paper coding and a thematic approach, producing a report and presentation. In a further, supplementary analysis, the transcripts and tapes were analysed by an analyst who coded the research brief, transcripts and the research report using Qualrus software. The use of computer assisted qualitative data analysis software (CAQDAS) enabled a more comprehensive analysis of our data, providing additional and more detailed findings (for full details of the qualitative analysis, see Robinson et al., 2007).

MAIN FINDINGS OF STUDY 1

Starting and stopping online electronics shopping. Situational factors appeared to be the key triggers for starting online electronics shopping. Many respondents described lifestyle changes that had led them to start online electronics shopping. These included moving house, breaking a limb, getting a job or changing jobs, sending gifts to distant location, leaving work, working late, working at home, internet offers, ease in booking new launched product, difficult store location, and no vehicle:

My sister needs to send gifts to a friend in distant location and she shops online (female light/regular buyer).

I am unable to go looking out and comparing products as I am old, so it was then (female regular buyer).

I broke my arm (female regular buyer)

For some, moving house to an area where their particular brand did not have a physical presence had triggered shopping in the "virtual" store. Others had been influenced by advertising such as leaflets, coupons, TV ads, banners and air miles.

Significantly, situational factors appeared to be important triggers not only for starting but also for diminishing the frequency of shopping online for electronics or for stopping altogether, particularly when the initiating situation had reverted back to normal. For example:

When the iPhone was launched then it was much easier to book it online then keep on standing in long queues. But now they are readily available and as such I can go to a store and pick it up then and there. (female light/regular buyer).

A friend of mine had a hip replacement ... and she did all her shopping online for a few months so it is very useful in that respect (female light/regular buyer).

Another significant finding was that almost all respondents continued to shop in off-line stores for electronics, in tandem with their online purchases. Some enjoyed shopping in electronic stores and found the online browsing experience less satisfactory, as they did not come across interesting new items and could not see & feel the products in the same way as when shopping in the store. Whether electronics were bought more often online rather than offline depended on situational variables.

THE ONLINE ELECTRONICS SHOPPING EXPERIENCE

Overall, internet electronics shopping was regarded as a chore rather than a pleasure, much less interesting or fun than "surfing the web", gambling, or buying products such as books and holidays.

A number of areas of concern were raised: many respondents felt that their online electronics providers could not be trusted to be reliable because particular brand of products were regularly omitted from the delivery. Substitute items were often considered unsuitable and there was an awareness of differences in service quality between orders supplied from the warehouse or from a local store:

I have given up expecting to get what I've ordered (female regular buyer).

If you are relying on a delivery coming and they don't deliver it, you have to go out anyway so that defeats the object of buying online (female light/regular buyer).

Unsatisfactory deliveries and incorrect orders were the main cause of complaint and were given as the main reason for discontinuing online electronics shopping. Some respondents considered a two-hour delivery slot too long and many complained about late deliveries:

I find delivery quite stressful because you are anticipating them coming and I find that quite stressful. The longer I have to wait the worse it gets, I just get more and more stressed (female light/regular buyer).

CONCLUSIONS OF STUDY 1

The results of the qualitative study indicate that situational factors are important triggers not only for starting but also for diminishing the frequency of shopping online for electronics or for stopping altogether. Overall the findings suggest that the online mode of shopping for electronics is discretionary: it may be abandoned when a particular trigger disappears or because consumers are unhappy with service, but equally, it may be restarted as changing life events create new triggers. Furthermore, online electronics shoppers continued to shop in traditional electronics stores.

In the second stage of the research, a postal survey was used to quantify and amplify the findings from Study 1.

STUDY 2: SURVEY

RESEARCH DESIGN OF STUDY 2

The findings of Study 1 informed the construction of a questionnaire, which covered a wide range of issues such as the frequency of shopping online for electronics, the reasons for choosing a particular provider and attitudes towards electronics shopping in general and online. This paper focuses on the analysis of questions relating to the adoption process for online electronics shopping.

In total, 20 statements describing situational variables believed to prompt online shopping and 18 reasons for stopping were derived from the qualitative research. Respondents were asked to evaluate each statement against a five-point scale where 1 denoted "not applicable/no influence", 2 1/4 "weak influence", 3 1/4 "moderate influence", 4 1/4 "strong influence" and 5 1/4 "very strong influence". A five-point scale was considered appropriate: using a seven- or nine-point scale could have made the question appear more difficult to answer and a larger number of categories would assume that the respondents are able to finely discriminate between the levels of influence each of the 20 reasons given had on their behaviour.

After a pilot study with 40 respondents, the final questionnaire was posted to a sample of 5,000 names, randomly extracted from a commercial list of online electronics shoppers [1]. Our decision to adopt a postal survey seems counter-intuitive as our study focuses on internet use. Even if a sampling frame of e-mail addresses were available, there would be reasons to prefer a postal survey. As Bryman and Bell (2007) note, response rates for online surveys tend to be lower than for comparable postal surveys (see also Grandcolas et al., 2003; Lozar Manfreda et al., 2008). An e-mail survey requires access to bulk-mailing facilities and risks introducing additional sampling error through e-mails inviting participation in the survey being blocked by spam filters (Malhotra and Birks, 2007). In our study, 1,327 questionnaires were returned (a response rate of 27 percent); of these, 1,128 were valid (had ever used the internet for electronics shopping). In order to assess our sample, we compared the MOSAIC groups represented in our sample to the national distribution (Table I).

Our sample provides a reasonably good match to the population of Andhra Pradesh in terms of MOSAIC categories, although the two largest categories (Symbols of Success and Happy Families) are slightly overrepresented, whilst those in the Municipal Dependency category are under-represented.

Over 50 percent of respondents were relatively new to buying electronics online, having started within the last three years; 65 percent had last shopped online for electronics in the last month or more recently. Significantly, when asked to indicate the proportion of total spend on electronics allocated to online, electronic store or supermarkets, and other stores, respondents allocated 46 percent to internet electronics shopping, 41 percent to electronic store or supermarkets and 13 percent to others stores. This is in line with the findings of Study 1, i.e. that internet and supermarket shopping are not mutually exclusive.

MAIN FINDINGS OF STUDY 2

TRIGGERS FOR STARTING TO SHOP ONLINE

Of the 1,128 responses we received, 908 completed the question related to situational triggers for starting online shopping. The respondents were asked to indicate the level of influence that each particular situational variable (e.g. mobility problems) had on their decision to start buying electronics online (the 20 variables are shown in Table II). We subjected these 908 responses to hierarchical cluster analysis using Ward's method in SPSS to determine whether there were identifiable groups of electronics shoppers in terms of the decision to begin buying online. The increases in the agglomeration coefficient suggested that there were five clusters; however, these were found to overlap considerably. Results of the three-cluster solution are presented here as these give the clearest picture. To determine whether differences between the clusters were significant, we used an effect size measure, η^2 , which can be derived from ANOVA results as the ratio of the sum of squares between groups to the total sum of squares. We used this measure in preference to performing one-way ANOVAs as our large sample size rendered the ANOVA test too sensitive (differences in responses too small to be of practical use were found to be statistically significant). The larger the value of η^2 , the greater the difference between the clusters; as a rule of thumb, 0.01 is a small effect, 0.06 is a medium effect and 0.14 can be considered a large effect (Cohen, 1988). The mean scores for each of our 20 statements for each cluster are given in Table II.

TABLE I: MOSAIC PROFILE OF THE UNCLASSIFIED DATA SET

Mosaic group	Frequency	Sample Percentage	National (percent)
Missing (no ID number)	12	0.90	--
A. Symbols of success	166	12.51	9.62
B. Happy families	179	13.49	10.76
C. Suburban comfort	219	16.50	15.1
D. Ties of community	192	14.47	16.04
E. Urban intelligence	98	7.39	7.19
F. Welfare borderline	48	3.62	6.43
G. Municipal dependency	56	4.22	6.71
H. Blue-collar enterprise	116	8.74	11.01
I. Twilight subsistence	36	2.71	3.88
J. Grey perspectives	114	8.59	7.88
K. Rural isolation	90	6.78	5.39
Total	1327	100	100

TABLE II: SITUATIONAL VARIABLES INFLUENCING DECISION TO START ONLINE ELECTRONICS SHOPPING

	Cluster 1 mean	Cluster 2 mean	Cluster 3 mean	η^2
Mobility problems	1.1659	4.3806	1.3000	0.730
Health problems	1.2749	4.2839	1.3750	0.620
Shopping too tiring	2.0774	3.2387	2.1333	0.090
Need to send gift to distant location	1.1422	1.0774	4.1750	0.680
Changed family circumstances	1.5608	1.7355	3.9917	0.300
Avoid shopping with children	1.6193	1.3226	3.8750	0.320
No time to shop	3.0727	2.0000	3.3917	0.090
Wanted more convenience	3.3365	3.1419	3.6750	0.010
Wanted more flexibility	3.0521	2.7871	3.3333	0.010
Avoid shops	2.4123	2.2000	2.5667	0.005
No car	2.1722	2.4516	1.6000	0.020
Recommendation	1.8025	1.6968	1.6250	0.003
Got broadband	1.7441	1.6581	1.6083	0.002
Got internet connection	1.7235	1.9484	1.5167	0.009
Changed working hours	1.4787	1.1935	1.3250	0.010
Got PC for first time	1.4360	1.5484	1.2417	0.007
Started working	1.3223	1.1032	1.1833	0.010
Changed job	1.3191	1.0452	1.0583	0.020
Moved house	1.2433	1.2194	1.7917	0.040
Got a pet	1.0948	1.1935	1.0583	0.005

Notes: Cluster 1 ("no reason"), n = 633; cluster 2 ("health"), n = 155; cluster 3 ("kids"), n = 120; total, n = 908

Convenience and Flexibility were fairly important to all three clusters (mean <3). With the exception of Convenience, Flexibility and No time to shop, Cluster 1 recorded low means on every statement. This cluster is the largest of the three we found, with 633 respondents, and would seem to represent a "no real reason" cluster, whose members are unable to explain what motivated them to start. An alternative explanation may lie in the distribution of the responses to each question; some were distinctly bimodal, suggesting that some were very important to a few people, but unimportant to the majority. The second and third clusters are more clear-cut. Health problems (mean = 4.28), Mobility problems (mean = 4.38) and Shopping being too tiring (mean = 3.23) had the strongest influence on the second cluster. The third cluster records high means for Changed family circumstance (mean = 3.99), Had a baby (mean = 4.17) and Avoiding shopping with children (mean = 3.87). Somewhat surprisingly, Recommendation appears to have played little role in the decision to start shopping for electronics online.

TRIGGERS FOR STOPPING TO SHOP ONLINE

A total of 460 respondents answered a question relating to their reasons that had influenced their decision to discontinue online shopping at some time. The 18 variables that had influenced the decision to stop online electronics shopping were also subjected to hierarchical cluster analysis, and again a three-cluster solution was again preferred on the grounds of ease of interpretation (see Table III).

As before, we found one cluster recording low means on every variable (a similar cluster was found when the number of clusters was increased). Preferred to shop in stores (mean = 3.49), Found better prices in store (mean = 2.59) and Delivery charges too high (mean = 2.71) were important to stopping Cluster 2. Members of this cluster could be more closely identified with hedonic shoppers, rather than utilitarian shoppers (see Childers et al., 2001) in that they would seem to derive some benefit from shopping in stores.

Problems with internet orders (mean = 3.78), Problems with internet deliveries (mean = 3.49) and Concerns about product quality (mean = 3.17) were important to stopping cluster 3. Members of this cluster are perhaps more risk averse and/or more demanding, less prepared to put up with problems; faced with an occasion when the service did not meet expectations, they switch back to offline shopping.

DISCUSSION

Situational factors have usually been ignored in consumer behaviour research, both in general and in the specific contexts of the adoption of technology and of internet shopping, despite strong suggestions from theory (Bandura, 1977) of a continuous reciprocal interaction between the environment in which an individual operates, his or her own cognitive perceptions and consequent behaviour. Our study aimed to start filling this gap in the literature.

TABLE III: VARIABLES INFLUENCING DECISION TO STOP ONLINE ELECTRONICS SHOPPING

	Cluster mean	1 Cluster mean	2 Cluster mean	2 _{h2}
Preferred to shop in stores	1.5150	3.4876	2.3302	0.37
Delivery charges too high	1.9571	2.7107	2.6604	0.06
Found better prices in store	1.2790	2.5950	1.9057	0.21
Problems with internet orders	1.3777	1.5702	3.7830	0.53
Problems with internet deliveries	1.2318	1.4215	3.4906	0.49
Concerned about product quality	1.4077	1.9917	3.1698	0.28
Preferred to have social contact when shopping	1.3262	2.1570	1.4245	0.12
Concerned about internet security	1.1459	1.4628	1.7170	0.08
New store opened nearby	1.2017	1.6612	1.4245	0.05
Internet connection too slow	1.2961	1.3388	1.7642	0.04
Internet shopping too complicated/difficult	1.2103	1.2727	1.5849	0.04
Got a car	1.4421	1.0992	1.1226	0.04
Family circumstances changed	1.7382	1.2810	1.3962	0.03
Stopped working	1.3605	1.1322	1.0943	0.02
Moved house	1.3262	1.0496	1.2453	0.02
Changed working hours	1.2189	1.1074	1.2264	0.005
Did not have internet connection	1.4034	1.2562	1.3302	0.003
Changed job	1.1416	1.1074	1.1509	0.00

Notes: Cluster 1 ("disinterested stopper"), n = 233; cluster 2 ("prefer offline"), n = 121; cluster 3 ("internet problems"), n = 106; total, n = 460

The qualitative research carried out in Study 1 uncovered the importance of situational factors and life events in particular (e.g. having a baby, health problems) as the trigger for starting online electronics shopping. Crucially, the results of Study 1 also indicated that the decision to shop online for electronics may be reversed when the initiating situation no longer applies. Furthermore, Study 1 highlighted that online electronics shopping may be discontinued also as a consequence of frustrations and negative experiences with the service. For some, the experience of purchasing electronics online was less enjoyable than purchasing other products on the internet or less satisfactory than shopping in electronics stores.

These results were confirmed in Study 2. The key finding from the cluster analysis is the importance of situational factors in the decision to start buying electronics online for two distinct clusters. Similarly, two clusters (stopping Cluster 2 and Cluster 3) had stopped purchasing electronics online because dissatisfied with certain aspects of the service or with the experience as a whole.

Our research makes a number of significant contributions to the understanding of the adoption process of internet electronics shopping.

Our findings suggest that, at least in some circumstances, the adoption of innovations may not follow the process postulated in the relevant literature (e.g. Rogers, 1983). The results of Study 1 indicate that online electronics shoppers do not undertake a pre-adoption evaluation of the characteristics of the innovation in terms of relative advantage, compatibility and complexity (e.g. Verhoef and Langerak, 2001), before deciding whether to start shopping for electronics online. Rather, the adoption decision is changeable and influenced by the changes in needs prompted by a new situation or circumstance.

The results of Study 2 confirm the importance of situational factors as triggers of adoption for at least two clusters. Similarly, two clusters are influenced by situational and performance triggers in their decision to discontinue online electronics shoppers.

The significance of a specific situation as a trigger for the adoption of internet shopping has important implications. First, being driven by circumstances rather than by a cognitive elaboration and decision process, the adoption of online electronics shopping may be an erratic process. Second, for some consumers at least, the adoption decision triggered by a specific situational factor is easily reversed when the situation changes again and the initial trigger disappears. This finding indicates that even the convenience associated with online electronics shopping is dependent upon the situation or circumstance, in contrast with Verhoef and Langerak's (2001) suggestion of perceived convenience as a decisive factor in determining consumers' perceived relative advantage and compatibility of electronic electronics shopping. Furthermore, situational factors related to the reliability of the service provided, both in terms of delivery and the price, quality and range of the goods on offer greatly affect the evaluation of online electronics shopping and the decision of whether or not to revert to shopping in stores.

Our findings that many consumers discontinue the online mode of shopping whenever the initial trigger disappears or when they are dissatisfied either with specific or with general aspects of the experience suggest that the process of diffusion of the online electronics innovation by no means follows the smooth and continuous path suggested by some traditional definitions of adoption and the associated mental and behavioural processes: "Adoption is defined as the process by which an individual becomes committed to continue use of an innovation. Adoption includes not just the act of buying a new product but also includes the mental and behavioral sequence through which consumers progress, potentially leading to acceptance and continued use" (Engell and Blackwell, 1982, p. 382).

In contrast, the adoption decision of online electronics shopping seems to be re-evaluated frequently and consequently post-adoption evaluation appears crucial to the decision of whether to continue with or to drop the innovation. This is consistent with Gillett's (1976) suggestion 30 years ago that in-home shoppers are not a captive market.

Overall our findings suggest that the adoption of the online mode of shopping is complementary to buying in stores, rather than substitutive. Reverting back to the traditional mode of shopping is easy because most consumers never cease completely to shop in traditional stores.

MANAGERIAL IMPLICATIONS

The combined findings of the two studies have important implications for online electronics providers and potentially for other e-retailers.

The results of the first cluster analysis in Study 2 suggest that, besides increased convenience and flexibility, the main motives for starting online electronics shopping lie beyond the retailers' control and relate more to shoppers' personal circumstances. However, while situational factors are beyond a marketer's control, they could be used as a basis for marketing communications content and target advertising, for instance, by using magazines directed at people who want to send gifts to distant locations or people who have difficulty in mobility.

As suggested by the findings of Study 1, retaining online electronics customers can be a challenge for e-retailers, particularly when the original cause for starting to shop online disappears. The good news is that at least some of the other triggers for stopping online electronics shopping, i.e. those relating to the quality of the service offered (stopping cluster 3, Study 2), are potentially controllable by retailers, either through minimisation of errors in deliveries, or through service recovery activities. However, other online electronics shoppers (stopping cluster 2, Study 2) seem to find the whole experience of shopping online inferior to the experience of shopping in stores and have therefore stopped purchasing electronics online. This may be more difficult for retailers to act upon, although changes in situational factors may render these consumers more susceptible to the convenience benefits of internet electronics shopping.

Existing providers should concentrate on service quality issues, particularly in terms of delivery and should consider improvements to web sites to make the online electronics shopping experience easier, more stimulating and rewarding for customers. This is very important, as Study 1 suggests that the decision to shop online is frequently re-evaluated, creating tangible opportunities for conversion by online providers. Online electronics providers should also monitor use frequency to identify drop-outs and actively target them with promotional offers. Finally, incentives to start, or restart, online electronics shopping should be offered, with targeting based on different life events, for example, the birth of a child or a health crisis.

FINAL CONSIDERATIONS

The start/stop pattern of the online electronics shopping adoption process and the complementary rather than the substitutive nature of online electronics shopping have not been noted in any previous research. However, these findings make an important contribution to both theory and practice. Furthermore they are factors that may explain why online electronics market in the world is still very small. Researchers may want to generalise this to other adoption processes, for instance the use of the internet for other purposes, e.g. internet banking, and the use of mobile phones.

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QUALITY MANAGEMENT INITIATIVES AND COMPETITIVENESS - CASE STUDIES ON SMALL AND MEDIUM ENTERPRISES

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ABSTRACT

Small and Medium Enterprises (SMEs) form an important part of Indian economy. They contribute immensely to the economy through employment generation, investments, innovations and exports. Today in global competition, many of these SMEs are struggling hard to survive. Thus, there is an urgent need to improve the competitiveness of Indian SMEs. The current investigation is an attempt to establish the relationship between SME competitiveness and quality management initiatives. The process of qualitative analysis involves a series of individual case studies based on semi structured interviews. The use of multiple sources, establishment of chain of events and review of drafted case studies by experts are the techniques employed to improve construct and external validity. Multiple case studies are developed using semi structured interviews, documentation inspection, and direct observation at multiple sources. Several semi-structured interviews were conducted with the entrepreneurs and quality professionals from SMEs in the region who have implemented ISO 9000 quality management system, to investigate the role of quality initiatives in enhancing the competitiveness and to validate the proposed model. Based on the results of qualitative methodology, suggestions are made to the small and medium engineering industries to effectively manage quality and to enhance their competitiveness.

KEYWORDS

Qualitative Analysis, Quality Management, SME Competitiveness.

INTRODUCTION

 Sustained and healthy growth of Small and Medium Enterprises (SMEs) and their widespread diffusion are necessary to ensure balanced development of different regions of any nation. SMEs form an important part of Indian economy. They contribute immensely to the economy through employment generation, investments, innovations and exports. They are the backbone for large corporations in supply of parts, components, and finished products. Today in global competition, many of these SMEs are struggling to survive. These SMEs need to overcome their technological backwardness and compete in the global environment. Thus, there is an urgent need to improve the competitiveness of Indian SMEs. There is widespread acceptance of quality management initiatives as tools to improve competitive advantage of large enterprises. However, their applications to enhance competitiveness of SMEs are yet to be established. The current investigation is an attempt to understand the relationship between SME competitiveness and quality management initiatives. Thus the present study has given insights into the concepts viz. potentials, processes and performances of Small and Medium Engineering Industries in the semi-urban places viz., Belgaum, Harihar, Hubli, Dharwar and Shimoga of Karnataka State in India who have implemented ISO 9000 quality management system.

QUALITATIVE ANALYSIS

The process of qualitative analysis involves a series of individual case studies based on semi structured interviews. The Qualitative approach strives to understand the perspective of the program stakeholders, looking to firsthand experience to provide meaningful data. The qualitative design focuses on a holistic view of what is being studied (via documents, case histories, observations and interviews). Thus threats to internal validity are realized and addressed. [1] The use of multiple sources, establishment of chain of events and review of drafted case studies by experts are the techniques employed to improve construct and external validity. Multiple case studies are developed using semi structured interviews, documentation inspection, and direct observation at multiple sources. The narrations of cases were reviewed by experts to correct misinterpretations if any. In order to ensure reliability uniform protocol was employed for developing case studies [2]. The details of these case studies and their analysis are presented in this paper.

INDIVIDUAL CASE STUDIES

Individual interviews were conducted with SME entrepreneurs to understand their perception of quality management, competitiveness and the influence of quality management initiatives on SME competitiveness. Twelve semi-structured interviews were conducted with the entrepreneurs of small and medium engineering industries in the region. The interviewees were asked to define quality management, competitiveness and talk about their experience regarding quality management implementations. They were also asked to explain the influence of quality management in improving various components and factors of SME competitiveness included in the conceptual model of the current study.

Based on the individual interviews with entrepreneurs, twelve case studies were developed, to evaluate the influence of quality management on SME potentials and processes. Some of these case studies are presented in the following paragraphs.

CASE STUDY # 1

SME-1 is an enterprise manufacturing automobile components for domestic market and exports. Founded by an engineer with professional experience, this

enterprise has grown over the years. Customer suggestions, certification, and acceptance have helped this enterprise. "What is essential is an urge within to be creative and innovative" says this entrepreneur. He thinks that self motivation and commitments are helping in motivating his employees. These aspects and the attitude of the entrepreneur have helped this enterprise. The entrepreneur strongly believes that, behind ISO 9000 there is a hype created by the consultants and certifying agencies. "An ISO certificate cannot ensure quality unless people are sincere and honest" says the entrepreneur.

According to him, quality refers to manufacturing the products as per the specification and tolerances. And competitiveness is nothing but improving quality and reducing cost and to achieve this is a challenge. Quality initiatives like ISO 9000 have not helped this enterprise. What has helped is sincerity, honesty, and the team work. This is consistent with literature findings that behavioural factors such as executive commitment, employee empowerment and an open culture can produce competitive advantage more strongly than quality initiatives [50].

Quality Initiatives have not helped the top management, or even at supervisory level. Some benefits in the area of training workers have been derived here. Employee awareness regarding the quality and customer service is the benefit derived in this firm. The success depends on extent to which employees are prepared to learn and transform. He is undecided about the effectiveness of these initiatives in promoting innovativeness. Quality initiatives have not provided any major breakthroughs and financial benefits for this firm. Continuous improvements have been taking place in the firm over the years even before the implementation of ISO 9000. So it is difficult to attribute continuous improvements to ISO certification alone. Small firms should not implement ISO 9000 in haste and for the sake of certificates only. "Implement it for standardizing the operations and participate in it sincerely, it may work" says the entrepreneur.

The entrepreneur attributes the small improvements in process standardization, marketing, customer service and employee skills and awareness to successful implementation of quality initiatives. Quality initiatives have not helped in improving entrepreneur's competencies. They are also not influencing competitive scope factors like supply chain, clustering, networking etc. Quality implementations have not assisted this firm to improve their competitive processes like Supply chain management, financial management, product development, and information systems management. Overall no significant advantages are attributed to Quality initiatives.

CASE STUDY # 2

SME-2 is known for its Ethical Management. People from all over the country visit this firm to interact and understand the systems. It has become a kind of "Pilgrimage Centre" for the corporate world of India. The company Mission is to nurture an Ethically Managed Organization, and not to exploit Customer, Employees, Suppliers, Government, Society and Nature. Vision is to create an island of Excellence through focus on Customer, Employee Empowerment and Continuous Improvement. This firm is manufacturing hydraulic pumps, valves, actuators, flow control devices and accessories.

The foundation for quality in this firm is based on ancient Indian cultural heritage. The entrepreneur, a mechanical engineer who quotes examples from Bhagavadh Gita and thoughts of Swami Vivekananda and their relevance to modern industry even today. Western Efficiency and dynamism combined with Indian spiritual values will create the best management system in the world, argues the entrepreneur.

The firm is known as a temple of ethics. "Growth is Life; stagnation is Death" the entrepreneur quotes Swami Vivekananda. This requires lot of sacrifice on the part of management and renunciation of ownership mentality. Company states, "Honesty is not the best policy--- It is the Policy here". The management has declared that they are honest, transparent, and they do not pay bribes. Business and ethics people say are oxymoron. An ethical business ensures sound growth and the growth is sustainable. An individual, a society, a nation, a civilization cannot exist peacefully without spirituality. Same is the case with any organisation or business. This enterprise believes that spirituality has to be an integral part of Organizational culture. When people work at places of worship or charity, they work selflessly and at near Excellence. Indian work culture is practicing karma – Yoga.

No ISO documentation or manuals are used here. Most things work here with human memory, its only intuition, says the entrepreneur. Employees are motivated to perform, and exhibit excellence. The culture is highly traditional, same time innovation is visible in the enterprise. Technology is constantly updated with an eye on future. Profits and surplus are reinvested here to provide necessary infrastructural facilities. The firm has a good list of satisfied clientele, and dedicated single source suppliers. Processes are standardized and being continuously updated, customer service is excellent. Very high performance and growth are the success story here. High level of entrepreneur's commitment to quality, productivity and, corporate social responsibility is visible in the firm. Entrepreneur is humble in attributing all these achievements to the dedication, hard work, and excellent teamwork of his employees. No ISO or any borrowed quality initiatives belonging to western world can be directly implemented in the Indian environment, believes the entrepreneur. He says the quality culture should be in line with our tradition, culture and beliefs.

With innovative ideas this enterprise has proved that, it is possible to achieve success in all areas of competitiveness. Organizational potentials and capabilities have improved. External scope has also been enhanced including government and state support. Entrepreneurial competencies also have been influenced positively. It is a journey of continuous improvement and perfection. Processes are being updated continuously and the results are positive.

Product is only a means to create wealth. Management system is an integration of several functions. When all these functions are efficient the system becomes efficient. Value for money is a product cost, quality, delivery and service which decides customer satisfaction. Systems like JIT, KanBan, MIS, TQM, TPM Employee Empowerment, Kaizen etc have helped this enterprise in the process of generating wealth.

A transparent system of wealth generation and a link of compensation to employees ensure that the employees earn their wages and need not be paid. This system has made employees responsible for their returns and in turn has improved wealth generated per employee. It has promoted multiple skills and cut down manpower requirement.

Corporate social responsibility is helping the organization fulfil its social obligation.

CASE STUDY # 3

SME-3 is a unit manufacturing alloy steel components for automobile and tools for earth moving industries. Company exports up to 25% of its turnover. Company has implemented ISO 9001: 2000. Entrepreneur has good understanding of quality concepts like ISO, TQM and six sigma. Quality initiatives are helping this firm moderately at all levels of organization structure. Firm is reaping the benefits of process innovations. Entrepreneur is also trying to achieve continuous improvements so as to ensure competitiveness. Quality initiatives have reasonably helped this firm in areas like technological capability, infrastructural capability and even to some extent in financial capability. Quality initiatives are especially useful in customer service and marketing, and to some extent in procurement and supply chain management. Initiatives have helped in standardizing various processes and activities and to improve performance. The firm has not influenced the areas like human resource development in the region, training, education, institutional interactions. Employee attrition is the major problem this firm is facing today. Shortage of skilled employees is affecting its business. Retaining skilled, trained manpower is a challenge. Quality initiatives are not helping in other external factors like networking and state support. They will help to some extent in entrepreneurial competencies provided entrepreneur finds time and shows inclination, willingness to learn, practice and implement. Otherwise most ISO documentation is a waste of money, time and resources says the entrepreneur. Entrepreneur looks at future with lot of hope and confidence that Quality Initiatives empower the firm with real competitive advantage.

CASE STUDY # 4

SME-4 is a professionally managed, fast growing enterprise. This firm manufactures and exports precision machined components. Entrepreneur is a post graduate in industrial engineering. Entrepreneur considers quality as a competitive weapon and customer requirements as driver of continuous quality improvements. Quality awareness programs are conducted to provide necessary exposure to employees in quality procedures and systems. Firm has implemented ISO, QS, TS, ERP etc, Advantages of ISO is facts documented on paper and it has helped in improving human resource, technological expertise, and infrastructural facilities. It has also helped in marketing and understanding customer requirements. A commitment and participation in quality initiatives also helped in some areas of entrepreneurial competencies like opportunity and relationship. Engineers and managers are also trained in statistics, computers and

leadership skills to improve organizational efficiency. Networking is useful hence he is trying to solve problems of SMEs with clustering and networking. "Quality initiatives are strategies to be ahead in all domains of an organization" says the professional, dynamic entrepreneur. Competitiveness is what is essential today to achieve the vision of the enterprise. It is being excellent and the enterprise is way ahead of competitors. Entrepreneur illustrates many examples like waste minimization, energy savings, cost control, product development etc as consequence of quality initiatives in the firm. He firmly believes that quality initiatives are major tools of competitive advantage because they encompass all areas of organizational management. "Longevity depends on the lifestyle, whether it is for a firm or a human being" says the professional entrepreneur.

CASE STUDY # 5

SME-5 is a small partnership firm manufacturing automobile components for domestic original equipment manufacturers. Firm has implemented ISO 9001: 2000. Entrepreneur says it is useful in marketing and convincing customers.

Quality initiatives are standards to convince customers regarding the ability to ensure consistent quality. Competitiveness is what is needed today to face the cutthroat competition. There are no significant improvements in the employee attitude and work culture reiterates the entrepreneur. Quality initiatives have not helped in organizational capabilities and potentials like technology, infrastructure or our competencies and management skills. There are no tools and techniques with possibilities of improving other external factors. Company has not achieved any significant overall improvements in its performance on implementation of quality initiatives. Improved production processes and customer service are some of the benefits achieved in this firm. The main advantage is the availability of data regarding the operations. Better interactions with supplier and customers are the other benefits accomplished by this firm.

CASE STUDY # 6

This SME-6 is a firm, having Japanese collaboration manufacturing high quality vacuum pumps for both domestic market and for exports. In fact, exports amount to nearly 70% of its sales, while remaining 30% is domestic sales. The firm has customer certification for its plant, facilities and products. The firm is also implementing ISO 9001. According to the management representative, quality is what the company delivers to the customers and competitiveness is the customer's perception of value they are receiving from the firm.

Many of its key employees are trained abroad by the collaborator. Firm also has a good network of sales and dealers and even suppliers. Firm has not received much support from Government and quality initiatives have hardly influenced this says the entrepreneur. Customer certifications have helped them to improve quality of their products and manufacturing processes. Benefits include moderate improvements in technology and infrastructure. But the quality initiatives have not significantly helped in creating external scope for the firm. Production processes are being upgraded so as to improve process capability and reduce wastages and delays. Since the entrepreneurs and top management are trained abroad by the collaborators they have acquired necessary skills and competencies. Overall impact on productivity, quality and competitiveness is reasonable.

CASE STUDY # 7

SME-7 is a firm manufacturing alloy steel investment casing components for chemical process pumps, valves and other engineering industries. Company's exports income is nearly 25% of its turnover. This firm initially obtained ISO 9002, which was subsequently upgraded to ISO 9001: 2000. Reputation of high quality is an integral aspect of functioning of the organization says the entrepreneur. Company's growth chart reflects the compliance of customer quality requirements, service, delivery and competitive pricing. According to the entrepreneur, quality policy in place is to deliver value to the customer. Quality practices include root cause analysis, innovations and the objective is waste minimization. Customer feedback so far is very positive and encouraging. Cost reduction exercises include continuous improvement programs like power savings, rejection minimization, material procurement and inventory management. Quality initiatives have helped the firm at all levels especially at higher levels. Quality initiatives are helping the company in continuous improvement programs. There are absolutely no financial risks involved in implementing quality initiative; rather it promotes continuous improvement which is helpful in the long run. His suggestion to new entrepreneurs is - implement ISO, without bothering about certificates; what is essential is commitment, not the certificate. There is no substitute for quality initiatives to ensure competitiveness, reiterates the entrepreneur.

Quality initiatives have helped in achieving moderate improvements in potentials like human resource, technology, infrastructure and to some extent in finance. Waste minimization is achieved and has resulted in financial benefits. Entrepreneur himself has shouldered the responsibility of management representative for ISO; the regular meetings and brainstorming sessions have helped him in sharpening his communication skills and his competencies. ISO has helped this firm in improving sales, expanding markets, rising input quality reducing input cost. Entrepreneur declares that ISO has no tools and techniques to promote mutual cooperation between firms and empowering to bargain better. It does not provide any platform for spreading knowledge, skills, literacy in the neighbourhood. Government and state support is nothing but lip sympathy. Like in most areas, the budgetary support provided is not reaching SMEs since the bureaucratic machinery is inefficient and corrupt. Finally quality initiatives are indirectly helping the firm in ensuring productivity. ISO is also helping this firm to some extent in product and process innovations. Other advantages include promoting growth and profitability.

CASE STUDY # 8

SME-8 started 10 years ago as a small firm to fulfil the needs of a local industries. Later it started manufacturing some products independently. Now the firm is supplying components to automobile industry. Entrepreneur says there is ample demand but margins are very much low. To manufacture and sell at the prices offered by the customers is difficult for this small firm. Withstanding competition and surviving over 10 years is the greatest achievement of this firm. Though there is no dearth of orders for an ISO company, if one can manufacture and supply. When margins are negative, not producing is profitable compared to producing more. There is no shortage of raw materials but price fluctuations are creating havoc for the firm. There is no dearth for man power but skilled or trained ones are not available in the region. Employee attrition is a problem. Well trained employees are not staying in these places.

According to the entrepreneur, quality is what a customer expects in their products. Competitiveness is ability to withstand the shocks in the business environment. Today, obtaining ISO certificate cannot be considered as a competitive advantage but not having it is a disadvantage. Quality initiatives are of little help at management and supervisory levels. But at grassroots level, training is useful to develop employee skills. Documentation is a burden which badly affects efficiency. People are lost in documentation and data. Quality initiatives have also adversely affected innovation. Today if we declare we do not have ISO we are finished, says the entrepreneur. Coming to financial risks, ISO is costly and hence a firm which is not making sufficient profits cannot afford it. But for a profitable organization, it is advantageous and is financially viable. Quality initiatives today involve a lot to be spent on aesthetics, decorations, and luxury. These are not productive investments for a small firm.

Continuous improvement is taking place here whenever the firm gets good orders with advance payments. ISO documentation is not useful here because, most things can run without putting them on paper. Documenting it on paper introduces inefficiency and the illiterate workers are not good at it. Usefulness of documents is disputable according to the entrepreneur. Today it is all tricks of trade which has become more important than trade itself. Getting orders in business is the trick and everything follows it, argues the frank entrepreneur.

Quality initiatives can contribute to human resource capability but retaining efficient employees is the real challenge. If they are trained better and trained to communicate better then there are more chances that they may quit early. Technology is helping to offset the shortage of employee skills to some extent. Any case it is not related to quality initiatives, says the entrepreneur.

Infrastructure is required to ensure quality and not vice versa. And finance is required to implement quality, initiatives believes the entrepreneur. As customers insisted on ISO certification this firm has obtained it. The firm is facing difficulties in procuring good raw material at reasonable price. Clustering and networking is not happening in this region. A problem with human resource management is paucity of skills. To train them, make them useful, is difficult; may be labour laws

are to be amended. Interactions with educational institutes are not productive, because academicians are too busy with their business. Government and state support are not fruitful; rather SMEs are supporting the government with taxes and contributions to exchequer in terms of income tax, professional tax, excise duty, sales tax, vat and what not, argues the entrepreneur. Coming to entrepreneur competencies, no quality initiative can help transforming an incompetent person competent and incompetent firm competent, argues the entrepreneur. Where there is a will there is a way. Individual's will to change is what is required. Regarding competitive processes, materials and supply chain, ISO is of some help in evaluating suppliers. Some benefits are achieved in production management but it ultimately depends on the worker and his attitude. The entrepreneur admits his failure to convince employees in spite of ISO certification. Significant advantage this firm has derived from ISO is in the functions related to marketing and customer relation. No major advantages are achieved in product development due to ISO. Even before the implementation of ISO 9000 quality products were being developed in this firm.

Small firms do not have much information requirements like larger ones. Short cycle times, small product range and small number of components per product etc. have made information system requirements trivial for this firm. The link between management information system and quality initiatives is not clear, declares this entrepreneur.

Coming to productivity, higher quality means lower is the productivity, that is what he believes. Product and process innovation are taking place but these achievements cannot be attributed to ISO alone. Growth, profitability and achievements are the part and parcel of modern business. Overall the firm has not derived these performance enhancements from ISO implementations. Hardly any changes or improvements have taken place in this firm which can be attributed to ISO certification.

CASE STUDY # 9

SME-9 is a machine shop, ancillary of a local SME. Acquiring ISO certification is a major achievement of the firm. According to the entrepreneur quality initiative means producing quality products. Competitiveness is flourishing in present day cutthroat competition. Quality initiatives have helped the firm to get more orders, expand markets and customers.

Quality initiative has helped management to get overall quality awareness. At supervisory cadre working has become more systematic. And at grassroots level, training has enhanced employee skills a little.

Quality initiative has also helped in making people innovative. Process innovations are quite successful in this firm in bringing down the cost. Continuous improvements are taking place here since the entrepreneur himself is constantly working towards improvements as a management representative for quality implementations. This entrepreneur stresses the need for the personal involvement of management for the success of ISO 9000. He considers competitiveness as being excellent in all areas of the modern enterprise.

Significant improvements in organizational capability are the result of human resource, technology and infrastructure enhancements in the firm. Moderate improvements in human resource capability with quality training and skill enhancement have been realized in the firm. Similarly some improvements have taken place in technological capability. Even infrastructural capabilities are being upgraded slowly and steadily. Thus quality initiative is promoting some improvements in the internal potentials of the firm. Small improvements in financial capability of this firm are associated with quality initiatives undertaken here.

In this globalized circumstances market opportunities are enormous. Having a few trusted suppliers is easy to manage. Employable human resource availability in the region is a problem. Entrepreneur is working on them. Entrepreneur feels it is the responsibility of government, society, community as well as parents and the role of SMEs in this endeavour is limited. Clustering and networking is not possible here because entrepreneurs are not yet mature enough to cooperate. These SMEs are not able to lobby and get government support. It requires different political orientation; SMEs are not yet organized to handle this. Problem is of leadership. Quality initiatives are not influencing these areas of external potentials.

Quality meetings are helping to enhance managerial skills of this entrepreneur. Quality initiatives have brought out some changes in his perception. Customer focus and quality point of view have long-term benefits. Initiatives in supply chain management are helping in maintaining low inventory levels. Production efficiency and cost reduction are the benefits derived from quality initiatives in production management function. There is a gradual shift from quality control to process control in this firm. The firm is trying to improve human resource utilization by better training workers in multiple skills. Customer focus is helping to a great extent in marketing. Documentation related to financial management provides data whenever required and is useful in budgeting. Company is yet to implement full-fledged management information system. Computers and database systems are being used here.

Moderate improvement in productivity, growth and profitability are attributed to quality initiatives implemented in the firm. SME is yet to realize the major benefits of organizational excellence and innovations.

CASE STUDY # 10

SME-10 a small firm manufacturing automobile spares mainly catering to the local market. Today this firm is getting small orders from domestic auto ancillaries. The firm has no major milestones, achievements or breakthroughs to claim. This firm is yet to introduce computer aided systems to assist design and manufacturing. According to the entrepreneur, quality initiatives are actions taken in the right direction. Competitiveness is nothing but survival strategy.

Quality initiatives have not really helped this firm and no benefits are seen at any level. Entrepreneur is unable to perceive how quality initiatives promote overall improvements. The firm is operating in a market segment where customers prefer low cost compared to better quality. Hence the firm is focusing on low quality cheaper products segment. Low price is our strength, claims the entrepreneur. According to the entrepreneur low cost is the major competitive weapon for this firm.

Firm has obtained ISO to satisfy a few customers. But the ISO has hardly helped this firm. Very little benefits in marketing are attributed to ISO certification in this firm. In its journey of keeping cost down, ISO is becoming an obstacle for this firm.

CASE STUDY # 11

SME-11 is a general engineering workshop, manufacturing products for local markets like grills, welded and machined parts for construction and agricultural sector.

Quality initiatives reflect the trend towards high quality requirements in this modern age. Today without competitiveness it is impossible to do any business says the entrepreneur. Quality initiative helped this firm to a very small extent. Very little benefits are derived by the firm from ISO implementation. Quality initiatives promote improvements in thinking process, but the firm is facing problems in implementations. Financial risks in quality initiative if any are insured by the government. But maintenance cost is becoming costly for this firm. Entrepreneur finds it difficult to spare time towards quality initiatives, as he is bogged down with the routine work. Better to standardize early if customers insists, so that firm may be able to reap benefits later, advises the entrepreneur. Pricing is the main weapon for this SME. The question is how to keep price low without undergoing loss.

Capability enhancements in this firm are yet to happen. Competitive scope is yet to get any benefit. A few customers are recognizing quality initiatives and ISO certification. No changes have taken place in entrepreneurial competencies here owing to ISO certification. Very little benefits are attributed to competitive processes enhancements. Moderate improvements are seen in marketing. Small benefits are seen in production management and information system along with ISO implementation in the firm. Information availability is an advantage for this entrepreneur.

CASE STUDY # 12

SME-12 is a small unit manufacturing inputs to the local SMEs. The firm has obtained ISO certification, as some of its customers wanted it to be certified. A private consulting firm helped the SME to quickly obtain ISO certification. Entrepreneur has no major achievements and break-through to talk about. His concept

of quality is whims and fancies of the customers who want everything. There are no limits for customer expectations. Entrepreneur also is sceptical about competitiveness as exploitation of weaker entity.

Quality initiatives are helping the firm to a small extent only. Some improvements at supervisory level have happened, as they started thinking about quality. This is a first step towards improvement. To what an extent one can change workers' attitude is the question posed by the entrepreneur.

It is difficult to perceive the interrelation between quality initiatives and improvements in this firm. Entrepreneur does not want to take additional financial risk by investing more money on any improvements. Since there are incentives offered by the state, there is no major onetime investment needed for quality initiatives. No investment is made on aesthetics as the firm could not afford it. No major continuous improvements attributed to quality initiatives are taking place. Do not over spend on quality initiatives, if you cannot afford it, advises the entrepreneur. Quality initiatives are not the only tools of competitive advantage. Customers are bargaining for price cuts. Many strategies are possible. Winning strategy is the major competitive advantage says the entrepreneur. SME-12 has small benefits derived in human resource capability, marketing management, production and operations management on implementation of quality initiatives. Hence meagre benefits are achieved in organizational performance. Otherwise the firm has no significant benefits derived in any other areas of SME competitiveness.

INFERENCES

Summary of these case studies is presented in Table-2 and 3. An analysis of these case studies indicated that marketing management and customer relations management are the two factors that benefited most from quality implementations. Some improvements in operations and production management are also revealed. Similarly a little positive influence is observed in the areas of technology, materials and supply chain management. And very little influence is also observed in areas like human resource management and organizational infrastructure. However, other factors of competitive scope and entrepreneur competencies have not benefited by the quality implementations. Mainly areas like clustering and networking, institute interactions, state support have not influenced by quality management systems. In fact a very important area of entrepreneurial competencies is the one which is not at all influenced by quality management systems. This is mainly because of apathy of top management and most of them are interested in acquiring more profits rather than providing better quality products and services. And this is the main drawback of SMEs in this region.

High cost of implementation of quality management systems and laborious paper work and documentation are indicated as the disadvantages in SMEs. Many of these small and medium enterprises have obtained quality certification without any improvements in their quality outlook and system. Some of the entrepreneurs have hardly involved in the process of quality implementation. A few units have assigned the responsibility of implementing ISO quality management systems to external quality consultants. Thus no one in the firm is involved in the implementation process. Hence they maintain two parallel documentation systems one for their routine process and the other for ISO 9000 documentation. This only adds to the cost without any addition to value. Many of these firms are not making use of any of this documentation. All this paperwork is maintained just to satisfy the certifying agencies. Result of these case studies is presented in the table-1.

TABLE - 1: FACTORS OF SME COMPETITIVENESS INFLUENCED BY QUALITY MANAGEMENT

#	Positive Influence	No Influence
1	Marketing Management and CRM	Clustering and Networking
2	Operations and Production management	HR availability and institute interactions
3	Technology Management	Government and State Support
4	Materials and Supply Chain Management systems	Entrepreneur Competencies
5	Human Resource management and capability	Financial Management
6	Infrastructure	

At the same time a few SMEs who have systematically implemented quality management systems are reaping the benefits. Thus there is a strong need to educate the entrepreneurs of small and medium enterprises regarding the benefits of quality management implementations. Today when these enterprises have to compete in the liberalized global market it is impossible for a small enterprise to survive without quality approaches. It is impossible to ensure process capability in the absence of modern quality tools and techniques. Based on these results conclusions are drawn with respect to the influence of quality management on SME competitiveness. And appropriate suggestions are made to small and medium enterprises to effectively manage quality and enhance their competitiveness.

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TABLES

TABLE-2: SUMMARY OF RESPONSES OF CASE STUDIES(SME-1 to SME-6)

#	Queries	SME # 1	SME # 2	SME # 3	SME # 4	SME # 5	SME # 6
1	Overall benefits of Quality Mgmt	No major benefits	Remarkable	Moderate	Significant	No major benefits	Moderate benefits
2	Benefits at different levels	At workers level	All levels	All levels	All Levels	None	Mgmt & supervisory
3	Does it promote innovation?	No	Yes	Yes	Yes	No	No
4	Financial risks?	No	Not at all	No	No	No	No
5	Continuous improvements?	Cannot say	Is the way of life here	Possible	Yes	No	Possible
6	Suggestions to other SMEs	Certificate No System Yes	Practice Ethical Management	Implement it at the earliest	Start with ISO	Avoid it if you can	Quality initiatives is useful
7	Is this a major tool? If not what else?	No, Will to succeed	Yes, Ensure value	Yes	Yes	No, marketing	No Networking
8	Organizational Capability	Very Little	Yes	Moderate	Yes	No	Moderate
9	Human Resource	A little	Yes	Moderate	Yes	No	Moderate
10	Technology	No	Yes	Yes	Yes	No	Yes
11	Infrastructure	No	Yes	Moderate	Yes	No	Moderate
12	Finance	No major benefits	Yes	Moderate	Yes	No	No
13	Competitive scope	A little	Yes	Moderate	Yes	A little	A little
14	Customers and Markets	Yes	Yes	Yes	Yes	Yes	Yes
15	Suppliers and Supply Chain	No	Yes	A little	Yes	A little	Moderate
16	Clustering and Networking	No	Not happening	No	No	No	No
17	HR availability and institute interactions	No	Moderate	No	No	No	No
18	Government and State Support	No	Moderate	No	No	No	No
19	Entrepreneurial competencies	No	Yes	Little	Moderate	No	A little
20	Opportunity Competencies	No	Yes	No	Moderate	No	No
21	Relationship Competencies	No	Yes	Little	Moderate	No	Little
22	Organizing Competencies	No	Yes	No	No	No	No
23	Conceptual Competencies	No	Yes	No	No	No	No
24	Strategic Competencies	No	Yes	No	No	No	No
25	Commitment Competencies	No	Yes	No	No	No	No
26	Competitive Process	Yes process stds.	Yes	Yes	Yes	A Little	Moderate
27	Materials and Supply Chain	No	Yes	Moderate	Yes	A little	No
28	Production Management	Moderate	Yes	Yes	Yes	A little	Moderate
29	Financial Management	No	Yes	No	A little	No	No
30	Marketing Management & CRM	Moderate	Yes	Yes	Yes	Yes	Moderate
31	Human Resource Management	Moderate	Yes	Moderate	Yes	No	Moderate
32	Development and Engineering	No	Yes	Moderate	Yes	No	No
33	Information System and MIS	No	Yes	Moderate	Yes	No	A little
34	Organizational performance	No	Yes	Moderate	Yes	Very little	A little
35	Productivity	No	Yes	Moderate	Yes	Very little	Moderate
36	Products and Process Innovations	No	Yes	Little	Yes	No	Very little
37	Growth & Achievements	No	Yes	Moderate	Yes	No	Moderate
38	Influence of quality SME Comp.	Insignificant	Significant	Moderate	Significant	Very little	Very little

TABLE-3: SUMMARY OF RESPONSES OF CASE STUDIES (SME-7 TO SME-12)

#	Queries	SME # 7	SME # 8	SME # 9	SME # 10	SME # 11	SME # 12
1	Overall benefits of Q Mgmt.	Moderate	No Major Benefits	Significant	Not Significant	Very little	Very little
2	Benefits at different levels	All levels	Workers level	Lower level	No Benefits at all	Uniform at all levels	Supervisory level
3	Does it promote innovation?	No	No	Yes	No	Can't say	No
4	Financial risks?	No	No	No	No	No	Possible
5	Continuous improvements?	Yes	No	Possible	No	On People	No
6	Suggestions to other SMEs	Go for it	do you afford it?	Get involved	No- if you cannot	Implement early	Dont spend more
7	Is this a major tool? If not what else?	Yes	No Business tricks	Yes	No Low cost	No Bargaining capacity	No A winning strategy
8	Organisational Capability	Yes	Very little	Significant	No	No	Very little
9	Human Resource	Moderate	No	Moderate	No	No	A little
10	Technology	Moderate	No	Moderate	No	No	No
11	Infrastructure	Moderate	No	Moderate	No	No	No
12	Finance	Moderate	No	Insignificant	No	No	No
13	Competitive scope	A little	Very little	A little	No	No	No
14	Customers and Markets	Yes	A little	Yes	No	A little	A little
15	Suppliers and Supplies	Yes	No	Yes	No	No	No
16	Clustering and Networking	No	No	No	No	No	No
17	HR availability & institute interactions	No	No	No	No	No	No
18	Govt. and State Support	No	No	No	No	No	No
19	Entrepreneurial competencies	A little	No	A little	No	No	No
20	Opportunity Competencies	Yes	No	Little	No	No	No
21	Relationship Competencies	Moderate	No	Little	No	No	No
22	Organizing Competencies	No	No	No	No	No	No
23	Conceptual Competencies	No	No	No	No	No	No
24	Strategic Competencies	No	No	No	No	No	No
25	Commitment Competencies	No	No	Yes	No	No	No
26	Competitive Process	Yes	A Little	Yes	Very little	Very little	Very little
27	Materials and Supply Chain	Yes	A little	Yes	No	No	No
28	Production Management	Yes	A little	Yes	No	A little	A little
29	Financial Management	Moderate	No	A little	No	No	No
30	Marketing Management & CRM	Yes	Yes	Yes	Very little	Yes	A little
31	Human Resource Management	Moderate	No	Yes	No	No	No
32	Development and Engineering	Little	No	A little	No	No	No
33	Information System and MIS	Moderate	No	Moderate	No	Very little	No
34	Organizational performance	Yes	No	Yes	No	No	No
35	Productivity	Yes	No	Yes	No	No	No
36	Products and Process Innovation.	Little	No	Little	No	No	No
37	Growth and Achievements	Yes	No	Yes	No	No	No
38	Influence of quality management on SME Competitiveness	Yes	No	Yes	No	No	Very little

RELATIONSHIP BETWEEN EMPLOYEE ENGAGEMENT AND COMMITMENT: A STUDY AT IVRCL**SURESH KANDULAPATI****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****PADMASRI DR. B. V. RAJU INSTITUTE OF TECHNOLOGY****NARSAPUR – 501 313****DR. G. MANCHALA****PROFESSOR & HEAD****DEPARTMENT OF MANAGEMENT STUDIES****MAHAVEER INSTITUTE OF SCIENCE AND TECHNOLOGY****BANDLAGUDA****ABSTRACT**

Employee engagement is the level of commitment and involvement of an employee towards organization and its values. The organization must work to develop and nurture engagement which requires a two-way relationship between employer and employee. Thus employee engagement is barometer that determines the association of a person with the organization. IVRCL Infrastructures & Projects Limited is an established player in the infrastructure sector, headquartered in Hyderabad. It was incorporated in 1987 and commenced operations in 1990. IVRCL commenced operations with building construction and later on forayed into various social infrastructure sectors like water transmission & treatment, solid waste management, roads & highways, power transmission lines and bridges. The Main purpose of the study is to determine the degree of employee engagement by position and gender and to study the employee commitment towards long-term career at IVRCL. Employees belonging to the IVRCL constituted the respondents of the study. A structured questionnaire is administered to 77 respondents of junior, middle and top level employees by adopting a random sampling technique. The data analysis is based on the scoring scale for employee engagement and Analysis of variance (ANOVA) is applied to test the hypothesis. Karl Pearson's Coefficient of Correlation applied to test relationship between employee engagement and employee commitment. The degree of employee engagement at IVRCL is very high i.e., 85.7 percent. All top level employees are fully committed towards long term career at the company. There is high correlation between employee engagement and commitment.

KEYWORDS

Engagement, commitment, IVRCL.

INTRODUCTION

Engagement at work was conceptualized by Khan, (1990) as the 'harnessing of organizational members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. The second related construct to engagement in organizational behavior is the notion of flow advanced by Csikszentmihalyi (1975, 1990). He defines flow as the 'holistic sensation' that, people feel when they act with total involvement. Flow is the state in which there is little distinction between the self and environment. When individuals are in flow state little conscious control is necessary for their actions. Employee engagement is the level of commitment and involvement of an employee towards organization and its values. An engagement employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. It is a positive attitude held by the employees towards the organization and its values. The organization must work to develop and nurture engagement which requires a two-way relationship between employer and employee. Thus employee engagement is barometer that determines the association of a person with the organization.

DEFINITION OF EMPLOYEE ENGAGEMENT

The term 'employee engagement' is widely used by human resource practitioners, consultants and academics. Set out below are a number of definitions in current use.

Institute of Employment Studies, UK defined as engagement is a positive attitude held by employees towards the organization and its values. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization.

According to Gallup Organization, USA, the engaged employee is someone who is 100 percent psychologically committed to their role. They thrill to the challenge of their work everyday. They are in a role that uses their talents, they know the scope of their job, and they are always looking for new and different ways of achieving the outcomes of their role.

International Survey Research (ISR) defined Employee engagement as 'the bond or attachment to the organization, support of its strategy and values, and level of motivation to work hard toward its success.'

The various definitions suggest a number of objectives organizations are trying to achieve by seeking to engage their employees, the most predominant being the encouragement of the discretionary effort of the employee to achieve and exceed the outcomes expected of the role and to find better ways of working. Each of the definitions listed above appear to indicate that an increase in employee engagement supports improved productivity, continuous improvement, better staff retention and a commitment to the organization's success.

A number of conditions must be in place in order to secure employee engagement. In order to achieve employee engagement the following parameters should be considered:

- There must be a strong emphasis on the role and the challenges it provides;
- Each employee must have a good understanding of their role and their place in the business;
- The company must try to align the requirements of the role and the skills of the individual; and
- Each employee must be informed about the business context and changes to it which affect their work and the organization.

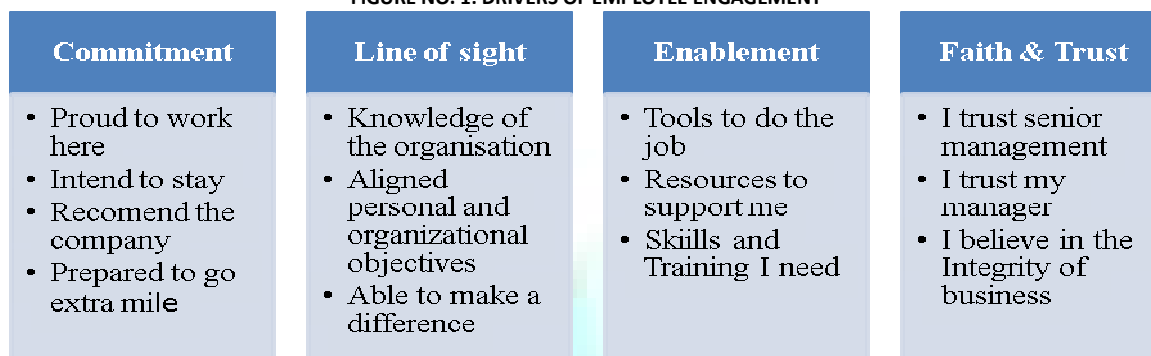
These conditions involve the structure of the organization, the design of roles within that structure and the capability required of employees to understand and perform the work of the role. It also requires the creation of a workplace environment by the leadership of the organization where employees feel their work is valued and that they will be developed in current and future roles in the organization.

KEY DRIVERS OF EMPLOYEE ENGAGEMENT

All engagement questions focus on the key drivers for assessing how engaged employees are in their work, and whether this is aligned to achieving the business

strategies. There are number of recognized models for structuring employee engagement surveys but all are broadly based around common themes as shown in the following figure.

FIGURE NO. 1: DRIVERS OF EMPLOYEE ENGAGEMENT



Source: Robinson, Perryman and Hayday, IES Report, 408 (2004)

It is clear that the organization has a responsibility to lead engagement, and there are several key areas the organization can address to encourage engagement among its employees. Leadership, effective management, open, two-way communication, pay and benefits, fair and equal treatment, employing the 'right' workforce, career development and training, working hours, and health and safety are all aspects of the work environment that organizations can control and influence and have been found to impact upon engagement levels. However, there is no 'one size fits all' model of engagement, and different employees will place different emphases on the extent to which they value each of these elements in return for 'going the extra mile'.

OBJECTIVES OF THE STUDY

- To determine the degree of employee engagement by position and gender at IVRCL.
- To study the relationship between employee engagement and employee commitment.

SIGNIFICANCE OF THE STUDY

A shrinking global economy, cost pressures, changing consumer patterns and service expectations are just some of the challenges to many organizations to its survival. One of the most effective ways of addressing these challenges is to have a workforce that is ready, engaged and able to go the extra mile as well as stay with the organization and benefit from career and leadership development opportunities where they exist. Researches shows that an organization wants to sustain in the long run then it's really essential for it to have an engaged workforce. Employees feel engaged when they find personal meaning and motivation in their work, receive positive interpersonal support, and operate in an efficient work environment. All efforts are made on maximizing employee output and making the most of organizational resources. An engaged workforce takes an organization to great heights. So, the study is significant for IVRCL Infrastructures & Projects Limited to know how employees are engagement and committed towards long term career.

SCOPE OF THE STUDY

The study aims at understanding employee engagement. It is designed to study employee commitment toward long term career at IVRCL in terms of proud to work, recommend the company and prepared to go extra mile. The study focused to determine the degree of employee engagement at IVRCL Infrastructures & Projects Ltd.

HYPOTHESES

- There is significant difference between the degree of employee engagement by position and gender at IVRCL.
- There is significant relationship between employee engagement and employee commitment.

RESEARCH METHODOLOGY

The primary data is collected from IVRCL Infrastructures & Projects Limited employees working in various positions. A structured questionnaire is administered to 77 respondents of junior, middle and top level employees by adopting a simple random sampling technique. Linkert five point scales are used to convert qualitative data into quantitative terms. The secondary data is collected form various journals and books. The data analysis is based on the following scoring scale for employee engagement and Analysis of variance (ANOVA) is applied to test the hypothesis. Karl Pearson's coefficient of correlation is applied to test the relationship between employee engagement and commitment.

SCORING SCALE FOR EMPLOYEE ENGAGEMENT

The following is the scoring scale to assess the level of employee engagement that may currently exist in an organization based on the results of the engagement questions.

41-50 points	Employees in the organization highly engaged
31-40 points	Employees are engaged
21-30 points	Employees are moderately engaged
11-20 points	Employees are disengaged
0-10 points	Employees are highly disengaged

LIMITATIONS OF THE STUDY

- This study confined to determine the degree of employee engagement and employee commitment to wards long term career at IVRCL.
- The size of the sample is only 77 and it may not represent entire population in selected company.
- The study focused only a few key factors that influence employee engagement.
- The time period and financial support made to limit the scope of the study.

DATA ANALYSIS

The response scale for both employee engagement and commitment questions are based on a five-point scale, which ranged from '1' to '5'. Using these values, an average score was calculated for each engagement characteristic. If an engagement characteristic had more than one question, then scores on questions for

the characteristic are averaged together. The overall engagement scores for IVRCL Infrastructures and Projects Limited is calculated by using employee engagement scoring scale. Karl Pearson's correlation coefficient of correlation (r) assessed the relationship between employee engagement and commitment scores. A two-way analysis of variance (ANOVA) is used to determine the statistical difference in scores between the three types of engagement groups (junior, middle and top level). Statistical significance for ANOVA test is based on the 0.05 probability level of significance.

EMPLOYEE ENGAGEMENT BY POSITION

The analysis is done based on the responses of the sampled employees working in IVRCL. In order to find out the degree of employee engagement at IVRCL, 10 factors are considered for the study as shown in the table 1. The values shown in the table are mean scores of these factors on five-point scale. Number of respondents is 38, 34 and 05 in junior level, Middle level and Top level respectively. Weighted average of all key factors is 4.49 out of 5; hence the degree of employee engagement is very high at IVRCL Infrastructures & Projects Limited. Employees in the organization feel in their jobs and are proud of the organization and its values.

TABLE 1: EMPLOYEE ENGAGEMENT BY POSITION

Key factor	Junior Level	Middle Level	Top Level	Weighted Average
Control over job	4.03	4.88	4.8	4.57
Availability of tools and resources	3.97	4.82	4.8	4.53
Recognition for performance	4.00	4.71	4.6	4.44
Provision of fair rewards for work	3.82	4.53	4.2	4.18
Recognition for ideas and suggestions	3.63	4.71	4.6	4.31
Importance to the individual needs	3.89	4.59	4.2	4.23
Employee commitment for the next 3 years	4.11	4.71	5	4.60
Recommend the company to a friend	4.21	4.82	5	4.68
Image of the company in the industry	4.47	4.76	5	4.75
Image of the company in the community	4.26	4.44	5	4.57
Total	4.04	4.70	4.72	4.49

Source: Primary data

HYPOTHESIS TESTING

There is significant difference between the degree of employee engagement by position and gender at IVRCL.

TABLE 2: EMPLOYEE ENGAGEMENT BY POSITION AND GENDER

Job Position	Male	Female	Average
Junior Level	40.62	40.44	40.53
Middle Level	42.94	45	43.97
Top level	45.4	-	45.4
Total	42.98	42.72	42.85

Source: Primary data

By applying Analysis of Variance Two-Way Classification for the above table, the following values (shown in table 3) can be drawn.

TABLE 3: ANOVA TABLE

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Sum of Squares
Between Gender	918.072513	1	918.072513
Between Position	2512.58048	2	1256.29024
Residual	5478.70819	2	2739.3541
Total	8909.36118	5	-

Source: Primary data

For $u_1 = 1, u_2 = 2$ $F_{0.05}(\text{Gender}) = 0.34$ and For $u_1 = 2, u_2 = 2$ $F_{0.05}(\text{Position}) = 0.46$, the calculated values of F [$F_{0.05}(\text{Gender}) = 918.07$ and $F_{0.05}(\text{Position}) = 1256.29$] are more than the table values at 5% level of significance. The hypothesis is accepted. Hence, it is proved that there is significant difference in the degree of employee engagement by gender and position at IVRCL.

EMPLOYEE COMMITMENT

Commitment of employees are studied based on certain key factors such as proud to work, recommend the company and prepared to go extra mile. The values in the table 4 represent average rating of employee to the key factors. The weighted average of all key factors is 4.71* out of 5 and it indicates that employee commitment is very high towards long term career at IVRCL. Hence, it can be inferred that employees are more satisfied in terms of availability of resources, control over job, recognition for performance, provision of fair rewards, recognition for ideas and suggestions, organization's concern for personal needs, and working environment.

TABLE NO. 4: EMPLOYEE COMMITMENT

Key Factor	Junior Level	Middle Level	Top level
Proud to work here	3.82	4.69	5
Recommend the company	4.21	4.82	5
Prepared to go extra mile	4.14	4.61	5
Average	4.06	4.71	5

Source: Primary data

*Weighted Average = $(38*4.06 + 34*4.71 + 5*5)/77 = 4.71$

RELATIONSHIP BETWEEN EMPLOYEE ENGAGEMENT AND COMMITMENT

If employee is highly engaged, then it leads to employee commitment. In this context it is assumed that the relationship between engagement and commitment is very high. The following table 4 represents average values of engagement and commitment at different job position. The Karl Pearson' correlation of coefficient is calculated to this table. The calculation of coefficient is shown in the table 5. The correlation coefficient between engagement and commitment is 0.96. The relation is shown in the following graph figure 1. Junior level and Middle level employee are having perfect correlation between engagement and commitment.

Hypothesis: There is significant relationship between employee engagement and commitment.

TABLE NO. 5: CORRELATION BETWEEN EMPLOYEE ENGAGEMENT AND COMMITMENT

Job Position	Employee Engagement	Employee Commitment
Junior Level	4.04	4.06
Middle Level	4.70	4.71
Top Level	4.72	5

Source: primary data

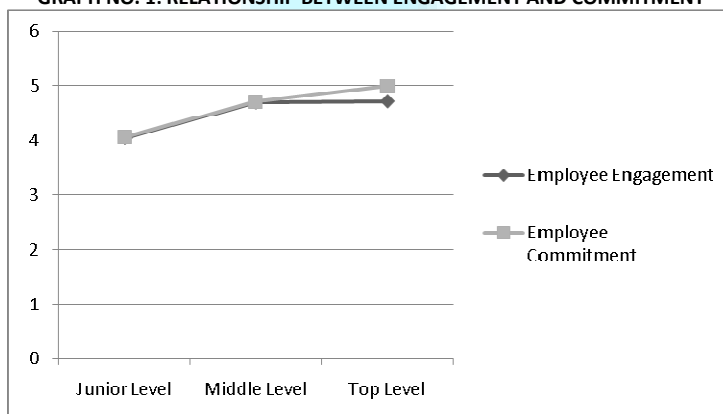
TABLE NO. 6: CALCULATION OF KARL PEARSON'S COEFFICIENT OF CORRELATION

Engagement (X)	Commitment (Y)	x	y	x ²	y ²	xy
4.04	4.06	-0.45	-0.53	0.2025	0.2809	0.2385
4.7	4.71	+0.21	+0.12	0.0441	0.0144	0.0252
4.72	4.72	+0.23	+0.41	0.0529	0.1681	0.0943
4.49	4.59	-0.01	0	0.2995	0.4634	0.358

Source: Primary data

By applying Karl Pearson's Coefficient of correlation, $r = 0.96$. Therefore, the correlation between engagement and commitment is high. So, the hypothesis is accepted. Hence, it is proved that there is significant relationship between employee engagement and commitment.

GRAPH NO. 1: RELATIONSHIP BETWEEN ENGAGEMENT AND COMMITMENT



FINDINGS

- Employees at all positions in the organization irrespective of gender feel engaged in their jobs and are proud of the organization and its values.
- In junior level male employees are more engaged than female; in middle level female employees are more engaged than male.
- The degree of the employee engagement by junior level is 81.06%, middle level 87.94% and by top level is 90.8%.
- Employee job satisfaction is very high at IVRCL.
- All top level employees are fully committed towards long term career at IVRCL.
- Approximately 87% of the employees are committed to long term career at IVRCL.
- IVRCL Infrastructures and Projects Limited employees' commitment is very high in terms of proud to work, recommends the company and prepared to go extra mile for organizational success.
- There is a strong positive correlation between employee engagement and commitment among top level employees than the middle and junior level.

CONCLUSION

Employees at all levels in the organization irrespective of gender feel engaged in their jobs and are proud of the organization and its values i.e., employee engagement is high at IVRCL. The correlation between employee engagement and commitment is very high ($r = 0.96$). Hence, there is a strong positive relationship between employee engagement and commitment.

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PERCEPTION AND RECEPTIVITY OF BRANDING BY BANKS BY CUSTOMERS OF SMALL SCALE INDUSTRIES IN BANGALORE: AN EMPIRICAL EVIDENCE

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ABSTRACT

The purpose of this research is to find out how Small Scale Enterprises in Bangalore perceive the value and brand of the bank they are using for the financial services of their business. An attempt has been made to find out how they perceive their banks and what underlying factors that affected their choice of bank the most in terms of receptivity. Quantitative research method has been used for this study. Hypotheses were created and tested on a sample population containing small scale enterprises in Bangalore. The data were analysed using SPSS. Analysis has been carried out with respect to the factors circling the brand phenomenon like awareness, association, attitude, loyalty and activity. The empirical findings were derived from the data collected from the survey among the sample population and the emphasis has been on the factors circling the brand phenomenon like awareness, association, attitude, loyalty and activity. The findings are explained in tables. The most significant finding in the study is the importance of personal contact at the bank, the enterprises' personal relation with one or more employees in the bank. Banks are not at all seen as unique in their supply of services, and hence the personal connection is found to be an important factor which leads to loyalty. The respondents are satisfied with the performance of their present banks since the supply of services covers their need. The enterprises do want the best possible solution to their specific situation; however, they do not seek for that optimal solution actively.

KEYWORDS

Brand activity, Brand association, Brand attitude, Brand awareness and Brand loyalty.

BACKGROUND

In the ever changing world where customers' preferences and behavior in making decisions about which product to buy or service to use, the selling company has to build and retain their brand in a way which makes it essential for the customers to stay with one company. Customers respond differently to company and brand images. Brand *image* is defined as perceptions about a brand as reflected by the brand associations held in consumer memory (Keller, 1993). Brand *identity* is the way a company aims to identify or position itself. The brand identity clearly specifies what the brand aspires to stand for (Konecnik and Go, 2008). An effective identity establishes the offering's characteristics and value perceptions, conveys the character in a distinctive way, and delivers an emotional power beyond a mental image. The identity must be conveyed through every communication vehicle and brand contact, including symbols, colors, slogans, atmosphere, media and special events (Kotler and Keller, 2007). It is further stressed that branding for services is different than branding for tangible products because it is the company which is the primary brand (Jones *et al*, 2002). The importance of strong branding is not surprising when the high-risk levels often associated with service purchase are considered (Dibb and Simkin, 1993).

BRANDING AND FINANCIAL SERVICES BY BANKS

Service industries are playing an increasingly important role in the overall economy of any country (Cronin and Taylor, 1992). Interest in the measurement of service quality is thus understandably high and the delivery of higher levels of service quality is the strategy that is increasingly being offered as a key to service providers' efforts to position themselves more effectively in the marketplace (ibid). However, the problem inherent in the implementation of such a strategy has been expressively identified by several researchers. When discussing branding in a financial service context, the brand is related to the company or corporate image, which is the highest level in Keller's brand hierarchy. Product brands within financial services are relatively few and far between and the banking and financial services industry has long been characterized by monolithic identities (Debling, 2000). There is also a difficulty of achieving differentiation at the banking product level since the product attributes in this sector are very easy to copy. This means the service quality has become an increasingly important factor for success and survival in the banking sector. Provision of high quality service aids in meeting several requirements such as customer satisfaction and its consequent loyalty and market share, soliciting new customers, improved productivity, financial performance and profitability. It has also become an important research topic because of its important relationship to corporate marketing and financial performance (Cui, Lewis and Park, 2003).

OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

The Primary objective of this study is to assess the different factors that affect the Small Scale Enterprises to choose a specific bank.

SECONDARY OBJECTIVES

The Secondary objectives of this study are

- To study the effect of Brand awareness on the choice of the Bank.
- To study the role of Brand association on the choice of the bank.
- To study role of Brand attitude in influencing the relationship between the bank and the customers.
- To study the role of Brand Loyalty on the choice of the bank.
- To study the role of Brand activity on the choice of the bank.

SMALL SCALE ENTERPRISES

For over a decade, small enterprises have been recognized as playing a very important role world-wide, making significant contribution to technological progress and increased competitiveness, the creation of new jobs and the economic revival of regions within countries where there has been structural unemployment

and the decline of traditional industries (Dutta and Evrard, 1999).

INDIAN BANKING SECTOR

The Indian retail banking market is undergoing substantial changes. Introduction of foreign firms, entry from other lines of business, and new technology have influenced the development on the Indian banking market for both producers and consumers. The opportunities to carry out bank services have increased strongly. Due to Government's LPG policy there has been a steady increase in new entrants in the bank market, such as insurance companies and firms in retail trading. Also foreign banks have entered the market through e.g. acquisitions. Although it has become easier to switch banks, partly due to the IT development, and the existence of many firms, consumers seem inflexible. Even though the large well known banks still have a strong position, this study shows that competition, after former deregulations and decreased barriers of entry, has become more intensified in retail banking.

BANK CUSTOMERS

The bank customer today is more demanding than he/she used to be. The information flow in the society today is faster than ever, and that affects the customer and the bank. The typical bank customer of today (Angelis *et al*, 2005):

- Is more demanding on issues of quality, since they possess a higher standard of living and educational level than previously,
- Is more informed since they have access to abundant information allowing immediate comparison of competitive products,
- Needs fast and easy service because of limited time
- Is less loyal to a specific bank and
- Is affected much more by the pricing policy of a bank than in the past.

HYPOTHESIS

The companies use their efforts to create a positive identity of their company, and thereby increase the value of the brand. The consumer responds to that identity by creating a picture of the company; this picture is referred to as the creation of a brand image. In the centre of this process we have the brand, and the factors that the companies can create/change/maintain in order to adapt the identity to consumer desires. The brand consists of different factors, which are summarized under five main subjects: *attitude, association, awareness, activity and loyalty*. This study aims to find out which of the surrounding factors that affect companies the most when they decide upon which bank to use for the ongoing business.

BRAND AWARENESS

Brand awareness refers to the strength of a brand's presence in consumers' minds. It is an important component of brand equity (Aaker, 1991; Keller, 1993). Aaker's (1991) four stages of brand awareness and the role of brand equity is dependent upon both the context and which level of awareness that is achieved.

H1: Brand awareness affects SSE's choice of bank in a positive way.

BRAND ASSOCIATIONS

A brand association is anything linked in memory to a brand (Aaker, 1991). The association not only exists, but it has a level of strength. A link to a brand will be stronger when it is based on many experiences or exposures to communications, rather than few. A brand image is a set of associations, usually organized in some meaningful way.

H2: Brand association plays an important role in the choice of bank.

BRAND ATTITUDE

Brand attitudes are important because they often form the basis for consumer behavior. One widely accepted approach to brand attitudes is based on a multi attribute formulation in which brand attitudes are a function of the associated attributes and benefits that are significant for the brand (Keller, 1993).

H3: The brand attitude influences the relationship (bank-SSE) in a positive way.

BRAND LOYALTY

Loyalty is a core dimension of brand equity. The perceived quality, the associations and the well-known name can provide reasons to buy and can affect user satisfaction (Aaker, 1991). A loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor innovations, and a fortification against harmful price competition (*ibid*).

H4: Loyalty is not an influencing factor when the SSEs decide upon bank.

BRAND ACTIVITY

When consumers' perceptions of service quality are high, consumers are willing to recommend the company to others; this means they develop positive WOM. The outcome of this communication process is used by individuals who are not familiar with either the service or the provider as signals of quality (Parasuraman, Zeithaml and Berry 1988).

H5: Activity plays an important role to decide which bank to use.

SAMPLING

In social survey research sampling constitutes a key step in the research process (Bryman and Bell, 2007). When finding a sample population one must have in mind the different types of probability samples that give different outcomes of the findings and in this survey systematic sampling is being used. With this type of sampling, you select units directly from the sampling frame – that is, without resorting to a table of random numbers.

DATA COLLECTION/QUESTIONNAIRE DESIGN

This study contains a self-completion questionnaire, which means that the respondents answer questions by completing the questionnaire themselves. The questionnaire contains 31 closed statements covering five hypotheses. The analysis will be made by using a Likert scale, with five levels with a range from Strongly Disagree (1) to Strongly Agree (5).

DATA ANALYSIS

The questionnaires were distributed to and collected from 96 small scale enterprises in Peenya Industrial Estate, one of the developed industrial areas in Bangalore. The hypotheses were tested with thirty one statements covering all the five factors namely, *attitude, association, awareness, activity and loyalty*. The outcome of the survey is presented.

PEARSON'S CORRELATION

Pearson's Correlation is used to calculate the linear relationship between two variables. The correlation can vary between -1 and 1, when below 0 there is a

negative correlation between the variables, which means that when one of the variables is moving in one direction the other variable moves in the opposite direction. When the correlation is zero there is no correlation between the variables, and when it is positive there is a positive correlation. If the relationship between the variables is not linear, then the correlation coefficient does not adequately represent the relationship between the variables (Körner and Wahlgren, 2002). With this method, it is possible to see if there are any connections between the different statements within each hypothesis. This will help us to see which statements that are more connected to each other, and it will give us a clue of which statements that have more impact than others on the respondents. Arithmetical mean was used when evaluating and analyzing the data from the survey. If the arithmetical mean is above three, there is a connection between the answers, and if the mean is above four, we assume that the connection is strong. Over 4.5 means there exists a very strong connection and agreement among the respondents. The statements can be found in appendix -1. The mean score as well as the standard deviations for the relevant statements pertaining to each of those brand factors are presented in Table – 1.

The second part in each section of the analysis also explains whether or not each hypothesis is accepted or rejected, with the help of Cronbach's alpha. If the Cronbach's alpha is above 0.7 it will be accepted. Based on this analysis, it has been generalized as to which brand related concerns that are most important when deciding upon bank. The Cronbach's Alpha of each Brand factor has been calculated and presented in Table – 2. The same method has been applied to the description of all five hypotheses.

BRAND AWARENESS (HYPOTHESIS 1)

The first hypothesis covered brand awareness and the hypothesis was formulated as follows:

H1: Brand awareness affects SSE's choice of bank in a positive way

The hypothesis was tested with five statements about brand awareness and the results pertaining to each statement is discussed in detail as given below:

S1: The bank was well-known for us.

The respondents strongly agree that the bank they use is well known to them, and that they are very aware of the existence of the particular bank. The mean is 4.56 which strengthens our findings that the respondents agree with this statement. Further on, the standard deviation was just 0.764 which is also an indicator that the variance between the respondents is low.

S2: We were more aware of the bank compared to its competitors.

There seems to be a split meaning of the knowledge about the particular bank and the banks' competitors. Some respondents seem to be more aware of the bank they use in comparison to its competitors, but there seems to be no agreement. The mean is above three (3.63) and the standard deviation is 1.092, which is an indicator that the majority of respondents agree with the statement but, it is not a strong agreement. Some respondents might use the bank for private services as well, making the awareness stronger.

S3: The bank is the first that appears in our mind when thinking of financial service.

There is an agreement that the first bank that is brought to mind when thinking about financial services is the respondent's current bank. However, the agreement is not strong since the mean is below four (3.78). The standard deviation is also quite low (1.111). However, the statement might be inaccurate and hard to estimate for the respondent.

S4: Earlier experience with the bank affected the choice of bank.

The respondents seem to have earlier experience, and mostly positive experience, from the contracted bank. Hence, some of the respondents do not agree at all, either that the earlier experience did not affect the decision, or that they did not have any earlier experience at all. The mean is 3.64 and the standard deviation is quite high (1.291), which is probably an influence of the high number of low answers. Most answers indicate that earlier experience does matter for their usage of bank.

S5: The advertising from the bank was an influencing factor for us.

None of the respondents made their decision based on the advertising from the bank. This is a complicated statement, and there is no perfect answer. The advertising might be a subconscious effect, and so not amendable to an honest answer being given. One reason for the answers being strongly centralized to 1 and 2 i.e. 1.88 might depend on that fact. Alternatively, the respondents simply did not make their decision primarily on advertising, but rather from other sources of information. Since the mean is 1.88 which is very low and the standard deviation is 1.068, there is no agreement between the respondents about this statement.

By looking at Cronbach's Alpha, the value is 0.765 which is above 0.7, and the hypothesis is accepted. The correlations between different items give us the impression that the most important issue when talking about brand awareness is to be "top of mind". This means that the most important thing for a bank is to be top of mind in the heads of their present customers, since dealing with customers in the banking industry is very much about keeping your customers and creating long term relationships.

BRAND ASSOCIATION (HYPOTHESIS 2)

The second hypothesis had to do with brand association and its importance in the branding process. This hypothesis was tested with ten statements, most of the hypotheses in this study, to cover a wide range of theory and previous research.

H2: Brand association plays an important role in the choice of bank

S6: Before the choice of banks we had heard a lot of positive things about the bank.

There is evidence when looking at the mean (3.41) that people talk about banks and, most often, the respondents have heard positive things about the bank they use. The Standard Deviation (1.070) tells us that there is a low variance among the answers from the respondents.

S7: We could connect to the bank thanks to similar values.

Shared values with the bank seem to have a positive impact, though not a strong one. The mean for this statement is (3.38), which is strong but not 100 percent proof for similar values.

S8: We found the bank unique.

The respondents do not see their bank as unique compared to other banks. This might be evident that the offerings from different banks are homogenous - they all offer more or less the same services. This is further proved when looking at the mean (2.67), which says that there is not an agreement among the respondents with the statement.

S9: The bank was the most suitable for us.

The respondents find their choice of bank to be suitable; even the score for being the most suitable is strong. It appears to be clear that the respondents find their bank is good for their business. There is a quite high agreement between the respondents but the mean is below four at 3.63, so we cannot say that there is a strong agreement with the statement.

S10: We compared the bank with other banks before taking the decision.

There is no evidence at all that the small scale enterprises search and compare information about the bank before they start doing business with them. The low agreement among the respondents by looking at the mean at 2.84 means that the respondents do not compare before deciding upon a bank and there is no agreement whatsoever between the respondents.

S11: We only had positive things in our minds when thinking of the bank.

The bank the companies use seems to be linked to something positive in their minds. Most of the respondents chose number four, and the mean of 3.78 is an indicator that most of the respondents agree with the statement. This can be an indicator that the banks perform well and take good care of their customers. The bank brand might be connected to something seen as positive in the minds of the respondents.

S12: The choice of bank was affected by earlier experiences.

The respondents seem to agree that earlier experience is something that affects the decision of which bank to use for a small scale enterprise. The mean (3.61) is on an acceptable level, yet not strong enough to say that there is a distinct connection. The answers are also spread over the different levels, which indicate that experience plays different roles in the minds of the small scale enterprises. Maybe the fact the study contains companies from different sectors affects the result of this statement. Different types of companies might be treated in different ways.

S13: The bank offered the services that we needed.

There is a strong agreement that the banks offer services and products that the companies demand and need. The banking industry is homogenous, which this statement might be a strong proof of. Most respondents agree that the bank offers necessary products for their business. Here, we have a very strong mean (4.38) and a very low standard deviation (0.760), which further strengthens the statement. Since we do not know which banks the respondents use, we can assume that all banks offer products needed by the small scale enterprises.

S14: The offerings from the bank were an influencing factor in the choice.

Most respondents agree that the products of the bank do not matter. However, some agree that the products do matter. There is no clear evidence here. The offerings are accepted, but they are not seen as unique. The mean is on a level (3.27) that we can say that the statement is affecting the brand association, but yet it is on such a low level that we cannot say that it affects the brand association strongly.

S15: An important thing for us was the perceived attributes when deciding upon the current bank.

The perceived attributes, the perception the respondent had on the bank, was a strong factor for the decision. A bank that seems to offer good services, and performs well in the market, should have a brighter picture in the mind of the customer. The majority of the answers lie between 3 and 5, which gives us an indication that the statement has an impact, but there are some who disagree with it, which overall has brought the mean to 3.68 and this weakens the conclusion that the statement has a strong impact on brand association.

The Cronbach's alpha is above 0.822 and hence we accept the hypothesis. Within brand association we found three correlations that were scoring higher than 0.5. These are statement one and two, three and four, as well as six and seven. Mutual values and positive feedback from others are strongly related. The perceived uniqueness and most suitable bank are correlated, and even positive thoughts and earlier experience from the bank were strongly connected.

BRAND ATTITUDE (HYPOTHESIS 3)

The third hypothesis covered brand attitude. It was tested with six different statements.

H3: The brand attitude influences the relationship (bank-SSE) in a positive way**S16: We have always had a positive feeling about the current bank.**

The respondents agree that they always had a positive feeling about their bank. Some respondents seem to have a very negative picture though. The mean of 3.74 indicates a strong agreement but, at the same time, the Standard Deviation is neither high nor low at 1.215, which could be affected by the high number of low answers on the statement.

S17: The service from the employees on the current bank was an influencing factor in the decision.

The employees of the bank seem to be very important for the perception of the bank. The mean score is above four at 4.12, and the Standard Deviation is low at 1.012. The services provided by the employees, who are the banks' first point of contact with the customers, seem to be very important.

S18: The perceived performance of the bank was an important factor in the decision.

The banks' performance, how well they live up to their reputation and deal with the customers, seems to be very important, which is supported by the score being close to four on mean at 3.93. Here, the respondents are also united and the Standard Deviation is low at 0.932.

S19: Our motivation was to find the best alternative to our situation.

The respondents strongly agree that they had the motivation to find the best bank alternative to their individual and unique situation. The mean is high at 4.37 and Standard Deviation is low at 0.082.

S20: The banks employees and their abilities has affected our choice of bank.

The abilities of the employees of the bank have a high importance. The respondents agree upon this statement, the mean is 4.09 and the Standard Deviation among the answers is low at 0.980.

S21: The personal relationship with the bank has influenced the perception positively.

A personal relationship with the bank is very important for the small scale enterprises. The mean is 4.09 and 50 percent of the respondents agree on the highest score. A personal contact is crucial for the perception of the bank.

The Cronbach's alpha is over 0.826 and hence, the hypothesis is accepted. Almost all statements correlate with each other, and this part of the survey has the strongest internal correlation. The highest correlation is between statement two and three, which means that there is a connection between the welcoming from the employees and perceived performance of the bank. This is an indicator that the employees are very important within the banking industry. To conclude, this hypothesis has the strongest alpha, which gives us an indication that brand attitude might be the most important aspect in branding.

BRAND LOYALTY (HYPOTHESIS 4)

The fourth hypothesis had to do with brand loyalty. The phenomenon was tested with six statements to cover up the theory.

H4: Loyalty is not an influencing factor when the SSEs decide upon bank**S22: The services of the bank are performed so well that we are willing to pay a higher price.**

This statement is something that the respondents do not agree upon. Some appear to be not willing to pay more for the services, whilst others would accept a higher price. The mean is very low (2.35), and most respondents will not accept a higher price.

S23: We constantly compare our bank's offerings with other banks'.

The mean score is very low (2.50), and the answers are divided quite equal except for a major proportion of the answers in the lowest alternative. Most small scale enterprises do not compare different options on a regular basis to see which offer suits their company the best.

S24: Our current bank is constantly out-competing other banks when it comes to our needs.

This statement is something that the respondents are neutral to or negative, since the mean is 2.70. Yet again the homogenous market for banks tends to appear. The bank offerings on the bank market might be perceived as the same. Maybe the respondents do not see their bank as unique, and they perceive the performance of other banks as being quite the same.

S25: Leading characters (within the company) private choice of bank is influencing the choice of bank.

The small scale enterprises seem to have different ways of choosing their banks. Some are affected by leading characters' own choice of bank. Some enterprises do not decide upon their bank at all in relation to leading characters. The high standard deviation (1.546) further proves this reasoning.

S26: Leading characters private relationships to specific bank influenced the company's decision upon bank.

Leading characters' private relations to a specific bank tends to be important in some cases, yet not important at all in other cases. The standard deviation is very high (1.495), and the mean of 3.13, is just above the limit to accept the statement.

S27: We feel satisfied with the financial services contracted.

Most respondents agree that they are satisfied with the bank they use. The mean is high (4.13) and the standard deviation is rather low.

This hypothesis scores under 0.618 on Cronbach's alpha, which means that the hypothesis is to be rejected. In this case, the hypothesis is written in a reverse manner, which means that we reject the hypothesis that says that loyalty is not an influencing factor, which in other words means that we accept that loyalty

has some degree of influence on the decision upon bank.

BRAND ACTIVITY (HYPOTHESIS 5)

The last part in the study about branding will be about brand activity. The hypothesis is tested among four statements.

H5: Activity plays an important role to decide which bank to use

S28: Opinions from third-party had a great impact on the decision of bank.

There seems to be split meanings about opinions from third-party. Most respondents are neutral or negative. The mean is 2.52, which is under the accepted limit and the Standard Deviation is rather high, which indicates that there are different opinions among the respondents about this statement.

S29: We continually seek out information about the current bank and their offerings.

The respondents do not seem to seek out information from the bank, as most of them are neutral. The mean is low (2.46) and Standard Deviation is quite high. There seems to be no agreement since it appears that the respondents' deals with the statement in different ways.

S30: The service given from the current bank has lived up to our expectations.

Most of the respondents accept, or are very positive about, the service of their bank and feel that their bank lives up to their expectations. The mean is high, with a score of 3.93, and the statement will be considered as an important part of brand activity. Also, the Standard Deviation further proves that the respondents are united in their opinions about the statement with a score of 0.963, which is rather low.

S31: The service is good in comparison to the price we pay for it.

The mean is just above 3.5, which is good and shows that most of the respondents agree with the statement to a certain extent. Most respondents find the price acceptable in comparison to the level of the service provided by the bank. The Standard Deviation is quite high, which can be explained by the fact that some of the respondents have opted for one of the two lowest numbers on this statement. This statement will be seen as a contributing factor the brand activity.

In this case, the Cronbach's alpha score is 0.442, which means that we will reject this hypothesis. The respondents are satisfied with the quality of the service that they are provided with from their bank, and they feel that the price they pay is in accordance with the service.

CONCLUSION

The purpose of this research was to find out how SSEs perceive the value and brand of the bank they are using for the financial services of their business. An attempt has been made to find out how they perceive their banks and what underlying factors that affected their choice of bank the most. The most important factors for customer satisfaction are related to the awareness, associations and attitude towards the brand of the bank. A personal relationship with the customers is the most important part according to the findings in this research. However, the bank sector of today is moving further away from a personal relationship with their customer. One of the reasons is the introduction of internet banking. This means that the customers feel less connected and loyalty to the bank, since the personal relationship is slowly disappearing. For marketers to alter perceptions and create consumer preference for a particular bank calls for much the same branding strategy employed by traditional packaged goods marketers.

However, the results in this survey show that the most important factor when it comes to brand association, is the employees, and the relation created between the company and the employees at the bank. The personal relation demanded and desired by the respondents could also be seen as a form of loyalty, since a strong personal relation to a specific bank decreases the will to change to another bank. As this study shows, the companies do want the optimal solution to their specific situation. However, since small businesses often are very busy doing more important things, they do not have the time to find that solution.

When not providing personal relations, the price becomes more important for the customer, and the loyalty will disappear more and more due to lack of integration. The findings in this study reveals that the customers do not want to pay a price premium. It is important to highlight that for many banks the term "customer value" is used solely to refer to the value that the customer generates for them, rather than the value that they can offer their users. How customers are treated will, in the future, become even more important than it is today, and failing in this respect will harm the business.

FURTHER RESEARCH

Further research could be in the area of only service companies, to study how they finance their business, and how they make their decision upon which bank to chose. The issue might even be interesting from the other point of view, the bank perspective. Service companies lack tangible resources, and more attention and value is put into the employees of the company. It would be interesting to see how banks value the competence of a company's employees.

To conduct the research on individual customers could also be a suggestion for further research, since individuals and companies probably have different needs and wants when it comes to products and services they expect from a bank. The outcome of a study on individual customers will most certainly give a lot of different answers and results.

Another study that we think would be interesting is to look only at the perceived service quality received from the bank. Since the result of our study is pointing towards service quality, and the importance of that, a study within that specific field would be interesting.

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APPENDIX

APPENDIX 1: QUESTIONNAIRE

1) What is the name of your company? (Optional):
 The following statements consist of five levels of your agreements starting from Strongly Disagree to Strongly Agree. Tick the ones that best suits your company.
 (1- Strongly Disagree, 2- Disagree, 3-Neither Disagree nor Agree, 4-Agree and 5 – Strongly Agree)

SI No	Factors/Statements	1	2	3	4	5
Brand Awareness						
S1	The bank was well-known for us					
S2	We were more aware of the bank compared to its competitors.					
S3	The bank was the first one that came up in our minds when thinking of financial services.					
S4	Earlier experience with the bank affected the choice of bank.					
S5	The advertising from the bank was an influencing factor for us.					
Brand Associations						
S6	Before the choice of banks we had heard a lot of positive things about the bank.					
S7	We could connect to the bank thanks to similar values.					
S8	We found the bank unique.					
S9	The bank was the most suitable for us.					
S10	We compared the bank with other banks before taking the decision.					
S11	We only had positive things in our minds when thinking of the bank.					
S12	The choice of bank was affected by earlier experiences.					
S13	The bank offered the services that we needed.					
S14	The offerings from the bank were an influencing factor in the choice.					
S15	An important thing for us was the perceived attributes when deciding upon the current bank.					
Brand Attitude						
S16	We have always had a positive feeling about the current bank.					
S17	The service from the employees on the current bank was an influencing factor in the decision.					
S18	The perceived performance of the bank was an important factor in the decision.					
S19	Our motivation was to find the best alternative to our situation.					
S20	The banks employees and their abilities have affected our choice of bank.					
S21	The personal relationship with the bank has influenced the perception positively.					
Brand Loyalty						
S22	The services of the bank are performed so well that we are willing to pay a higher price.					
S23	We constantly compare our bank's offerings with other banks.					
S24	Our current bank is constantly outcompeting other banks when it comes to our needs.					
S25	Leading characters (within the company) private choice of bank is influencing the choice of bank.					
S26	Leading characters private relationships to specific bank influenced the company's decision upon bank.					
S27	We feel satisfied with the financial services contracted.					
Brand Activity						
S28	Opinions from third-part had a great impact on the decision of bank.					
S29	We continually seek out information about the current bank and their offerings.					
S30	The service given from the current bank has lived up to our expectations.					
S31	The service is good in comparison to the price we pay for it.					

TABLES

TABLE – 1: ANALYSIS Mean Scores and Standard Deviation

SI No.	Brand Awareness	Mean	Std. Devn
S1	The bank was well-known for us	4.56	0.764
S2	We were more aware of the bank compared to its competitors.	3.63	1.091
S3	The bank was the first one that came up in our minds when thinking of financial services.	3.78	1.111
S4	Earlier experience with the bank affected the choice of bank.	3.64	1.291
S5	The advertising from the bank was an influencing factor for us.	1.88	1.068
	Brand Associations		
S6	Before the choice of banks we had heard a lot of positive things about the bank.	3.41	1.070
S7	We could connect to the bank thanks to similar values.	3.38	1.156
S8	We found the bank unique.	2.67	1.135
S9	The bank was the most suitable for us.	3.63	0.996
S10	We compared the bank with other banks before taking the decision.	2.84	1.390
S11	We only had positive things in our minds when thinking of the bank.	3.78	0.933
S12	The choice of bank was affected by earlier experiences.	3.61	1.214
S13	The bank offered the services that we needed.	4.38	0.760
S14	The offerings from the bank were an influencing factor in the choice.	3.27	1.090
S15	An important thing for us was the perceived attributes when deciding upon the current bank.	3.68	1.128
	Brand Attitude		
S16	We have always had a positive feeling about the current bank.	3.74	1.215
S17	The service from the employees on the current bank was an influencing factor in the decision.	4.12	1.012
S18	The perceived performance of the bank was an important factor in the decision.	3.93	0.932
S19	Our motivation was to find the best alternative to our situation.	4.37	0.082
S20	The banks employees and their abilities have affected our choice of bank.	4.09	0.980
S21	The personal relationship with the bank has influenced the perception positively.	4.09	1.208
	Brand Loyalty		
S22	The services of the bank are performed so well that we are willing to pay a higher price.	2.35	1.334
S23	We constantly compare our bank's offerings with other banks.	2.50	1.383
S24	Our current bank is constantly outcompeting other banks when it comes to our needs.	2.70	1.167
S25	Leading characters (within the company) private choice of bank is influencing the choice of bank.	2.96	1.546
S26	Leading characters private relationships to specific bank influenced the company's decision upon bank.	3.13	1.494
S27	We feel satisfied with the financial services contracted.	4.13	0.968
	Brand Activity		
S28	Opinions from third-part had a great impact on the decision of bank.	2.52	1.288
S29	We continually seek out information about the current bank and their offerings.	2.46	1.137
S30	The service given from the current bank has lived up to our expectations.	3.93	0.962
S31	The service is good in comparison to the price we pay for it.	3.52	1.209

TABLE – 2: CRONBACH'S ALPHA FOR BRAND FACTORS

SI No	Brand Factors	Cronbach's Alpha
1	Brand Awareness	.720
2	Brand Associations	.821
3	Brand Attitude	.825
4	Brand Loyalty	.617
5	Brand Activity	.441

EXPECTATIONS AND PERCEPTIONS OF STUDENTS IN ENGINEERING EDUCATION - A STUDY

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ABSTRACT

The Purpose of this qualitative study is to ascertain the expectations and perceptions of students studying in private engineering colleges. A sample of 175 respondents has been selected for conducting the study. The various dimensions that are considered for the study include placement, infrastructure, extracurricular activities, education, student's development, educational material and college environment. The study reveals that there is a highest gap in education dimension and lowest gap in placement and college environment dimensions. ANOVA technique has been used to compare the mean differences between the perceptions and expectations of students. The study identifies that there is a significant difference in the mean values of perceptions and expectations of students. This study is an attempt to identify the areas where students get dissatisfaction and to offer suggestions necessary to minimize the same.

KEYWORDS

College environment, education, expectations, perceptions, placement.

INTRODUCTION

A large number of students, every year have been going to United States of America, United Kingdom, Germany and Australia to pursue their Engineering education. The trend is increasing year after year because; the quality in education is more superior than compare to its quality in India. Engineering education requires more attention on the innovation and entrepreneurship ability to set success in a constantly changing global environment. Due to liberalization and privatization of Indian economy and its resulting robust growth, a large number of engineering colleges under private management started in India and still the trend is moving in the upward direction. Though the country has large youth with various skills and capabilities and willing to join in these colleges, they are limited by inadequate trained teachers, poor infrastructural facilities, absent of student development and placement related activities etc. As a result, the dissatisfied youth becoming one of the most serious constraints to economic growth. The satisfaction of a student mainly depends on the quality of education he received and the facilities he enjoyed during his course of study. The satisfaction of a student is said to be the combination of various psychological, physiological and other education related factors. It may be defined as "the willingness to express high level of satisfaction towards personal goals". Student satisfaction has been considered as a state where students are induced to develop their skills effectively and efficiently and promote the image of the institute more happily. It focuses on general attitude of students and is an emotion, a feeling and a matter of perception. It arises from the students' appraisal of their experience; requirements and facilities enjoyed as well as needs and want which are internal and external to the students. As educational institutions related to service sector that consider satisfaction of students based on their expectations and perceptions, studies of these kind helpful in identifying the areas of dissatisfaction.

The satisfaction of the student plays an important role in the success of any educational institute. It develops the state of healthy balance in the college in which teachers also make their respective contributions to achieve the goals set by the college management. With the Government policy of liberalization of economy, a large number of Engineering Colleges in private sector were established during the last decade. As a result the competition also started among the managements of these colleges. In a competitive environment each college is interested to improve its position to create a strong base for its survival. The competition was developed in terms of attracting large number of students by providing various student related requirements, such as placements, supply of educational material, conducting various programs and extracurricular activities etc. As management of these colleges plays a dominant role in fulfillment of various needs of students and to achieve the primary aim of students' satisfaction, studies of these kinds are necessary to know the gap between the expectations and perceptions of students.

STATEMENT OF THE PROBLEM

Each educational Institute has its own policies for the accomplishment of objectives. Continuous updating and monitoring of these policies is essential to keep the pace with change in time and to avoid any dissatisfaction of the students. To study the expectations and perceptions of the students, various factors which are directly or indirectly related to students and college environment have been considered. These factors include placement, infrastructure, extracurricular activities, education, student development, educational material supplied, and college environment etc.

The study is based on the students studying in private engineering colleges. The need for the study is to ascertain the expectations and perceptions of the students that lead to the satisfaction. This study will help the managements of the colleges in identifying the gap and to develop more appropriate policies for the better management of educational Institutions.

LITERATURE REVIEW

It is a fact that satisfaction is treated as an important factor in determining the demand of goods and services and also considered as an indicator that affects the competitive advantages of firms. The term satisfaction in service sector is different from the term used in the goods market. Since evaluating the satisfaction is more difficult, the measurements are in general made by means of perceptions of consumers. Student's satisfaction is the major indicator of service quality in educational institutions. Many researchers on this issue believe that there is a relation between the perception and their satisfaction (Petersen 1988). Satisfaction of students appears to be a major device in order to take important decisions by the college managements. According to Ibekwe (2006), any higher educational Institute must desire its basic goals and objectives to satisfy students by offering various academic and career oriented programs, providing quality teaching and learning environment and by providing adequate student support services. Therefore, the managements of the colleges, as a matter of fact, take satisfaction of students into account as a main goal of strategies of their colleges. (Bolton & Frederic, 1971). Abbott & Doucouliagos (2003), in their studies also opined to change the attitude of management towards providing relevant, purposeful and meaningful education for the academic community and for the society as a whole.

Most of the service sectors consider that satisfaction of consumers is explained by expectations and perceptions. The expectations are based on one's own and others' experiences. Most of these studies based on the static model suggested by Parasuraman et al (1985, 1988). The measurement of expectations and perceptions has been a controversial issue in the literature. While it seems to be logical that identifying the gap between the expectations and perceptions for the estimation of the satisfaction, the other researchers (Cronin and Taylor, 1992 and Teas, 1993) questioned the validity of the gap model. The study made by Zeithaml et al.,(1996), suggest that measuring perceptions alone might be a better indicator of satisfaction related to service sector, than measuring the difference between expectations and perceptions. Aldaigan and Buttle, (2002) are of the view that, it is not always easy to adopt the gap approach, since in real

life setting it requires to collect the data twice from the same customers and compare their answers. However, from the management perspective it is always necessary to identify the gap between expectations and perceptions of the students, so that effective and suitable strategies can be designed to close the gaps or at least to minimize them (Arun Kumar,2010). In the present study gap approach has been used, with the objective of identifying the gaps and to use these gaps for the prediction of the satisfaction of the students.

Some of the other researchers such as Stanley and Reynolds (1994), Srikanth and Dairyple (2007), Kealy and Rockel(1987), Anderson (2000), Hill et al (2003), in their studies suggested various factors like placement, education, infrastructure, college environment etc., contribute positive perceptions of the students. The essence of these studies is the consideration of various factors that are responsible for the satisfaction of students as well as finding out the relation among them giving least scope to identify the gap between the expectations and perceptions. Hence, the present study may be considered as one among the few studies that bridges the gap.

OBJECTIVES OF THE STUDY

The purpose of the present study is aimed to enhance the satisfaction of students studying in private Engineering colleges by identifying the gap between their expectations and perceptions on various college related factors. The following are the research objectives formulated to guide the study.

1. To measure the gap between expectations and perceptions of the students studying engineering education.
2. To suggest suitable measures, to minimize the gap between expectations and perceptions of the students.

HYPOTHESIS

This study infers that there is no difference in the mean value of students' expectations and perceptions for all dimensions. As against this back ground the following hypothesis has been formulated.

NULL HYPOTHESIS: There is no difference in the mean value of students' expectations and perceptions for all dimensions.

ALTERNATIVE HYPOTHESIS: There is a difference in the mean value of students' expectations and perceptions for all dimensions.

METHODOLOGY

INSTRUMENT DEVELOPMENT

The Instrument used in this study is composed of 2 parts. Satisfaction of the students was measured by a questionnaire consists of 7 dimensions namely

1. Placement
2. Infrastructure
3. Extracurricular activities
4. Education
5. Student Development
6. Educational Material
7. College environment.

The dimensions included in the questionnaire have been taken from the students perceptions and are supported by other researchers like Dalwinder kaur and Gurwinder singh Bhalla (2010), Anderson (2000), Hill et al (2003). Part 1 of the questionnaire includes demographic characteristics such as gender, area of residence, year of study etc, while part 2 has an expectations section and perceptions section with 33 statements Each of these statements was measured on 4 points likert scale in which 1 indicated "strongly disagree", 2 indicated "disagree" 3 indicated agree" and 4 indicated "strongly agree".

DATA COLLECTION:

A survey Instrument in the form of close ended questionnaire was developed for the purpose of collecting the main data for the study. This study was conducted at various private engineering colleges located in Nellore district in Andhra Pradesh. Various factors such as precession, accuracy, time and cost constraints were taken into consideration in selecting the respondents. Using convenient sampling technique 10 colleges were selected. Using non-probability sampling technique, a total of 175 students were selected as a sample of the study. The respondents were selected from private engineering colleges only in order to maintain uniformity and also, proper care has been taken to select the respondents studying different years of engineering, to improve the generalization of the result. The actual field survey was conducted over a period of one month between June 2010 and August 2010, whereby personal interviews were employed to obtain the required information from the selected respondents.

DATA ANALYSIS

The primary data collected have been sorted, classified and tabulated in a format and analyzed by using statistical package for social sciences (SPSS16.0). Appropriate statistical procedures like averages, ANOVA tests have been used for inference.

RESULTS AND ANALYSIS

PROFILE OF THE RESPONDENTS

The table1 reveals that 62.85 percent of respondents were male and the rest 37.15 percent were female students. An analysis of area of residence of the respondents indicates that 26.85 percent were with rural background, 37.15 percent were with semi urban, and the remaining 36 percent were with urban background. Similarly an analysis of the student respondents studying different years of engineering education reveal that 20 percent of respondents were studying first year, 35.42 percent were studying second year, 26.28 percent of the respondents were studying third year and the remaining 18.20 percent with fourth year of their study. With respect to gender, the students are male dominated. With respect to area of residence, most of the students belong to semi urban and with respect to year of study, majority of students belong to second year.

TABLE 1: PROFILE OF THE RESPONDENTS

1.Gender	No of Respondents	Percentage
a) Male	110	62.85
b) Female	65	37.15
Total	175	100
2.Area of residence		
a) Rural	47	26.85
b) Semi urban	65	37.15
c) Urban	63	36.00
Total	175	100
3.Year of study		
a) First year	35	20.00
b) Second year	62	35.42
c) Third year	46	26.28
d) Fourth year	32	18.20
Total	175	100

TABLE 2: EXPECTATION AND PERCEPTION OF STUDENTS ON PLACEMENT STATEMENTS

	Placement (Statements 1-6)	Mean Score			Average value for Dimension	
		Expectation	Perception	Gap	Expectation	Perception
1.	College students appearing in the competitive exams have a good passing rate.	3.080	3.194	-0.114		
2.	Number of on-college placement is high.	2.989	2.994	-0.005		
3.	Students participate actively in the placement activities.	2.960	2.874	0.086		
4.	Students pursuing job - oriented courses get placements earlier than other students.	2.629	2.989	-0.36		
5.	Career counseling sessions are conducted regularly.	3.006	3.126	-0.12		
6.	Placement activities help the students in getting easy admissions in higher education courses.	3.074	3.069	0.005 Total gap = 0.508	2.534	2.606

TABLE 3: EXPECTATION AND PERCEPTION OF STUDENTS ON INFRASTRUCTURE

	Infrastructure (Statements 7-11)	Mean Score			Average value for Dimension	
		Expectation	Perception	Gap	Expectation	Perception
7.	Well maintained study rooms, committee rooms and common rooms are there.	2.874	2.977	-0.103		
8.	Lecture halls are fully equipped.	2.897	2.885	0.012		
9.	Enough space for parking is available.	2.908	2.782	0.126		
10.	College has sufficient facilities for recreation.	2.983	2.925	0.058		
11.	Facilities for fresh drinking water and washrooms nearby.	2.920	2.937	-0.017 Total gap = 0.076	2.083	2.072

TABLE 4: EXPECTATION AND PERCEPTION OF STUDENTS ON EXTRACURRICULAR ACTIVITIES

	Extracurricular Activities (Statements 12-16)	Mean Score			Average value for Dimension	
		Expectation	Perception	Gap	Expectation	Perception
12.	College lays emphasis on developing sports activities.	2.771	2.880	-0.109		
13.	Students are given sufficient scholarships for participation in sports.	2.806	2.914	-0.108		
14.	The college encourages its students to take part in extracurricular activities.	2.869	2.994	-0.125		
15.	Sufficient playgrounds and sports materials are available	2.874	3.086	-0.212		
16.	College pays special attention to extracurricular activities.	2.920	3.074	-0.154 Total gap = -0.708	2.034	2.135

TABLE 5: EXPECTATION AND PERCEPTION OF STUDENTS ON EDUCATION

	Education (Statements 17-21)	Mean Score			Average value for Dimension	
		Expectation	Perception	Gap	Expectation	Perception
17.	Teachers are able to inspire the students for study	2.891	2.651	0.24		
18.	Teachers are enthusiastic in their teaching	2.789	3.189	-0.4		
19.	Students participate in seminars and conferences actively.	2.863	3.200	-0.34		
20.	There is a congenial environment for study.	3.189	3.211	-0.022		
21.	Guest lectures are arranged frequently	2.869	3.206	-0.337 Total gap = -0.859	2.085	2.208

TABLE 6: EXPECTATION AND PERCEPTION OF STUDENTS ON STUDENT DEVELOPMENT

	Student Development (Statements 22-25)	Mean Score			Average value for Dimension	
		Expectation	Perception	Gap	Expectation	Perception
22.	Platform for overall personality development is available.	3.177	3.177	0.00		
23.	Proper monitoring and evaluation is there to keep education and learning material under review.	3.183	3.183	0.00		
24.	Educational or industrial visits are organized regularly.	3.194	3.183	0.011		
25.	The college pays considerable attention to students' moral development.	3.143	3.177	-0.034 Total gap = -0.023	1.814	1.817

TABLE 7: EXPECTATION AND PERCEPTION OF STUDENTS ON EDUCATIONAL MATERIAL

	Educational Material (Statements 26-30)	Mean Score		Gap	Average value for Dimension	
		Expectation	Perception		Expectation	Perception
26	There is always a provision for projects and multimedia facilities to deliver the lecture.	3.149	3.160	-0.011		
27	Students are informed regularly about updated library collection.	3.154	3.160	-0.006		
28	Laboratories have all the essential equipment and requisite material.	3.183	3.154	0.029		
29	Library is rich and updated with material related to students' subjects.	3.171	3.160	0.011		
30	Ratio between number of students and equipment in laboratory is quite satisfactory.	3.175	3.160	0.014 Total gap =0.037	2.261	2.256

TABLE 8: EXPECTATION AND PERCEPTION OF STUDENTS ON COLLEGE ENVIRONMENT

	College Environment (Statements 31-33)	Mean Score		Gap	Average value for Dimension	
		Expectation	Perception		Expectation	Perception
31	Informal/ formal groups of students and teachers are used to the advantage of college	3.149	3.154	-0.005		
32	The students complaints are well handled by the college	3.154	3.160	-0.006		
33	Security and discipline are maintained properly.	3.159	3.143	0.016 Total gap = 0.005	1.352	1.351

TABLE 9: HIGHEST EXPECTATION STATEMENTS

Highest Expectation Statements	Statement Number	Mean Score
Educational or industrial visits are organized regularly.	E-24	3.194
There is a congenial environment for study.	E-20	3.189
Proper monitoring and evaluation is there to keep education and learning material under review.	E-23	3.183
Laboratories have all the essential equipment and requisite material.	E-28	3.183
Platform for overall personality development is available.	E-22	3.177

From the above, three of the highest expectations, E22, E23, E24, are in the student development dimension. The second highest expectation, E20 is in the education dimension and the other one, E28, is from the educational material dimension.

TABLE 10: LOWEST EXPECTATION STATEMENTS

Lowest Expectation Statements	Statement Number	Mean Score
Students pursuing job - oriented courses get placements earlier than other students.	E-4	2.629
College lays emphasis on developing sports activities.	E-12	2.771
Teachers are enthusiastic in their teaching	E-18	2.789
The college encourages its students to take part in extracurricular activities.	E-14	2.869
Guest lectures are arranged frequently	E-21	2.869

The lowest expectation statement is in the placement dimension, E4, two of the lowest expectation statements, E12, E14 are in extracurricular activities dimension and the other lowest expectation statements E18, E21 are in education dimension.

TABLE 11: HIGHEST PERCEPTION STATEMENTS

Highest Perception Statements	Statement Number	Mean Score
There is a congenial environment for study.	P-20	3.211
Students participate in seminars and conferences actively.	P-19	3.200
Guest lectures are arranged frequently	P-21	3.206
College students appearing in the competitive exams have a good passing rate.	P-1	3.194
Teachers are enthusiastic in their teaching	P-18	3.189

From the above, four of the highest perception statements E18, E19, E20, and E21 are in the education dimension, the other highest perception statement E1 is in the placement dimension.

TABLE 12: LOWEST PERCEPTION STATEMENTS

Lowest Perception Statements	Statement Number	Mean Score
Teachers are able to inspire the students for study	P-17	2.651
Enough space for parking is available.	P-9	2.782
Students participate actively in the placement activities.	P-3	2.874
College lays emphasis on developing sports activities.	P-12	2.880
Lecture halls are fully equipped.	P-8	2.885

The lowest perception statement, E17, is in the education dimension, the next lowest perception statement; E9 and E8 are in infrastructure dimension. The other two statements, E12 and E3 are in the extracurricular activities and placements dimension each. Further, the largest gap between expectation and perception is 0.24, i.e. S17, which is in education dimension and the lowest gap is 0.005, i.e. S6, which is in placement dimension, followed by 0.006 in S32, in college environment dimension.

TABLE 13: PRIORITY FOR EACH DIMENSION

Dimension	Average value for dimension		Gap	Priority
	Expectation	Perception		
Placement	2.534	2.606	-0.072	3
Infrastructure	2.083	2.072	0.011	7
Extracurricular activities	2.034	2.135	-0.101	2
Education	2.085	2.208	-0.123	1
Student development	1.814	1.817	-0.003	4
Educational material	2.261	2.256	0.005	6
College environment	1.352	1.351	0.001	5

From the above table it is clear that students were given first priority to education followed by extracurricular activities and placement. The fourth and fifth priorities were given to student development and college environment followed by educational material and infrastructure.

TABLE 14: RESULT OF COMPARISON OF PLACEMENT STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.046	3	2.349	8.828	.000
Within Groups	45.492	171	.266		
Total	52.537	174			

The result of ANOVA between expectations and perceptions for placements is explained in the above table. The calculated F value is 8.828, which is greater than tabular value of $F_{(3,171)} = 2.60$, and falls in the rejection region. Hence, the null hypothesis is rejected and is significant at 5% level of confidence. Therefore, it is clear that there is a difference in the mean value of students' expectations and perceptions for placement factor.

TABLE 15: RESULT OF COMPARISON OF INFRASTRUCTURE STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.885	3	1.628	2.868	.038
Within Groups	97.092	171	.568		
Total	101.977	174			

The result of ANOVA between expectations and perceptions for infrastructure is explained in the above table. The calculated F value is 2.868, which is greater than tabular value of $F_{(3,171)} = 2.60$, and falls in the rejection region. Hence, the null hypothesis is rejected and is significant at 5% level of confidence. Therefore, it is clear that there is a difference in the mean value of students' expectations and perceptions for infrastructure factor.

TABLE 16: RESULT OF COMPARISON OF EXTRACURRICULAR ACTIVITIES STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.023	3	.341	.596	.618
Within Groups	97.834	171	.572		
Total	98.857	174			

The result of ANOVA between expectations and perceptions for extracurricular activities is explained in the above table. The calculated F value is 0.596, which is lesser than tabular value of $F_{(3,171)} = 2.60$, and falls in the acceptance region. Hence, the null hypothesis is accepted, but is not significant at 5% level of confidence.

Table 17: RESULT OF COMPARISON OF EDUCATION STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.289	3	.763	3.125	.027
Within Groups	41.746	171	.244		
Total	44.034	174			

The result of ANOVA between expectations and perceptions for education is explained in the above table. The calculated F value is 3.125, which is greater than tabular value of $F_{(3,171)} = 2.60$, and falls in the rejection region. Hence, the null hypothesis is rejected and is significant at 5% level of confidence. Therefore, it is clear that there is a difference in the mean value of students' expectations and perceptions for education factor.

TABLE 18: RESULT OF COMPARISON OF STUDENT DEVELOPMENT STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.602	2	4.301	19.829	.000
Within Groups	37.307	172	.217		
Total	45.909	174			

The result of ANOVA between expectations and perceptions for student development is explained in the above table. The calculated F value is 19.829, which is greater than tabular value of $F_{(2,172)} = 3.0$, and falls in the rejection region. Hence, the null hypothesis is rejected and is significant at 5% level of confidence. Therefore, it is clear that there is a difference in the mean value of students' expectations and perceptions for student development factor.

TABLE 19: RESULT OF COMPARISON OF EDUCATIONAL MATERIAL STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.686	3	3.895	13.054	.000
Within Groups	51.023	171	.298		
Total	62.709	174			

The result of ANOVA between expectations and perceptions for educational material is explained in the above table. The calculated F value is 13.054, which is greater than tabular value of $F_{(3,171)} = 2.60$, and falls in the rejection region. Hence, the null hypothesis is rejected and is significant at 5% level of confidence. Therefore, it is clear that there is a difference in the mean value of students' expectations and perceptions for Educational material factor.

TABLE 20: RESULT OF COMPARISON OF COLLEGE ENVIRONMENT STATEMENTS FOR EXPECTATION AND PERCEPTION

Statements	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	44.815	3	14.938	147.472	.000
Within Groups	17.322	171	.101		
Total	62.137	174			

The result of ANOVA between expectations and perceptions for college environment is explained in the above table. The calculated F value is 147.472, which is greater than tabular value of $F_{(3,171)} = 2.60$, and falls in the rejection region. Hence, the null hypothesis is rejected and is significant at 5% level of confidence. Therefore, it is clear that there is a difference in the mean value of students' expectations and perceptions for college environment factor.

FINDINGS AND RECOMMENDATIONS

The highest gap between the expectations and perceptions of the students was found in the education dimension. The result of the study reveals that students are not happy about the education they are getting for completion of engineering course. This indicates that students are expecting good education than they are receiving at present. This gap can be bridged by providing good education by way of appointing experienced and dedicated teachers, providing more teaching by practical training and teaching by audio visual aids etc.,. The lowest gap in the college environment and placement dimensions show that the students are satisfied with environment prevailed in the college campuses and the placements being offered by the college administration. If the college administration fails to provide congenial environment and placements, students get dissatisfaction. But the present study shows that majority of respondents satisfied with the college environment and placements. The study also reveals that, students have more expectations on student development activities followed by good education. Hence, the managements of the colleges must give proper importance to provide a platform for career development and personality development as well as moral development of the students.

CONCLUSION

The educational institutions started in recent years have been facing heavy competition due to rapidly changing environment for survival. It is the responsibility of college managements to provide various requirements to the satisfaction of students, otherwise, they get dissatisfaction and therefore they will not feel happy studying in these colleges. Hence, the managements of educational institutions must find out the areas where students feel unhappy, and also to investigate factors and understand what makes them to feel happy. The results of the study show various implications for the individual colleges offering engineering education. A study of this kind helps to identify the areas where students get dissatisfaction. The study identifies what the managements of these colleges have to do to minimize the gap between the expectations and perceptions of the students and also to enhance the satisfaction.

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CONSUMER BEHAVIORAL PATTERNS OF PASSENGER CARS

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ABSTRACT

Automobile Industry in India is influenced by the presence of national and multi-national manufactures. The presence of many manufacturers and brands in the state provides many choices to the customer. These manufacturers offer similar value proposition, making the passenger car segment being highly commoditized. Customers no longer consider engine performance, as a major factor, as it is expected to be a standard already in place. They look for those differentiating parameters, which can make the choice from one brand to another. The main purpose of this paper is to come up with the identification of possible parameters that influence the consumer purchase behaviour patterns of passenger car owners in the State of Kerala. It is also aimed to develop a theoretical model, which influence the consumer purchase patterns of passenger cars, so that further research could be done, based on the model and the identified parameters.

KEYWORDS

Consumer Behaviour Patterns, Self Theory, Personality Theory, Consumer Politeness, Customer Loyalty, Retail Loyalty, External Influence, Brand Community, Family Influence, Customer Satisfaction, Customer Relationship.

INTRODUCTION

In India, till early eighties, consumers had very limited options for passenger cars. Therefore, in olden days, people bought passenger cars, to use and keep it for the whole duration of their lives. In those days, passenger cars used to be considered as a luxury, rather than a necessity. Due to the economic boom, higher income levels and the growing purchasing power of the Indian urban populace, cars have transformed into a necessitated ingredient for Indian middle class families.

The Automobile Industry has been in the booming phase for the past 10 years, on the strength of the Indian Government's liberalized economy policy and freedom from the License Raj. The Government of India allowed Foreign Joint Venture in the industry since early 1990. Subsequently, the Indian Government allowed Foreign Direct Investment with an equity cap in the industry, which saw many automobile giants entering the Indian market with their models, readily available, without much waiting time for the delivery. Sudden interest of major global players has made Indian auto industry very competitive, as India provides twin benefit of ready market and low cost manufacturing base for them. With the explosion of the automobile industry, due to its globalization and liberalization, car manufacturers introduced much innovative and technological advancement in their models. Customers have started thinking to change over to the new models of cars, with related ease than before, to suit their changing life styles.

The proposed study is planned to be conducted in the State of Kerala. Kerala is billed as a consumer State by both manufacturers and marketers. The State with its limited land availability does not have much of a production capability in the State. All the manufacturers, specifically automobile sector, do have their production capability outside the State, concentrated in the State of Tamilnadu, Hariyana, Punjab, Delhi, and a few other States in India. However, manufacturers and marketers treat Kerala as a test market, where they can easily test their newly developed products, as the people of the State display high consumerist tendencies in their purchase behaviour. Consumerism in the state is also attributed to high literacy and booming economic conditions, in the middle class, due to the inflow of foreign money predominantly from gulf, US and European countries. Any new model of the car can be easily spotted in the cities of the State. Thus, the proposed study is focused in the State of Kerala.

The researcher conducted secondary study to find out various studies conducted on the consumers of passenger car in different parts of India and specifically in the State of Kerala. The following are some of the studies and their relevance to the researcher's area of research.

Sagar *at al*, discuss in their approach paper [1], as to how the Indian car industry has leaped forward technologically, driven by a confluence of factors such as intense competition, demanding consumer preferences, government policies (especially tightening emission standards), and the global strategies of the various players. They elaborate that cars manufactured in India are based on designs, incorporating advanced technologies, that are often comparable with those available globally and Indian car exports are also growing.

Avinandan and Trilochan [2] discuss that penetration of passenger cars in rural and semi-urban areas is extremely low and could provide fresh markets. They opinion that new entrants will have to deal with uncertainty of demand, different and evolving customer needs, a relatively poor supplier base, a market crowded with competition and industry wide capacity shortages. They see the prospect of India emerging as a significant manufacturing base for exports. They conclude that in the highly price sensitive market, reduction of prices because of lower duties and taxes and progressive indigenization, and rising middle class incomes are likely to further increase industry growth rates.

There have been a few studies in Kerala on the consumer behavioural aspects of passenger cars. In a study conducted by Malayala Manorama [3] reveals that people will normally like and go for cars with low cost on the one end, whereas another set of high income group of people prefer the costly cars.

Radhakrishna [4] reported that the car sales are getting into a steady stage, in the month of December 2008. In spite of the general slump in automobile market, the used car segment has not taken much of a beating. Many of the dealers reported steady sales in December 2008, contrary to the negative sales in the previous few months. This is attributed to the package announced by the Government of India for the automobile industry in terms of reduction in the excise duty of cars, and attractive packages announced by the car manufacturers.

As per Shapur [5], face off buyers now prefer to have cars with the space, comfort and luxury of a mid size saloon or sedan. With the growing affluence and technological advancement, there develops a certain maturity in taste, as evidenced by the growing popularity of the Indian Hatchback market. The "third box" or the boot space does not seem to have the same importance, which it once had. Many customers buy cars with the space and comfort, less the boot, as it is easy to negotiate in our ever-increasing congested cities. That is where the premium hatchback commands a respect in its segment. Though they are costing more money, customers buy them for their practicality and comfort they offer, without sacrificing the feel-good factor.

Jeevan Kumar [6] in 'Business Manorama' and "Auto Focus" reported identically in "The Hindu" [7] that the passenger car market is coming out of the economic

slow-down phenomenon being witnessed all over the World. Jeevan Kumar further reported that manufacturers have adopted a strategy to introduce new and modified edition of the existing models in the market in the coming months, to smarten the market, which gives a positive signal to the car industry in general. Due to various measures implemented by the Reserve Bank of India to support the economy and boost up the demand, Indian banks have reduced the interest rate for car loans, which gives a hope for the industry. While the new generation banks in the private sector concentrate their car financing activities in the cities, Public Sector Banks are turning the heat on, in the small and medium towns and rural area, where they have more coverage and influence, as reported by Ajit [8].

RATIONALE AND SIGNIFICANCE OF THE STUDY

The automobile market is getting saturated with many models of passenger cars, competing against each other, in sharp contrast to the monopolistic industry behavior, which was prevalent till late 80's. It requires tremendous amount of marketing efforts to keep and grow their market share in this scenario, by adopting quite innovative features and value added services, which are very attractive to the customers. Companies are adopting new methods to see, if small families using the two wheelers, can be converted into the car buyers.

Kerala market is considered to be different from other states, due to its high consumerism. Each of the Kerala households is predominantly having at least one gulf employee. With the boom of IT Industry in late 90's, the expatriates are extended to US, Europe, Australia, and other Asian and countries. In this context, it was thought that this study is very relevant to measure the topography of the customer tendencies in the passenger car industry.

Though the initial focus of the expatriates from the State was concentrated in building houses; the current trend is seen to be moving towards acquiring fashionable cars, which is proving to be a status symbol for many households. With the kind of inflow of US dollar and other foreign currencies into the Kerala economy, which has started dictating the purchasing decisions of the Kerala Households, it is becoming a breeding ground for manufacturers of passenger car to compete in this fertile market, to satisfy the needs of customers to acquiring middle and luxury cars. The current trend is to show off their social status by displaying high profile latest model passenger cars in their home portico.

There are new players and models entering the automobile sector, introducing new narrowed segments in the passenger cars. The study findings will definitely help the manufacturers and marketers of passenger cars to strategize, plan and the market their products in the State.

AIMS & OBJECTIVES OF THE STUDY

The objective of the research paper is to explore and conceptualize various parameters, which influence the purchase patterns of passenger cars in the State of Kerala. The paper also aims to develop a framework to study the behavioral patterns, which might eventually influence the consumer purchase, of the passenger cars in the State.

MATERIALS & METHODOLOGY

The paradigm underlying this research study is for evolving realistic consumerist tendencies, in the passenger car industry. The methodology adopted is to use exploratory approach. It incorporates three or more views of reality, typically involving a Literature Review of the past and current research work in the respective area, a qualitative and quantitative study assimilating the power of a consumer questionnaire, and consolidation of these methods and views to obtain confirmatory results and thereby a better understanding of the problem that is being addressed.

Thus, the research methodology adopted in this research study comprises of the following stages:

- Literature Review, that is the secondary research
- An exploratory stage that is the Primary Research, consisting of Depth interviews and Focus group discussion with Car Dealers of new and second-sale cars, Car Financing Agencies and car owners in the city of Cochin. Questionnaires were devised to drive the in-depth interview with car dealers of various manufacturers, second-hand car dealers, car financing agencies, and car owners in the city of Cochin, Kerala, India.

PARAMETER IDENTIFICATION FOR THE STUDY

There have been many efforts by researchers to evaluate and measure the consumer behavior in general for durable goods and products. In the following section, the researcher details the various consumer behavior studies undertaken by other researchers in the relevant area, and the important theories of consumer behavior.

ROLE OF INTERNET MARKETING IN CONSUMER DECISION PROCESS

As Internet is rapidly growing and providing the platform for e-commerce marketing, many customers use Internet partly or even fully, for all the buying process stages. Just about one in seventeen people may have access to internet in India, but every third car buyer in the country's top cities start their search on the world-wide web. As per Amit [9], four out of every ten new car buyers and three in every ten used car buyers, use internet to do initial research, before making the purchase, based on a study conducted by Google. Liu and Bai [10] discuss the various opportunities for car manufacturers and dealers to utilize the internet marketing medium in the five stages of e-marketing buying process - Problem Recognition, Information Search, Evaluation of Alternatives, Product Choice, Final Outcome / Post Purchase.

The researcher now examines the various theories of consumer behavior, so that it will provide a framework to focus our studies on the behavioral patterns of passenger car industry.

THEORIES OF CONSUMER BEHAVIOUR

Marketing has shown a paradoxical resistance to the generation of explanatory variety. Anyone who knows the marketing and consumer research literatures of the last decade is familiar with calls for methodological pluralism, critical relativism, postmodernism and the like. Most research in marketing still inhabits the world of cognitive consumers and responsive managers, semi-autonomous buyers and philosophical marketers. The present challenge for marketing researchers is to generate critical interpretations, which alternate with the prevailing normal science component of consumer research: Structural accounts of human activity assume that observed behaviour results from what is happening within the individual. Behaviour is determined, in whole or part, by internal processing of information, or action of mental traits.

Hill [11] states that recent research into consumer behaviour, challenges marketing conventions. He explains that people respond to the information gathered by the senses at an intuitive level, as well as on the basis of rational criteria. He describes the use of bio-feedback systems to evaluate the appeal of product offerings, suggesting that this approach is highly effective in predicting consumer purchase behaviour. He points out that consumers' interpretation of product concepts and brand information may be very different from the messages that the company intended to convey. He recommends that firms wishing to market to the senses, provide simple messages that are memorable, easy to interpret, believable and relevant to consumer needs.

SELF THEORY AND CONSUMER BEHAVIOUR

Self as a totality of individual's thought process and providing a reference point for the related consumer behaviour was conceptualized by Morris in his research studies. He defined it as a combination of an individual's thoughts and feelings, pointedly referring to himself as an object [12]. However, Raj and Russell [13] cautioned that there could be fundamental differences in the concept of self, across different cultural entities. They reported this in their studies on Hindu Indian Immigrants that they are less susceptible to the western view of self as an object. This also clearly shows in the differential self belief of migrants from Asia, Africa and other countries to USA.

ALTERING THE SELF: IMPROVED SELF THEORY

Consumer needs are sometimes guided and accentuated by the personal vanity and self emancipation considerations. People want to have some high esteem in the society, and they seem to think that they can obtain a high societal value, if they own a high value passenger car and attribute the possession of such a

vehicle, as a means of achievement in their life. This was conceptualized by Richard *et al* [14]. They devised an individual difference variable, which is consisting of personal vanity and achievement vanity.

Watson *et al* [15] explains why consumers are reluctant to switch utility suppliers. The paper begins by examining the consumer behaviour literature to determine the differences in the decision process for utilities and for conventional products. The paper deduces that the customer decision for utility products depends on the level of customer satisfaction: if a consumer is broadly satisfied, inertia will prevail, but if there is consumer dissatisfaction, the relative cost of taking an investment decision decreases and switching becomes more likely. They conclude that the switching decision therefore depends on consumer attitude.

PERSONALITY THEORY AND CONSUMER BEHAVIOUR

There were other researchers, who focused on personality in consumer behaviour, resulting in purchase of goods. Gordon and Ronald [16] paved the way for a new impetus in consumer behavior based on personality research.

CONSUMER POLITENESS AND COMPLAINING BEHAVIOUR

Research suggests that in many cases, companies make good-faith efforts to address the complaints from their disgruntled customers. Many managers, in certain cases, are often prepared to exceed consumer expectations beyond-the-contract or above their proscribed job specification, aimed at striving to address consumer complaints, as notified in the study by Resnik and Harmon [17].

However, some consumers may be unlikely to complain regardless of the context, due to their extremely polite and restraining nature. More specifically, they may have an interaction style that prevents them from confronting the dealer / retail employees. Politeness may have such an unassuming effect on the consumer behavior. Politeness has already been identified as an interaction style within customer-salesperson encounters by Goodwin and Smith [18].

FAMILY INFLUENCE IN CONSUMER BEHAVIOR

White [19] discusses the factors that affect car-buyers' choices and comments that people expect to haggle with dealers over price and to receive substantial rebates or incentives as well as low-interest payment plans. He points out that with an increase in multi-car households, car marques and advertisers need to target the right audience, taking into account the pester power of children and the importance of life stage. Despite the fact that women are the primary buyers of most new cars, he admits that the motor trade has traditionally been contemptuous of women's role in the car-buying process.

Ferber in his book on "Selected Aspects of Consumer Behaviour" [20] provides an overview from various disciplines of consumer behavior in the marketplace. He presents theories of consumer choice, both economic and psychological. Then he goes on to review what is known about different forms of consumer behavior in the marketplace and includes: 1) decision making in the household-how consumer choice is manifested in the actions of the family unit; 2) patterns of marriage and family formation and dissolution; 3) mobility (geographical, educational, and occupational); 4) saving trends; 5) consumer purchases of durable and nondurable goods; 6) new products and ideas; 7) brand choice; 8) shopping behavior and preferences; and 9) life styles. A comprehensive overview of the different ways in which psychological factors influence consumer choice is presented in the book. Factors such as television advertising, promotional methods and the role of price in consumer choice are discussed. The final chapters deal with different aspects in the measurement and analysis of consumer behavior.

VIRTUAL BRAND COMMUNITY EFFECT

The importance of virtual brand communities is growing day by day as a result of consumers increasingly using online tools to contact fellow consumers in order to get information on which to base their decisions. For this reason, it attains importance to explore, some of the effects of participation in a virtual brand community on consumer behaviour. Luis *et al* [21] proposes the positive effects of participation in a virtual community on both consumer trust and loyalty to the product, brand or organization around which the community is developed. The survey reveals that participation in the activities carried out in a virtual community may foster consumer trust and loyalty to the mutual interest of the community (the free software in this case). In addition, the study also found a positive and significant effect of consumer trust on loyalty. In this respect, this study has shown that managers may foster consumer trust and loyalty by developing virtual brand communities and promoting consumers' participation in them.

RELATIONSHIP, SERVICE PACKAGE AND PRICE

Research studies by Garbarino and Johnson [22] and Morgan & Hunt [23] have emphasized the significance and relative prioritization of relationship marketing. Many companies have increasingly been prioritizing their attention and focus to the establishment, development and maintenance of close and lasting relationships with their customers, in order to create a differentiating value addition to their products and / or lowering the product costs to engage in a penetration pricing mechanism. This is corroborated in the studies conducted by Weitz and Bradford [24]. Even in the car industry, which is predominantly driven by the product characterization, classification and orientation, establishing a long-term relationship is being considered to be essential marketing strategy at all distribution levels. Thus, customer knowledge and relationship building, through constantly addressing their needs, are considered to be vitally important selling ingredients to contribute to a car dealer's competitive advantage, as ascertained by Chojkacki [25].

Sharma & Patterson [26] state that car dealers are implementing a strategy to position themselves, more effectively in the market place than before, by means of continuous improvement of quality maintenance through services delivery packages, as car dealers are increasingly being confronted by demanding and technologically knowledgeable consumers, shortened product model lifecycles, intensified competition and fragmented market segments.

There have been studies to evaluate concepts of price fairness and customer satisfaction and empirically demonstrate the influence of perceived price fairness on satisfaction judgments. Andreas *et al* [27] seek to examine specific factors that influence fairness perceptions, including price perception and consumer vulnerability, in the context of car purchases in major German car dealerships. Their research paper shows that price perceptions directly influence satisfaction judgments as well as indirectly through perceptions of price fairness.

CUSTOMER SATISFACTION AND LOYALTY

Customer satisfaction is often used as a predictive measurement of future consumer purchases as hypothesized by Newman and Werbel [28] and by Kasper [29] in their papers. Satisfied customers are more likely to resort to repeating purchases in the time of actual instance, as reported by Zeithaml *et al.*, in their studies [30]. Moreover, highly satisfied customers will convey their success stories of satisfaction and directly recommend that others try the source of satisfaction, as stated in the studies conducted by Reynolds & Arnold [31] and Reynolds and Beatty [32]. Fitzell suggested that such satisfied customers shall become less receptive to the competitor's offerings [33].

A quick observation of customer loyalty is demonstrated by repeated purchase as in the studies prepared by Ball *et al*, [34], Copeland [35]. In practical terms, firms want repeated purchases mainly because such behavior in consumers can apparently show the customer preference for a brand or product, as stated by Bowen and Shoemaker [36].

Some customers have their satisfaction – loyalty linked to the product alone. Keller [37] evaluated customers, who purchase specific category of products for the first time, were found to focus on the product benefits, and not on the brand. As per Keller, the emphasis in this case, is in the tangible attributes of the product, which are visible and accountable to the buyer. Customers looking for low-price car, to meet their budget, may necessarily focus on the characteristics of the car, regardless of brand.

BRAND AND RETAIL LOYALTY

Customer satisfaction can be considered the central determinant in all phases of the contact chain. Multi-dimensional recording of customer loyalty reveals clear differences in the interactions, first, with brand loyalty and, second, with dealer loyalty. In contrast to the opinion widely held in practice, customers in the automotive sector definitely do not perceive the brand and the dealer as one unit. Since similar studies in different countries come to almost the same conclusions, it can be argued that the results are valid in several cultural settings. The results obtained by Frank and Andreas [38] are so fundamental that they can be translated into implications even by internationally operating companies.

Arjun and Morris [39] examine two aspects of brand loyalty, purchase loyalty and attitudinal loyalty, as linking variables in the chain of effects from brand trust and brand affect to brand performance (market share and relative price).

Brands are important in the consumer market. They are the interface between consumers and the company, and consumers may develop loyalty to brands. This study by Geok and Sook [40] proposes that trust in a brand is important and is a key factor in the development of brand loyalty. Factors hypothesized to

influence trust in a brand include a number of brand characteristics, company characteristics and consumer-brand characteristics. The findings reveal that brand characteristics are relatively more important in their effects on a consumer's trust in a brand. The results also show that trust in a brand is positively related to brand loyalty. Marketers should, therefore, take careful consideration of brand factors in the development of trust in a brand.

In the past, car manufacturers cajole owners of competing brands and products to convert to their brands, and thereby adopt this practice as a marketing method to drive their sales. In these days, car owners desire to upgrade their models and brands to avail of the new features and environmental changes and comforts of competing brands. On that account, whether to remain loyal to their existing brand / product or to switch over to a new brand / product is a million dollar question that bothers many car owners. There lie the fortunes of many automobile manufacturers and retailers. In this confusing scenario, some of the car buyers switch from one brand to another at trade-in time, whereas some other car owners display consistent choice of sticking to their brand / product from purchase to purchase, as hypothesized by Sambanandam and Lord [41]. When it comes to the product evaluation stage, quality products, positive showroom acoustics, ambience, positive showroom experience and a consistent and formidable after-sales-service, are all essential and central to the loyalty formula, and manufacturers have been concentrating on these considerable efforts in these directions, as illustrated by Illingworth [42].

Michael [43] in his research theory investigated brand loyalty by examining actual past behaviour and its impact on future behavioral intentions: in terms of expectation to purchase same / other brand from same / another retailer as well as willingness to recommend the brand and retailer to another customer known to him. Findings indicate that purchase expectation / intention remain a valid research metric. It would appear that the brand / consumer interface offers greater predictive ability than the retailer / consumer interface. Willingness to recommend a brand to another consumer does not seem to be influenced by past behavior, but the higher the respondent's expectation to purchase the brand, the higher will be their willingness to recommend the brand. Same will be applicable to retailer recommendation.

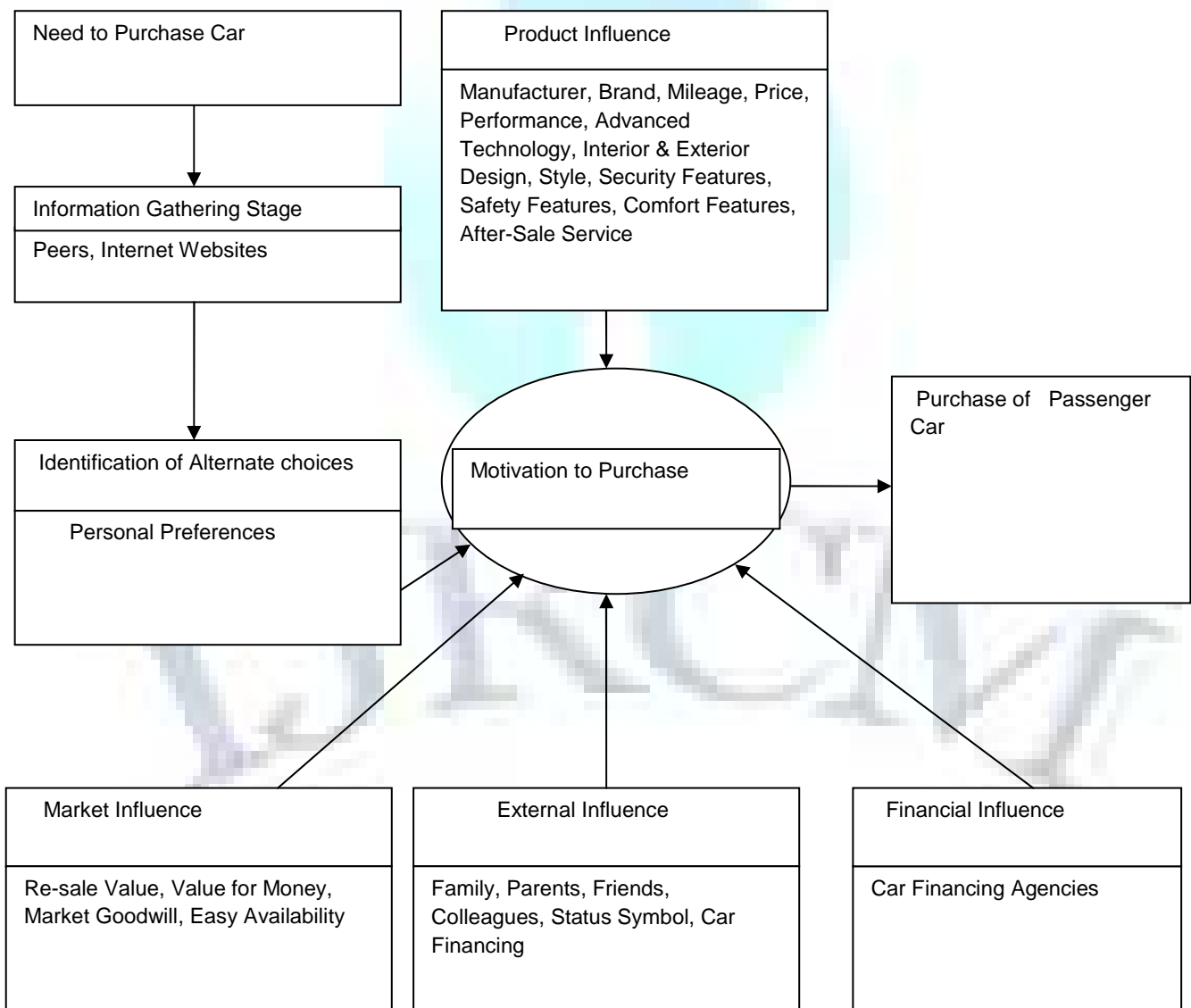
RESULTS AND DISCUSSION

The researcher consolidated the information received through the secondary research material that was collected. The researcher also undertook extensive field work by depth interviews of the car dealers of various manufacturers, second sale car dealers, car owners, and car financing agencies in the city. The questionnaire on Car Dealers is shown in Annexure 1, Questionnaire of Car Financing Agencies is shown in Annexure 2, and Questionnaire on Car Customers is shown in Annexure 3. Based on the data collected and assimilated, the researcher conceptualized the framework of consumer purchase behaviour of passenger cars. The author further developed parameters for further research study and consolidation and identified further areas of study for his full scale research work

FRAMEWORK ON CONSUMER BEHAVIOUR PATTERNS OF CAR INDUSTRY

The following section shows the diagrammatic view of the framework so developed in Fig 1.0:

FIG 1.0: FRAMEWORK OF CONSUMER PURCHASE BEHAVIOUR OF PASSENGER CARS



PARAMETERS AND AREAS IDENTIFIED FOR FURTHER RESEARCH

The researcher summarizes the areas and parameters, based on his secondary literature analysis and primary data through the depth interview of car customers, dealers and car financing agencies.

- 1) Small car market is becoming prominent in the state due to its limited road and parking space availability. Many of the major players in the market have launched their small car variant in the market, enthused by the excellent response elicited by Tata's Nano car.
- 2) Middle level segments – Sedan and Higher Sedan executive models are really growing and gaining momentum in the state
- 3) Customer focus is a major differentiator in the passenger car industry, wherein the customer looks for personalized care for his after sales service with the manufacturer / distributor.
- 4) Since there is a major percentage of commoditization in the automobile industry, due to the many choices of brands available immediately, manufacturers have to look internally, if there are making enough growth in the industry, whether it is due to their incompetence or reduced levels of customer satisfaction.
- 5) For the youth, who is on the move, peer group is the greatest influencing factor, of their car purchase decision.
- 6) For the middle class customers, who seek to enhance their ego, find themselves increasing being influenced by their children, who are well informed about the rapid technological changes happening in the auto car segment, in their car purchase decision [44].
- 7) In a highly commoditized car market, differentiation based on traditional parameters such as engine, performance and power, is giving way to comfort in driving, interior and exterior design and the like. This is corroborated by a similar study conducted by Cogito Consulting [44]
- 8) There is substantial proportion of women car buyers, which has increased three fold in the recent years. Companies have started to dig deep into the Indian women's psyche and attention for details. Marketers may need to look at the needs of women customers, who are increasingly growing in the segment. There is also a substantial influence of women in the car purchase decision of the family. The trend has replicated in the State of Kerala as well, where we can see many women driving the car in the city and towns [45]
- 9) Car makers have woken up to the new reality of internet providing a key role in their marketing and communication strategies. Internet has witnessed increased brand building efforts by car companies over the past few years.

ADDITIONAL COMMENTS / SUGGESTIONS ON THE RESEARCH WORK

The researcher intends to undertake further studies with formal schedule for data collection with the help of formatted questionnaire, which is planned to be administered to car passengers in the State of Kerala. The sampling units are planned to be selected through a stratified sampling technique, to select major stratified districts within the state, and then a random sampling technique will be adopted to select sampling units within the selected stratified units for conducting the research schedule administration. The data collected will be submitted to statistical tools for a through quantitative analysis, to validate the authenticity of the proposed framework / model for evaluating consumer behaviour patterns of car passengers in the State, which is discussed in section 6.

The researcher conducted secondary data analysis through the materials collected from EBSCO, EMERALD and CAPITALINE online research journals. Supplementary materials on the worldwide passenger car industry and the research work conducted on the specific area of consumer behaviour of passenger cars are available in some of the published work in these international journals.

Further information / materials on Indian Automobile Industry, passenger cars, and Kerala economy, Kerala business scenario etc. can be obtained from the following online supplementary materials:

- (a) Automobile industry - Surf India [46]
- (b) India Web Directory – list of companies in automobile category [47]
- (c) Society of Indian Automobile Manufacturers [48]
- (d) Sale and exports of passenger cars in India [49]
- (e) Zone Kerala – Automobile Industry [50]
- (f) Economy of Kerala [51]
- (g) Kerala Business and Economy by Ponnemil [52]

CONCLUSION

As in other industries, the scenario in domestic Indian Automobile Industry is quite different from the Global Automobile Industry. The industry actually developed in two clear stages - the Maruti era (1983 onwards) and the post-liberalization era (1992 onwards). Compared to the global automobile sector, where substantial research has been done, very little empirical research has been conducted on the Indian automobile industry. Moreover, no organized study has been conducted in the area of passenger car industry, with specific reference to the State of Kerala. Due to its unique and synchronous consumer behavioral nature, Kerala State is always considered as one unit by Car Manufacturers, whereas in other states, it is always considered as different units as per various considerations. With the boom of many latest car manufacturers launching their product in the Kerala state, the study will definitely benefit the stakeholders of car manufacturers, dealers, financing agencies. The study result could also be utilized by these stakeholders, to formalize and strategize their policies towards an effective marketing strategy. The parameters developed in this paper and the model which has been conceptualized would be further utilized in an extensive research study and quantitative analysis, which will be undertaken subsequently.

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ANNEXURE

ANNEXURE 1: FOCUS GROUP DISCUSSION QUESTIONS – DEALERS

Tips for conducting discussion

- Introduce and explain what the research is and the purpose of the meeting. Discuss why the person was selected and why their contribution is valued and ethical issues such as the taking of notes, the use of the research
- Advise them that nothing they say will be made known to any other person.
- Begin with a warm-up question and ask about the person's interest in passenger cars, habits and their personal likes and dislikes about cars.
- Don't evaluate.
- Don't interrupt.
- Don't introduce ideas. Let the respondent think and discuss their ideas.
- Confirm the intent of the meaning if what the respondent is saying is unclear or ambiguous.
- Take notes.
- Empathize with body language.
- When finished, ask if there is anything further they wish to add.
- Thank the respondent for the time and thoughts.

Source: adapted from Frazer and Lawley (2000)

Frazer L. and Lawley M. (2000), *Questionnaire design & administration*, John Wiley & Sons Australia, Brisbane.

QUESTIONNAIRE - DEALERS

Date of the discussion:

Time Taken:

Car manufacturer: _____

Name of the Interviewee and contact details – e-mail, mobile etc: _____

Dealer Name: _____

Dealer Address: _____

Car Brand: _____

Car Models: _____

Sales Calls – Through telephone / walk in customers?

Question 1:

When customer comes in / contacts for discussion of the car model, what are the issues they generally ask for?

1) Fuel consumption 2) Price 3) Comfort factors 4) Security features 5) Entertainment feature 6) Safety features 7) Any other - specify

Question 2:

Do they ask for car financing options available with your agency and the bank / other sources for it?

Questions 3:

Have you come across customers, who buy cars as a status symbol to them? What of them %, as per your opinion?

Question 4:

Has the price of the car become a deciding factor in such discussions?

Question 5:

Do you think that the passenger car has become a commodity item (explain the term commodity)? If so, why do you consider it that way?

Question 6:

If the car is a commodity item, what are the differentiating factors you use generally, for your brand, and for the models in particular?

Brand:

Model:

Question 7:

Have you come across customers, who demand fuel efficiency as the only consideration for buying cars? How do you tackle such customers?

Question 8:

Does brand as a differentiating factor, helped you selling your cars?

Question 9:

What are the external influences that the customers are linked to, when they seek to buy cars? 1) Family 2) Friends 3) Market goodwill 4) Car finance availability 5) Taxes, insurance 6) Others – specify : _____

Question 10:

Do you think that after-sales service is a dominant influencer in deciding the brand and of car by customers?

Question 11:

Do you think that the market value of a brand and model, will affect the purchase of the car?

Questions 12:

List main advantages of buying your brand and models

Question 13:

Does your brand have an exclusive internet web page with all details on company, brand, model, price and all other details?

Question 14:

Is there any other information / issue that you would like to raise, which can help this area of research?

Question 15:

Are you willing to pre-test the questionnaire I develop for the next stage of this research?

Question 16:

Do you think an inducement is required to encourage people to complete the questionnaire that will be developed from these focus groups? If so, what sort of incentive do you think is required to encourage people to complete and return a survey questionnaire?

At the end,

Thank the dealer / representative for their time, help and support.

ANNEXURE 2: FOCUS GROUP DISCUSSION – CAR FINANCING

- Date of the discussion: _____ Time Taken: _____
 Name of the Interviewee and contact details – e-mail, mobile etc: _____
 Financing Agency Name: _____
 Agency Address: _____
 Car Brand for loans: _____
 Car Models for loans: _____
 Acquisition and Sales Process: _____
 Question 1:
 How do you publicize your car financing package?
 Questions 2:
 What are the features of your car loan package?
 Questions 3: Do you customers approach you directly for the loans or do they come through the car dealers?
 Question 4: Does your agency have an agreement with selected car manufacturers or dealers to have car financing packages for their customers?
 Question 5:
 Do you think that after-sales service is a dominant influencer in deciding the car loan agency by customers?
 Questions 6:
 List main advantages of buying your car financing package
 Question 7:
 Do you think that interest rate as the prime factor for customers to take car loans?
 Question 8: Do you have penalty clause, for pre-mature termination of the loan? Do you think it a deterrent for customers in availing car loans?
 Question 9:
 Do your bank / Agency have an exclusive internet web page with all details on car financing and terms with all other details?
 Question 10:
 Is there any other information / issue that you would like to raise, which can help this area of research?
 Question 11:
 Are any of you willing to pre-test the questionnaire I develop for the next stage of this research?
 Question 12:
 Do you think an inducement is required to encourage people to complete the questionnaire that will be developed from these focus groups? If so, what sort of incentive do you think is required to encourage people to complete and return a survey questionnaire?

ANNEXURE 3: QUESTIONNAIRE ON CAR CUSTOMERS

- Date of the discussion: _____ Time Taken: _____
 Car manufacturer: _____
 Car Brand: _____
 Car Model: _____ Since when: _____
 Segment: A / B / C / D / MPV
 Q (1) I bought a car because: (Tick multiple options):
 1) Need for upgrade from two-wheeler to four-wheeler
 2) Need of the business firm (in case of running a business of your own)
 3) Peer pressure from other family members owning a car
 4) Upgraded the model to suit personal ambition
 5) Family wanted a car for attending functions, social gathering
 6) Banks / Loan companies approached with a ready offer, hence motivated to buy it
 7) Wanted to travel long distance on personal / business trips
 8) To suit my social standings
 9) Peer pressure from friends / neighbours
 10) In convenience in public transport for family journeys
 11) Any other reason – Specify it.
 Q 2) Information gathering before the purchase decision: (Tick multiple options)
 1) Search in Internet websites of the manufacturer
 2) Information received from friends
 3) Information received from office colleagues
 4) Opinion from family members
 5) Advertisement in news papers / magazine
 6) TV commercials on car models and brands
 7) Auto shows of manufacturers
 8) Visit to dealers / distributors
 9) Any other method – Specify it
 Q 3) Considerations which made the decision in favor your purchased brand:
 1) Fuel Efficiency 2) Price 3) Comfort factors 4) Security features 5) Entertainment feature 6) Safety features 7) Prestige value 8) Ready availability of bank loan 9) Differentiating factors of the model - Specify it _____
 10) Brand image 11) Dealer Offers / Freebies 12) Market goodwill 13) After-sales Service 14) Market value of the brand

Thank the customers for their time, help and support.

REPATRIATION PROGRAM AS A PROCESS FOR RETAINING REPATRIATES - ISSUES SURROUNDING INTERNATIONAL HUMAN RESOURCE

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ABSTRACT

The repatriation program is filled with adjustment problems for both the company and the repatriate. Majority of the repatriates often feel discouraged and angry with the repatriation program resulting in higher turnover rate among expatriates hence this study is undertaken to analyze satisfaction level with the repatriation program and to identify its impact on repatriate turnover. To fulfill this objective, first, the article reviews the literature on this topic. Then, an empirical quantitative study is developed with a sample of 60 Indian repatriates. Finally, we present our findings along with the theoretical and managerial implications of the study, its limitations and our recommendations for future research.

KEYWORDS

Repatriation program, Retaining repatriates.

INTRODUCTION

As employees' international mobility has increased, implementing repatriation program has become a significant human resource (HR) issue. Academics and human resource practitioners are aware that the internationalization of businesses is creating new managerial challenges. Among them, those related with human resource management are considered to be very important. The challenge is to establish suitable personnel practices for last stage of expatriation. In general, the literature on expatriation focuses on identifying the factors that contribute to the success of an international mission while the worker is abroad. However, there are very few studies that analyse the final phase in the expatriation process, the repatriation, despite the fact that it is one of the most difficult phases in the process for both the workers and the company (Scullion 1994; Stroh, Gregersen and Black 1992; Bonache, Brewster and Suutari 2001; Linehan and Scullion 2002; Schuler et al. 2002; Suutari and Brewster 2003). The 2005 Global Relocation Trends survey found that the attrition rate is high, even though more than 80 per cent organisation holds repatriation discussion, half of them before departure. Yet 20 per cent of expat leave the company during, another 23 per cent within one year of their return, and 20 per cent between the first and second year. To minimize turnover, some companies have had good results by offering expats a choice of position on their return. Other Indian companies are introducing a condition in their employment contract that prevents employees from joining a client for a year after working on a project with that client. At the least, organizations should be aware of the challenges inherent in the repatriation and offer an effective repatriation process back home.

IMPORTANCE OF THE STUDY

The issue of repatriate turnover continues to be a challenge for many multinational companies today. This paper describes several repatriate support practices offered by organizations prior to the departure, during the assignment abroad and upon return from international assignment and how effective they are at lowering repatriates' turnover intentions.

LITERATURE REVIEW

The repatriate's turnover is a matter of great concern if the assignment is used for development of high potential employees, meeting immediate project strategic needs, and/or meeting strategic needs by building a pool of employees for international assignments. Dwyer, of KPMG, stated that although companies are sending their best employees overseas, they do not manage the repatriation process well, "leaving many to never capitalize on the return on their investment" (Barbian, 2002, p. 42). It appears that many companies do not specify in advance how the international experience will fit into an employee's career progression thereby inadvertently making room for unfounded high expectations. The repatriation process is usually a difficult experience for both the individuals and the organizations (Scullion 1994). Some authors find that the repatriation process is even more traumatic than the expatriation experience (Adler 1981; Gómez-Mejía and Balkin 1983; Linehan and Scullion 2002). With few exceptions, repatriates express much disappointment when describing their return to home office this situation has lead researchers to talk about the reverse culture shock that employees suffer when coming from an international assignment. On the one hand, employees do not expect themselves to find difficulties when they return and, therefore, they are not prepared to face them (Bossard and Peterson 2005) On the other hand, in general, companies are hardly aware of the existence of repatriation difficulties, and they consequently do not usually manage or plan the return of their expatriates (Linehan and Scullion 2002; Paik, Segaud and Malinowski 2002). Black and Gregerson (1999) researched 750 U.S., European, and Japanese companies. Their survey results indicated that one-fourth of those who completed an assignment left their company, often to join a competitor, within one year after repatriation. The lack of previous experience of managing the repatriation process in new internationalized companies is also a problem detected by researchers (Harvey 1989). What is also alarming is the data provided by two empirical studies, conducted in the United Kingdom by Forster (1994) and in Finland by Suutari and Brewster (2004), according to which around half of repatriates consider the possibility of changing company, which means that without effective organisational support, the capacity of retaining the repatriates is reduced, and the possibility of their turnover increased. A study by Baruch et al (2002), based on interview with repatriates from a mid-sized company in the U.K., found a high rate of dissatisfaction with the repatriation process and a high rate of turnover within the first year upon return. Another survey in 2001 stated that some employers were reporting that 49 percent of the repatriates were leaving the company within two years (Employers, 2001). Black and Gregersen (1992) stated that "this high rate of turnover impacts negatively on corporate effectiveness and efficiency by costing organizations in terms of losing a manager with valuable overseas experiences. Unsuccessful repatriation process involves costs for both the organisation and the employee. The costs to the employees consist of disappointment with appreciation for international experience, disappointment with the job level in the home office upon return from an international assignment and failure to utilize newly acquired management skills and feelings of career displacement or stagnation. The costs to the company include lost investments because of the underutilization of employees and the cost of their replacement when they decide to leave the firm. (Yan, zhu & Hall, 2002). Previous studies on repatriation have suggested that various factors affect whether expatriates remain with their company upon repatriation. Some of these

factors include: being placed in non challenging jobs, lack of promotion opportunities, loss of status and autonomy, lack of career planning and counseling , lack of support, and sluggish career advancement (Andreason, A.W., & Kinneer, K.D. 2005; Abueva, 2000; Black et al., 1992)

Of these many factors the repatriates' perception about the repatriation process (Feldman & Thompson, 1993). This suggest that if the repatriation process is addressed by the company, repatriate turnover will occur less often.

The examination of the repatriation overall satisfaction with repatriation process is important as this variable is an indicator of the repatriation success (Morgan, Nie and Young 2004). In the present research we suggest analysing this relation between the satisfaction with the repatriation process and its influence on repatriates' turnover.

From the available literature the factors identified for successful repatriation process are Predeparture briefings on what to expect during repatriation, Career planning sessions, Guarantee/agreement outlining the type of position expatriates will be placed in upon repatriation, Mentoring programs while on assignment, Reorientation program about the changes in the company, Repatriation training seminars on the emotional response following repatriation, Financial counseling and financial/tax assistance, Lifestyle assistance and counseling on changes likely to occur in expatriates' lifestyles upon return, Continuous communications with the home office, Visible signs that the company values international experience, Communications with the home office about the details of the repatriation process

NEED OF THE STUDY

Research studies on retaining of repatriated employees are gaining importance in the global business scenario against the backdrop of the various challenges that are faced by global companies in general and Indian MNCs in particular. Hence this study is to research how to improve and facilitate the repatriation program to ensure higher retention rate among repatriates. The study is based on relevant theories and empirical information. Our aim is to try to analyze the repatriation situation in IT industry and from the analysis we intend to come up with conclusions on how to improve the repatriation program practiced which can help in minimizing the repatriation turnover.

OBJECTIVE OF THE STUDY

The objective of this study is to examine the effect of repatriation program offered by the organisation in retaining of repatriates.

The variables under study for repatriation program are categorized into three factors

(a) Prior to departure: The variables include:

Predeparture briefings on what to expect during repatriation, Career planning sessions, Guarantee/agreement outlining the type of position expatriates will be placed in upon repatriation.

(b) During the international assignment: The variables include:

Mentoring programs while on assignment, Reorientation program about the changes in the company, Repatriation training seminars on the emotional response following repatriation, Financial counseling and financial/tax assistance, Lifestyle assistance and counseling on changes likely to occur in expatriates' lifestyles upon return, Continuous communications with the home office,

(c) Upon return from international assignment: The variables include:

Visible signs that the company values international experience, Information about changes that have taken place in the home office.

SCOPE OF THE STUDY

The scope of the study is limited to the survey of employees from Silicon Capital of India-Bangalore in India. The present research study is further restricted to only Information Technology Industry.

HYPOTHESIS

Hypothesis 1: There is no significant relationship between repatriation program used by MNCs prior to departure and retaining repatriates.

Hypothesis 2: There is no significant relationship between repatriation program used by MNCs during the assignment and retaining repatriates.

Hypothesis 3: There is no significant relationship between repatriation program used by MNCs upon return and retaining repatriates.

METHODOLOGY

This study tries to assess the impact of repatriation program offered by the company and retaining repatriates.

The data was collected from Bangalore region which houses a large number of multinational national companies, in IT sector. Questionnaire was designed to extract information from the repatriates on the extent of knowledge transfer. Five point likert scale questionnaire format of strongly agree to strongly disagree was used to measure the satisfaction level among repatriates about repatriation process. The questionnaire was distributed to the repatriates who had served on his/her foreign assignment for a minimum of one year and returned back to the home country. A total of 75 repatriates were contacted from IT industry in Bangalore out of which complete response was received from 60 repatriates which constituted the sample selected for this study. Snowball sampling was used for data collection. Due to busy schedule of the respondents most of the respondents requested some time for filling the questionnaire, so the questionnaire were left with them and they returned it at their convenience.

ANALYSIS & INTERPRETATION OF DATA

The investigation of the collected data analyzed the extent to which the independent variable repatriation program has an influence on the retaining repatriates. The Statistical Package for Social Sciences (SPSS) 17.0 was used to analyze the data. Appropriate statistical analyses were performed to test the hypothesis of this study. The test results are presented in Tables 1, 2 and 3.

TABLE 1: AVG. AVAILABILITY OF REPATRIATION PROGRAM

Variables	Mean	Std. Deviation	Average availability (%)
Pre departure training	3.07	.841	38.40
Career planning sessions	3.12	.846	42.86
Position upon repat	3.05	.790	46.20
Mentoring	3.05	.769	27.36
Reorientation prog.	3.17	.806	32.45
Repatriation training seminars	3.17	.924	21.42
Financial counseling	3.22	.825	24.25
Life style changes likely to occur upon return	2.67	.914	27.23
Continuous communications	3.32	.701	35.33
Valuing international experience	2.85	.755	48.22
Communication about repat. process	2.87	.873	27.78

Note: Based on a scale from (5) very important (5) not important at all.

Table 1 presents the extent to which each practice was available within the participating companies and from the table its clear that repatriates perceived that availability of mentoring and repatriation training seminars was low.

TABLE2: CORRELATION

	RR	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12
RR	1.00											
V2	.241*	1.00										
V3	.274*	.180	1.00									
V4	.225**	.275**	.397**	1.00								
V5	.082*	.178	.278*	.107	1.00							
V6	.423**	.233	.170	.492**	.315*	1.00						
V7	.369**	.291*	.300**	.406**	.322*	.420**	1.00					
V8	.086	.370**	.036	.243*	.143	.305**	.063	1.00				
V9	.285**	.365**	.007	.211	.072	.284*	.207	.367**	1.00			
V10	-0.30*	.136	.121	.002	.065	.025*	.257*	.114	-.071	1.00		
V11	.403**	.149	.161	.496**	.130	.292*	.328*	.189*	-.074*	.219	1.00	
V12	.298*	.151	.113	.256*	.339**	.394**	.386**	.276*	.347**	-.068	.226	1.00

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

*correlation is significant at the 0.01 level (2-tailed)

TABLE3: ANNOVA FOR TESTING REGRESSION MODEL

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.218	11	1.293	3.473	.001 ^a
	Residual	17.866	48	.372		
	Total	32.083	59			

a. Predictors: (Constant), Commu. about repat. process, Continuous communications , Career planning sessions, pre departure training, valuing international experience, Mentoring, Financial counseling , reorientation prog., changes likely to occur in expatriates' lifestyles upon return, Repatriation training seminars , position upon repat.

b. Dependent Variable: Retaining repatriates.

TABLE4 : SUMMARY OF THE REGRESSION MODEL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.666 ^a	.443	.316	.610	1.493

a. Predictors: (Constant), commu. about repat.process, Continuous communications , Career planning sessions, Pre departure training, valuing international experience, Mentoring, Financial counseling , reorientation prog., changes likely to occur in expatriates' lifestyles upon return, Repatriation training seminars , position upon repat.

b. Dependent Variable: Retaining repatriates.

TABLE 5: MULTI COLLINEARITY DIAGNOSTICS OF THE REGRESSION MODELS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.569	.651		2.410	.020
	Pre departure training	.113	.111	.129	1.019	.314
	Career planning sessions	.229	.111	.263	2.060	.045
	Position upon repatriation	-.334	.142	-.358	-2.351	.023
	Mentoring	-.197	.120	-.205	-1.638	.108
	Reorientation program.	.337	.128	.368	2.625	.012
	Repatriation training seminars	.105	.117	.131	.900	.372
	Financial counseling	-.115	.116	-.129	-.992	.326
	Changes likely to occur in expatriates' lifestyles upon return	.140	.104	.174	1.353	.182
	Continuous communications with home country	-.107	.130	-.102	-.826	.413
	Valuing international experience	.399	.127	.408	3.134	.003
	Communication about repatriation process	.076	.113	.090	.677	.501

a. Dependent Variable: Retaining repat

The Regression Equation Model (vide Table-5) is as follows:

Retaining repatriates = 1.569 + .113 pre departure training + .229 career planning session + (-.334 position upon repatriation) + (-.197 mentoring) + .337 reorientation prog. + .105 repatriation. Training seminars + (-.115 financial counseling) + .140 lifestyle changes + (-.107 continuous communication) + .399 valuing international exp. + .076 communication about repatriation process.

Since as per the ANOVA test (vide Table-3) significance is less than 0.05, null hypothesis is rejected, that is, at least one of the regression coefficients is non-zero.

From the 't' test, it is inferred that the career planning succession, position upon repatriation, valuing international experience & repatriation program has significant effect on retaining repatriates (since, $\text{sig} < 0.05$) but pre-departure training, mentoring, repatriation training seminars, financial counseling, lifestyle changes, continuous communication and repatriation process has no significant effect on retaining repatriates ($\text{sig} > 0.05$) (vide Table-5). Moreover career planning succession, position upon repatriation, valuing international experience & repatriation program has a high correlation of ($R=0.666$) (vide table 4)

FINDINGS OF THE STUDY

Our results indicated that the surveyed repatriates believed that company wide appreciation of global experience and career planning sessions were the two most important elements in an MNC's repatriation system and that their lack thereof was likely to generate unfavorable attitudes towards the company, and ultimately, lead to turnover.

The findings of the study highlighted that there was a significant relationship between repatriation practices offered by the organisation and retaining repatriates. In particular, the availability of repatriation practices such as career planning succession, position upon return, reorientation program & valuing international experience have significantly facilitated retaining repatriates.

Another important finding of the study was that, as of now, in the firms where the respondents are employed, there was a lack of importance attached to the Pre-departure training, Mentoring program, Repatriation training seminars, Financial counseling, Changes likely to occur in expatriates' lifestyles upon return, Continuous communications with home country & Communication about repatriation process and this was likely to generate unfavorable attitudes towards the company, and ultimately lead to turnover. Hence factors which have not facilitated in retaining repatriates have to be enhanced to provide a more conducive, motivating, supporting environment for retaining repatriates.

CONCLUSION

With the rise of globalization and the enormous scale of the global economy, the context of expatriation and repatriation is changing which creates new implications for HR professionals. Having international experience is becoming a critical asset for global organizations. To be able to capitalize on the repatriates' skills and knowledge, MNCs need to cultivate a global vision and corporate culture that supports repatriates and values international experience and its contribution to the strategic development of the company.

FUTURE RESEARCH

The scope of this research study may be further enhanced by incorporating diverse range of industries of both manufacturing and service oriented separately. Comparative studies can also be made between the manufacturing and service oriented industries across the large number of cities from India. While this study is restricted to retaining repatriates through effective repatriation program, further research studies may also focus on the knowledge transfer aspects as well.

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ROLE OF TRAINERS IN IMPROVING TRAINING EFFECTIVENESS: A CASE STUDY OF INSURANCE SECTOR IN ARID INDIA

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ABSTRACT

Study tries to examine the role of trainers in improving the effectiveness of training programs. Insurance sector was chosen for the study as it provides maximum training to its employees and agents or financial consultant. The Study was conducted on a training program of HDFC Standard Life Insurance Company Ltd during 2007-08. Major districts of Rajasthan were chosen for the study. Survey method was used, using structured questionnaire for primary data collection. It was found that trainers play a vital role in increasing the trainee's performance ultimately maximizing the profit of any organization. They have also increased the effectiveness of any training program conducted at any organization by developing the trainee's skills.

KEYWORDS

Training, Insurance Sector, HRM, Efficiency.

INTRODUCTION ABOUT THE TRAINERS

Trainer is a person who trains. The most important consideration when selecting a trainer is if they are well suited to the training design required to meet the learning goals. For example, if learners prefer computer-based instruction, they'll benefit from a trainer who understands online training technologies. If learners prefer ongoing coaching, they'll benefit from a trainer who is readily accessible to the employee for ongoing advice and guidance. If learners struggle with communication skills, they'll benefit from a trainer who can integrate remedial communications strategies with other training methods. The effective transfer of training depends a lot on the trainer because it is the trainer only who can remove the mental block of trainee, motivate the trainee to learn, delete the negative perception of the trainee regarding the training besides all that, a lot depends on personality of trainer also. The major competencies that are required to be present in a trainer are:

- Presentation Skills
- Business Skills i.e. budgeting, time management, negotiation, etc.
- Content Development i.e. material production, graphics, layouts, etc
- Self development i.e. interpersonal skills, good listening skills, flexible, accepting the share of accountability, etc

AIM: This chapter aims to provide a detailed assessment of trainers and analysis of questionnaire no. 3

TRAINER'S SKILLS: The skills that need to be present in a trainer are:

- Training Design
- Evaluating the training program
- Training need analysis
- Worksheet design
- Exercise design

Experience and skill at training and facilitation;

2. Familiarity with the local context (particularly in relation to agricultural production, processing, and export);
3. Familiarity with the Practical manual;
4. Familiarity with standards and certification related to agricultural exports.

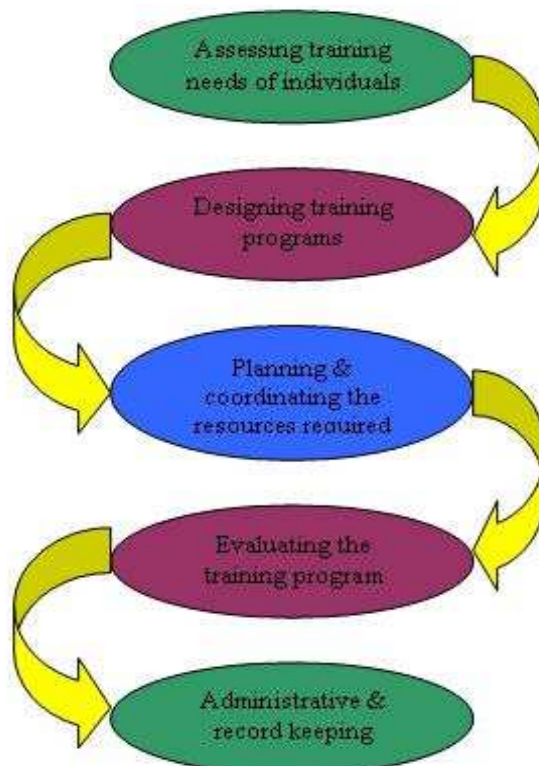
PREPARATIONS BEFORE TRAINING

Before any specific training, one should: Select, approve, and get the confirmation of the participants invited; Arrange an appropriate venue and logistics (as described above); Send out copies of the Practical manual and the "Preparation exercise" to participants about one or two months before the training. Ideally these can be sent out with the "Confirmation form", requiring the participants to finish the exercise as part of their confirmation. This should get more people to complete the exercise before the training. However there is also reason to send the exercise out closer to the time of the training as the material will be fresh in their minds if they do in fact read through it. You can make the judgment as what is best according to your situation and relationship with the expected participants. The important point here is that the exercise should be completed before participants arrive at the training.

Review and adjust training materials such as the "Case study exercise- draft" and "Exercise for field visit".

Prepare a sign-in sheet, any materials to be distributed, including the "Prior knowledge assessment" to be handed out when participants sign in and completed before commencing the training Programme.

ROLE OF TRAINERS



Training provided by these trainers is conducted in batch of minimum 5 trainees.

Lower post for the trainer to start with is as Assistant training manager, then training manager, and further they can be the training head of a particular state depending on their qualification, experiences, targets fulfillment, and performance. Depending on their position, their salary also increases and they are entitled for increments, leave, other allowances, LTC etc offered by the company. Company pays them a good salary. On an average, a salary of Rs 500, 000 is given to each training manager; this may increase in metro city. Thus there exists a hierarchy among the levels of training manager from lower level to middle and reaches to higher level.

In current study, a trainer of Rajasthan location is only selected. Highest districts of Rajasthan- Jaipur and Jodhpur were selected to choose the best 4 trainers' total of 4 trainers were selected in my research, 2 from each district. Out of the 2 trainers working in Jaipur, one was working as a training head of the company for Rajasthan and was responsible for heading all activities of training in all districts of Rajasthan. While 2nd was working as a training manager.

Trainers are also responsible for planning the schedule of each training programs in coordination with HR people. Time slots is also decided by them and given to the HR people. After getting the time from the trainers, HR people of the company, forms the batch of employee or the agents to be trained. And then send in batches. Therefore we can say that HR also plays a vital role. Training takes place in collaboration of both HR and training manager.

Out of the other 2 trainer selected from Jodhpur location, 1 was working as training manager and other was working as branch manager but use to take part in training. Branch manager was a guide for his agents and employees working in sales and marketing department. Thus we can say that, providing a better training is not only a concern for training manager or HR but also for the branch head of that location. Since the sales targets are ultimately given to the branch head and he has to make these employees achieve the targets. He has to fulfill it by the help of his employees (business development manager, sales development manager, sales executives, and financial planning officer) and financial consultant (FC) or agent of the company.

QUALIFICATION OF THE TRAINERS

As already mentioned in chapter 3 of research methodology, about the qualification and experience of a trainer, suitable at HDFC Company, they are professionally qualified people. A minimum of 1-2 years of experience is required along with the professional qualification at master's level to be a trainer. Required attributes are already mentioned in chapters before. Computer knowledge is also mandatory for them. Teaching experience is desirable and adds to their qualifications to be a trainer.

After selection with the company, they are required to qualify the IRDA (Insurance regulatory authority of India) exam for certificate course on insurance which includes both detailed knowledge of life and general insurance, same as trainee has to do. A summary of insurance knowledge has been provided in chapter 1 of introduction. Trainers have to undergo 1 month training course themselves offered by the company after their selection. Training is given for classroom presentations, using projectors, computer interactive board, improving computer and presentation skills and also various sales and operation related issues. Overall, all methods of providing training is taught to them. Trainer's training is held only to a place of company's centre for training may not held in same location of their job posting. They are highly flexible to relocate and travel from place to place all across the country in order to provide training to their employees or agents (Financial consultant- FC).

Promotion in the company is given according to the fulfillment of the targets of the branch. Sales executive is promoted to sales development manager (SDM). SDM is promoted to BDM (business development manager), then to Assistant sales manager (ASM). ASM gets promoted to branch manager. Branch manager is promoted as territory manager and so on. As end hierarchy level goes on as vice president of the company which is very high and senior level post. Branch manager post requires professional degree along with an experience of 5 years minimum in field of sales and marketing. It also requires minimum achievements of branch targets given by the company. Sales executive is lower level post and does not require any experience to be selected. He just has to be a graduate and may or may not have any experience. But he must [possess sales skills. While SDM and BDM post requires minimum of 1-2 years of experience in sales and marketing along with a minimum of graduation degree. A professional qualification like MBA/PGDBM in sales and marketing along with finance as specialization will be preferred. These trainers have given training in almost all locations of Rajasthan and some time to other state locations as well.

AGE OF TRAINER

4 Trainer selected for the research, their age varies from 30 years to 45 years presently.

LOCATION FOR TRAINING

Training for both agent and employees is conducted separate. Training for employees is more expensive than agents. An employee training is mostly held in a 3 star hotel locations of Rajasthan. But for the agents or FC, classroom within the company is used for them most of the time. They may be allowed some time to be included with the batch of employees as well but only for product training. Induction training, which comprises of both professional sales skill programs (Disha) and product training, only takes place in 3 star hotels. Rest small kind of training for 1-2 days training on product or objection handling etc can be provided easily in a classroom within the company. For this there is no need for the hotel like location.

TYPES OF TRAINING PROVIDED BY THE TRAINER

The following types of training are provided to the trainee by the trainer.

1. **Disha:** Is a professionally sales skill program for almost 4 days designed for employees of the company? Detailed is provided in chapter-4(a). It helps to increase sales skills of the trainee and ultimately increases sales.
2. **Employee Induction training:** It is for the employees only. Time duration is 1 week held in 3 star hotels. It includes 4 days Disha and 2 days product training.
3. **Product Training:** It is for 2 days program for both employee and agents. It gives knowledge about company products and detailed descriptions which the trainee has to provide to the client.
4. **IRDA Course module training or its refresher course training program:** This is the training given to both employee and agents for 2 days time to time. It may be given in a room within the company or can be given in the hotel. This includes lecture on life and general insurance. Insurance products description, principles of insurance and complete details is provided to the trainee, just to clear the IRDA exam. In case if the trainee fails to clear the exam, he can take refresher course again by the trainer within the company or in batch outside the company, in a time interval of 15days. He can reappear in exam for 3 times for clearing the exam of IRDA. IRDA certificate training course training can be taken online as well for minimum of 100 Hrs reading on internet. Various authorized organizations are responsible in providing online training. In HDFC, company has a tie up with RNIS (Ritu Nanda) college of Insurance, New Delhi for providing online training to his employees.
5. **Object Handling Training:** It is only 1 day training course provided to both employee and agents to know how to handle the immediate query arises by the customer, how to solve their problem. As best sales man is one who can easily handle the query and solve it. His answer should give satisfaction to his client.
6. **Training on Communication and presentation skills:** It is 1 day training for employees for improving their presentation and communication skills which is highly required for selling a product.
7. **Proposal form filling training program:** HDFC being an ethical company requires filling a proposal form by the client with the help of employee or agents, one who sell the product to him. It's a 15 pages form which requires signature of the customer almost in each page. This form is not single submitted to the company along with the photograph, ID proof (Voter ID, PAN card, Ration card, Driving license, Passport) and address proof (telephone bills, bonafide certificates by authorized organization, etc) which can prove your address, photocopies of all these documents are required by the company along with the form and cheque. When complete form is filled by the client then only submit the form along with the cheque dully signed by the client and with a valid date and policy amount. Trainee should advice the client that there must be sufficient fund available in his bank so that the cheque should not be bounced back. Otherwise the charges have to be borne by the client himself. This is mandatory documents as proposed by the IRDA. The policy cannot be login until the formalities is not been complete. HDFC being an ethical company also doesn't accept the proposal without the complete formalities. Thus, it is very important to take proper training in how to fill this big critical form. This will help the trainee to avoid mistakes while filling the form as well. This will help the employee as well to save his time or unnecessary wastage of time and resources. As, if the form is wrong filled, then company will not accept, then again the employee has to go back to his house and meet him. Again the whole process will go starting from taking an appointment, which is a big process.
8. **FC Induction training program:** It is program designed only for FC (Financial consultant) or agent. This program is for 4 days. It includes detailed product knowledge + IRDA course module training for clearing IRDA certificate course. 2 days for each.

LOGIN AND BRANCH TIMINGS

The company has set a particular time in each day to login the insurance policy. Insurance policy can be logged in till 4pm daily. Company doesn't except after that. And morning it opens at 9.30. Branch timings of HDFC is Weekday: Monday to Friday, Timings: 10.00 am - 04.00 pm
Weekend: Saturday, Timings: 10.00 am - 01.00 pm
Weekly Off: Sunday

TRAINING IN CASE OF FAILURE OF THE TRAINEE

If a SDM or FC fails in IRDA certificate exam, as per the rule of IRDA, he can appear 3 times in his examination to be an IRDA certified agent or an employee while just paying just 1 time of fees for Rs 825/- as exam and module fee charged by the IRDA government authority. This fee is born by the company in case of employee. But in case of other training provided by the company like product training, Induction training, DISHA, etc, the cost is born by the company itself. And even the exam is conducted by the company with the help of training manager. If a trainee fails, he can again re-appear in this exam taken by the training manager after 15 days. He can also take training again in an interval of 15 days if the trainee requires, but along with a batch of other trainees or just for a day training so as to revise the training course in class within the company and reappear in exam without any extra fees.

EVALUATION TOOLS

Evaluation may be done at four stages in relation to the training: pertaining; during the lessons; post-training; and to see adoption. By evaluating both before and after, you can see clearly where new knowledge and skills have been gained. If you are able to do an adoption evaluation some period after the training, you will clearly see how useful the training has actually been in terms of changes in practices and also identify more clearly what else needs to be covered that was not in the original program me.

Pre-Training: At the beginning of the training a Prior knowledge assessment – (Trainer) is to be given.

During Lessons: As written in the training manual and in the trainer notes for different exercises, participant

Performance can be observed to see that the objectives of each activity are being met.

Post Training: Ask the participants to fill out a Post-training knowledge assessment – (Trainer).

This uses the same criteria as the Prior knowledge assessment and will allow for easy comparison. Participants are also to fill out a Training evaluation. This evaluation will help you see what areas can be improved upon in programme.

Adoption: A post-training adoption assessment questionnaire has been included. If you have a continuing

Relationship with the participants, evaluating their success at adopting the material learned, perhaps six months to one year after the initial program me, will be valuable. This will in turn provide beneficial feedback as to what you could improve, add, or reduce from the initial training program me.

RANGE OF TRAINING MARKS (EXIT SCORES) SCORED BY THE TRAINEE & PLACE OF WORK

A sample of 100 trainees included both FC and employee was collected from different locations of Rajasthan. Exit scores obtained by each trainee were collected from the trainers using questionnaire as provided in chapter-3 of research methodology. The marks in some location like Jodhpur and Jodhpur were given out of 70, in total while in some other locations; it was marked out of 100. The minimum pass marks kept out of 100 was 36 and it was 24 out of 70. A trainee with

below marks will be failed and has to re-appear in exam after an interval of 15 days. Various locations from where the posting of trainee was as- Jodhpur, Jaipur, Balotra, Pali, Bhilwara, Sikar, Makrana, Bikaner. Out of these 8 locations of the trainees, 75% of the trainee were from Jodhpur 20% were from Balotra and Pali and 5% were from other locations of Rajasthan. Range of marks given by the trainer varies from 6 to 79. It was noted that on an average 25 marks was obtained by most of the trainees. It implies that aim of the trainee was just to pass the exam not to score high. The reason was they have to just sell the product, thus they wanted to know just minimum required information about products by the help of which they can sell the product to the clients. They were salesman not an academicians to go deep in it. It was found that trainee who are post graduate have scored higher marks compare to undergraduate or graduate trainees. In India, in the company like HDFC, takes no exam before training starts so that trainee can be evaluated that how much knowledge he has. Only HR people take exam (written test) and interview during his selection process. HDFC being an ethical company teaches us first then takes the exam. Therefore there are no entry scores of the training program.

COST OF TRAINING

Training is given to both the employee and agents (Financial Consultant). Thus we need to analyze the cost of providing training to both trainees separately-

- **Cost for employees:** Firstly, cost for conducting the IRDA exam, charged by IRDA amounting Rs 825/- is born by the company for each employee. It includes both charges for conducting exam as well its related course material. Course material for Induction or DISHA training program is provided by the company itself. Cost is born by company only. Training for IRDA (insurance regulatory development authority of India) exams may be conducted online. This may be conducted either online for 100 Hrs minimum internet usage as well in form of class rooms training sessions given by the trainer. 100 hrs internet usage charges is born by the company only for the employees. This costs equals to 100Hrs * Rs15/Hr internet charges= Rs 1500/trainee, is the only cost for conducting the training for passing the IRDA certificate course examination. If it is a class room training, then salary to training managers is paid to trainer as already mentioned in this chapter. Then after completion of IRDA exam training, Disha + Induction training program is provided to the employees of the company for a week. This initial training of new batch of employees is held in a 3 star hotels for SDM (sales development managers) which again is highly costly. A total expense for each employee for organizing all above training varies from Rs 30000 to 50000 depends on place of providing trainings. This includes boarding and lodging in a minimum of 3 star hotel for a week for each employee of the company + IRDA exam charges + IRDA training charges. This is very high cost.
- **Cost for FC (Financial Consultant)/Agent of the company:** The cost of providing product training and induction on FC varies from Rs 1200- Rs 1500 for 4 days/candidates. This includes their course materials (not Disha training course material), food, snacks, provided to them/day in a 3 star hotel by the company minimum + revised training refresher course for 1 day is given also given if they fail to understand or clear the trainer exam within the company.

AUTHORIZATION OR LOGIN DATE

Once IRDA exam is cleared by the trainee, he gets the license no. after 3 days from clearance of IRDA exam. Then you are called as IRDA certified financial consultant & allowed to sell insurance product to customers. It requires 6 Month to get the IRDA exam passing certificate. This date of getting IRDA license no. is the authorization date. That means now trainee is authorized to sell insurance product by his own and login the insurance policy on his own credit in his name to company. The day he sells a policy to the client and receives complete form with cheque and when he deposits it to the company, this date is called as login date. Employee is allowed sell product before completion of training or clearing the IRDA exam, by the company but indirectly it means he can sell the insurance product in coordination with his FC. He can make the stock of his target given by the company for future use until the authorization date comes. He can sell indirectly through the name of other IRDA certified agent or FC.

TRAINING METHODS USED

Different training methods were used by the training Manger. Class room training methods within the company, help of the projectors, computers, white boards, training materials, power point presentation, brochures, manuals of the company detailed notes were used in providing training HDFC uses both cognitive as well as behavioral methods for conducting training program for both employees and agent. Training at HDFC comprises of lectures, demonstrations, discussion, virtual reality, games and simulation, case studies, role play, behavior modeling. A detail description of these methods is provided in chapter-1 of introduction.

ABOUT IRDA EXAM CERTIFIED COURSE (INSURANCE REGULATORY DEVELOPMENT AUTHORITY OF INDIA)

IRDA has made compulsory for all people who want to sell insurance products; they are required to pass the IRDA exam. The cost of giving the exam is Rs. 825 per candidate charged by the IRDA in which it is allowed for 3 attempts to pass the exam. Either an agent or employee of the company or anyone who sells the insurance product must clear the exam before his sales as per the IRDA norms. IRDA course module consists of detailed knowledge of life and general insurance. It also gives a detailed knowledge about insurance product, rules and regulations, principles etc. a brief about the course is given in chapter 1 of introduction. Fee for employee is born by the company it self. Training for IRDA exam is either given online by some authorized origination like RNIS college of insurance, New Delhi for minimum hundred hrs. or can be taken by training manger of the company using class room training method within the company. RNIS College of insurance has the collaboration with HDFC Company for conducting the online training for the employee. A minimum of 50% of Marks is required to pass the exam of IRDA certified course on insurance. In Rajasthan, this exam is held in written while in Metro Cities, the exam is held online also.

MINIMUM REQUIRED TARGETS TO BE ACHIEVED BY THE TRAINEE

Sales and marketing jobs is full of high target. Different target is given to the employee, FC, agent, branch manager and trainer. The targets given to these people are as follows:

FC / Agent: By IRDA norms, minimum of 8 policy per year must be login by him or Rs. 86000 per year policy target is given to him. But in retail channel of HDFC, company gives no compulsion to his agents or FC for achieving the target. But compulsion is given to the FC's Manager who is employee of the company to achieve the target. And employee is responsible how he can make his FC to achieve the given target of the company with his coordination and support. Thus, ultimate, on behalf of the company, employee as an ambassador of the company, support his FC and get the target achieved,

Employee: Minimum target of each SDM is 13 lac per year to be promoted for higher post and at least minimum of Rs. 7 lac per year to be achieved to sustain in the company. This 13 lac target may increase maximum upto 20 lac per year highest rewards of that branch. But this target varies according to different city grades. E.g. it may be high in metro city.

Branch Manager Target: A total of Rs 24 lac for the year 2007-08 was given to Jodhpur branch Manager as a branch target to be achieved by whole branch. But Jodhpur branch all together with a team of employees, FC and branch manager has achieved much higher target of Rs. 1.50 Crs. that was much bigger than the given target in whole India for that year.

Trainer: Trainer as an employee of the company has to provide training and solve query of FC and employees, managers, daily and to conduct induction training for every week at least ones in a batch. A detailed questionnaire design to obtain the information from trainer is provided in Ch- 3 of research methodology. A detailed report on course material of training program is also provided in Ch- 4-A of findings. It must be noted that training course material distributed by the trainer to trainee during the training program. But actually it is not provided by the trainer. Training material is designed by highly professionally expertise at higher level & then given by the company to training Manager to be distributed to trainee. Trainer's responsibility is to explain that material and make the trainee understand simply in a practical way. He also helps us to solve practical questions and gives practical examples to make trainee learn. Trainers approach is practical towards making us understand.

IMPORTANCE OF TRAINING AT HDFC COMPANY

Difference between training programs at HDFC and other insurance companies:-

While discussing about HDFC Company and its training program, we must think about what makes it different from other competitor. There are no of things which makes HDFC different of other company HDFC was the first limited company in India who helped in industrialization process after Second World War. HDFC is very ethical company who believes in values and it's own set principles. HDFC training is considered best among its all existing put insurance companies. Training at HDFC is different as it has customized learning system of providing training. It has dual aspects of training i.e. training at HDFC = Product Training + Learning managerial skills = Different from others. Or in other may me can say Induction training program at HDFC = IRDA exam course module training + Product training + Professional sales skill program or Disha. The 1st two training is given in other insurance company as well but Disha which actually teaches the managerial skills, makes HDFC different from its competitor. A detail of the training course material is provided in Ch- 1 of introduction and Ch-4 (A) of findings. Training methods used at HDFC includes both behavioral and cognitive method of training as given in Ch- 1. The training program of HDFC is divided into 2 parts.

1. PRODUCT TRAINING**2. PROFESSIONAL SALES SKILL PROGRAM OR DISHA = INDUCTION TRAINING.**

The combination of these 2 makes the company different from competitors in the market. HDFC has distinguished training system unique from other companies like ICICI Prudential, AVIVA life insurance company, KOTAK & other private companies. HDFC training program is different as it provides product knowledge as well it tries to develop the managerial skills among the trainees. A detailed report on development of managerial skills will be discussed under the professional sales skill program of HDFC Company in this chapter. Detailed description about the product knowledge was already provided in early chapter of introduction.

Professional sales skill program of HDFC Standard life insurance company ltd. Or Disha: - This referred to managerial skills, includes communication and presentation skills, sales skill i.e how to the sell the product efficiently to the customer, it helps us to increase our motivation to fulfill our vision. It increases inspiration. Overall managerial skills help the training to become a good professional manager. This is necessary not only to develop the individual but also the organization.

CONCLUSION

Concluding all above we have seen that, HDFC Company has selected the best 4 trainers for providing training to the employee as well the agent. It is very rightly said that teachers are the knowledge of ocean, it our ability how much we can grasp form them. Thus without a best teacher or here we can say the best trainers, a training cannot be made effective. Trainer's plays a very important role in improving the effectiveness of any training program held in any organization as well in enhancing the trainee's performance and their overall development. For providing best knowledge of to the student or trainee, it is required to get the best teacher or a best trainer for providing quality product, Quality is required write from the bottom means from starting. Therefore it is necessary to get to best faculty or trainer to obtain best product or best trainees. Ultimate if a product is not best, it won't give us the best service, similarly if the trainee is not properly trained, he will not be able to give the best performance. With this we come to the conclusion that better is the course material and the trainer best will be the trainee. And once we can obtain the best trainees, ultimate the objective of achieving target will be met successfully. This will help the company for maximization of profit and providing best services to the customers. Ultimately mission of HDFC will be successfully completed. Thus on whole we have analyzed on the basis of questionnaire No. 3, the views of 4 trainers who were associated with this training program of HDFC in detail.

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A STUDY ON WORK INTERFERENCE WITH FAMILY (WIF) AND FAMILY INTERFERENCE WITH WORK (FIW) AMONG MARRIED FEMALE MANAGEMENT FACULTIES

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ABSTRACT

This paper examines two aspects of work family interferences: work interference with family (WIF) and family interference with work (FIW) among married female teaching faculties in Nagpur context. This study consists of 40 married female Management teaching faculties. It highlights the significance of gender role orientation as one of the key factor affecting WIF and FIW. This paper examines the effects of some of the essential personal background variables like age, job experience and duration of marriage on WIF and FIW. The findings revealed that respondents who adopt a more egalitarian gender role attitude experienced higher FIW and WIF. The study also revealed that female teaching faculties with older age, higher job experience and longer duration of marriage, perceived low level of WIF and FIW. Implications are discussed and recommendations are made in this area.

KEYWORDS

WIF, FIW, Management faculty.

INTRODUCTION

Women's participation in the workforce has increased all over the world (Davidson and Blurke, 2004). Women these days have excelled in all the possible fields of work. She has not only excelled in the house management, but has also captured and won all the other fields of employment. There is no job field left, where women have not proved herself. She has set benchmark for men in terms of motivation and inspiration to complete and do a job whole- heartedly. From driving an auto-rickshaw to working in a factory as a mechanic, she has achieved success in every field.

Involvement of women in paid work contributed to the rise of dual-earner family. This increased participation of women has several effects on families as a result of changing roles at work place and in the family. Given the common perceptions of appropriate roles of men and women, their demands for combining motherhood and marriage with career becomes an immense challenge for many female executives. The increase in the number of women in formal employment sector may be related more with an increase in the number of highly educated women and the need to enhance family economy due to high cost of living (Karimi & Nouri, 2009), rather than a change in traditional way of thought.

Indian Society has down the ages witnessed male-chauvinism in its extreme forms. Although women have been held in high esteem, yet their joining professions of choice has been a long drawn battle. Women have often faced ridicule and even been ostracized for making a choice of profession. Mahatma Gandhi called "Women as incarnation of Ahimsa". Teachers are called Nation Builders. With emancipation of women, spread of education, special facilities for their academic and professional education; more and more women have joined professions that were deemed a male prerogative, so far. Though, today women have become pilot and have also reached moon, but still teaching remains the most preferred and secured profession for women. The choice of taking to Teaching was allowed because of the high degree of prestige attached with Teaching. Women are finding the teaching profession safe, respectful, satisfying and many have proved their mettle.

CHALLENGES OF TEACHING (MANAGEMENT FACULTIES) AS A PROFESSION

Teaching is respectful. Working hours suit women. Mother is the first teacher of a child and the mother extends this role to the society by joining a School. Her innate qualities, her patience, her love and care and her "Mother Figure" role enable her to be ideally suited for this profession.

"Teacher's have it so easy because they have their summers off," is a big myth. A teaching career today is highly challenging, intellectually demanding and emotionally rewarding. There are a number of factors that can make working as a teacher quite draining. Faculties encounter long working hours, high workloads, time pressures and stressful and demanding responsibilities. The job demands being continuously updated, achieving higher education, and developing personality. Thus female management faculties, like other female workers are faced with demands of work and home responsibilities as their main daily tasks.

There are two domains in each working women's life- outside the house and inside the house; and each domain contains its own duties. Work and family are two fundamental and interdependent systems for dual-career life that inconsistency in any one system may influence the other one also. (Pleck, 1977). These bidirectional influences of work and family can lead to two types of work-life conflict, namely, work interference with family (WIF) and family interference with work (FIW).

Vast researches have been carried out to investigate the WIF and FIW issues (Greenhaus & Beutell, 1985; Bacharach, Bamberger & Conley, 1991; Gignac, 1996; Anderson, Coffey & Byerly, 2002; Karatepe & Bekteshi, 2008; Livingston & Judge, 2008). But most of these researches are conducted in western countries and hence their outcomes are not necessarily applicable to developing countries like India.

FACTORS RELATING TO WORK-LIFE CONFLICT

Often there is uneven distribution of household responsibilities between couples. Hence it is commonly believed that working wives may experience more work-family conflict than their spouses. (Aryee and Luk, 1996). For married professional female faculties, a significant amount of household commitment has to be balanced with the pursuit of the career. Thus these women might feel greater role pressures from both the work and family domains as compared to their male counterparts.

Four forms of work-family conflict are highlighted in existing literature. They are: time-based conflict, stress based conflict, behavior based conflict and gender role orientation based conflict.

1. Time-based conflict: Time spent on activities within one role makes it difficult to participate in other role.
2. Strain-based conflict: Strain symptoms such as tension, anxiety and fatigue, experienced within one role intrude into the other role and affects one's performance in that role.

3. Behavior based conflict: Specific patterns of in-role behaviors are incompatible with expectations regarding behavior within other role.
 4. Gender role orientation based conflict: beliefs individuals hold about normal roles of men and women in meeting family and work responsibilities.
- Some of the above mentioned factors are related to work-role characteristics while others are associated with family life.

DETERMINANTS OF WORK-FAMILY INTERFERENCES

As discussed above there are number of factors which influence work-life conflict. These factors are explained below:

A) Job-related factors.

There are many job related factors which have a major impact on work-family conflict, particularly, WIF. They are discussed below.

The first is career salience; that is psychological identification with work role. As argued by Greenhaus and Beutel (1985), work-role salience may lead to higher level of work family conflict. When a persons career sub identity grows, a person becomes more ego involved in that particular role and produce strain that may interfere with another role. As a result role pressure and inter role conflict emerge. (Halls model of psychological success, 1976).

Another major factor is one's involvement at work, that is, the degree to which a person actively participates in her role (Kejner, 1985). It influences the time and effort one could spend in the job. High involvement leads to high conflict.

A job-related factor that has drawn attention is job flexibility. It reflects the autonomy and control one has regarding time schedule and work location. High flexibility reduces conflict.

Time commitment to work is next important factor. There is a positive relationship between time commitment to work and conflict.

B) Family related factors:

Apart from factors at workplace, family-related factors also have a significant impact on work-family conflict, particularly FIW. They are discussed below.

The most dominating factor that has drawn attention is caring of children at home (Pleck et al, 1980). Since child care responsibilities rests with females normally, working wives with more children are likely to experience greater work family conflict.

A related second factor is age of the children. Younger children generally require more attention from working parents and thus more time is needed to spend on them.

Family orientation is another attitudinal factor that may lead to work-life conflict (parasuraman et al., 1996). Working women who have stronger identity with familial roles are likely to have FIW.

Based on above discussion, job related factors are likely to play a more important role in determining degree of WIF, while family related factors seem to exert stronger influences on FIW.

OBJECTIVES OF RESEARCH PAPER

Overall, this study has following objectives:

1. To study personal background variables affecting WIF and FIW, like age, job experience, duration of marriage.
2. To study the relationship between gender role attitude (Traditional and Egalitarian) and WIF & FIW.

HYPOTHESIS

H₀: WIF and FIW among married female management teaching Faculties remain Unaffected with Personal background variables like age, job experience and Duration of marriage. (At 99% confidence level)

H₁: Personal background variables like age, job experience, duration of marriage Affect WIF and FIW among married female management teaching faculties.

RESEARCH METHODOLOGY

The population of the study consists of all married management teaching female faculties of Nagpur city.

Sampling:

Sample size for the study is 40 female faculties.

Sample selection criteria:

1. Female Teaching faculties from Management course.
2. Female Teaching faculties should be married.
3. Female Teaching faculties should have minimum one child.

Convenient sampling was done.

Data collection:

Two types of data were collected; Primary and secondary.

Primary data collection:

The method of data collection used was self administered questionnaire.

Statistical tools used for hypothesis testing:

- 1) Karl Pearson Co-relation to find correlation between age, no. of years of experience, duration of marriage and WIF and FIW.
- 2) T-test to (r) correlation value to test the relationship between background variables and WIF & FIW.

SCALES TO MEASURE WIF AND FIW

1. WIF scale:

A WIF scale was developed which consisted of 10 items which measured WIF. Responses were obtained on a five point likert scale where 1 = strongly disagree to 5= strongly agree.

2. FIW scale:

Similarly a FIW scale was developed which consisted of 10 items which measured FIW. Responses were obtained on a five point likert scale where 1 = strongly disagree to 5= strongly agree.

RESULTS OF THE STUDY

Table '1' presents descriptive data which includes mean, standard deviations, minimum and maximum scores and categories of scores for all variables of study. The range of respondents' age is from 25 to 65 years. Respondent's job experience ranged from 0 to 20 years, Likewise, duration of marriage of the respondents ranged from 0 to 20 years.

TABLE 1: DISTRIBUTION AND MEANS & SD OF VARIABLES (INTERFERENCES SCORE RANGE)

Low WIF/FIW:	10 to 23
Medium WIF/FIW:	24 to 37
High WIF/FIW	38 to 50

Variables	N	%	Min	Max	Mean	SD
WIF			17	42	28.675	8.52
Low level (10 to 23)	12	30%				
Moderate level (24 to 37)	17	42.50%				
High level (38 to 50)	11	27.50%				
FIW			17	40	26.8	7.72
Low level (10 to 23)	19	47.50%				
Moderate level (24 to 37)	13	32.50%				
High level (38 to 50)	8	20%				

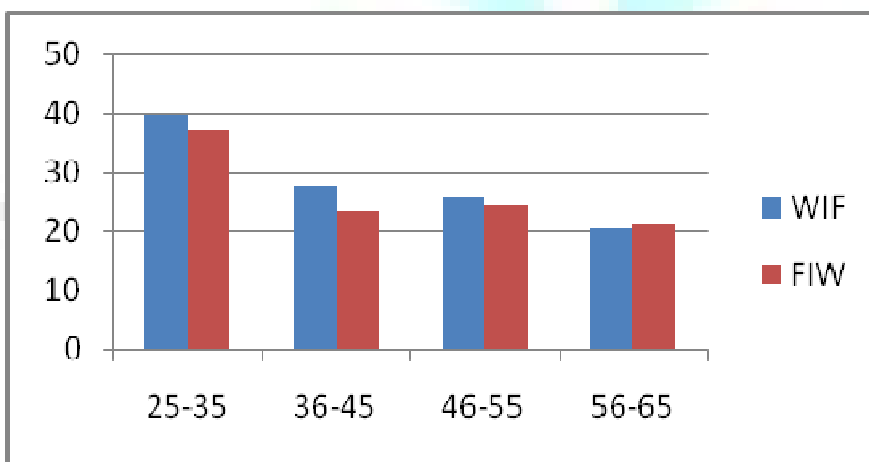
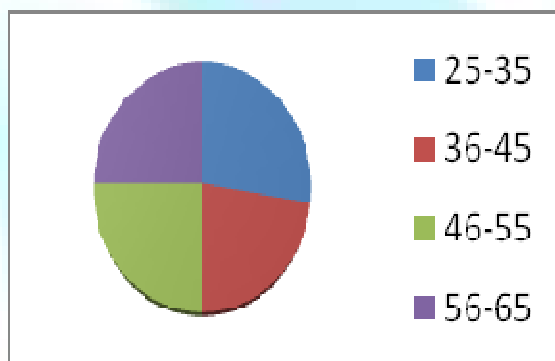
N= Frequency, SD= Standard Deviation, Min-Minimum, Max= Maximum

DATA ANALYSIS

a) AGE and WIF & FIW

SN	Age (years)	No.	%	WIF	FIW
1	25-35	11	27.50%	39.72	37.09
2	36-45	9	22.50%	27.6	23.3
3	46-55	10	25%	25.7	24.2
4	56-65	10	25%	20.3	21.2

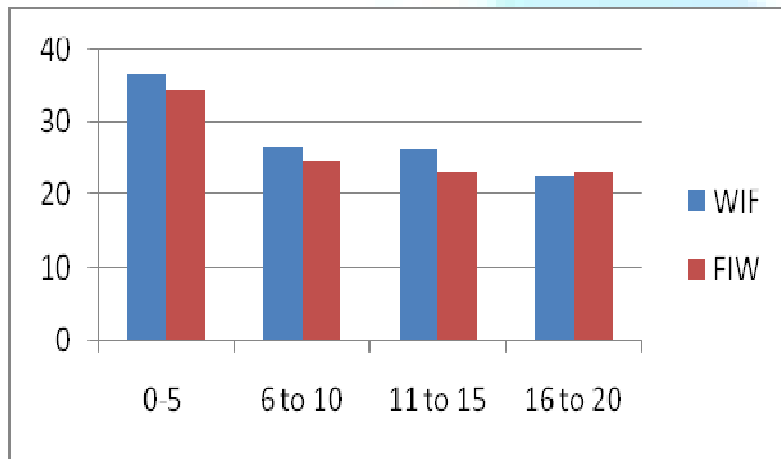
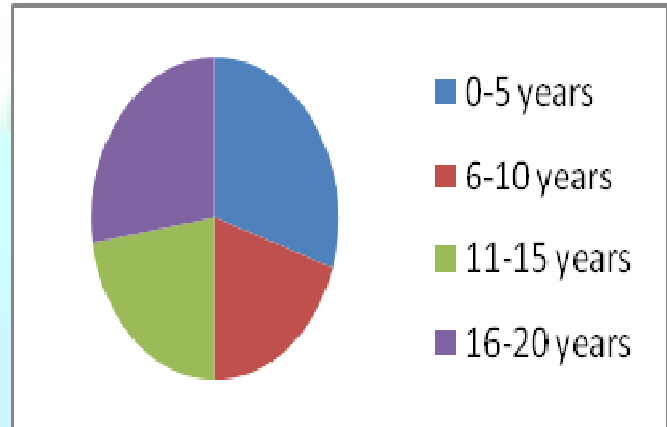
Age (years)	WIF	FIW
25-35	39.72	37.09
36-45	27.6	23.3
46-55	25.7	24.2
56-65	20.3	21.2



b) No. of years of Job experience and WIF & FIW

SN	Job experience	No.	%	WIF	FIW
1	0-5 years	12	23%	36.41	34.58
2	6-10 years	8	20%	26.5	24.62
3	11-15 years	9	22.50%	26.44	23
4	16-20 years	11	27.50%	22.72	23

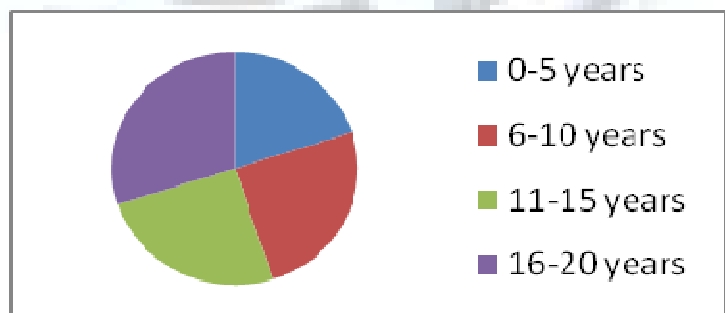
Job experience	WIF	FIW
0-5	36.41	34.58
6 to 10	26.5	24.62
11 to 15	26.44	23
16 to 20	22.72	23

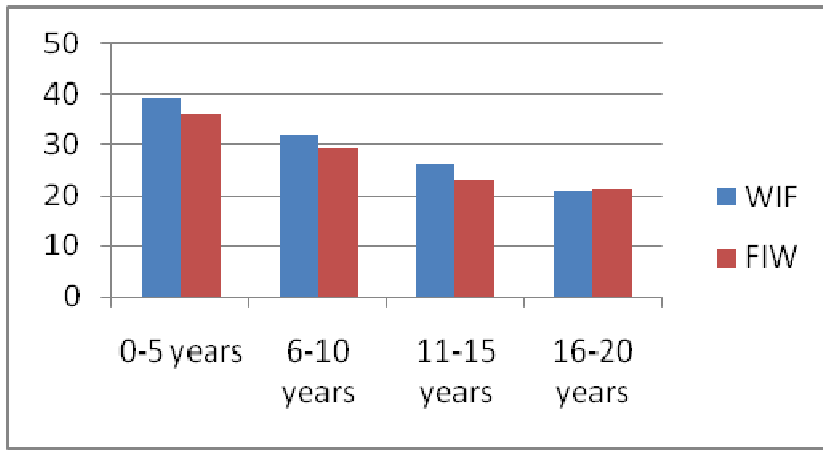


C) Duration of Marriage

SN	No. of years	No.	%	WIF	FIW
1	0-5 years	8	20%	39.5	36.2
2	6-10 years	10	25%	31.8	29.2
3	11-15 years	10	25%	26.2	23.2
4	16-20 years	12	30%	20.91	21.25

No. of years	WIF	FIW
0-5 years	39.5	36.2
6-10 years	31.8	29.2
11-15 years	26.2	23.2
16-20 years	20.91	21.25

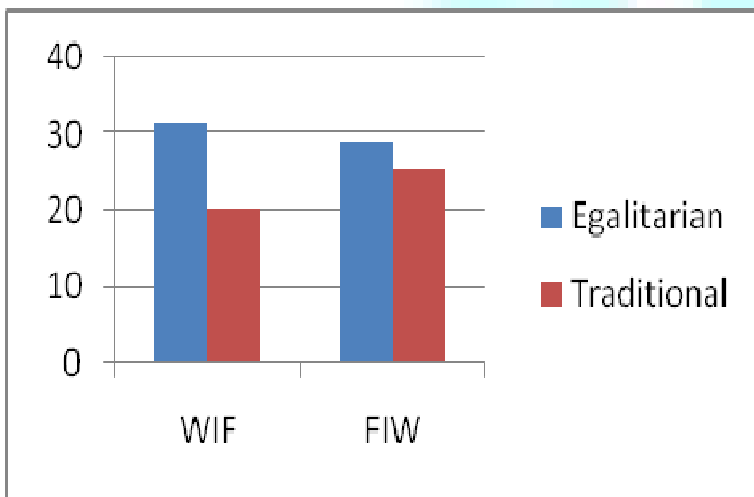
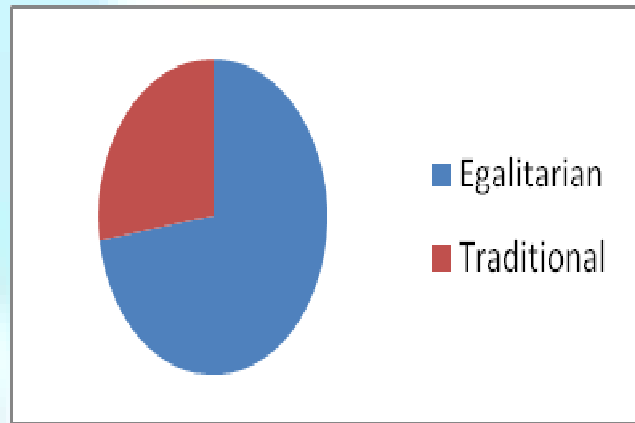




D) Gender role Attitude

SN	Attitude	No.	%	WIF	FIW
1	Egalitarian	29	65%	31.46	29
2	Traditional	11	35%	20.3	25.2

orientation	WIF	FIW
Egalitarian	31.46	29
Traditional	20.3	25.2



- a) **Relationship between respondents' background variables like age, job experience, duration of marriage and WIF & FIW was examined as follows:**
- The findings from Karl Pearson Correlation analysis showed that there were significant negative relationships between respondents age and WIF ($r = -0.23$) and FIW ($r = -0.19$).
 - The findings also suggested that there were negative relationship between the respondents job experience and WIF ($r = -0.25$) and FIW ($r = -0.17$).
 - Furthermore, there were significant negative relationships between the respondents duration of marriage with WIF ($r = -0.29$) and FIW ($r = -0.14$).
 - Thus, the findings imply that respondents with older age, more years of job experience and longer duration of marriage perceived lower level of WIF and FIW.
- b) **The results of extent of relationships between gender role orientation and WIF and FIW demonstrated that:**
- There was a significant positive relationship between traditional gender role orientation with WIF ($r = 0.17$) and FIW ($r = 0.32$), Egalitarian gender role attitude with WIF ($r = 0.67$) and FIW ($r = 0.41$).
 - Thus the findings indicate that respondents who adopt more egalitarian role tend to experience higher work interference with family as compared to

- traditional role attitude.
3. Also, those who adopt more egalitarian role tend to have higher family interference with work as compared to traditional role attitude.
- c) **The overall WIF and FIW among married female management faculties lie in the range of middle level of interferences scores, as can be seen from table 1.**

DISCUSSION AND IMPLICATIONS

The present study aims to determine the influence of age, job experience, gender role attitude and duration of marriage among married female management faculties. The study established that respondents with higher age had low level of WIF and FIW. The study also reveals that the respondents with more job experience experienced lower level of WIF and FIW. The results show that married female management faculties who have been married for longer duration demonstrated lower WIF and FIW. This shows that with higher age, more job experience and longer duration of marriage, working females are more comparatively more stable and find newer and better ways to prevent work interfering with family and vice-versa. The study also reveals that more egalitarian role is linked with an increased WIF and FIW as compared to traditional gender role attitude.

CONCLUSIONS AND SUGGESTIONS

From the present study it can be concluded that both FIW and WIF among married female management faculties are influenced by age, duration of marriage, job experience and gender role attitude.

There are several limitations to study like: data restricted to one city only with sample size of 40 only, hence results cannot be generalized for entire married female management faculties. Hence it is suggested to have more heterogeneous population with larger sample size. Also the study can be conducted on opposite fender, i.e., male faculties.

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APPENDIX

QUESTIONNAIRE

Work Interference with family (WIF)

Kindly give your rating for the following particulars on the degrees mentioned below. The purpose is to find out your work interference with family.

SN	Particulars	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1.	The amount of time my job takes up makes it difficult to fulfill my family responsibilities					
2.	The number of hours of my job in a week is not fixed and often gets extended.					
3.	The amount of mental and physical effort that my job demands reduces my activities at my home					
4.	The worries and problems of my job distracts me when I am at my home					
5.	For me my personal success largely depends only on my career performance					
6.	I consider my career rather than my family, at top priority in my life					
7.	My job demands me to be dominating and commanding which affects my behavior at my home					
8.	My job allows autonomy and control regarding time and schedule.					
9.	My job demands updating current knowledge daily which always interferes with my activities at my home.					
10.	Considering that being a female, I should take maximum responsibility of home rather than work, I feel guilty that I cannot do that.					

Strongly disagree =1, disagree=2, neither agree nor disagree=3, agree=4, strongly agree=5

QUESTIONNAIRE

Family interference with work (FIW)

Kindly give your rating for the following particulars on the degrees mentioned below. The purpose is to find out your family interference with work life.

SN	Particulars	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1.	The amount of time my family related activities takes up makes it difficult to fulfill my work responsibilities.					
2.	There is insufficient assistance related to domestic help and thus I often get late to my work.					
3.	The amount of mental and physical effort that my family demands reduces my activities at my job.					
4.	The worries and problems of my family distract me when I am at my work.					
5.	For me my personal success largely depends only on my family performance					
6.	I consider my family rather than my job, at top priority in my life					
7.	My family demands me to be suppressed and submissive which affects my behavior and performance at work.					
8.	My family allows autonomy and control regarding time and schedule.					
9.	My family demands me to be more social and hence always interferes with my activities at my home.					
10.	Considering that being a female, I should take maximum responsibility of home rather than work, I feel guilty that I cannot do that.					

Strongly disagree =1, disagree=2, neither agree nor disagree=3, agree=4, strongly agree=5

Background information

1. Name: _____

2. Age:

- a) 25-35 years
- b) 36-45 years
- c) 46- 55 years
- d) 56- 65 years

3. No. of years of job experience:

- a) 0-5 years
- b) 6-10 years
- c) 11-15 years
- d) 16-20 years

4. Duration of marriage

- a) 0-5 years
- b) 6-10 years
- c) 11-15 years
- d) 26-30 years

5. No. of children

- a) 1
- b) 2
- c) 3

6. Gender role orientation (Tick one which is appropriate)

- a) Both men and women have equal responsibilities towards family
- b) Women should be more oriented towards family than work.

1.	Job Ex & WIF	t-test	Job Exp & FIW	t-test
	r= -0.25	-1.591	R= -0.17	-1.106
2.	Age & WIF	t-test	Age & FIW	t-test
	R= -0.23	-1.45	R= -0.19	-1.19
3.	Marriage & WIF	t-test	M & FIW	t-test
	R= -0.29	-1.86	R= -0.14	-0.871
4.	Traditional & WIF	t-test	Gndr & FIW	t-test
	R= 0.17	1.06	R= 0.32	2.082
5.	Egalitarian & WIF	t-test	Ega & FIW	t-test
	R= 0.67	4.465	R= 0.41	2.772

WORK-LIFE BALANCE: A CROSS SECTIONAL STUDY OF BANKING & INSURANCE SECTOR

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ABSTRACT

Service sector constitutes 45% of the total GDP. Hence the satisfaction level and the work life balance are essential. These days banking and insurance sectors are the key sectors that support the economy. The present study has been carried out with a view to examine the balance between the personal life & the professional life of the working professionals taking into consideration the employee from banking & insurance sector. In this paper, an attempt has been made to clarify the concept and significance of work life balance. Efforts have also been made to figure out the causes and impact of work life conflicts and the measures taken to mitigate its impact. The parameters that have been taken into consideration for measuring the work-life balance are the number of working days in a week, daily working hours, travelling time to workplace, time spent with the family daily, botheration for work, bringing work home, feeling about work, measures taken to relieve stress out of work etc.

KEYWORDS

Work-Life Balance, Conflict, Responsibilities, Stress.

INTRODUCTION

The world, they say, steps aside for the man who knows where he is going”, is quoted by late Shri. Dhirubahi Ambani. Hence, it is very true to say that it is very much necessary to work hard and harder to be competitive which the pre-requisite to survive in today’s world is. But, in this race of proving ourselves better than others, we are just not living our lives. A decade back, employees used to have fixed working hours or rather a 10 to 6 job from Monday to Saturday. When the work becomes home and the home becomes work (Hochschild, 1997)^[2], the boundary between the work and home disappears and the concept of fixed working hours fades away. Instead of just 7 or 8 hours a day, people are spending almost 12-16 hours everyday in office. The technological blessings like e-mail, text messaging and cell phones which were thought of as tools to connect them to their work being away from their workplace, have actually integrated their personal and professional lives. Now professionals find themselves working even when they are on vacations.

OBJECTIVES OF THE STUDY

The study aims at finding out the following objectives:

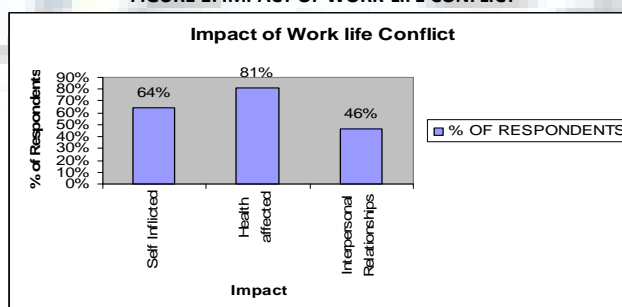
- The intensity of work-life conflict and balance in the lives of working professionals,
- The reasons of work-life conflict,
- The consequences of this conflict and the ways in which it affects their lives,
- The need of work-life balance

LITERATURE REVIEW

Pocock (2003)^[6] has nicely explained the work/life collision theory in which he argued that the ever-increasing working hours leave the individuals with less time for themselves, and to pursue his hobbies or leisure activities. This hinders the growth of the person as an individual in terms of his personal and spiritual growth. In the journal of Social Behaviour and Personality, Greenhaus (1988)^[13] has defined the individual, interpersonal and organizational issues related to the intersection of work and family roles, which states that we are not able to distinguish between our personal and professional lives. Demerouti (2004)^[10] points out the positive and negative interactions of the work and home in which he suggests separating the personal life from the professional life, but are we all successful in doing this separation?? In simpler words it can be said that there is a conflict between work and life. How this balance can be maintained and a good mechanism can be worked in relationship between work and family is well explained by Edward and Rothbard (2000)^[11].

In the recent years, the academic research on work-life conflict has been increasingly focused in order to know the causes & impact of the clashes between the personal & professional life. According to a research (Nasurdin & Hsia, 2008)^[14] the results revealed that managerial support and spousal support have negative effects on work-family conflict. In addition, gender was found to moderate the relationships between both forms of support and work-family conflict. The other study (Kandasamy & Sreekumar 2009)^[15] discusses a methodology for identifying the expected dimensions of Quality Work Life, and subsequently, proposes an instrument for measuring it, operationally named WRKLFQUAL, based on the gap analysis tool. The study of Farooq A. Khan revealed that various job dimensions cause negative attitude among the employees towards job and management. Adams and Kings (1996)^[8] studied the Relationships of job and family involvement, family social support, and discussed the reasons for work-family conflict and also suggested some measures to derive life satisfaction. Allen (2000)^[9] considered the work life conflict as a major issue and suggested the consequences associated to this conflict. According to a *US study for the Center for Work-Life Policy (2000)*, of the 1.7 million respondents who agreed they suffered from excessive work hours and job stress, a whopping 64% admitted it was “self-inflicted”, and was taking a toll on their lives. 81% of respondents felt their work was adversely affecting their health as 46% felt it was affecting their interpersonal relationships². (Fig.1)

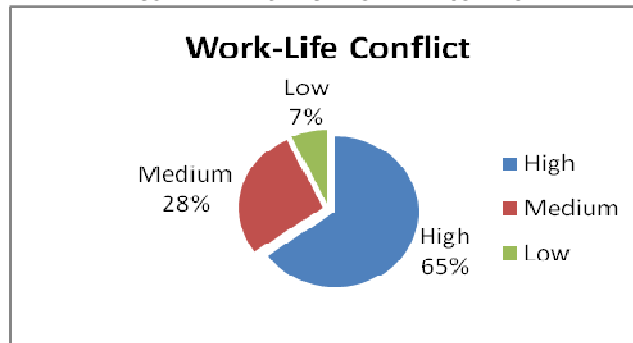
FIGURE 1: IMPACT OF WORK-LIFE CONFLICT



² A study conducted in US for the Center for Work-Life Policy in the year 2000.

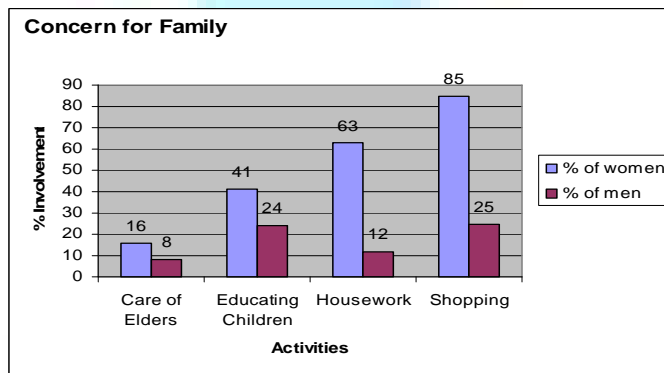
According to the research done by Human Resource & Skills Development Canada (HRSDC) in 2001 for measuring the extent of work-life conflict in the lives of the employees of Canada, 65% of working Canadians reported that they experienced a medium or high level of work to family conflict, and 28% reported a high level of conflict³. (Figure 2)

FIGURE 2: INTENSITY OF WORK- LIFE CONFLICT



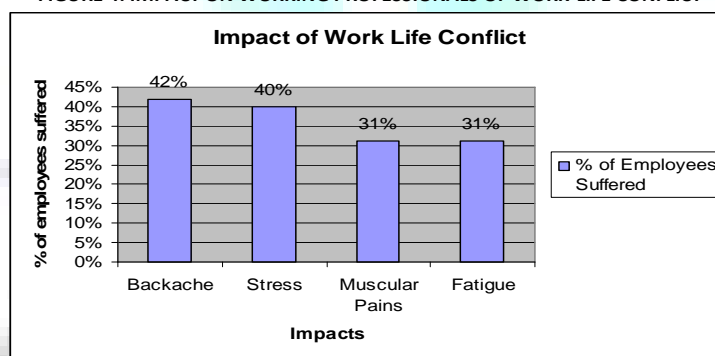
Duxbury and Higgins (2004) estimate that the costs of work-life conflict with respect to absenteeism alone are very high, when direct and indirect costs are included. Concurrently, the number of employees reporting high job stress also increased. Many employees, who have caring responsibilities, would prefer to work fewer hours and have access to flexible work arrangements. Even a survey was conducted by the *European Foundation for the Improvement of Living and Working Conditions (1998)* in which the findings were that women would prefer to work for fewer hours than men, on average, because women are devoting more time to childcare, elder care and unpaid domestic works etc⁴. (Figure 3)

FIGURE 3: CONCERN FOR FAMILY



Moreover the survey also found out that high work intensity (the need to work fast and meet tight deadlines) is strongly linked to reported health problems and absence from work due to accidents. Almost two-thirds of workers reported that they had to meet tight deadlines for at least one-quarter of their working time and over one-quarter reported that they needed to meet tight deadlines all of the time or all of their working time. In addition, the health of almost three-quarters of these respondents is affected by their work all of the time or most of the time. A significant number experience backaches (42%), stress (40%), muscular pain in the shoulders and neck (31%) and overall fatigue (31%). (Figure 4)

FIGURE 4: IMPACT ON WORKING PROFESSIONALS OF WORK-LIFE CONFLICT



LACUNAS OF THE PRESENT STUDIES

In the present studies it has been observed that enough of research work has been done in finding out the causes and effects of the work life conflict, but very little work has been commenced in a comparative manner in banking and insurance sector. Thus, this study is being done to find out the level of work-life balance in the lives of the employees from the banking and insurance sector.

RESEARCH METHODOLOGY

For the purpose of the study, the methodology that has been followed is as:

³ A study conducted by 'The Labor Program, Human Resources and Skills Development Canada' (HRSDC) for measuring the extent of work life conflict in the lives of the employees of Canada in the year 2001

⁴ A study conducted in Europe by The European Foundation for the Improvement of Living and Working Conditions for the employees (1998)

Data Collection:

Primary data- It was collected from the employees of banking and insurance sector with the help of a well drafted questionnaire. The list of banks & insurance companies from where the data has been collected is given in Appendix I and the questionnaire is presented in Appendix II.

Secondary data- It was collected from the various books and journals of Human Resource and also from the internet.

Sample size:

A sample of 110 working professionals (55 professionals from the banking sector and 55 professionals from the insurance sector) was taken.

Method of selecting sample:

The sample was selected by following the non-probabilistic convenience sampling.

Type of research:

This research is the combination of descriptive, correlational, and explanatory research. It attempts to describe systematically the situation, problem, phenomenon, programme, and provides information about work-life balance. It also attempts to compare and clarify the work-life balance employees of banking and insurance sector.

Method of Evaluation

From the question number 12 to 26, the best option was assigned a value of 4 and the score went on decreasing till 1 in the worst case of work-life balance. Thus the score was given out of 60 (15 questions x 4 points = 60 points). Finally on the basis of the score of the data collected and also some other information as filled up in the questionnaire (from question number 27 to 30), the analysis is done and compared to the previously held studies.

WORK-LIFE BALANCE

Professional life and personal life are the two parts in the life of a person. A balance between both the parts of the life is essential in the life of any individual to stay happy. To attain a proper "work-life balance" is not as easy as it appears. There is a link between professional life and personal life and thus they are inter-connected and interdependent. Today, people spend too much of time in office, dealing with clients and this pressures of job interferes and affects their personal life, which makes it difficult to even complete the household tasks. In contrast to this, personal life can also be difficult if one has a small baby or aging parents, financial problems etc. According to Jim Bird, CEO of Worklifebalance.com, "Work-life balance is meaningful achievement and enjoyment in everyday life". When the commitment and responsibilities of work and family roles become incompatible and burdensome then the work-life conflict occurs which becomes more noticeable when due to the cumulative demands of work and non-work life roles the confusion occurs and is not resolved. The most important component of this conflict is work-related stress. Working in an environment where there is intense workloads, lack of involvement in decision-making, health, fitness and security vulnerability, career related problems, job insecurity, and tight deadline are related with work-related stress. This results in mental stress, lack of concentration or even absenteeism from work.

REASONS

There are numerous reasons for this imbalance and a conflict in the life of an employee which are individual specific and depend upon his own circumstances. This can be individual career aspirations or a pressure to cope up with family or work etc. The pressure and expectation to performances has been created due to the pace of technological changes. Even the ever-increasing competition has led to a "performance-driven" culture. Generally, employees find it difficult to say "NO" to others especially their superiors. So they usually end up over burdening themselves with loads of work. The stress is also created due to the increasing responsibilities with age which leads to an imbalance in personal and professional lives of the employees.

SIGNIFICANCE OF THE PROBLEM

Work-life conflict affects the quality of the personal relationships and amplifies costs to businesses and it also erodes the mental, emotional and physical well-being of workers. Employees with a high level of conflict in professional and personal lives are more vulnerable to deprived health. According to a survey, 81 per cent of the respondents have admitted that their jobs are affecting and creating stress in their personal lives. The pressures of the work or personal life can lead to stress. According to studies, it has been found to that such situation can take a toll on the person's health both physiologically and psychologically. This leads to various diseases like sleep disorders, cardiovascular problems, heart ailments, insecurity, depression, anxiety, nervousness, bad tempered, poor concentration and even nervous breakdowns which are common among the victims of such imbalance. Even the social life is affected due to stress, pressure; tension etc. and vice versa. This also affects their relationships with their spouse and children. Work-life conflict also has consequences for an organization's bottom line. Employees who experience a high level of work-life conflict are expected to be evidence for more absenteeism, are less satisfied with their job, less committed to the organization, and are more expected to leave their job.

The concept of work has been altered all over the world because of economic conditions and social demands. Initially, work was considered as an essential element for survival. But now the concept of "work" has evolved and the composition of the personnel has changed. Today, work is still a necessity but it is also a basis of personal satisfaction. One of the means which helps to attain personal and professional goals is work-life benefits programs. These work-life balance programs are in existence as a result of a social responsibility to employees and also to provide a competitive advantage to employers. Many people think that work-life balance is only in the framework of what the company does for its employees. However, work-life balance is a two way approach. The other side of work-life balance relates to what employees do for themselves (which many employees overlook).

BENEFITS OF WORK-LIFE BALANCE

BENEFITS TO THE ORGANIZATION	BENEFITS TO THE INDIVIDUAL
<ul style="list-style-type: none"> • Increase in individual productivity, accountability and commitment • Better teamwork and communication • Improved morale • Less negative organizational stress 	<ul style="list-style-type: none"> • More value and balance in your daily life • Better understanding of what your best individual work life balance is • Increased productivity • Improved relationships both on and off the job • Reduced stress

SOLUTIONS

Almost all the nations are alarmed of the negative effects that work-life conflict has on employee's well-being, their productivity, and their capacity to provide care for their children and others. The companies can help to improve the level of work-life balance for their employees by work-life programs and training. These workplace programs, policies, legislation and other initiatives can provide workers with the support and security that they require to maintain the balance of work with other interests in life. This provides supports to organize the requirements of families and also ensures the building of strong social foundations. Some of the means to overcome the impact of work-life conflict are given as below:

- Time management: It is one of the best solutions which can help to reduce the work life conflict in the lives of the employees. By prioritizing the tasks and planning the activities employees can take out some free time which can be utilized for other purposes.
- Free time: Take out some time for hobbies and leisure activities. Spend some time with loved ones as this helps to beat the stress.
- Be Practical: Share the duties and responsibilities assigned as this helps to a large extent. Never commit for anything which is practically impossible. Learn

to say "NO" if required.

- Flexi-timings: Utilize the flexible working hour's option of the organizations to get some free time.

DATA ANALYSIS & INTERPRETATION

The score (out of 60) of all the respondents was summed up and was shown in the discrete series with the interval of 5 as shown in figure 5 and 6. This score is analyzed and the results have been taken out considering some of the parameters in order to justify a proper work-life balance.

Figure 5: Chart showing total score of the respondents in banking sector

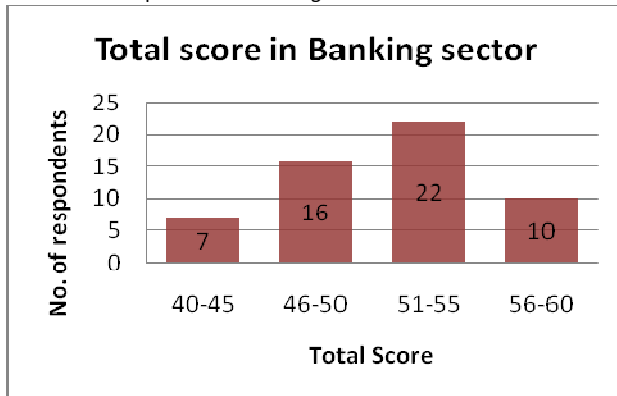
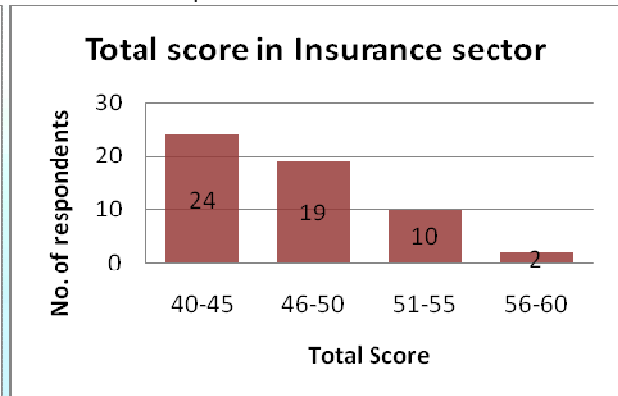


Figure 6: Chart showing total score of the respondents in Insurance sector



This analysis shows that the score of majority of the respondents from banking sector (40%) lies within the range of 51-55, whereas the score of majority of the respondents (44%) from insurance sector lies in the range of 40-45, and only 18% respondents from banking sector and 4% from insurance sector have scored within the range of 56-60. This means that inspite of the policies & provisions provided by their organisations for helping them to maintain their work-life balance, they still lack in doing so, and are not able to manage their professional life along with their personal life. This analysis also shows that the respondents from the the banking sector enjoy much work-life balance as compared to the respondents from the insurance sector.

To give proper & enough time to the family is the biggest problem for today's working professionals. This is one of the fact that has emerged out as a result of this research. The majority of respondents spend very little time with their family as shown below (figure 7 and 8).

Figure 7: Chart showing daily time spent by the respondent with their family in banking sector

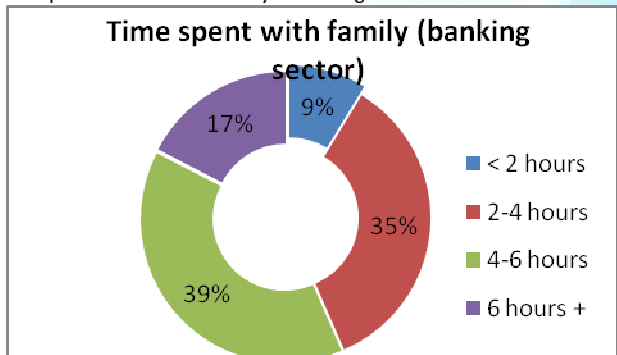
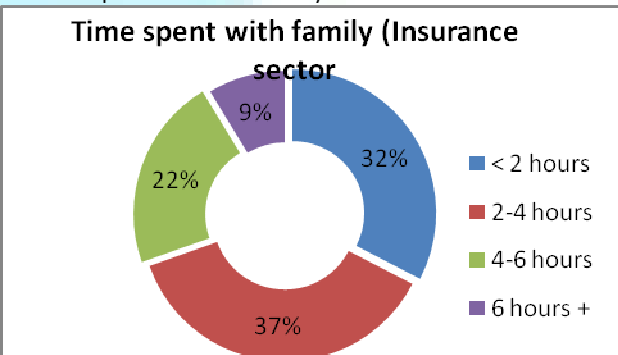


Figure 8: Chart showing daily time spent by the respondent with their family in insurance sector



The analysis revealed that in bankig sector 39% of the population spends 4-6 hours and 17% manages to spend more than 6 hours a day with their family (Figure. 7) whereas, in insurance sector only 22% of the respondents spend 4-6 hours and only 9% manages to spend more than 6 hours a day with their family and 32% of the respondents can't spare even 2 hours for their family (Figure.8). Thus to overcome this problem time management is one of the best solutions which can help to reduce the imbalance between the personal and the work life of the employees.

The respondents were also asked various questions about their work, time spent at work, work related stress and the satisfaction level from their work. These questions helped in identifying the intensity of their satisfaction level

Figure 9: Chart showing the Satisfaction level of the respondents in banking Sector

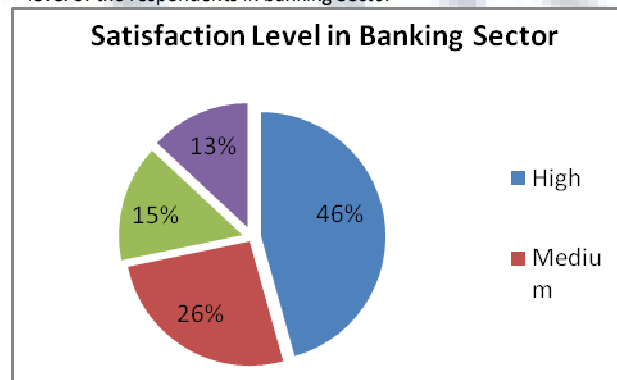
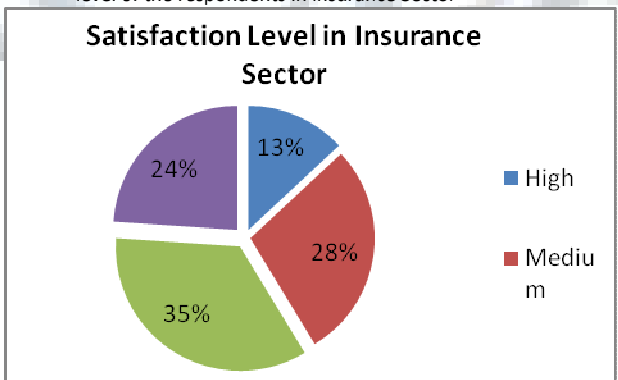


Figure 10: Chart showing the Satisfaction level of the respondents in insurance Sector



The research revealed out that in banking sector majority of the respondents (46%) have high level of satisfaction, 26% have medium, 15% have low and 13% of respondents have poor level of satisfaction. On the contrary in the insurance sector most of the respondents (35%) have low level of satisfaction and only 13% of

respondents are highly satisfied with their work. This means that working in banking sector provides more satisfaction as compared to insurance sector. The reason for this may be the nature of job, as in banks the employees have sedentary job whereas in insurance the employees are mainly concerned with the field job (marketing), in which they have to meet certain targets.

H₀: Total score of the respondents is dependent upon his age.

H₁: Total score of the respondents does not depend upon his age.

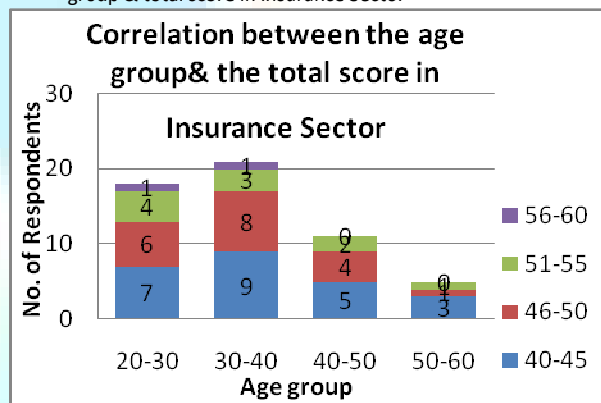
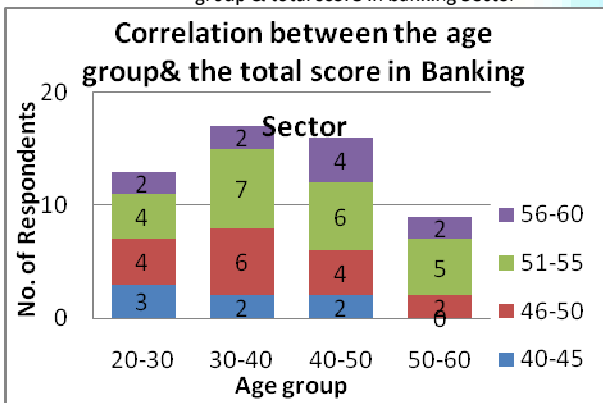
Here, it is assumed that there exist a relation between the age group of the respondents & their total score in justifying their work-life balance. So, in order to find out the influence of the age group on their total score, a statistical technique of correlation is used. The details are given in the following table and the Karl Pearson's formula for coefficient of correlation has been used.

	Total score in Banking sector (Y)				
Age group (X)	40-45	46-50	51-55	56-60	Total
20-30	3	4	4	2	13
30-40	2	6	7	2	17
40-50	2	4		4	16
50-60	0	2		6	9
Total	7	16	22	5	55

	Total score in Insurance Sector(Y)				
Age group (X)	40-45	46-50	51-55	56-60	Total
20-30	7	6	4	1	18
30-40	9	7	2	1	19
40-50	5	4	4	0	13
50-60	3	2	0	0	5
Total	24	19	10	2	55

Figure 11: Correlation between the Age group & total score in banking Sector

Figure 12: Correlation between the age group & total score in insurance Sector



CALCULATION FOR THE COEFFICIENT OF CORRELATION

$$r = \frac{\sum(f.x.d.y).n - (\sum f.d.x . \sum f.d.y)}{\sqrt{\{\sum f.d^2.x*n - (\sum f.d.x)^2\} * \sqrt{\{\sum f.d^2.y*n - (\sum f.d.y)^2\}}}$$

In Banking Sector:

$$r = \frac{(25*55) - (21*35)}{\sqrt{\{(65*55) - (21)^2\}} . \sqrt{\{(69*55) - (35)^2\}}}$$

r = 0.225

In Insurance Sector:

$$r = \frac{(-6*55) - (5*-10)}{\sqrt{\{(41*55) - (5)^2\}} . \sqrt{\{(42*55) - (-10)^2\}}}$$

r = - 0.026

The above calculation represents a positive coefficient of correlation (0.225) in banking sector. This indicates a perfect linear relationship between x and y variable with a positive slope. This means that there exists a very low degree of positive correlation between the age & the total score of the respondents in banking sectors. This infers that the age does not influence the total score of the respondents to a great extent. Thus, the respondents can have any score irrespective of their age. There are many other factors which influence the total score of the respondents. Depending upon the factors like nature of work, time duration spent on work & with family, satisfaction level at work etc, the total score is derived. So, the work-life balance can be perceived in any age group from 20years to 60 years. Whereas, in insurance sector there exists a negative coefficient of correlation (-0.026), which indicates a perfect linear relationship between x and y with a negative slope. This infers that the total score of the respondents is following a decreasing trend to a little extent with the increase in their age group. So, as the age increases the total score starts reducing to some extent.

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From the above calculations, this can be inferred that there is a significant difference between the work-life balance of the employees of the banking sector and

the insurance sector. The calculation shows that the employees from the insurance sector face many difficulties in managing their professional life and personal life. Results from the above calculation also shows that the age does not influence the total score of the respondents to a great extent in the banking sector but in insurance sector as the age of the respondent increases the total score reduces to some extent.

EFFORTS DONE TO MITIGATE THE IMPACT OF WORK LIFE CONFLICT AND BRING IN WORK-LIFE BALANCE

There is no rule for a correct work-life balance. Individual's personal circumstances, whether in late 30's, married with children and living with in-laws or a swinging single, fresh out of university will determine the priorities. The bottom line is simply to invest some time for oneself, to allow oneself the chance to 'stop and smell the roses' rather than letting work and strain overcome the individual.

Due to the internet boom in the mid-90s and the growth in the economy, companies offered other "perks" as well. Items such as company cars and a set number of free flights per year were normal for many companies. A four-day work-week as well as flexible hours and casual dress were common also. These perks were primarily instituted to attract, motivate and retain a superior quality workforce.

These programs for work-life balance have gained popularity through the years. Some of the common work-life benefit programs are flexi-timings, telecommuting, job sharing, childcare and eldercare schemes, maternity & paternity leaves (paid), employee assistance programs, vacations, concierge services etc.

SCOPE FOR FURTHER RESEARCH

The present research tries to clarify the concept of work-life conflict and the significance of work-life balance. An attempt has been made to measure and compare the work-life balance of the employees from banking and insurance sector. In this study the sample has been taken from from Jaipur city only. The results might have varied if it was taken from different cities (varying from metro, mini-metro to towns etc.). Thus, for an effective and more realistic representation this study may involve more number of respondents from various regions. Subsequently, with the inclusion of heterogeneous data the research can be more advanced. It has to substantially contribute to the current framework to mature for enabling such inferences to be more valid & reliable.

CONCLUSION

Juggling between the responsibilities of individuals towards their family and organization and constant struggle to maintain a balance between personal life & professional life can have serious implications on their lives. Therefore, it is very important for them to maintain a healthy balance between both the lives. This will help them to achieve their personal and professional goals as well the organization they are working for. So, to conclude, it can be said that a variety of approaches are available to support work-life balance, ranging from promotional programs that emphasize the significance of balance and offer support. Even though, these policies and approaches have not proved to be successful in reducing these work life conflicts. It is clear that improving work-life balance is an important constituent of the policy agenda for many industrial countries, and the issue is likely to become even more important in the future. The governments are promoting the business and health benefits of work-life balance and have developed programs, policies, legislation and resources to address the needs of workers, to improve productivity, and to reduce the work-life conflict. In almost all the industrial countries, employers are offered to provide these work life benefits but they are not adopting the policies and practices to assist their employees in reducing work-life conflict. Thus these benefits are not reaching a common man in order to improve his life.

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APPENDIX

APPENDIX – I

List of companies in Banking sector

- 1) ICICI Bank
- 2) Punjab National Bank (PNB)
- 3) Standard Chartered Bank
- 4) Bank of India (BOI)
- 5) Bank of Rajasthan

List of companies in Insurance sector

- 1) ICICI Prudential
- 2) Aegon Religare Life Insurance
- 3) TATA AIG
- 4) MAX Newyork Life Insurance
- 5) Met Life Insurance

APPENDIX –II: QUESTIONNAIRE

WORK-LIFE BALANCE: A CROSS SECTIONAL STUDY OF BANKING & INSURANCE SECTOR

1. Name: _____ 2. Age: _____ 3. Gender: M / F
4. Organization: _____ 5. Designation: _____
6. Area of interest of work: _____
7. Location (Native place): Metro Mini metro Cities small town
8. Marital Status: Single Married Divorced Widow
9. Number of Children None 1 2 2+
10. Do you work in shifts? Day shift Night shift
11. Is your partner also working? Yes No
12. Number of working days in a week: <5 days 5 days 6 days 7 days
13. Number of working hours in a day: <8 hours 8- 10 hrs 10- 12 hrs 12hrs+
14. Travelling time for workplace (to & fro): <30mins 30mins- 1hr 1hr- 2hr 2 hrs+
15. Lunch breaks/ Time off (at least 30 mins): Daily Sometimes Rarely Never
16. Time spent with your family daily: 6hrs+ 4hrs- 6hrs 2hrs-4hrs <2 hrs
17. Who takes care of children? Spouse Parents In-Laws Servant
18. Meetings with the teachers of children: Oftenly Sometimes Rarely Never
19. Worried about work (when not at work)? Rarely Sometimes Never Mostly
20. How you feel about the time spent at work? Excellent Good Indifferent Pathetic
21. Do you take work home? Never Rarely Sometimes Mostly
22. How do you relieve work related stress? Music Entertainment Meditation Others
23. Do you feel frustrated due to your work? Never Rarely Sometimes Mostly
24. Do you smoke to relieve out your stress? Never Rarely Sometimes Mostly
25. Do you drink to relieve out your stress? Never Rarely Sometimes Mostly
26. What is your satisfaction level after work? High Medium Low Poor
27. What are the provisions/ policies available for the work life balance at your organization?

S. No.	Provisions	Yes	No	This would help if given
1	Flexi- timings (start/end)			
2	Telecommuting			
3	Employee Assistance Program (Counseling)			
4	Job Sharing			
5	Career Break/ Sabbatical			
6	Paid Paternal Leaves			
7	Concierge services			
8	Health Programs			
9	Gym facility (workout zone)			
10	Relocation facilities & choices			
11	Time off for family events			
12	Others (specify)			

28. What this organization can do to facilitate you to balance your work & family life?
Comment: _____
29. Do you think that if employees have good work life balance, the organization will be more efficient & flourishing? If yes, then How?

30. What are your further expectations from your work? _____

Signature

THE CHALLENGING JOB DESIGN OF GLOBAL MANAGER

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ABSTRACT

Many organizations require their managers to spend considerable amount of time managing overseas business. These assignments can range from short business trips to lengthy business assignments. Working in a foreign culture poses its own challenges, which these global managers have to face in addition to their business responsibilities. Some of these challenges include managing in a multicultural environment, which involves managing people from diverse backgrounds. Other challenges include linguistic challenges, culture shock, corruption, The roles of these global managers that are full of challenges and variety in performance is what makes them different. An elaborate Job Analysis therefore is required to draw role specific Job description and specifications that can be utilised by both the management to identify best talent and also by professionals looking to crack international deals

KEYWORDS

Global Manager, Job-Profile, Job-Specification, international assignments

DESIGNING JOB PROFILE FOR THE GLOBAL MANAGERS



Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital - the world's best talents and greatest ideas." Jack Welch

Amidst the escalating competitions and uncertainties it is hard to use the word globalization without a certain sense of irony. Driven by ideologies religion and mistrust the world seems more fragmented than at any time before. However, no matter how deep the political divisions may be, business operations continue to span the globe. In such circumstances developing managers who are internationally competent, and know the business can take years. Companies operating across the globe cannot rely on just a few managers with diverse cultural experiences or a few experts from a particular country to succeed. Actually it has become essential that all employees must have exposure to international experiences for better and swift decision making.

The last decade has brought significant changes for most high-level decision makers in business. These changes, stemming from various factors, have created a significant amount of strain on their careers. The economic rise of China with its emergence in the consumer goods market and that of India with its exemplary growth in the service sector and the consequent increase in competition has led companies and organizations to move their operations offshore which in turn have dramatically changed the landscape that executives must navigate through. The rise of shareholder value as a primary measure of company performance and the growing influence of the corporate governance movement have also had a dramatic impact on the way executives think and act.

The growth of a knowledge-based workforce has led to a greater focus on people performance rather than asset performance and has changed the way the companies and its managers will be managing the workplace. Dealing with different age groups of employees will pose severe challenges to these managers as over the next 15 years, there will be three different generations in the workplace at the same time, each with very different needs and aspirations. Baby Boomers will no longer dominate and Generations X and Y will play a much larger role.

The above facts related to changing dynamics of international assignments for professionals indicates towards a need to draft the expectations for these global executives that includes in country executives, expatriates, etc. These may be called Job design for global managers.

OBJECTIVE AND RESEARCH METHODOLOGY

In view of the above facts, I intend to provide an insight to various aspiring professionals as well as management graduates ready to take on the business world, with specific job attributes including job responsibility and skills that recruiters look into prospective global managers. For this data has been compiled through various secondary sources to come out with most common job responsibilities rendered to global managers. Further on the basis of these responsibilities ideal competencies have been drawn. Finally a Profile specifically focusing on the Job description and specification has been designed.

A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The analysis considers the areas of knowledge and skills needed for the job. A job usually includes several roles. The job description might be broadened to form a person specification or may be known as Terms of Reference.

Job specification summarizes the human characteristics needed for satisfactory job completion. It tries to describe the key qualifications someone needs to perform the job successfully. It spells out the important attributes of a person in terms of education, experience, skills, knowledge and abilities (SKAs) to perform a particular job. The job specification is a logical outgrowth of a job description. For each job description, it is desirable to have a job specification. This helps the organization to find what kind of persons is needed to take up specific jobs. The personal attributes that are described through a job specification may be classified into three categories:

1. **Essential attributes:** skills, knowledge and abilities (SKAs) a person must possess.
2. **Desirable attributes:** qualifications a person ought to possess.
3. **Contra-indicators:** attributes that will become a handicap to successful job performance.

JOB- DESCRIPTION OF GLOBAL MANAGERS

While working on an international assignment following are the usual domains of work that are expected to be delivered by the executives:

1. **Managing the Business-** its mission and vision: Transnational organizations are fast replacing the old concepts of multinational, international or globalised companies. The key philosophy of a transnational organization is adaptation to all environmental situations and achieving flexibility by capitalizing on knowledge flows and two-way communication throughout the organization. These transnational organizations aims at building three strategic capabilities namely acquiring global scale efficiency and competitiveness, national level responsiveness and flexibility and cross capacity to leverage on a worldwide base. Global managers are therefore required to play different roles as strategists framing worldwide assets and configuration of resources and coordinating transactions across national borders. From scanning of environment for useful information, to product development and getting it implemented global managers play a pivotal role in all major business decisions and activities. A proper understanding of the economic conditions of the country and the world and the ensuing technological changes and their implications on business requires a sharp mind with a focused approach.
2. **Managing Diversity - its culture, tastes, habits etc:** A global assignment also means learning how different countries are governed, and being able to work with their leaders. To be capable global executives it is desirable to have traveled extensively although it is not mandatory, should have knowledge of foreign languages and preferably have a professional course abroad. Having such background help in managing diversity of ideas, people, systems and norms easily with effectiveness. Flextronics' top management team orchestrates manufacturing activity in twenty-eight different countries and leads sales operations worldwide. The peer group includes a CFO from New Zealand, a CTO from Grenada, a sales executive from Ireland, and business unit heads

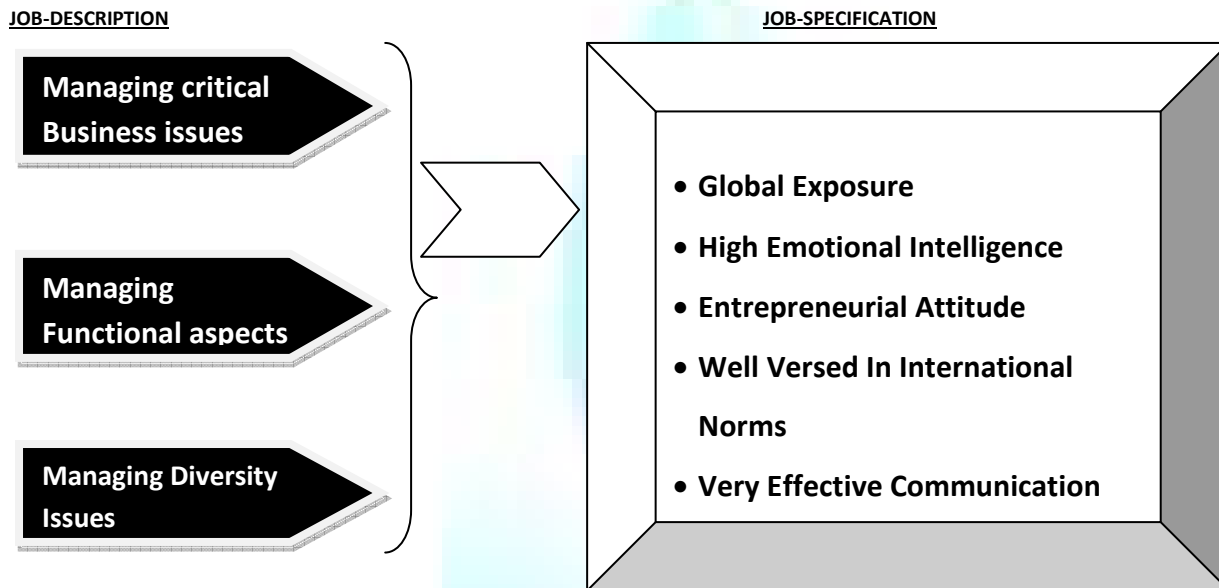
from Sweden, Great Britain, India, Singapore, and Hong Kong. This is a unique way of managing diversity by setting diverse but aligned teams of people.

3. **Managing functions** like Processes, communications, hierarchical structures etc.: Companies like Shell, Pepsoco, and General Electric track their people carefully over the course of many years. GE has systems for examining people's work histories and designing their next steps toward becoming global leaders. And Shell has done a particularly good job of giving people not only major responsibilities abroad but also great opportunities for advancement when they return. Another example is McKinsey consulting, which in 1994 elected Rajat Gupta as the first non-American to run the firm. Gupta is a truly global executive and has shown a great deal of cultural sensitivity. Managers have to retrain their thinking process to become global managers. This is a difficult task as their thoughts are often crafted by 'traditional' practices, home country practices, ethnocentric views, preference of local/home country candidates, process, procedures etc. These 'traditional' thoughts have to be replaced by global thinking.

Attaining cost efficiencies without compromising on the quality of service that the company would provide poses a serious challenge but can be managed with a proper understanding of the prevailing market condition which can best be reviewed by individuals who have wide experiences spanning several functional areas and several countries.

So, what are the specifications companies look for in global managers? This is an important question for consideration. From the above discussed many roles and responsibilities following competencies become unavoidable to succeed.

FIG.1.0: COMPETITIVE JOB PROFILE FOR GLOBAL MANAGERS



COMPETENCIES FOR GLOBAL MANAGERS

Based on the above discussed roles and responsibilities usually bestowed on global managers, the following job specifications can be laid out:

1. **Global Exposure:** A prerequisite to effective execution of international assignments is a hand on experience | global; settings. Those who have travelled to; different countries or learn about the same through various mediums will; provide better results. An understanding of people's mindset, their priorities, constraint etc helps in designing similar strategies.
2. **High EQ:** Since no execution can happen without people global managers need to be high in Emotional; intelligence thereby countering any interpersonal conflicts arising out of issues related to cross cultures and personal conflicts. High EQ gives an advantage to effective leadership in alien environments thereby increasing trust and commitment of employees from varied backgrounds, uniting to a common goal.
3. **Entrepreneurial Skills:** To succeed in the international endeavors requires an entrepreneurial mindset having self motivated and risk taking approach. Whatsoever the task may be it has a deep impact on every functional aspect and overall goal of the company that signifies a high level of responsibility. Global managers therefore need to have high sense of commitment towards their work that asks for being a keen observer with a positive attitude
4. **Knowledge of International norms:** Successfully meeting the organizational and functional goals depend majorly on the markets that are governed by economic norms different for every country including, restrictions and specifications for functions like Marketing, HR, Production etc Thus, having prior knowledge of laws and regulations will help the international managers to draft proactive strategies for flawless execution.
5. **Communication expertise:** Although a must for every job, this is all the more important in the context of Global managers. Why because when offshore outsourcing or other cross-border business ventures run into implementation difficulties, managers and team members often point to "communication problems" as the root cause. This attribution occurs both in anecdotal responses and in formal surveys. This includes expertise in communication that is marked with high in soft skills able of convincing as well as motivating concerned parties. Also wiring skills include not only content but also knowledge of different languages, syntaxes etc. Is there a preference for explicit communication that spells things out or implicit Communication that leaves much to inference? Do "yes," "no," "maybe" and silences have different meanings.
6. **A Management degree, preferably-** This is essential keeping in mind the elaborate exposure received under this one very business oriented course. And having a specialization in international business can make a more promising candidature. Infact those having similar qualification from foreign institutes is always an advantage,

CONCLUSION

Executives who aspire to business leadership positions, particularly in globalizing companies, must take a hard headed look at their level of competence in each of these areas and proactively address their individual developmental opportunities.

As companies continue to expand globally they need managers who understand global business, operate effectively across cultural boundaries and balance strategic integration with adaptation to local markets. The opportunities the companies pursue, and how they deal with the many challenges of a global business approach, depend critically on how good their managers are at interpreting and responding to the dynamic and diverse challenges facing the organizations.

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CULTURAL INTELLIGENCE (CQ): LEVERAGING EFFECTIVENESS OF INDIAN BPO SECTOR

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ABSTRACT

World has become a global village. This is true in many hard core areas of development like technology, communication etc. But still many soft issues are challenge to the companies. One of them is cultural difference and cultural diversity. This is a very sensitive and critical issue to any organizations now days. With increasing globalization, many sectors in Indian economy have grown tremendously, one of which is IT and ITeS industry. Thus, it brings heavy pressure/ urgency for companies to understand and react as per the changes BPO industry encounter major challenge on cultural differences. This paper introduces the concept of cultural intelligence (CQ) and discusses its relevance and implications in the ITeS industry. It proposes a model highlighting CQ as a major critical individual capability affecting companies to bridge the gap between cultural disparities with special reference to Business Process Outsourcing (BPO) sector.

KEYWORDS

Management, Cultural intelligence, Culture, Training and Development

INTRODUCTION

With increasing globalization, cultural intelligence becomes more critical to business success. Livermore points to a study done by The Economist which found that 90% of executives from more than 60 countries said cross-cultural leadership was their top management challenge. When world has become a global village everything else have become small. Manpower is high in transit mode, which gives a challenge to the key drivers of the economy to diversify. It includes all the major stakeholders of our economy. In the process of building and sustaining cultural diversity both at micro and macro level of the economy. The major player has to take up the charge of controlling and redefining the process of maintaining cultural diversity. Now days with the changing environment and patterns of society, organizations have started realizing the need to be culturally competent to understand the cross cultural patterns of people. If any organization wants to survive for long in the competition, they have to diversify vertically and horizontally. This in turn results in internationalization, multinational, multiculturalism, and diversification.

With the changing pattern of manpower, organizations have to be more adoptive and adaptive towards cross cultural difference. The flow of culture is always from top to bottom, that means this kind of change will first have to accept by top management and then carried by everybody else. People belonging to different nations, communities, cultural background definitely reflect some contrasting beliefs, attitude, values, perception, expectation and assumptions. All these reasons create a lot of pressure to the industries which are encountering this change most. One of these industries is IT enables service industry in India.

The Indian information technology (IT) - business process outsourcing (BPO) sector including the domestic and exports segments continue to gain strength, experiencing high levels of activity both onshore as well as offshore. The companies continue to move up the value-chain to offer higher end research and analytics services to their clients. ITeS, which started with basic data entry tasks over a decade ago, is witnessing an expansion in its scope of services. It now offers services such as knowledge process outsourcing (KPO), legal process outsourcing (LPO), games process outsourcing (GPO) and design outsourcing, among others. The Indian BPO sector has not only added scale in the last nine years, but has also matured significantly in terms of scope of service offerings, buyer segments served and service delivery models. Apart from achieving maturity in the horizontal segment, providers are increasingly developing vertical/ domain specialization to capture greater value. Further, as per DIT, the ITeS-BPO is being seen as the fastest growing segment within the Indian IT-BPO sector and is predicted to reach export revenues of about US\$ 12.4 billion in 2009-10 as compared to US\$ 11.7 billion in 2008-09, growing at 6 per cent.

Globalization has helped improve living standards and promoted cultural diversity and global integration. Nonetheless, on the flip side, rapid social and cultural transition, due to influence of western culture and values has changed a lot of young Indian mindset. And a major role is played by BPO sector. BPO sector being a service provider takes a foot forward when dealing with international customers. If service managers are unaware of the core cultural expectations of customers, it will result in gap of performance of service (Mohsin, 2006). Thus, while considering the case of BPO industry it becomes all the more important to have high CQ because half of the time service provider and customer don't meet physically. Therefore, understanding and accommodating towards cultural difference is the need of the present service provider as competition inside the industry is becoming stiff and tuff.

However, one the major tool for dealing with people of different cultural background is "Cultural Intelligence". Cultural Intelligence (CQ) is a person's capability to function effectively in situations characterized by cultural diversity. It aims at providing a better understanding of cultural differences and reducing cultural distance between customer and service provider. Thus creating an awareness and education on Cultural Intelligence is essentially required in ITeS sector.

The present piece of research has been presented in this backdrop, wherein the role of cultural intelligence is seen as an intervention by focusing on specific capabilities that are important for high quality personal relationships and effectiveness in culturally diverse settings. The paper has been presented in the following paragraphs, under eight sections.

PROBLEM STATEMENT

The author identified that service manager/ executives in the BPO industry has problems when dealing with the customer of diverse cultural background which implies a set of varying cultural values, beliefs, perception, attitude, expectation, and basic underlying assumption. When interaction between the service provider and customer on the grounds of cultural is not satisfactory, it creates dissatisfaction and leaves an inappropriate impression on the customer. One major reason behind this failure could be that executive directly handling customers may not be culturally intelligent to deal the global customers. Thus if the industry designs a standardized curriculum for training and developing cultural intelligence among the workforce, it may result in future long term benefits.

RESEARCH OBJECTIVE AND AIM

The research objective is to identify in terms of relevant literature, whether individuals, employees and customers need to be culturally intelligent in order to be successful in cross cultural interactions. It is hoped to asses the current status of cultural intelligence with reference to BPO sector. And to identify how cultural intelligence can used as tool to reduce differences.

RESEARCH METHOD

The review of theoretical global relevant literature shall provide a foundation and conceptual framework of Cultural Intelligence (CQ), its application and usage, the understanding of cultural differences in BPO sector, Also, research engines such as scholar google, Emerald, scibd and published works of various researchers in the respective will be incorporated.

Literature on cultural intelligence is available between the period (2003-2010) as the concept relatively new and that on the impact of culture on the respective industry from the year 2000.

On the basis of the literature, theoretical models are created to understand the relationship between cultural Intelligence and its applicability in the BPO sector.

LITERATURE REVIEW

Cultural Intelligence

In managerial contexts, this calls for the ability, among other things, to identify and solve problems sensitively and effectively in cross cultural situations. These situations are often characterized by considerable complexity and ambiguity. According to Thomas and Inkson (2004), a manager who is high on CQ will, first, be *knowledgeable* about cultures and fundamental issues in cross cultural interactions; second, be *mindful* of what is going on in intercultural situations, having a sensitivity to cues and an ability to interpret them; and third, have a repertoire of behavioral skills that enable them to respond appropriately to different intercultural situations. To the extent that their jobs require cultural intelligence, it is important that HRM managers evaluate ways in which the CQ of employees can either be acquired (by careful selection) or developed (by appropriate training) (Earley, Ang & Tan 2006). Before addressing the question of how this might be done, it is important to examine why cultural intelligence is important.

Traditionally, the importance of cultural understanding in international business has been determined by several factors. First, the countries and cultures in which the business has been conducted, in the sense that – as a result of differences in what has been described as ‘cultural distance’ – some countries are more difficult to do businesses than others. Second, the areas of the firm’s business that are most directly impacted, the impact of cultural differences in areas such as sales and marketing being greater, say, than on accounting services. Third, whether the firm has sizable numbers of expatriates/ foreign clients, in which case it has been recognized by the company to give particular attention to how those persons can best be selected and trained for their assignment in order that their personal adaptation and job performance are ensured. Overall, it might be said that an understanding of how and why CQ is important in international business has been more obvious in relation to some things than to others.

Cultural Intelligence (CQ) is a person’s capability to function effectively in situations characterized by cultural diversity (Ang, Van Dyne, & Koh, 2005; Earley & Ang, 2003; Earley & Mosakowski, 2005). In today’s increasingly global and diverse work settings, the ability to function effectively in multi-cultural situations is important for employees, managers, and organizations.

Knowledge of Cultural Intelligence provides insights about their capabilities to cope with multi-cultural situations, engage in cross-cultural interactions appropriately, and perform effectively in culturally diverse work groups. Knowledge of the Cultural Intelligence of others provides insights about how best to interact with others in multi-cultural situations, engage in cross-cultural interactions appropriately, and perform effectively in culturally diverse work groups.

CQ-Cognition is how a person makes sense of inter-cultural experiences. It reflects the processes individuals use to acquire and understand cultural knowledge. It occurs when people make judgments about their own thought processes and those of others. This includes strategizing before an inter-cultural encounter, checking assumptions during an encounter, and adjusting mental maps when actual experiences differ from expectations.

CQ-Motivation is a person’s interest in experiencing other cultures and interacting with people from different cultures. Motivational CQ is magnitude and direction of energy applied toward learning about and functioning in cross-cultural situations. It includes the intrinsic value people place on culturally diverse interactions as well as their sense of confidence that they can function effectively in settings characterized by cultural diversity.

CQ-Behavior is a person’s capability to adapt verbal and nonverbal behavior so it is appropriate for different cultures. It includes having a flexible repertoire of behavioral responses that are appropriate in a variety of situations and having the capability to modify both verbal and nonverbal behavior based on those involved in a specific interaction or in a particular setting.

Despite of being a new subject, it was able to capture a lot of attention from academicians and researchers. Ang et al. (2007) found CQ to be significant in explaining the variance in performance.

5.2 Impact of culture on Indian ITes Industry

The mode of international business is changing. Though the notion of locating parts of a firm’s business in different countries is not new, the general move to global outsourcing has accelerated rapidly in recent years, impacting on firms in both the product and services sectors (Mol, van Tulder & Beijer 2005). Again, this requires new sorts of cultural skills. For example, the establishment of call centres in India, to service businesses around the world has created a vast number of interesting problems.

The circumstances and challenges for both foreign and local enterprises vary enormously across many different countries in Asia (Lasserre & Schutte 2006) and it would be dangerous to overly generalise. The issues in highly developed countries such as Japan, South Korea and Singapore are vastly different from those in much less developed places. However, it is fair to say that within the majority of countries in Asia, and most particularly those in the ‘developing’ category, there are several very challenging ‘cultural’ issues that have to be confronted by local firms. BPOs have faced with much more challenging conditions in the countries in which they operate, especially in India.

When people are aware of the potential differences in thought processes, they tend to make isomorphic attributions, defined as interpreting behaviour from the actor’s perspective and giving it same meaning as intended by the actor (Triandis, 2006). This holds true in the case of BPO sector also where three parties are involved. One is the parent country, second the host country and third are customers from anywhere. BPO center acts as mediator between the client and the customer. Thus gives a bigger challenge to the outsourced center to understand the culture and processes of parent company and then respond to the client. When customer expectations are not met this often leads to disappointments, fear, loneliness which result in cultural conflicts (Weiermair, 2000).

BPO industry is highly complex industry culturally. The host company has to behave as a representative of the parent company to client, without even encountering the real cultural conditions of parent company. In short, the construction of cultural difference is a tool for the management of ‘multicultural’ workforces. In the case of outsourcing, standard notions of national difference (Indian/ Western) feed into corporate discourses about work and underwrite the development of strategies to manage software workers. In doing so they are following standard ‘cross-cultural management theory’, which tends to attribute all problems and conflicts in ‘multicultural’ work situations to cultural difference. Communication gaps or the inability to deliver on time, for instance, are attributed to inherent cultural barriers (different communication styles, different attitudes to time) rather than to organizational or any other such problems. But more important than this cultural explanation of differences in behaviour and perception is to search for underlying structural reasons that may linked to the outsourcing situation itself. The cultural construction of difference thus masks the operation of the structural factors (deadlines, unrealistic project estimates) that lead to longer working hours -- not to mention the tacit pressure that comes from above, especially in the software services companies. In the case of Indian BPO services companies, the relationship between the Indian outsourcers and the clients is structurally unequal because it is a relationship between customer and service provider.

Thus, the very structure of these ‘multicultural’ virtual teams implies a hierarchy that tends to follow the lines of ‘culture’ or nationality. Yet when managers analyze and attempt to solve problems in such teams, they are invariably identified as ‘cultural’ in origin – and in many cases understood as cultural deficiencies of employees. In this context, managers draw on cross-cultural management theories as well as commonly articulated ideas about cultural difference in order to manage and control this diverse workforce. Because of the dominance of this framework, when there are difficulties in multicultural teams they are usually attributed to cultural differences among team members. As a result, much time and money are invested in inter-cultural training and other such strategies to overcome these problems.

IMPLICATIONS OF CULTURAL INTELLIGENCE FOR THE BPO INDUSTRY

On the basis of literature review, it is very much clear that the BPO sector composed of various components from different cultural backgrounds; it becomes important to acknowledge the differences in order to succeed. In order to control cultural variance, cultural intelligence is essential.

As a result, it enables the managers to leverage the differences that exist on the basis of culture in the form of values, attitudes, beliefs, behaviour, communication, personal space etc. The quality of employee – customer interactions have been recognized as the key strategic weapon of service organization

which in turns make both the parties responsible for creating and sustaining healthy relationship for mutual benefits. Such interactions require great deal of understanding and research about each other in terms of social, cultural and economic aspect. Thus, it is important to strengthen the interactions by various tools to gain a competitive advantage, satisfy customer and achieve excellence. Research indicates that employees who are culturally sensitive provide better service. Such employees have a capability of adjusting their service style in order to meet the cultural needs and expectations of customer.

On the basis of available literature, a model has been developed in order to determine how cultural intelligence can help to develop a successful BPO. Generally a BPO is a mediator of the client and its customers. Thus a lot of responsibility lies on BPO center to coordinate the information smoothly between the two. In almost 90% of BPO business in India, the client and company are from different countries, which create customer expectation of being culturally intelligent. If the mediation is done properly than the situation is win-win for all the parties.

Fig.1 reflects a model the impact of Cultural Intelligence on BPO service. The model contains three basic function; antecedents/ inputs, process and output. All the BPOs, no matter big or small have input but if the organization is cultural intelligent than stage 1 to 3 will be smooth and than then the outcome will be positive improving the overall effectiveness of an organization and individual.

The model states that all the BPOs are basically service providers to two different set of people i.e. the client and customer. The client helps in providing input to the service provider in the form of enterprise management, HR procedure and work settings. Stage 1 is the beginning of process wherein Organizational Intelligence has to be created by the BPO in terms of individual intelligence with cultural intelligence. Stage 2 states the service part of the BPO wherein some or the other service is given to the client on the basis of their requirement. Stage 3 shows that services are delivered to customers meeting their expectations, instrumentality and demands. Stage 4 is the final representation of delivery in the form effectiveness of organization and individual.

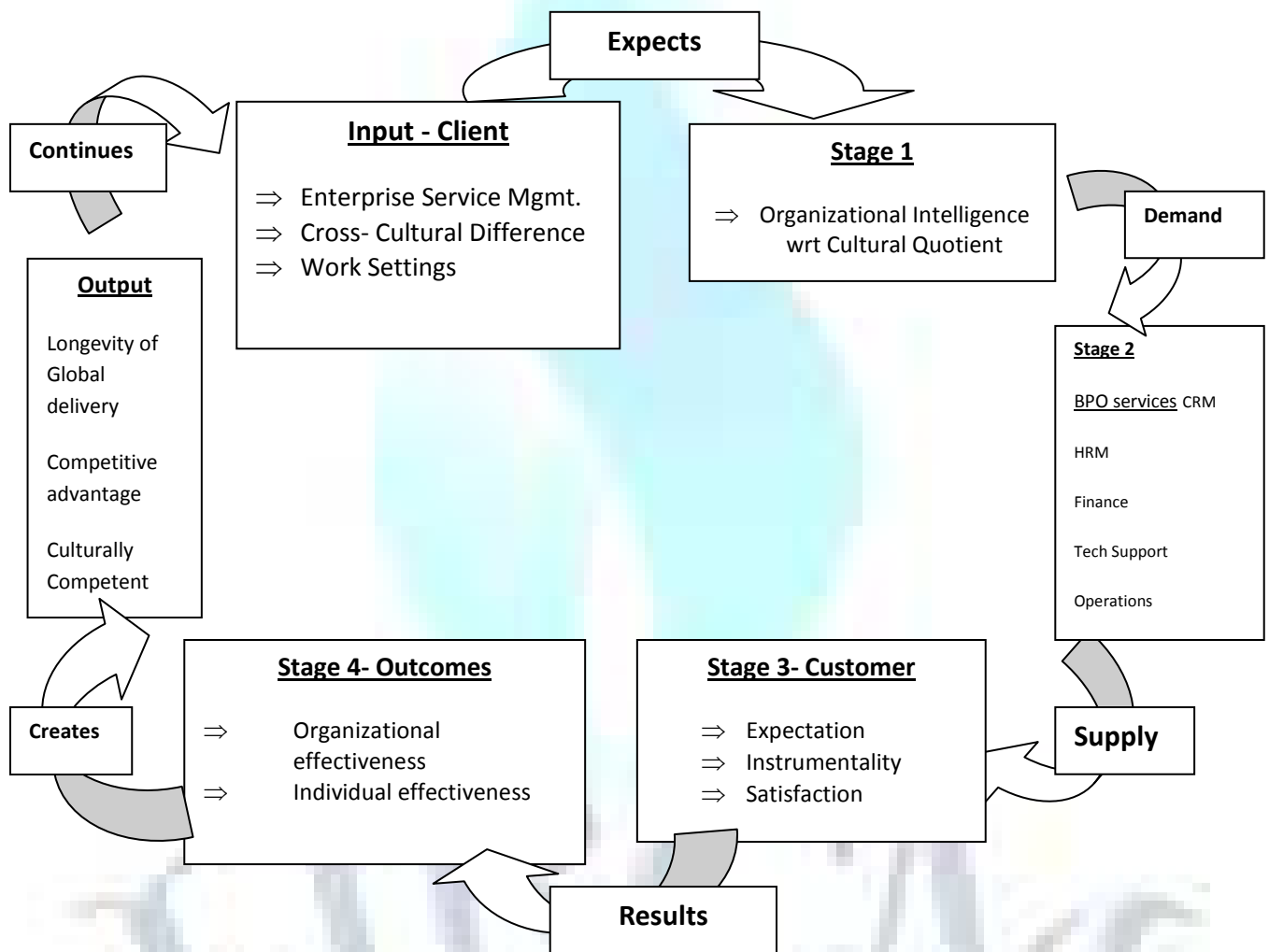
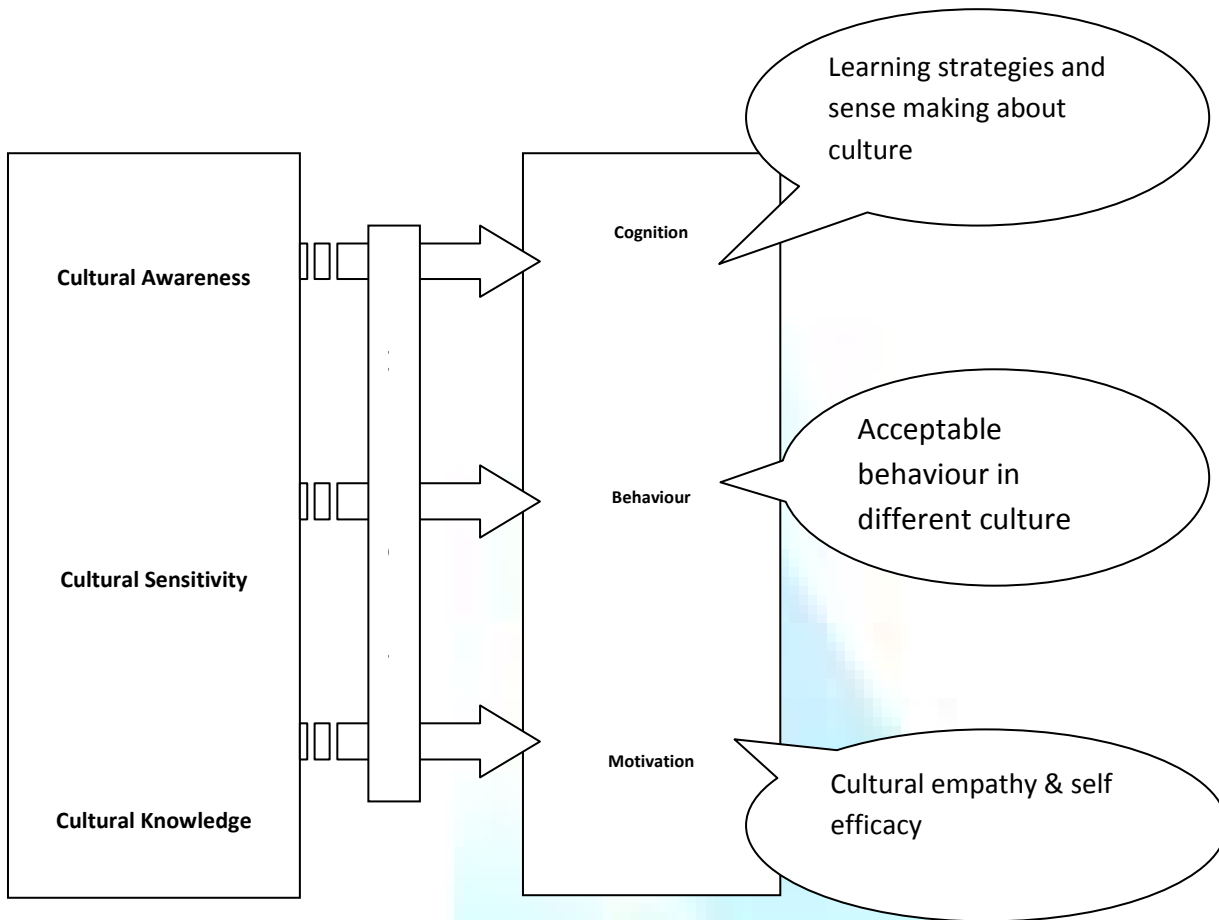


Fig. 1

FIG. 2: HOW TO CREATE STRONG CULTURAL QUOTIENT



To achieve best output stage 1 to 3 are very crucial and important. Thus needs extra attention from the professionals. That is the reason; a separate model on How to create a strong cultural quotient is made in Fig. 2. This model reflects that there are three major domains of developing cultural intelligence – one is cognition, behaviour and motivation. These areas can be developed with cultural awareness, sensitivity and knowledge.

It is very much essential for any organization to create a framework for assessing cultural intelligence because it gives them confidence to survive in highly unpredictable environment and also makes them competent with ever changing cultural conditions.

CONCLUSIONS

The growth of ITeS industry in India has led to increased cross cultural dealing. As employees have become more and more exposed to diversity in all respects, as competition has increased in the industry, as the cultural expectations and demands have increased, as customer have become more knowledgeable about environment, as communication becomes prime vehicle to conduct; it creates challenges which needs to be addressed in order to be beneficial.

It can indeed be concluded that culture has an impact upon the intercultural interactions. Managers, who are part of ITeS industry, cannot achieve their goals unless they are open and sensitive to the cultures of their customers, employees and client. Thus cultural intelligence will provide an insight and streamline the procedures.

LIMITATIONS

The primary limitation encountered during the conduct of the study was dearth of literature. As cultural intelligence is comparatively a newer area of research, as the present very large volume of literature is not available.

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GLOBAL FOREX MARKET VIS-A-VIS INDIAN CURRENCY– A STUDY**T. CHANDRABAI****ASST. PROFESSOR****PADMASRI DR. B. V. RAJU INSTITUTE OF TECHNOLOGY****NARSAPUR, MEDAK – 502 313****SRIVALLI. J****ASST. PROFESSOR****TRR ENGINEERING COLLEGE****TRR NAGAR, INOLE, PATANCHERU****T. BHARATHI****SR.LECTURER****SAMBHRAM ACADEMY OF MANAGEMENT STUDIES****BANGALORE****ABSTRACT**

India is a world most largely trading country it plays a major role in forex trading with global currencies. Currency Trading is the world's largest market consisting of almost trillion in daily volumes and as investors learn more and become more interested, the market continues to rapidly grow. Not only is the forex market the largest market in the world, but it is also the most liquid, differentiating it from the other markets. The present paper derives different global currencies fluctuations and its impact on Indian forex market.

KEYWORDS

Currency fluctuations, Currency trading, Global currencies, Indian forex market.

INTRODUCTION

The following decades have seen foreign exchange trading develop into the largest global market by far. Restrictions on capital flows have been removed in most countries, leaving the market forces free to adjust foreign exchange rates according to their perceived values. There are some factors with effect the forex market transaction like: Inflow of Foreign Funds, Change of Interest Rate, Price of Oil, Release of Economic Data and RBI Intervention But the idea of fixed exchange rates has by no means died. The EEC (European Economic Community) introduced a new system of fixed exchange rates in 1979, the European Monetary System. This attempt to fix exchange rates met with near extinction in 1992-93, when pent-up economic pressures forced devaluations of a number of weak European currencies. Nevertheless, the quest for currency stability has continued in Europe with the renewed attempt to not only fix currencies but actually replace many of them with the Euro in 2001.

The lack of sustainability in fixed foreign exchange rates gained new relevance with the events in South East Asia in the latter part of 1997, where currency after currency was devalued against the US dollar, leaving other fixed exchange rates, in particular in South America, looking very vulnerable.

But while commercial companies have had to face a much more volatile currency environment in recent years, investors and financial institutions have found a new playground. The size of foreign exchange markets now dwarfs any other investment market by a large factor. It is estimated that more than USD 3,000 billion is traded every day, far more than the world's stock and bond markets combined.

The Forex market is a non-stop cash market where currencies of nations are traded, typically via brokers. Foreign currencies are constantly and simultaneously bought and sold across local and global markets and traders' investments increase or decrease in value based upon currency movements. Foreign exchange market conditions can change at any time in response to real-time events.

CURRENCY TRADING

To exchange one currency for another currency is termed as currency trading. This industry is one of the largest in the world with regards to trading volume. Foreign currency is the ratio of one currency in consideration with another. When traders enter into currency trading they give a two-way quote. One of them is at the rate of purchase and the other is the price of sale. The two prices are normally separated by a hyphen. On the left is the price that the trader will purchase at and on the right is the price at which he will sell. The difference between the purchase rate and sale is called the bid-ask spread. The trader expects slight variations on the sale and purchase rate. He will also trade in similar amounts of what he had purchased. There will not be any drastic differences. The margin thus earned by the trader is the difference of the bid-ask spread.

The profit gained depends on the variation in the exchange rate and the size of the position. Speculating over a period of time can be dangerous and hence every government has strict rules laid down which have to be adhered to, to prevent chaos and embezzlement of money.

It is this industry that no fees are charged. The bid-ask spread is considered as the transaction fee. There is no biasness for an extra amount on the basis of creditworthiness. Every player is considered equal. Hence stringent rules are in place to curb out of hand activities.

SIGNIFICANCE OF THE STUDY

Indian economy needs substantial amounts of foreign capital to augment domestic savings and for imports of technology up-gradation. This study helps the investor, to find the exchange rate fluctuations between the countries currency trade and its impact on Indian forex market. Based on this the investor can take the strategic decisions for investment.

OBJECTIVES OF THE STUDY

- To analyze the global currency exchange rates with reference to INR.
- To Analyze the trading b/w base currency and target currency for the following: INR-USD, INR-EURO, INR-GBP and INR-JPY.

HYPOTHESES

The following hypotheses are tested in the present study

H01: There is no significant difference between growth rates of monthly averages between months from July to December from 2005-2010

H02: Growth rates of monthly averages of INR/USD INR/EURO≠INR/GBP≠INR/JPY from July to December from 2005 -2010.

H03: There is a positive correlation between selected country currency exchange monthly averages.

DATABASE AND METHODOLOGY

The country currencies selected for this study are INR, EURO, USD, GBP, and JPY. This study covers six months trading period from July to December for the years 2005 to 2010(six years) and is based on secondary data which is collected from past trading results, books etc. Monthly average growth rates in % is calculated. The collected data has been tabulated, analyzed and interpreted with the help of statistical techniques like mean average and Two-way ANOVA, correlation (Spearman's rank) analysis and percentage analysis.

FINDINGS

- From Table-3 & Chart-1(from July,2010 to March,2011): The INR value has increased in October, 2010 (currency exchange monthly averages selected from July, 2010 to March, 2011) with 1 USD, July, 2010 with EURO, December,2010 with GBP and with JPY it is in JULY,2010.
- Among the selected data (from 2005 to 2010) the lowest monthly average exchange value is 67.221 INR for 1 GBP (the rupee value is increased) in May,2010 and highest monthly average exchange value is 87.972 INR for 1 GBP(the rupee value is decreased) in AUGUST, 2006.
- Among the selected data (from 2005 to 2010) the lowest monthly average exchange value is 52.2802 INR for 1EURO (the rupee value is increased) in February, 2006 and highest monthly average exchange value is 70.4154 INR for 1 EURO (the rupee value is decreased) in September, 2009.
- Among the selected data (from 2005 to 2010) the lowest monthly average exchange value is 0.330858 INR for 1JPY (the rupee value is increased) in June,2007 and highest monthly average exchange value is 0.545917 INR for 1 JPY(the rupee value is decreased) in August, 2010.
- From two-way ANNOVA(Table-1) it is observed that there is a significant difference between growth rates of monthly averages between months from July to December for the years 2010, 2009, 2006, 2005. And there is no significant difference between the months for the years 2008&2007.
- From Spearman's Rank Correlation(Table-2), statistical significant correlation is observed between INR/GBP to INR/JPY in 2010, INR/EURO to INR/JPY in 2009, INR/USD to INR/JPY in 2006, INR/EURO to INR/GBP in 2005 and INR/EURO to INR/JPY in 2005. Perfect Positive correlation is observed between INR/GBP to INR/JPY in 2005.
- From Table-4 in 2010 the rupee value has increased with USD and GBP, EURO and JPY values were increased with INR (based on monthly averages).
- From Table-5 in 2009 the rupee value has increased with USD and GBP, EURO and JPY values were increased with INR (based on monthly averages).
- From Table-6 in 2008 the rupee value has decreased with USD and JPY, GBP and EURO values were decreased with INR (based on monthly averages).
- From Table-7 in 2007 the rupee value has increased with USD and GBP, the rupee value has decreased with EURO and JPY (based on monthly averages).
- From Table-8 in 2006 the rupee value has increased with USD, JPY and EURO, the rupee value has decreased with GBP (based on monthly averages).
- From Table-9 in 2005 the rupee value has increased with JPY, the rupee value has decreased with USD, EURO and GBP (based on monthly averages).

TABLE - 1: H01 &H02: HYPOTHESES TESTING

Year	Calculated Value	Table Value(at 5% LOS)	Accepted/Rejected
2010	4.74	4.62(5,15)	Rejected
2010	0.95	8.70(3,15)	Accepted
2009	9.49	4.62(5,15)	Rejected
2009	1.98	8.70(3,15)	Accepted
2008	2.76	4.62(5,15)	Accepted
2008	3.44	8.70(3,15)	Accepted
2007	3.36	4.62(5,15)	Accepted
2007	1.50	8.70(3,15)	Accepted
2006	7.43	4.62(5,15)	Rejected
2006	6.18	8.70(3,15)	Accepted
2005	6.36	4.62(5,15)	Rejected
2005	2.03	8.70(3,15)	Accepted

Source: www.x-rates.com and www.rbi.org.in

TABLE - 2: H03: CORRELATION BETWEEN THE CURRENCY GROWTH RATES

Year	Monthly average currency growth between countries	Calculated Correlation value	Table value (0.05)&(0.01)LOS
2010	INR-GBP & INR-JPY	0.886	0.8286(0.05)
2009	INR-EURO & INR-JPY	0.886	0.8286(0.05)
2006	INR-USD & INR-JPY	0.828	0.8286(0.05)
2005	INR-EURO & INR-GBP	0.886	0.8286(0.05)
2005	INR-EURO & INR-JPY	0.886	0.8286(0.05)
2005	INR-GBP & INR-JPY	1.0	0.9429(0.01)

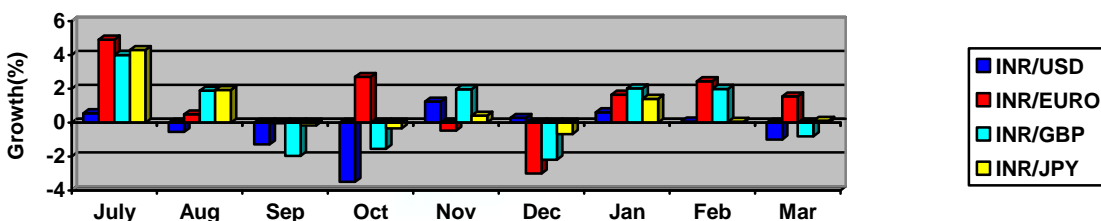
Source: www.x-rates.com and www.rbi.org.in

TABLE - 3: MONTHLY AVERAGES IN TERMS OF INR (JULY 2010 – MARCH 2011)

MONTHS	INR TO 1 USD	INR TO 1EURO	INR TO 1 GBP	INR to 1 JPY
July,2010	46.8363	59.81	71.5694	0.535311
August,2010	46.5791	60.0945	72.9419	0.545917
September,2010	45.9904	60.0771	71.5349	0.545106
October,2010	44.425	61.7399	70.4515	0.543174
November,2010	44.9986	61.4539	71.8701	0.545369
December,2010	45.1192	59.6472	70.3317	0.541745
January,2011	45.3975	60.6803	71.7955	0.549497
February,2011	45.423	61.9801	73.2366	0.549767
March, 2011	44.9699	62.9527	72.6541	0.550375

Source: www.x-rates.com and www.rbi.org.in

CHART - 1: GROWTH IN CURRENCY EXCHANGE RATES IN TERMS OF INR FROM JULY, 2010 TO MARCH, 2011



Source: www.x-rates.com and www.rbi.org.in

TABLE - 4: MONTHLY AVERAGE GROWTH RATES IN 2010 (%)

2010	July	Aug	Sep	Oct	Nov	Dec
INR/1 USD	0.559	-0.550	-1.263	-3.403	1.291	0.268
INR/1EURO	5.190	0.475	-0.028	2.767	-0.463	-2.939
INR/1 GBP	4.180	1.917	-1.928	-1.514	2.013	-2.141
INR/1 JPY	4.485	1.981	-0.148	-0.354	0.404	-0.664

Source: www.x-rates.com and www.rbi.org.in

TABLE - 5: MONTHLY AVERAGE GROWTH RATES IN 2009 (%)

2009	July	Aug	Sep	Oct	Nov	Dec
INR/1 USD	1.440	-0.220	0.060	-3.390	-0.340	0.080
INR/1EURO	1.960	1.060	2.120	-1.710	0.330	-1.940
INR/1 GBP	1.450	0.860	-1.140	-4.310	1.350	-2.040
INR/1 JPY	3.740	-0.610	3.760	-2.250	1.030	-0.640

Source: www.x-rates.com and www.rbi.org.in

TABLE - 6: MONTHLY AVERAGE GROWTH RATES IN 2008 (%)

2008	July	Aug	Sep	Oct	Nov	Dec
INR/1 USD	-0.090	0.470	5.830	7.020	0.350	-0.640
INR/1EURO	1.160	-4.660	1.610	-1.030	-3.630	5.390
INR/1 GBP	1.030	-4.690	0.910	0.390	-8.810	-3.780
INR/1 JPY	-5.720	-0.020	8.570	14.350	3.370	5.510

Source: www.x-rates.com and www.rbi.org.in

TABLE - 7: MONTHLY AVERAGE GROWTH RATES IN 2007 (%)

2007	July	Aug	Sep	Oct	Nov	Dec
INR/1 USD	-0.760	0.990	-1.240	-2.010	-0.130	0.150
INR/1EURO	1.460	0.280	0.810	0.280	3.030	-0.740
INR/1 GBP	1.630	-0.180	-0.880	-0.720	1.150	-2.600
INR/1 JPY	0.250	5.110	0.180	-2.690	4.220	-1.190

Source: www.x-rates.com and www.rbi.org.in

TABLE - 8: MONTHLY AVERAGE GROWTH RATES IN 2006 (%)

2006	July	Aug	Sep	Oct	Nov	Dec
INR/1 USD	1.044	0.169	-0.899	-1.455	-1.405	-0.543
INR/1EURO	1.201	1.198	-1.542	-2.315	0.726	1.866
INR/1 GBP	1.183	2.869	1.945	-1.908	0.505	2.058
INR/1 JPY	0.038	0.035	-1.994	-2.623	-0.284	-0.625

Source: www.x-rates.com and www.rbi.org.in

TABLE - 9: MONTHLY AVERAGE GROWTH RATES IN 2005 (%)

2005	July	Aug	Sep	Oct	Nov	Dec
INR/1 USD	-0.206	0.265	0.676	2.033	2.016	-0.208
INR/1EURO	-1.182	2.419	0.303	0.177	-0.021	0.416
INR/1 GBP	-3.830	2.710	1.444	-0.408	0.275	0.396
INR/1 JPY	-3.059	1.478	0.183	-1.234	-1.106	-0.133

Source: www.x-rates.com and www.rbi.org.in

CONCLUSIONS

As India is in a global village where exports and imports, commodity transactions, equity transaction and forex trading among all foreign exchange trading plays a major role which effects the remaining transactions broadly. As the above study the findings are saying that from 2005 to 2010 there are fluctuations in global market currency trading with reference to Indian currency but majorly we can see from the figures and tables that during 2008, 2009 there are slightly high fluctuations where recession has affected the forex market. It is observed that there is no significant difference between growth rates of monthly averages between months from July to December for the years 2007 & 2008.

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RANKING MFIS IN INDIA: USING TOPSIS

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ABSTRACT

Micro Finance institutions (MFIs) have grown rapidly in India. Indian microfinance sector is increasingly becoming a viable investment sector for commercial investors. So ranking Indian MFIs is of obvious interest for investors and researchers. CRISIL has ranked fifty Indian MFIs, based on loan amount outstanding for 2009. But there are a number of other indicators of performance of an MFI. A ranking based on a number of indicators, measuring outreach, sustainability, efficiency and financial structure, will be useful for quick comparison of overall performance of the Indian MFIs. Such a multi criteria ranking is a very challenging problem, as different MFIs seem to outperform, their peers, under different criteria. TOPSIS is a multi criteria method of ranking alternative solutions. It is based on the principle that the best solution is closest to an ideal solution (which is the best alternative, under any criterion), and farthest from a negative ideal solution (which represents the worst alternative, under any criterion). Using TOPSIS, we rank seventy seven Indian MFIs which report their performance, with respect to a number of criteria in the MIX website. Our rankings reflect the overall performance of these MFIs with respect to ten different indicators. We see that SKS Microfinance Ltd, Spandana Sphoorty Financial Ltd (SSFL) and Share Microfinance Ltd are the top three Indian MFIs, ranked first, second and third respectively, based on CRISIL as well as our TOPSIS rankings.

KEY WORDS

MFI performance, Ranking, TOPSIS.

INTRODUCTION

Micro Finance Institutions (MFIs) access financial resources from the banks and other mainstream financial institutions and provide financial and other services to the un-served clients (World Bank, 2010). In India, the Microfinance programme and institutions are one of the most important components of Government's strategies to reduce poverty (Singh (2009)). Forty percent of Indian population remains un-banked (Gandhi (2010)). Banks have merely penetrated nineteen percent of the rural India (Gandhi (2010)). The gap in supply and demand of financial services was initially addressed by the developmental agencies and NGOs. But from 1992 onwards, the growth of microfinance accelerated in India. Indian Microfinance sector is increasingly becoming a viable investment sector, and shares of Indian MFIs are expected to trade at significant premium to their book values (see Lok Capital (2010)). This has attracted the interest of investors as well as researchers, and greater emphasis is now given on performance of MFIs (Crombrugge et al. (2007), Stephens (2006), Okumu (2007)).

There are several indicators of performance of an MFI (see Rosenberg (2009)). In this paper we consider ten such indicators, viz.

1. Average loan balance per borrower expressed as percentage of GNI per capita.
2. Total women borrowers.
3. Number of active borrowers.
4. Capital asset ratio.
5. Debt equity ratio.
6. Gross loan portfolio to total assets.
7. Return on assets (ROA).
8. Return on equity (ROE).
9. Operational self sufficiency (we call it OSS).
10. Cost per borrower.

These indicators measure different aspects of performance. For instance, criteria 1, 2 and 3 measures *outreach* of an MFI. There are two aspects of outreach-*depth* and *breadth*. Depth of outreach refers to the extent to which an MFI serves the financially weaker section of a society (see Stephens and Tazi (2006)). Total women borrowers of an MFI serve as a proxy for its depth. A lower average loan balance per borrower also reflects greater depth of an MFI, the reason being that financially strong section of a society are less inclined to availing small or micro loans (see Stephens and Tazi (2006) and Rosenberg (2009)). So criteria 1 and 2 are used to measure *depth of outreach*. Number of active borrowers measures the *breadth of outreach* of an MFI.

Higher capital asset ratio, lower debt equity ratio and ratio of gross loan to total asset imply better *financing structure* of an MFI.

ROA, ROE and OSS are measures of *financial sustainability*. Higher these ratios, the more sustainable are an MFI.

The last criterion, viz. cost per borrower, is used to measure the *efficiency*. The lower this ratio, the more efficient is an MFI.

Detailed discussion on these indicators can be found in Rosenberg (2009), Chandra (2008) Stephens and Tazi (2006), and microfinance information exchange (we call it MIX) website. In this paper, we use these indicators as criteria for ranking Indian MFIs.

DATA

Eighty eight Indian MFIs have reported their performance in terms of a number of indicators in MIX website, on 31/3/2010. Unfortunately, eleven MFIs have not reported data on all the indicators which we consider in this paper. Therefore we have ranked the other seventy seven MFIs which have reported data on all the indicators. These data are tabulated in Table 1, in Appendix.

OBJECTIVE AND METHODOLOGY

In this paper we rank the performances of seventy seven Indian MFIs based on the ten indicators mentioned above.

From the data, in Table 1, it is easy to see that none of the MFIs is uniformly superior to its peers with respect to all the criteria. For instance, SKS Microfinance

has higher total women borrowers, number of active borrowers, ROA and lower debt equity ratio than Spandana. In contrast, Spandana exhibits higher ROE, OSS, lower gross loan to total asset ratio and lower cost per borrower than SKS. In general the ranking of the MFIs, based on different criteria, can be entirely different. For instance while SKS Microfinance and Spandana are the top two MFIs in terms of the number of active borrowers (i.e. outreach breadth), but these MFIs are not among even the top twenty Indian MFIs based on debt equity ratio.

One may question "which of these two criteria is more suitable for ranking MFIs?" These two criteria do not seem to be directly comparable, as they measure different aspects of growth. Besides, an institution may raise capital for increasing its outreach. Consequently, a large MFI may have higher debt, than a smaller MFI. Therefore, there seems to be no unique criterion for comparing or ranking MFIs. Hence a number of indicators need to be compared. It is very difficult to rank or compare seventy seven MFIs, based on multiple criteria, merely by eye inspection.

TOPSIS (technique for order preference by similarity to an ideal solution) is a multiple criteria method to identify solutions from a finite set of alternatives (see Hwang and Yoon (1981), Jahanshahloo et al. (2006)). The basic principle is that the best alternative should have the shortest distance from the positive ideal solution and the farthest distance from the negative ideal solution. In context of ranking MFIs, an ideal solution represents an MFI that outperforms all its peers with respect to all the criteria. In contrast, a negative ideal solution represents the worst performing MFI, with respect to all the criteria. None of the seventy seven MFIs, considered in this paper, is an ideal or negative ideal solution. We use TOPSIS method to assign scores to the MFIs. A high score will reflect that the corresponding MFI is far from the negative ideal and close to the ideal solution. Finally the MFIs are ranked from 1 to 77 using these scores (the highest score is assigned rank 1). The technical details of computation of the TOPSIS score are described later.

LITERATURE REVIEW

A number of studies have been conducted to know the financial performance and outreach of MFIs in the countries other than India (see Seible (1999), Kereta (2007), Wollni. (2001), Hermes and Lensink (2007)). In these studies authors have compared MFIs in Indonesia, Mexico, Ethiopia, Pakistan, Bolivia etc. The number of studies on Indian MFIs seems to be drastically limited. We have come across only three such papers, viz. Agarwal and Sinha (2010), Stephens and Tazi (2006) and Crombrughe et al. (2008), and reports on MFIs in India published by M-CRIL and Lok Capital. In each of these three papers the authors have studied some particular aspect(s) of performance of some Indian MFIs.

For instance, Stephens and Tazi (2006) found that eight, out of 25, highly leveraged MFIs in the global data set are Indian. The Indian MFIs are mainly financed by banks and financial institutions, which make them highly leveraged institutions in the world. Crombrughe et al. (2008) have investigated sustainability of Indian MFIs. Agarwal and Sinha (2010) have analyzed the financial structure, revenue, expenses and efficiency of the 'five star MFIs' in India, using financial ratios. They have studied performance of these Indian MFIs in terms of debt equity ratio, cost per borrower, operational self sufficiency etc. which are measures of efficiency and financial structure of the MFIs. These papers provide insight into specific aspects of performance of some of the Indian MFIs. But we have not come across any study comparing the overall performance of the different MFIs in India, based on a broad class of indicators.

M-CRIL (2010) and Lok Capital (2010) have reviewed different aspects of growth of Micro Finance sector in India. In M-CRIL (2010) a number of indicators of performance of the Indian Micro Finance sector is compared with the global average values of those indicators. It appears that the Indian MFIs are very cost efficient, and exhibiting annual growth (over 20 percent) in portfolio yield from 2006 onwards (see M-CRIL (2010)). Given this growth, Indian MFIs are attracting commercial investors. In this context a ranking of the overall performance of the Indian MFIs is of obvious interest to researchers as well as investors. Ranking of the Indian MFIs is not available in the above mentioned papers or reports. CRISIL has ranked 50 MFIs in India, based on loan amount outstanding for 2009. In the previous subsection, we have already discussed the motivation for a multi-criteria ranking, based on a number of indicators. This paper is an attempt in that direction.

TOPSIS METHODOLOGY FOR RANKINGS

Let x_{ij} denote the data on jth criterion for ith MFI, $i=1,2,...,77$ and $j=1,2,...,10$.

In the context of our problem, the procedure of TOPSIS (see Jahanshahloo (2006)) can be expressed in a series of steps, mentioned below.

- (1) We normalize the x_{ij} values, i.e. we define

$$y_{ij} = x_{ij} / \sqrt{\sum_{i=1}^{77} x_{ij}^2}, \quad i=1,2,...,77 \text{ and } j=1,2,...,10.$$

- (2) Calculate the weighted normalized value v_{ij} s, as follows

$$v_{ij} = w_j y_{ij}, \quad i=1,2,...,77 \text{ and } j=1,2,...,10.$$

$$w_j \text{ weight assigned to the } j\text{th criterion, } j=1,2,..,10, \text{ and } \sum_{j=1}^{10} w_j = 1.$$

- (3) The ideal solution $\{v_1^+, \dots, v_{10}^+\}$ and the negative ideal solution $\{v_1^-, \dots, v_{10}^-\}$ are obtained as follows

$$v_j^+ = (\max\{v_{1j}, \dots, v_{77j}\}, \min\{v_{1j}, \dots, v_{77j}\}) \quad j=1,2,...,10$$

$$\text{and } v_j^- = (\min\{v_{1j}, \dots, v_{77j}\}, \max\{v_{1j}, \dots, v_{77j}\}) \quad j=1,2,...,10.$$

If high value of the jth criteria indicates superior performance of an MFI, then $v_j^+ = \max\{v_{1j}, \dots, v_{77j}\}$. Otherwise $v_j^+ = \min\{v_{1j}, \dots, v_{77j}\}$. For example $v_j^+ = \min\{v_{1j}, \dots, v_{77j}\}$, for average loan balance per borrower expressed as percentage of GNI per capita, debt equity ratio, gross loan portfolio to total assets and cost per borrower. For the other six criteria $v_j^+ = \max\{v_{1j}, \dots, v_{77j}\}$.

- The interpretation of v_j^- is opposite to that of v_j^+ .
- (4) For each MFI, we calculate the separation measures, using the n-dimensional Euclidean distance. The separation of each MFI from the ideal solution is given as

$$d_i^+ = \{\sum_{j=1}^{10} (v_{ij} - v_j^+)^2\}^{\frac{1}{2}}, \quad i=1,2,...,77.$$

Similarly, the separation from the negative ideal solution is given as

$$d_i^- = \left\{ \sum_{j=1}^{10} (v_{ij} - v_j^-)^2 \right\}^{\frac{1}{2}}, \quad i=1,2,\dots,77.$$

(5) We calculate the relative closeness to the ideal solution. The relative closeness of the *i*th MFI is defined as

$$R_i = d_i^- / (d_i^- + d_i^+), \quad i=1,2,\dots,77.$$

(6) Finally we rank the seventy seven MFIs using their relative closeness scores (i.e. using R_1, \dots, R_{77}) in decreasing order. That is, rank 1 is assigned to the MFI with relative closeness equal to $\max\{R_1, \dots, R_{77}\}$.

REMARKS: It is important to note that in the 1st step of the TOPSIS method, the data is normalized i.e. made unit free. Consequently, the TOPSIS ranking are not affected by the unit or scale in which the different criteria are measured.

FINDINGS: MFI RANKINGS

Using the data in Table 1, and the TOPSIS method we rank the seventy seven MFIs in our study.

In the step 2 of the TOPSIS method, we use $w_j = \frac{1}{10}, j = 1, \dots, 10$, i.e. we assign equal weight to all the ten criteria. Since different criteria measure different aspects of performance, assigning higher weight to a criterion over another seems to be a debatable issue in the context of our problem. We want to rank the MFIs without being biased to any specific criterion.

The TOPSIS relative closeness scores and the ranks of the seventy seven MFIs are tabulated in Table 2.

TABLE 2: TOPSIS RANKING OF THE INDIAN MFIS, BASED DATA REPORTED ON 31/3/2010

Name of MFIs	Scores	Ranks	Name of MFIs	Scores	Ranks
SKS Microfinance Ltd	0.922	1	Sarvodaya Nano Finance	0.580	39
Spandana Sphoorty Financial Ltd (SSFL)	0.863	2	BSS	0.577	40
Share Microfinance Ltd.	0.773	3	SMSS	0.576	41
Bandhan Society	0.762	4	NEED	0.575	42
Asmitha Microfin Ltd (AML)	0.681	5	VFS	0.574	43
Sarala	0.656	6	CRSA	0.573	44
Equitas	0.655	7	GFSPL	0.572	45
Cashpor Micro Credit (CMC)	0.649	8	ESAF	0.570	46
BASIX	0.637	9	Mimo Finance	0.567	47
SKDRDP	0.632	10	AWS	0.565	48
RORES	0.624	11	PWMACS	0.564	49
FFSL	0.621	12	SEIL	0.563	50
Grama Vidiyal Microfinance Ltd.	0.620	13	Asomi	0.5625	51
SU	0.619	14	SCNL	0.5624	52
Asirvad	0.618	15	JFSL	0.562	53
NBJK	0.617	16	GTFS	0.5618	54
BISWA	0.616	17	India's Capital Trust Ltd	0.5609	55
MMFL	0.615	18	Janodaya	0.558	56
SWAWS	0.613	19	NCS	0.556	57
ASA India	0.612	20	BJS	0.555	58
Ujjivan	0.611	21	Indur MACS	0.554	59
Sahara Utsarga	0.608	22	Samasta	0.553	60
Sahayata	0.601	23	SVSDF	0.552	61
IDF Financial Services	0.600	24	Mahashakti	0.550	62
WSE	0.599	25	Mahasemam	0.547	63
Saadhana	0.598	26	GU	0.546	64
Trident Microfinance	0.592	27	Janalakshmi Financial Services Pvt. Ltd.	0.545	65
SMILE	0.590	28	KBSLAB	0.539	66
BWDC	0.589	29	Chaitanya	0.528	67
Sanghamithra	0.587	30	Nano	0.522	68
BFL	0.585	31	Disha	0.513	69
RGVN	0.58444	32	SEWA Bank	0.495	70
RASS	0.58442	33	Nidan	0.491	71
Adhikar	0.5842	34	RISE	0.473	72
GOF	0.5840	35	KOPSA	0.445	73
Arohan	0.583	36	Swadhaar	0.430	74
Sonata	0.582	37	Pustikar	0.424	75
UFSPL	0.581	38	HiH	0.368	76
			SVCL	0.232	77

CONCLUSION

From Table 2 we see that, SKS Microfinance Ltd, Spandana Sphoorty Financial Ltd (SSFL) and Share Microfinance Ltd are the top three Indian MFIs, ranked 1st, 2nd and 3rd respectively, based on the TOPSIS relative closeness score. These MFIs are also the top three Indian MFIs in the CRISIL rankings (see <http://indiamicrofinance.com/top-50-microfinance-institutions-india.html>), based on loan amount outstanding for 2009.

We have introduced TOPSIS as a tool for comparison and ranking of the MFIs. The rankings in Table 2 are based on data reported on 31/3/2010. It will be interesting to compute and compare the TOPSIS rankings of these MFIs for subsequent years as well. Such comparison will provide insight into how the Indian MFIs maintain or improve their overall performance over successive years. We leave this problem as a topic for further research.

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APPENDIX

TABLE 1: DATA ON THE VARIOUS CRITERIA OF PERFORMANCE OF THE 77 MFIS REPORTED 31/3/2010

Name	Average loan balance per borrower / GNI per capita	Total women borrowers	Number of active borrowers	Capital/asset ratio	Debt to equity ratio	Gross loan portfolio to total assets	Return on assets	Return on equity	OSS	Cost per borrower
Adhikar	13.97%	62,652	62,652	12.34%	7.1	82.580541	2.66%	26.51%	115.41%	12
AML	22.79%	1,340,288	1,340,288	11.09%	8.02	81.031854	4.31%	40.07%	81.03	13
Arohan	11.22%	174,492	187,754	13.67%	6.31	88.173819	2.01%	13.01%	114.87%	14
ASA India	12.30%	155,440	156,001	33.16%	2.02	79.038843	5.45%	11.95%	176.58%	10
Asirvad	9.61%	126,483	126,483	24.06%	3.16	84.845148	7.40%	28.20%	156.98%	11
Asomi	11.33%	39,374	40,449	40.15%	1.49	80.138162	-1.65%	-3.04%	94.21%	30
AWS	15.67%	18,930	18,930	17.70%	4.65	74.435383	0.37%	2.66%	102.45%	10
Bandhan	13.99%	2,301,433	2,301,433	10.45%	8.57	78.370144	3.52%	38.21%	78.37%	7
BASIX	14.99%	739,581	1,114,468	14.15%	6.07	56.999346	3.12%	23.29%	73.77%	26
BFL	11.34%	187,548	220,645	13.48%	6.42	73.014843	0.97%	7.20%	111.28%	5
BISWA	18.68%	302,167	305,679	18.28%	4.47	79.974676	5.58%	28.81%	141.10%	8
BJS	8.85%	6,040	6,040	3.94%	24.4	96.866712	1.56%	35.27%	105.62%	15
BSS	13.64%	228,433	228,514	15.72%	5.36	85.755017	0.78%	4.87%	105.61%	15
BWDC	10.47%	10,995	11,230	10.50%	8.52	85.354743	3.10%	33.37%	116.24%	7
Cashpor MC	13.81%	417,039	417,039	3.56%	27.13	95.79076	3.99%	147.03%	120.64%	15
Chaitanya	13.67%	1,674	1,679	97.53%	0.03	46.80357	-11.13%	-11.41%	49.33%	69
CreSA	15.25%	35,118	35,118	23.17%	3.32	78.444167	1.54%	9.09%	109.24%	18
Disha	8.31%	8,179	8,366	9.03%	10.07	72.179118	-3.27%	-37.96%	88.22%	19
Equitas	14.67%	888,600	888,600	36.45%	1.74	81.21033	4.50%	12.38%	81.21%	13
ESAF	15.23%	218,301	220,011	17.97%	4.56	84.812104	0.25%	1.44%	103.01%	19
FFSL	20.39%	257,991	257,991	13.36%	6.49	85.515593	7.04%	45.77%	152.43%	9
GFSPL	20.16%	350,514	352,648	16.40%	5.1	107.75192	0.40%	2.56%	103.61%	18
GOF	8.67%	67,310	67,310	36.47%	1.74	58.29631	0.71%	2.00%	103.94%	19
Grama Vidiyal Microfinance Ltd.	16.88%	772,050	772,050	11.97%	7.35	100.28997	3.65%	25.47%	100.3%	17
GTFS	15.33%	1,825	1,825	28.11%	2.56	97.212248	0.44%	1.56%	105.60%	23
GU	13.01%	67,240	67,240	5.58%	16.92	84.217662	0.17%	3.11%	101.12%	8
HiH	10.64%	82,118	82,118	39.41%	1.54	42.523706	-33.72%	-	115.41%	65
IDF Financial Services	9.67%	129,564	129,600	24.02%	3.16	90.416045	2.93%	15.76%	125.25%	6
India's Capital Trust Ltd	14.94%	18,571	18,571	49.37%	1.03	88.781532	1.84%	3.08%	107.00%	54
Indur MACS	17.40%	24,667	24,668	18.64%	4.37	78.17654	-0.76%	-4.55%	94.63%	12
Janalakshmi Financial Services Pvt. Ltd.	17.57%	82,161	82,161	39.48%	1.53	58.377955	-3.05%	-8.74%	86.46%	41

Janodaya	15.08%	9,966	9,988	15.90%	5.29	73.521246	0.87%	7.24%	103.87%	25
JFSL	8.11%	62,873	93,036	7.07%	13.14	80.040732	0.56%	7.14%	105.76%	9
KBSLAB	27.36%	35,680	61,467	10.68%	8.36	64.751365	1.12%	10.41%	109.54%	35
KOPSA	15.54%	1,284	1,284	99.69%	0	52.50346	-38.56%	-54.96%	-68.36%	16
Mahasemam	10.32%	98,197	98,197	6.57%	14.21	67.973061	0.78%	10.54%	102.02%	34
Mahashakti	12.41%	24,318	24,835	7.03%	13.23	90.024419	0.30%	4.48%	101.79%	9
Mimo Finance	14.18%	52,076	52,345	17.44%	4.73	75.219768	1.36%	8.14%	109.13%	22
MMFL	12.83%	250,208	250,208	27.31%	2.66	90.341349	4.41%	15.89%	162.20%	3
Nano	51.68%	6,970	6,970	62.32%	0.6	218.13133	6.31%	9.90%	116.25%	69
NBJK	12.48%	7,807	9,908	57.02%	0.75	82.879455	7.77%	13.81%	157.12%	13
NCS	13.58%	8,906	8,906	2.59%	37.61	87.153114	1.78%	75.27%	107.24%	19
NEED	13.86%	27,095	31,288	10.97%	8.12	88.053212	2.47%	23.72%	112.74%	14
Nidan	12.71%	1,593	1,660	2.21%	44.22	31.669036	-1.40%	-11.94%	42.16%	0
Pustikar	172.18%	2,075	9,407	13.76%	6.27	80.833544	4.39%	31.79%	141.58%	27
PWMACS	18.57%	36,543	36,543	15.07%	5.64	73.691048	1.17%	8.50%	107.94%	16
RASS	30.76%	47,265	47,265	15.10%	5.62	84.676246	4.43%	30.35%	144.62%	6
RGVN	11.90%	91,968	101,389	2.40%	40.7	86.804182	3.25%	101.46%	121.09%	9
RISE	12.35%	3,507	3,507	15.62%	5.4	71.857816	-9.61%	-62.72%	65.79%	30
RORES	12.47%	26,238	26,238	13.30%	6.52	88.238957	8.23%	70.53%	135.65%	16
Saadhana	15.84%	90,929	90,930	13.93%	6.18	86.25508	4.87%	38.32%	124.82%	15
Sahara Utsarga	12.05%	102,094	102,094	12.96%	6.71	73.59132	5.86%	41.10%	135.70%	13
Sahayata	14.06%	139,179	139,179	29.92%	2.34	76.637505	6.34%	17.46%	138.80%	27
Samasta	14.16%	40,117	40,117	27.06%	2.7	83.958194	-2.38%	-7.45%	87.97%	18
Sanghamithra	12.55%	117,820	118,807	13.39%	6.47	100.36859	2.47%	18.21%	119.13%	4
Sarala	9.16%	81,121	81,121	8.11%	11.33	91.229107	8.42%	118.57%	182.62%	6
Sarvodaya Nano Finance	12.53%	147,122	147,122	21.23%	3.71	87.510406	0.18%	0.91%	104.72%	3
SCNL	21.92%	141,033	166,102	12.61%	6.93	76.771058	1.81%	13.03%	114.14%	28
SEIL	37.76%	55,388	199,731	46.25%	1.16	53.849054	5.65%	13.78%	157.93%	65
SEWA Bank	47.85%	20,993	20,993	17.21%	4.81	32.74148	0.52%	3.06%	107.18%	70
SHARE	15.47%	2,357,456	2,357,456	11.26%	7.88	65.277135	5.50%	45.18%	65.28%	13
SKDRDP	10.80%	783,364	1,225,570	4.78%	19.91	82.614698	1.29%	30.06%	82.61%	5
SKS	16.05%	5,795,028	5,795,028	23.73%	3.21	107.00801	4.96%	21.56%	107%	16
SMILE	14.31%	214,280	214,280	20.54%	3.87	85.305881	1.51%	8.07%	119.37%	7
SMSS	15.49%	29,614	29,746	14.23%	6.03	90.448239	2.46%	19.22%	109.91%	13
Sonata	14.17%	85,897	85,897	40.94%	1.44	73.309957	1.12%	3.28%	108.34%	21
Spandana	20.81%	3,368,115	3,662,846	16.67%	5	121.63822	8.99%	55.67%	81.03%	10
SU	10.27%	61,128	61,128	13.13%	6.61	90.667565	5.92%	60.45%	129.34%	11
SVCL	19.88%	9,729	9,729	77.09%	0.3	59.255508	-60.68%	-78.48%	7.34%	237
SVSDF	19.70%	6,925	6,950	16.12%	5.2	83.27748	0.56%	3.35%	105.43%	20
Swadhaar	15.38%	24,259	27,391	42.37%	1.36	69.183623	-20.75%	-38.73%	49.24%	86
SWAWS	15.64%	122,656	122,656	32.40%	2.09	97.983453	7.45%	21.71%	165.98%	12
Trident Microfinance	15.94%	173,396	174,873	14.51%	5.89	74.111261	3.90%	19.64%	134.73%	14
UFSP	11.22%	11,988	11,988	16.25%	5.15	84.321036	3.84%	19.52%	124.29%	21
Ujjivan	14.08%	566,929	566,929	25.92%	2.86	91.102552	3.17%	9.45%	91.1%	26
VFS	12.45%	184,020	184,020	12.36%	7.09	78.677989	1.10%	7.07%	110.26%	15
WSE	7.67%	36,999	37,755	12.95%	6.72	90.3146	3.30%	34.57%	124.77%	5

Source: www.themix.org

SERVICE QUALITY EVALUATION: AN APPLICATION OF THE SERVQUAL MODEL WITH SPECIAL REFERENCE TO TWO WHEELER SERVICE STATIONS IN NANGAL DAM

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ABSTRACT

The understanding of the customer satisfaction levels can serve as a boom for any business. Considering the scenario in the Two Wheeler industry in India, the competitive nature of the business is pushing the efforts towards the services provided to even higher levels. In a response to the intention of the local two wheeler dealers at Nangal Dam region, the study has been designed as an application of the SERVQUAL model. The study focuses on the GAP 5 of the model that provides insights to understand the difference between the expectation and perception of the customers about the services being provided by the dealers. For this purpose, two separate structured questionnaires were prepared. These questionnaires were then filled by the customers of the local area. The study interestingly reveals the difference in satisfaction of the customers from personnel at the service station and the management of the service station. The study also reveals that the highest difference is between the tangibility and reliability of the services being offered by the local service stations.

KEYWORDS

Customer satisfaction, Customer expectation, Servqual.

INTRODUCTION

With changing times, the world has seen a drastic increase in the number of people who readily adopt new technologies ranging from hand-held PDAs to GPS devices. Increasing number of Innovators and Early adopters of new technologies provide immense opportunities for companies to increase their top-line and bottom-line through continuous innovation. But at the same time, growing customer base has put tremendous pressure for increased 'After Sales Services'. This poses a great challenge to the companies longing for instant and high quality services.

The automobile industry in INDIA is no different than this. Especially talking about the two wheeler industry where the companies have been looking to stretch their top line by introducing attractive bike design and technological features. Automobile industry has seen a series of new product launches and shifting consumer preferences. Keaveny (1995) noticed that service quality available at the competitors is a major determinant of customer switching behavior. With governmental controls loosening with deregulation, we can clearly see the market dynamics shaping the nature of competition in automobile industry.

Many research studies have been conducted to identify supposedly generic aspects or components of service quality (e.g. Parasuraman, Zeithaml, & Berry, 1988; 1985) and the links between service quality, satisfaction, and customer buying behavior or its proxies (for a recent review see Zeithaml, 2000). For companies who are trying to focus on highest possible levels of customization in their services the biggest challenge comes from the fact that every customer's expectation and perception is unique and it is very difficult to know about their actual satisfaction level.

This study has been conducted in Two Wheeler service centers in Nangal Dam. It is a common perception among customers that the dealing of the dealers is different before and after the sales. For the dealers, it has always been a challenge to sense the satisfaction level of the customers. Understanding the requirement of the local industry, this study has applied the SERVQUAL model to understand the gap between the expectation and the perception of their customers and to provide insights for suggesting further improvements in their services.

REVIEW OF LITERATURE

Service plays an important role in today's competitive world. It works as a double sword if experience of customers is positive, it will boost the sale if negative than responsible for fall in sale (Jain & Gupta, 2004). (Jacobo, Neuman, Praes, 2005) opinions that it is mandatory to evaluate the present service quality but with the new technique of "mystery shoppers" to see how customer are being taken care by the service centers.

Satisfied customers never switch over to another brand they spread their positive word of mouth which influence non-existing customer and indirectly force to engage with the organization (Gronroos, Zeithaml, Bitner, 2000). Quality is a subjective parameter which depends upon the individual perception and expectation. Organization has to pay individual attention towards the customers (Sarin, Sourabh, 2010).

OBJECTIVE

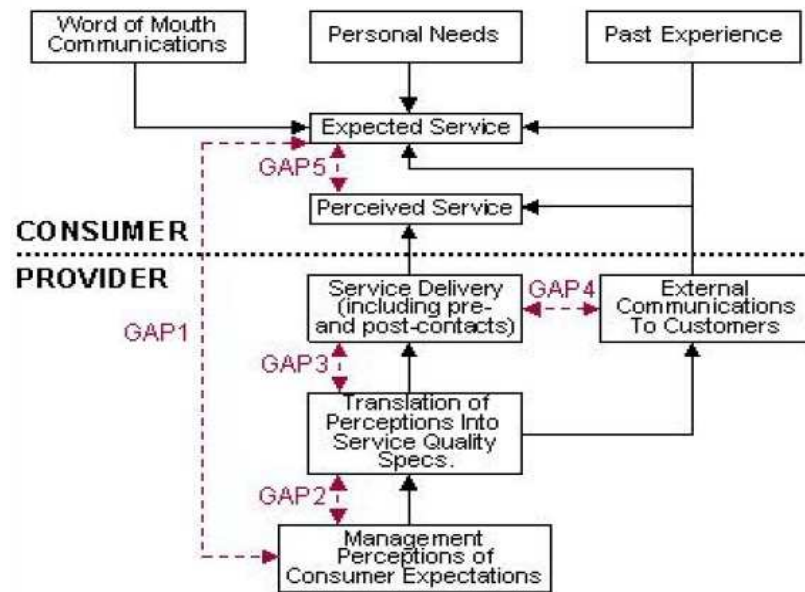
The objective of the study is to find out gap between expected service quality and the quality perceived by the customers in the two wheeler segment in Nangal Dam. It is very difficult to know whether the customer is satisfied with the existing services if not what measures organization can take to fill the gap. Study is exploratory in nature to find out the level of service quality provided by the organization. Sample size of 150 respondents (Customers) had been taken. Who has purchase two wheeler in last two years. For the studies hypothesis is also framed that there is no significance difference between expectation and perception of customers of service quality in service stations of Nangal Dam.

METHODOLOGY

Service quality is measured by the difference between Expectation (E) and Perception (P) of the customer towards service (Parasuraman, Zeithaml). It is measured on the five different dimensions under which 22-statements. If the expectation exceed perception then customer are satisfied and vice versa.

Parasuraman's (1985) SERVQUAL discuss five dimension of service: tangibility, reliability, responsiveness, assurance and empathy. A 22-item pre structured questionnaire has been developed on the 5 dimensions. Some modification had been made in the questionnaire according to area of research. The response has been taken on the 5- Point Likert scale from the respondent. Service plays an important role for an organization. To take initiative for any one is very easy but sustainability is very difficult. At the very first stage everyone make promise but when the customer purchases most of the organization ignores. It is called short

sightedness in the business. It can be removed by measure the customer expectation from the organization and perception of the customer Gap.



Source: Parasuraman (1985)

DATA ANALYSIS

TABLE: 1

	Expectation		Perception		Gap score	Mean
Construct being measured	Statement used	score	Statement used	score	Exp- Pre	
Tangibility	Excellent two wheeler service centers will have modern looking Equipment.	4.7467	The two wheeler service center has modern looking equipment.	3.92		
Tangibility	The physical facilities at excellent two wheeler service centers will be visual appealing.	4.7267	The physical facilities in the two wheeler service center are visual appealing.	3.733		
Tangibility	Personnel at excellent two wheeler service centers will be neat in appearance.	4.6267	Personnel in two wheeler service center are neat in appearance.	3.633		
Tangibility	Materials associate with the service (such as Pamphlets or statements) will be visually appeal in an excellent two wheeler service center.	4.7467	Materials associate with the service (such as Pamphlets or statements) are visually appealing.	2		
Tangibility	Total Score	23.573	Total Score	17.02	6.553333	1.6383
Reliability	When excellent two wheeler service centers promise to do something by a certain time they will do so.	4.5133	When the two wheeler service center promise to do something by a certain time it does so.	3.427		
Reliability	When a customer has a problem, excellent two wheeler service centers will show sincere interest in solving it.	4.48	When you have a problem, the two wheeler service center shows a sincere interest in solving it.	3.68		
Reliability	Excellent two wheeler service centers will get thing right the first time.	4.5	The two wheeler service center gets things right the first time.	3.467		
Reliability	Excellent two wheeler service centers will provide their services at the time they promise to do so.	4.56	The two wheeler service center provides its service at the time it promise to do so.	3.44		
Reliability	Excellent two wheeler service centers will insist on error- free records.	4.7333	The two wheeler service center insists on error- free records.	3.82		
Reliability	Total Score	22.787	Total Score	17.833	4.953333	0.9907
Responsiveness	Personnel in excellent two wheeler service centers will tell customers exactly when service will be performed.	4.6133	The personnel in two wheeler service center tell you exactly when services will be performed.	3.28		
Responsiveness	Personnel in excellent two wheeler service centers will give prompt service to customers.	4.48	Personnel in two wheeler service center give you prompt service.	2.827		
Responsiveness	Personnel in excellent two wheeler service centers will always be willing to help customers.	4.5867	Personnel in two wheeler service center are always willing to help you.	3.58		
Responsiveness	Personnel excellent two wheeler service centers will never be too busy to respond to customer requests.	4.6067	Personnel in two wheeler service center are never be too busy to respond to your requests.	3.547		
Responsiveness	Total Score	18.287	Total Score	13.233	5.053333	1.2633
Assurance	The behavior of personnel in excellent two wheeler service centers will instill confidence in customers.(Seeking commitment for next service)	4.68	The behavior of personnel in two wheeler service center instills confidence in you.(Seeking commitment for next service)	3.94		
Assurance	Customers of excellent two wheeler service centers will feel safe in their dealing with the service center.	4.5267	You feel safe in your dealings with the service center.	4.133		
Assurance	Personnel excellent two wheeler service centers will be consistently courteous with customers.	4.7333	Personnel in two wheeler service center are consistently courteous with you.	3.833		
Assurance	Personnel in excellent two wheeler service centers will have the knowledge to answer customer questions.	4.7267	Personnel in two wheeler service center have the knowledge to answer your questions.	3.873		
Assurance	Total Score	18.667	Total Score	15.78	2.886667	0.7217
Empathy	Excellent two wheeler service centers will give customers individual attention.	4.64	The two wheeler service center gives you individual attention.	3.607		
Empathy	Excellent two wheeler service centers will have operating hours convenient to all their customers.	4.5933	The two wheeler service center has operating hours convenient to all its customers.	2.633		
Empathy	Excellent two wheeler service centers will have personnel who give customers personal attention.	4.6533	The two wheeler service center has personnel who give you personal attention.	3.673		
Empathy	Excellent two wheeler service centers will have the customer's best interest at heart.	4.6267	The two wheeler service center has your best interest at heart.	3.713		
Empathy	The personnel of excellent two wheeler service centers will understand the specific need of customers.	4.5933	The personnel of two wheeler service center understand your specific needs.	3.753		
Empathy	Total Score	23.107	Total Score	17.38	5.726667	1.1453

The expectation of the customer and the perception of the customer is shown in table 1. In this table all the 5 different dimensions with their complete statements are shown with their un-weighted mean value. It is calculated by subtracting the expectation (E) statement mean from the perception (P) statement mean. After that difference of all statements which are under one dimension added and divided by number of statement in those particular dimensions and then we get difference of one dimension. All the above statement is un-weighted score. The above calculations shows that people are not satisfied with services of the auto service centers. They are dissatisfied with the services. The above calculation is sum of all statements under one dimension due to which it is very difficult to find with which statement the customers are highly satisfied and with statements is highly dissatisfied.

TABLE 2: SHOWS THE HIGHEST EXPECTATION STATEMENTS

Highest Expectation Statements	Statement Number	Mean Score
Excellent two wheeler service centers will have modern looking Equipment.(Tangibility)	E-1	4.7467
Excellent two wheeler service centers will insist on error- free records. (Reliability)	E-9	4.7333
Personnel excellent two wheeler service centers will be consistently courteous with customers.(Assurance)	E-16	4.7333
Personnel in excellent two wheeler service centers will have the knowledge to answer customer questions.(Assurance)	E-17	4.7267
Excellent two wheeler service centers will have personnel who give customers personal attention.(Tangibility)	E-20	4.7267

The highest expectation statement is E-1, E-20 in Tangibility statement. Two of the statements are from Assurance E-16 and E-17 and E-9 is from reliability.

TABLE 3: SHOWS THE LOWEST EXPECTATION STATEMENTS

Lowest Expectation Statements	Statement Number	Mean Score
Personnel in excellent two wheeler service centers will give prompt service to customers.(Responsiveness)	E-11	4.48
When a customer has a problem, excellent two wheeler service centers will show sincere interest in solving it.(Reliability)	E-6	4.48
Excellent two wheeler service centers will get thing right the first time.(Reliability)	E-7	4.5
When excellent two wheeler service centers promise to do something by a certain time they will do so. (Reliability)	E-5	4.51
Customers of excellent two wheeler service centers will feel safe in their dealing with the service center. (Assurance)	E-15	4.52

In the table 3 three statements are from the dimension reliability E-5, E-6, E-7. One of the statements is from Assurance E-15 and E-11 from responsiveness

TABLE 4: SHOWS THE HIGHEST PERCEPTION STATEMENTS

Highest Perception Statements	Statement Number	Mean Score
You feel safe in your dealings with the service center.(Assurance)	P-15	4.13
The behavior of personnel in two wheeler service center instills confidence in you.(Seeking commitment for next service.(Assurance)	P-14	3.94
The two wheeler service center has modern looking equipment.(Tangibility)	P-1	3.92
Personnel in two wheeler service center have the knowledge to answer your questions.(Assurance)	P-17	3.873
The personnel of two wheeler service center understand your specific needs.(Assurance)	P-22	3.833

The highest perception statements are P-14, P-15, P17, and P22 under assurance dimension and P-1 is under tangibility dimension.

TABLE 5: SHOWS THE LOWEST PERCEPTION STATEMENTS

Lowest perception statement	Statement Number	Mean Score
The two wheeler service center has operating hours convenient to all its customers. (Empathy)	P-19	2.633
Personnel in two wheeler service center give you prompt service.(Responsiveness)	P-11	2.827
The personnel in two wheeler service center tell you exactly when services will be performed.(Responsiveness)	P-10	3.28
When the two wheeler service center promise to do something by a certain time it does so.(Reliability)	P-5	3.427
The two wheeler service center provides its service at the time it promise to do so.(Reliability)	P-8	3.44

The lowest perception statement is P-14 under empathy dimension, and the other lowest statement is P-11 and P-10 under the dimension of responsiveness. However there are two other statement P-5 and P-8 under reliability statement.

TABLE 6: SHOWS THE HIGHEST SERVICE GAP STATEMENT

Highest service Gap	Statement Number	Mean Score
Materials associate with the service (such as Pamphlets or statements) will be visually appeal in an excellent two wheeler service center.(Tangibility)	S-3	2.75
Excellent two wheeler service centers will have operating hours convenient to all their customers. (Empathy)	S-19	1.96
Personnel in excellent two wheeler service centers will give prompt service to customers.(Responsiveness)	S-11	1.653
Personnel in excellent two wheeler service centers will tell customers exactly when service will be performed.(Responsiveness)	S-10	1.333
Excellent two wheeler service centers will provide their services at the time they promise to do so.(Reliability)	S-8	1.12

The highest difference between expectation and the perception is in the statement is 19 under the dimension of Empathy. The next Largest gap statement is S-10 and S-11 which comes under the dimension of Responsiveness and two another statements which comes under the dimension of reliability S-8 and S5.

TABLE 7: SHOWS THE LOWEST SERVICE GAPS STATEMENT

Lowest Service Gap	Statement Number	Mean Score
Customers of excellent two wheeler service centers will feel safe in their dealing with the service center.(Assurance)	S-15	0.393
The behavior of personnel in excellent two wheeler service centers will instill confidence in customers. (Assurance)	S-14	0.74
When a customer has a problem, excellent two wheeler service centers will show sincere interest in solving it.(Reliability)	S-6	0.8
Excellent two wheeler service centers will have modern looking Equipment.(Tangibility)	S-1	0.82
The personnel of excellent two wheeler service centers will understand the specific need of customers.(Empathy)	S-22	0.84

The lowest service gap between expectation and perception is S-15, S-14 which are under the dimension of the Assurance. Next three are the lowest gap in the statement is S-6,S-1,S-22 which are under dimension reliability, Tangibility, Empathy.

TABLE 8: GAP SCORE

Dimensions	Expectations	Perception	Total Gap Score	Average Gap Score
Tangibility	23.57	17.02	6.6	1.61
Reliability	22.78	17.83	5	.99
Responsiveness	18.28	13.23	5.1	1.26
Assurance	18.66	15.78	2.9	.72
Empathy	23.10	17.38	5.73	1.14
Total				5.72

The upper table shows the average gap score which is calculated by E statements under one dimension – P statements under one dimension. Then add all the statement under one dimension by their own of both sides and divide by number of statements under one dimension by doing this mean is calculated after that Subtract both Dimension mean from each other. The difference between expectation and perception is Gap.

TABLE 9: ASSIGNING WEIGHTS

S.no	STATEMENTS	DIMENTIONS	%
1	The appearance of the service centers physical facilities, equipment, personnel and communication materials.	Tangibles	20
2	The service centers ability to perform the promised service dependably and accurately.	Reliability	20
3	The service centers willingness to help patients and provide a prompt service.	Responsiveness	20
4	The knowledge and courtesy of the service center personnel and their ability to convey trust and confidence.	Assurance	20
5	The caring, individualized attention the service centers provides its customers.	Empathy	20
	Total		100

The next step is to assign the weight to each dimension for each dimension we assign equal weights because an organization wants to know for each dimension equally where it is lacking. All the dimension for an organization is important because each dimension has its own importance. Every customer has different importance for different dimension.

TABLE 10: MULTIPLICATION OF UN-WEIGHTED SCORES AND WEIGHTED SCORES

Dimensions	Expectations	Perception	Total Gap Score	Average Gap Score	Weight	Weighted Score	Priority
Tangibility	23.57	17.02	6.6	1.61	0.20	0.322	5
Reliability	22.78	17.83	5	.99	0.20	0.198	2
Responsiveness	18.28	13.23	5.1	1.26	0.20	0.252	4
Assurance	18.66	15.78	2.9	.72	0.20	0.144	1
Empathy	23.10	17.38	5.73	1.14	0.20	0.228	3
Total						1.14	

In this table finally weights are assigned to the each dimension and priority given to the dimension. It shows that which dimension customer rank first and which to last.

FINDINGS

While analyzing the data it is found that the customers of service station in Nangal Dam are not satisfied with the services of the service stations. There is some correlation between all the statements which has highest gap.

- The lowest service gap is in assurance and reliability it shows that customer is satisfied with the behavior of staff they feel secured and increase builds their confidence within the customers. The service centers are using modern equipment for their services with which they are satisfied but it is not up to mark because the data is collected on the five point scale and the gap is much high.
- The highest service gaps is found in tangibility and reliability it shows that the claims on the pamphlets are wrong which are miss leading to the customers. Secondly, convenient hours when customer is in problem during late hours he never got service from the service centers due to which gap is increased.

- In responsiveness they never got prompt services from the service providers due to which customers are highly dissatisfied with the services of the service centers. In Nangal Dam 95% of the population (census 2001) are service man due to which during their duty hours they have very limited time to go out for services and they need prompt services but service station not provide it. Secondly, the service man never gives exact time in how much time service will perform. This increases the dissatisfaction level among service centers.

RECOMMENDATIONS

- Two wheeler service centre should improve the written material claims made by them IT should be accurate because wrong claims leads to de marketing of the product and services provide by them. Every customer has almost negative perception towards every service station about this statement. So, it can be a first mover advantage for the service station who will improve this mistake. Word of mouth is one of the effective advertisements in today's world. In the small town (Nangal Dam) to gain the market takes years but negative marketing takes few hours. So, a service station should take care for it.
- There should be convenient hours for repair for the customer's vehicle. In Indian scenario it has been never seen that a service station works for 24- hours but now increases in the number of vehicles in the market there should be the option of 24- hour's services for the customers. This will make convenient for service man who has no time during their duty hours. If it will implemented by one of the service station on the one it's services sale increases on the other hand whenever the customers want to purchase the new two wheeler he give priority to that dealer which provide him convenient service option.
- Overall customer are satisfied with the personnel of the service station but not satisfied with the management reason behind that highest perception are from the assurance dimension and lowest perception is from convenient hours, prompt services, service by the promise time these all are not in the hand of lower staff it is in the hand of top management. So, there should be room for improvement in the service station from the management side.

CONCLUSION

The Overall results of this study have several implications for individual service station at Nangal Dam. This research has revealed a lot of information about what the customers in the Nangal Dam district expect from the service stations. This analysis would help them to identify the gap areas in their service designs and would help them make the necessary changes. This study identifies and recommends specifically, what these service stations have to do to reduce this gap and enhance their services effectively and efficiently.

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A STUDY OF PROBLEMS & PROSPECTS OF INTERNET RETAILING IN INDIA

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ABSTRACT

At a basic level, any commercial transaction that involves a direct sale to a consumer at any point of time may be termed as retailing. Retailers have always been subject to enormous competitive strain and the commonly perceived solution is to add 'e' to the business model in an attempt to capture the attention of a global shopping audience. Such an initiative results in no more than an additional channel and the successful company must have more than an electronic distribution medium - it must continue to provide what its customers want. Retailing can be the selling of apparel, books, music, footwear, grocery items or other things. Such a retail trade could take place in a shopping mall, a mom-and-pop store, a department store, or in a friendly neighborhood grocery shop. Most of such retail trades that can be done through the brick-and-mortar retailing route can be successfully replicated over the Internet as well. In the traditional sense, the term Retailing referred to the final transaction between a business and a customer (B2C). In this paper researcher focused on benefits of internet retailing to consumers and business, Important Steps for setting up a Online Store, and various Problems of Internet Retailing, and finally researcher suggests some important strategic tips to Internet Retailers for increasing the Online Sales.

KEYWORDS

Retailing, Internet Retailing, Online store, Online sale.

INTRODUCTION

Internet-retailing, most commonly known as e-tailing is nothing but shopping through the Internet and other media forms. There are many things that are common between direct retail stores and online retail stores. Both have the process of billing of the customers and have to maintain a relationship with the suppliers. (Source: Bottlenecks Faced By E-Retailing in India).

The benefits of internet retailing are unanimously accepted and acknowledged by most manufacturers, retailers and consumers alike. From manufacturers and retailers' perspective, internet retailing offers benefits in the form of cost-effectiveness, profitability and easy accessibility and can be utilized across diverse products and services in grocery as well as non-grocery items. Internet retailing allows greater access to products, enabling second tier cities and suburbs to acquire a wider variety of goods. At the same time, the internet allows consumers to compare and contrast price points and product benefits and thus make informed decisions on purchases. While internet surfing, emailing and other web-enabled services gained vast popularity, the internet retailing and actual purchases are confined to a very niche consumer base.

BENEFITS OF INTERNET RETAILING TO THE CUSTOMER

1. Convenience
2. Better information
3. Competitive pricing
4. Customization
5. Shopping anywhere, anytime

BENEFITS OF INTERNET RETAILING TO THE BUSINESS

1. Global reach
2. Better customer service
3. Low capital cost
4. Mass customization
5. Targeted marketing
6. More value added services
7. New forms of specialized stores and niche marketing

IMPORTANT STEPS FOR SETTING UP A ONLINE STORE

A good way to start is to clarify the following before you take the first step of going into business online. Keep in mind that most of the difficulties an Online Retailer faces are decisions related to identifying and approaching your consumers and finding the right models to service their orders....and not related to technology...

- What are you planning to sell?
Retailer wants to move only a few categories or products from your complete range online, or may want to move them online in phases. Just because you can move your whole range online easily doesn't mean that you should do that. It can easily lead to supply related issues and customer dissatisfaction which can rub off on your physical retail operations.
- What will your target customers be?
It's no use if the target customers are people who do not use the internet at all.
- What are the likely volumes you can expect?
Put in some target levels just so that it can have something to shoot at...Keep revising the targets as it move forward...
- What level of effort do you want to put in?
Can retailer spare a team to manage the online store....will the people have part time responsibility? Or want to bring a specialist partner in....or want to just do a pilot before launching full Online Retail operations...
- Retailer may also want to have a look at competitors who already have an online store and learn from their experience.
- Once retailer decided the approach.....then need to get the web store in order.

BOOKING YOUR WEBSITE

Decide the online store name and book the website with a Domain Registration provider. This is usually very cheap and it will find dozens of service provider through Google. Retailer may also want to book additional site names which sound similar to your website. Most businesses will already own their websites and if retailer still don't have it retailer may find someone else owns the website with the businesses name!!

GETTING YOUR WEBSITE IN PLACE

Next retailer need to decide the strategy to create website...keep in mind that website will consist of the following

- A website front which will be visible to the customer
- A content management tool , which will help maintain and update the website (pictures , prices etc)
- A backend database which stores all product data and attributes (prices etc)
- Additionally there will be a whole set of activities to ensure that your website runs efficiently and attracts business. Typically these would be handled by the Marketing department in a physical retail operation

There are three strategies that an Online Retailer can follow:

1. Use a standard ecommerce platform to setup a website quickly and start doing business. An ecommerce platform would have standard functionality available for loading content and images, manage prices and market your website.
2. Custom develop your website to your requirements , use a third party tool or custom build a content management program for loading content and images and use third part tools , services to market your website.
3. Use a hybrid approach where the website is setup quickly using an ecommerce platform to be up and running quickly, but develop a custom application over the long term.

PROBLEMS OF INTERNET RETAILING

Problems with the Payment System: People in India are not used to the online shopping system and moreover the online payment system through the credit card is also totally alien to them. Most of them do not avail of the transaction facilities offered by the credit cards. They are also dubious regarding the online payment system through the credit cards. Hence different payment options should be made available to them like the credit card, cash on delivery and net banking to give them further assurance.

Problems with Shipping: The customers using the online shopping channel should be assured that the products that they have ordered would reach them in due time. For this the retail companies have resorted to private guaranteed courier services as compared to postal services.

Offline presence: The customers should be assured that the online retailers are not only available online but offline as well. This gives them the psychological comfort that these companies can be relied upon.

Products offered at discounted rates: The online retailers save on the cost of building and employee salaries. Some part of this benefit should also be enjoyed by the online customers by a reduction in the price of the product. The customers should be conveyed this message that they are getting the products at a discounted price.

Language Problem: Most internet retail shops use English as their mode of communication. English may not be comprehensible to the majority of the Indian population. To increase the customer base, content in the online retail shops should be provided in local language.

Another reason why the concept of internet retailing or online retailing has not gained prominence in India is that the Indians prefer to touch the products physically before buying them. This facility is provided through the multi-brand outlets, not available online. Studies have revealed the preferences of the customers towards the traditional shopping methods. Hence the retailer online should first make it a point to spot the potential customers and accordingly plan out the product. If the customers are more open to online shopping, then nothing can be more beneficial. They save the time and effort to visit, departmental stores, shopping malls, etc. products can be delivered by a click of the mouse.

Another problem is that the retail industry is standing on its point of inflexion and considering its infant stage, it would take time for the new concept of e-retailing to take off.

GROWTH OF INTERNET RETAILING IN INDIA

Unlike other developed countries, Indians are not overly enthusiastic about non-store retailing. Indian consumers' prefer to touch and feel items before making their purchasing decisions and prefer to go to a physical store instead. Also the products are not standardized and there could be tremendous amount of variability in products, sizes etc. This proved the key challenge for internet retailing and it therefore enjoyed only a restricted appeal for Indian consumers. Besides pure play internet retailers, companies such as Fabmall (India) Pvt Ltd decided to adopt a mix of online and offline retailing. Fab Mall's online-offline model is unique in Indian retailing but demonstrates how positive synergies can be achieved between the conventional retail models and the new age online counterparts. Customers can order online and pick up offline. During busy periods, this can reduce crowds and checkout times. The online channel can also help build a customer loyalty program, increase direct interaction at lower costs and help to build the Fab Mall brand making up 23 percent of the value shares in internet retail in 2005. LG Ezbuy was at the forefront of internet retailing. Its success is due to its high value durable goods sales, despite the small volume sales that it contributed. However, it is yet to take off in a big way as a revenue contributor for LG Electronics.

ONLINE RETAILING WEBSITES IN INDIA

E Bay is heading the race of online retailers. In this race it has become very difficult to determine the online retail store that makes the products available at convenient and cheap rates. From this very difficulty has cropped up comparison sites. Comparison is done on the basis of an index which is constructed from the data available from different shopping sites. The bechna.com and the ultop.com are such sites though many more sites are entering this zone. The comparison sites not only help to choose the online sites that would be providing the best deal but also offline as well. Sites like Rediffproductsearch, Compare India.com have constructed the data that is taken from the conventional local retailers. These sites help the customer in finding out the local retail store that will best suit his purpose.

Internet marketing has been increasing around in India since last 5 years. However, e-commerce has picked up only recently and Online Marketing is slowly growing up in India too. Currently, most of the business people were doing their business through online due to more technology development and internet users across the India. Day by day, online shopping is truly catching on in India, traditional brick and mortar stores are also getting the hand of doing business online. The trends demonstrate that traditional stores will keep on doing sufficient business while the online stores increase their virtual presence on the internet. The internet is also proving to a boon in disguise for many small and medium enterprises, which are joining hands with major Indian online portals to display their products and advertise their services. Internet Marketing is one of today's fastest growing marketing opportunities. With the use of today's Internet Marketing medium one can open doors to potential client who will be able to search and seek your website through the use of Search Engines.

FUTURE OF INTERNET RETAILING IN INDIA

There are divergent views on the future of e-retailing in India. Some experts are of the opinion that the giant, big brand retailers would dominate the small ones due to their wider investment capacities. It would be next to impossible for the small retailers and the kiranas to prove their existence in the battlefield of online retailing. Another viewpoint is that there would be an exponential growth in the online retailing business in India.

STRATEGIES FOR INTERNET RETAILING

Online marketing will increase the customers for your business, and enhance branding of the company and the business. Researcher suggesting some of the internet marketing strategies for local retailer which will help to grow up the business.

- Design the website with search engine friendly strategies and start effective web design and development.

- Work on the search engine rankings for your keywords in all the major search engines by using good Search Engine Optimization Techniques.
- Start working on effective Email Marketing and update to the customers about your website business.
- Increase the affiliate and associate marketing programs for your website.
- Always go for the analysis of your website by using the competitor analysis and web analytics tools.
- Publish website articles by using quality content.
- Distribute press release content across the press release websites.
- Create a blog and update it with fresh content, so that the customers will read about your website updations.
- Distribute your website across various social bookmarking websites.

IMPORTANT STRATEGIC TIPS TO INTERNET RETAILERS FOR INCREASING THE ONLINE SALES

Product Optimization: Make sure your product copy is optimized, which includes links to brochures, technical descriptions and buying guides etc.

Product Images/Gallery: Unfortunate images do not motivate assurance so don't use them. Use multiple images/views and reflect on the use of video to help sell the product.

User Product Reviews/Comments: Research shows that these work, increasing conversions by as much as 20%, make sure you use customer feedback to help sell your products.

Cross Sell: Take every opportunity to up sell and cross-sell by linking associated products, accessories/add-ons, 'people, who bought this, also bought that' and promotional bundles.

Delivery Charges and Profits: Don't make customers wait until the checkout to find out the release charge. Make sure that these are crystal clear and without difficulty located.

Contact Information: Make it easy for customers to get in touch and always include a phone number and other contact details on contact page or any of other pages. This can be the variation between making and losing the sale.

Registration: In order to reduce shopping cart rejection, we should have procedure to checkout without registration option.

Customer Assurance: Ensure that you display your secure SSL server certifications for customer data and payment processing.

Advertising: Evaluate your ecommerce website to make sure it is optimized for purchaser conscription via the search engines. Use email marketing to build customer loyalty and engage in social media marketing via blogs, forums and networks.

CONCLUSION

At a basic level, any commercial transaction that involves a direct sale to a consumer at any point of time may be termed as retailing. Retailers have always been subject to enormous competitive strain and the commonly perceived solution is to add 'e' to the business model in an attempt to capture the attention of a global shopping audience. Such an initiative results in no more than an additional channel and the successful company must have more than an electronic distribution medium - it must continue to provide what its customers want. Retailing can be the selling of apparel, books, music, footwear, grocery items or other things. Such a retail trade could take place in a shopping mall, a mom-and-pop store, a department store, or in a friendly neighborhood grocery shop. Most of such retail trades that can be done through the brick-and-mortar retailing route can be successfully replicated over the Internet as well. In the traditional sense, the term Retailing referred to the final transaction between a business and a customer (B2C). E-tailing / internet retailing currently accounts for 8% of the retail purchases in the U.S. Amazon is clearly the leading e-tailers in terms of its reach, projected buyers and the unique users around the world. E-tailing / internet retailing offers the consumers huge amounts of information in the form of web sites with useful links to similar sites that allows consumers to compare products by looking at individual items. The convenience of online shopping is unmatched indeed. Shopping out of your home or office reduces the stresses of waiting in lines and dealing with irritating sales people. However, E-tailing / internet retailing causes problems with fit, since the consumer cannot try the items on. Return policies may also act as turn offs and items can be difficult to return. The shipping and handling costs may turn the customers away. e-tailing / internet retailing requires technology savvy customers and this puts a limit on its potential reach. We can see that E-tailing is emerging as an interesting phenomenon in the retail industry that is on a rise despite the disadvantages associated with it. Finally the researcher can conclude that internet retailing should be the new revolution for the customers but ultimately the customers must understand it accurately and accept the way of online shopping and experience the revolution of internet shopping.

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ORGANISATIONAL OUTCOMES OF EFFECTIVE RELATIONSHIP MARKETING IN INDIAN INSURANCE COMPANIES

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ABSTRACT

This study will propound and examine the premise that relationship marketing when fully embraced, i.e. where there is a true balance between 'giving and getting' and where loyalty is based on trust and partnership, will prove to be one of the most significant policies to be pursued in the development and nourishment of competitive advantage. The importance of the relational benefits, internal marketing and relationship quality criteria and their influence on organizational commitment in Indian insurance companies as a key to relationship marketing success. The assessment is conducted by means of questionnaires. Correlation analysis was employed to test the validity of the procedure. The empirical study findings confirmed positive relationships between relationship marketing, enterprises performance and increasing its market share in the target industry as an organizational Outcomes. One important contribution of this study is that relationship marketing leads to insurance enterprise performance through some moderating variables. The proposed relationship marketing instrument can be used to solve the issues of relationship marketing development in Indian Insurance companies. The study advances the understanding of performance- increasing market share as an organizational outcomes based on relationship marketing research by investigating structural relationships among relational benefits, internal marketing, direct marketing and relationship quality criteria, and organizational outcomes in Indian Insurance companies.

KEYWORDS

Relational benefits, internal marketing, direct marketing, relationship quality, Indian Insurance companies and organizational outcomes.

INTRODUCTION

Since the term 'relationship marketing' was known, more than twenty years ago, it has increasingly attracted the attention of researchers and practitioners. Notwithstanding the existence of a large and growing body of literature on the subject, there continues to be ambiguity about the nature of marketing relationships and the benefits that accrue to organizations and their partners. In part this vagueness may reflect the variety of experience across different contexts and the difficulty of measuring some types of benefits. However, relationship marketing emphasizes that relationships are partnerships. The emphasis is on social bonding, co-operation, and joint problem solving, sharing resources and activities, and basing relationship on common goals. Moreover, relationship marketing emphasizes that long-term relationships are mutually beneficial. If we have genuine partnerships, as relationship marketing suggests, we might expect to see both sides of the dyad sharing similar views about the nature of a relationship. However, very little research has looked at dyads because of the difficulty of collecting data. Using a multiple case study of the relationships between Indian Insurance Companies and their corporate clients, this article examines the nature, management and performance of marketing relationships from the perspectives of both provider and customer. Particular attention is paid to the role of bonds in structuring relationships and their implications for its nature and outcomes. The article begins with a conceptual overview that briefly introduces relationship marketing and reviews some concepts that provide the background to the research.

THEORETICAL BACKGROUND

Relationship quality can be regarded as a metaconstruct composed of several key components reflecting the overall nature of relationships between companies and consumers. Although there is not a common consensus regarding the conceptualization of relationship quality, there has been considerable speculation as to the central constructs comprising this overarching relational construct (Hennig - Thureau 2000). Components or dimensions of relationship quality proposed in past research include cooperative norms (Baker, Simpson, and Siguaw 1999), opportunism (Dorsch, Swanson, and Kelley 1998), customer orientation (Dorsch, Swanson, and Kelley 1998); In relationship quality research, the three core variables of satisfaction, trust, and commitment are treated as interrelated rather than independent. According to these researchers, relational benefits include confidence benefits, which refer to perceptions of reduced anxiety and comfort in knowing what to expect in the service encounter; social benefits, which pertain to the emotional part of the relationship and are characterized by personal recognition of customers by employees, the customer's own familiarity with employees, and the creation of friendships between customers and employees; and special treatment benefits, which take the form of relational consumers receiving price breaks, faster service, or individualized additional services. These relational benefits are benefits that exist above and beyond the core service provided.

INTERNATIONAL MARKETING

Meager empirical research on internal marketing has focused on outcomes at the employee level. These include job satisfaction (e.g., Ahmed, Rafiq, and Saad 2003; Hwang and Chi 2005), work motivation, and organizational commitment (e.g., Caruana and Calleya 1998; Mukherjee and Malhotra 2006). Previous research on internal marketing, both conceptual and empirical, concurs on three important themes. First, it is crucial that employees are "well-attuned to the mission, goals, strategies, and systems of the company" (Gummesson 1987, p. 24). Second, internal marketing builds on the formation of a corporate identity or collective mind (Ahmed and Rafiq 2002). Third, internal marketing must go beyond short-term marketing training programs and evolve into a management philosophy that requires multilevel management to continuously encourage and enhance employees' understanding of their roles and organizations (Berry, Hensel, and Burke 1976).

RELATIONSHIP MARKETING OUTCOMES

All relationship marketing activities are ultimately evaluated on the basis of the company's overall profitability. However, as a firm's profitability is influenced by a number of variables largely independent of relationship marketing activities, it seems appropriate to conceptualize relationship marketing outcomes on a more

concrete level when investigating possible antecedents. Two constructs are referred to in the marketing literature as key relationship marketing outcomes: customer loyalty and (positive) customer word-of-mouth communication. Loyalty is a primary goal of relationship marketing and sometimes even equated with the relationship marketing concept itself (Sheth, 1996). This body of research has found customer loyalty to positively influence profitability through cost reduction effects and increased revenues per customer (Berry, 1995). With regard to cost reduction effects, it is widely reported that retaining loyal customers is less cost intensive than gaining new ones and that expenses for customer care decrease during later phases of the relationship life cycle due to the growing expertise of experienced customers. Customer loyalty is also reported to contribute to increased revenues along the relationship life cycle because of cross-selling activities and increased customer penetration rates. Positive word-of-mouth communication, defined as all informal communications between a customer and others.

RESEARCH OBJECTIVES

This study attempts to examine the extent to which the concept of relationship marketing clearly understood and adopted by Indian insurance companies. This study is cause and effects in nature and seeks to answer the following research questions:

1. To what extent is the term of Relationship Quality (customer satisfaction, customer commitment). Adopted by top management of Insurance companies and its affects on Relationship marketing Outcomes.
2. To what extent is the term of Relational Benefits (confidence benefits, social benefits, and special treatment benefits) adopted by top management and its affects on Relationship marketing Outcomes in Insurance sector.
3. To what extent is the term of internal marketing adopted by top management and its affects on Relationship marketing Outcomes.
4. To what extent is the term of direct marketing adopted by top management and its affects on Relationship marketing Outcomes.

SIGNIFICANCE OF THE STUDY

The importance of developing and maintaining enduring relationships with customers of service businesses is generally accepted in the marketing literature. A key challenge for researchers is to identify and understand how managerially controlled antecedent variables influence important relationship marketing outcomes in Insurance sector. The study also expected to make recommendations to business managers on the critical role of marketing relationship in doing business, particularly in competitive markets of Insurance.

HYPOTHESIS OF THE STUDY

In order to investigate the effects of relationship marketing criteria on organizational outcomes (relationship marketing outcomes) and also the importance of these criteria, the following research question has been proposed: What are the effects of relationship marketing criteria on organizational outcomes?

Also related to this, a set of hypotheses have been formulated that link the criteria of relationship marketing to organizational outcomes as follows:

- H1: Relationship quality has a positive effect on organizational outcomes.
 H2: Relational Benefits has a positive effect on organizational outcomes.
 H3: Internal marketing has a positive effect on organizational outcomes.
 H4: Direct marketing has a positive effect on organizational outcomes.

METHODOLOGY

This study is cause and effect in nature and relies on a field survey to collect the required data.

DATA COLLECTION

All Indian insurance companies are included in the survey. The survey was directed to the top and middle management in each organization. Whose opinions reflect management practices in their organizations? A self-administered questionnaire was used to collect the required data. A total of 25 Insurance companies were included in the survey. Using the drop and collect method, the researchers gave four questionnaires to the top and middle management in each company and then collected it within 30 days. The highly controlled data collection procedures ensured 85% response rate. To reduce non-response rate the questionnaire was accompanied with a letter to describe that what purpose the survey was conducted.

RESEARCH TOOL

The required data was collected by the means of a self-administered questionnaire, which was developed for this purpose. The questionnaire was validated through a mini survey of academics and experts. Their opinions and comments were considered in the final version of the questionnaire.

RELIABILITY TEST

By using validity, reliability and pilot test, we further analyzed the data that respondents provided us in more accurate. In order to recognize the validity and reliability of the data, principal component factor analysis was performed and Cronbach's coefficient alpha for each criterion has been calculated. The reliability correlation was examined by Cronbach alpha and found 81%, which is considered acceptable for this research. Because it is more than accepted value (0.60). (Malhotra, K. 2007) Multiple regressions allow the researcher to examine the effect of many different factors on some outcome at the same time. In this research in order to test the mentioned hypotheses, all of the items that make up each of the relationship marketing criterion, including relationship quality, relational benefits, internal marketing and direct marketing have been summed up and then a multiple regression has been run with these as independent variables and organizational outcomes as the dependent variable.

RESULTS AND DISCUSSION

A total number of 85 fully completed and tested. The initial analysis using SPSS consisted of descriptive statistics in terms of means and standard deviation for each item. The rotated component matrix has been appeared in Table (1). Regression analysis was conducted by using SPSS in order to examine the effect of relationship marketing criteria on organizational outcomes at the same time. The ANOVA; Analysis of variance in Table (2) has been used to check how well the model fits the data.

TABLE 1: CRANACH'S COEFFICIENT ALPHA OF RELATIONSHIP MARKETING CRITERIA

Relationship Marketing Criteria	Cronbach's Coefficient Alpha
Relationship quality	0.79
Relational Benefits	0.81
Internal marketing	0.83
Direct marketing	0.81

TABLE 2: ROTATED COMPONENT MATRIX FOR RELATIONSHIP MARKETING CRITERIA

Question	Component				
	1	2	3	4	5
Direct marketing					
Direct Mail. Telemarketing (both inbound and outbound). Direct response advertising (coupon response or "phone now"). Catalogue marketing. Electronic media (internet, e-mail, interactive cable TV). Inserts (leaflets in magazines). Door-to-door leafleting.	0.81	0.90	0.45 -0.33	-0.42 0.41	
Internal marketing					
Job security Organizational commitment Marketing training programs Freedom in job. Clarity of tasks. Work motivation Rewards and incentives Decentralized communications Equity of salaries. Involving employees in decision making Friendly contacts with personnel Clarity of employee role Job satisfaction	0.71 0.81 0.31 0.81 0.85	0.81	0.38 0.40 0.42 -0.30 0.63 0.33	0.35	0.31
Relational Benefits					
Core service benefits for customers Supplementary service benefits for customers After sale service benefits for customers Benefits for employees.	0.90 0.81 0.86		-0.30		
Relationship quality					
Customer satisfaction with the service provider's performance 0.81 Trust in the service provider 0.40 Commitment to the relationship with the service firm 0.79 After sale services 0.82 Additional and more services than other customers. 0.81	0.81 0.40 0.82 0.81	0.79			

TABLE 3: MODEL SUMMERY AND ANOVA

Sig.	F	Mean Squares	DF	Sum of Squares	Model
0	324.7183	273.406	3	820.22	Reg. 1/ residual, Total
		0.841979	96	80.83	Reg. 2/residual, Total

1/: predictors (constant): internal marketing, relationship quality, Dependent variable organizational outcomes. 2/:

predictors (constant): direct marketing, relational benefits, and Dependent variable organizational outcomes. F ratio represent the ratio of improvement in prediction that results from fitting the model labeled regression in the table relative to the inaccuracy that still exist in the model labeled residual. Here the F ratio is highly significant. The Sig. Column on the table (4) presents the statistical significance of all variable.

TABLE 4: COEFFICIENT

Model	Unstandardized coefficient		Standardized coefficient	t	Sig.
	B	Std. Error	Beta		
Constant	4.9	3.1		1.59	0.012
Relational benefits	-0.6	0.64	-0.09	-1.85	0.039
Internal marketing	0.26	0.34	0.06	1.69	0.050
Relationship quality	-0.36	0.364	-0.10	-1.93	0.040
Direct marketing	-0.1	0.38	-0.03	-1.33	0.080

Sig column has been checked for values below approximately 0.05 levels. Three out of five construct including relational benefits, internal marketing and relationship quality meet this standard and they are significant predictors. The standardized coefficient in (B) Column has been used to assess the effect of each predictor. According to table 4 the findings provide support for the 1st, 2nd and the 3rd hypothesis. In significant level less than 0.05 we can state with 95% confidence that relational benefits, internal marketing and relationship quality have positive effects on organizational outcomes. Also the findings fail to support the 4th hypotheses including direct marketing. We fail to observe the effect proposed by the hypotheses in significance level less than 0.05. The higher the absolute value of Beta, the more important variable in predicting the organizational outcomes. In this case the more important predictors are Relationship quality (Beta= -0.10), Relational benefits (Beta= -0.09) and Internal marketing (Beta= 0.06) among all other criteria. The result revealed that top management and marketing managers believe that relationship quality has the first priority and the respectively relational benefits and internal marketing. For the enhancement of organizational performance and better service quality.

TABLE 5: ONE-WAY ANOVA RESULTS FOR DIFFERENCES BASED ON EDUCATIONAL LEVEL AND EXPERIENCE

Relationship marketing criteria	Educational level		Experience level	
	F	P	F	P
Relationship quality	1.17	0.33	2.82	0.03
Relational benefits	0.16	0.90	0.87	0.49
Internal marketing	1.23	0.30	2.2	0.07
Direct marketing	0.49	0.70	1.49	0.21

According to Table 5 the result of one-way ANOVA test indicated that there were no significant differences between managers attitudes and their educational level, instead there are significant differences between their attitudes and their experiences, regarding the effect of internal marketing criteria on

organizational commitment of employees.

CONCLUSION

This study shows the importance of relational benefits, internal marketing and relationship quality criteria and their influence on organizational commitment in Indian insurance companies. The research highlighted the effect of inter-functional coordination and integration of relational benefits, internal marketing and relationship quality criteria on organizational commitment managers in Indian insurance companies by adopting proper policies, allocate their resources more efficiently and perform their strategies as well as proper marketing plans and more successfully. This research focused on Indian insurance companies and generalization of the research findings to the other financial sector in Indian.

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WORLD

E – GOVERNANCE: AN INITIATIVE TO PUBLIC DEVELOPMENT IN INDIA WITH SPECIAL REFERENCE TO ODISHA

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ABSTRACT

In countries like India major chunk of the people are living in rural part of the country. Most of these people are not sufficiently aware about the governmental initiative for the betterment of citizen. These people are cheated mostly by so called mediators (Dalals) of different objectives. Now a day government has taken a large step to help these people along with the educated mass through e – governance approach. The development of ICT and telecommunication technology helps a lot to modernize the public sector. The government in collaboration with states and NGOs has under taken various projects to help the citizen of India in their day to day activities and with the objective of right to information. Establishing e – governance there require good and updated IT infrastructure and change in the process of information sharing. There are lot many projects lunched by the government in state wise and country wise to make the information available and minimize the gap between governmental approach and citizen of the country.

KEYWORDS

e – governance, e – governance in India, e – governance approach in Odisha.

INTRODUCTION

We are all experienced of availing governmental services through different objective of our day to day life or for different means. Let us consider as an example of filing income tax return before 5 years or availing financial services benefits through equity market or to apply for our passport. At that time, it was a huge tasks ahead us. Now the time has been changed and time is now much costlier for every individual. There initiated some major steps to minimize the process time in the day to day public affaires and public awareness to the government plan and process. The basic objective is to educate the public who are unaware of the government benefits so that they should not be cheated or misguided or harassed by so called Babus (Government Official). The e – governance is a suitable step initiated in several countries to help the public and aware them about government plans and process for common man. The examples we focused up became very easy and quick due to the initiative of e - governance. The basics of such changes are mostly based on information availability, decentralization mechanism in process and mostly vital transparency and processing speed. In the future we will find e-governance in a better presentable and suitable format around the world in the next few years. As per the history of e – governance, such a good initiative has been started in Europe, USA and in other developed countries such as Australia and Singapore. Over the coming years, developing countries like India and their citizens can also accrue benefits from e – governance projects. This paper focus on e – governance, its objective and effectiveness, its scope and implementation process, challenges to e – governance, e – governance in India and e – governance steps for developing ‘state of heritage Odisha’.

E – GOVERNANCE: A BRIEF DESCRIPTION

Before starting the discussion, let us just focus on a simple and common example which we all might be experienced at least once in our life. Let us recall what the process, if we want to withdraw some money from our account in a bank and our mindset for the day. The common procedure we were experienced with

1. Go to the bank where we are having our account.
2. Find the right kind of withdrawal form.
3. Fill the form with proper information.
4. Wait in a long serpentine queue.
5. The executive of the bank need to pull a tray where there is bunch of files containing the form which a customer had filled at the time of opening the account and given his / her signature at the first time.
6. The executive will verify the signature and then it takes the cash, count it three or four times.
7. Finally we had received our money.

These above mention activities may take minimum 10 minutes and if it covered within the expected time we feel pretty relaxed and never forget to praise the executive for its smartness of doing the task. But today if the same executive will take 5 minutes even we will be impatience, because we have the advantage of e –commerce system and electronics fund transfer system, use of debit or credit cards with us which is irrespective of bank type (Depending upon the clearing house like VISA, Master and Maestro type) of location and we know how to use it.

Now a day, the time is precious to us and to make us update, we need to have many documents with us for different purpose. Some the basic documents which mostly required by every one like

1. The registration paper (Dalil / PATA) of our land.
2. Birth certificate.
3. Marriage certificate.
4. Death certificate.
5. Identity Card issued by Government etc.

We can also find many small important and updated governmental activities / services which need to be done in a periodical basis. As example there are payment of electric bill, municipality tax, water bill payment, holding bill payment, registration of vehicle and many more like this. In early days we are partially devoting a day or two to finish some of above activities.

All these were taking a long time because unawareness among the people or unavailability of information. Now with the development of ICT (Information Communication Technology) structure, we are all experienced that these entire tasks are very simple and easy one. We can get our land registration in online, we can pay our taxes online, we can apply birth certificate, marriage certificate in online process with 24X7 availability. Instead of a long queue or waiting for so called ‘BABUs’ of government offices, we finished it on a lick of mouse by staying our home even. These all process is possible now due to the initiative taken by government by decentralizing the responsibility and process. In case of any support we need from the government there are quick and easy customer service with whom we can interact and gather our required information or process at any time any where we need. Through the use of internet or email process, the citizen can have direct access to there problems or required aspects by using the governmental websites.

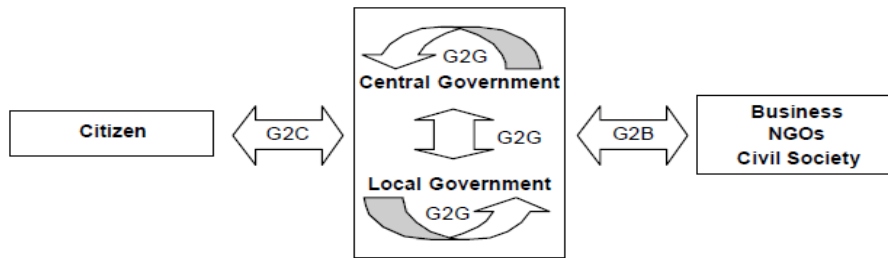
To make this possible and practicable the government should take some initiative and effective steps to support and help to its customers like the common citizen, business houses or self help group for the betterment of common people. As we know the government is a collector and source of information, it should try to adopt the trend and help its customers. In the other way the government can save cost and manpower by making its internal process clear, effective,

faster and adaptive one. As per some author and research person, the process of E – Governance can be represented as use of ICT (Information Communication Technique) to support good governance. So that the e – governance objective will be matched with the objective of a good governance. Good governance can be observed as exercise of economic, political, and administrative authority to better manage affairs of a country at all levels. If we want to see this representation is effective and properly working then there should a proper and strong relationship between government, government operation, e – democracy and e – governance.

E-GOVERNANCE FRAME

As we have discussed earlier, that the e – governance concentrate around three basic groups like the citizen, business house and the Government. For implementing the e – governance its not only the Government who need to focus on its internal objective but also there should be a strategic bonding and focus between the business house and the common people of the country. By focusing the international e-business research consultancy firm Gartner, and the research report of E – Governance and developing country by Michiel Backus (*Research report No. 3 April 2001*), the basic E – Governance communication between the three major groups are represented as

FIG – 1: E – GOVERNANCE FRAMEWORK



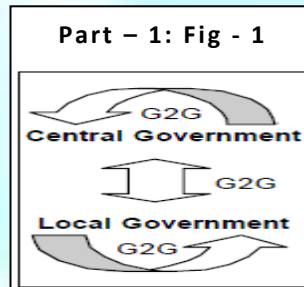
Source: *E – Governance and Developing Country, Research Report April 2001 by Michiel Backus*

OBSERVATION FROM FIG – 1

For the better understanding of the e – governance process methodology, let us divide the above figure in to three parts.

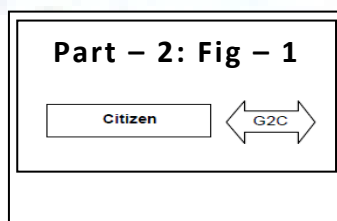
PART – 1

Let us focus on the center part of the model; we can find there is a strong relationship between the Central Government of the country and the Local Government (We can assume the state Government/local Government). The coordination between the state and central government is essential for implementing e –governance and it will be helpful to the common people of the locality. The operation processes in between the two governments are technically represented as G2G (Government to Government) communication. The basic design focus on the G2G communication lies on smooth and seamless function of the entire internal system. There should be new rules and regulations for a paperless transaction and most of all these paperless activities should be legally certified for the government and other associates. With such process we shall be able to save a lot of resource and time. Now we are having example of lot many government processes which are going online and paperless method. Some examples are like the e – tender, e – auction, e – secretariat, e – police and e – court process etc.



PART – 2

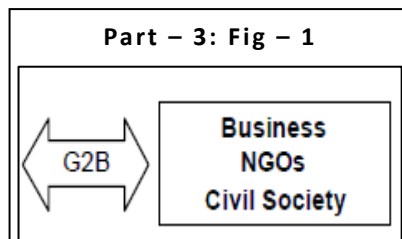
Now let us talk about the one of the most sensitive and concern area of e – Governance implementation, which is present on the left side of the Fig – 1. That is the Government to Citizen (G2C) communication or vice versa. The basic concern of this establishment is the communication from Government to Citizen and defining the accountability through various processes like accepting the citizen objective through improved public service process. There can be applied different mechanism like (a) The e – Citizen, whose basic service can be issuing Ration Cards, passport, payment water tax, Holding tax and other taxes etc. with the basic objective to provide a single window service to the governmental services. (b) The e – Transport, for providing services like motor vehicle registration, providing driving license, payment of toll tax and providing vehicle permit etc. (c) The e – Education, services like online application and fees payment to the education institutes, online course for educating the common citizen and many more these like services. The whole mechanism is only successful if there present sufficient information to all citizen and the access to these information need to be easy and quick enough. For a better maintenance and security it should provide proper security of the information for both Governmental information and public information, proper feedback system for better and improved services are required.



PART – 3

Now let us move to the last part of the Fig -1, to the other vital e – governance service like Government to Business (G2B) communication. As we know India is a great international market hubs consisting of international business giants and the Indian business giants are present, more over to support some of the large business houses, there also present some mediocre business houses. Apart from all these there are different businesses groups are present along with some

NGOs (Non Government Organization) are also functioning for various objectives. The G2B initiative will reduce many huddle and paper work required for these business house operation and Government monitoring process. Some of the common processes required by all these groups are like getting licenses for their firms by e - license, procurement process for both Business house and government by e – procurement, tendering process by e – tendering, standardize payment process through e – Commerce for enabling the payment procedure in an electronic way, generating Public Key Infrastructure for authentic and secured transaction, publication of standard information for common citizen, information receiving process from citizen to the business house or NGOs etc.



CHALLENGES TO E – GOVERNANCE IMPLEMENTATION IN INDIA

By looking into such a large decentralized advanced process and good technical infrastructure, there also present some basic problems for the implementation of e – governance. Some of the basic challenges can be stated as

- 1. Awareness:** As most of the people in Indian are not through about the language English, accessing the on – line service will be a great problem for them. So we need to focus the basics need of the people that is use of local language in the e – governance portal. There are present some technology which can convert English language into the other language. By such implementation the people can be aware about the service and information provided by e – governance and will feel comfortable to use the portal. In India the e – governance application is available in 22 different local languages. Moreover there nee to develop the e – readingness awareness in between the people for a successful and effective use of e – governance.
- 2. Infrastructure:** The e – governance implementation procedure initiate a complete re – engineering of the existing process. For initiating the re – engineering there need to aware the process designer and the process holder about the benefits of re – engineering and effectiveness. Because adoptability by the process holder and their interest is the key factor for developing infrastructure for e – governance. Apart from this there also need to have updated and efficient system, proper communication channel, proper supervision to the problem area, decentralization and maintenance of infrastructure need much effort for the success of e – governance.
- 3. Standardization and Delivery of Services:** As there is a huge practical difference between e – governance process design and service approach, the focus need to be there for balancing both the facts. The fundamental governmental process needs to be standardizing in the context of their objective irrespective of geographical, cultural and lingual difference. There should be followed unique technological process for all e – governance approach and their utilization. In to provide a better service there should be a balanced focus within the internal technological development and automation with the serviceable aspect to the citizen. As country like India where still PC and Internet is far away from the common citizen, there should be some proper plan for developing ICT infrastructure through out the country so that every body should be able to access the web information provided or meant for them.
- 4. Security and privacy of Information:** As e – governance is for all that is to the government and common people, there should be a proper security methods and reliable channel to be maintain to the information along with the proper method for authorizing and authenticating the user for accessing those information. Apart from these the information of the common citizen should be treated and maintain with proper security so that no violation or tampering can be avoided.

E – GOVERNANCE IN INDIA

“India” a country of verity, diversified and where mixed of people and culture stay together. It has stepped itself to a developing country with developing economic scenario but still a major chunk of citizens are in the blanket of ignorance and under developed. These people are basically the rural and semi urban people. Reaching to those people and making them aware of Governmental process and initiative is mostly required. With a good and strong initiative supported by Internet and Communication Technology (ICT) will help to let aware those people about the developing scenario of the country right to citizen principle. The e – governance initiative has been taken place by government of India in early 2000 and till now it has much developed in the regards of providing and supporting the citizen with their objective and helping them in many ways. Let us focus on some of these initiatives and their development in context of Central Government benefits.

CUSTOMS AND EXCISE (GOVERNMENT OF INDIA)

- 98% of export and 90-95% of import documentation computerized
- Electronic filing through ICEGATE at 3 locations (Mumbai, Delhi, Chennai)
- 80% of Service Tax returns electronically processed

Indian Railways (Government of India)

- Anywhere to Anywhere reservation from Anywhere
- Electronic Booking of tickets on select sectors
- Online Information on Railway reservation on Internet

Postal Department (Government of India)

- Direct e-credit of Monthly Income Scheme returns into the investors accounts
- Dematerialization of National Savings Certificate (NSC) and Kishan Vikas Patras (KVP), offering full portability

Passport / Visa (Government of India)

- 100% passport information computerized
- All 33 Regional Passport Offices covered
- Machine readable passports at some locations

Apart from these services there are too many e – governance project running in India at state level. Some of the major e – governance initiatives with respect to public development and benefits are:

- 1. Land / Property Related Services:** Some of these projects are running for the benefit of common public by helping then a quick and efficient result without corruption and too much unnecessary involvement of third party services. In some state these projects are also providing information about the market standard and pricing to the rural people so that the farmer can get their real cost of the labor they have given for earning their living hood. Project running under this segment are **Bhoomi** (State Government of Karnataka), **CARD** (State Government of Andhra Pradesh), **SARITA** (State Government of Maharashtra) **STAR** (State Government of Tamil Nadu).
- 2. Market Related Service:** In country like India, the food market is the rural India. There we can find the farmers are selling their complete production and the total of their labor of one year in the near by market usually called “Mandi”. There they sold it in very low price because of ignorance of current market

price and the pressure of local vendors. There are lot many initiatives are taken to provide them assistance for getting their real cost for their labor. Some of the initiatives are **ITC e – Choupal** and **Gyandoot** (State Government of Madhya Pradesh), **LOKMITRA** (State Government of Himachal Pradesh).

3. **Integrated Citizen Services Center:** Services like payment of electricity, water, telephone bills, payment of taxes, ticket reservations, filing of passport applications, registration of birth/death, payment by cash/cheque/ credit card through **e – mitra**.

INITIATIVES IN ODISHA

In the state of Odisha, the e – governance initiative has been taken placed and there are too many projects are running for the public development in the state. Through the ICT development and implementation and Unicode “Bhasah”, some of the e – governance projects of Odisha and there service objective are given below:

1. **Bhulekha:** The project has been taken care for computerization of land record and related issues through out the state of Odisha.
2. **Treasury Automation:** This project is focusing on automating processes at District Treasuries and Special Treasuries. The activity includes Bills payment, Pension Bills, Challans receipt etc.
3. **Odisha Telemedicine:** This particular service is very much helpful for providing medical service in rural Odisha. The project has been initiated with the help of ISRO and connected with some good medical colleges across the state and in India for providing health care solution to remote places through VSAT service.
4. **E - Shishu:** There is a unique e – governance project has been initiated in Odisha in the whole country with the support of OPEPA (**Orissa Primary Education Program Authority**). The basic objective is to keep the detail of child database within the year range of 14 including their socio economic status through Child Tracking system (CTS) and Intervention monitoring & information system (IMIS) to monitor Sarva Shiksha Aabhiyan in an online mode.
5. **Integrated Transport Information Management System (ITIMS):** This project is functioning for computerizing the driving license, vehicle registration, providing motor vehicle permit (project called **Vaahan**), collection of motor vehicle taxes etc.
6. **PRIASOFT, RURALSOFT & PAMIS:** E – governance project for monitoring accounts, funds flow, project and schemes for developing rural Odisha through the Gram Panchayat, blocks and DRDA (District Rural development Authority).
7. **e-Procurement:** With the support of NIC (New Delhi) the process of e – procurement has been implemented in departments like IT, RD, Works & Water Resources)
8. **E-Gram:** It’s an again unique project on itself first time in the district Ganjam with active initiation of District Collector and DRDA for keeping information regarding the status and development of farmers, SHOs, new initiatives and schemes of government etc.

CONCLUSION

The process objective of e – governance is very majorly initiated for the benefits of common people interest and helping them to aware about the various governmental process and activities for their betterment. In country like India where most of the people stays is rural part and hardly getting any support and awareness about the governmental plan for their development, this initiative will help them a lot for the betterment of their lifestyle. To make the e – governance a successful project a lot changes and adoptability is required between the existing process methodology and its adoptability in between the citizen and governmental plan. Awareness and educating the citizen with respect to the ICT requirement for e – governance acceptance need lot many focus and initiative by the process holders and process users. In state like Odisha which is going to be turned into a huge industrial hub need much effort to make the people aware about the governmental project and plans for the development of state. There are many e – governance projects are already started and functioning successfully in the state with matching steps to the other developing states within India.

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TO STUDY THE FACTORS AFFECTING JOB SATISFACTION LEVEL IN THE SELECTED BPO COMPANIES IN NCR REGION

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ABSTRACT

To meet the challenges of globalization and to remain competitive throughout, the BPO industry needs to constantly work upon the areas that can create a difference from an HR perspective; an effective HR practices in all the departments of the BPO companies can make all the difference. In the present study, employees are asked to indicate their level of satisfaction for different aspects of their job. In all, nineteen items are included in this part of the questionnaire. Factor Analysis is performed by calculating eigenvalues of Variance-Covariance matrix of the nineteen statements of job satisfaction in the questionnaire. The present study is aimed to analyse job satisfaction variables to find out which ones can help the BPO industry to combat the future challenges. It presents the HR environment and true picture of the factors of the satisfaction prevailing in the BPO companies.

KEYWORDS

Job satisfaction, BPO Companies, HR Practices, HRM.

INTRODUCTION

Employees' satisfaction with their jobs offers important clues concerning the culture and growth of an organization. The kind of culture that prevails in any BPO company is dependent upon the Human resource policies being practiced by the top management. These policies, in turn will shape the specific human resource practices, being adopted. Through this, the satisfaction of employees, especially at managerial levels, is affected to a large extent. Out of both personal and organizational factors, as determinants of Job Satisfaction, it has been seen that between the two sets of factors, organizational factors play a decisive role in influencing Job Satisfaction.

RESEARCH METHODOLOGY

The main purpose of this study is to find out the factors important. In the present study a structured questionnaire for executives of selected BPO companies regarding job satisfaction (C. N. Daftuar's Job Satisfaction Scale) is used. This Job Satisfaction questionnaire-cum-scale contains 19 statements regarding the different factors which can affect the satisfaction level of a person.

Primary data is collected from the employees working in the six BPO companies under study. Simple random sampling is used to select approximately equal number of employees / executives from selected BPO companies under study. Sampling considers employees / executives working in selected companies. A total of 300 employees are approached, out of which 260 questionnaires are found to fit for further study. The present response rate is due to the personal contact approach followed by periodic follow-ups over telephone and personal visits.

The present study is aimed to analyse job satisfaction variables to find out which ones can help the BPO industry to combat the future challenges. For this purpose, the employees are asked to indicate their level of satisfaction for different aspects of their job. In all, nineteen items are included in this part of the questionnaire. Factor Analysis is performed by calculating eigenvalues of Variance-Covariance matrix of the nineteen statements of job satisfaction in the questionnaire to measure the level of job satisfaction of the employees in the BPO companies' under study. For extracting components eigenvalue is kept 1, i.e., only those factors are extracted which have eigenvalue at least one. Following this procedure, six factors are extracted which have eigenvalue at least one. The twenty statements of job satisfaction are grouped into six factors using factor analysis. These factors are further rotated to orthogonal rotation by using varimax approach.

REVIEW OF LITERATURE

Rakesh Agarwal and Nonika Bajaj (2008) worked on the **managing outsourcing process: applying six sigma**. The purpose of the study is to manage an outsourced project is easy but to provide client satisfaction is a difficult process. Outsourcing has been broadly accepted due to the extensive and useful business need they provide, even in those situations where the planning/decision support paradigm provided by the system poorly fits the business. The purpose of this paper is to propose an effective modeling methodology for managing the process of outsourced projects for the clients.

Stewart H.C. Wan Yuk-Hee Chan (2007) conducted a study on **Improving service management in outsourced IT operations**. The purpose of this paper is to first evaluate the effect of IT service management (ITSM) tools in a practical environment followed by sharing experience in developing management process modules in a service outsourcing model. In order to improve the fault correlation from business and user perspectives, the aim is to propose a framework to automate network and system alerts with respect to its business service impact and user impact for proactive notification to IT operations management.

Anand Kumar Jaiswal (2008) worked on a paper named **Customer satisfaction and service quality measurement in Indian call centres**. The purpose of this research is to examine customer satisfaction and service quality measurement practices followed in call centres. The study uses qualitative methodology involving in-depth interviews. The respondents were senior managers belonging to quality or operation divisions in four large call centres in India. It is found that service quality management in call centres disregards customers. The study suggests that call centre managers overly depend on operational measures. Customer orientation in assessing service performance is either low or absent in most call centres.

FACTORS OF JOB SATISFACTION

Communalities indicate the amount of variance in each variable that is accounted for. Initial communalities are estimates of the variance in each variable accounted for by all components or factors. For principal components extraction, this is always equal to 1.0 for correlation analyses. Extraction communalities

are estimates of the variance in each variable accounted for by the components. The communalities in this table are all high, which indicates that the extracted components represent the variables well.

TABLE 1.1: TOTAL VARIANCE EXPLAINED

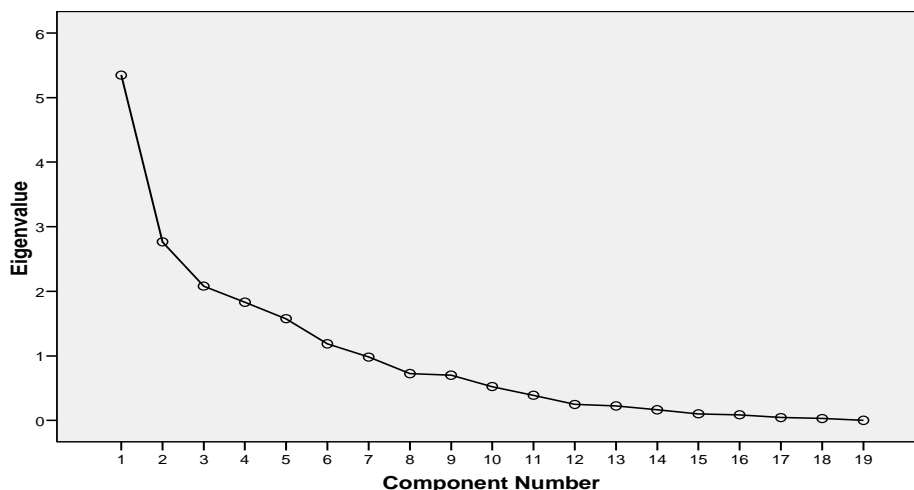
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.348	28.147	28.147	5.348	28.147	28.147	3.801	20.005	20.005
2	2.765	14.554	42.701	2.765	14.554	42.701	3.075	16.185	36.190
3	2.079	10.942	53.643	2.079	10.942	53.643	2.201	11.582	47.772
4	1.830	9.632	63.275	1.830	9.632	63.275	2.086	10.982	58.754
5	1.575	8.291	71.565	1.575	8.291	71.565	1.931	10.161	68.914
6	1.186	6.244	77.809	1.186	6.244	77.809	1.690	8.895	77.809
7	.981	5.161	82.970						
8	.725	3.814	86.783						
9	.701	3.688	90.471						
10	.524	2.759	93.230						
11	.389	2.048	95.278						
12	.248	1.303	96.581						
13	.223	1.176	97.757						
14	.164	.865	98.622						
15	.102	.534	99.156						
16	.086	.452	99.609						
17	.044	.231	99.840						
18	.029	.152	99.992						
19	.002	.008	100.000						

Extraction Method: Principal Component Analysis.

This table 1.1 gives eigenvalues, variance explained, and cumulative variance explained for the factor solution. The % of Variance column gives the ratio, expressed as a percentage, of the variance accounted for by each component to the total variance in all of the variables. The eigenvalues greater than 1 are to be extracted, so the first six principal components form the extracted solution. The second section of the table shows the extracted components. They explain nearly 79% of the variability in the original nineteen variables, so considerably reduce the complexity of the data can be considerably reduced by using these components.

GRAPH 1.1: SCREE GRAPH

Scree Plot



The graph 1.1 shows the extraction of the components on the steep slope. The first six components are the part of steep slope. The components on the shallow slope contribute little to the solution. The components nine to nineteen are the part of shallow slope. The big drop occurs between the sixth and ninth components, so first six components are used for further analysis. The scree plot confirms the choice of six components.

TABLE 1.2: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.688
Bartlett's Test of Sphericity	Approx. Chi-Square	5095.161
	Df	171
	Sig.	.000

This table 1.2 shows two tests that indicate the suitability of the data for structure detection. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in the variables that might be caused by underlying factors. High value (.688) indicates that a factor analysis is useful with data. Bartlett's test of sphericity tests the hypothesis that the correlation matrix is an identity matrix, which would indicate that variables are unrelated and therefore unsuitable for structure detection. Small value (less than 0.05) of the significance level indicates that a factor analysis is useful with data.

TABLE 1.3: ROTATED COMPONENT MATRIX(A)

	Component					
	1	2	3	4	5	6
Q2_1	.655	-.061	.258	-.172	.216	.316
Q2_2	.694	.468	-.117	.229	.197	-.119
Q2_3	-.261	-.015	-.136	-.254	.770	.259
Q2_4	.362	.370	-.483	-.132	.366	.119
Q2_5	.195	-.208	.011	.226	.716	-.144
Q2_6	.819	.080	.182	.225	-.201	-.308
Q2_7	.621	.113	-.046	.369	.287	-.265
Q2_8	.301	.708	.268	.024	-.190	-.211
Q2_9	-.015	.541	.441	.153	.532	-.242
Q2_10	.231	.132	.781	-.169	.065	.231
Q2_11	-.052	.121	.349	.175	-.157	.768
Q2_12	.011	-.859	.250	.017	-.028	-.008
Q2_13	.162	-.465	.115	-.076	.290	.657
Q2_14	.147	-.039	.794	.018	-.055	.164
Q2_15	.854	.087	.123	-.123	-.106	.204
Q2_16	.151	-.090	.083	.856	.031	.126
Q2_17	-.030	.251	-.159	.875	-.019	-.052
Q2_18	.513	.626	.245	.255	-.143	.097
Q2_19	.620	.634	.145	.127	-.121	.185

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
 a Rotation converged in 17 iterations.

The table 1.3 (called the Pattern Matrix for oblique rotations) reports the factor loadings for each variable on the components or factors after rotation.

TABLE 1.4: COMPONENT TRANSFORMATION MATRIX

Component	1	2	3	4	5	6
1	.749	.563	.232	.261	-.001	-.019
2	.233	-.419	.628	-.281	.011	.545
3	.295	-.240	-.343	-.017	.857	.059
4	.103	-.539	.048	.818	-.145	-.088
5	-.536	.374	.398	.396	.439	.254
6	.019	.140	-.523	.166	-.228	.792

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
 The factor transformation matrix describes the specific rotation applied to the factor solution.

TABLE 1.5: PERCENTAGE VARIANCE EXPLAINED BY FACTORS (ROTATED AND UNROTATED)

Component	Unrotated Variance	Cumulative Variance	Rotated Variance	Cumulative Variance
1	27.829	27.829	10.892	10.892
2	7.902	35.731	10.722	21.614
3	6.617	42.349	9.347	30.961
4	5.739	48.087	7.275	38.236
5	4.657	52.745	6.636	44.872
6	4.490	57.235	6.439	51.311

For interpreting the better results of factors, the factor loading of 0.30 or above are considered to be significant and rotated matrix are taken into consideration. Table 1.5 shows that six factors are extracted from nineteen statements in questionnaire. These six factors jointly explain 77.809% of the behaviour Job Satisfaction Scale. The constituents of these factors are analysed in following exposition.

1. **Factor wise Analysis of Variables and Factor Loading**

FACTOR I

The first factor (F-I) explains 20.005% of total variance and is represented with loading of following ten variables as shown in Table 1.6:

TABLE 1.6: VARIABLES AND FACTOR LOADING FOR FACTOR –I (F-I)

Name of Variable	Loading
My work is suitably recognized in the organization.	.854
My job provides fair pay.	.819
My job provides adequate opportunities to be "somebody" in the community.	.694
My job provides adequate opportunities to do different thing from time to time.	.655
My job provides adequate opportunities for advancement on this job.	.621
I'm happy with my work as a whole.	.620
I'm happy with my company / organization as a whole.	.513
My job provides for stable employment in suitable ways.	.362
I'm happy with the working conditions.	.301

Drawing upon these variables, this factor can be appropriately named as **Evaluation of Employees' Satisfaction Level**. All the variables can be well represented and covered under this name. Employee's satisfaction level can be evaluated whether his work is suitably recognized in the organisation or not. Fair pay of his work and the opportunities during work helps in the evaluation of the employee's satisfaction level. Further, happiness with work and company is helpful in checking satisfaction level. Stability and working conditions also indicates the satisfaction level. So, the name 'Evaluation of Employees' Satisfaction Level' is justified.

FACTOR II

The second factor F-II explain 16.185% of total variance which includes the loading of the following variables as shown in Table 1.7 :

TABLE 1.7: VARIABLES AND FACTOR LOADING FOR FACTOR –II (F-II)

Name of Variable	Loading
I'm happy with my past advancements' in this organization.	.859
I'm happy with the working conditions.	.708
I'm happy with my company / organization as a whole.	.634
I'm happy with my work as a whole.	.626
I'm happy with the way my co-workers get along with each other.	.541
My job provides adequate opportunities to be "somebody" in the community.	.468
There are adequate opportunities for future growth (in efficiency).	.465
My job provides for stable employment in suitable ways.	.370

Depending upon these variables, the factor can be named as **Job Experience and Working Conditions**. Past achievements, happiness with organisation, work & co-workers and adequate opportunities for future growth are related with job experience and working conditions. So, the name 'Job Experience and Working Conditions' is very much justified.

FACTOR III

The third factor F-III covers 11.582% of the total variance and indicates the loading of the following variables as shown in Table 1.8 :

TABLE 1.8: VARIABLES AND FACTOR LOADING FOR FACTOR –III (F-III)

Name of Variable	Loading
Social conditions are appropriate for the job with in the organization.	.794
My job provides me a feeling of accomplishment.	.781
My job provides for stable employment in suitable ways.	.483
I'm happy with the way my co-workers get along with each other.	.441
I'm happy with the general management of the company.	.349

Relating with these variables, the factor can be named as **Relationship with Organisation and Social Satisfaction**. All the variables are covered and represented by this heading. Appropriateness of social conditions for the job, feeling of accomplishment, stable employment, happiness with way of co-workers and happiness with general management are related with the factor named 'Relationship with Organisation and Social Satisfaction'. So, the name 'Relationship with Organisation and Social Satisfaction' is justified.

FACTOR IV

The fourth factor F-IV is able to explain 10.982% of total variance which indicates the significant factor loading of the following variables as shown in Table 1.9 :

TABLE 1.9: VARIABLES AND FACTOR LOADING FOR FACTOR –IV (F-IV)

Name of Variable	Loading
I'm happy with the company's policies.	.875
I'm happy with the kind and amount of responsibilities assigned to me.	.856
My job provides adequate opportunities for advancement on this job.	.369

Depending upon these variables the factor can be named as **Job Content**. The entire variables can be explained under this name. Happiness with company policies, happiness with the responsibilities, and adequateness of the opportunities for advancement are related with the factor name given above. So, the name 'Job Content, is justified.

FACTOR V

The fifth factor (F-V) contributed the variance of 10.161% of total variance which indicates the significant factor loading as shown in Table 1.10:

TABLE 1.10: VARIABLES AND FACTOR LOADING FOR FACTOR –V (F-V)

Name of Variable	Loading
My supervisor is quite competent in making decisions.	.770
My job provides adequate opportunities to do something that makes use of my abilities.	.716
I'm happy with the way my co-workers get along with each other.	.532
My job provides for stable employment in suitable ways.	.366

Depending upon these variables the factor can be named as **Working and Supportive Culture**. Supervisor's competitive decision making, adequate opportunities to use abilities and co-workers get alongness strongly supports the factor name given. So, the name 'Working and Supportive Culture' is justified.

FACTOR VI

The sixth factor (F-VI) contributed 8.895% of total variance with significant factor loading of following variables as shown in Table 1.11 :

TABLE 1.11: VARIABLES AND FACTOR LOADING FOR FACTOR –VI (F-VI)

Name of Variable	Loading
I'm happy with the general management of the company.	.768
There are adequate opportunities for future growth (in efficiency).	.657
My job provides adequate opportunities to do different thing from time to time.	.316
My job provides fair pay.	.308

Depending upon these variables the factor can be named as **Growth and Development Opportunities**. All variable are supporting this name. Happiness with the general management, adequate opportunities for future growth and adequate opportunities to do different things support the factor name. So, the name of factor 'Growth and Development Opportunities' is justified.

TABLE 1.12: MAJOR COMPONENTS OF CRM AT ORGANIZATIONAL LEVEL

Factor	Name
F- I	Evaluation of Employees' Satisfaction Level
F-II	Job Experience and Working Conditions
F-III	Relationship with Organisation and Social Satisfaction
F-IV	Job Content
F-V	Working and Supportive Culture
F-VI	Growth and Development Opportunities

CONCLUSION AND SUGGESTION

The nineteen statements of job satisfaction are grouped into six factors using factor analysis. These factors are further rotated to orthogonal rotation by using varimax approach. The factors are named as following: **Evaluation of Employees' Satisfaction Level; Job Experience and Working Conditions; Relationship with Organisation and Social Satisfaction; Job Content; Working and Supportive Culture; and Growth and Development Opportunities.** These major factors are very important from job satisfaction point of view. The HR policy makers of the BPOs must consider these factors as important issues as these drive satisfaction most.

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JOB SATISFACTION AMONG EMPLOYEES IN SMALL SCALE INDUSTRIES, VISAKHAPATNAM

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ABSTRACT

This paper investigates job satisfaction among employees in small scale industries in Visakhapatnam. The sample consists of 125 employees from various categories of Small Scale Industries like Agro, Forest, Mineral, Textile, Engineering, Chemicals, Livestock, Building and Materials and Others. The result indicates that most of the units were noisy, prone and suffered from inadequate illumination. Arrangements for protected drinking water were also poor. Majority of the employees were dissatisfied with the work environment in which they are carrying out their duties. It is reported that the motivating factors that would motivate employees to perform in Small Scale Industries are basically three things viz., monetary benefits, promotions and secured jobs. It is the fervent hope the researcher, that this research work would immensely be benefited to both the employees and managements of Small Scale Industries in the region.

KEYWORDS

Small scale industries, HRM, Job Satisfaction, Visakhapatnam.

INTRODUCTION

Job satisfaction is a positive emotional state that occurs when a person's job seems to fulfill important job values, provided these values are compatible with one's needs. It refers to a person's feeling of satisfaction on the job, which acts as a motivation to work. Job satisfaction is a major concept, it is important for organizations, as well as individual, when the human satisfied with the present situation than it will be useful for total organizational development. It can be related with some mental health of people. Dissatisfaction with one's job may have especially relative spill over effects. A classic study by Arthur Konhauser provides empirical evidence for the relationship between job satisfaction and mental health. In facts, job satisfaction and the life satisfaction are inextricably bound.

Job satisfaction is the general attitude of workers towards their job. Locke regards job satisfaction as "pleasurable or positive emotional state resulting from the appraisal of one's job experiences". Job satisfaction reflects the overall attitude of workers towards the work, co-workers, the organization, the culture, the environment and the social group at large. The term job satisfaction was brought to limelight by Hoppock (1935). As per his observation, job satisfaction is a combination of psychological, physiological and environmental circumstances that cause a person to say "I am satisfied with my job". Such a description indicates the variety of variables that influence the satisfaction of the individual. Job satisfaction is the end state of feeling. Therefore, job satisfaction of employees depends upon various factors relating to the job and the environment in which it is performed.

Job satisfaction is very important both to the employees and employer. It influences the degree of performance of the employee Khan viewed that job satisfaction is the favorableness or unfavorableness with which employees view their work. It express the amount of agreement between one's expectations of the job and reward that the job provides. Wanons emphasized that job satisfaction is the positive attitude of employees towards their job. The job satisfaction may refer to either a person or a group. Janet Raymond said that job satisfaction is also applicable to parts of an individual's job. They further attributed that it is a part of life satisfaction. The nature of one's environment of the job does affect one's feelings on the job. Job satisfaction arises from a complex set of circumstances in the same way as motivation does. It is understandable from the Herzberg's motivation maintenance model, that satisfaction typically is not a strong motivator. But dissatisfaction of employees may bring down their performance. Job satisfaction is important for organization, as well as individual. It has been an issue of great interest for many managers in view of its positive implications regarding behaviour of the satisfied employees as distinguished from dissatisfied employees.

SMALL SCALE INDUSTRY

Small industry in Indian economy has been assigned a place of pride in its programme for economic development. The small scale industries have nearly 40 percent share in the total industrial output and 35 percent share in exports from the country and providing employment opportunities to around 12 million people. Small scale industries, apart from playing an important role in our economy, serve as a means for equitable distribution of national wealth. Small scale industry can play a major role in the building of a decentralized society with its advantages of low investment, high potential for employment generation and dispersal of industries to rural and semi-urban areas.

Small scale industry plays a key role in the industrialization of a developing country. This is because they provide immediate large scale employment and have a comparatively higher labour capital ratio, they need a shorter gestation period and relatively smaller markets to be economic, they need lower investments, offer a method of ensuring a more equitable distribution of national income and facilitate an effective mobilization of resources of capital and skill and they stimulate the growth of industrial entrepreneurship and promote a more diffused pattern of ownership and location.

NEED FOR THE STUDY

Visakhapatnam is the second biggest urban complex in the state, next to the capital city of Hyderabad. Visakhapatnam city, popularly called "The City of Destiny" has been witnessing phenomenal growth in terms of industrial development and infrastructure facilities. Visakhapatnam, the rising steel city, throbbing with maritime activity, is fast developing into one of the premier industrial centres in the world. Besides, the first ever port based steel plant, it also houses some of the major public and private sector units viz., HSL, BHPV, HZL, HPCL, HPL, CFL. The city's location as strategic port endows it with all the requisites for the establishment of a Free Trade Zone. Besides, huge defence outlays paved the way for the development of Naval Project and Eastern Naval Command.

The progress in respect of small scale industry has been no less impressive. To meet the increased need for infrastructure to develop new industries in Visakhapatnam city at the same time for various industries in Autonagar and Industrial Estate in order to accommodate industrialists and entrepreneurs from various parts of the state. Visakhapatnam has registered and impressive growth of small scale units in the recent years due to the presence of large number of public and private sector undertakings.

A number of small scale units have come up in Visakhapatnam. There are 14290 SSI units in Visakhapatnam with an investment of Rs. 12488 lakhs providing employment more than one lakh people. Out of 14290 SSI units, Engineering Industries – 4,809, Forest – 3379, Chemicals – 647, Agro – 1401, Mineral – 469, Textile – 217, Live Stock – 373, Buildings and Materials – 238 and Others are 2730. It is very interesting to note that the engineering industry along in Visakhapatnam provides employment opportunities to more than thirty thousand people. In the mean while Forest and Mineral industries provide employment opportunities to more than 26000 and ten thousand people respectively.

Small industry needs enlightened, hardworking and positively motivated people who are capable of applying their minds in a wise and judicious fashion in the use of critical resources. There have been many impressionistic writings glorifying the virtues of inventory management, financial management and marketing management in small scale industries, but quite surprisingly, not human resource management. A comprehensive study outlining the importance of utilizing human resources with job satisfaction in an appropriate manner in small scale sector is conspicuously missing. There is no dearth of studies on the topic of small scale industries. However, the studies on job satisfaction of employees are very woefully inadequate. Further, no comprehensive study so far has been made on job satisfaction of employees in small scale industries in Visakhapatnam. The researcher would like to make a modest attempt to fill the existing research gap.

OBJECTIVES OF THE STUDY

The study has been carried out with the following objectives:

1. to enquire into the socio-economic characteristics of employees in select small scale units;
2. to measure job satisfaction and examine the factors influencing satisfaction;
3. to examine the impact of individual and organizational factors on employees' job satisfaction; and
4. to suggest appropriate measures to improve the job satisfaction levels of employees for the benefit of small scale industries.

METHODOLOGY AND SAMPLING

The study is mainly based upon primary and data. A structured questionnaire has been constructed with different questions to examine the socio-economic status and factors influencing employee job satisfaction with a sample size of 125 respondents selected from the various small scale industries situated in Autonagar and Industrial Estate at Visakhapatnam.

ANALYSIS OF THE STUDY

SOCIO-ECONOMIC CHARACTERISTICS OF EMPLOYEES

The social base of employees is an important factor influencing the place of economic development. In order to build up a stable, harmonious and productive work force for the industry in the long run, it is essential to understand the socio-economic background of the present small scale industries.

AGE COMPOSITION

Age is an important variable because it has direct relation with one's mental maturity and the consequent awareness about what is going on in the society. It may be seen from the Table 1 that the highest number of employees (60.80 percent) belongs to 30 – 40 years category followed by 40 – 50 years category (17.60 percent), 15 employees (12.00 percent) are below 30 years. The remaining employees (9.60 percent) are above 50 years. The average age of employees in the study is 36.28 years.

RELIGION AND COMMUNITY

Religion is becoming an important aspect even in the industrial world now-a-days. India is multi religious country, where different religious viz., Hindu, Muslim, Christian, Buddhists, Jains etc., are found. The castes of the workers were broadly categorized into forward communities, backward communities, scheduled castes and scheduled tribes. Majority of the employees (47.20 percent) belong to forward castes such as Telaga, Kapu, Brahmin, Balija, Kamma, Reddy and Vysya etc., followed by 30.40 percent belonging to backward castes which are listed by the Government of Andhra Pradesh to be socially backward in the society. 14.40 percent employees belong to schedule tribe. However, 8.00 percent belong to Schedule castes. Nearly seven-tenth of the employees belongs to Hindu community followed by 12.00 percent who belong to Muslim community. Remaining respondents belongs to other communities and Christian community.

MARITAL STATUS

Marriage brings an important and major change in the lives of men and women irrespective of their economic position. While, 78 respondent employees (62.40 percent) were married, 35 respondent employees (28.00 percent) were unmarried and remaining 12 respondent employees (9.60 percent) were widowers. Most of the employees are married.

EDUCATION

Education is the key role of employees in economic development. The formal education has always been considered as an important asset of an individual as well as the organization. It is found in the study more than half of the employees were graduates in technical education and 34 employees (27.20 percent) were general degree holders followed by 14 employees (11.20 percent) who studied upto intermediate. 14 employees (11.20 percent) had education upto 10th class.

NATIVE PLACE

Native place of an employee has been classified into two types local and non-local. A person is born in within the state (AP) is considered local and born outside the state is treated as non-local. It is found in the study majority of employees (88.80 percent) are from local area and 14 respondents (11.20 percent) are non-local.

TYPE OF FAMILY

The family is a social group and is the strongest source of influence on the individual. Joint family considered to be characteristic of the institutional structure of Indian society. In the Indian context, the assumption was that industrialization disintegrated the traditional system of joint family. The majority of the respondents 72 respondents (57.60 percent) belong to nuclear family. However, 53 respondents (42.40 percent) belong to joint family.

ECONOMIC STATUS

It is well known fact that a significant portion of employees in our country are drawn from upper, middle class, lower middle class and from poor families. It is a matter of interest to know the economic background of industrial workers. It is found in the study majority of the employees (66.40 percent) are middle category. 38 respondents (30.40 percent) are lower economic category. The remaining 4 respondents (3.20 percent) are upper economic category. In the study area it is observed that some of the respondent wives are jobholders either in organized and unorganized sectors, hence majority of the respondents are having middle or above middle class (upper) economic status.

ANNUAL INCOME FROM SALARY

The status and standard of living of a person is determined by the income. Generally, the main source of income of respondents is salary. An attempt is made here to examine the annual income levels of industrial workers under study. For majority of the industrial workers, wage is the only source of income. 86 employees (68.80 percent) are having annual income lies between Rs. 20000 – Rs. 40000. 29 employees (23.20 percent) are having annual income lies between up to Rs.20000. 10 employees (8.00 percent) are having annual income lies above Rs. 40000.

FINANCIAL POSITION

The financial status of the employees has been sought to be analyzed on the basis of their own perception. The financial position of employees is categorized into three types good, average and poor as perceived by the respondents. 89 respondents (71.20 percent) considered their financial position average. 20 respondents (16.00 percent) financial position was good. The remaining respondents (12.80 percent) financial position poor. Since, some employees have been getting additional sources of income other than salary such as spouse income, ancestral property income along with income from other sources, their financial position was assessed to be good.

SKILL CATEGORY

Employees position in small scale industries are categorised in three types i.e., Skilled, Semi-skilled and Un-skilled. It may be seen from the Table 11 that nearly two thirds are semi-skilled position followed by one fourth of the respondents are un-skilled and the remaining (14.40 percent) are skilled position.

JOB SATISFACTION OF EMPLOYEES

An attempt is made to measure job satisfaction in respect of the eight dimensions or facets of job, on a five point scale. The points for each item are assigned as

follows: Strongly satisfied – 5, Satisfied – 4, Neutral – 3, Dissatisfied – 4, Strongly Dissatisfied – 1. First an attempt is made to find out the level of satisfaction, dimension wise, in respect of the eight dimensions and then overall job satisfaction has been measured for all dimensions put together. For measurement of job satisfaction the 8 dimensions of job satisfaction comprising 56 items have been taken into consideration. For example, out of eight, the dimension of job related factors has 10 points and maximum of 50 points. However, the actual score of an employee ranges between these extreme limits. In the overall measurement, an employee will score a minimum of 56 points and a maximum of 280 points. Hence, for the purpose of measurement of job satisfaction, four levels viz., nil, low, medium and high have been identified and all the employees are accordingly categorized.

NATURE OF JOB

Job satisfaction is related to the aptitude and working conditions of the employee. Out of 125 employees, 68 employees (54.40 percent) have medium level of satisfaction. 15 employees (12.00 percent) have low level of satisfaction. 15 employees (12.00 percent) degree of satisfaction is nil. The remaining employees' 27 employees (21.60 percent) degree of satisfaction has been found to be high.

WORK ENVIRONMENT

The work environment has important bearing on the efficiency and satisfaction of the employees. The human being is an open system in constant interaction with a changing environment. Work environment is different from organization to organization. 49 respondents (39.20 percent) in the study revealed that their work environment is not congenial. Hence, their job satisfaction is low. 38 respondents (30.40 percent) have fallen in the bracket of medium satisfaction. 11 respondents (8.80 percent) felt their degree of satisfaction is to be high. 27 respondents (21.60 percent) felt that their work environment is completely not good. Hence, their satisfaction is nil.

MANAGEMENT

Management is another moderately important source of job satisfaction. Out of 125 respondents, 50 employees (40.00 percent) felt their degree of satisfaction to be medium, followed by 25 respondents (20.00 percent) who felt their degree of satisfaction to be low. 25 respondents (20.00 percent) have fallen in the bracket of high satisfaction. The remaining 25 respondents (20.00 percent) felt that their management is not good. Hence, their satisfaction is nil.

REMUNERATION

The employee benefits and services play a significant role in furthering the goal of organizational maintenance by contributing to the general satisfaction of employees. 59 respondents (47.20 percent) felt that their degree of satisfaction is low because of less and adequate remuneration. 36 respondents (28.80 percent) felt that their degree of satisfaction is nil, because they are either strongly dissatisfied or dissatisfied with their remuneration. 7 respondents (5.60 percent) felt that their degree of satisfaction is high, because they are satisfied and neutral of their remuneration.

CO-WORKERS

The co-worker relation affects the organizational performance and employee satisfaction. Out of 125 respondents, 68 respondents (54.40 percent) felt that they are highly satisfied with their coworkers' relationships. Hence, their degree of satisfaction is high. 42 respondents (33.60 percent) felt that their degree of satisfaction with regard to coworkers is medium. The remaining 15 respondents (12.00 percent) felt that their degree of satisfaction is low, because coworkers' relationship is bad in the organization.

CAREER DEVELOPMENT/PROMOTION

Employees' career development and promotional opportunities are playing very important role in the degree of satisfaction. Out of 125 respondents, only 11 respondents (8.80 percent) felt that their managements motivate them in improving their career development and in getting promotions. Hence, their degree of satisfaction is high. Nearly half of the respondents felt that their management is not motivating than as they expected. Hence, their degree of satisfaction is medium. 35 respondents (28.00 percent) felt that their degree of satisfaction is low because their management is not giving priority for their career development and promotion. For the remaining 20 respondents (16.00 percent) felt the degree of satisfaction is nil. It may be, management is not giving priority either for career development or promotional aspects of employees.

POWER AND AUTONOMY

Power focus on the interpersonal relationship between manager and subordinates. 29 respondents (23.20 percent) were found to have low degree of satisfaction with respect to power and autonomy. 35 respondents (28.00 percent) are in the bracket of medium satisfaction and 12 respondents (9.60 percent) are in the category of high level of satisfaction. The remaining number of respondents (39.20 percent) has nil amount of satisfaction.

PARTICIPATION AND INVOLVEMENT

Participation and involvement are playing very crucial role in the degree of satisfaction. Out of 125 respondents, 50 respondents (40.00 percent) have degree of satisfaction to the medium extent because they considered less involvement in the decision making process. 29 respondents (23.20 percent) have degree of satisfaction to the low extent because they are not considered for decision making. The satisfaction of 19 respondents (15.20 percent) is high, because they offered suggestions in decision making process by their management. Hence, their job satisfaction is high. In respect of the remaining 27 respondents (21.60 percent) the degree of satisfaction is nil, because they are either dissatisfied or strongly dissatisfied in their work in participation.

OVERALL SATISFACTION

Out of 125 employees, 59 respondents (47.20 percent) overall job satisfaction is medium. However, 37 respondents (29.60 percent) overall job satisfaction is low especially because of lack of reorganization of work by management, lack of adequate wage and salary administration and lack of proper career development facilities. Hence, their job satisfaction is low. 16 employees (12.80 percent) have follow in the bracket of nil satisfaction. The remaining 13 employees (10.40 percent) felt their overall satisfaction is high.

PERSONAL, SOCIAL AND ECONOMIC VARIABLES

An attempt is made here to measure the level of satisfaction of respondent employees across the various personal, social and economic variables like age, education, marital status; religion etc., the purpose of this analysis is to find out whether these variables have anything to do with the job satisfaction of employees.

AGE VS SATISFACTION

Respondent employees are classified into three age groups, which may be conveniently considered as young (up to 30 years), middle aged (30 – 40 and 40 - 50 years) and old (50 years and above). It may be seen that high level of satisfaction was found more on the part of young group of employees (26.67 percent) compared to the middle aged 30 – 40 years (11.84 percent) or old employees (8.33 percent). What is interesting, nil satisfaction was also found on the part of higher percentage of young employees (26.67 percent). It is therefore, clear that while most of the middle aged and old employees were found to have either low or medium level of satisfaction. Young employees were found to have extreme levels of satisfaction that is either nil or high. What we can conclude from the above analysis is that job satisfaction or dissatisfaction matters much for younger employees than the older, may be, because of the higher level of ambition they nature. As age advances, the employees tend to develop a kind of complacency and get accustomed to whatever is provided, as a result of which the level of satisfaction does not vary widely among them.

EDUCATION VS SATISFACTION

While the level of satisfaction of a large number of employees is medium, the largest percentage of them happened to be those with intermediate level of education (64.29 percent). Graduates formed the lowest percentage among them (26.47 percent). The highest percentage of graduates (44.12 percent) was found to have low level of job satisfaction. It may also be found that none of the employees below the level of 10th class education had high level satisfaction. Conversely, none of the employees with intermediate level of education had nil amount of satisfaction. In the present study, no clear relationship is established between the level of education and the degree of job satisfaction. On the basis of the results obtained, we cannot make any conclusion that the higher level of education is associated with higher degree of satisfaction nor the other way round.

MARITAL STATUS VS SATISFACTION

The marital status of an individual employee is considered to be an important factor influencing job satisfaction. After marriage, it is not only economic status

but also the social life gets changed. In view of this, an attempt is made to examine relationship between job satisfaction and marital status of the respondent employees. Out of 78 married employees, about two fifth were found to have medium level of satisfaction, followed by 30.72 percent that had low level of satisfaction. It is interesting to find that though unmarried respondents are less in number compared to married employees, a greater percentage of them were found to have high degree of satisfaction (20.00 percent). Among the widowed employees one half revealed low satisfaction and one third medium level of satisfaction. It can be discerned from the above analysis that the level of satisfaction on the part of unmarried employees is more than that of married employees or widowed employees.

RELIGION VS SATISFACTION

An important social variable now-a-days is religion India is a multi religious society with divergent believes, faiths and expectations. Hence, it is felt that religion also influences employee satisfaction at the work place, and hence an attempt is made to find out the relationship between the two variables. Hindus constituted the highest number, out of whom the largest segment (44.83 percent) had medium satisfaction followed by those interesting to note from the table that the level of satisfaction of Muslim employees was found to be almost the same as their Hindu counterparts. However, Christian employees differed a little in the sense that they constituted highest percentage in the medium and high level of satisfaction put together. It may further be seen that may the employees of other religions, the largest segment were found to have low level of satisfaction. It may, therefore, be concluded that Muslims are religion wise, more akin to Hindus while, Christian and other religion employees differ widely in respect of job satisfaction.

LOCAL/NON-LOCAL STATUS VS SATISFACTION

As has already been pointed out earlier, large majority of employees (111 out of 125) hailed from local areas while, a few employees (14 out of 125) migrated from other places that are considered to be non-locals. It measuring job satisfaction, it is believed that the local and non-local status of employee is likely to have its own influence on the job satisfaction. Among locals, it may be seen, the largest segment was found to be in the group of medium level of satisfaction (41.00 percent). Among non locals also the percentage of employees with medium level of satisfaction was found to be more or less the same. However, compared to locals, high level of satisfaction was found more on the part of non-local employees. The rate of Job satisfaction is high on the part of non-local employees than the local employees.

TYPE OF FAMILY VS SATISFACTION

India is known for its joint family system. It is only in the recent years, the joint family system is broken and the nuclear families are emerging as a corollary of urbanization, industrialization and modernization of society. The type of family of the employee also influences his satisfaction or otherwise with the job. With this view, an attempt has been made to measure job satisfaction across the type of employees' family. There are more nuclear families (72 out of 125) than joint families. It is very interesting to find from the table that while the largest segment of employees belonging to nuclear families had low level of satisfaction, a little more percentage of employees belonging to joint families (56.67 percent) were found to have medium level of satisfaction. Further it may also be sent hat it is employees of joint families that had high level of satisfaction in greater number (24.53 percent) than their counterparts in the nuclear families (2.78 percent). It is quite clear that higher level of satisfaction is found more on the part of employees of joint families rather than those of nuclear families.

ECONOMIC BACKGROUND VS SATISFACTION

Job satisfaction is depending upon the economic background of employees. The level of satisfaction of respondent employees has been measured against their economic background. It is observed that the largest segment was found to be in the group of medium level of satisfaction (38.38 percent) belonging to the income range of Rs. 20000-40000/-. Employees (70.00 percent) were found to have medium level of satisfaction among those earnings an annual income of above Rs. 40000/-. Upto Rs. 20000/- income groups most of them had low or medium level of satisfaction. A fairly a large percentage of employees had high level of satisfaction belonging to their income above Rs. 40000/-. Finally we can conclude that the highest percentage of respondents are having modest level of satisfaction, especially the income group of Rs. 40000/- and above.

FINANCIAL POSITION VS SATISFACTION

The level of satisfaction of respondent employees has been measured against their financial position. In this context, the financial position of employees has been rated as poor, average and good on the basis of their own perception. Employees in the category of average financial position are highest in number, out of whom the largest segment (62.92 percent) had medium level of satisfaction. However, the largest segment of employees whose financial position is good had low level of satisfaction. Similarly more number of poor employees had nil amount of satisfaction. It may, therefore, be concluded that employees with average financial position are more satisfied than employees with poor financial position or good financial position.

SKILL LEVELS VS SATISFACTION

Employees' position in small scale industries is categorized in three groups. They are unskilled, semiskilled and skilled employees. The level of satisfaction of respondent employees has been measured against their skill levels. Out of the 79 semiskilled employees, about two third were found to have medium level of satisfaction. However, among the unskilled 82.14 percent had low level of satisfaction. It is interesting to find that 50.00 percent of skilled employees had nil satisfaction. It is discernible that semi-skilled employees are more satisfied than the skilled or unskilled categories of employees.

CONCLUSION

In order to improve the job satisfaction levels of employees working at various levels of small scale industries, managers must identify the deficiencies clearly and try to adopt suitable remedial measures like better work assignments, proper arrangements for processing the work, hob-nob treatment by managers, and more importantly, sympathetic understanding of the problems of workers by the employers themselves.

Most units were noise, prone and suffered from inadequate illumination. Arrangements for drinking water were also poor. Many units do not have canteen facilities and rest rooms. Lavatories of approved type were conspicuously absent. Majority of the employees were dissatisfied with their work environment. Majority of the employees felt that the leave facilities in their units were poor. In view of the frequent fragment of legal provisions in respect of causal leave, earned leave, sick leave with pay etc, no standard rules for going on leave were ever fixed by employers. Employees felt present benefits in small industry were rather inadequate. In order to curb the growing dissatisfaction of employees with regard to benefits, employers should establish standard leave rules and allow employees to avail these without any discrimination.

Small business managers must understand the basic needs of employees and try to satisfy them in their own humble way. One of the most fundamental needs of human being is job security. Temporary employees do not have job security. So the motivating factors that would prompt employees in small scale industry to perform well revealed that employees basically wanted three things, i.e., monetary benefit, promotions and secured jobs. These basic and legitimate aspirations of the employee can sympathetically be considered by the management to wipe out the ever growing job dissatisfaction.

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TABLES

TABLE 1: AGE COMPOSITION

Years	No. of Respondents	Percentage
Up to 30	15	12.00
30 – 40	76	60.80
40 - 50	22	17.60
Above 50	12	9.60
Total	125	100.00

Average age 36.28 Years

TABLE 2: RELIGION

Religion	No. of Respondents	Percentage
Hindu	87	69.60
Muslim	15	12.00
Christian	10	8.00
Any other	13	10.40
Total	125	100.00

Source: Primary data

TABLE 3: COMMUNITY

Community	No. of Respondents	Percentage
SC	10	8.00
ST	18	14.40
BC	38	30.40
Others	59	47.20
Total	125	100.00

Source: Primary data

TABLE 4: MARITAL STATUS

Marital Status	No. of Respondents	Percentage
Married	78	62.40
Un-married	35	28.00
Widowed	12	9.60
Total	125	100.00

Source: Primary data

TABLE 5: EDUCATION

Qualification	No. of Respondents	Percentage
Upto 10 th class	14	11.20
Intermediate	14	11.20
Graduation	34	27.20
Technical	63	50.40
Total	125	100.00

Source: Primary data

TABLE 6: NATIVE PLACE

Native Place	No. of Respondents	Percentage
Local	111	88.80
Non-local	14	11.20
Total	125	100.00

Source: Primary data

TABLE 7: TYPE OF FAMILY

Family Type	No. of Respondents	Percentage
Nuclear	72	57.60
Joint	53	42.40
Total	125	100.00

Source: Primary data

TABLE 8: ECONOMIC STATUS

Economic Status	No. of Respondents	Percentage
Upper	04	3.20
Middle	83	66.40
Lower	38	30.40
Total	125	100.00

Source: Primary data

TABLE 9: ANNUAL INCOME FROM SALARY

Income	No. of Respondents	Percentage
Up to 20000	29	23.20
20000 - 40000	86	68.80
40000 and above	10	8.00
Total	125	100.00

Source: Primary data

TABLE 10: FINANCIAL POSITION

Position	No. of Respondents	Percentage
Good	20	16.00
Average	89	71.20
Poor	16	12.80
Total	125	100.00

Source: Primary data

TABLE 11: PRESENT POSITION

Position	No. of Respondents	Percentage
Skilled	18	14.40
Semi-skilled	79	63.20
Unskilled	28	22.40
Total	125	100.00

Source: Primary data

TABLE 12: NATURE OF JOB

Degree of Satisfaction	No. of Respondents	Percentage
Nil	15	12.00
Low	15	12.00
Medium	68	54.40
High	27	21.60
Total	125	100.00

Source: Primary data

TABLE 13: WORK ENVIRONMENT

Degree of Satisfaction	No. of Respondents	Percentage
Nil	27	21.60
Low	49	39.20
Medium	38	30.40
High	11	8.80
Total	125	100.00

Source: Primary data

TABLE 14: MANAGEMENT

Degree of Satisfaction	No. of Respondents	Percentage
Nil	25	20.00
Low	25	20.00
Medium	50	40.00
High	25	20.00
Total	125	100.00

Source: Primary data

TABLE 15: REMUNERATION

Degree of Satisfaction	No. of Respondents	Percentage
Nil	36	28.80
Low	59	47.20
Medium	23	18.40
High	07	5.60
Total	125	100.00

Source: Primary data

TABLE 16: CO-WORKERS

Degree of Satisfaction	No. of Respondents	Percentage
Nil	-	-
Low	15	12.00
Medium	42	33.60
High	68	54.40
Total	125	100.00

Source: Primary data

TABLE 17: CAREER DEVELOPMENT/PROMOTION

Degree of Satisfaction	No. of Respondents	Percentage
Nil	20	16.00
Low	35	28.00
Medium	59	47.20
High	11	8.80
Total	125	100.00

Source: Primary data

TABLE 18: POWER AND AUTONOMY

Degree of Satisfaction	No. of Respondents	Percentage
Nil	49	39.20
Low	29	23.20
Medium	35	28.00
High	12	9.60
Total	125	100.00

Source: Primary data

TABLE 19: PARTICIPATION AND INVOLVEMENT

Degree of Satisfaction	No. of Respondents	Percentage
Nil	27	21.60
Low	29	23.20
Medium	50	40.00
High	19	15.20
Total	125	100.00

Source: Primary data

TABLE 20: OVERALL JOB SATISFACTION

Degree of Satisfaction	No. of Respondents	Percentage
Nil	16	12.80
Low	37	29.60
Medium	59	47.20
High	13	10.40
Total	125	100.00

Source: Primary data

TABLE 21: JOB SATISFACTION ACROSS AGE OF THE EMPLOYEES

Level of Job Satisfaction	Age in Years				Total
	Up to 30	30 - 40	40 - 50	50 and above	
Nil	4 (26.67)	6 (7.89)	2 (9.09)	2 (16.67)	14 (11.20)
Low	2 (13.33)	26 (34.21)	11 (50.00)	4 (33.33)	43 (34.40)
Medium	5 (33.33)	35 (46.06)	8 (36.36)	5 (41.67)	53 (42.40)
High	4 (26.67)	9 (11.84)	1 (4.55)	1 (8.33)	15 (12.00)
Total	15 (100.00)	76 (100.00)	22 (100.00)	12 (100.00)	125 (100.00)

Source: Primary data

TABLE 22: JOB SATISFACTION ACROSS EDUCATION LEVEL

Level of Job Satisfaction	Education Level				Total
	Upto 10 th	Inter	Graduate	Technical	
Nil	2 (14.29)	-	6 (17.65)	5 (17.94)	13 (10.40)
Low	4 (28.57)	2 (14.29)	15 (44.12)	19 (30.16)	40 (32.00)
Medium	8 (57.14)	9 (64.29)	9 (26.47)	32 (50.79)	58 (46.40)
High	-	3 (21.42)	4 (11.76)	7 (11.11)	14 (11.20)
Total	14 (100.00)	14 (100.00)	34 (100.00)	63 (100.00)	125 (100.00)

Source: Primary data

TABLE 23: JOB SATISFACTION ACROSS MARITAL STATUS

Level of Job Satisfaction	Marital Status			Total
	Married	Unmarried	Widowed	
Nil	10 (12.82)	5 (14.29)	2 (16.67)	17 (13.60)
Low	24 (30.77)	7 (20.00)	6 (50.00)	37 (29.60)
Medium	35 (44.87)	16 (45.71)	4 (33.33)	55 (44.00)
High	9 (11.54)	7 (20.00)	-	16 (12.80)
Total	78 (100.00)	35 (100.00)	12 (100.00)	125 (100.00)

Source: Primary data

TABLE 24: JOB SATISFACTION ACROSS RELIGION

Level of Job Satisfaction	Religion				Total
	Hindu	Muslim	Christian	Others	
Nil	12 13.79	2 13.33	2 20.00	2 15.38	18 14.40
Low	27 31.03	5 33.33	2 20.00	5 38.46	39 31.20
Medium	39 44.83	7 46.67	4 40.00	4 30.77	54 43.20
High	9 10.34	1 6.67	2 20.00	2 15.38	14 11.20
Total	87 100.00	15 100.00	10 100.00	13 100.00	125 100.00

Source: Primary data

TABLE 25: JOB SATISFACTION ACROSS LOCAL/NON-LOCAL

Level of Job Satisfaction	Local/Non-local Status		Total
	Local	Non-Local	
Nil	15 (13.51)	1 (7.41)	16 (12.80)
Low	39 (35.14)	2 (14.29)	41 (32.80)
Medium	46 (41.44)	6 (42.86)	52 (41.60)
High	11 (9.91)	5 (35.71)	16 (12.80)
Total	111 (100.00)	14 (100.00)	125 (100.00)

Source: Primary data

TABLE 26: JOB SATISFACTION ACROSS TYPE OF FAMILY

Level of Job Satisfaction	Type of Family		Total
	Nuclear	Joint	
Nil	13 (18.56)	3 (5.67)	16 (12.80)
Low	34 (47.22)	7 (13.21)	41 (32.80)
Medium	23 (31.94)	30 (56.67)	53 (42.40)
High	2 (2.78)	13 (24.53)	15 (12.00)
Total	72 (100.00)	53 (100.00)	125 (100.00)

Source: Primary data

TABLE 27: JOB SATISFACTION ACROSS ECONOMIC BACKGROUND

Level of Job Satisfaction	Annual Income (Rs.)			Total
	Upto 20,000	20000-40000	40000 and above	
Nil	-	16 (18.60)	-	16 (12.80)
Low	12 (41.38)	29 (33.72)	-	41 (32.80)
Medium	12 (41.38)	33 (38.38)	7 (70.00)	52 (41.60)
High	5 (17.24)	8 (9.30)	3 (30.00)	16 (12.80)
Total	16 (100.00)	89 (100.00)	20 (100.00)	125 (100.00)

Source: Primary data

TABLE 28: JOB SATISFACTION ACROSS EMPLOYEES PERCEPTION OF THEIR FINANCIAL POSITION

Level of Job Satisfaction	Perception of Financial Position			Total
	Poor	Average	Good	
Nil	6 (37.50)	6 (6.74)	2 (10.00)	14 (11.20)
Low	4 (25.00)	19 (21.35)	10 (50.00)	33 (26.40)
Medium	1 (6.25)	56 (62.92)	7 (35.00)	64 (51.20)
High	5 (31.25)	8 (8.99)	1 (5.00)	14 (11.20)
Total	16 (100.00)	89 (100.00)	20 (100.00)	125 (100.00)

Source: Primary data

TABLE 29: JOB SATISFACTION ACROSS SKILL LEVEL

Level of Job Satisfaction	Skill Level			Total
	Unskilled	Skilled	Unskilled	
Nil	-	5 (6.32)	9 (50.00)	14 (11.20)
Low	23 (82.14)	10 (12.66)	1 (5.56)	34 (27.20)
Medium	4 (14.29)	54 (68.38)	4 (22.22)	62 (49.60)
High	1 (3.57)	10 (12.66)	4 (22.22)	15 (12.00)
Total	28 (100.00)	79 (100.00)	18 (100.00)	125 (100.00)

Source: Primary data

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