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**A STUDY ON THE JOB SATISFACTION OF THE EMPLOYEES OF BPO SECTOR****V. SAVITHA****HEAD****DEPARTMENT OF BUSINESS ADMINISTRATION  
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COIMBATORE****ABSTRACT**

*Job Satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. The aim of the present study is to identify the Job Satisfaction factors related to employees of BPO sector. The target population for this study consists of non-voice BPO professionals from BPO organizations. The present study used a questionnaire to identify the level of Job Satisfaction among the BPO employees, investigating the relationship between three main categories namely occupation, lifestyle and life events. The first category assesses occupational stress and investigates the level of satisfaction, with diverse aspects of work. The second category concerns stress related to lifestyle and evaluated topics such as satisfaction with social life, family life and living environment. The third category of questions assesses life events. The result of factor analysis on job satisfaction factors related to employees in the BPO sector identified eight factors through the results of extraction of factors. The factors dimensions identified are as facilities at Work Place, Freedom and inter personal relationship, Financial and Non-financial benefits, Work Flexibility and Security, Nature of Job, Workplace Ambience, Professional Development and Work Tools and Promotion. In order to improve the job satisfaction of employees it is important to create a friendly environment in the work place, take initiative to give feedback of work to employees, pay scale and promotion may be revised and changed, according to the years of experience gained and telecommuters can work from home (teleworking), and employees in different locations and on different schedules can work together as 'virtual teams'.*

**KEYWORDS**

job satisfaction, telecommuters, business process outsourcing, employee satisfaction.

**INTRODUCTION**

The Policy of economic liberalization in 1991 made urban India a major hub of various foreign industries. Within a short span of time India became a major hub of Information Technology services (IT) and communication technologies under the mushrooming of globalization. Business Process Outsourcing has emerged as India's new sunshine sector and the country is now one of the prominent electronic housekeepers to the world, taking care of a host of routine activities for multinational firms. The boom in BPO activities has prompted policy planners to view this sector as one of the potential avenues to absorb the growing mass of educated unemployed (Mahapatra and Jena, 2012). Companies that work in knowledge based environment with competitions, customer-gaining, responsibilities and varieties should compete on creative and responsible human resource as a competitive tool, because satisfied and full-energy personnel are the most important source of organization (Morad, et al., 2012).

Job Satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. There is a considerable impact of the employee's perceptions for the nature of his work and the level of overall job satisfaction. Financial compensation has a great impact on the overall job satisfaction of employees (Aziri, 2011). Job Satisfaction is a critical issue for every organization because satisfied employees are reportedly known good performance and vice versa (Abdul and Khan, 2012). The key to job satisfaction is, in fact, in the fit between the objective conditions of the job and the workers expectations. The better the fit between expectations and job reality, the greater the satisfaction and vice versa (Rafael and Enrique, 2005).

**REVIEW OF LITERATURE**

Employee satisfaction has become an important corporate objective in recent years. The issue of employee satisfaction needs in depth study in service organizations like BPO companies in India wherein not much research work has been done in this regard despite an alarmingly high rate of employee attrition (Dinesh and Prabhash, 2007). Research results by Aamodt (2007), indicates that satisfied employees tend to be committed to an organization and employees who are satisfied and committed are more likely to attend work, stay with an organization, arrive at work on time, perform well and engage in behaviors helpful to the organization. Meyer and Allen (1991), in an exploratory and confirmatory analysis of factors that can significantly predict Job Satisfaction and Organizational Commitment among blue collar workers, reported that Promotion, Satisfaction, Job Characteristics, Extrinsic and Intrinsic exchange, as well as extrinsic and intrinsic rewards, were related to Commitment. Job satisfaction is a very important attribute which is frequently measured by organizations. Salary was found to be the prime factor for motivation and job satisfaction of salaried employees of the automobile industry (Preeti and Kavita, 2012). The results showed that compensation was ranked as the number one element for job satisfaction. It was discovered that management & friendly staff relationships contribute to the level of job satisfaction (Rajeswari and Devika, 2015). The present study investigates the reason behind employee satisfaction and the reviews discussed justify the reason of the BPO employee's satisfaction on the job.

**OBJECTIVE OF THE STUDY**

To identify Job Satisfaction factors related to employees of BPO sector.

**HYPOTHESIS OF THE STUDY**

There is significant difference in the job satisfaction factors influencing employees of BPO industry.

**POPULATION OF THE STUDY**

The target population for this study consist of non-voice BPO professionals from BPO organizations of Coimbatore.

**SAMPLING FRAME**

In the first-stage, simple random sampling was used to select 17 BPOs out of 53 available BPOs in Coimbatore region. In the second stage, for the sampling purpose, employee list was obtained from the human resource department from each of the 17 BPOs and from the consolidated list list of 7600 employees, 430 employees



are selected through simple random sampling which is about 5% of the total employee strength out of 7600 employees. The sample comprises of both genders with varied background and occupational characteristics.

**METHODOLOGY**

The instrument used for this study is a questionnaire. Job Satisfaction were measured with 35 variables taken from psychological stress dimensions questionnaire (Lynne, et. al, 1999), grouped under constructs namely Satisfaction with work schedule, Satisfaction in work, Satisfaction with level of responsibility, Satisfaction with level of support, Job context and Physical work environment, with an response on 4 point scale. The present study used this questionnaire to identify the level of Job Satisfaction among the BPO employees, investigating the relationship between three main categories namely occupation, lifestyle and life events. The first category assesses occupational stress and investigates the level of satisfaction, with diverse aspects of work. The second category concerns stress related to lifestyle and evaluated topics such as satisfaction with social life, family life and living environment. The third category of questions assesses life events.

**ANALYSIS OF JOB SATISFACTION VARIABLES**

To identify the job satisfaction factors influencing employees of BPO Industry, factor analysis was done. The hypothesis developed is that there is significant difference in the job satisfaction factors influencing employees of BPO industry. In order to have a better understanding about job satisfaction, Factor analysis is used to group the different experience of the employees and make it easier to understand. Factor analysis is not only an important tool to identify the important factors, but also to reduce the factors. In this study, Factor analysis is employed using extraction method of principle component analysis under Varimax with Kaiser Normalization method to find the factor loadings and the number of components or groups is identified with Eigen value more than one. Further, based on Eigen the factors are grouped. There are thirty-five statements considered to identify the reflection of job satisfaction among BPO employees. These thirty-five statements are classified into eight components or groups because their Eigen values are more than one (6.70, 3.59, 2.98, 2.58, 2.17, 2.08, 1.95 and 1.53). The table below describes the results of Factor Analysis in terms of Factor loading for the various statements relating to job satisfaction and their groups.

The result of Factor Analysis is discussed below:

**TEST OF KMO AND BARTLETT’S TEST OF SPHERICITY**

The use of KMO and Bartlett’s test of sphericity is primarily essential to measure sample adequacy for using Factor Analysis.

**TABLE 1: KMO AND BARTLETT’S TEST**

Kaiser-Meyer-Olkin	Measure of sample adequacy	0.86
Bartlett’s test of Sphericity	Approx. Chi-square	9777.04
	DF	595.00
	Sig	0.00

Table 1 provides the details of KMO analysis. The KMO score is greater than 0.6 which suggests that the data is adequate for factor analysis.

**TABLE 2: CLUSTERING OF REASONS INTO FACTORS ON PRIORITY BASIS**

Factor Dimensions	Reasons	Rotated factor loadings
<b>Factor I: Facilities at Work Place (19.14%)</b>	Drinking water	0.63
	Restroom	0.72
	Canteen	0.77
	Room temperature	0.81
	Quality of air	0.79
	Ventilation	0.75
	Condition of computer	0.75
	Timely rectification of computer problems	0.76
	Conditions of headset	0.82
	Noise coming through headset	0.75
<b>Factor II: Freedom and inter personal relationship (10.25%)</b>	Furniture	0.48
	Type of decision you have to make	0.59
	Number of decisions you have to make	0.52
	Level of responsibility given to you	0.71
	Communication and support between you and your colleagues	0.65
<b>Factor III: Financial and Non-financial benefits (8.51%)</b>	Communication and support between you and your supervisor	0.71
	The confidence your immediate superior has in you	0.73
	Time allocated for: Lunch	0.82
	Time allocated for: Breaks	0.80
<b>Factor IV: Work Flexibility and Security (6.50%)</b>	Salary	0.61
	Incentive system	0.52
	Work timings	0.69
	Rigidity of work schedule	0.74
<b>Factor V: Nature of Job (6.19%)</b>	J Job security	0.52
	L Level of challenge	0.51
	T The nature of work or the tasks	0.55
<b>Factor VI: Workplace Ambience (5.94%)</b>	Training provided	0.75
	Provision of required software	0.52
	Layout of work Space	0.72
<b>Factor VII: Professional Development (5.57%)</b>	Lighting level	0.64
	Your choice of profession	0.74
<b>Factor VIII: Work Tools and Promotion (4.38%)</b>	Appraisal system	0.49
	Hours of overtime	0.54
	Availability of necessary hardware	0.42
	Promotion schemes	-0.64

Table 2 gives the rotated factor loadings and the percentage of variance explained by the job satisfaction factors. Out of the 35 different job satisfaction statements, 8 factors have been extracted and these 8 factors put together explain the total variance of these statements to the extent of 67.35 %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several

methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better results for interpretation and the results are given in 50.

Using factor analysis, the job satisfaction statements were reduced to 8 factors. The results of extraction of factor are summarized in Tables 4.23. 11 statements were grouped together as factor I and accounts to 19.14% of the total variance. 6 statements constituted factor II and accounts 10.25% of the total variance. 4 statements constituted factor III and accounts 8.51% of the total variance. 3 statements were grouped together as factor IV and accounts 6.50% of the total variance. 5 statements constituted factor V and accounts 6.19 % of the total variance. 2 statements constituted factor VI and accounts 5.94 % of the total variance. 2 statements were grouped together as factor VII and accounts 5.57 % of the total variance. 3 statements constituted factor VIII and accounts 4.38 % of the total variance. Thus the factor analysis condensed and simplified the 35 statements and grouped into 8 factors explaining 67.3 % of the variability of all the 35 statements of job satisfaction.

The factor dimensions identified are as below:

**FACTOR I: FACILITIES AT WORK PLACE**

The employees are satisfied with the provision of facilities provided in the work place. Factors such as drinking water facilities, restroom, canteen, room temperature, quality of air, ventilation, condition of computer, timely rectification of computer problems, condition of headset, noise coming through headset and furniture are grouped as Factor I. Employees provided with the above facilities tend to show response in a positive way, indicating good level of motivation.

**FACTOR II: FREEDOM AND INTER PERSONAL RELATIONSHIP**

Freedom and interpersonal relationship among employees give a sense of satisfaction and relieves from work pressure. Factors that are identified under group II are type of decision an employee need to take, number of decisions taken and level of responsibility given. Employees satisfied with these factors will be committed to work showing reduced effect on turn over intention.

**FACTOR III: FINANCIAL AND NON-FINANCIAL BENEFITS**

Factor III includes time allotted for lunch and breaks, salary and incentive, related to the personal nature or temperament of the employee. Many a time, employees leave organizations because of certain personal reasons that they don't divulge. The unfriendly attitude of the organizations in giving extended working hours to the employees for an extremely long period pressurizing the employees to meet targets within stipulated time and low salary package irritates the employees and is responsible for job dissatisfaction. In a study by Hai et al., (2008) to evaluate the influence of pay increase on job satisfaction in the Chinese military, it was found that pay is an important factor affecting overall satisfaction. BPO workers in India also need greater flexibility in their work than they currently have.

**FACTOR IV: WORK FLEXIBILITY AND SECURITY**

The factors grouped under this category are work timings, rigidity of work schedule and job security. One of the most important factors responsible for job dissatisfaction in BPOs is the obscurity of career path. Poor work timings and job insecurity is an important factor clubbed here.

**FACTOR V: NATURE OF JOB**

Level of challenge, nature of work or tasks, training provided and provision of required software are clubbed as nature of job factor. The nature of job being challenging makes employees feel free from boredom. The employees trained by organizations will show improvement on job performance. Availability of required software is a must for BPO employees to carry out their task. The employees will feel motivated and will get a sense of belonging to the organization. Hence, all the factors are grouped as one factor.

**FACTOR VI: WORKPLACE AMBIENCE**

Layout of work space and lighting level are grouped as workplace ambience factor. In the findings of Lumley, et al., (2011), who states that employees value certain conditions of work, and that if these conditions are evident and congruent with the individual's own needs, employees will be more satisfied and committed and less likely to leave the organization. Hence this study gives importance to workplace ambience to support and believe that the employees work for the betterment of the organization.

**FACTOR VII: PROFESSIONAL DEVELOPMENT**

Choice of profession and appraisal system is clubbed as professional development factor. An employee's aspirations and career goals can receive careful attention during performance appraisal meetings. Without inquiring into an employee's personal life, a supervisor can nevertheless explore ways to enhance the compatibility between the worker's commitment of organization and the employee's other life commitments. Through such means, the organization personalizes its relationship to each employee and provides support, while also expressing appreciation for their contributions. To further engage employees and win their commitment through performance management programs, to have overall professional development, considerations must be shown to treat organization's employees.

**FACTOR VIII: WORK TOOLS AND PROMOTION**

Hours of overtime, availability of necessary hardware and promotion schemes are considered as work tools and promotion factor. The related attitude of job satisfaction of the employees to show effective response on job performance is the option of promotion at workplace. Employees overburdened and provided with inefficient hardware facilities will show negative response in the workplace indicating job dissatisfaction among them. Organizations concentrating on the above said factors are sure to create an environment friendly situation.

The result of factor analysis on job satisfaction factors related to employees in the BPO sector identified eight factors through the results of extraction of factors. The factors dimensions identified are as facilities at Work Place, Freedom and inter personal relationship, Financial and Non-financial benefits, Work Flexibility and Security, Nature of Job, Workplace Ambience, Professional Development and Work Tools and Promotion. Hence, it can be concluded that there is significant difference in the job satisfaction factors influencing BPO employees.

**SUGGESTION**

Creating friendly environment in the work place will enable employees to have greater satisfaction. Managers must take initiative to give feedback of work to employees. Breaks and refreshments in between working hours will make the employees to feel refreshed and thereby help to reduce eye strain, neck ache and head ache to avoid stress. Pay scale and promotion may be revised and changed, according to the years of experience gained, to make the employees satisfied on the job. As income has a direct effect on the turnover intention of the employees, organizations must identify the employee needs to make them continue on the job.

Organizations must adhere to facilities like drinking water, restroom, canteen, maintenance of proper room temperature, quality of air, ventilation, conditions of computer, timely rectification of computer problems, condition of headset, proper headsets and furniture. Employees tend to show response in a positive way, indicating good level of motivation to organizations attending to the above requirements. Creating freedom of interpersonal relationship inside the organization will give sense of satisfaction among employees and will relieve them from work pressure. Employees satisfied with these factors will be committed to work, showing reduced effect on turnover intention. Many a time, employees leave organizations because of certain personal reasons that they don't divulge. This can be curbed by a friendly attitude of the organizations by providing flexibility of working hours, proper breaks within working hours, not pressurizing the employees to meet targets within stipulated time and by providing a good salary package. The low cost and portability of computers, together with the ubiquitous availability of the internet, will enable employees to work away from a designated place. Telecommuters can work from home (teleworking), and employees in different locations and on different schedules can work together as 'virtual teams'. This will enable organizations to satisfy the employees. Self-managing work teams require a clear and engaging direction, performance goals, demographic and skill diversity, an optimum size, stable membership, group rewards, as well as coaching style of leadership and easy access to informational material and training resources.

**CONCLUSION**

One of the most important factors responsible for job dissatisfaction in BPOs is the obscurity of career path and job insecurity, organizations giving assurance towards the career of the employees can easily earn satisfied employees. Organizations must make the job challenging for the employees to make them feel free

from boredom by providing training programs to show improvement on job performance. Availability of required software is a must for BPO employees to carry out their task. The employees will feel motivated and will get a sense of belonging to the organization by the provision of such direct requirements on the job.

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## A PRODUCTIVE ANALYSIS OF REGIONAL INEQUALITY IN AGRICULTURAL DEVELOPMENT: STUDY OF HARYANA INTER-DISTRICT EMPIRIC

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### ABSTRACT

*Agriculture is the most important sector of Indian economy, the pace of economic growth and wellbeing of general masses are still significantly influenced by the pace of agricultural development. But, like other sectors of Indian economy agricultural development is also marred by huge regional inequalities. Inequality in agriculture is not only present in between states but inequality is also a matter of serious concern with in state. Haryana which is considered as 'Super-Power' in terms of agricultural development is also not an exception of above mentioned trends. Present study attempts to reveals the present scenario of agricultural development in Haryana; while attempting to study the trends of regional disparities in one of most agriculturally developed state of India in selected time periods, study also test the applicability of certain developmental hypotheses in the case of agricultural development of Haryana. This paper has been divided into three different but cohesive sections. Section I deals with the issues and literature related to regional inequalities. Section II focuses on core characteristics of study-area and methodology of the present study. And the last section briefly analyse the levels of agricultural development of Haryana over three specific time periods (i.e. 1990-92, 2000-2002 and 2007-09) by employing deprivation index.*

### KEYWORDS

agricultural development, deprivation index, ranking method, triennial averages, convergence and divergence of development.

### INTRODUCTION

Development is a process of changing and aiming the socio-economic transformation of a traditional society into a modern society. The concept of development has been interpreted in many ways by Politicians, economists, planners and researchers depending on their perception and objectives. But all of them agree with the idea that development means improvement in the standard of living of people (World Bank, 1975). World over, different economies drive their economic growth and development through different sectors. Some economies are dependent on agriculture, while some are known as industrial economies and some are knowledge based economies. And all these economies have the supreme goal of economic growth, development and general equity in society. But as many researchers and economists (i.e. Myrdal (1957); Hirschman (1961), have proved many times that development is not a location neutral phenomenon, it tends to differ from one location to other in its intensity and in its characteristics. Owing to some historical, natural, economical, geographical and even because of political factors development tends to 'Diverge' at least in the initial stages in all the countries.

Inequalities in development have always remained the core issue in all development related studies. Studies by Myrdal (1957), Hirschman (1961), and many others have proved that development do not take place with the same intensity on all the locations. And in development due to 'Backwash Effect' all economic activities tend to concentrate at some points and leading to the formulation of development of 'Growth Foci'. Although this trend gets reversed once 'Spread effect' get starts in long run. In countries like India, where the process of development is relatively new or has just began divergence of inequalities are more evident. This shows that, in the initial stages of development regional inequalities in various sectors of economy will be on the high (Kumar, 2009).

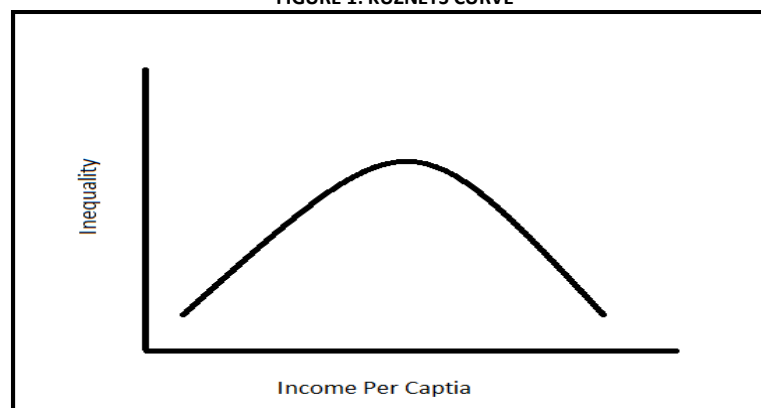
In Indian case, inequalities in the levels of development between different regions have been an integral feature of the history of economic development. Uneven development is quite evident in all the sectors of the economy where co-existence of developed and backward regions has led to dichotomous situation. Questions regarding the regional disparities are not new in development related literature and it has been recognised in policy papers and in implementation. The approach paper of 11<sup>th</sup> five-year plan adopted in 2006, forcefully articulates the urgency in the 'Convergence of Development' as:

*"The strategy of inclusive growth proposed in this paper can command broad based support only if growth is seen to demonstrably bridge divides and avoid exclusion or marginalisation of large segments of our population. These divides manifest themselves in various forms between the have and have-nots; between rural and urban areas; between the employed and under-employed; between different states, districts and communities and finally between genders."*<sup>1</sup>

The discussion related to regional disparities in development came into lime light after the publication of Kuznets (1955) study. This study presented a diagrammatic representation of relationship between development and inequalities by what is known today as 'Kuznets Curve' (Figure 1). This curve relates economic development with regional inequalities predicting that during the initial stages of development, inequalities in all the sectors will increase, which is also confirmed by Indian development history. In development related studies this curve is also known as 'Invert U Curve' (Dubey, 2009).

When it comes to agricultural sector of Indian economy which provides 17.5 % of GDP and 60-70% direct and indirect employment to Indian masses is also not an exception to regional inequalities. In agriculture sector also disparities in and among states is alarmingly high. Many studies (i.e. Dubey, 2009; Kumar, 2009; Kumar, 2009a) have highlighted that as regional disparities are prevalent in agricultural development also as they are present in other sectors of Indian economy. In case of Haryana, which is agriculturally most developed state of India, is also marred by severe inequalities in development especially in terms of agricultural development. Present paper is an attempt to assess how agricultural disparities in Haryana have behaved over selected time period (i.e. 1990-92, 2000-2002 and 2007-09). This study is also throws light on how regional disparities have moved with the implementation of new economic reforms and thereafter.

FIGURE 1: KUZNETS CURVE



Source: Dubey (2009)

**HYPOTHESES RELATED TO DISPARITIES IN DEVELOPMENT**

Given the long history of economic planning, awareness related to regional disparities was very high among researchers. During process of development the forces of convergence and divergence act together and the ultimate result depends on the relative strength of these opposite forces (Swain et al., 2009). The convergence forces are cherished as spread (Myrdal, 1957) and trickling down (Hirschman, 1961) effects of development efforts that help reducing disparities. The divergence factors that widen regional disparity are termed as backwash (Myrdal, 1958) and Polarisation effects (Hirschman, 1961). A close scrutiny of existing literature on regional disparity reveals that there are at least three different hypotheses with differing emphasis given to the relative importance over time of the forces of convergence and of divergence.

Huges (1961) proposed that the forces of divergence dominate over those of convergence and as a result, inter-regional differences in the levels of economic development keep on widening over time. In second view, Hanna (1959) viewed that the rate of economic growth is inversely related to the level of per capita income and hence given identical technologies, preferences and rate of population growth, difference in per capita incomes between any two regions will be short-lived. Third hypothesis, which can be seen as the optimal combination of above two was given by Williamson (1963) pointed out that inter-regional disparities, diverge initially to converge later on and thus, trace out the famous 'Kuznetsian Invert U Curve' over time in the process of national economic development (Nair, 2003).

In the light of above hypotheses, the study attempts to analyse the process of regional disparities in the levels of agricultural development in Haryana over a specific time period covering reform and post-liberalisation period. Study attempts to examine whether disparities are converging or diverging under market forces.

**REVIEW OF LITERATURE**

Since the problem of regional manifestation of development of an economy is not new, interest in the thoughts and patterns of regional disparities are also not new. The general idea about the process of development and its relation with disparities was given by Thunen (1826), Webber (1909) and Losh (1940) through their various location models. But, the real theory formation concerning regional disparities started by the works of Myrdal (1957) and Hirschman (1961) as they gave 'Spread effect and Backwash effect' and 'Trickling down of Polarisation effects' respectively.

In studies concerning India and Indian states, pioneering work has been done by M.N Pal (1968), Kundu (1980), and many others. Their work has shown and proved that how regional disparities behave under different socio-economic conditions of different states. In terms of disparities in agricultural development of India earliest work is of Sharma (1958) who did pioneering work in identifying levels of agricultural development by using general survey from 1947-1957. Apart from him Mathur (1983); Manjit and Mitra (1996); Dasgupta et al. (1997); Ghose et al. (1998); Mukherjee (2004); Ruksana (2009) have also highlighted the issues related to regional disparities in various sectors of Indian economy.

The review of literature reveals that regional disparities are very important in development studies and can provide deep insight for future course of development. Present study is an attempt to identify regional disparities in agricultural of Haryana over selected time period so that regional harmonious development can be achieved which is also over developmental goal.

**CONCEPT OF AGRICULTURAL DEVELOPMENT**

In last few decades there have been numerous studies on agricultural development all over the country in various academic disciplines. But most studies skip any pin-pointed definition of agricultural development. Nath (1960), Bhalla and Tyagi (1989) all of them have equated agricultural development with productivity of agriculture. Raza (1978) took most comprehensive view of agricultural development by recognising four dimensions i.e. Productivity, Production conditions, Agrarian relations and Agricultural change. Many others (i.e. Krishan, 1980) believe that agricultural development may be envisaged as the agricultural performance of an area in terms of economic gains of yield, social justice it delivers. For a common frame of references in present study agricultural development connotes 'qualitative and quantitative' upward shift in the performance of agriculture and leading to general well-being among farming community. For analysing these qualitative and quantitative changes over time, 10 Indicators of agricultural development have been selected for analysis.

**OBJECTIVES OF THE STUDY**

Main objectives of present study are:

1. To test various development hypotheses in case of agricultural development in Haryana.
2. To measure the extent of regional disparities in agricultural development of Haryana.
3. To explain how agricultural disparities have behaved over time.
4. To explain that how regional disparities have behaved under market force after liberalisation of Indian economy.

**DATABASE AND METHODOLOGY****STUDY AREA**

Haryana with its favourable climatic and topographical characteristics is agriculturally most developed state of India. Haryana lies between 27° 39' and 30° 55' North latitude and 74° 27' and 77° 36' East longitude, with a geographical area of 44212 Sq Km. Given the rich fertile soil, proper irrigation facilities and location near a huge market are primary factors that have led to well-developed agriculture in Haryana. Agriculture plays an important role in socio-economic development of the state. Statistics reveals that around 80% of states geographical area is under cultivation Haryana occupies prominent place among the top producers of wheat, rice and other agricultural products. Soon after the formation of Haryana in 1966, government of Haryana gave emphasis on the development of agriculture and as a result Haryana has achieved pioneering position in India especially in terms of agricultural development. But, as most hypotheses accept this development was not equal for all the districts with in Haryana. There is marked difference between the districts of northern Haryana and southern districts of Haryana. Apart from marked difference in physical climate north and southern districts of Haryana also differs in terms of agricultural development. Districts of north Haryana are technologically highly developed and are more market oriented. Whereas southern districts are still poorly equipped with technology and are still backward in comparison of other districts of Haryana (Kumar, 2009). Moreover, after adaptation of New Economic Policies of liberalisation in 1991, Haryana's economy is exposed to new and diverse challenges from market forces. Therefore, in present study regional disparities in agriculture are studied to bring out regional manifestation of development under market forces.

**METHOD**

Present study is based on secondary data collected from varied data sources. Statistical Abstract of Haryana for various years, issued by Department of Economics and Statistical Analysis, Government of Haryana has served as chief data source. As development is not a single entity, it is a multi-dimensional phenomenon which is combined effect of many things. In present study agricultural development is assessed by taking into account of 10 development indicators which are directly related to input or output part of agriculture. The levels of agricultural development have been derived by composite **Development Index**<sup>2</sup> of all variables and mathematically Development index can be written as:

$$Z_{ij} = \frac{(\text{Actual } X_{ij} \text{ Value}) - (\text{Minimum } X_{ij} \text{ value})}{(\text{Maximum } X_{ij} \text{ value}) - (\text{Minimum } X_{ij} \text{ value})}$$

Here,

$Z_{ij}$	=	Composite Deprivation Index
Actual $X_{ij}$	=	Actual Value for Variable
Maximum $X_{ij}$	=	Maximum Value for variable
Minimum $X_{ij}$	=	Minimum Value for variable

The value of the index ranges from 0 to 1. Best performing district would get '1' and worse would get the index value of '0'. Moreover, for measuring the magnitude of regional imbalances in the case of agricultural development across the districts has been calculated by using *Coefficient of Variation*. To depict district wise agricultural development composite agricultural development has been constructed by using following ten indicators.

X <sub>1</sub>	Percentage of area under HYV seeds to gross cropped area;
X <sub>2</sub>	Consumption of fertilizers (Kgs/Hectares);
X <sub>3</sub>	Consumption of Pesticides (kgs/Hectare);
X <sub>4</sub>	Percentage of gross irrigated area under gross cropped area;
X <sub>5</sub>	Number of tractors to per hectare of gross cropped area;
X <sub>6</sub>	Average size of land holding;
X <sub>7</sub>	Percentage of Gross Cropped Area Under Commercial crops to total cropped area;
X <sub>8</sub>	Per hectare gross value of agricultural output in rupees (base year price);
X <sub>9</sub>	Percentage of area sown more than once to net area sown;
X <sub>10</sub>	Intensity of Cropping;

Agriculture is a highly dynamic phenomenon; it tends to vary year after year based on climate and many other factors. And in order to tap changing nature of agriculture, three years' triennial average has been taken for analysis. Furthermore, for presenting data tables and diagrams have been used and for showing spatial pattern of agricultural development is shown through various choropleth maps.

This paper has been divided into three different but cohesive sections. Section I deals with the issues and literature related to regional disparities. Section II focuses on core characteristics of study-area and methodology of the present study. And the last section briefly analyse the levels of agricultural development of Haryana over three specific time periods (i.e. 1990-92, 2000-2002 and 2007-09)

## RESULTS AND DISCUSSIONS

After employing deprivation index on selected indicators to obtained composite agricultural development index for all the districts; it is evident (table 1) that there exists huge inter-regional as well as inter-district disparities in agricultural development of Haryana. The calculated value of composite indices reveals significant inter-district variations in the levels of development for 1990-92 the value of Coefficient of variation (in %) which was 66.66 % but after the implementation of new economic policies the regional disparities in agricultural development have narrowed down significantly (Coefficient of variation 45.45%). Interestingly contrary to developmental hypotheses disparities started diverging again here for 2007-09, Coefficient of variation stands at 63.82%.

In 1990-92, only 2 districts were under highly developed category those were Karnal and Kurukshetra; medium developed category constitutes 7 districts (around 43.75%) and most of districts of this category are from northern Haryana. But, under low and very low developed categories, interestingly districts of southern and central Haryana falls. This north-south division is a by product of green revolution which started in northern Haryana, and failed to percolate in southern parts (Bishnoi et al., 2008)

For 2000-02, picture was still almost the same here also districts of northern Haryana constitutes high and medium developed category, whereas southern and central districts occupy low and very low category (Map. 2). But in the index for 2007-09, agricultural development has shown a relatively different picture. In 2007-09, index developed category is still occupied by northern districts of Kaithal, Karnal, Panipat and Kurukshetra; but under medium category some new districts have occupied new places which were earlier by Jind and Faridabad; moreover, in this index surprisingly Ambala has slipped to very low category (Map. 3). Index for 2007-09, shows that now with the passage of time agricultural development is trickling down to backward districts of southern Haryana but with snail pace.

After through study of spatial spread of regional disparities in agricultural development, this can be easily concluded that core area for the agricultural development lies in northern districts, whereas southern districts are still lagging behind. Study of related literature shows that this north-south divide of Haryana is partly because of two prime causes. One is the green revolution and other is irrigation facilities. It is well known fact that northern districts of Haryana have served as the focal point for the green revolution and primarily because the initial push from green revolution districts like Karnal, Panipat, Kurukshetra, Kaithal has higher awareness about modern technology and as a result agricultural development is relatively higher here. Secondly the intensity of irrigation facility in north is high. And in states like Haryana with semi-arid climate irrigation facilities holds the key for prosperity. And at the same time spread of technological know-how in technological poor districts of southern Haryana is key to alter the developmental focus from north to southern districts of Haryana

## KEY FINDINGS

On the bases of above analyse following key findings can be concluded:

1. The notion that regional disparities decrease with the development is wrong, in the case of agricultural development of Haryana. It seems, as if regional disparities converge or diverge owing to many other factors, other than SIMPLY time taken in development.
2. In terms of agricultural development there is a clear north south division exists. Where northern districts are way ahead as compare to their southern counterparts.
3. It seems as, Green revolution and irrigation facilities are to chief responsive factors in inequalities in agricultural development.

## CONCLUSION

The foregoing analysis proves that agricultural development in India's agriculturally most developed state is not inclusive. There is marked inter-district regional disparities between districts of northern and southern Haryana. Green revolution of 1967-68, gave initial thrust to agricultural development in northern districts that's why they are still dominating development scenario in Haryana. Apart from green revolution expansion availability of irrigation has played important role in causing regional disparities. This analyses helps in rejecting a popular hypothesis that regional disparities tend to converge after initial divergence. As this study shows that in Haryana regional disparities in agricultural development have converged from 1990-92 to 2000-02, but after this convergence in 2007-09 divergence have started again. In general, now this can be accepted that no doubt Haryana has achieved high growth rate of economic development but in this there are certain areas to which development process has bypassed. Now need of hour is to harmonise the development by making it more inclusive. Special problem oriented planning should be initiated to expand development to all the horizons. Expansion of irrigation facilities to southern and backward districts is most important in them.

TABLE 1: HARYANA: AGRICULTURAL DEVELOPMENT INDEX (ADI)

Districts	1990-92	2000-02	2007-09
Ambala	0.56	0.36	0.24
Bhiwani	0.20	0.00	0.14
Faridabad	0.48	0.48	0.58
Fatehabad	**	0.62	0.53
Gurgaon	0.30	0.39	0.25
Hisar	0.48	0.55	0.34
Jhajjar	**	0.40	0.00
Jind	0.50	0.50	0.57
Kaithal	0.55	0.58	0.79
Karnal	1.00	1.00	1.00
Kurukshehra	0.82	0.70	0.97
Mahendergarh	0.34	0.31	0.23
Panchkula	**	0.45	0.41
Panipat	0.60	0.68	0.94
Rewari	0.32	0.31	0.26
Rohtak	0.00	0.35	0.19
Sirsa	0.56	0.51	0.49
Sonipat	0.52	0.60	0.68
Yamunanagar	0.60	0.58	0.74
Mean	0.48	0.44	0.49
S.D.	0.32	0.20	0.30
C.V. (In %)	66.66	45.45	60.96

Source: Data is calculated by researcher from Statistical Abstract of Haryana for various years, issued by Department of Economics and Statistical Analysis, Government of Haryana.

Note: \*\*Districts were not in existence.

## NOTE

1. Towards Faster and more Inclusive growth: An approach to the Eleventh Five-year plan, Planning Commission, Government of India, 2006, Chapter 5.
2. There are numerous methods for calculating a composite index i.e. summation of ranks, division of mean and so on. The method for calculating the composite index for development by summing the ranks of various indicators has been quite popular among research scholars. The ranking method has two major drawbacks. Firstly, it does not consider the magnitude of difference in values of indicators. Secondly, in this method all the indicators are given equal weights. Analysis based on such considerations may be limited use. Therefore, in present study **Development Index** is used. (Which is widely used in **Human Development Index (HDI)**).

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# THE STUDY OF KEY SUCCESS FACTORS IN NEW PRODUCT DEVELOPMENT PROCESS IN TEXTILE INDUSTRY WITH SPECIAL REFERENCE TO SURAT REGION

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## ABSTRACT

*The idea of key success factors in new product development is dynamic to many organizations' persistence of business and growth is widely recognized. New products provide many business opportunities for organizations. The importance of key success factors in new product development is key, as corporate purpose and scope sets the guidelines for new product planning. This paper explores the importance of keys success factor of new product development process in the textile organization of Surat. The research findings highlighted the importance of key success factors during Idea generation and concept development stage of new product development phase.*

## KEYWORDS

new product development, textile industry, key success factors.

## INTRODUCTION

The importance of the new products remain to be of key to all organizations. Tough global competition, short product and technology lifecycles, spontaneous consumer buying patterns and possible market immobility makes new product development an important activity in most businesses. New products provide organizations with growth prospects that permit them to highlight their market position. Strategic planning identifies opportunities for new product development and sets new product planning guidelines. Creating the right organizational culture that can encourage innovation is one of the primary tasks for management. Developing successful new products requires systematic planning and integration of various organizational cross-functional activities. Without a clear roadmap from management it is challenging to select the right innovation strategy. Management's involvement in the new product development process is directly or indirectly responsible for a new product's success rate in the market.

## LITERATURE REVIEW

The literature recommends that the success rate of new products depends on numerous factors, including the technological factors, marketing factors, commercial factors, and managerial factors. The successful new product development requires an involvement from marketing, sales, design, research and development, finance, manufacturing, technical and legal functions. To ensure the continuing interaction among all these functions, it is critical to maintain a continuous flow of communication through one central information point in the organization.

**Jifeng Mu et.al.** study is to fill the gap by examining the key success factors of NPD in Chinese SMEs. Diverse from the old approach regarding the success factors in each stage of NPD as standardized, the key success factors in each stage of the NPD process are examined from a managerial perspective. This paper finds Chinese SMEs do not regard financial return as the primary criterion in the idea-generation stage. Although the key success factors are relatively quite different in various stages, technological, marketing, commercial, and managerial factors are important across all stages.

**Isidre March-Chorda et.al.** Rapid product development has been treated as a competitive strategy in a global market environment. It is essential to improve the product development process with the objective of reducing product development cycle time and hence to reach the market as quickly as possible. The main objective of this research is to identify the major determinants that confront the product development. The cost of product development projects that discourages commitment to new product development and the uncertainty of the market acceptance were found to be the major factors. According to the study reported in this paper, the fulfillment of the key success factors as suggested by the literature is, in general, low.

**Xueli Huang et.al.** This article examines the new product development process (NPDP) in Australian small and medium-sized enterprises (SMEs). Findings from a sample of 276 innovative Australian SMEs suggest that marketing-related activities were undertaken less frequently and were less well executed than technical activities in developing new products.

**Holger Ernst** continuous development and market introduction of new products can be an important determinant of sustained company performance.

**B.C. Ghosh et.al.** The research tries to determine the strategy dynamics and key success factors (KSFs) for excellence in performance of the so-called "tiger" SMEs in Singapore. In 1995 and 1996, 50 top privately owned and successful enterprises in Singapore were identified. They have shown that they can excel, even in the current highly competitive and high operation cost environment. Their performance can be attributed to their dynamism and a few KSFs that are apparently universal to these successful companies.

**Karl T. Ulrich et.al.** This paper is a review of research in product development, which defines as the transformation of a market opportunity into a product available for sale. Review is broad, encompassing work in the academic fields of marketing, operations management, and engineering design. The value of this breadth is in conveying the shape of the entire research landscape. We focus on product development projects within a single firm. Research devotes our attention to the development of physical goods, although much of the work we describe applies to products of all kinds.

**Wonseok Choi et.al.** Review the nature of new product development and explore diverse NPD processes. Also discussed Introduction of NPD process models and strategies of companies and products in the textile apparel industry.

**Jerry Soldatos, Jurate Hardy** studied the new product development process in Australian Grocery organizations and their research highlighted the importance of top managements support during new product development phases

## RESEARCH METHODOLOGY

The research study involved complete survey of 600 Textiles units who are engaged in dyeing, processing and printing. The list of these organizations was obtained from the South Gujarat Processors Association, Surat and the Federation of Surat Textile Traders Association Surat. The questionnaire was distributed to these



organizations and 565 responses were received. The questionnaire consisted of four 4 success factors and 8 criteria in each that covered a wide range of issues in the new product development field.

**OBJECTIVES OF THE STUDY**

1. To examine new product development process in Textile Manufacturing Unit in Surat Region.
2. To examines importance of key success factors in each stage of new product development process from managerial perspective.

**DATA ANALYSIS AND DISCUSSION**

Research findings were based on the responses from the textile manufacturing units representing the following: Dyeing Units (183), Printing Units (191), and Processing Units (191).

**TABLE 1: NO. OF TEXTILE UNITS**

Textile Units	Frequency	Percent
Dyeing Units	183	32.4
Printing Units	191	33.8
Processing Units	191	33.8
Total	565	100.0

The organizations were then classified by the investment in plant and machinery.

**TABLE 2: CLASSIFICATION OF INDUSTRY**

Investment in Plant and Machinery	Type of Industry	Frequency	Percent
Over Rs 25 lakhs but not exceeding Rs 5 Crores	Small	281	49.7%
Over Rs 5 Crores but less than Rs 10 Crores	Medium	284	50.3%
Total		565	100.0

The key instigators of new product development ideas and concepts. The key instigators according to the survey result.

**TABLE 3: POSITION OF RESPONDENTS**

Position of Respondents	Frequency	Percent
Dying Master	55	9.7
Manager	288	51.0
Owner	191	33.8
CEO/Director	31	5.5
Total	565	100.0

**TABLE 4: THE IMPORTANCE OF THE KEY FACTORS THAT IMPACTED IN EACH STAGE OF NEW PRODUCT DEVELOPMENT PROCESS.**

Rank of Criteria	Stage 1		Stage 2		Stage 3		Rank of Criteria	Stage 1		Stage 2		Stage 3	
	Factors	Mean	Factors	Mean	Factors	Mean		Factors	Mean	Factors	Mean	Factors	Mean
1	T2	3.53	Mg8	3.59	Mg5	3.52	17	C8	3.29	M4	3.35	Mg4	3.33
2	T8	3.52	T2	3.56	T2	3.48	18	M6	3.28	Mg1	3.34	T3	3.32
3	Mg8	3.51	T3	3.55	M4	3.47	19	C4	3.28	M5	3.34	C2	3.32
4	Mg7	3.50	Mg7	3.51	M2	3.45	20	C2	3.28	Mg5	3.34	T6	3.31
5	Mg5	3.50	C2	3.46	C5	3.44	21	T1	3.27	C5	3.33	Mg7	3.30
6	M4	3.48	Mg5	3.45	Mg8	3.41	22	T5	3.27	T5	3.33	M5	3.29
7	Mg1	3.41	T7	3.45	T8	3.41	23	M5	3.26	Mg4	3.33	M1	3.28
8	T4	3.39	T8	3.44	M7	3.41	24	M2	3.25	M8	3.31	Mg1	3.28
9	T7	3.37	C4	3.41	M6	3.40	25	C3	3.24	C6	3.30	C1	3.26
10	M7	3.35	C3	3.41	C4	3.40	26	C6	3.24	M7	3.28	T5	3.25
11	T3	3.33	T1	3.40	C8	3.40	27	C5	3.15	C1	3.26	T4	3.19
12	Mg4	3.32	C8	3.40	T7	3.36	28	C7	3.15	M3	3.24	C3	3.18
13	M3	3.31	M6	3.39	M8	3.36	29	C1	3.14	M1	3.21	T1	3.17
14	M8	3.30	T6	3.37	M3	3.36	30	Mg2	3.12	Mg2	3.15	C7	3.10
15	T6	3.30	M2	3.37	Mg5	3.35	31	M1	3.12	C7	3.07	Mg3	3.09
16	Mg5	3.30	T4	3.36	C6	3.34	32	Mg3	2.98	Mg3	2.91	Mg2	3.00

It was found that in stage 1, stage 2 and stage 3 the mean value of top 10 criteria is above two and among them in stage 1; 4 technological factors, 2 Marketing factors, no Commercial factors and 4 Managerial Factors. Though marketing and managerial factors are a primary consideration in this stage, technological factors are among the top priority. In stage 2; 4 Technological factors, no marketing factors, 3 Commercial Factors and 3 Managerial Factors. The results show that, in this stage, firm put emphasis on technological factors, and in stage3; 2 technological factors, 4 marketing factors, 2 commercial factors, 2 managerial factors.

It indicates that the results show that, in stage 1, firms put a lot of emphasis on Technological factors and not at all on commercial factors so that firms can concentrate more on Idea generation without financial constraints. As opposed to stage 1 firms are more concentrate on marketing factors than any other so that they can successfully launch the product in market to achieve competitive advantage.

**FINDINGS**

From finding firms are inviting new ideas in initial stage of NPD process. The table of mean rank that the relative importance of the KSF differs across different stages. Firms pay more attention on technological factors and attentions turns to marketing factors during the commercialization stage.

**CONCLUSION**

From the analysis it is concluded that the textile firms of Surat are actively involved in NPD. The majority of the SMEs concentrates on technological factors and marketing factors and then other two. As firm giving more importance to technological and marketing factors firms inviting new ideas and competitive advantage for new product and come to know about potential market and cost of new products.

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**ANNEXURE**

**LIST OF KEY SUCCESS FACTORS AND RESPECTIVE CRITERIA**

Factors	Criteria	Code
Technological Factors	1. The technology is new	T1
	2. The technology is core or platform	T2
	3. The technology is reliable	T3
	4. The technology is complex	T4
	5. The technology is hard to be substitute	T5
	6. The technology is not easy to imitate	T6
Marketing Factors	1. The Product has first-mover advantage	M1
	2. The time to reach market is short	M2
	3. The market has no entry barrier	M3
	4. The target market is clearly defined	M4
	5. The market is growing	M5
	6. The market is big enough	M6
	7. The market demand is stable	M7
	8. There exists identifiable market	M8
	9. There are no dominant competitors	M9
	10. There are few or no competitors	M10
	11. There are few or no substitute products	M11
	12. The product has unique competitive advantage	M12
	13. The production cost is low	M13
	14. The product is clearly defined	M14
Commercial Factors	1. There is reasonable pricing strategy	C1
	2. There is reasonable market channel plan	C2
	3. The product has strong functional attributes	C3
	4. The quality of product is reliable	C4
	5. There is manufacturing flexibility	C5
	6. The firm have relevant manufacturing experience	C6
	7. The company has sufficient resources	C7
	8. The inventor has experiences in the industry	C8
	9. The inventor can support the product development	C9
	10. The inventor has good reputation	C10
	11. The product can be manufactured at low cost	C11
	12. The product can be easily financed	C12
	13. The product has recognizable quantitative revenue	C13
	14. The product has expected positive return on investment	C14
	15. The product has positive return on investment	C15
	16. The product has positive present cash value	C16
	17. The product can make up the cost of the patenting	C17
	18. The company has strong financing capability	C18
Managerial Factors	1. The inventor owns the patent	Mg1
	2. There is good product development team	Mg2
	3. There are managerial expertise in the company	Mg3
	4. There is a good management team	Mg4
	5. The firm has effective incentive mechanism	Mg5
	6. The firm has highly qualified marketing staff	Mg6
	7. The firm has highly qualified production staff	Mg7
	8. The firm has highly qualified technical staff	Mg8

(Adopted from Jifeng Mu et.al study in 2007)

## AN EMPIRICAL STUDY ON MARKETING INFORMATION SYSTEM

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## ABSTRACT

*This paper has the purpose of being familiarized with the benefits of the marketing information system in companies that operate in the retail business. A field research was done in a major retailer, by means of a case study that consisted of interviews with two employees of the company, one from the top management and one from the marketing area, based on a semi-structured script, in addition to a documental analysis. The results indicate that information and its systematization possess great importance for the development of competitiveness, contributing to the development of the operations and to the promotion of new business opportunities, as provided by the pertinent literature.*

## KEYWORDS

marketing information system, environmental analysis, marketing decision-making, retail business, competitiveness.

## 1. INTRODUCTION

Due to high competitiveness, many companies have sought resources and management tools which enable them to quickly and flexibly respond to market demands. This is how information technology tools have gained a prominent role within competitive companies, as they aim to promote reliability and fast information, contributing to the mitigation of risks in decision-making processes (Kubiak & Kowalik, 2010).

Particularly to the extent that the marketing process is concerned, its strategic dimension is in charge of providing guidance to companies as to market opportunities, aiming at the development and maintenance of competitive advantages and profits in the long run, based on the systematic and continuous analysis of the needs and wishes of current and potential clients as well as the needs and wishes of competitors (Lambin, 2000). Therefore, strategic marketing is the one that monitors the market and identifies market opportunities and segments based on the expectations of the target audience (Minciotti, 1992).

Notwithstanding, Hooper, Huff and Thirkell (2010) argue that organizational functions around business strategies are increasingly fed by marketing strategies, interpreted by marketing orientation and by its elements (consumer orientation, competitor orientation or interfunctional coordination).

Likewise, Cravens and Piercy (2006) state that information is an input which can be used as a base to solve problems, assess potential actions, improve operational performance and mitigate risks in decision-making processes, which, according to Gupta (2012), enable new opportunities to take place as well as changes in the industry.

As such, it is necessary to develop a formal and stable structure to collect information, which freely flows within the organization so that it contributes to proper decision-making processes by managers (Jaworski, Macinnis & Kohli, 2002). Such authors as Kotler and Keller (2006) and Lambin (2000) state the need for structuring and systematizing information so that marketing decisions are continuously supported.

According to Berhan, Paul and Jan (2012), it is impossible to consider marketing without an information system. In this context, Pinto *et al.* (2006) argue that many companies combine marketing policies and techniques with information technologies, enabling managers to offer distinctive services and products, create value for the clients and generate profits for the organization.

Thus, the company's structure must be learning-process oriented, capable of obtaining relevant information from the data related to the decisions to be made; such decisions pertain to the strategies and actions which enable the defined goals to be met.

By considering all the information stated above, this paper has the purpose of being familiarized with the benefits of the marketing information system (MIS) for marketing decisions in the clothing retail business. In order to meet the defined goal, in addition to approaching related subject matters, a field research was done by means of a case study method, in a major company in the clothing retail business, which is an expressive segment in the Brazilian economy.

## 2. MIS CONCEPT AND MODELS

The MIS is an idea which is associated with man, machine, marketing and methods for collecting information's from the internal and external source and processing this information for the purpose of facilitating the process of decision-making of the business. MIS is not new, only the computerization is new, before computers MIS techniques existed to supply managers with the information that would permit them to plan and control business operations. The computer has added on more dimensions such as speed, accuracy and increased volume of data that permit the consideration of more alternatives in decision-making process.

The scope and purpose of MIS is better understood if each part of them is defined individually, thus

1. **MANAGEMENT:** Management has been defined in process or activities that describe what managers do in the operation for their organization plan, organize, initiate and control operations. They plan by setting strategies and goals and selecting the best course of action to achieve the goals. They organize the necessary tasks for the operational plan, set these tasks up into homogenous groups and assign authority delegation; they control the performance standards and avoiding deviation from standard.

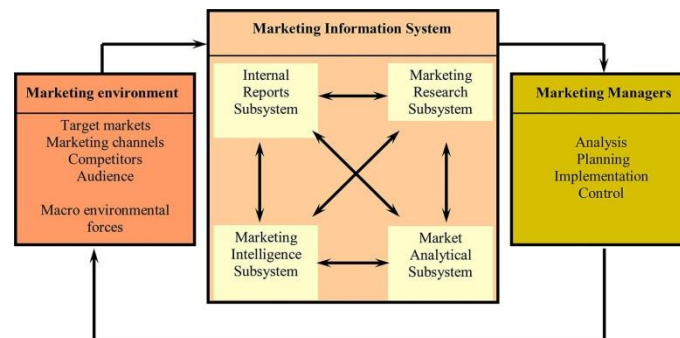
The decision-making is a fundamental prerequisite of each of the foregoing process, the job of MIS is facilitating decisions necessary for planning, organizing and controlling the work and functions of the business so that specified goals of business are achieved.

2. **INFORMATION:** Data must be distinguished from information and the distinction is clear and important for present purpose. Data are facts and figures that are not currently being used in a decision-making process and usually are taken from the historical records that are recorded and filled without immediate intent to retrieve for decision-making.

Information consists of data that have been retrieved, processed or otherwise used for information or interference purpose, argument or as a basis forecasting or decision-making regarding any business unit. Information is knowledge that one derives from facts for effective functioning of systems placed in the right context with the purpose of reducing uncertainty regarding the alternative courses of action as they are based on description and measurement of attributes of various entities associated with the enterprise.

3. **SYSTEM:** The system can be described as a set of elements joined together for a common objective. A subsystem is a part of a larger system with which one is concerned. All systems for our purpose the organization is the system and the parts (divisions, departments, functions, unit etc) are the subsystem. The system concept of MIS is, therefore one of optimizing the output of the organization by connecting the operating subsystems through the medium of information exchange. The Management information system (MIS) is a concept of the last two decade or two. It has been understood and described in a number of ways. It is also known as the Information System, the Information and Decision System, the computer based Decision System. Information is the life blood of an organization, particularly in the case of system approach management. The MIS or Information system can be define as the knowledge communicated by others or obtained from investigation or study. It is a system providing needed information to each manager at the right time in the right form and relevant one which aids understanding and stimulates the action. MIS is an organized method of providing past, present and projection information relating to internal operations and externals intelligence. It supports the planning, control and operational functions of an organization by furnishing uniform information in proper time frame to help the process of decision-making.

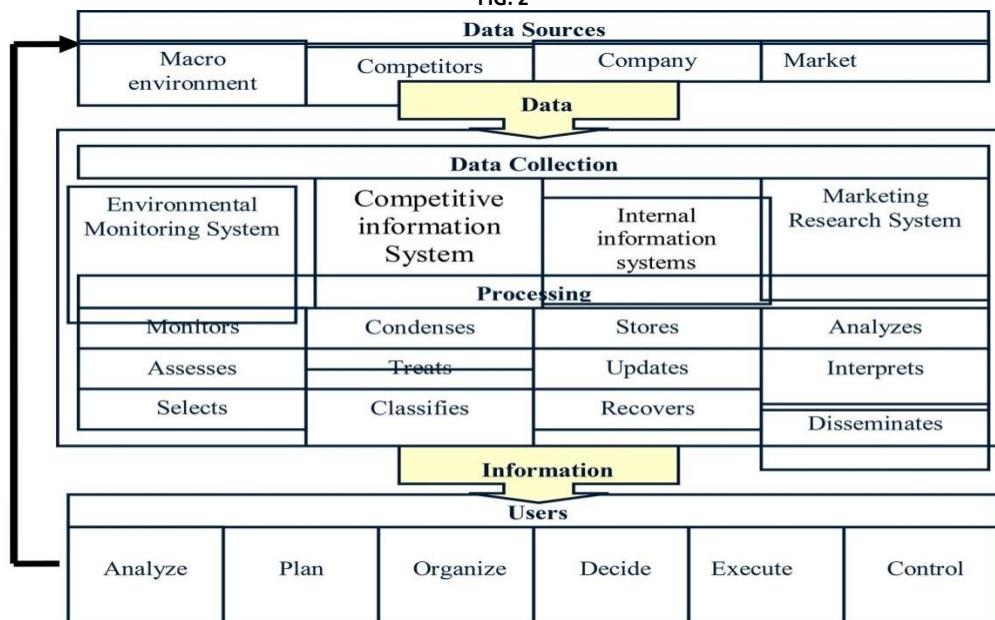
FIG. 1



Source: Kotler (1998, p. 12).

Mattar *et al.* (2009) highlight that fact that a generic MIS model must be applied and adapted to the reality of any company as long as it comprehends such activities as joining, processing, disseminating and storing relevant data and information, internal and external to the organization, for marketing decision-making processes.

FIG. 2



Source: Mattar *et al.* (2009, p.105).

**IMPACT OF THE MANAGEMENT INFORMATION SYSTEM**

MIS plays a very important role in the organization; it creates an impact on the organization’s functions, performance and productivity. The impact of MIS on the functions is in its management with a good MIS supports the management of marketing, finance, production and personnel becomes more efficient. The tracking and monitoring of the functional targets becomes easy. The functional managers are informed about the progress, achievements and shortfalls in the activity and the targets. The manager is kept alert by providing certain information indicating and probable trends in the various aspects of business. This helps in forecasting and long-term perspective planning. The manager’s attention is bought to a situation which is expected in nature, inducing him to take an action or a decision in the matter. Disciplined information reporting system creates structure database and a knowledge base for all the people in the organization. The information is available in such a form that it can be used straight away by blending and analysis, saving the manager’s valuable time. The MIS creates another impact in the organization which relates to the understanding of the business itself. The MIS begins with the definition of data, entity and its attributes. It uses a dictionary of data, entity and attributes, respectively, designed for information generation in the organization. Since all the information systems use the dictionary, there is common understanding of terms and terminology in the organization bringing clarity in the communication and a similar understanding of an event in the organization. The MIS calls for a systematization of the business operations for an effective system design. This leads to streaming of the operations which complicates the system design. It improves the administration of the business by bringing a discipline in its operations as everybody is required to follow and use systems and procedures. This process brings a high degree of professionalism in the business operations. The goals and objectives of the MIS are the products of business goals and objectives. It helps indirectly to pull the entire organization in one direction towards the corporate goals and objectives by providing the relevant information to the organization. A well designed system with a focus on the manager makes an impact on the managerial efficiency. The fund of information motivates an enlightened manager to use a variety of tools of the management. It helps him to resort to such exercises as experimentation and modeling. The use of computers enables him to use

the tools and techniques which are impossible to use manually. The ready-made packages make this task simple. The impact is on the managerial ability to perform. It improves decision-making ability considerably high.

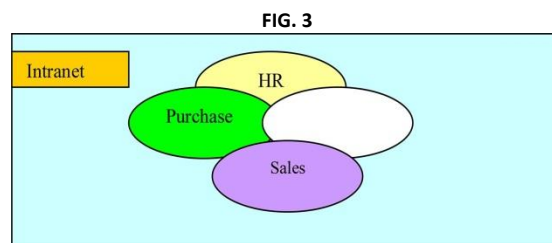
Since, the MIS work on the basic system such as transaction processing and database, the drudgery of the clerical work is transferred to the computerized system, relieving the human mind for better work. It will be observed that lot of manpower is engaged in this activity in the organization. Seventy (70) percent of the time is spent in recording, searching, processing and communicating. This MIS has a direct impact on this overhead. It creates information –based working culture in the organization.

### 3. DESCRIPTION AND ANALYSIS

#### USE OF THE MIS

The company has an Information System (IS) based on the software called SAP (Systems Applications and Products in Data Processing), developed by the German company with the same name. It enables to obtain information and disseminate them throughout the company so that it can be used in its activities. Regarded as slightly complex by the interviewees, it sometimes requires that some information, after being extracted and analyzed, be transferred to the Intranet, which tends to make its use easy by the users. The company's SAP system is made up of two bases called BW (Business Warehouse); one of them serves the company's commercial area and the other one serves the remaining areas.

The model can be divided into two blocks: (1) one defined from the user's profile, who has access only to their department's information, in order to perform their tasks, as seen in Figure, and (2) the other one in which the information presents itself in a disaggregated manner, more complex, and which is worked on with statistical modeling tools. Due to the merging of the Business Intelligence and Information Technology, the Intranet, based on the user's profile, at the moment, shows some "screens" or accesses under construction, as seen in Figure, by the ellipse in white.



Source: Authors, based upon the company's Intranet output.

The two interviewed managers, when questioned about the benefits the company is provided by the MIS, recognized that there are many of them, but in fact the company only allows to achieve them if they are used with other IS modules, which is not always feasible, due to the above-mentioned access restrictions. The statement is made clear when the interviewees classify in terms of importance the benefits which are solely provided the MIS, whose items were listed based on the literature review.

Both believe that the MIS allows the establishment of the foundation of retail strategies. They also speak highly of the possibility of reducing operational costs, making more accurate reports, improving productivity, controlling marketing costs, improving internal services, improving decision making, developing plans, promoting price and communication strategies, optimizing the services offered to customers, identifying target markets and new segments and managing inventories.

However, such benefits as improving distribution control, reducing the risks perceived by customers and identifying the nature of the services and products offered to the market are analyzed in the IS by other sectors and involve Logistics (factory/carrier), Purchasing and Business Intelligence. Even the contribution from the MIS to marketing results needs the monitoring of the responses from campaigns and promotions by the Business Intelligence, particularly due to information access restrictions.

Regarding the development of the main retail strategies, the information obtained contributes to strategic planning and decisions on the lines of products, price setting and store expansion and location.

As to the marketing planning, there is the concern for monitoring needs, satisfaction and customer purchase processes, performed by the Business Intelligence department, which handles the strategic function of supply and provision of information to the managers for decision-making purposes.

With a focus on the customers and maintaining its positioning within the segment in which it operates, the company invests in the integration with the factory in order to gain market and offer fashion with quality and fair prices. This integration is seen as a distinctive element over the competition, a sort of an innovative service added to the customer service. Nevertheless, for the interviewees, the integration store/factory is seen as a distinctive element which tends to enable cost reduction and improvement in price strategies over the competitors.

According to the top management interviewee, based on the analysis of market share: *"Currently, we are the second largest company in this sector, but we have been working to reach the first position soon, and in order to do so the company has worked on the integration between the stores and the group, opening of new stores and refurbishing of the existing ones, consolidation of market share in the Northern and Northeastern regions, increase in the market share in São Paulo and Rio de Janeiro, creation of a financial services company, strengthening of the relationship with customers by means of store cards and focus on innovation, launching of trends and products by means of market research and marketing intelligence, modernization of the manufacturing complex and implementation of information technology for operational and financial management."*

Regarding the interaction of the company with competitors, there is some difficulty obtaining information and, often times, the store's managers are the ones who visit their competitors and pass information on the Business Intelligence, Commercial, Marketing, and to other operational areas.

With the purpose of meeting market needs and maintaining its positioning, the company believes that observing and analyzing the main events and the demographic trends demand efforts, but which tend to offer more opportunities than difficulties if they are properly explored. Considering the fact that the company has many stores in other States of the country, constant studies are performed in relation to the cultures and customs of each region served, as well as in relation to the main fashion events in each region. This type of analysis is seen as an opportunity to increase sales when associated with meeting seasonal sales demand.

### 4. CONCLUSION

As seen in the statements from the interviewees, the acquisition of new technologies, the acquisition and use of other software and the merging of the IT and BI areas under the same management show the concern of the researched company to significantly invest in IS and in its use in an integrated manner with the MIS and with other company's databases, which allow analyzing customers, the market and, though poorly, the competition as well.

The close-knit relationship between Marketing, Business Intelligence and Information Technology shows the need for adaptation of the reality and the culture of the company to the use of information. By analyzing the benefits provided by the MIS, it is possible to see the dedication of the company to obtain information about its customers, in order to strengthen their relationship, as well as the search for meeting their customers' needs.

The company uses information more as a support to the risk reduction management in decision making than to the competitive advantage creation, although it is moving in the direction of the use of information as a strategic resource, for the purpose of providing a better performance of the operations and new business opportunities, as it has recently integrated Business Intelligence and Information Technology under the same management.

Although the information access restrictions, based on the creation of profiles, cause delays in the development of projects and in the definition of plannings, the research permitted to see that the MIS provides the benefits presented in the pertinent literature; however, in order to further enjoy such benefits, there is still the need of its integrated use with the company's IS.

Within the limitations of this work, the adopted method to perform the field research can be mentioned, as it does not allow for generalizations. However, it is important to highlight that, despite this limitation, the objective established, which is the verification of the benefits obtained with the use of the MIS, was achieved. Another evident limitation is in regards to performing a single case study; it is believed that the possible comparison with other case studies could further clarify the treatment of the flow and distribution of information, which, in this research, was limited to the access based on the creation of user profiles.

As a manner for contributing to further research, the exploration of other variables is recommended, such as the necessary information for decision-making processes and environmental analysis, regarding this research's problem. Also, it is recommended that similar research be done, and also of a quantitative nature in the business sector in question and in other relevant ones, for better assessment of the management of information that the marketing information system provides for creating and maintaining competitiveness, whether due to the scarcity of empirical studies or due to economic representativeness.

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**MOMPREENURSHIP: A NEW TREND OF ENTREPRENEURSHIP****B. N. LALITHCHANDRA****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****EMERALDS ADVANCED INSTITUTE OF MANAGEMENT STUDIES****KODANDARAMAPURAM****T. LAVANYA KUMARI****ASSOCIATE PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****EMERALD'S ADVANCED INSTITUTE OF MANAGEMENT STUDIES****KODANDARAMAPURAM****ABSTRACT**

*It is a proved fact that women play a significant role in the economic development of any economy. We find most influential evidence on the importance of women to economic development from the World Bank's studies on "Gender Mainstreaming Strategies". This research proved the fact that societies that discriminate by gender tend to experience less rapid growth. Today women are not suffering from limited mobility and they are boldly entering into market, without the company of a man, performing economic activities. They are venturing to convert the business environment according to their abilities, needs, education and innovative thinking. Since entrepreneurship is synonymous with risks and brings with it a different set of securities and insecurities, whenever women enter into business, work with patience and are appreciated for their decisions as well thought, well analyzed and well judged. Hence, women are, in recent years, have been recognized as "new engines for growth". Being driven by the spirit of entrepreneurship, in recent years, many mothers are also entering into business activities in general and small business in particular, they are called as "MOMpreneurs". Mompreneur is a female business owner and is designated as "mother working at home" and is managing the work and life in a balanced way. The present paper aims at a critical analysis of "Mompreneurs – who are effectively balancing the role of a mom and the role of an entrepreneur. The paper analyses the recent trends in rise of the mom-premiership, a hot trend in the small business sector. Mompreneurs establish business at home while also acting as the parent of the children and hence, in Asia they are called as "Stay-at-home MOM" (SAHM). As they have more time with family and kids, they are dedicating their time for full time and working as business women. Keeping this new trend of entrepreneurship, the present paper critically examines the recent trends in mom-entrepreneurship in Asia as well as in India.*

**KEYWORDS**

moms, entrepreneurship, work-life balance, small business, new engines for growth, mompreneurship.

**INTRODUCTION**

 Generally, the concept of entrepreneur differs from country to country as well as from period to period and the level of economic development, thoughts and perceptions. According to the Entrepreneurship Center at Miami University of Ohio has an interesting definition of entrepreneurship: "**Entrepreneurship is the process of identifying, developing, and bringing a vision to life. The vision may be an innovative idea, an opportunity, or simply a better way to do something. The end result of this process is the creation of a new venture, formed under conditions of risk and considerable uncertainty.**"

In simple words "Entrepreneurship begins with a business idea and the success of an entrepreneur and his/her enterprise depends on how well the idea is executed and built upon".

**ENTREPRENEURSHIP LEADS TO ECONOMIC DEVELOPMENT**

Entrepreneurship and economic development are intimately related. Schumpeter opines the rate of economic progress of a nation depends up on its rate of innovation which in turn depends upon the distribution of entrepreneurial talent in the population. Technical progress alone cannot lead to economic development, unless technological break-through is put to economic use by entrepreneurs. Entrepreneur is the only person who organizes inputs like capital, human resources and technology. So, Capital, labour and technology are not effectively utilized without entrepreneur. Thus entrepreneurs are the key personnel to the creation of new enterprises. That's why they are called as nation builders and wealth creators of the country. They play vital role for the economic development of a country in the following ways:

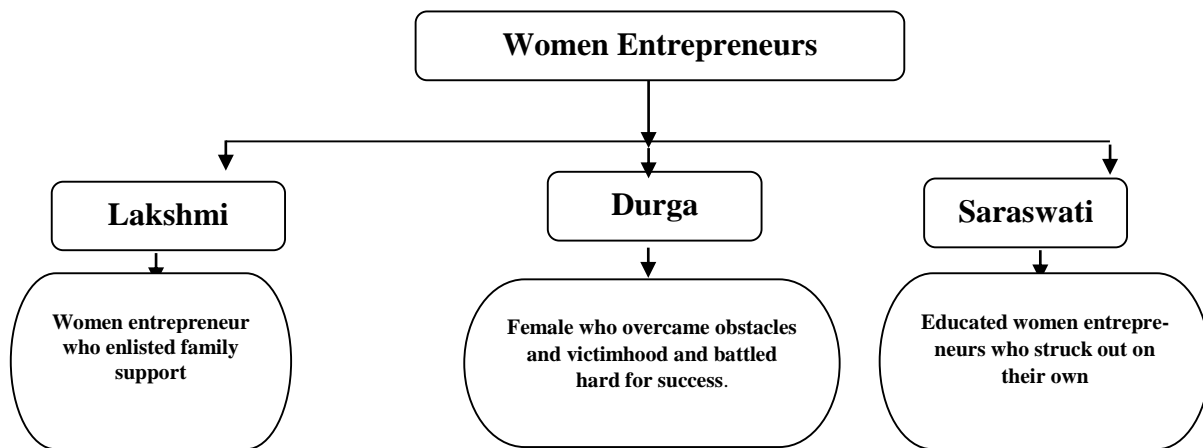
- Capital Formation
- Generation of employment
- Improving living standards
- Balanced regional development
- Improvement in per-capita income
- Growth of infrastructural facilities

Thus entrepreneurship is the de facto barometer of overall economic, social and economic growth.

**GENDER DIMENSION OF ENTREPRENEURSHIP**

In recent years' women entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. Women entrepreneurs may be defined as "a women or a group of women who take initiative to set up a business enterprise and to run it smoothly". According to the Government of India has defined women entrepreneurs as—an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.

FIG. 1: CATEGORIES OF WOMEN ENTREPRENEURS

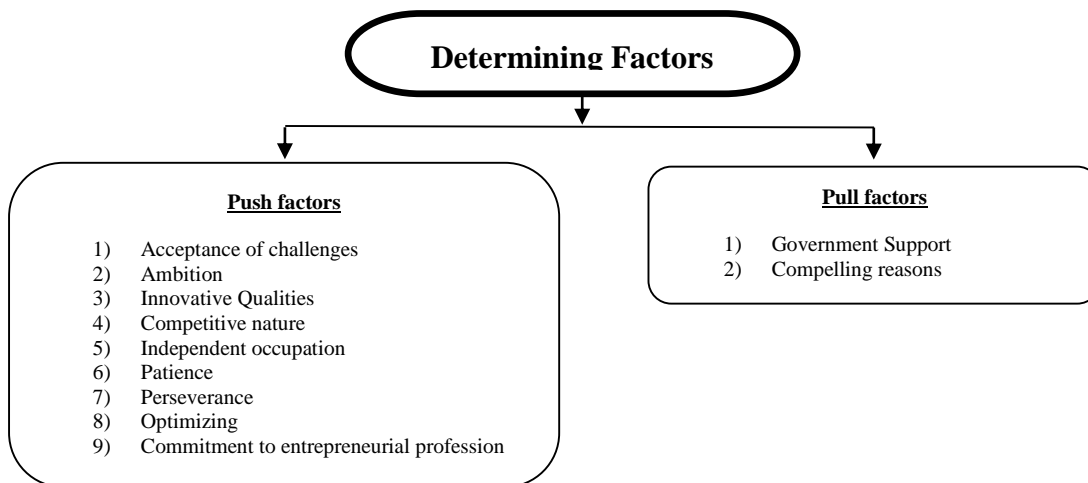


**GROWTH OF WOMEN ENTREPRENEURS**

Women around the world have narrowed the gender gap in entrepreneurship by 6 percent from 2012 to 2014 and are finding paths to launching more businesses in industrialized and developing nations, according to Global Entrepreneurship Monitor 2014 Women's Report. The report found improvements in female entrepreneurship rates and reduced gender gaps in 61 of the 83 economies studied over two years. For the 61 economies during the same period, total early-stage entrepreneurship activity rates (ranging from ventures just launched to those operating under three years) rose by 7 percent since 2012. On average, more women globally are taking advantage of educational gains and perceived economic opportunities to start businesses that can pave the way for financial independence, according to the Global Entrepreneurship Monitor 2014 Women's Report. The research, conducted by several universities, including Babson College in Massachusetts, was released Wednesday.

In recent years, entrepreneurship increasingly has been recognized as critical to economic development around the world, especially among poorer nations. Female entrepreneurs, in particular, can contribute substantially to economic growth and help reduce poverty, according to widely followed data from the World Economic Forum. Encompassing 40 percent of the global workforce, women are earning more professional degrees, seizing start-up opportunities and learning networking skills to sustain their small business beyond the initial launch phase. Now the expansive report — covering 83 economies — adds to that growing body of research and has found more women starting businesses and triggering community impact through job creation. The factors that favour women in running organized industries are their skills, talents and abilities in business and compelling desires to do something positive and these factors can be divided into two categories as shown in fig. 2

FIG. 2: THE FACTORS THAT FAVOUR WOMEN IN RUNNING ORGANIZED INDUSTRIES



**LISTING THE WOMEN ENTREPRENEURS**

Based on these factors, an attempt is made to enlist the female entrepreneurs in India as presented in the following table 1.

TABLE 1: LIST OF WOMEN ENTREPRENEURS

Sl.No	Name of the Person	Company Name	Position
1	Indra Nooyi	Pepsi Co	Chairman and CFO
2	Naina Lal Kidwai	HSBC, India	Group General Manager
3	Kiran Mazumdar Shaw	Biocon Limited	CMD
4	Chanda Kochar	ICICI Bank	MD & CEO
5	Indu Jain	Time Group	Chairperson
6	Simone Tata	Trent Limited	Chairperson
7	Neelam Dhawan	HP India	MD
8	Sulajja Firodia Motwani	Kinetic Motors	JMD
9	Priya Paul	Apeejay Park Hotels	Chairperson
10	Mallika Srinivasan	TAFE	Director
11	Ekta Kapoor	Balaji Telefilms	JMD & Creative Director
12	Shahnaz Hussain	Shahnaz Herbals Inc	CEO
13	Jyoti Naik	Shri Mahila Griha Udyog Lijjat Papad	President
14	Ravina Raj Kohli	Job Crop	Founder & Executive Director

Source: <http://www.indiatvnews.com/business/india/india-s-most-successful-female-entrepreneurs--3242.html?page=16>



**MOMPREENEUR**

Momprenneur is a neologism defined as a female business owner who is actively balancing the role of mom and role of entrepreneur. Concept is a combination of both mom as well as risk taker.

**Momprenneur = Role of Mom + Role of Entrepreneur**

A momprenneur is a newly coined term for women who establish at home while also acting as the full time parent of their children. In simple words mompreneurs can be defined as “New name created to describe a multi-tasking mother who can balance both the stresses of running a home-based business as an entrepreneur, and the time-consuming duties of motherhood at the same time”. The momprenneur movement is an interesting one, expressing the changing attitudes towards stay at home mothers. Creative mothers who do wish to stay at home are now finding lots of ways to do so, without necessarily sacrificing income.

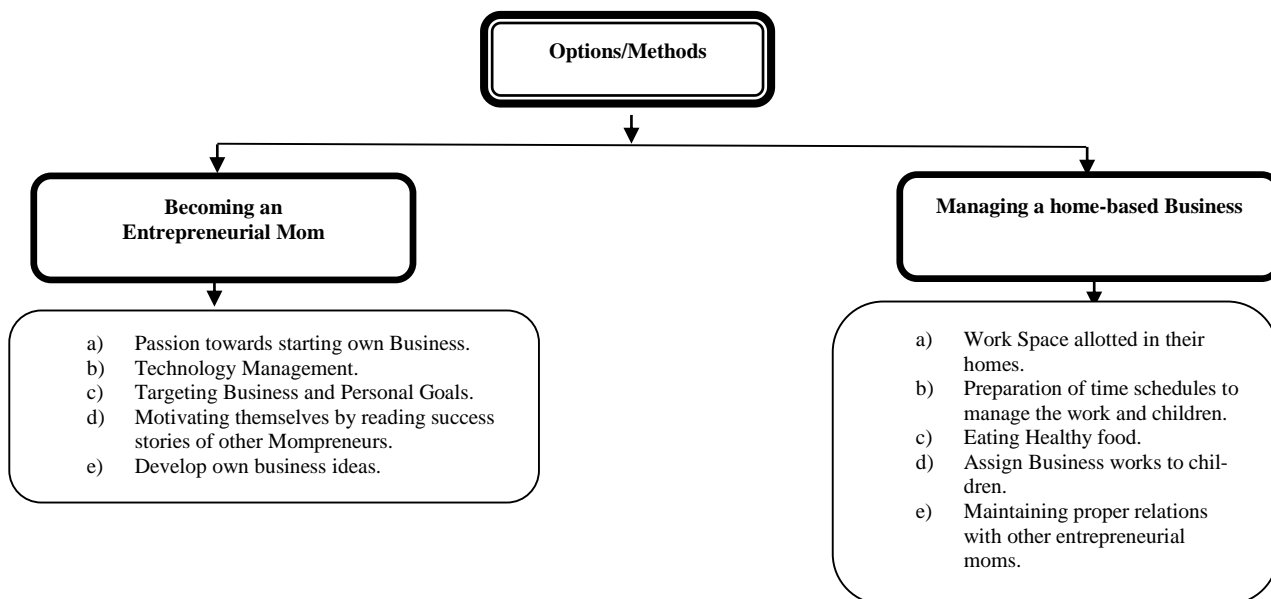
**THE FOLLOWING ARE THE FIVE STEPS THAT TURN MOMS INTO MOMPREENEURS**

Julie Shifman, a motivational speaker, offers the following tips for moms looking to start their own business:

- 1) New Product Invention
- 2) Offer a service that you wish someone would offer you
- 3) Identifying what special talents you might have
- 4) Think about a cause you really care about
- 5) Follow someone else’s good Idea

**HOW TO BE A MOMPREENEUR?**

Today, more mothers are finding smart ways to blend work and family including working flexible schedules. As mentioned above, the mom-entrepreneurship has been developing into a new dimension of entrepreneurship with “Stay-at-Home” moms, who start how own home-based business. The following are the two options or methods to become an Entrepreneurial Mom in the business environment.



Source: Nicolle Fallon (2015) Inspiring Reasons Women Love being “Mompreneurs” Business Daily, 9<sup>th</sup> May.

Consequently, these methods have given rise to a cottage industry of books, web sites, blogs, support groups, even a new magazine called “Hybrid Mom”, all designed to serve and support women balancing motherhood and entrepreneurship. The following Table. 2 provides information about the top -6 mompreneurs in India.

**TABLE 2: SUCCESSFUL MOMPREENEURS IN INDIA**

Sl. No	Name of the Mompreneur	Business	Biggest thrill of starting up	Turned up Year
1	Rebekkah Kumar-Gurgaon	Founder Jeweler Portal	Creating a line of contemporary jeweler for global Indians	2014 (after taking a few years off from a job)
2	Suman Dash-Gurgaon	Founder Vastradi Jewels	Providing a platform for low-income craftspeople and taking ethnic products to customers globally	2010 (after her daughter was born)
3	Neeta Maxen-Mumbai	CEO Kraftd-Memories- boutique	Helping children in urban nuclear families to stay connected and grow up as global citizens	2013 (when her daughter was 3)
4	Mani Pavitra-Hyderabad	Director Pampered Moms	Can bring parental insights into her business	2012 (when she was expecting her second son)
5	Shallni Vij-Delhi	Director Hang Out, Family entertainment centre	Being able to offer family bonding time to not just her sons but other children’s and their parents.	2009 (After the family returned to India from US)
6	Meena Bindra	Founder Biba Apparels	Doing something that she loved, but without any big business targets to meet	1988 (When her son turned 7)

Source: [http://articles.economicstimes.indiatimes.com/2015-03-08/news/59894141\\_1\\_biggest-challenge-huffington-post-corporate-jobs/2](http://articles.economicstimes.indiatimes.com/2015-03-08/news/59894141_1_biggest-challenge-huffington-post-corporate-jobs/2)

Some of the mompreneurs have expressed their satisfaction being mom-preneurs as they could balance both home and business in an efficient way and are guiding their children to become successful both at home and out of the home. The following are the two important citations from mom-preneurs guiding their children.

"The best thing about being a mompreneur is being able to spend quality time with my daughters while teaching them the importance of having a passion of their own outside the home. Teaching by example shows them how you can become self-sufficient, gain more confidence and have a degree of independence, whether it be financial or psychological." (Julie Karlitz, CEO, Strap-its). Another mom-preneur Stephanie Winans expressed that "The best thing about being a mompreneur is the message I'm sending to my two daughters. I don't buy the dichotomy of motherhood and business success, and hope they won't either. If you can't 'have it all' under someone else's rules, create your own rules and pave your own way."

These statements amply reveal that mompreneurs are not only creating a new trend but also directing and guiding their children to pave their own way of development.

## CONCLUSION

In recent years, entrepreneurship increasingly has been recognized as critical to economic development around the world, especially among poorer nations. Female entrepreneurs, in particular, can contribute substantially to economic growth and help reduce poverty, according to widely followed data from the World Economic Forum. Encompassing 40 percent of the global workforce, women are earning more professional degrees, seizing start-up opportunities and learning networking skills to sustain their small business beyond the initial launch phase. Now the expansive report — covering 83 economies — adds to that growing body of research and has found more women starting businesses and triggering community impact through job creation. Recently many economists observed qualitative improvements in female entrepreneurship and its rates and these improvements have closed the gender gaps in 61 of the 83 economies studied over two years. It was also observed that for the 61 economies total early-stage entrepreneurship activity rates (ranging from ventures just launched to those operating under three years) rose by 7 percent since 2012.

Hence, beyond doubt, Women matter to economic development — they invest in their communities, educate their children, and pay back the benefits they receive by helping others. Being driven by the spirit of entrepreneurship, Female entrepreneurs are outdoing men when it comes to running successful businesses. About 40 percent of women surveyed started running their business within the last five years, and nearly 70 percent of them expect their revenue to increase this year, according to Bank of America's Spring 2014 Small Business Owner Report. While nearly one-third of the women surveyed said they think they have less access to capital and new business opportunities than male small business owners do, 18 percent of women said they think they have more access to clients than men do. According to these findings, it can be concluded that women are more likely to sacrifice time for themselves and their social lives for their businesses, whereas men are more likely to sacrifice time with their spouse and time with their children.

Despite these differences, both men and women are "not spending enough time with their loved ones" in their homes, despite it was found that they were also in agreement about their greatest accomplishments: having enough money to support their families, being their own boss and doing what they love.

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## RELATIONSHIP BETWEEN JOB SATISFACTION AND OTHER PSYCHOSOCIAL VARIABLES: A COMPARATIVE STUDY OF MALE AND FEMALE EMPLOYEES OF BUSINESS PROCESSING OUTSOURCING (BPO) SECTOR

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### ABSTRACT

*The present study deals with gender difference in job satisfaction among the business processing outsourcing sector (BPO) employees. Attempts were also made to assess their interpersonal relationship, psychological sense of well being and, level of happiness and coping style. The sample size was 50 divided into 2 groups (male- 25 and female- 25). Each group was consisted respondents age ranging between 22-35 years and having minimum 2 years of job experience. The data were collected from BPO sector of private company located at Kolkata. Job satisfaction scale, interpersonal relationship inventory, Subjective well being inventory, Oxford happiness inventory and coping checklist II were administered to assess the level of job satisfaction, quality of interpersonal relationship, subjective sense of well being, level of happiness and coping style of the employees. It is revealed that female workers were found to be more satisfied than male workers in their job and in case of subjective sense of well being the same result has been found. A significant difference between the gender has been revealed in job satisfaction and subjective sense of well being. Furthermore, significant correlation has been found between job satisfaction and subjective sense of well being for the entire group of selected sample and a significant correlation could not be drawn between job satisfaction and the other variables except sense of well being for the present sample. The results of the present study can be fruitful for further research studies.*

### KEYWORDS

business processing outsourcing sector, job satisfaction, male and female employees, psycho-social variables.

### INTRODUCTION

The concept of job satisfaction has been developed in many ways by many different researchers and practitioners. One of the most widely used definitions in organizational research is that of **Locke (1976)**, who defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (p. 1304) (**Locke, E.A. (1976)**). Others have defined it as simply how content an individual is with his or her job; whether he or she likes the job or not (**Spector, P.E. (1997)**). It is assessed at both the global level (whether or not the individual is satisfied with the job overall), or at the facet level (whether or not the individual is satisfied with different aspects of the job). **Spector (1997)** lists 14 common facets: Appreciation, Communication, Coworkers, Fringe benefits, Job conditions, Nature of the work, Organization, Personal growth, Policies and procedures, Promotion opportunities, Recognition, Security, and Supervision).

A more recent definition of the concept of job satisfaction is from **Hulin and Judge (2003)**, who have noted that job satisfaction includes multidimensional psychological responses to an individual's job, and that these personal responses have cognitive (evaluative), affective (or emotional), and behavioural components (**Hulin, C. L., & Judge, T. A, 2003**). Job satisfaction scales vary in the extent to which they assess the affective feelings about the job or the cognitive assessment of the job. Affective job satisfaction is a subjective construct representing an emotional feeling individuals have about their job. Hence, affective job satisfaction for individuals reflects the degree of pleasure or happiness their job in general induces. Cognitive job satisfaction is a more objective and logical evaluation of various facets of a job. Cognitive job satisfaction can be unidimensional if it comprises evaluation of just one facet of a job, such as pay or maternity leave, or multidimensional if two or more facets of a job are simultaneously evaluated. Cognitive job satisfaction does not assess the degree of pleasure or happiness that arises from specific job facets, but rather gauges the extent to which those job facets are judged by the job holder to be satisfactory in comparison with objectives they themselves set or with other jobs. While cognitive job satisfaction might help to bring about affective job satisfaction, the two constructs are distinct, not necessarily directly related, and have different antecedents and consequences (**Moorman, R.H, 1993**).

Job satisfaction can also be seen within the broader context of the range of issues which affect an individual's experience of work, or their quality of working life. Job satisfaction can be understood in terms of its relationships with other key factors, such as general well-being, stress at work, control at work, home-work interface, and working conditions (**Tomažević, N.; Seljak, J.; Aristovnik, A. 2014**).

The Business Process Outsourcing (BPO) sector is one of the fastest growing sectors in the global scenario. India's BPO industry is known for its massive turnover and its huge employment base. Current environment is the business environment as it is giving birth to the corporate advancement in the country. This sector is also becoming the part of the Indian economy as the tremendous growth of the BPO sector over the past few years has resulted in considerable changes in the lives of its young workforce. In India, almost 70% of the total youngest population is doing job in BPO sector. Employment in the BPO sector has meant that young adults are reaching their career milestones and financial goals much earlier than before. Survey and evidences reported that the level of job satisfaction of the BPO sector employees varies from different area to area of the working environment. Repetitive tasks, such as responding to telephone calls more than 100 times a shift have resulted in absenteeism among the many employees of this sector and these kind of long term responses may lead to determine the level of job satisfaction which may affect the other areas of functioning such as happiness level, inter-personal relationship, coping capability, sense of well being etc. A growing number of employees also experience physical and emotional problems such as panic attacks, depression, relationship problem, alcoholism and sleeping and eating disorders.

### REVIEW OF LITERATURE

Several research being studied in the field of Job Satisfaction, show that there are gender differences in job satisfaction. It has been studied that though women's role at work are lesser in position and pay, they have lesser complains of dissatisfaction at work. Job Satisfaction depends on the job characteristics, family responsibility and personal expectation of the employees (**Flarencis et. al, 2010**). A lot of studies state that women face greater work load stress leading to a lower overall satisfaction compared to men. There is a significant gender difference seen in time management, organisational support, job pressures and pay and increment (**Hodson Randy, 1989**). The employees' personality and attitude towards women and their growth in the company matter a lot in experiencing a higher job satisfaction as it will not make a difference in one's job satisfaction if being supervised by a woman (**Belsky et.al, 1985**).

There has been a recent interest in exploring factors influencing job satisfaction with a specific focus on gender differences. **Clark (1997)** used a large-scale survey to test the proposition that men and women in identical jobs should be equally satisfied. Study results reported that the average job for females was lower in stature and income than for males, yet females reported higher levels of job satisfaction. **Sousa-Poza and Souza-Poza (2003)** report similar findings from a national household panel survey in the Britain. In a study among women working in the private banking sector, **Metle (2001)** found that job satisfaction declines with increasing levels of education. **Metle (2001)** argues that higher levels of education tend to increase employee goal and income expectations. Women participating in the study reported gender discrimination in seniority and qualifications.

Men and women working in gender-balanced groups have higher levels of job satisfaction than those who work in homogeneous groups. Employees who work in groups comprised of mostly men tend to show the lowest levels of job satisfaction, and those working in groups of mostly women fall in the middle of the gender-balanced and mostly-men groups (**Fields & Blum, 1997**).

**Pook, Füstös, and Marian (2003)** surveyed 932 employees in Eastern Europe to explore the impact of gender bias on job satisfaction. Results suggest that women are less likely to receive help from their managers toward advancement and are less satisfied than men with the work they performed. This may be the result of being assigned less-challenging tasks, non-commensurate with their backgrounds.

Using data from the U.S. National Study of the Changing Workforce, **Bender, Donohue, and Heywood (2005)** report that overall women have higher job satisfaction than men and have higher job satisfaction in workplaces dominated by women. However, men and women value job flexibility differently, and once this difference is controlled for, gender composition in the workplace plays no role in determining job satisfaction of women.

## IMPORTANCE OF THE STUDY

Gender difference in Job satisfaction is a major concern for organisations in today's global workforce and has been widely studied throughout Organisational Psychological and Managerial literature. The main purpose of the study is to explore the gender difference in job satisfaction among the business processing outsourcing (BPO) sector employees and its relations to their inter-personal relationship, sense of well being, level of happiness and coping style.

## OBJECTIVES

1. To find out the significance of difference between the mean of male and female BPO sector employees in the level of job satisfaction.
2. To find out the significance of difference between the mean of male and female BPO sector employees in the interpersonal relationship.
3. To find out the significance of difference between the mean of male and female BPO sector employees in subjective sense of well being.
4. To find out the significance of difference between the mean of male and female BPO sector employees in the level of happiness.
5. To find out the significance of difference between the mean of male and female BPO sector employees in the coping style.
6. To find out the significant correlation between job satisfaction and interpersonal relationship among the employees working under BPO sector.
7. To find out the significant correlation between job satisfaction and sense of well being among the employees working under BPO sector.
8. To find out the significant correlation between job satisfaction and level of happiness among the employees working under BPO sector.
9. To find out the significant correlation between job satisfaction and coping style among the employees working under BPO sector.

## HYPOTHESIS

1. There is a significant difference between the mean of male and female BPO sector employees in the level of job satisfaction.
2. There is a significant difference between the mean of male and female BPO sector employees in the interpersonal relationship.
3. There is a significant difference between the mean of male and female BPO sector employees in subjective sense of well being.
4. There is a significant difference between the mean of male and female BPO sector employees in the level of happiness.
5. There is a significant difference between the mean of male and female BPO sector employees in the coping style.
6. There is a significant correlation between job satisfaction and interpersonal relationship among the employees working under BPO sector.
7. There is a significant correlation between job satisfaction and sense of well being among the employees working under BPO sector.
8. There is a significant correlation between job satisfaction and level of happiness among the employees working under BPO sector.
9. There is a significant correlation between job satisfaction and coping style among the employees working under BPO sector.

## RESEARCH METHODOLOGY

### • RESEARCH DESIGN

This existing study is descriptive in its nature. Well, descriptive research can be defined as describing some particular situation, some phenomena or something. Descriptive researches are those which define the current situation instead of inferring and making judgments (**Creswell, 1994**). The core goal of the descriptive research is to verify the developed hypotheses that reveal the current situation. This kind of research offers information about current scenario and emphasis on the elements that effect the job satisfaction. Furthermore, the current research is comparative in nature, evaluating the Gender differences in Job Satisfaction experienced by male and female employees of BPO sector.

### • SAMPLE AND DATA

In order to gather data for understanding job satisfaction, a sample of 50 respondents was asked to take part in a self-administered questionnaire. The respondents for the current study were BPO sector employees. The total size of the sample was 50 and divide into two groups of gender (male- 25, female-25). The present research uses a non-probability sampling technique that is convenience sampling. Convenience sampling is a procedure that gains and gathers the appropriate information from the unit of study or sample that are suitably accessible (**Zikmund, 1997**).

### • DATA COLLECTION TOOLS AND MEASURES

1. Job satisfaction was measured using job satisfaction scale by **B.C. Muthayya (1973)**. The scale consisted of 34 items. The answer categories for each of the items were agree (A), not sure (NS), disagree(D) and not applicable(NA). The split-half reliability coefficient of the scale is 0.81. The score range is 0-68.
2. Inter-personal relationship was measured by applying interpersonal relationship inventory (**Tilden, 1990**). The scale consisted of 39 items and these items are divided into 3 domains such as social support, reciprocity and conflict. The test retest reliability for one 2 weeks is found to be 0.91(social support), 0.84(reciprocity) and 0.81(conflict).
3. Sense of well being was measured by applying subjective well being inventory (**Dupey, 1970**). The scale consisted of 40 items and can be scored by attributing the values 3, 2 and 1 to response categories of positive items and 1, 2 and 3 to the response categories of negative items. The minimum and maximum scores that can be obtained are 40 and 120. The test retest reliability for one month is found to be 0.91.
4. Level of happiness was measured using oxford happiness inventory (1980s). This inventory consisted of 29 items and each item having four incremental levels of response, numbered from 0 to 3. The items receive the score same as the response given by the subjects, for e.g., response of 1 gets a score of 1. The higher score denotes the higher level of happiness. The score ranges between 0-57. The alpha reliability for the test is found to be 0.92.
5. Coping was measured by coping checklist II (**Rao et.al, 1989**). The test retest reliability for a period of one month is 0.74 and the internal consistency is 0.76.

### • STATISTICAL TOOL

Descriptive statistics and correlation statistics were done using SPSS (version 16.0).

**RESULTS**

**TABLE- 1**

Showing the difference in mean (M), standard deviation (SD) and 't' values between male and female BPO employees for selected variables. (n=50, male=25, female=25).

variables	MALE		FEMALE		't' value
	M	SD	M	SD	
JOB SATISFACTION	30.08	6.81	38.48	6.17	4.571**
INTERPERSONAL RELATIONSHIP	140.09	8.16	138	6.84	0.876
SENSE OF WELL BEING	82.24	14.29	71.60	11.87	2.862**
HAPPINESS	54.68	5.17	52.12	7.40	1.149
COPING	16.24	4.01	18.28	5.36	1.522

\*\*p<0.01, \*p<0.05

**TABLE- 2: SHOWING THE PRODUCT MOMENT CORRELATION COEFFICIENT VALUE BETWEEN JOB SATISFACTION AND OTHER VARIABLES FOR THE TOTAL GROUP**

Variables	'r' value
Job satisfaction-interpersonal relationship	0.200
Job satisfaction-sense of well being	0.553**
Job satisfaction-level of happiness	0.054
Job satisfaction-coping	0.133

\*\*p<0.01, \*p<0.05

**DISCUSSION**

It is revealed from the result table that the female BPO employees are more satisfied to their job than the male BPO employees as the mean of the female is found to be greater than the mean of male employees. In case of inter personal relationship the result reveals that the male BPO employees are slightly better in their interpersonal relation than the male employees which indicates that the male BPO employees are slightly more sociable than the female but it is noticeable that the differences between the two groups for interpersonal relationship is very close. Thus it can be interpreted that the male and female employees experiences the same quality of interpersonal relationship in social aspect. For the variable subjective sense of well being the male employees are found to quite better than the female employees and the same result have been found in the measurement of happiness of the employees. In case of coping style, the mean of female employees is found to be slightly greater than the male employees.

In the measurement of significant difference between the male and female BPO sector employees for the selected variable a unique co-combination of difference is revealed in the result. A significant difference between the two groups of employees has been found in the level of job satisfaction and subjective sense of well being which indicates that there a difference between the two groups of employees for the level of job satisfaction and subjective sense of well being. There may have the impact of equal pay scale, gender inequality norm, social acceptance of both sexes for the work etc. Furthermore, in case of interpersonal relationship, level of happiness and coping there is no significant difference has been found between the two groups of employees.

In case of relationship among the selected variables it is observed that job satisfaction is significantly correlated with the subjective sense of well being only among the variables of BPO SECTOR. So it can be said that the professional life and personal life is maintained separately by the employees of the BPO sector. So that the relationship between the job satisfaction and other psychosocial variables except sense of well being are not found to be significantly correlated with each other.

**CONCLUSION**

1. There is a significant difference between the mean of male and female BPO sector employees in the level of job satisfaction.
2. There is no significant difference between the mean of male and female BPO sector employees in the interpersonal relationship.
3. There is a significant difference between the mean of male and female BPO sector employees in subjective sense of well being.
4. There is no significant difference between the mean of male and female BPO sector employees in the level of happiness.
5. There is a significant difference between the mean of male and female BPO sector employees in the coping style.
6. There is no significant correlation between job satisfaction and interpersonal relationship among the employees working under BPO sector.
7. There is a significant correlation between job satisfaction and sense of well being among the employees working under BPO sector.
8. There is no significant correlation between job satisfaction and level of happiness among the employees working under BPO sector.
9. There is no significant correlation between job satisfaction and coping style among the employees working under BPO sector.

**LIMITATIONS OF THE STUDY**

1. Respondent's opinions are dynamic; they keep changing from time to time.
2. Some of the respondents might not have given the actual information due to fear of being disclosed.
3. The study was conducted with the limited number of respondent due to time constraint.
4. Study may be obsolete because of changing environment and needs.
5. Satisfaction level to various factors may differ from person to person.

**SCOPE FOR FURTHER RESEARCH**

This research can be applied to large no of sample more effective generalization including the other work related factors to understand the indicators of job satisfaction among the employees working under BPO sector.

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**YOGA AND MEDICAL SCIENCE**

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**ABSTRACT**

*Yoga is an ancient Indian way of life, which includes changes in mental attitude, diet, and the practice of specific techniques such as yoga asanas (postures), breathing practices (pranayamas), and meditation to attain the highest level of consciousness. It is a psycho-somatic-spiritual discipline for achieving union and harmony between our mind, body, and soul and the ultimate union of our individual consciousness with the universal consciousness. Pranayama is derived from two Sanskrit words, namely, prana, which means vital force or life energy, ayama means to prolong. When a person practices yoga, with yogic attitude (attitude of patience, persistent practice, overcoming obstacles within self, that is, trouncing laziness, anger, delusion, and desire for being different or better than others), there are several changes in physiology.*

**KEYWORDS**

yoga, mental attitude, asanas, yogic attitude.

**INTRODUCTION**

**D**oga is largely based on the philosophy of Samkhya. Holding that the evolution of the world occurred in stages, Yoga attempts to reverse this order so that a person reenters his or her state of purity and consciousness.

Yoga recognized that life is not matter only; there is something more to it. Modern scientific thought centered on perceptible being is discovering the contraindications in its understanding. Theory of quantum entanglement tells us that quantum mechanical states of any two objects are in communication even when they are separated in a space like manner.

Yoga helps us deal not only with comprehensible paradoxes but also the invisible. Yoga allows us to harmonize the nuances of body, mind and spirit. It allows discovering the self to heal the self by attaining an absolute equipoise by integrating our building blocks beyond matter and energy. It heals our five-layered existence of which the physical world is grossest (Annamaya). Next to that are the sheaths invisible, Pranamaya (Breath energy), Manomaya (Mind being), Vijnanamaya (intellect, wisdom) and Anandamaya (Bliss, divinity). Yoga has been shown to minimize complication of surgery, improve patient reported outcomes after surgery, reduce analgesic requirements, and reduce hospitalization.

Yoga is widely recognized as an effective tool in inculcating a healthy lifestyle thus acting as a vaccine against lifestyle related disorders. Apart from preventive and therapeutic benefits, yoga is capable of elevating our existence by harmonizing our energies with cosmic force thus enhancing our abilities.

**SIGNIFICANCE OF THE STUDY**

This paper discusses about the effect of yoga in medical science. It also helps to provide a comprehensive review of the benefits of regular yoga practice. It also strives to describe why yoga is important for health. It also highlights nature of yoga and the evidence of its many therapeutic effects.

**RESEARCH METHODOLOGY**

The prepared paper is a descriptive study in nature. The study has been carried out based on the collection of the relevant secondary data. Secondary data collection was based on various sources such as published books, articles published in different journals & newspapers, periodicals, conference paper, working paper and websites, etc.

**OBJECTIVES**

The objectives of study were based on:

1. To study about Yoga.
2. To study why yoga the best medicine.
3. To know the effectiveness of yoga in Cancer.
4. To understand the risks and side-effects of yoga.

**MEANING AND DEFINITION OF YOGA**

Yoga is a physical, mental, and spiritual practice or discipline which originated in India. There is a broad variety of schools, practices and goals in Hinduism, Buddhism (including Vairayana and Tibetan Buddhism) and Jainism. The best-known are Hath yoga and Raja yoga.

The term yoga comes from a Sanskrit word which means yoke or union. Traditionally, yoga is a method joining individual self with the Divine, Universal Spirit, or Cosmic Consciousness. Physical and mental exercises are designed to help achieve this goal, also called selftranscendence or enlightenment. On the physical level, yoga postures, called asanas, are designed to tone, strengthen and align the body. These postures are performed to make the spine supple and healthy and to promote blood flow to all the organs, glands, and tissues, keeping all the bodily systems healthy. On the mental level, yoga uses breathing techniques (pranayama) and meditation (dyana) to quiet, clarify, and discipline the mind.

**EIGHT STAGES OF YOGA**

Generally, the Yoga process involves eight stages.

- 1) Yama - ethical standards and sense of integrity. The five yamas are: ahimsa (nonviolence), satya (truthfulness), asteya (non-stealing), brahmacharya (continence) and aparigraha (non-covetousness).
- 2) Niyama - self-discipline and spiritual observances, meditation practices, contemplative walks. The five niyamas are: saucha (cleanliness), samtosa (contentment), tapas (heat, spiritual austerities), svadhyaya (study of sacred scriptures and of one's self) and isvarapranidhana (surrender to God).
- 3) Asana - integration of mind and body through physical activity.
- 4) Pranayama - regulation of breath leading to integration of mind and body.
- 5) Pratyahara - withdrawal of the senses of perception, the external world and outside stimuli.
- 6) Dharana - concentration, one-pointedness of mind.
- 7) Dhyana - meditation or contemplation - an uninterrupted flow of concentration.
- 8) Samadhi - the quiet state of blissful awareness.

**SEVEN SCIENTIFIC EXAMPLES OF WHEN YOGA IS THE BEST MEDICINE**

Here are seven populations who can benefit from yoga:

- 1) **Type 2 Diabetes:** Yoga has been found to reduce blood sugar and drug requirements in patients with type 2 diabetes. Additional benefits for type 2 diabetics include the reduction of oxidative stress, improved cognitive brain function, improving cardiovascular function, and reducing body mass index, improved well-being and reduced anxiety.
- 2) **Asthma:** Yoga practice improves the condition of those with bronchial asthma.
- 3) **Elevated Cortisol (Stress):** Yoga practice has been found to **decrease serum cortisol** levels which have been correlated with alpha wave activation. Yoga also compares favorably in this respect to African dance, the latter of which raises cortisol. Women suffering from mental stress, including breast cancer outpatients undergoing adjuvant radiotherapy, have been found to respond to yoga intervention with lowered cortisol levels, as well as associated mental stress and anxiety reduction.
- 4) **Fibromyalgia:** Yoga improves the condition of patients suffering from fibromyalgia.
- 5) **High Blood Pressure:** Yoga has been found to reduce blood pressure in patients with pre-hypertension to stage 1 hypertension. Yoga has also been found to reduce blood pressure in more severe conditions, such as HIV-infected adults with cardiovascular disease. Yogic breathing is one of the most effective forms of yoga for this health condition, with both fast and slow-breathing exercises having value.
- 6) **Obsessive-Compulsive Disorder:** Yoga has been found to be efficacious in improving obsessive-compulsive behavior.
- 7) **Computer Eye Strain:** Yoga practice reduced visual discomfort in professional computer users.

**BREAST CANCER COGNITIVE PROBLEMS**

Cancer survivors often report cognitive problems. Furthermore, decreases in physical activity typically occur over the course of cancer treatment. Although physical activity benefits cognitive function in non-cancer populations, evidence linking physical activity to cognitive function in cancer survivors is limited.

Yoga can effectively reduce breast cancer survivor's cognitive complaints and prompt further research on mind-body and physical activity interventions for improving cancer-related cognitive problems.

**BREAST CANCER DISABILITY**

Secondary arm lymphedema continues to affect at least 20% of women after treatment for breast cancer, along with pain and a range of motion restrictions requiring lifelong professional treatment and self-management.

The 8-week yoga intervention reduced tissue induration of the affected upper arm and decreased the QOL subscale of symptoms. Arm volume of lymphedema and extra-cellular fluid did not increase. These benefits did not last on cessation of the intervention when arm volume of lymphedema increased. Further research trials with a longer duration, higher levels of lymphedema and larger numbers are warranted before definitive conclusions can be made.

**CANCER-RELATED FATIGUE**

Fatigue is one of the most frequently reported, distressing side effects reported by cancer survivors and often has significant long-term consequences. It is found that yoga can produce invigorating effects on physical and mental energy, and thereby may improve levels of fatigue.

**RISKS AND SIDE EFFECTS OF YOGA**

- 1) Yoga is low-impact and safe for healthy people when practiced appropriately under the guidance of a well-trained instructor.
- 2) Injury due to yoga is an infrequent barrier to continued practice, and severe injury due to yoga is rare.
- 3) Women who are pregnant and people with certain medical conditions, such as high blood pressure, glaucoma, and sciatica, should modify or avoid some yoga poses.
- 4) Beginners should avoid extreme practices such as headstand, lotus position and forceful breathing.
- 5) Individuals with medical preconditions should work with their physician and yoga teacher to appropriately adapt postures; patients with glaucoma should avoid inversions and patients with compromised bone should avoid forceful yoga practices.

**CONCLUSION**

Mind-body exercise such as yoga couples sustained muscular activity with internally directed focus, producing a temporary self-contemplative mental state. It also triggers neuro hormonal mechanisms that bring about health benefits, evidenced by the suppression of sympathetic activity. Thus, it reduces stress and anxiety, improves autonomic and higher neural center functioning. It also improves physical health of cancer patients. Considering the scientific evidence discussed thus far, it is fair to conclude that yoga can be beneficial in the prevention and cure of diseases.

Rapidly emerging in the Western world as a discipline for integrating the mind and body into union and harmony, when adopted as a way of life, yoga improves physical, mental, intellectual and spiritual health. Yoga offers an effective method of managing and reducing stress, anxiety and depression and numerous studies demonstrate the efficacy of yoga on mood related disorders.

Currently, treatment for anxiety and depression involves mostly psychological and pharmacological interventions; however, mind-body interventions are becoming increasingly popular as a means to reduce stress in individuals. Yoga, a form of mind-body exercise, has become an increasingly widespread therapy used to maintain wellness, and alleviate a range of health problems and ailments. Yoga should be considered as a complementary therapy or alternative method for medical therapy in the treatment of stress, anxiety, depression, and other mood disorders as it has been shown to create a greater sense of well-being, increase feelings of relaxation, improve self-confidence and body image, improve efficiency, better interpersonal relationships, increase attentiveness, lower irritability, and encourage an optimistic outlook on life.

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**A STUDY ON AN ANALYSIS OF SHORT-TERM LIQUIDITY POSITION OF TATA STEEL LIMITED**

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**ABSTRACT**

*The short-term obligations are met by the firm by realizing from current, floating or circulating assets. These should be convertible into cash for paying obligations of short-term nature. The sufficiency or insufficiency of current should be assessed by comparing them with short-term liabilities. Therefore, a firm must ensure that it does not suffer from lack of liquidity or the capacity to pay its current obligations. The main objective of the present study is to assess the short-term liquidity position of Tata Steel Limited. For analysis, case study method followed and the study covers 15 financial years from 2000-01 to 2014-15. It concluded that the working capital of the company is not satisfactory level; the company should concentrate on their working capital because it shows a negative value.*

**KEYWORDS**

current liability, circulating assets, short-term, working capital.

**INTRODUCTION**

**L**iquidity means the conversion of assets into a liquid form (cash). The testing of liquidity of the company is to assess the company has an ability to make it fast at the time of emergency. Short-term liquidity is one of the very important areas of the company in financial management. From last decades the steel manufacturing companies faces so many problems like Last years the Tata Steel Limited company faces

**REVIEW OF LITERATURE**

Debasis Sur (2001) in his study analyzed the liquidity management of four major companies in Indian Steel industry. Liquidity ratios like current ratio, quick ratio, current assets to total assets ratio, inventory turnover ratio and debtor turnover ratio were being used for comparison and suitable interpretations were made. To measure the closeness of association between liquidity and profitability of the companies, Spearman's rank correlation coefficient used. The study identified that the liquid ratio, working capital turnover ratio and working capital to total assets have negatively influenced the profitability whereas the inventory ratio has a positive impact on profitability.

A. Amalenda Bhunia (2002) in his study found that the actual value of working capital is lower than the estimated values of working capital of SAIL and IISCO indicated the inadequacy level of working capital for both of them due to low raw materials in the case of SAIL and low level of receivables in the case of IISCO. The liquidity position and receivables management of the companies are poor and inefficient and SAIL has inefficiency in inventory management. Further, the study suggested that both the companies should invest in raw material and IISCO should increase the receivable portion and concluded that both the companies should maintain liquidity by improving current assets for meeting out the current liabilities of the company.

**IMPORTANCE OF THE STUDY**

The short-term obligation of the company can be met only when there are sufficient liquid assets. Therefore, a firm must ensure that it does not suffer from lack of liquidity or the capacity to pay its current obligations. If a firm fail to meet such current obligations due to lack of good liquidity position, its goodwill in the market is likely to be affected beyond repair. It will result in a loss of creditor's confidence in the firm and may cause even closure of the firm. Even a very high degree of liquidity is not good for the firm because such a situation represents unnecessarily excessive funds of the firm being tied-up in current assets. Therefore, it is very important to have a proper balance in regard to liquidity of the firm. So the present study is undertaken to analyze the liquidity position of Tata Steel Limited.

**STATEMENT OF THE PROBLEM**

"Liquidity describes the degree to which an assets or security can be quickly bought or sold in the market without affecting the asset's price" every company wants to strengthen their liquidity position to meet without affect their values of assets. In this context, the present study analyzes the liquidity management of manufacturing industry especially in steel. In India Tata Steel is one of the leading steel manufacturers and provide steels to consumers at lowest prices and also provide various products to various sectors. The liquidity position of the company is to be moderate level, it should not to be not high and low; keeping these two type of situation is danger to the company. In the context, the present study is to assessing the liquidity position of Tata Steel Limited

**OBJECTIVES OF THE STUDY**

The main objective of the present study is to

1. Assess the relationship between working capital and finished goods.
2. Short-term liquidity position of Tata Steel Limited (Stand-alone).

**RESEARCH METHODOLOGY**

The present study focused on only standalone of the company. The subsidiary and association of the company excluded from the study. For analysis, case study method followed and the study covers 15 financial years from 2000-01 to 2014-15; it is deemed quit sufficient to analyze it.

RESULTS & DISCUSSION

TABLE 1: RELATIONSHIP BETWEEN NET WORKING CAPITAL AND STEEL PRODUCTION OF TATA STEEL LIMITED (Rs. in crores)

Particulars	Current assets	Current liabilities	Networking capital	Change in working capital	% change	Finished goods of steel in ('000 Tonnes)	Changes in Production of Steel in ('000 Tonnes)	% change
2000-01	2,438.19	1,712.38	725.81	-	-	3413	-	-
2001-02	2,303.45	3,291.68	(988.23)	(1,714.04)	(236.16)	3596	183.00	5.36
2002-03	2,332.44	3,594.23	(1,261.79)	(273.56)	27.68	3975	379.00	10.54
2003-04	2,150.92	3,908.93	(1,758.01)	(496.22)	39.33	4076	101.00	2.54
2004-05	2,700.90	4,247.43	(1,546.53)	211.48	(12.03)	4074	(2.00)	(0.05)
2005-06	3,002.50	4,552.39	(1,549.89)	(3.36)	0.22	4551	477.00	11.71
2006-07	3,411.12	6,349.24	(2,938.12)	(1,388.23)	89.57	4929	378.00	8.31
2007-08	3,613.46	6,842.26	(3,228.80)	(290.68)	9.89	4858	(71.00)	(1.44)
2008-09	4,580.03	8,965.76	(4,385.73)	(1,156.93)	35.83	5375	517.00	10.64
2009-10	4,012.88	8,699.34	(4,686.46)	(300.73)	6.86	6439	1,064.00	19.80
2010-11	8,516.56	12,037.59	(3,521.03)	1,165.43	(24.87)	6691	252.00	3.91
2011-12	9,710.06	15,958.34	(6,248.28)	(2,727.25)	77.46	6970	279.00	4.17
2012-13	8,272.97	17,098.06	(8,825.09)	(2,576.81)	41.24	7941	971.00	13.93
2013-14	7,739.78	19,957.78	(12,218.00)	(3,392.91)	38.45	8931	990.00	12.47
2014-15	9,012.05	18,251.65	(9,239.60)	2,978.40	(24.38)	9073	142.00	1.59

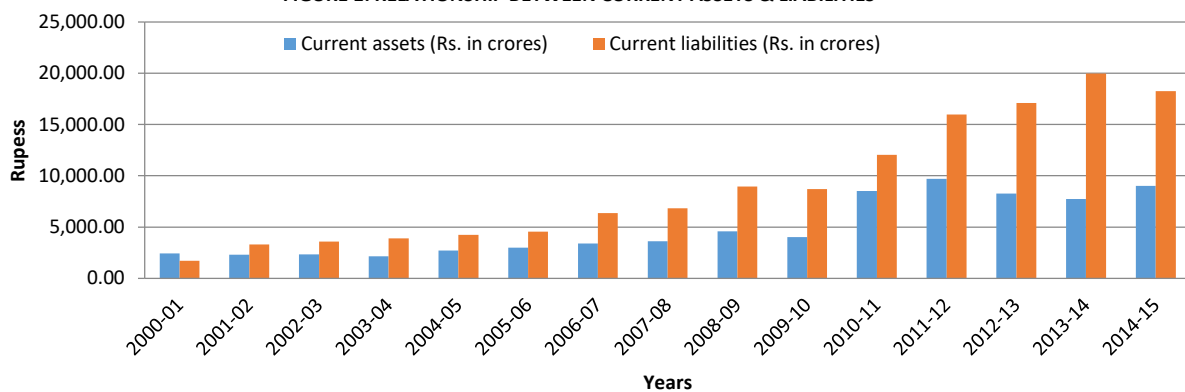
Source: Computed from Secondary data, Annual Report of Tata Steel Limited.

Figures in Parenthesis denoted negative values.

It exhibits in table 1 that the current asset of the company shows an increasing trend. It ranges from 2150.92 crores to 9710.06 crores. In 2010-11, the company assets increased double time compare with previous year. Current liability of the company is also increasing trend; it ranges from 1712.38 crores in 2000-01 to 19957.78 crores in 2014-15. Over a study period current assets as well as current liability increasing year-by-year. The net working capital of the company showed negative except in 2000-01 as 725.81. The rest years, it ranged from 988.23 crores in 2001-02 to 12218 crores in 2013-14. In negative working capital itself, it shows a highly fluctuating trend; it ranges from 211.48 to (-3392.91). In 2001-02, working capital highly changed as 236.16 per cent. The higher positive per cent recorded in 2006-07 as 89.57.

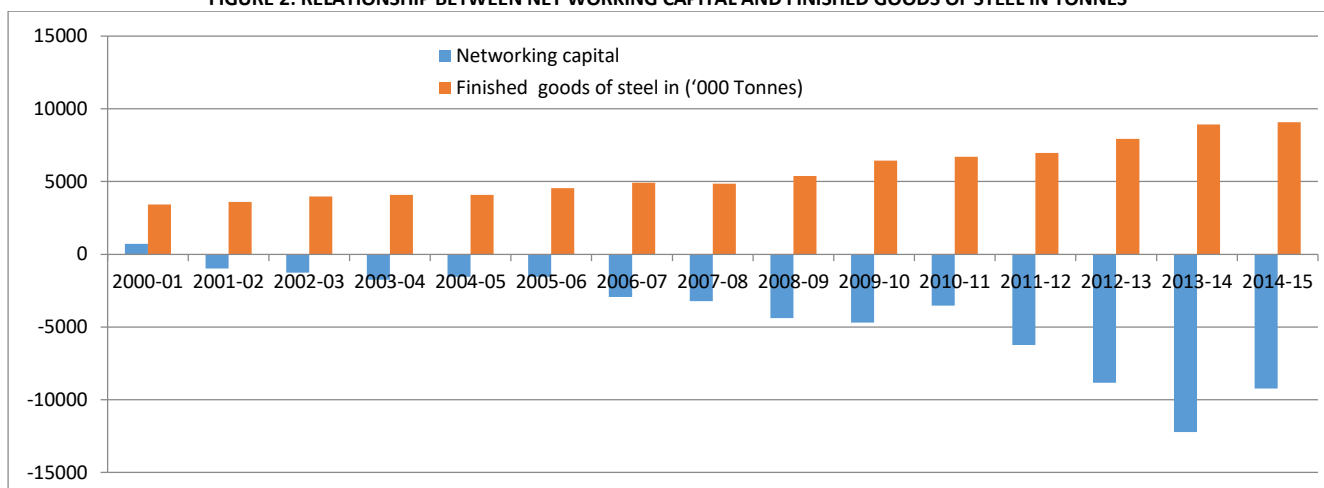
The finished goods of saleable steel show an increasing trend. It ranges from 3413 thousand tonnes in 2000-01 to 9073 thousand tonnes in 2014-15. A slight decrease trend shows in 2004-05 as 0.05 (4074 thousand tonnes) per cent and 2007-08 as 1.44 (4858 thousand tonnes) per cent. A higher per cent of steel production shows in the year 2009-10 with 19.80 per cent compare with previous year.

FIGURE 1: RELATIONSHIP BETWEEN CURRENT ASSETS & LIABILITIES



Source: Drafted based on Table-1

FIGURE 2: RELATIONSHIP BETWEEN NET WORKING CAPITAL AND FINISHED GOODS OF STEEL IN TONNES



Source: Drafted based on Table 1

TABLE 2: LIQUIDITY RATIOS OF TATA STEEL LIMITED (Ratios in Times)

Particulars	Current Ratio	Quick Ratio	Super quick Ratio
2000-01	1.42	0.89	0.14
2001-02	0.70	0.39	0.06
2002-03	0.65	0.33	0.06
2003-04	0.55	0.23	0.06
2004-05	0.64	0.20	0.06
2005-06	0.66	0.18	0.06
2006-07	0.54	0.17	0.07
2007-08	0.53	0.15	0.07
2008-09	0.51	0.12	0.05
2009-10	0.46	0.11	0.06
2010-11	0.71	0.38	0.34
2011-12	0.61	0.30	0.25
2012-13	0.48	0.18	0.13
2013-14	0.39	0.09	0.05
2014-15	0.49	0.05	0.03

Source: Computed from Secondary data, Annual Report of Tata Steel Limited.

The liquidity ratios cover three types of ratios namely current ratio, liquid ratio or quick ratio and super quick ratio. The current ratio of the company observed from the table 2 shows fluctuating trend. It ranges from 1.49 per cent to 0.39 per cent. The rule of thumb of current ratio is 2:1 but the company doesn't attain the rule. In 2000-01 only the company has above the current assets to meet current obligations in due (1.42:1) the rest year of the study period, the company has not satisfactory in current ratio. The liquid or quick ratio of the company ranges from 0.05 per cent to 0.89 per cent. The acceptable norm of this ratio is 1:1 according to norms the company does not attain the norms so the company has not satisfactory in quick ratio also. The super quick ratio or cash ratio of the company ranges from 0.03 per cent to 0.34 per cent. The norm of super quick ratio is 0.5:1 but the company never attains the fixed norm. So the company has not satisfactory in liquidity ratios.

TABLE 3: TURNOVER RATIOS OF TATA STEEL LIMITED (Ratios in Times)

Particulars	Inventory Turnover	Debtors Turnover	Debtors average collection period	Total asset Turnover	Fixed asset Turnover	Capital Turnover	Current asset Turnover	Working capital Turnover
2000-01	8.42	6.07	60.18	0.46	0.73	0.54	2.10	7.07
2001-02	7.45	7.09	51.51	0.45	0.72	0.64	2.26	(5.26)
2002-03	8.49	10.22	35.72	0.47	0.83	0.83	2.62	(4.85)
2003-04	9.54	18.30	19.94	0.49	0.99	0.89	3.25	(3.98)
2004-05	8.48	27.29	13.38	0.55	1.12	0.83	3.00	(5.23)
2005-06	7.88	31.78	11.48	0.52	1.06	0.75	3.07	(5.94)
2006-07	8.47	31.29	11.67	0.36	1.25	0.45	3.12	(3.62)
2007-08	8.52	40.83	8.94	0.23	1.40	0.25	3.19	(3.57)
2008-09	7.71	42.21	8.65	0.23	1.36	0.26	3.27	(3.42)
2009-10	8.69	61.54	5.93	0.21	1.21	0.24	3.68	(3.15)
2010-11	8.07	75.24	4.85	0.20	1.41	0.23	1.96	(4.73)
2011-12	7.62	40.93	8.92	0.26	1.80	0.27	2.11	(3.28)
2012-13	8.05	53.10	6.87	0.28	1.03	0.32	3.10	(2.90)
2013-14	7.71	60.08	6.08	0.30	1.13	0.31	3.53	(2.24)
2014-15	5.79	94.77	3.85	0.32	1.18	0.32	3.31	(3.23)

Source: Computed from Secondary data, Annual Report of Tata Steel Limited.

Turnover ratios indicate the speed with which assets are converted or turned over into sales. It calculated by various aspects such as inventory, debtor, and capital and so on. Inventory turnover measures how quickly inventory is sold. It is test of efficient inventory management. Inventory turnover ratio of the company shows fluctuating and it ranges from 5.79 times in 2014-15 to 9.54 times in 2003-04. There is good progress in sales policy except in 2014-15; due to the company has low ratio due to mine problem.

Debtor turnover and Average collection period is to measure the liquidity of the receivables or to find out the period over which receivables remain uncollected. The company performance for get cash from debts show excellent manner. It increases the speedy conversion of debtors to cash in a year. Debtors average collection period ranges from 3.85 days to 60.18 days. The company shows an improvement in due collection from the debtors. Total assets turnover ratio measures the relationship between cost of goods sold and total assets. It shows fluctuating during the study period. It ranges from 0.20 times in 2010-11 to 0.55 times in 2004-05. The company has not efficient utilization of total assets so the company should concentrate on the total assets utilization to reduce the under-utilization of assets. Fixed assets turnover ratio measures the relationship between costs of goods sold and fixed assets and shows an increasing trend. The utilization of fixed assets of the company is normally increased over a study period. It ranges from 0.72 times in 2001-02 to 1.80 times in 2011-12. Therefore, the company is trying to increase the intensive utilization of fixed assets.

Capital turnover ratio is used to efficiency and effectiveness of the operations. Lower ratio shows lower profit and higher ratio shows higher profit. The capital turnover ratio ranges from 0.23 times in 2010-11 to 0.89 times in 2003-04. The company has higher performance in the years 2001-02 to 2006-07. Remaining years of the study period the company has not efficiency of the operations. Current asset turnover ratio deals the efficiency of the employment of the current assets. Current asset ratio is ranges from 1.96 in 2010-11 to 3.68 in 2009-10. It is fluctuating during the study period. There is limited investment in current assets so it reflected in ratios

Working capital turnover ratio measures the efficiency of the employment of the working capital. It indicates the number of times the working capital is turned over in the course of a year. During the study period, the company has very low investment in working capital so the ratio shows a negative fluctuating trend and It ranges from -2.24 in 2013-14 to -5.94 in 2005-06. Only in 2000-01, the company has shown positive ratio of working capital turnover is 7.07. Therefore, the company has an inefficient in working capital management.

TABLE 4: EARNINGS POWER RATIOS OF TATA STEEL LIMITED (Ratios in Times)

Particulars	Net profit margin	Assets turnover	Earning power
2000-01	0.07	0.70	0.05
2001-02	0.03	0.66	0.02
2002-03	0.10	0.75	0.08
2003-04	0.15	0.84	0.12
2004-05	0.22	1.09	0.24
2005-06	0.20	0.96	0.20
2006-07	0.21	0.67	0.14
2007-08	0.21	0.44	0.09
2008-09	0.19	0.41	0.08
2009-10	0.19	0.38	0.07
2010-11	0.22	0.38	0.08
2011-12	0.18	0.46	0.08
2012-13	0.12	0.45	0.05
2013-14	0.14	0.50	0.07
2014-15	0.14	0.50	0.07

Source: Computed from Secondary data, Annual Report of Tata Steel Limited.

The earning power can be measured through net profit margin, assets turnover ratio and earnings power. Net profit margin shows a fluctuating trend over the study period. It ranges from 0.03 to 0.22 times. The company has not shown a constant growth in net profit margin ratios. Assets turnover ratio is also shows fluctuating trend. It ranges from 0.38 to 1.09. The company shows very good performance from 2000-01 to 2006-07 remaining years of the study period it has not better performance to show in assets turnovers. Earnings power of the company has not satisfactory level due to decreasing the earnings of it. It ranges from 0.02 times to 0.24 times. The better performance recorded from 2003-04 to 2006-07 over the study period.

### CONCLUSION

The relationship between net working capital and finished goods product of the company is not correlated positively (negative correlation -0.95), therefore the working capital of the company is not affect production process. During the study period the company has not satisfactory in short-term liquidity position. Positive working capital shows only in the year 2000-01; Remaining period of study the company shows only negative working capital. The turnover ratios of the company were shows excellent except total assets utilization and capital utilizations. The earning power of the company is also not satisfactory level during the study period. Therefore, the company wants more concentrate on their liquidity and earning power.

### LIMITATIONS

Reliability of the results of the study has purely based on the reliability of the secondary data. The study has not covered the subsidiaries and foreign companies of the Tata Steel Limited.

### SCOPE FOR FURTHER RESEARCH

The further may conduct the analysis of liquidity position of Tata Steel Limited by considering its subsidiaries and foreign company and the comparative study may conduct to analyses the liquidity position of two different steel manufacturing companies in India.

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## RULES AND VALUES OF CO-OPERATIVE BANKS

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### ABSTRACT

*The performance of the co-operative banking sector as a whole has attracted considerable attention in recent years. Today they have become an important constituent of the Indian financial system and cover a large segment of society because of their "PROMPT, PERSONALIZED AND COURTEOUS SERVICE". They take the responsibility of covering the unmonitored sector neglected by commercial banks and are called "purveyors of credit to small and medium enterprises". They provide 32 service with no bars of castes, creed, religion, language, etc. and thus spread the feeling of "Unity in Diversity". Some UCBs operate beyond their state of registration and are governed by the Multi State Co-operative Societies Act, 1984. In addition to their traditional retail banking business, some have also taken up diversified activities like stock investment scheme, opening and maintenance of nonresident and ordinary rupee accounts, merchant banking etc. They owe responsibility not only towards customers but also towards employees and society.*

### KEYWORDS

co-operative banks, retail banking.

### 1. INTRODUCTION

The Co-operative Banks in India inception, Indian co – operative credit structure, concept and objectives of Co-operative Banks, growth and development of rural developments in India. The main role of Co-operative Banks in Indian Banking System, problems, prospects. UCBs oriented and developed as a result of the co-operative movement to provide self-help to needy sections of society. The co-operative movement came into existence in the late 1700s in England where Robert Owen – a great philosopher advocated the establishment of co-operative communities to mitigate the sufferings of the exploited class in the wake of the industrial revolution. But the modern co-operative movement began in 1844 near Manchester, England when 28 flannel weavers established "The Rochdale Society of Equitable Pioneers" to increase their wages. In India the co-operative movement was introduced as a remedy for the proverbial poverty of the small agriculturalists. It was the government of Madras (Chennai) who grasped the possibilities of co-operative movement in India. The origin of urban cooperative credit societies in India can be traced to the close of 19th century. Inspired by the urban co-operative credit institutions organized in Germany by Mr. Hermann Schulze (1860) and in Italy by Prof. Luigi Luzzatti (1866), the first urban co-operative credit society named "ANYONYA SAHAKARI MANDALI" was established in Baroda on 5th

February, 1889, under the guidance of Shri V.L. Kavthekar. But the co-operative credit societies got legal status only in 1904, when the govt. of India passed the first "Cooperative credit societies Act, 1904" with a view to encourage thrift, eradicate rural indebtedness and provide credit to the needy and weaker sections of the society in rural areas. This act has widened the scope of co-operative enterprises in India.

Robert Owen (1771-1858) fathered the co-operation movement. A Welshman who made his fortune in the cotton trade. Owen believed in putting his workers in a good environment with access to education for themselves and their children. These ideas were put into effect successfully in the cotton mills of New Lanark, Scotland. It was here that the first co-operative store was opened. Spurred on by the success of this, he had the idea of forming "Villages of co-operation" where workers would drag themselves out of poverty by growing their own food, making their own clothes and ultimately becoming self – governing.

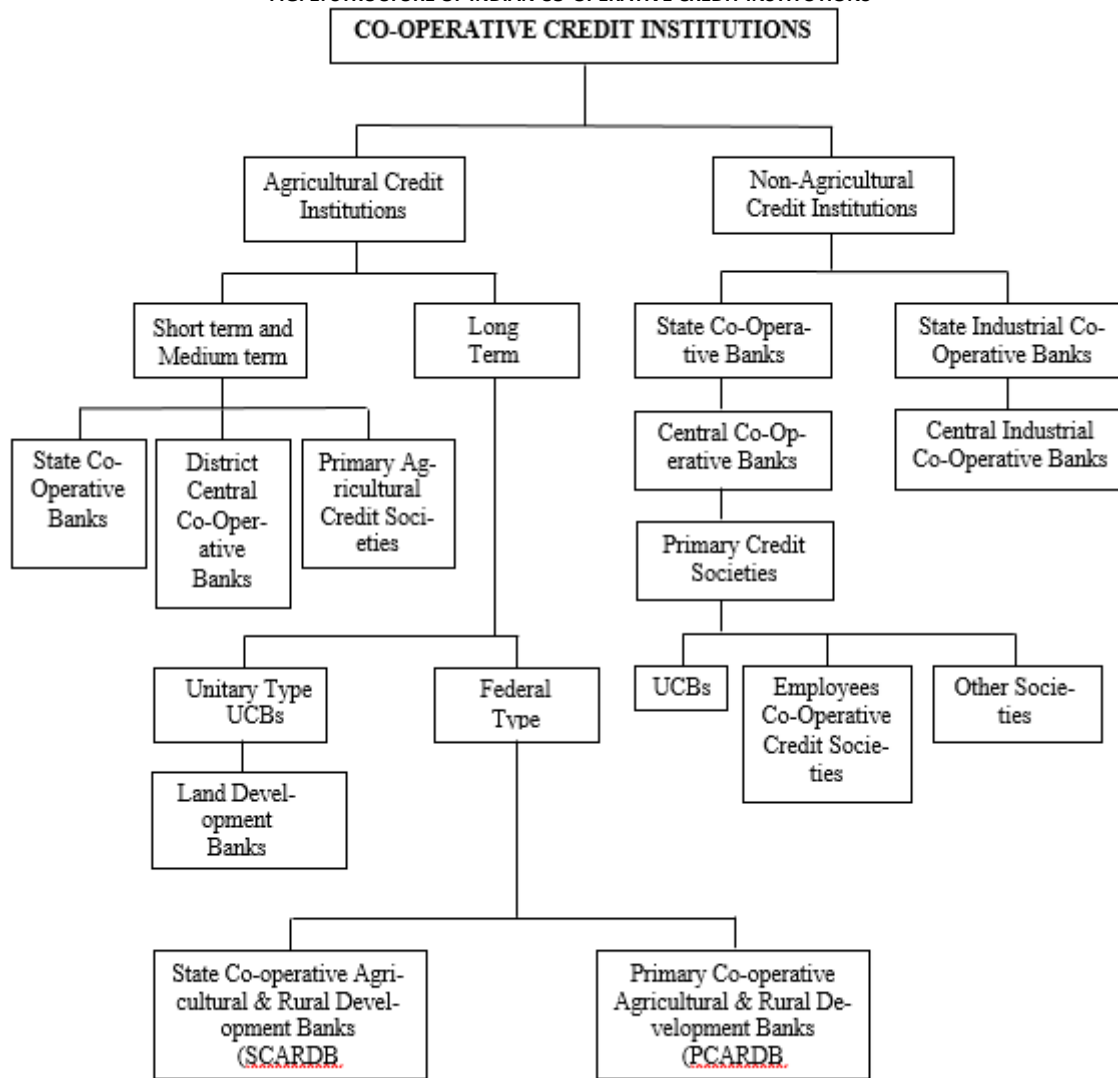
### 2. CO-OPERATIVE MOVEMENT IN INDIA

Co-operation emphasizes on the idea of a voluntary association of individuals. The achievement of common goals. Fredric Nicholas suggested the idea of using cooperation in India as a means to combat indebtedness; no legislation was put in place to this effect. In 1889, ANNOYANAYA SAHAKARI MANDALI was established at Baroda, which is the first Urban Co-operative Bank of India. It was only in 1904, the cooperative credit societies Act was encouraging thrift habits in people and to reduce the dependence on money lenders, besides the control and registration of co-operative credit societies. In 1992, co-operative act was passed which removed the shortcomings of the act of 1904. The new act encourages the establishment of noncredit co-operative societies, registration of co-operative apex banks, federation of co-operative banks and the development of the co-operative banking institution in India. The movement got momentum with the enactment of the act of 1919 under which "Co-operation" became a provincial / state subject. The act of 1912 has been replaced by provincial acts in Mumbai in 1925 and in Madras (Chennai) 1931. The government of India appointed the royal commission on agriculture in 1927 and the central co-operative banking enquiry 12 committee in 1929 for the purpose of reconstructing the co-operative credit movement. With the establishment of the reserve bank of India in 1934, it introduces many measures to strengthen the co-operative credit movement in India. In 1951 rural survey committee was appointed to suggest measures to strengthen the co-operative system in India.

### 3. CO-OPERATIVE CREDIT STRUCTURE IN INDIA

Co-operative credit institutions occupy an important position in the financial system of the economy in terms of their reach, volume of operations and the purpose they serve. They were the first ever attempt at micro credit dispersion in rural, semi – urban and urban area in India and are voluntary organized in a democratic setup by people having common interest and high moral values with the aim of "Thrift" and "Self-help" through mutual help. In India the co-operative credit structure is made up of agricultural and non – Agricultural credit institutions. Agricultural credit institutions play a pivotal role in the rural credit delivery system dispensing short term, medium term, and long term credit to rural weaker sections of society. Generally, short term and medium term agricultural credit needs are satisfied by the state co-operative banks, the central co-operative banks and the primary agricultural credit societies constituted at apex level, district level and village level, town or city level respectively. While long term agricultural credit needs are satisfied by state co-operative banks and primary co-operative agricultural and rural development banks and Primary Co-operative Agricultural and Rural Development Banks setup at the apex level and at the base level respectively. On the other hand, nonagricultural credit institutions serve the urban areas and provide credit other than agriculture.

FIG. 1: STRUCTURE OF INDIAN CO-OPERATIVE CREDIT INSTITUTIONS



**4. OBJECTIVES OF THE CO-OPERATIVE BANK**

The Co-operative is generally considered as “Small People’s Bank” and they are organized for promoting thrift and co-operation among the lower and middle strata of the society. The main objectives of the Co-operative two categories:

**4.1 PRINCIPAL OBJECTIVES**

- 4.1.1 Promote thrift, self help and mutual co-operation among the members.
- 4.1.2 Mobilize resources i.e. to borrow funds form members and non members to utilize for giving loans to their members.
- 4.1.3 Provide credit to the members at reasonable rates for productive purposes.
- 4.1.4 Undertake collection of bills drawn, cheques, drafts, etc. accepted or endorsed by members and approved constituents, to remit funds and to discount cheques and bills of approved members subject to rules and by laws on their behalf.
- 4.1.5 Arrange for safe custody of valuables and documents of members and Constituents.
- 4.1.6 Provide all other banking and subsidiary services.

**4.2 SUBSIDIARY OBJECTIVES**

- 4.2.1 Possible help and necessary guidance to traders, artisans etc. who are members of the banks.
- 4.2.2 Every kind of trust and agency business and particularly do the work of investment of funds, sale of properties and of recovery and acceptance of money. (iii) to undertake every kind of banking and sheriffs business and also give bank guarantee and letters of credit on behalf of members.

Primary (Urban) co-operative banks play an important role in meeting the Growing credit needs of urban and semi – urban areas. UCBs mobilize savings from the middle and lower income groups and purvey credit to small borrowers, including weaker sections of the society. The number of UCBs stood at 1872 at the end of March 2005, including 79 salary earners banks and 119 Mahila banks. Total no. of scheduled UCBs was 55 at the end of March 2005. Scheduled UCBs are under closer regulatory and supervisory framework of the Reserve Bank. Various entities in the urban co-operative banking sector display a high degree of heterogeneity in terms of deposits / assets base, areas of operation and nature of business. In view of its importance, it is imperative that the sector emerges as a sound and healthy network of jointly owned, democratically controlled and professionally managed institutions. In order to achieve these objectives, the Reserve Bank took a series of policy initiatives in 2004-05. The most significant initiative in this regard the vision Document and Medium Term Frame work (MTF) for UCBs. With a view to protecting depositors interest and avoid contagion on the one hand, and enabling UCBs to provide useful service to local communities and public at large on the other, a draft vision document was prepared and placed in public domain for eliciting comments. Based on the feedback received from different quarters, the necessary modifications were carried out in the vision documents to involve as the medium. Provide a common forum to the member banks to examine the problems of cooperative credit, banking and allied matters and evolve suitable strategies to deal with them. Promote and protect the interests of the member banks in all spheres of their activities and to give expression to the view of the member banks. Co-ordinate and liaison with Government of India, Reserve Bank of India, respective State Governments, and other higher financing institutions for the development of cooperative credit on behalf of the member banks. Provide research and consultancy inputs to the member banks in order to facilitate them to strengthen own organizations. Organize conferences/seminars/workshops/programmers/meetings to share the views of common interest with view to contribute for better policy decisions.

**5. UTTARAKHAND STATE CO-OPERATIVE BANKS**

Uttarakhand State Co-operative Bank Ltd.(USCB), Head Office, Haldwani, established under the BR Act 1949, came into existence on 27 Feb. 2004. Accordingly Uttarakhand state Co-Operative Bank Ltd. (UKStCB) area of operation is extended in the whole district of Kumaon & Garhwal Mandal.

**5.1 KUMAON MANDAL**

1. Almora 2. Nainital 3. Pithoragarh 4. U S Nagar 5. Bageshwar 6. Champawat

**5.2 GARHWAL MANDAL**

1. Dehradun 2. Haridwar 3. Chamoli 4. Rudraprayag 5. Tehri Garhwal 6. Uttarkashi 7. Pauri Garhwal

Uttarakhand State Co-operative Bank Ltd. (USCB) is authorized to do banking business defined in section 6 of banking regulation Act 1949. The Bank was registered in the name of Uttarakhand State Co-operative Bank Ltd. (USCB) on 04-06-2001 under Co-operative Societies Act II of 1965. Its registration no. is U-01/2003-04. The Bank is presently doing its business through its 02 Branches and 10 DCCBs affiliated to it.

The Bank was earlier doing the lending business under Agriculture sector after issuance of guidelines from NABARD regarding non-agriculture finance. The Bank started business under non-agriculture sector from the year 2004. Thus the Bank is presently doing the lending business in Agriculture as well as Non-Agriculture sector both. The area of operation of Uttarakhand State Co-operative Bank Ltd. (USCB) is extended to the entire state of Uttarakhand. Presently Uttarakhand state Co-Operative Bank Ltd. (USCB) is extended to the entire state of Uttarakhand (13 Branches opened within year 2015-16).

The Bank has increased its business performance substantially during the period of its life of 10 years which is evident from the following data:

1. Share Capital 2. Reserve 3. Deposit 4. Borrowing 5. Working Capital

The Uttarakhand State Co-operative Bank Ltd. (USCB) was registered under Co-operative Society Act 1965 as applicable in Uttarakhand for following purpose:

1. Serve as the Apex bank in the state of Uttarakhand for societies.
2. Guide and promote Co-operative activities in the state.
3. Organize the provision of credit for Co-operative Societies.
4. Serve as a balancing centre in the Co-operative credit structure of the state.
5. Function as a financing bank in terms of the Act and the rules and to carry on general business.

**UTTARAKHAND STATE CO-OPERATIVE BANK LTD HALDWANI**

**TABLE 1: DCB WISE FINANCIAL POSITION AS ON 31 MARCH 2015 Rs in Lacs**

S. No	Name of Bank	No of Branches	No of PACS	Share Capital society	Govt Share Money	Free Reserves	Other Reserve	Total Owned Funds	Deposit	Borrowing	Working capital	CD Ratio	No of Mini Banks
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	USCB	15	0	6638.41	0.00	5693.91	0.00	12332.32	125880.63	84008.98	221920.06	82.55	0
2	Almora	25	98	236.63	14.45	2521.29	1338.63	4111.00	44729.65	3671.22	56059.86	34.02	141
3	Pithoragarh	25	134	446.06	20.00	4774.37	1059.85	6766.36	49857.86	5036.12	64642.46	42.34	133
4	Nainital	30	53	753.75	0.00	7165.37	0.00	7919.12	63676.59	10595.47	85226.77	44.74	69
5	USN	27	35	2076.48	0.00	8662.37	6086.69	16825.54	75255.14	35845.26	135423.13	66.88	33
6	Chamoli	27	80	173.40	0.00	4578.90	2285.61	7037.91	48942.17	2901.09	59342.25	43.31	80
7	Dehradun	27	39	537.49	0.00	2100.59	2586.34	5224.42	70675.68	4455.89	81608.58	36.94	39
8	Kotdwar	23	134	234.85	0.00	2263.20	2465.49	4963.54	48764.79	4908.95	60291.50	67.76	118
9	Tehri	34	96	243.34	13.80	4758.13	4711.68	9726.95	56480.90	5397.00	73630.01	53.96	139
10	Uttarkashi	15	44	304.67	3.00	2227.82	2094.00	4629.49	31885.85	2324.19	40453.32	51.56	44
11	Roorkee	16	45	1165.61	25.60	2036.52	1379.97	3948.39	41239.18	10135.58	55984.85	52.00	43
TOTAL		264	758	12810.69	76.85	46782.47	24008.26	83485.04	657388.44	169279.75	934582.79	55.94	839

**FIG. 2**

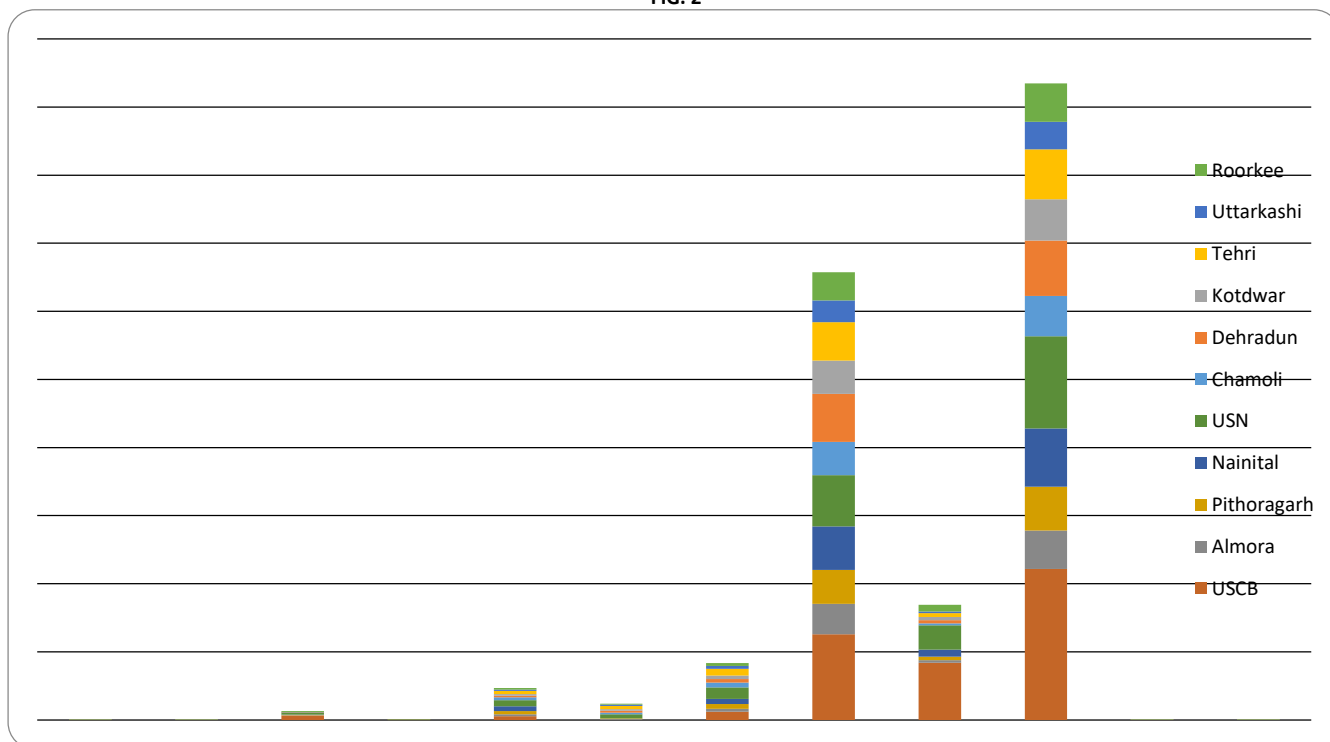
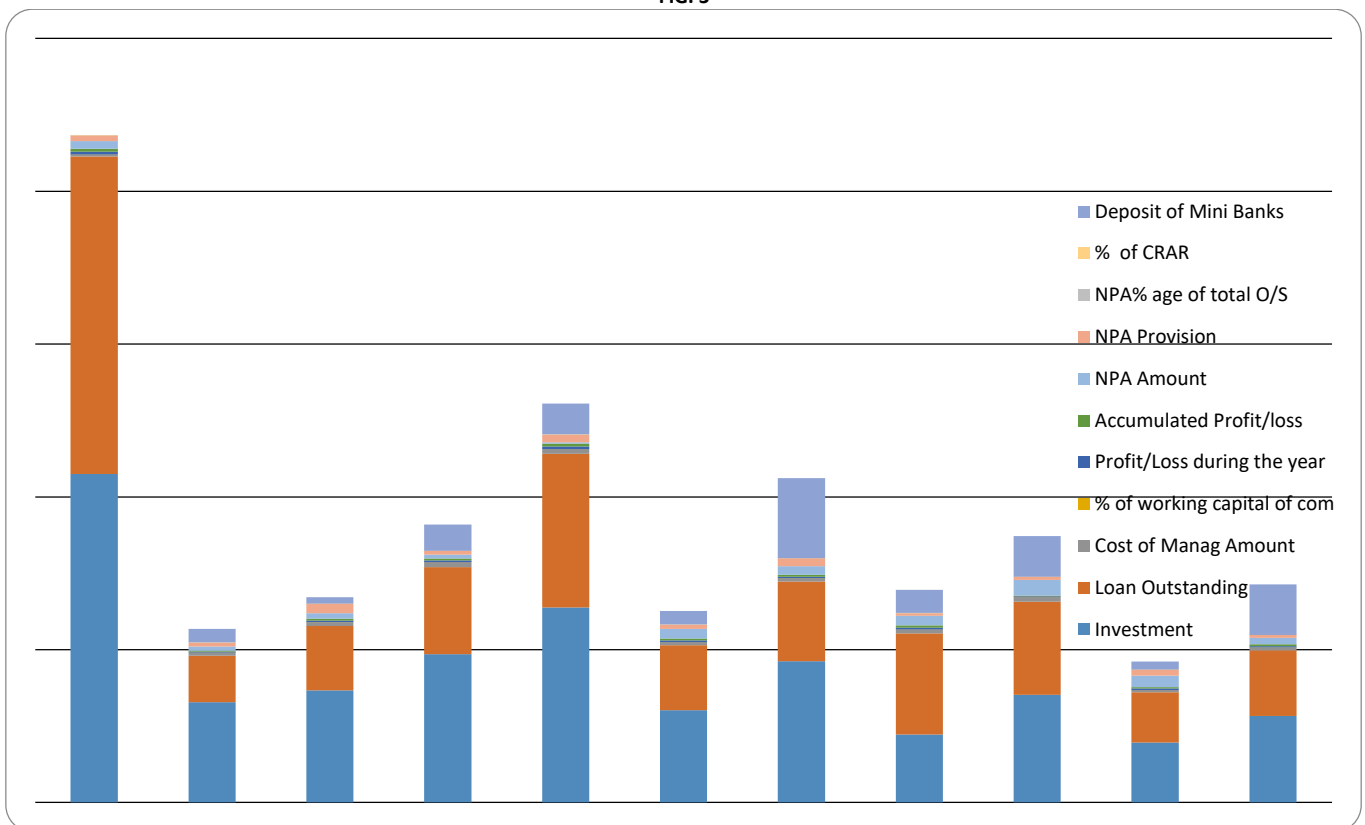


TABLE 3: FINANCIAL POSITION AS ON 31 MARCH 2015 (Rs. In lacs)

Sno	Name of Bank	Investment	Loan Outstanding	Cost of Manag Amount	% of working capital of com	Profit/Lo ss during the year	Accumula ted Profit/loss	NPA Amount	NPA Provision	NPA% age of total O/S	% of CRAR	Deposit of Mini Banks
		14	15	16	17	18	19	20	21	22	23	24
1	USCB	107508.94	103911.80	607.70	0.27	915.50	915.50	2557.31	1893.58	2.46	9.41	-
2	Almora	32833.62	15216.12	1017.38	1.81	291.15	291.15	1370.26	1328.67	9.01	15.35	4401.63
3	Pithoragarh	36678.73	21109.98	1199.22	1.86	596.69	596.69	1771.03	3081.58	8.39	18.74	2111.16
4	Nainital	48515.68	28490.26	1696.70	1.99	563.44	563.44	1232.15	1300.21	4.32	15.88	8606.02
5	USN	63815.81	50334.25	1507.40	1.11	901.11	901.11	426.10	2531.49	0.85	18.5	10155.31
6	Chamoli	30237.44	21196.95	1099.59	1.85	524.68	646.05	3077.32	1417.00	14.52	19.16	4442.46
7	Dehradun	46201.28	26110.03	1045.32	1.28	524.21	655.43	2772.91	2646.89	10.62	9.75	26149.34
8	Kotdwar	22282.56	33043.18	1282.87	2.13	642.85	688.00	3186.38	850.93	9.64	12.26	7590.08
9	Tehri	35267.00	30476.20	1495.22	2.03	256.41	256.41	5044.63	1046.11	16.55	14.69	13337.82
10	Uttarkashi	19668.55	16438.83	742.02	1.83	430.50	430.50	3764.44	1994.00	22.90	13.78	2626.37
11	Roorkee	28321.97	21443.34	962.25	1.72	385.95	720.66	1993.17	1004.70	9.30	17.61	16482.19
TOTAL		471331.58	367770.94	12655.67	1.35	6032.49	6664.94	27195.70	19095.16	7.39	14.20	95902.38

FIG. 3



6. CONCLUSION

The performance of the co-operative banking sector as a whole has attracted considerable attention in recent years. Today they have become an important constituent of the Indian financial system and cover a large segment of society because of their “PROMPT, PERSONALIZED AND COURTEOUS SERVICE”. They take the responsibility of covering the unmonitored sector neglected by commercial banks and are called “purveyors of credit to small and medium enterprises”. They provide 32 service with no bars of castes, creed, religion, language, etc. and thus spread the feeling of “Unity in Diversity”. Some UCBS operate beyond their state of registration and are governed by the Multi State Co-operative Societies Act, 1984. In addition to their traditional retail banking business, some have also taken up diversified activities like stock investment scheme, opening and maintenance of nonresident and ordinary rupee accounts, merchant banking etc. They owe responsibility not only towards customers but also towards employees and society.

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**CUSTOMERS BUYING BEHAVIOUR IN ASHOK LEYLAND, CHENNAI**

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**ABSTRACT**

*The automotive industry has emerged as a developing industry in the Indian economy. Ashok Leyland (AL) is India's first leader in the technology commercial vehicle industry. It is the first Indian automobile manufacturer. The level of competition keeps on increasing in the automobile market. It is essential for every automobile manufacturing company to understand customers' insight in order to further increase their number of customers. Thus, they need to understand the factors that might influence their customer's assessment of buying a commercial vehicle. The objective of this study is to analyze the customer perceived satisfaction regarding product quality, sales after service and price fairness of customers buying behaviour towards commercial vehicles of Ashok Leyland. Simple random sampling was followed to collect data from customers of Ashok Leyland, Ponnammallee, Chennai. Questionnaires were distributed to 124 respondents and the data were analyzed using percentage analysis, ANOVA single factor and Regression with the help of SPSS package. Rising income has enhanced the purchasing power and more and more people are able to afford commercial vehicles. Friends, family and relatives reference has been found to have significant source of information and influences in commercial vehicles buying. Customers are purchasing the commercial vehicles not only as a means of transport but also as a status brand.*

**KEYWORDS**

buying behavior, perception, product quality, after sales service, price fairness, repeated purchases and customer satisfaction.

**JEL CODES**

M10, M31.

**1. INTRODUCTION**

Consumer behaviour consists of all human behaviour that goes in making purchase decisions. An understanding of the consumer behaviour enables a marketer to take marketing decisions which are compatible with its consumer needs. Rising income has enhanced the purchasing power and more and more people are able to afford commercial vehicles. Customer demands are dynamic, but its consideration is necessary for every company to make existence in to the market. Customers are purchasing the commercial vehicles not only as a means of transport but as a status brand also. The significance of the perception of products and services grows during periods of economic recession. In such conditions, customers are more sensitive to deal with quality and money. It is well known that it is unreasonable for marketers to increase the perceived value of their offerings by lowering prices, while increasing the benefits of offerings for customers can be more effective. From this perspective, the quality and image of offerings are among the most significant stuff in which marketers can invest. It is worth noting that consumer buying behavior is considered as a part of the marketing and its major objective is to find out the advance how the individuals and organizations choose, purchase, use and arrange the product and the factors such as their taste, previous experience, branding and price on which the consumers base their buying decisions.

**2. REVIEW OF LITERATURE**

Subramanian (2010) in his study has analysed customer expectations from an auto industry. It has created a competitive pressure and enriched the industry with attitude, knowledge, flexibility and speed for new challenges and changes. Purohit, (2009) has revealed that the name of the company, durability, driving comfort, brand popularity, spare parts availability, travel convenience and overall look are the major factors that led the customers to prefer the products. Dodds, Monroe and Grewal (1991) have said that product quality is the collection of characteristics that contribute to ability to meet the necessities. It is referred as the value for money that influences not only the customers' choice and but also affect their satisfaction and return behaviour at the post purchases. Chidambaram and Alfred (2007) have recommended fuel efficiency, brand name, good quality reasonable price and durability as the factors that help to affect the preference of customers. Aaker (1991-1988) has found perceived product quality as the customer's perception and their judgment about overall excellence of product. Hamza, khraim et al, (2014) have studied about that the effect of perceived value with customer satisfaction on price fairness of airline travelers in new development context which is in Jordan. Maruti product to others. Akbar and Ashok, (2012) have said that the factors like sources of information need for fuel economy and necessity, cost and durability, warranty and prestige, comfort, and value are the motivating factors for the purchase intention of car owners in Vellore District of Tamilnadu. Balakrishnan and Jagathy (2012) have revealed that the price of the car, advanced technology, market re-sale value of the brand and model, security features, safety features and driving comfort were the prominent factors which influenced the consumers' purchasing behaviour of passenger cars in the State of Kerala. Ramita Verma, Shubhkamana Rathore (2013) has studied the luxury car segment of India. Change in attitude of the customer in India automobile market, as the emphasis has been shifted from price consideration and affordability to design, quality and pleasure. Heskett et al. (1994) have said loyalty is a direct result of customer satisfaction. It largely influenced from the value of service provided to customers. Bitner (2000) has found that service quality affects customer satisfaction and its recollected perceptions service quality. Petrick (2002) has produced a multidimensional scale (SER-PERVAL) for measuring the perceived value of services, based on the Zeithmal (1998) model. There are five dimensions that have been constructed to measure this scale which are quality, monetary price, behavior price, reputation and emotional responses.

**3. OBJECTIVE AND SCOPE OF THE STUDY**

The objective of this study is to analyze the customer perceived satisfaction regarding product quality, sales after service and price fairness of customers buying behaviour towards commercial vehicles of Ashok Leyland. Simple random sampling was followed to collect data from customers of Ashok Leyland, Ponnammallee, Chennai. Questionnaires were distributed to 124 respondents and the primary data collected were analyzed using percentage analysis, ANOVA single factor and Regression with the help of SPSS package. The value of cronbach alpha is 0.9 which is considered excellent and reveals the internal consistency of questionnaire.

4. ANALYSIS AND DISCUSSION

ANOVA single factor has been used to determine the association between socio economic factors and their level of buying intention. Regression has been used to study the relationship between product quality, after sales service and price fairness with the general perception of AL. Hypotheses were set to study the association of the factors influencing buyer behaviour namely, product quality, after sales service and price fairness.

TABLE NO. 1: SOCIO-ECONOMIC PROFILE OF RESPONDENTS

Age (years)	No of Respondents	Percentage to total	Annual income (Rs in lakh)	No of Respondents	Percentage to total
Below 35	69	55.6	Below 3	29	23.4
36-45	18	14.5	3-6	41	33.1
Above 45	37	29.9	Above 6	54	43.5
Total	124	100.0	Total	124	100.0
Gender	No of Respondents	Percentage to total	Employment Status	No of Respondents	Percentage to total
Male	119	96.0	Self-Employed	47	37.9
Female	5	4.0	Private	77	62.1
Total	124	100.0	Total	124	100.0
Area of living	No of Respondents	Percentage to total	Area of business	No of Respondents	Percentage to total
Rural	37	29.8	Rural	28	22.6
Urban	58	46.8	Urban	54	43.5
Semi-Urban	29	23.4	Semi-Urban	42	33.9
Total	124	100.0	Total	124	100.0

Source: primary data

From the above table, it is inferred that 56% of the respondents are below the age 35 years and 30% of them are in the age of above 45 years. From the above table indicates 44% of the respondents are earning more than 6 lakhs 33% are earning between 3-6 lakhs and 23% are earning below 3 lakhs. 96% of the respondents are male and the rest of them are female. 62% of the respondents are employed privately and 38% of the respondents are Self- employed. 47% of the respondents are living in urban area, 30% of the respondents are living in rural area and 23% of the respondents are living in semi-urban areas. 44% of the respondents carries on business in urban area, 34% in semi-urban, and 23% of the customers in rural area.

The following hypotheses were framed to study the relationship of gender with product quality, after sales service and price fairness.

Null Hypothesis (Ho)- Gender has no influence on product quality.

TABLE NO. 2: RELATIONSHIP BETWEEN GENDER AND PRODUCT QUALITY – ANOVA SINGLE FACTOR

Customers perceived regarding product quality	P Value	Result
General Perception about AL	0.567	Accepted
Safety and control	0.713	Accepted
Fuel consumption	0.736	Accepted
Satisfied with the structural design	0.793	Accepted
Loading space available in vehicle	0.01	Rejected
Maintenance cost of vehicle	0.477	Accepted
Suitability of AL product to meet needs	0.329	Accepted
Rate the quality of the product	0.362	Accepted
Exterior clean and un damage	0.574	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and therefore gender has no influence on product quality such as general perception about AL, safety and control, fuel consumption, satisfaction about the structural design, maintenance cost, product suitability, quality rating, and exterior clean and un damage. The gender influences loading space availability factor as customers are highly satisfied with product quality because AL has provided their vehicle with more loading space availability.

Null Hypothesis (Ho) Gender has no significant influence on after sales service.

TABLE NO. 3: RELATIONSHIP BETWEEN GENDER AND AFTER SALES SERVICE – ANOVA SINGLE FACTOR

Customers perceived satisfaction after sales service	P Value	Result
Answering of queries at the time of delivery	0.139	Accepted
Pleasant experience at the time of delivery	0.039	Rejected
Delivered with all the features promised	0.207	Accepted
Explanation of vehicle's maintenance schedule	0.948	Accepted
Explanation of all operating controls	0.717	Accepted
Explanation of all terms of the warranty	0.814	Accepted
Professional and timely response by AL officials	0.412	Accepted
Explanation of owner's Manual	0.400	Accepted
Timely response of official towards complaints	0.410	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and therefore gender has no influence on customers perceived satisfaction regarding sales after service such as time of delivery, explanations, maintenance schedule, operating control, terms and warranty, response time, owner's manual and timely response for customers' complaints. Irrespective of the gender, the AL customers are satisfied with the after sales service of AL.

Null Hypothesis (Ho) Gender has no significant influence on price fairness.

**TABLE NO. 4: RELATIONSHIP BETWEEN GENDER AND PRICE FAIRNESS – ANOVA SINGLE FACTOR**

Customers perceived satisfaction regarding price fairness	P Value	Result
Satisfaction about the price of the vehicles	0.074	Accepted
Satisfaction about the incidental charges	0.628	Accepted
Satisfaction about terms of pricing	0.789	Accepted
Satisfaction about the money paid for the value received	0.463	Accepted
Satisfaction about the value received for the money paid	0.878	Accepted
Satisfaction about the competitive price paid	0.143	Accepted
Repeated repurchase intention of AL products	0.289	Accepted
As a loyal customer, recommendation made to a friends and colleagues	0.795	Accepted
Right choice of AL product	0.838	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and gender has no influence on customers perceived satisfaction regarding price fairness and repeated purchases, satisfaction about the price, incidental charges, terms of pricing, money paid for value received, value received for the money paid, repeated repurchases intention of Ashok Leyland products, recommendation made to friends and right choice of Ashok Leyland products. Null Hypothesis (Ho) Employment/Status has no significant influence on product quality.

**TABLE NO. 5: RELATIONSHIP BETWEEN EMPLOYMENT/STATUS AND PRODUCT QUALITY – ANOVA SINGLE FACTOR**

Customers perceived satisfaction regarding product quality	P Value	Result
General Perception about AI	0.631	Accepted
Safety and control	0.987	Accepted
Fuel consumption	0.179	Accepted
Loading space available in vehicle	0.402	Accepted
Maintenance cost of vehicle	0.820	Accepted
Suitability of AL product to meet needs	0.011	Rejected
Rate the quality of the product	0.045	Rejected
Exterior clean and un damage	0.394	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and employment/status has no influence on customers' perceived satisfaction regarding product quality such as general perception about AL, safety and comfort, fuel consumption, satisfaction about the structural design, maintenance cost and exterior clean and un damage. Employment/status has an influence on customers perceived product quality such as suitability of Ashok Leyland product and quality rating as the company treats all the customers equally. The respondents feel that they should be treated according to their seniority in dealing with AL products. Null Hypothesis (Ho) Employment/Status has no significant influence on after sales service.

**TABLE NO. 6: RELATIONSHIP BETWEEN EMPLOYMENT/STATUS AND AFTER SALES SERVICE – ANOVA SINGLE FACTOR**

Customers perceived satisfaction after sales service	P Value	Result
Answering of queries at the time of delivery	0.003	Rejected
Pleasant experience at the time of delivery	0.126	Accepted
Delivered with all the features promised	0.226	Accepted
Explanation of vehicle's maintenance schedule	0.127	Accepted
Explanation of all operating controls	0.977	Accepted
Explanation of all terms of the warranty	0.971	Accepted
Professional and timely response by AL officials	0.391	Accepted
Explanation of owner's manual	0.447	Accepted
Timely response of official towards complaints	0.215	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and employment/status has no influence on customers perceived satisfaction regarding sales after service, time of delivery, pleasant experience, features, maintenance schedule, operating control, terms and warranty, response time, owner's manual and timely response for customers complains as the company has to be more responsible for their after sales service to customers. Employment/status has influence on answering of queries at the time of delivery. They feel that the queries are answered according to the status of employment. Null Hypothesis (Ho) Employment/Status has no significant influence on Price Fairness and Repeated Purchases.

**TABLE NO. 7: RELATIONSHIP BETWEEN EMPLOYMENT/STATUS AND PRICE FAIRNESS AND REPEATED PURCHASES – ANOVA SINGLE FACTOR**

Customers perceived satisfaction regarding Price Fairness and repeated purchases	P Value	Result
Satisfaction about the price of the vehicles	0.204	Accepted
Satisfaction about the incidental charges	0.338	Accepted
Satisfaction about terms of pricing	0.427	Accepted
Satisfaction about the money paid for the value received	0.021	Rejected
Satisfaction about the value received for the money paid	0.448	Accepted
Satisfaction about the competitive price paid	0.199	Accepted
Repeated repurchase intention of AL products	0.112	Accepted
As a loyal customer, recommendation made to a friends and colleagues	0.520	Accepted
Right choice of AL product	0.072	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and employment/status has no influence on customers' perceived satisfaction regarding price fairness and repeated purchases, satisfaction about the price, incidental charges, terms of pricing, money paid for value received, value received for the money paid, repeated repurchases intention of Ashok Leyland products, recommendation made to friends and right choice of Ashok Leyland product. Employment/status has an influence on customers perceived product quality on satisfaction about the money paid for the value received as customers are satisfied with Ashok Leyland prices. They are also loyal to the company and repurchase the vehicle. Null Hypothesis (Ho) Annual income has no significant influence on Product Quality.

**TABLE NO. 8: RELATIONSHIP BETWEEN INCOME AND PRODUCT QUALITY– ANOVA SINGLE FACTOR**

Customers perceived satisfaction regarding Product Quality	P Value	Result
General Perception about AL	0.021	Rejected
Safety and control	0.529	Accepted
Fuel consumption	0.000	Rejected
Satisfied with the structural design	0.000	Rejected
Loading space available in vehicle	0.004	Rejected
Maintenance cost of vehicle	0.012	Rejected
Suitability of AL product to meet needs	0.002	Rejected
Rate the quality of the product	0.008	Rejected
Exterior clean and un damage	0.357	Accepted

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and annual income has no influence on customers’ perceived satisfaction regarding safety and control and exterior clean and un damages. Income level has an influence on customers perceived product quality such as general perception about AL, fuel consumption, satisfaction about the structural design, loading space available in vehicle, maintenance cost, product suitability and quality rating. The product quality is very high so customers are satisfied with the vehicle structural design and fuel consumption. As AL gives coupons for fuel/diesel and the customers save their income. Null Hypothesis (Ho) Annual income has no significant influence on after sales service.

**TABLE NO. 9: RELATIONSHIP BETWEEN ANNUAL INCOME AND AFTER SALES SERVICE – ANOVA SINGLE FACTOR**

Customers perceived satisfaction after sales service	P Value	Result
Answering of queries at the time of delivery	0.281	Accepted
Pleasant experience at the time of delivery	0.000	Rejected
Delivered with all the features promised	0.666	Accepted
Explanation of vehicle’s maintenance schedule	0.171	Accepted
Explanation of all operating controls	0.071	Accepted
Explanation of all terms of the warranty	0.005	Rejected
Professional and timely response by AL officials	0.000	Rejected
Explanation of owner’s manual	0.017	Rejected
Timely response of official towards complaints	0.000	Rejected

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and annual income has no influence on customers’ perceived satisfaction regarding answering of queries at the time of delivery, promised features, maintenance schedule and operating control. Annual income has influence on pleasant experience, terms and warranty, response time, owner’s manual and timely response for customers’ complaints as the company officials have satisfied and clarified the doubts after sales. All the AL executives explain all the terms and condition to their loyal customers so that customers they reduce their expenditures from terms and conditions. Null Hypothesis (Ho) Annual income has no significant influence on Price Fairness.

**TABLE NO. 10: RELATIONSHIP BETWEEN ANNUAL INCOME AND PRICE FAIRNESS – ANOVA SINGLE FACTOR**

Customers perceived satisfaction regarding Price Fairness and repeated purchases	P Value	Result
Satisfaction about the price of the vehicles	.000	Rejected
Satisfaction about the incidental charges	.517	Accepted
Satisfaction about terms of pricing	.017	Rejected
Satisfaction about the money paid for the value received	.000	Rejected
Satisfaction about the value received for the money paid	.068	Accepted
Satisfaction about the competitive price paid	.998	Accepted
Repeated repurchase intention of AL products	.129	Accepted
As a loyal customer, recommendation made to a friends and colleagues	.238	Accepted
Right choice of AL product	.007	Rejected

Source: primary data (at 5% level of significance)

The above table shows that the null hypothesis is accepted and annual income has no influence on customers’ perceived satisfaction regarding price fairness such as satisfaction about the incidental charges, value received for the money paid, competitive prices, repeated repurchases intention of Ashok Leyland products and recommendation made to friends. Annual income has an influence on customers’ perceived satisfaction regarding price fairness such as satisfaction about the price of the vehicles, the terms of pricing, money paid for the value received and right choice of the AL product. Customers are satisfied with Ashok Leyland prices and also customers are loyal to repurchase the vehicles. Customers’ choice of AL product is right because, AL vehicle will make profit to customer’s business and also it will increase customer’s annual income.

**TABLE NO. 11: UNSTANDARDIZED COEFFICIENTS OF REGRESSION MODEL – INDEPENDENT FACTORS AND GENERAL PERCEPTION OF CUSTOMERS BUYING BEHAVIOUR IN ASHOK LEYLAND VEHICLES**

S. No	Predictors	Unstandardized Coefficients		Sig.
		B	Std. Error	
	(Constant)	.117	.884	.895
1	Average Product Quality	.710	.169	.000*
2	Average After Sales Service	-.014	.179	.937
3	Average Price fairness and Repeated purchases	.314	.270	.247

**R=.576 R Square=.332**

Dependent Variable: General Perception about AL

\* = significance at 5% level

The above result of regression shows that the independent factors viz., after sales service and price fairness (p<0.05) are statistically significant towards buying behaviour. The regression results also show that the variable is product quality (p>0.05), since the p value is greater than 0.05. The R value represents the simple correlation and is 0.576, which indicated a moderate degree of correlation between the independent factors and price fairness and repeated purchases. The R<sup>2</sup> value indicated that 33.2 % (0.332) of variance in dependent variable “general perception about Ashok Leyland”, is explained by the independent factors.

## 5. CONCLUSION

Friends, family and relatives reference has been found to have significant source of information and influencers in commercial vehicles buying. Price-off amongst the promotional offers and fuel efficiency in the heavy commercial vehicles are found to be the foremost reasons for the preference by the customers.

The Indian economy is set to grow rapidly through improved transport and intensified competition and the rural and urban people are graduating to higher income. These will be benefiting consumers and has an impact on the commercial vehicles segment rather than the passengers' vehicles segment groups at a faster rate. Rising income has enhanced the purchasing power and more and more people are able to afford a heavy commercial vehicle on their business. Improved transport is likely to impact the commercial vehicles segment rather than the passengers' vehicles segment. The economy is set to enter a higher growth path, leading to people graduating to higher income groups at a faster rate.

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## IMPACT OF ENGLISH INVASION ON INDIAN CULTURE

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### ABSTRACT

*India is called the cradle of the human race, the birthplace of human speech, the mother of history and the grandmother of tradition. India is a treasure of valuable materials and strong history. Indian culture is one of the oldest, dating back to more than 5000 years. Indian culture can be best expressed in terms of humanity, tolerance, unity, secularism, closely knit social system and a rich cultural heritage. A country that is highly reputed for its rich culture and heritage has undergone a massive change with the invasion of the British and English language into India. Since then India has not only given English prime importance it has also incorporated into its culture, the cultures of many other countries that has diluted the essence of its culture by making way for a cross cultural setup. This research paper is an attempt to re-emphasize the glory and grandeur of Indian culture and tradition among youngsters of this land by bringing to the fore, the true meaning of our ancient practices and its practicality even in today's modern world. In a time when foreigners are more attracted towards our rich culture and our youngsters mesmerized in westernization, there is an urgent need to understand that the need of the hour is to be a cultured human being and a proud Indian.*

### KEYWORDS

Indian culture, British invasion, westernization, diversity, english language, social and economic impact, education and religion.

### INTRODUCTION

The way of life of an entire society is determined by the culture of that place. Culture is determined by aspects like dress, rituals, religions, norms of behavior and manners, morality, belief system, languages and art. Though India is among the oldest cultures, it is diverse in many ways. All directions of the country like north, south, east, north-east and west are distinct with their own cultural practices. [1]

India is a great country that has to its credit many inventions like the number zero, the number system, Algebra, Calculus, Trigonometry, the Pentium chip, the value of Pi (Pythagorean theorem), cataract surgery, chess, button, shampoo and many more. The first plastic surgery was performed in India. It was our Indian scientists who first discovered water on the moon. India is also the largest milk producer in the world and maker of supercomputers along with US and Japan. Yoga is India's contribution to the world. Sanskrit is the mother language of all the European languages. But, above all this is its rich culture that also marks its recognition in the world [5]

Even before the British Invasion in India, the country had been invaded by many of imperialists, but the greatest impact on Indian Culture was caused by the invasion of the Britishers and English Language. Cultural invasion happens through language and in India English language imparted the greatest impact on the cultural life of Indians. Kachru (1986: 128-129) in his book explains the importance of language in a society. [2]

### FINDINGS

The world views India with awe and admiration for its rich history, size and current aspirations. India has enormous ethnic, cultural and linguistic diversity with striking contrasts. It is a land where more than 200000 people are able to converse in 400 languages of the various languages present in India numbering to 1600. India also has the credit of having the largest English speaking population in the world, especially in an accent that is clear and best comprehended.

The Britishers came to India with an intention of trade. Their policies were framed to drain India of all its wealth and resources. Slowly they progressed as rulers and administrators, having a greater impact on economic and political system of the country. But only a partial influence on social and cultural life, as they followed policy of non-interference till 1813. Gradually changes were taking place in the social life of people.

**Education-** Thomas Babington Macaulay prioritized schooling for Indians and successfully introduced English medium, as a result by 1890 close to 60000 Indians had matriculated. In addition to this English medium of instruction was established even in administration by the British (1765-1947). Slowly English advanced as the language of government, administration and education. It was accepted as the language of the elite and the Indian press. The press began influencing the reading public. Indian culture was considered as somehow barbaric in the past while English was considered as a road to the light and a tool of civilization. The Europeans thought, to emancipate the souls and the language of Indians into divine, English was essential. This also saw an improvement in Indian literature in English. The current trend in India is most people want to enroll their children only in English medium schools and not in regional or government schools. Gurukuls are now replaced by Montessori schools and English medium dominates the education system. This tremendous progress in English literature has placed the country as the third largest English book-producing country in the world.

The key to success of English according to Kachru (1986:129-132), is the historical role of England as a colonial power. In India the power of language was linked to political power and therefore language became the symbol of political power and English became the language of the legal system, higher education, pan-regional, administrative network, science, technology, trade, commerce etc., as the indigenous languages were not suitable for these roles, English provided convenient vocabulary and was considered prestigious and powerful. English emerged as a tool for acquiring knowledge in the humanities and sciences. English acts as a link language and is required to acquire international relations, modernization and development. At present English language has dominated the functional domains in the widest range. [2]

The growing demand for English language has both positive and negative effect depending on who uses it. The negative impact however is the dislocation of native cultural tradition by introducing westernization. English is a magical tool of national identity, political awakening (as in the independence struggle) a link language, a window to the world. On the contrary it is also a tool of economic exploitation and domination.

Bailey also speaks of English having both positive and negative cultural values: In spite of exploitation there is Economic development, political and cultural ideas and institutions. Enrichment of English is at the cost of indigenous languages and the opportunities to communicate with readers around the world is at the expense of one's own language (Bailey 1991: 165) [3]

**Indian culture** effectively means Hindu culture, religion, Hindu society and civilization. This Hindu way of life is threatened by the ruthless power of globalization. The synonym of globalization has replaced the term colonialism that was present in the classical history books of the days of the British Raj. Colonialism wears new masks and pretends to uplift people in the name of modernization but, in reality is exploiting them. This is not a new phenomenon as the British in the past vaunted themselves as the Gods of Civilization and culture to an uncivilised India and gradually was given the title of 'White man's Burden' [4]

The British used the powerful tool of religion to gain power in India; they introduced Christianity followed by western culture, thoughts and customs that led to the gradual end the traditional ways of life. Indians were encouraged to convert to Christianity and also to give up their culture, religion and spiritual implications. They began to dress like an Englishman and emulate their mannerism in all things. Thereby the converted Hindus began to think, behave and live like Englishmen. This attitude to imitate the westerners has continued over the years and spread all over the country irrespective of religion.

When the English failed to convert many Indians they focused on education. By eliminating our traditional schools and by changing the education system, the British tried to colonize our minds through the system of westernization. Indians were taught to acquire skills of the English by becoming modern and rational. Electronic media has succeeded in bringing western culture to every household. The dressing, eating and behaviour of most Indians are western today. Thus Indian traditions, cultures and religion have gradually been eliminated or subverted.

**Traditional values:** The ancient practices of tradition were all made with a strong and scientific reason which over the years sounds like blind practices due to lack of knowledge. To quote a few of the Indian traditions that were passed on for generations is mentioned below. Indians greet each other by joining their palms, this ensures joining the tips of all fingers and is said to activate the pressure points and remember the person for a long time.

The toe ring is worn by Indian women on the second toe because a particular nerve connects the uterus and passes to the heart. It strengthens the uterus, regulates blood flow and menstrual cycle. Silver being a good conductor, absorbs polar energies from the earth and passes it to the body. The tilak placed between the two eyebrows is said to retain energy and improve concentration levels. It also ensures blood supply to the face muscles.

Piercing the ears helps in intellectual development, decision making, improves speech and hearing. Mehendi is a very powerful medicinal herb that can prevent stress because it helps in cooling the body and prevents nerves from becoming tense. This is the reason during marriages mehendi is applied on the feet and hands where nerve ends in the body. Sindoor is prepared by mixing turmeric-lime and the metal mercury, this controls blood pressure and activates sexual drive. Mercury is also known for removing stress and strain.

Navratri is a festival in India that is celebrated for a span of 9 days. In this time period poojas are performed by maintaining fasts; this helps the body to face the changing seasons. People keep fasts by avoiding excessive salt and sugar; meditate to gain a lot of positive energy, self-confidence and determination. Our ancestors have stressed that our meals should start with something spicy and end with sweets. The significance of this is, the spice will activate the digestive acids that help in the smooth digestion process while sweets and carbohydrates pull down the process of digestion. Hence sweets are recommended to be taken as a last item. Sitting on the floor to eat improves digestion as the circulatory system focuses on digestion as against the distraction of the legs supporting the body while standing or on our legs dangling from a chair while we sit.

Researchers say that idol worship was initiated to increase concentration while praying. Psychiatrists say that a person shapes his thoughts according to what he sees and his thinking will change according to the object he views. The coconut that is offered in temples is considered sacred, pure, clean and health giving. It is also offered on occasions like weddings, festivals, and use of new vehicles, bridges, houses and sacrificial fire. The coconut is interpreted as human head- coir with hair, hard nut to skull, water inside to blood and kernel as akin to mental space. Another interpretation is the outer shell is the physical body and the kernel is the subtle body. The coconut is considered as a substitute by people who wanted to continue the practice of sacrifice of other beings for fulfilment of their desires. The sound of temple bells clears the mind and helps improves concentration along with staying sharp. The bells produce a sound that creates unity of the left and right parts of our brain, its sharp and enduring sound that lasts for 7 seconds in echo mode is good enough to activate all the parts of our body. This sound helps our brain to clear all out negative thoughts.

The Vedic sages knew the benefits of tulsi plant and personified it as a goddess as it has great medicinal properties. It is a remarkable antibiotic, increases immunity, stabilizes health conditions and also increases life span. Tulsi kept at home prevents insects, mosquitoes and snakes. It also has maximum mercury and should not be chewed. If raw mercury is applied to teeth, they may fall immediately. Blessings are taken by touching the feet, usually of old or pious. When they bless it means they are pleased to receive respect from your reduced ego, positive energy and thoughts are emitted from their hearts that reaches you when you touch their feet or hands. This happens as a circuit is formed when your fingertips and theirs join to connect the energies of both bodies.

Most of us ignore our elders when they guide us about the direction we should sleep in. It is scientifically proven that when we sleep with our heads in the northern direction our body is asymmetrical to the magnetic poles of the earth. Thereby iron content present in our blood begins to congregate towards the brain. This leads to head ache, blood pressure and heart problems. It also causes disorders like Alzheimer, brain degeneration, Parkinson disease and cognitive decline. [5]

## RECOMMENDATIONS

1. We as a nation are obsessed with foreign things. We want foreign Televisions branded clothes, technologies etc., little do we realize that self-respect comes with self-reliance. We must understand that India is not an underdeveloped nation it is a highly developed nation. Indian economy has to improve by leaps and bounds. The only way to save our country from severe economic crisis is to stop using foreign products and use Indian products. Otherwise we will end up paying much more for the same products in the near future.
2. By 2020, the median age in India will be 29. The population in the 15-34 age groups is expected to rise from 430 million in 2011 to 464 million in 2021. Education is the most powerful weapon youngsters should have, to fight against odds and lead our nation towards progress. Sadly our education system is outdated and not relevant to the current trend. Most of the universities never revise their syllabus. Freedom and encouragement to do innovative work is still not applicable in many educational institutions. Our education system must cater to the need of the hour without failing to promote our rich culture. Instead of including foreign authors and stories into the language syllabus, Indian texts that teach about our culture and tradition should be incorporated.
3. There is a popular saying that it is easier to protect your feet with slippers than to cover the entire earth with carpet. Change yourself and then attempt to change fellow citizens. One has to take care of his actions because they will become his habits and his habits will form his character. We must train our children to practice good actions like morning prayers; yoga, meditation and kind habits that will help transform them as good citizens which are very vital for the progress of the nation.
4. The greatest pollution problem we face in India is negativity, we must eliminate the negative attitude and in being optimistic we can do wonders for the country. General Indian mentality is that Indian goods are not good and that foreign brands gives them style and status. The junk food we have is far more injurious to health than our Indian sweets and savories. It's time we realize this and use Indian products and contribute to the nation's economic progress.
5. It is believed that one who recites daily prayers and performs religious rituals and ceremonies, but doesn't lead a pious life or good to others, is compared to a man who ploughs the field but fails to get good results. On the other hand, one who besides reciting the prayers and doctrines puts them into practice in daily life, is like a person who along with performing his duty of ploughing and sowing, he also reaps the harvest. We have to strive hard and be patriotic retaining our culture and intellectual inheritance and also teach our children the same.

## CONCLUSION

Swamy Vivekananda once attended a conference of World Religions in Chicago in 1893 and spoke about foreseeing the dangers of Globalization. He said all spirituality; sweet souled sympathy for religion, all ideality will be extinct from the world if India dies. In its place, only duality of lust and luxury will reign as the female and male deities, money as the priest, fraud, force and competition will be its ceremony and human soul will be a thing of sacrifice. Such a thing should never happen. But, unfortunately such a disaster is already happening in India as a result of uncontrollable and in exorable globalization [4] Any Indian today does not approve anything that is Hindu Indian, unless it is recognised by the authority in the west. There is a strong positive attitude towards western society and culture in the pretext of progress.

In the current scenario globalization had spread so widely that no society can remain without the influence of western culture or any alien culture. This means that no country will have a monoculture.

Despite all this India has made a remarkable mark in the contemporary world and many countries want to adopt the Indian culture and follow Indian tradition and practices. Our culture is so strong that even with the influence of western culture we have been able to sustain our tradition in most parts of the country. The metropolitan youngsters get carried away with foreign culture and alter their dressing, food habits and small practices but, deep within them there is a conservative Indian who happens to balance the Indian with the western. Which is no doubt the upbringing of children by Indian mothers. As long as this balance is intact only the positive aspects of any foreign culture will be observed and Indian culture will still stand strong.

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**BEST PRACTICES FOR ENHANCING USE OF LIBRARY COLLECTION AND OTHER LIBRARY SERVICES****AJIT VASANTRAO JANUGADE****DOCUMENTALIST****INSTITUTE OF KRISHNA MEDICAL SCIENCES DEEMED UNIVERSITY****MALKAPUR****ABSTRACT**

*Best is something that fulfills requirement of users. Best practices are way to put your worth in front of the world. Library plays important role in distant education, adult education and lifelong learning. Academic libraries serve students, teachers, administrators and researchers. Librarian can enhance their service offerings by helping their customers, accessing best practices information, use it to drive innovation. Similarly, best practices can be used to achieve internal improvements. Adopting programs and strategies that are known to work, promotes cost-effectiveness and ensures accountability. Along with this best practices we can add practices such as in-service training program, Staff promotional practice, earn while learn program, extended library hours, Dynamic Library Website, User feedback, Library Committee etc.*

**KEYWORDS**

accountability, best, best practices, effectiveness, improvements.

**INTRODUCTION**

From the primitive period, every living entity is looking for the 'BEST'. Every living organism deserves for the best. Darwin's theory of evolution states that survival of the strongest and fittest. It is also example of the best. Nature selects only best. The meaning of best varies from person to person, situation to situation, time to time. But the ultimate truth is that everyone wants best. In library best is that which is useful and timely. Best is that which is effective and efficient. When we see library of pre digital era and post digital era, there is big difference. In pre digital era most of the reading material was in print format. After these comes microfilm, microfiche, floppy, CD etc. This change was due to thrust for the best. The next stage was computerization, internet, digitization, social media usage. Quality may be brought in by adopting best practices. The overall objective of professional is to improve quality of services by ushering change in existing system and services.

The academic library at its elementary level, that is school, has functions of education and information. At higher level, at college or university it supports teaching, research and extension. Library also plays important role in distant education, adult education and lifelong learning. Academic libraries serve students, teachers, administrators and researchers. We are mainly concerned with college libraries.

There are many technological trends that have impact on library field. The automation of library, use of e-resources, internet has drastically changed role of librarian. The user demands are changing and growing day by day, as well as various apex bodies like AICTE, NAAC, UGC are expecting quality services from academic institutions which is right in today's world. Following figures indicates expansion in higher education (Vyas, S.D. 2009)

**TABLE 1**

	1950	2008
Universities	25	431
Colleges	700	20,677
Teachers	15000	5.05 Lakhs
Students	1.00 Lakhs	111.6 Lakhs

Due this expansion it needs efforts to bring quality in library services also. This quality may be brought in some extent by providing best practices.

**MEANING OF BEST PRACTICES**

Best Practices are simply the best ways to perform a specific business, function or process such as developing or marketing a product. They are performance standards that others seek to emulate unlike a developing theory, idea or trend; best practices have been proven to return desirable results.

Librarian can enhance their service offerings by helping their customers, access best practices information, use it to drive innovation similarly, they can leverage best practices to achieve internal improvements. Academic library might research best practices in user services as a means of improvement. This would usually involve exploring what similar libraries are doing, what services they offer, how do they raise awareness about their capabilities (Bogan, C.E. and English, M.J., 1994).

**WHY BEST PRACTICES IN COLLEGE LIBRARIES**

A library which intends to serve its users effectively will have to organize its services keeping in the mind the nature of its users. Each user community has its own characteristics, requirements, reading habits, distinct approach pattern and limitations on one hand information and communication. Technology has brought tremendous changes in the way of innovative services, like internet, blog etc. In this environment best practices are needed -

1. To market library collection, its services.
2. To attract various users towards the library.
3. To fulfill five laws of library and information science.
4. To fulfill various criterions of apex bodies like NAAC, UGC etc.
5. To serve library users effectively.
6. To optimize the utilization of library.
7. To satisfy the demands of users.
8. To understand the needs of users.

Adopting programs and strategies that are known to work promotes cost-effectiveness and ensures accountability. (www.colorado.gov).

**BEST PRACTICES IN COLLEGE LIBRARIES****1) COLLEGE PROSPECTUS**

This age is of marketing and publicity; without publicity you can't do anything. Library can publish detailed information regarding library collection, services, rules & regulation as well as library procedure, process in college prospectus. Because of this student will become aware with library collection & facility before admission.

**2) USER ORIENTATION PROGRAM**

With the start of the academic session the student should know about library and its reading material, which reference material will be provided by library, about activities and programs. User education program will help to raise awareness about library services, to optimize use of library. This program is meant for newly admitted students.



**3) BEST USER AWARD**

To increase and to attract the attention of users of the library, the best user award should be announced in annual prize distribution ceremony. This will encourage users to use the library at maximum level.

**4) LIBRARY BROCHURES**

Publishing a library handbook / Brochures which includes detailed information regarding library will help student to know about library.

**5) BOOK EXHIBITION**

Library should arrange exhibition of new and old books in library. We can also organize book exhibition of various book suppliers. This will help users to know about reading material of library, and market also. This should be arranged on regular intervals.

**6) CELEBRATION OF VARIOUS DAYS**

To celebrate the Jayantis and Punyatithis of the well-known personalities by arranging various programs. e.g. Dr.S.R. Ranganathan Jayanti. It will help to know about the library field.

**7) USER EDUCATION PROGRAM**

This program will help users how to use library, its collection, and services. This can be arranged by librarian, or supportive staff of library.

**8) BOOK TALK**

Regular or efficient students can be selected to participate in discussion on a specific book and writers. Script reading session can be arranged on a specific book by the librarian. Users may also comment about books they have read.

**9) READING CLUB**

Reading club can be established to promote reading culture among the users. Librarian should guide users to establish reading club. The members of these club will read any book of their choice and discuss on that book. The members should meet at regular intervals. It will help to enrich user's knowledge as well as to maximize library usage.

**10) SCHOLAR'S LIBRARY CARD**

We can issue a Scholar's library card for scholar students of each class. They can issue extra book from library other than regular students.

**11) DONATION OF BOOK TO LIBRARY**

The students which pass out from college should donate their books to the library. These books can be used for the needy and poor students of college. We can also encourage Students and Employees to donate books to library on their Birthdays. This will help to increase the reading material of the library.

**12) MODERN TECHNOLOGY USAGE SPEECH**

Librarian should give speech to their users about the new emerging technologies. Most libraries are going through automation. We should give information about library software, OPAC, WEB OPAC, internet etc.

**13) STUDENT PARTICIPATION PROGRAM**

Student should be involved in all the programs and activities of library. The students are imparted knowledge about the library and it's functioning by trained staff before involving them in the activities of maintenance and up keep of the library.

**14) OBSERVATION THE OTHER LIBRARY PRACTICES**

We should observe the practices and services of other libraries. It will help to increase our library services.

**15) DEBATE COMPETITION**

The college library can conduct debate competition on any burning topic. This will give users a Dias for discussion.

**16) GROUP DISCUSSION:**

The college library conducts the group discussion on any topic related to their curriculum which will enhance their intellectual growth as well as specialization of particular field.

**17) QUIZ COMPETITION**

Similarly, college Library can organize quiz competition for students.

**18) E-LIBRARY**

Library may provide e-Library facility which includes internet, CDS, computers etc. for students as well as staff. It will help for enhancing use of library.

**19) COMPETITIVE EXAM CENTER**

Library can support competitive exam center of college by procuring competitive exam related book collection. We can also arrange lectures about these exams.

**20) MEMBERSHIP OF OTHER LIBRARIES**

Library should be member of other libraries. This would help in sharing resources. e.g. University Library.

**21) LIBRARIAN AS UGC SCHEME'S COORDINATOR**

UGC provides grants for various things, which solves the problem of fund, spaces infrastructure etc. It is golden opportunity to the Librarians, if they take responsibility of UGC Schemes in college. It will be beneficiary for library grants. Various Library grants are Entry in services for SC/ST/OBC, Remedial coaching, career & counseling cell (merged schemes), grants for Library buildings, college developments etc. It will help to enrich library collection and services.

**22) DIGITAL LIBRARY**

Library can provide information in digitized format. It will help to save space, time and can attract generation next.

**23) WEB 2.0 SERVICES**

Library may use Web 2.0 services like Wikies, Web Blogs, IMS for maximize library usage.

**24) LIBRARY AUTOMATION**

Library automation can save the time of users & staff. Thus we can serve laws of library science. It will also give efficient services to generation next students.

**25) COLOR SPINE LABELS**

We Can use color spine labels for books which will help attendants to arrange books properly on the shelf. Due to this reading material will be kept at proper places and will find at right time.

**26) WEB OPAC**

Web opac allows searching the library information through the LAN. Users can search library material from their departments also if library provides WEB OPAC through LAN.

Along with this best practices we can add following practices,

1. In-service training program,
2. Staff promotional practice,
3. Earn while learn program,
4. Extended library hours,
5. Dynamic Library Website,
6. User feedback,
7. Library Committee,
8. Displaying Newspaper clippings,
9. Displaying New Arrivals,
10. Suggestion Box,
11. User Surveys etc.

Source: <http://naac.gov.in/sites/naac.gov.in/files/Guidelines-Colleges-Library.pdf>, [www.google.com](http://www.google.com)

**CONCLUSION**

There are so many best practices which we can implement in academic libraries. But there are also problems of various kinds such as inadequate staff, space, budget etc. While in rural areas there are separate problems of communication, priority of library in academic institutions etc. But in spite various problems we have to find solutions and go ahead for the bright future of library, library users and library professionals.

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## ENTREPRENEURSHIP DEVELOPMENT EFFORTS AND THE CHALLENGE OF QUALITY EDUCATION AND HUMAN RESOURCE DEVELOPMENT IN NIGERIA

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### ABSTRACT

*There is a substantial consensus in literature on entrepreneurship and its potency to engender a nation's economic viability, self-employment, and sustained economic development. The study considered Entrepreneurship as the process of increasing the supply of entrepreneurs who can successfully run, and nurture innovative enterprises to growth and sustain them to achieving broad socio-economic developmental goals. The study sees education as one of the preconditions for entrepreneurship development and suggests that the only rational course for the Nigeria Nation is to turn to qualitative Human Resource Development (quality education) and revisit the purpose of education in nation building. This study examines the constraints militating against entrepreneurship education development in Nigeria. The research design adopted for the study was a survey and documentary analysis. The survey involved the collection of data from existing records and findings of the opinion of some people on the subjects, through the use of structured questionnaire. Stratified sampling technique was used to select the respondents for the study. The instrument used was validated and pilot-tested to ascertain the internal consistency using Cronbach Alpha. The reliability coefficient of the questionnaire was 0.71. Data obtained were analyzed using mean, one-way analysis of variance, percentages and frequency count. The results of data analysis indicated that there was no significant difference in the mean responses of the Entrepreneurship Personnel; Education Personnel, and Small Scale Business Personnel. A large proportion of the respondents in all the groups are of the view that failure to link education with entrepreneurship development and the absence of high level training facilities were some of the major obstacles to entrepreneurship development in Nigeria. The study is of the view that education is the tool to upgrade the quality of human capital for the production of goods and services to satisfy human wants and develop the Nation.*

### KEYWORDS

entrepreneurship, entrepreneur, quality education, efforts, human resource development, constraints.

### INTRODUCTION

#### BACKGROUND TO THE STUDY

In this study, Entrepreneurship Development is considered as a major key to self-employment, sustained economic development and viability. Entrepreneurial development enhances the quality of small and medium size businesses/enterprises as individuals engage themselves in diverse economic pursuits.

Bearing in mind the vital role of Entrepreneurship in economic development it becomes apparent that more careful attention is needed to invest and promote entrepreneurship.

Education is seen, Fajana (2014), as one of the preconditions for entrepreneurship development particularly in a place where its spirit and culture is very minimal. It is also said to be an important determinant of selection into entrepreneurship, formation of new venture and entrepreneurial success-Dickson, Solomon and Wear (2008). Consequently, it could be equally assumed that there is a positive relationship between education and individual's choice to become an entrepreneur as well as the result and outcome of his or her entrepreneurial activity.

As Nigerians continue to ponder over the state of the nation, the question that logically arises is which way forward? According to Adegeye (2015) the only rational course for the nation is to turn to qualitative Human Resource Development (education) and revisit the purpose of education in nation building. This is why many countries of the world have given it a pride of place as reflected in the way their educational systems are being handled because of their belief that education would ultimately lead to self-reliance, job creation, security, economic growth and development. Thus, the educational systems in these countries were allocated appropriate funding in their budgets to promote compulsory qualitative education and human resource development for their citizens as can be observed in the South East Asian countries - the "Asian Tigers. However, in Nigeria, since independence, education funding has been far from being impressive.

The evidence of the educational experience of Japan; the Soviet Union and of most of the Western World in supporting a robust economy and an impressive technology have perhaps been decisive in persuading people, of the dynamic power of education and Training in stimulating and sustaining economic growth and development.

Education, according to Fajana (2015), is the tool to upgrade the quality of human capital for the production of goods and services to satisfy human wants. Thus, any country that wants to enhance productive capacity of her inhabitants and promote rapid growth socially, economically, politically, etc. must invest maximally in the education of her populace. One of the numerous ways in which education has been described, is that it is a process for the development of the totality of the individual, intellectually, physically, socially, morally, spiritually and psychologically to enable him, according to Essien (1995), live an effective and meaningful life and to be able to contribute towards the development of the society in which he finds himself.

That great hope has existed and still exists for utilizing education as a major lever to move away from life's backward social order to more satisfactory levels. This is evident from the statements and policies of governments throughout the world. This is so because it is now a universally accepted principle that the attempt to create a new social order based on freedom, equality and justice can succeed only if the traditional education is revolutionized both in content and extent Ozuruma (1987). Perhaps the most dramatic indication about the place of education and its expansion for National Development may be found in a communication addressed to the Soviet leader Lenin, in 1919 by the Soviet Economist, Strumulin on the eve of the launching of the Soviet Union. Strumulin had warned Lenin that the most hydroelectric power grids he was planning, the huge industrial enterprises about to be initiated, the steel drills, the machine-tool factories, and even mechanized farms would not be productive of what was needed unless an equivalent level of investment in education was provided. Lenin took the advice and made a colossal investment in the education of his people.

The result was obvious. It was obvious from the Soviet example that in our quest to produce Entrepreneurs and job creators, the issue of education in Nigeria must be seriously addressed, as an educated and well-trained man is more likely to contribute to the economic growth and development of the country.

Consequently, in today's globalized world, there must be strong emphasis on the importance of quality entrepreneurial education. Entrepreneurship must be seen as the creative application of individual talents, aptitudes and skills to the production of goods and services on a small scale. It is the view of this study that a country that embraces entrepreneurial development, experiences tremendous progress in the creation of wealth, employment and value addition and enhanced economic well being of society. Entrepreneurial development enhances the quality of small and medium size enterprises as individuals engage themselves in diverse economic pursuits.

### PURPOSE OF THE STUDY

Two contrasting lines of thought have led to the preparation of this study. The first is the increasing reliance which Nigeria government is placing on entrepreneurial development and the small business sector development and the second is the relatively high rate of failure of small business which is commonly reported.

One result of the recent upsurge of international political interest in the small business sector of the economy has been a focus on the role of Human Resource management, training and development in the small business and on the wider but related issues of quality education and training for entrepreneurship. The rationale for this emphasis lies firstly in the recognition of the crucial role of the entrepreneur in small business development and secondly in the fact that in the small business, management (that is in most cases, entrepreneur) development is virtually synonymous with organization development.

This is what has motivated this study, "Entrepreneurship development efforts and the challenge of quality education and Human resource development in Nigeria". The study examines the constraints militating against Entrepreneurship Development.

## SUMMARY OF LITERATURE REVIEW

Many scholars have written widely on entrepreneurship and its potency to engender a nation's economic viability. For instance, Binks and Vale (1990) defined entrepreneurship as unrehearsed combination of economic resource instigated by the uncertain prospect of temporary monopoly profit. Agbeze (2012) defined Entrepreneurship as the process of increasing the supply of entrepreneurs or adding to the stock of existing small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs, who can successfully run innovative enterprises, nurture them to growth and sustain them, with a view to achieving broad socio-economic developmental goals.

According to Schumpeter (1989), capital and output growth in an economy depends significantly on the entrepreneur. The quality of performance of the entrepreneur determines whether capital would grow rapidly or slowly and whether the growth involves innovation where new products and production techniques are developed. The difference in economic growth rates of countries of the world is largely due to the quality of entrepreneurs in those countries. Production factors of land, labour and capital are said to be dormant or indolent without the entrepreneur who organizes them for productive ventures.

In a related sense Kolawole (1989) had earlier stated that the centre piece of the manpower development in the small industrial concern is the entrepreneur, who is often referred to as the 'captain' of industry. The entrepreneur is a person who risks time, efforts and money to start, nurture and operate a business. From discussions and real life experience about entrepreneurs, it can be safely inferred that successful ones among them possess distinctive qualities, which can combine successfully all other factors of production for the benefit of the organization. This human element (the entrepreneur) must therefore be continuously educated, trained and retrained in line with dynamics of both technology and management.

Small Scale Enterprises are increasingly being identified as having a crucial place in strategies for economic and social development. They are seen as valuable not only through employment generation and commercial value, but more significantly for the contributions they can make to community development and to improving the situation of members of disadvantaged groups in developing countries, particularly youth, women and refugees. The development of entrepreneurs is a feature of many national development plans and the Lagos Plan of Action recommended, for example, the creation of 'a network of small and medium scale industries' as well as active promotion and encouragement of the informal sector. Another fact of this is that technical and financial assistance provided by national and multi-lateral agencies as well as private voluntary bodies and chambers of commerce is more and more being focused on small enterprise development, after many large-scale projects and investments have not had the desired developmental results. Their view often is that in this context, small enterprises can be more efficient in the use of capital, labour and materials than large-scale businesses, being less capital-intensive and less dependent on elaborate physical infrastructure. A healthy and expanding small enterprise sector can play an important role in many of the development objectives of governments and aid agencies, including mobilization of domestic savings and investment, use of local labour and other resources, and more production geared to basic consumer needs. The extent to which the basic assumptions are justified and these highly desirable goals are advised through building up the small enterprise sector is a function of many variables, including appropriate policy, effective selection and training of entrepreneurs, and effective choice of materials and technology.

The importance that employment creation via entrepreneurship holds in developing countries cannot be over-emphasized. The basic concept of job creation can be categorized according to Fajana (2015), into three, namely: (a) The creation and development of small and medium sized entrepreneurs; (b) the development of entrepreneurial skills by the provision of free management consulting and (c) economic development and the provision of social security.

A number of countries across the world have found entrepreneurship as a viable solution to the problem of unemployment. India, for instance has grown her economy tremendously over the years through the promotion of cottage industries in Agriculture, Manufacturing and other Sectors. So also is the Asian Tigers which today dominate global entrepreneurship.

The experiences of developed economies in relation to the roles played by entrepreneurship buttress the fact that the importance of entrepreneurship cannot be overemphasized especially among the developing countries. In order to highlight its significance in relation to the growth and development of a given economy, entrepreneurship has been variously referred to as a "source of employment generation" - Adeyemo (2000). This is because entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people. Studies have also established its positive relationship with stimulation of economic growth; employment generation; and empowerment of the disadvantaged segment of the population, which include women and the poor -Fajana (2014).

Nigeria as a country has numerous businesses and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping these resources require the ability to identify potentially useful and economically viable fields of endeavours. Nigerians have made their marks in diverse fields such as science, technology, academics, business and entertainment.

Entrepreneurship has been recognized as an important aspect and functioning of organization and economies (Dickson et al, 2008). It contributes in an immeasurable way toward creating new job, wealth, poverty reduction, and income generation for both government and individuals. Schumpeter (1934) argued that entrepreneurship is very critical to the growth and development of economies (Keister, 2005).

Entrepreneurship is an important agent of innovation, growth and technical progress. The development and utilization of technical and commercial skills by individuals create growth potential in micro, small and medium-scale enterprises. The spirit of enterprise makes an entrepreneur. Such a spirit transforms him from a nomad to a cattle rearer, to a settled agriculturalist, to a trader and to an industrialist. Thus, entrepreneurs are persons who initiate, organize, manage and control the affairs of a business unit. He or she combines the factors of production to supply goods and services, whether the business pertains to agriculture, industry, trade or the professions. An Entrepreneur is a central figure of economic activity and a propeller of development under free enterprise. A country's development or underdevelopment is the reflection of the development or underdevelopment of entrepreneurship in the society (Banerjee, 2012).

The present day global economy is knowledge driven operating on the pragmatic and innovative thoughts of the entrepreneur. Business set ups have become informal and oriented towards survival and self-employment. Technical progress essentially results in increases in production, employment of labour, stimulation of export and overall growth of GDP.

## ASSESSMENT OF CURRENT EDUCATIONAL POLICY

A report on a survey by the Federal Ministry of Education on Graduate unemployment reveals that 'massive unemployment' consistently has been cited as one of the major concomitants of the foregoing appalling conditions of the Nigerian State. In the recent study by the Federal Ministry of Education, it was found that 53% of graduates in Nigeria are unemployed, 30% are under-employed, only 14% are employed and a meager 3% are running a business.

Prior to 1966, the unemployment phenomenon was a non-issue. During this period, the country registered a labour force of about 18.3 million with an unemployment rate below 2%. However, by 1985 unemployment had risen to disturbing proportions at a figure of 9.8 per cent. A survey by the National Directorate of Employment which was conducted in 1986 identified the following features:

- i. Over 70% of the unemployed are relatively unskilled Primary and Secondary School Leavers between the ages of 13 - 25 years;
- ii. Graduate unemployment, which hitherto was unnoticed, had emerged and was growing rapidly;
- iii. The lack of marketable skills among the unemployed youths and the absence of highly skilled manpower in the informal sector of the economy were major factors favouring the perpetuation of unemployment;
- iv. The traditional support usually provided by the extended family system was no longer in place due to paralyzing economic activities and indeed, every family was affected by unemployment.

Nigeria has got education, yes but there is a national debate whether this education is adequate to the needs of society or the needs of our young people. Some observers have recently pointed out that Nigerian graduates were unemployable because the received education emphasized only rote learning rather than marketable skills and competence (example, Soludo, Okebukola, to mention but a few). This calls for concern by all stakeholders in the Nigerian project.

The need for qualitative education with practical and sound moral content has inevitably arisen. University teachers must therefore aim at not merely imparting theoretical knowledge, but at giving greater emphasis on practical experience in all disciplines, and the development of appropriate skills by their students. In the 21st Century, the sustainability of any University, given the continuous global economic evolution with high level of uncertainties, will depend according to Adeniyi (2006) essentially on

- a. The quality and character of its programmes and the impact of its scholarly activity on society;
- b. Its ability to quickly adapt its programmes to the dynamics of its environment and the changing needs of society.

**THE MANPOWER OBJECTIVES OF NIGERIAN INDUSTRIES**

The involvement and influence of governments in the economic and other vital activities within their territories are increasingly significant all over the world. Nigeria is no exception and the various governments have consistently assumed to themselves major responsibilities with regard to the provision and ordering of strategic aspects of the country’s economy. According to Longe (1982), the vital role played in the advancement of a Nation by its people is an accepted fact and must be the rationale for the Nigeria Government’s position for many years with regard to its human resources.

The importance of the human resources of a nation is still persistently stressed. It is stressed that the major obstacle of advancement in most developing countries often relates to Human Resource Development issues. According to Awolowo (1975) in ‘The Problems of Africa’ he states that.... “Economic underdevelopment in Africa arises not from any deficiency in natural resources in any African Country, but from the underdevelopment of the subjective mind, typified by ignorance, illiteracy and deficiency in techniques and organization... the solution to underdevelopment in Africa consists in full development and full employment of every African” ...

The review showed a dearth of literature on clear areas of need for investigation on the constraints militating against entrepreneurship quality education and development. The situation presents a wider gap when one cannot lay hands on any current and specific study attempting to examine the extent of constraints militating against Entrepreneurship quality education development.

**RESEARCH METHODOLOGY**

The study is designed to investigate and examine the constraints militating against Entrepreneurship Development in Nigeria.

The research design adopted for this study is survey and documentary analysis. The survey research involves collection of data from existing records and findings of the opinion on the subjects through the use of structured questionnaire. Stratified sampling technique was used to select the respondents for the study. The instrument was validated and pilot-tested to ascertain the internal consistency using Cronbach Alpha. Data obtained were analyzed using mean one-way analysis of variance, percentages and frequency count. The reliability coefficient of the questionnaire was 0.71.

The instrument used was personally developed and administered by the researcher. The instrument was validated by three experts from the field of Human Resource Development, Management Training and Education and Entrepreneurs of various categories.

The questionnaire was personally administered by the researcher, together with some tutors and students of the Department of Entrepreneurship studies of the University.

**SUMMARY AND ANALYSIS OF FINDING**

**RESEARCH QUESTION**

**WHAT ARE THE CONSTRAINTS MILITATING AGAINST ENTREPRENEURSHIP DEVELOPMENT?**

**TABLE 1: RESPONDENTS MEAN SCORES ON THE CONSTRAINTS MILITATING AGAINST ENTREPRENEURSHIP DEVELOPMENT**

Constraints Militating Against Entrepreneurship development	(ENTP) N=138		(EduP) N=133		(SBEP) N=135		Combined mean	Re-mark
	Mean ENTP	SD	Mean EduP	SD	Mean SBEP	SD		
Failure to assign enterprise-based-education, its appropriate role at national level	4.075	1.09	3.99	1.22	4.05	1.00	4.02	H
Failure to identify entrepreneurial education at higher institution as engine of growth.	4.29	1.00	4.19	1.11	4.28	1.00	4.25	H
Poor and non-availability of Electricity supply	4.31	1.04	4.35	0.91	4.09	2.29	4.24	H
Most related policies and programmes in Nigeria fell short of appropriate development framework	4.35	0.94	4.11	1.12	4.2	1.02	4.22	H
Frequent change of policies	4.31	0.89	4.25	0.96	4.28	0.97	4.28	H
Lack of clear strategic entrepreneurship development vision and mission.	4.39	0.93	4.50	0.62	4.42	0.77	4.43	H
The economy is characterised with lots of inefficiencies	4.36	0.94	4.49	0.62	4.47	0.69	4.44	H
Over-reliance on oil.	4.07	1.05	3.81	1.33	1.92	1.19	3.27	M
Inadequate effort on reduction of poverty via job creation and partial funding of entrepreneurship centres	2.88	1.51	4.31	0.90	4.33	0.94	3.84	H
Lack of high level training facilities	4.35	0.94	4.25	0.96	4.30	0.93	4.29	H
Failure to link education with enterprise development	2.75	1.86	2.48	1.42	2.44	1.45	2.55	M
Lack of adequate manpower and funding of facility and staff to design and develop entrepreneurship mini-demonstration centres	2.17	1.34	1.99	1.17	2.21	1.33	2.12	LC
Underfunding of entrepreneurial development institutions	2.24	1.33	2.21	1.20	2.25	1.31	2.22	LC
Inability to provide/ develop wealth creation centres	2.54	1.30	3.42	1.49	3.50	1.43	3.15	M
Lack of effective and reluctances to recognize the sector	1.95	1.18	2.98	1.17	1.99	1.56	1.97	L
Lack of national orientation to Entrepreneurship importance	3.76	1.39	2.51	1.54	2.50	1.84	2.92	M
Acquisition combined with high level of corruption are more than barriers for national development.	2.03	1.24	2.67	1.43	2.30	1.51	2.33	LC
Lack of enough entrepreneurs. Lack of adequate creative process. Insufficient capital or fund for basic technology	4.15	1.12	4.21	1.01	4.19	1.12	4.18	H

Source: Computed by the Researcher

ENTP = Entrepreneurship Personnel (138), EduP = Educational Personnel (133), SBP = Small Business Personnel (135), SD Standard Deviation, H= High Constraint, M = Moderate, LC = Low Constraints, C = Combined.

Data on table 1 show the overall mean responses for Entrepreneurial Personnel, Education Personnel and Small Business Personnel, on the constraints militating against the Entrepreneurship Development in Nigeria. The data show that the respondents accepted failure to link education with enterprise development with a combined mean score of  $\bar{x}$  4.44, the absence of high level training facilities  $\bar{x}$  = 4.43, inability to provide, purchase, equip Entrepreneurship development centres  $\bar{x}$  = 4.29, lack of equipment for machine tools  $\bar{x}$  = 4.0; inadequate effort on reduction of poverty via job creation  $\bar{x}$  = 4.28.  $\bar{x}$  = 4.24 and  $\bar{x}$  4.22 respectively were rated by the participants as high constraints militating against entrepreneurship development in their respective areas. However, the respondents also rated lack of effective effort and reluctance to recognize the sector  $\bar{x}$  = 2;55, Lack of national orientation,  $\bar{x}$  = 2.12, poor and non-availability of Electricity supply  $\bar{x}$  = 1.97 as low constraints.

#### HYPOTHESIS 1

There is no significant difference in the mean responses of the Entrepreneurship Personnel, Education Personnel and Small Business Personnel regarding the constraints militating against entrepreneurship development in the country.

ANALYSIS OF DATA RELATED TO THE TEST OF THE ABOVE HYPOTHESIS ARE PRESENTED IN TABLE 2 BELOW

TABLE 2: SUMMARY OF THE ANALYSIS OF VARIANCE OF THE RESPONSES

Sources of variance	SS	Df	Ms	F	Level of significance	Remarks
Between groups	0.12	2	0.06	0.06	0.05	NS
Within groups	48.36	51	0.95			
Total	48.48	53				

SS = Sum of squares, df = degree of freedom, ms = means square, F = F-ration, NS No Significance.

Data in table 2 show the results of analysis of variance NOVA summary on data relating to the constraints. The data show that there is no significant difference between the test score results of the respondents on the constraints, with an F. ratio of 0.06. Since our ratio is less than the table value of 3.18 therefore the null hypothesis is accepted as stated.

#### DISCUSSION AND INTERPRETATIONS

**Findings with regards to the constraints militating against entrepreneurship development.** A large proportion of the respondents in all the groups, rated failure to link education with enterprise development, and the absence of high level training facilities, as major obstacles or constraints to entrepreneurship development. Other high constraints identified in this study are inability to provide, purchase and equip entrepreneurship development centres, underfunding of entrepreneurial development institutions, lack of clear strategic entrepreneurial development vision and mission, the economy is characterized with lots of inefficiencies and reliance on oil.

However, reluctance to recognize the sector, lack of national orientation, together with poor and non-availability of electricity supply are not considered as major constraints by respondents from most of the groups.

ANOVA results showed that the respondents from the three different groups agreed in their responses on the items listed under this category, especially on the issue of inadequate efforts on reduction of poverty via job creation and partial funding of entrepreneurship together with the failure to link education with enterprise development.

Considering the responses as indicated above, it may be inferred that the present educational experience of Nigeria as a country, is lacking in essential quality. According to Essien (2002) the curriculum everywhere, as currently conceived, is either too restrictive or not useful enough to awaken the inner resources of our youths for entrepreneurship development. Above is further confirmed by Otokiti (2015) who stated that – Nigeria, though a developing country, is equally one of the richest oil producing countries and with extensive natural resources like crude oil petroleum, forest and quarry resources in the world. However, the lack of sufficient entrepreneurs, creative process, sufficient capital or fund for basic technology acquisition combined with high level of corruption are more than barriers for national development. We can develop our nations if we have entrepreneurship policy that works. It plays vital role in national development. Through entrepreneurship, we can develop new products, enter into new markets, develop new processes, new mechanism, generate employment opportunities for young graduates and create army of creative thinkers, and innovators that can best utilize both tangible and intangible resources of this country. The study observed the lack of positive attitudes and commitment towards enterprise development. Due to this lack of national orientation to its importance, the country has not sufficiently involved people oriented enterprise business, rather all forms of imported concept and ideology, that have not really moved the country to substantial indigenous enterprise oriented level are in the environment.

It cannot be too strongly denied that the failure to link education with enterprise development, with repeated emphasis on self employment in all the planning efforts, lack of entrepreneurship-ability or ineffective entrepreneurship-policy, (as expressed by large proportion of respondents), together with lack of clear strategic Entrepreneurship development vision and mission will create major obstacles or constraints to entrepreneurship development efforts.

The absence of serious commitment to entrepreneurship policy implication, evaluation and control, together with the failure to identify entrepreneurial education at higher institution as engine of growth and pivotal agent against shades of unemployment are part of the several challenges and serious indicators of major obstacles and constraints to entrepreneurship education development in the country.

It is a matter of serious concern that in the opinion of most respondents; the expectation is expressed that for a number of reasons, respondents are not calling for more educational institutions or more Universities but for qualitative entrepreneurship education. It is also expressed that some of the greatest investors of the ages were not men trained in the field in which they later made the impacts. John Dunlop for example, the man who developed the pneumatic tyre, was a veterinary surgeon. Goerge Stephenson who became known as the father of the Steam Engine, was a Fitter-Machinist, as we call it today in this country. The study believes that what is required is a general awareness of quality education involving science and technology that the entrepreneur will demand of himself and expect of others, standards that are scientifically based.

Omolayole had earlier argued that there is public and private entrepreneurship. In either case, the common denominator is the profit motive. In adopting this viewpoint, one will want to add that, it is this profit motive, more than anything else that encourages the development of technology. An entrepreneur does not go into business because he loves his country. He goes into business to make profit, and he will do such things that will not only assure him a reasonable return on his capital, but more than that, he will seek to continually improve upon the rate of return on his capital. It is because the profit motive is suppressed that many public entrepreneurship activities failed. So, private entrepreneurs succeed, whilst public entrepreneurs fail within the same business environment.

How then does the profit encourage the development of technology? Government directive on the use of local raw materials illustrates the point. The development of industry was originally predicated upon import substitution. That was Government policy of the sixties. Entrepreneurs were invited to set up plants in Nigeria, to manufacture goods that were hitherto imported. So entrepreneurs sought out joint venture partners who agreed to move their operations, or part of it thereof, from the home base to Nigeria. The only skill required from the Nigerian entrepreneur was what Omolayole described as "Karakata" skill. The entrepreneur needs not have a clue of what the business is all about. He must wield enough influence to obtain all the needed permits and secure a sizeable proportion of the market; usually government patronage. Anyone who possesses these skills was a favoured entrepreneur. The raw materials, equipment, processes and skills (expatriate quotas) were all imported. The country got what it asked for, much growth - in economic indices and statistics, without development. If now we are to develop technologically, we need a new kind of entrepreneur.

Our new entrepreneur will seek to meet the intrinsic needs, and not the acquired tastes, of Nigerians. The operations will not be predicated upon import substitution but upon revolutionizing an existing operation so as to maximize the returns on investment. For example, the entrepreneur observes that the changed work habits of Nigerians create demand for easy, quick to prepare food - the essential reason why rice finds favour with urbanized Nigerians. A Nigerian entrepreneur will, therefore, seek to present the common Nigerian foods in an easy, quick to prepare manner. That calls for the development of an indigenous food technology. Canning, for example, arose from such a need to supply soldiers "home" foods in faraway places. Therefore, new entrepreneur has to look at new technology to

ensure profitable returns on investment. However, an entrepreneur needs more than the profit motive to survive; he needs skills. Skills are needed to identify, select and develop the appropriate technology for any operation. This can be achieved through quality education.

## CONCLUSION

In today's globalized world, the importance of entrepreneurial education has become globally critical. Entrepreneurship is being seen as the creative application of individual talents, aptitudes and skills to the production of goods and services on a small scale. A country that embraces entrepreneurial development experiences tremendous progress in the creation of wealth, employment and value addition and enhanced economic well being of society. Entrepreneurial development enhances the quality of small and medium size enterprise as individuals engage themselves in diverse economic pursuits. With the potentials of possible endowments for higher educational institutions, Universities must continually look for innovative ideas towards resolving the unemployment pandemic.

According to Otokiti (2015) Entrepreneurship provides opportunities for entrepreneurs. It helps in the formation of capital. It is most essential for business success. It facilitates and creates employment opportunities not only for owners and their relatives, but also for other people. It helps to increase productivity. We can produce more output through using least time, effort and at minimum resources. It also helps to balance development of the nations. Through it, national revenue can be distributed equitably to many people.

However, Entrepreneurship also has some negative aspects such as risk of failure, emotion, and stress due to the changes in government policies, lack of professionals, managers, funding and enabling environment. However, positive aspect of entrepreneurship is more than negative aspects. To gain something, we must be able to take some risks, develop capacity and traits, as can be seen in Schumpeter's concept of creative destruction for development of entrepreneurship.

This entrepreneurship traits/potential, when found amongst youth of any nation can have significant implication for her economic development. It has helped countries like, Malaysia, Hong Kong, Brazil, China and even India. In these states, its contribution includes the following (but not limited): development of new sources of materials, new markets, mobilize capital resources, introduction of additional new technologies, and importantly, the provision of employment for employable etc.

On the importance of entrepreneurship in economic development the study states that:

- Entrepreneurship is central to increasingly knowledge based and technologically driven economy.
- The change or passage from less developed status into developing status can only be accelerated with rapid process of individual, social and economic transformation. The study believes that, with quality education, a major engine accelerating previous socioeconomic status to new position can be accelerated.

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## FACTORS INFLUENCING THE DECISION OF ADOPTING COMPUTERIZED ACCOUNTING SYSTEM (CAS) BY SMALL AND MEDIUM ENTERPRISES (SMEs) IN KURUNEGALA URBAN AREA IN SRI LANKA

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### ABSTRACT

*This study aimed to investigate factors that influencing the decision of adopting the computerized accounting information system by Small and Medium Enterprises (SMEs) in Kurunegala urban area. This study adopted a survey approach. Characteristics of the CEOs, characteristics of information system (IS), organizational factors and environmental factors were considered as independent variables in the study. The sample size of 85 SMEs was drawn from a population of 437 SMEs registered with the Chamber of Commerce in Kurunegala Urban area, using the judgmental and convenience sampling. Questionnaire was adopted to collect data and analysis was facilitated by the use of Statistical Package for Social Sciences (SPSS). The research findings indicated that, CEO's characteristics, and organizational factors were significant to determine the decision of adopting the CAS by SMEs in the area while competition and characteristics were not affected much to the decision of adoption CAS. Accordingly, recommendations were presented at the end.*

### KEYWORDS

computerized accounting system, information systems, small and medium enterprises.

### 1. INTRODUCTION

Most of the modern business organizations today are using a computerized system for their business operations for making business decisions specially in the field of accounting. Generally accounting programs carry out are; invoicing, dealing with payments, paying wages and providing regular accounting reports such as a comprehensive income statement, statement of financial position, cash flow statements, etc. Computerized system promotes the efficiency, accuracy and speed of the data system for effective and efficient business decision making (Hadler, 2005). These results are more benefits in all aspects of the organization and their stakeholders as well as the country's economy as a whole. Among a variety of information that is produced by data processing systems, accounting and financial information does an important role in management decisions in any types of organization. Today business firm uses a computer application to accounting process called as CAS. Among business organizations in the world, SMEs are the backbone of all developed and developing country's economy since it plays an important role in economic development via creation of employment opportunity, mobilization of domestic savings, poverty alleviation, income distribution, regional development, training of workers and entrepreneurs, contributing to the GDP (Ben-Caleb, Egvide and Faboyede, Samuel O. and Fakile, A. S. (2013), Gamage A.S., 2003). The government of Sri Lanka has consistently extended support to SMEs via producing a conducive business environment for their development; improving the way in to financing, providing adequate business support, infrastructure, training, on entrepreneurship and worker skills and launching of various programs for SME's success (Gamage A.S., 2003). Further, the government provides different incentives and benefits as an income tax exemption, technology transfer, production and management training, and marketing assistance programs. Although, various institutions are established for SMEs' success, the facilities provided by them are not enough to help financial side and decision making strength of the firm. The decision making process is mainly based on the financial information which is updated and accurate. When comparing with large scale companies, most of SMEs has not a good CAS to get the necessary information in most developing countries. Therefore, in this study, researchers focus to examine the factors that influence in decision of adoption CAS in the accounting processes of the SMEs in Sri Lanka.

### 2. REVIEW OF LITERATURE

#### SMALL AND MEDIUM ENTERPRISES (SMEs) IN SRI LANKA

SMEs make up a large part of Sri Lanka's economy, accounting for 80 per cent of all businesses. These are found in all sectors of the economy, primary, secondary and tertiary and provide employment for persons of different skills, skilled, semi-skilled and unskilled (<http://www.nhrep.gov.lk/>). Gamage A.S., in 2003 reveals that Sri Lanka does not have a common definition for SMEs and therefore different criteria are used to identify SMEs such as the number of employees, firm size of fixed investment. Thus, Investment Development Board (IDB) was defined SMEs as an establishment whose capital investment of less than Rs.4 million (White paper, 2002). Sri Lankan Export Development Board (SLEDB), defined as those with capital investment of less than 20 Million rupees in plant, machinery, and equipment, excluding land and buildings and an annual export turnover not exceeding 40 million rupees and total annual turnover not exceeding 100 million rupees (White paper, 2002). SMEs defined as an enterprise with less than 50 people and capital investment less than 5 million Rs (Department of Small Industries). SMEs in Sri Lanka has been identified as an important sector for social and economic growth of the country. This sector encompasses establishments operating in different type of sectors such as agriculture, mining, wood products, manufacturing, construction & service sectors etc. SMEs sector covers a large segment of total number of establishments in Sri Lanka. Small sector appears 63 percent and medium sector appears 25 percent and overall SMEs sector covers 88% of total establishment. Establishment of SMEs shows a large portion in mining, food, beverage and tobacco products, wood products, fabricated metal products, non-metallic mineral products etc (Department of Census and Statistics, 2006). SMEs sector plays an important role in the economy through generating of employment, contributing to the growth of GDP, embarking on innovations and simulating of other economic activities (Gamage A.S., 2003). Also, it plays an important role in economic development through the creation of employment opportunities, mobilization of domestic savings, poverty alleviation, income distribution, regional development, training of workers and entrepreneurs, creating an economic environment (Damayanthi and Rajapakse, 2012). According to a survey done by the International Financial Corporation in 2005, it was noticed that SMEs in Sri Lanka accounts for nearly 70 percent of employment in the business sector. The industry sector, of which approximately 90 percent consists of SMEs in Sri Lanka and it represents about 26 percent of GDP, and comprises primarily production and sale of raw materials and semi-finished goods. Department of cense and statistics (2006) noted that SMEs accounted for 90 percent of total establishments, 56 percent of total employment and 48 percent of value added in industrial sector (Wickremasinghe, 2011).



**COMPUTERIZED ACCOUNTING INFORMATION SYSTEM (CAIS)**

Accounting information is a critical resource for all enterprises because those are presented in financial position, performance and cash flows of the entity that is useful for decision making by a broad range of users who are not in a position to demand reports to meet their information needs (Stefanou C.J., 2006). The main objective of AIS is to provide all information that is useful for the needs of financial managers to make decision, control and improve their firm's financial performance (Karagiorgos, Diavastis, 2013). The AIS created in a business is directly related to the organizational culture, level of strategic planning and the information technologies. It is possible to obtain healthier information about the financial structures of the businesses that have set up a good AIS (Salehi et al.2010). As Stefanou (2006), without such a system, it is difficult for SMEs to determine performance, identify customer and supplier account balances and forecast future performance of the organization. Moreover, Marivic (2009) has described CAS as a method by which financial information on business transactions are recorded, organized, summarized, analyzed, interpreted and communicated to stakeholders through the use of computer based accounting systems (as cited Agnes,2011). The computerized accounting is based on the concept of database and it is basic software which allows access to the data contained in the database. In a turbulent business environment, SMEs must recognize that IT can potentially improve a firm's productivity, products' quality, and overall organizational performance. (Qureshi & York, 2008, as cited Mursalin, 2012). Laudon & Laudon (2010) point out that IT adoption can easily perform and earn competitive competence compared with those who are adopting IT.

**FACTORS INFLUENCING ON ADOPTION OF CAS BY SMES**

**CHIEF EXECUTIVE OFFICERS/ OWNERS CHARACTERISTICS**

Decision making situation in SMEs is a highly centralized structure with Chief Executive Officers/ Owners and it mainly depended on their quality (Thong, Y.L.G., 1999). According to them, CEOs innovativeness and IS knowledge are important in determining the decision to adopt IS in SMEs. Sarosa (2007) founded that, in the decision stage, the idea of IT adoption in the business is originated from the manager, staff, customers or advice from trading partners.

**CHARACTERISTICS OF INFORMATION SYSTEM**

The adoption of accounting software as the innovation must be perceived better than the manual accounting system, consistent with the needs of the adopter, easy to learn and use, have apparent results. Also, the accounting software must be available on a trial basis and outlined the desirable characteristics of an innovation in terms of its relative advantage, compatibility and complexity (Edison, Manuere, Joseph & Gutu, 2012; Tornatzky and Klein 1990, Rogers,1983 as cited Breen, Sciulli, Calvert,2003) observability and trialability (Rogers,1983,as cited Breen, Sciulli, Calvert,2003).

**CHARACTERISTICS OF THE ORGANIZATION**

The organizational characteristics such as business size, age of business, employees' IS knowledge, and information intensity has been shown to be determinants of the extent of IS adoption (Thong, 1999). But, Guo and Feng (2008) argued that firm size also directly affected to adopt AISs and they further established that SMEs disregard financial constraints as the main cause for AISs in their business. In the world, small businesses suffer from resource poverty which is results from various conditions unique to small businesses, such as operating in a highly competitive environment, lack of professional expertise (Duxbury, 2002 cited in Edison, Manuere, Joseph & Gutu, 2012), and susceptible to external forces.

**CHARACTERISTICS OF THE ENVIRONMENT**

According to, Treadgold's (1990) indicated that small businesses with high IT adoption rates had been influenced by external agents such as trade associations, wholesalers, voluntary groups and franchises. Wenzler (1996) mentioned that business customers were a significant reason for implementing IT (as cited Breen, Sciulli, Calvert, 2003; Link, Bozeman 1991as cited Thong, 1999). Edison, Manuere, Joseph & Gutu, (2012) mentioned that Government support provide is useful to access via financing the AIS by SMEs.

**TABLE 1: FACTORS INFLUENCING TO DETERMINE THE DECISION OF IT ADOPTION BY SMES**

Factors	Sources
<b>Organizational factors</b> Employees' IS knowledge, information intensity, business size, financial constraints, equity capital, economically backwardness, weak innovation capability, age of business, consultants support.	Thong, 1999; Guo and Feng, 2008; Porter, Millar Greater, 1985; Wang, 2004; Ismail, Abdullah & Tayib, 2003; Further Duxbury, 2002.
<b>Characteristics of CEO</b> CEO's innovativeness, CEO's IS knowledge, self-efficacy	Thong, 1999; Sarosa, 2007; Tran & Hoang, 2011; Campeau and Higgins, 1995
<b>Characteristics of Information System</b> Relative advantage, Compatibility, Complexity, Observability, Trialability.	Breen, Sciulli, Calvert, 2003; Tornatzky and Klein 1990; Edison, Manuere, Joseph & Gutu, 2012; Thong, 1999.
<b>Environmental factors</b> External agents; trade associations, competition, government support.	Treadgold's, 1990; Evanisko, 1981; Link, Bozeman, 1991; Wenzler, 1996; Edison, Manuere, Joseph & Gutu, 2012.

**3. SIGNIFICANCE OF THE STUDY**

SMEs in Sri Lanka are playing vital roles in most of the sectors including manufacturing, agriculture and some different service sector, etc. In Sri Lankan, SMEs are the backbone of the economy since they play a significant role for sustainable economic growth. SMEs help to solve the critical issues in developing countries such as eliminating poverty, unemployment, etc. In Sri Lanka around 35percent employment was provided by SMEs (NHREP, 2014). This study considered the factors influencing on adoption of CAS by SMEs that gives a valuable contribution to the development of this sector. When reviewing the literature regarding the adoption of CAS, it can be seen that there are few studies in global context, as well as in local context regarding this area in SMEs. Thus, it can be seen a research gap to be filled and therefore, this study is helpful to Owners/CEO of SMEs in Sri Lanka, to make a decision on adoption of CAS for their business success. SMEs can get more benefits using CAS such as up-to-date information, efficiency and ability get the real-time information on the company's financial position, can face competitive threats to the success of SMEs.

**4. PROBLEM STATEMENT**

In the new technological advancement, role of CAS is important to manage and implementing accounting systems, because it allows a company to manage its business with potential benefits as speed & accuracy of operation, automatic documentation, up-to-date information, efficiency, ability to get the real-time information of the company's financial position (Hadler,2005). Despite the fact that the benefits associated with the use of CAS, SMEs are still disinclined to adopt this technology in some countries (Edison, Manuere, Joseph & Gutu, 2012). In this juncture, a pilot survey was administrated to identify the usage of CAS by SMEs in Sri Lanka attending randomly selected 18 SMEs in Kurunegala urban area. In this survey, SMEs is recognized on the criteria employed; employees between5-29; small, between 30- 149; medium and employees above 150; large scale firm (white paper, 2002). According to the pilot survey (2014), more than 65 percent SMEs are not currently use CAS in their decision making process. Hence, this situation is not suitable for SMEs to face with competition, and shown future uncertainty in their development. Thus, this study aims to investigate "What factors are affecting the use of CAS by SMEs in Kurunegala urban areas as berries.

**5. OBJECTIVES OF THE STUDY**

The primary objective of the study is to ascertain the factors affecting for the decision of adopting CAS by SMEs in Kurunagala urban area. Other specific objectives are: to identify the level of CAS usage by these SMEs in the area; to identify the key barriers affecting to this decision in CAS adoption in SMEs, to identify the most significant factors that influencing to decision of adoption CAS by SMEs in the area and finally make recommendations to the relevant authorities to incorporate some strategies for implementing the CAS in these SMEs.

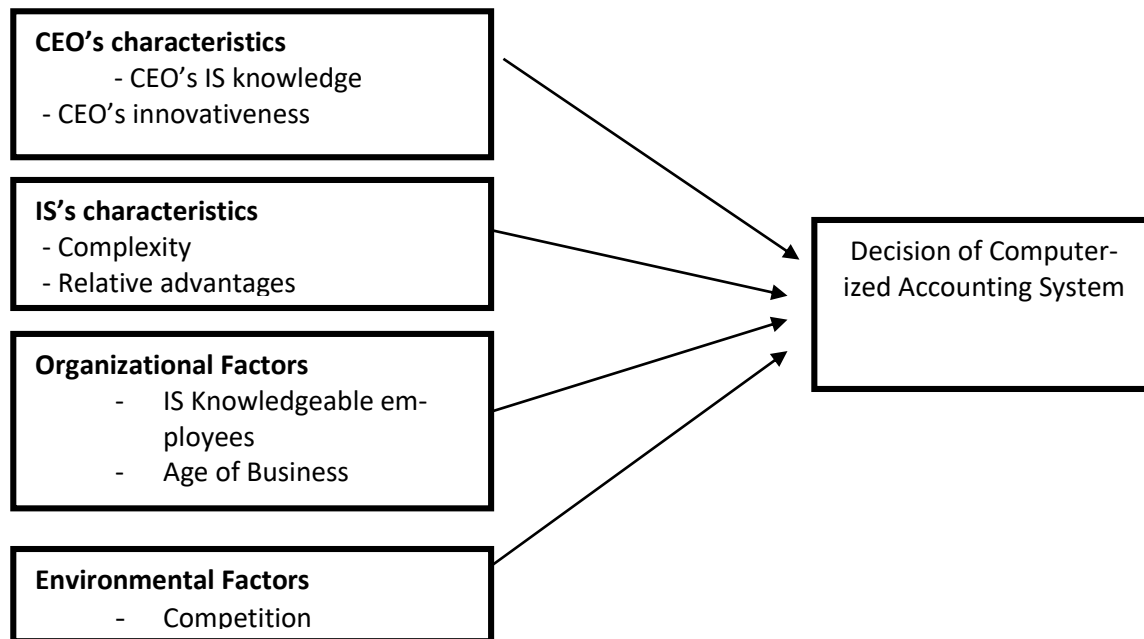
**6. HYPOTHESES**

- H<sub>1</sub>: CEO's characteristics are significantly related to the decision of adopting a CAS
- H<sub>2</sub>: IS characteristics is significantly related to the decision of adopting a CAS
- H<sub>3</sub>: organizational factors are significant to the decision of adopting a CAS
- H<sub>4</sub>: environmental factors (competition) are significant to the decision of adopting a CAS

**7. METHODOLOGY**

**CONCEPTUAL FRAMEWORK**

FIGURE 1: CONCEPTUAL FRAMEWORK



The researchers selected deductive research approach for this study aiming to examine the factors influencing the decision of adopting CAS. The study was conducted in the natural environment in non-contrived setting as cross sectional study. Both primary and secondary data were gathered for the purpose. The target population of this study was all the SMEs located in the Kurunegala urban area. 85 SMEs was drawn as a sample using judgmental and convenience method, from 437 SMEs registered with the Chamber of Commerce (2010) in Kurunegala Urban areas such as, hotel & restaurant, whole sellers, retail supplies, textiles, electronic equipment, furniture shops. SMEs was chosen based on the definition delivered by task force of the SME sector development program appeared in white paper, 2002 (p.22), National strategy for SME sector development in Sri Lanka; micro< 5 employees, small 5-29 employees, medium 30- 149 employees, and large 150 employees and above. Thus, the primary data were gathered by administrating interviewing based structured questionnaire with the format of five point Likert Scaling with anchors of strongly disagree (1) to strongly agree (5). The questionnaire consisted of three parts; background information on the SMEs, information related independent variables (such as CEO's characteristics, IS characteristics, organizational factors and environmental factors) and next for the dependent variable; decision of adopting CAS. The data gathered were analyzed using statistical techniques; descriptive statistics and inferential statistics. Data analysis was facilitated by the use of Statistical Package for Social Sciences (SPSS). KMO (Kaiser-Meyer-Olkin) and Bartlett's Test of Sphericity was used to test the sample adequacy and reliability of the measures used to test the goodness of the data. As recommended by Sekeran and Bougie in 2011, Cronbach's Alpha in the 0.70 acceptable and those over 0.80 as level of good.

**8. RESULTS AND DISCUSSION**

**SAMPLE PROFILE**

As per the test results of Kaiser-Meyer-Olkin (KMO) measure as indicated in table 2, sampling adequacy (0.671), and Bartlett's Test of Sphericity ( $\chi^2= 91.274, p< 0.000, df= 28$ ) shows the sample adequacy and the appropriateness of the data for further analysis of the requirement of this study. Number of employees working in these SMEs are explained in the below table 3 and 44.7 percent organizations were small firms (between 5- 29 employees), while the remaining, 55.3 percent were classified as medium-sized firms (30- 149 employees) as per the definition of shown in White paper, 2002, National strategy for SME sector development in Sri Lanka.

TABLE 2: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.671	
Bartlett's Test of Sphericity	Approx. Chi-Square	91.274
	Df	28
	Sig.	.000

(Source: Sample Survey, 2014)

TABLE 3: ORGANIZATION CATEGORY BASED ON NUMBER OF EMPLOYEES

Category	No of SMEs	Percentage
Between 05-29 employees (Small size entrepreneur)	38	44.7%
Between 30-149 employees (Medium size entrepreneur)	47	55.3%
Total no of SMEs	85	100%

(Source: Sample Survey, 2014)

UNIVARIATE ANALYSIS

CHARACTERISTICS OF CEO

This was measured using two dimensions; IS knowledge of CEOs and their innovativeness. According to table 4, most owners (51.50%) of SMEs have not shown a good IS knowledge. But, 62.05 percent of respondents were shown their agreement with innovativeness. That means respondents are the newly thinkers and can shift to new condition quickly without immense efforts. Also, the mean value of CEO's knowledge of IS (2.64) demonstrate a poor level while the mean value of CEOs innovativeness (3.6) indicates it is in a good position and shown trend of innovativeness on adopting IS for their decision making.

TABLE 4: CHARACTERISTICS OF CEO

Knowledge area	Dissatisfied	Average	Satisfied	Mean	S.D.	Variance
CEO's information system knowledge	51.50	18.43	30.07	2.64	.705	.498
CEO's Innovativeness	9.42	28.53	62.05	3.60	.444	.197

(Source: Sample Survey, 2014)

CHARACTERISTICS OF INFORMATION SYSTEM

This was measured using two dimensions; complexity of IS and advantages the IS. Thus, it shows that, 62 percent of respondents (mean = 3.7) agreed that the complexity of IS denotes the difficulty in preparing and understanding accounting reports using accounting software. In addition to that 67.21 percent (mean= 3.97) respondents agree that they have a positive picture that CAS reduces unnecessary costs that occurred due to a manual system. Also, the advantages denote that improve the quality of accounting process can increase the efficiency of decision making using of CAS. Thus, adoption of CASs was beneficial to SMEs for the decision making.

TABLE 5: COMPLEXITY OF INFORMATION SYSTEM (IS)

Characteristics	Not agree	Average	Agree	Mean	S.D.	Variance
Complexity of Information System (IS)	13.70	24.30	62.00	3.70	.746	.557
Advantages of Information System (IS)	5.16	27.63	67.21	3.97	.444	.197

(Source: Sample Survey, 2014)

ORGANIZATIONAL FACTORS (CHARACTERISTICS OF ORGANIZATIONS)

Age of the business and the employees' IS knowledge were used as measures to determine the organizational factors. As reveal by table 6, about 30.5 percent of samples had started their business, years ago 15. Also, 25.9 percent started their business between years, 1999-2003. Overall, about 43.6 percent of respondents indicate that the business is started after year of 2003.

TABLE 6: AGE OF BUSINESS

Age	No of SMEs	Percentage
Between 2009-2014	19	22.4%
Between 2004-2008	18	21.2%
Between 1999-2003	22	25.9%
Beyond 1999	26	30.5%
Total	85	100.00

(Source: Sample Survey, 2014)

According to Table 7, 16.5 percent of respondents agree with good level of computer literacy while 11.5 percent shown good level of competent in computer technology. Variability associated with dimensions was not high since the value of SD (0.859) is less than 1.00. According to mean value 2.57 indicates that employee's IS Knowledge is in a poor level.

TABLE 7: EMPLOYEE'S IS KNOWLEDGE

Knowledge area	Poor	Average	Good	Mean	S.D.	Variance
Computer literacy	41.2%	42.4%	16.5%	2.57	.859	.739
Competent in computer technology	41.2	42.4%	11.5%			

(Source: Sample Survey, 2014)

CHARACTERISTICS OF ENVIRONMENT

Table 8 shows the characteristics of an environment, attending to the competitiveness of their business. About 80.0 percent of participants indicate that there is a competition for their business activities from new entrants, 77.6 percent of availability of substitutes and have accepted it as a changing business sector. Variability associated with dimensions was not high since the value of SD (0.519) is less than 1.00. Mean value (4.33) indicates that there is a competitive environment for SMEs.

TABLE 8: COMPETITION

Competitive areas	Disagree	Average	Agree	Mean	S.D.	Variance
Availability of close substitutes	2.4%	20.0%	77.6%	4.33	.519	.270
Threats from new entrepreneurs	3.5%	16.5%	80.00%			
Rapidly changing business sector	5.7%	7.1%	87.2%			

(Source: Sample Survey, 2014)

MODEL SUMMARY

As depicted in the table 9 (a) and table 9(b), model summary,  $R^2 = 0.158$  (15.8%), denotes a variation in using CAS in SMEs significantly explained by variation in factors; CEOs characteristics, IS Characteristics, organizational factors and environmental factors. The result of multiple regression analyzing shows that the model is not highly significant as indicated by the F- value of 2.066 ( $p > 0.057$ ) with df 84. The regression results as depicted in table 10, CEO characteristics ( $\beta = 0.245$ ,  $p = 0.024$ ) and Organizational factors ( $\beta = 0.210$ ,  $p = 0.050$ ) were significantly contributing to the prediction of the decision of computerized accounting system while other factors (IS Characteristics and competition) are insignificant when adopting CAS in SMEs in Kurunegale Urban area

TABLE 9 (A): MODEL SUMMARY<sup>a</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.398 <sup>a</sup>	.158	.082	.97654

a. Predictors: (Constant)  
b. Dependent Variable : decision of computerized accounting system in SMEs

TABLE 9 (B): OVERALL MODEL SUMMARY

Model summary - ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.794	7	1.971	2.066	.057 <sup>a</sup>
	Residual	73.430	77	.954		
	Total	87.224	84			

- a. predictors: (Constant), IS, Org fac, Competition, CEO  
 b. Dependent Variable: decision of computerized accounting system in SMEs

TABLE 10: COEFFICIENTS

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.551	1.383		1.121	.266
CEO characteristics	.454	.199	.245	2.308	.024
IS characteristics	-.182	.193	-.136	1.293	.472
Organizational factors	.220	.544	.210	1.954	.050
Competition	-.117	.215	-.060	-.545	.587

a. Dependent Variable: decision of CAS

#### HYPOTHESES TESTING

*H<sub>1</sub>: CEO's characteristics are significant to determine the decision of adopting CAS in SMEs*

Correlation analysis (2 tailed test) was run to check the hypothesis and according to the results shown in table 10,  $\beta$  is 0.245 at a significance level of 0.024 ( $p < 0.5$ ) on CAS. Thus, the hypothesis is accepted.

*H<sub>2</sub>: Characteristics of IS significant to determine the decision of adoption CAS*

According to Table 10, the result  $\beta$  is -0.136 ( $p < 0.5$ ) at the significance level of 0.472 and thus the hypothesis is rejected.

*H<sub>3</sub>: Organizational factors are significant to determine the decision of adoption CAS*

The Table 10 shows the results for the aforementioned relationship and accordingly  $\beta$  was 0.201 at the significant level of 0.050 ( $p < 0.50$ ). Thus the hypothesis is accepted.

*H<sub>4</sub>: Characteristics of environment significant to determine the decision of adoption CAS*

Under the Characteristics of the environment, it was considered the competition of business and the table 10 shows the results of the test. The  $\beta$  value (-0.060,  $p < 0.587$ ) indicated that there is no significant correlation between the variables and thus the hypothesis is rejected.

#### 9. FINDINGS, RECOMMENDATIONS AND SCOPE FOR FUTURE RESEARCHES

With deep analysis, researchers identified two factors as significant to the decision of adoption of CAS as; CEO's characteristics, and organizational factors for the decision making process in SMEs. The CEO plays a big role in the firm's decision of SMEs to adopt CAS because the CEO is a main decision maker of SMEs. The results of the tests show that there is no significant impact to decision of adoption CAS by the IS complexity and business competition in these SMEs in this area. Also, the CEOs IS knowledge and their innovativeness were shown a higher level and it can be the reason behind this decision success. Also, they have identified the advantages of adapting to CAS when making decision. Meanwhile, it showed the requirement of having employee's IT knowledge and their competency in this regard. So, it can be recommended to plan training programs for employees who are working in SMEs with local authorities to strengthen the computer literacy and IT competencies to face this situation. Finally, further researches ideas was suggested and accordingly, it was suggested to incorporate CEOs self-efficacy as an additional dimension to measure CEO's characteristics while, government support to measure the environmental factors.

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**ASSESSMENT OF CUSTOMERS' ATTITUDE AND BANKS' GROWTH TOWARDS E- BANKING IN NIGERIA**

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**ABSTRACT**

*The study is hinged on assessment of customers' attitude and banks' growth towards E-Banking in Nigeria. This study adopted descriptive research design. The population of the study consisted of staff from selected banks namely; GTBank, Zenith Bank, First Bank, Diamond Bank and Access Bank within Lagos State, situated at the Lagos Island, Lagos State. Primary data was used in collecting data from the selected banks. Random Sampling Technique was used in selecting ninety-seven (97) persons which is the sample size representing the study population. The study made use of Chi-square ( $\chi^2$ ) test statistic for independence of testing hypotheses 1 and 2. Relevant data were gathered and analyze, two formulated hypotheses were tested and the entire alternative hypotheses were accepted. The analysis from hypothesis showed that E-banking have effect on the growth of the banking industry and the study also found that E-banking have effect on service delivery. The study recommends that regulatory authorities like CBN (Central Bank of Nigeria) must stipulate standards for the banks to follow to avoid making the banking sector a dumping ground for outdated technological infrastructures.*

**KEYWORDS**

banking reform, cashless banking, e-business, e-commerce.

**INTRODUCTION**

Financial systems, particularly the banking sector all over the world, play fundamental roles in the development and growth of the economy. Their effectiveness and efficiency in performing these roles, particularly the intermediation between the surplus and deficit units of the economy depend largely on the level of development of the financial system (Adubakar & Rasmainsi, 2012). The Banking industry of the 21st century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the centre of this global change curve of Electronic Banking System in Nigeria today (Afolabi, 2009).

Stevens (2002) posits that banks have over the time been using electronic and telecommunication networks for delivering a wide range of value added products and services. Managers in banking industry in Nigeria cannot ignore Information Systems because they play a critical impact in current Banking system, they point out that the entire cash flow of most fortune Banks are linked to Information System. The application of information and communication technology concepts, techniques, policies and implementation strategies to banking services has become a subject of fundamental importance and concerns to all banks and indeed a prerequisite for local and global competitiveness of the banking system (Egwali, 2009).

The advancement in Technology has played an important role in improving service delivery standards in the Banking industry. In its simplest form, Automated Teller Machines (ATMs) and deposit machines now allow consumer to carry out banking transaction beyond banking hours (Afolabi, 2009). With online banking, individuals can check their account balances and make payments without having to go to the bank hall. This is gradually creating a cashless society where consumers no longer have to pay for all their purchases with hard cash. For example: bank customers can pay for airline tickets and subscribe to initial public offerings by transferring the money directly from their accounts, or pay for various goods and services by electronic transfers of credit to the sellers account. As most people now own mobile phones, banks have also introduced mobile banking to cater for customers who are always on the move. Mobile banking allows individuals to check their account balances and make fund transfers using their mobile phones. Virtually almost all Banks in Nigeria have a web presence; this form of Banking is referred to as Internet Banking which is generally part of Electronic payment system (Egwali, 2009).

**REVIEW OF LITERATURE****ELECTRONIC BANKING**

The concept of e-banking is a delivery channel for banking services (Amedu, 2005). Banks have used electronic channels in the financial system for years to communicate and transact business with both domestic and international corporate customers. With the development such as Internet and the World Wide Web (WWW) in the latter half of the 1990s, banks are increasingly using electronic channels for receiving instructions and delivering their products and services to their customers. This form of banking is generally referred to as e-banking or Internet banking, although the range of products and services provided by banks over the electronic channel vary widely in content, capability and sophistication (Cohen, 2001).

Electronic banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. The definition of e-banking varies amongst researches partially because electronic banking refers to several types of services through which bank customers can request information and carry out most retail banking services via computer, television or mobile phone (Steven, 2002).

Electronic banking is as an electronic connection between bank and customer in order to prepare, manage and control financial transactions. Electronic banking can also be defined as a variety of following platforms: (i) Internet banking (or online banking), (ii) telephone banking, (iii) TV-based banking, (iv) mobile phone banking, and e-banking (or offline banking).

Electronic banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet or mobile phone. Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM), kiosk, or Touch Tone telephone. While some literature restricts the use of the term to internet banking, elsewhere the term is limited to retail banking (Aladwani 2001) or both retail and corporate banking (Simpson, 2002). The common definition for e-banking, and the one used in this paper, comes from the Basel Committee Report on Banking Supervision (1998), "e-banking refers to the provision of retail and small value banking products and services through electronic channels. Such products and services can include deposit-taking, lending, account management, the provision of financial advice, electronic bill payment, and the provision of other electronic payment products and services such as electronic money"

**TYPES OF ELECTRONIC BANKING**

The use of information technology in banking operations is called electronic banking (Ovia, 2001) argues that e-banking is a product of e-commerce in the field of banking and financial services. In what can be describe as Business-to-consumer domain for balance enquiry, request for cheque books, recording stop payment instruction, balance transfer instruction, account opening and other forms of traditional banking services. Banks are also offering payment services on behalf of their customer who shop in different e-shops. Below are some of the Electronic Banking Products;

- i. Telephone and PC Banking Products: This is a facility that enables customers, via telephone calls, find out about their position, with their bankers merely dialing the telephone numbers given to them by the banks. In addition, the computers on the phone would require special codes given to the customers as a means of identification of authentic users before they can receive any information they requested for. This is a service introduced into the banking

balance as a result of computer telephone technology being made available (Ovia, 2001). The technology banking has a universe of possible application limited only by the imagination. These areas include: Account balance enquiry; Account statement printing; Intra-Banks Account to Account Transfer; Inter-banks Account to Account Transfer; Download Account Transaction etc. Telephone and PC banking brings the bank to the doorstep of the customer, it does not require the customer to have his premises; interactive Voice Response becomes a regular feature of operations; Text-to-speech capability becomes reality; A uniformed messaging capability become permanent feature of the bank.

- ii. The Card System: The card system is a unique electronic payment type. The smart cards are plastic devices with embedded integrated circuit being used for settlement of financial obligations. The power of cards lies in their sophistication and acceptability to store and manipulate data, and handles multiple applications on one card securely (Amedu,2005). Depending on the sophistication, it can be used as a Credit Card, Debit Card and ATMs (Automatic Teller Machine). While the electronic card is gaining popularity in USA and Nigeria, the Spanish Financial Institution demonstrated the highest implementation and update of smartcards across Europe (Amedu, 2005). The Smart Card was introduced into the Nigerian market to reduce or eliminate problems of carrying cash about (Amedu, 2005). It is electronically loaded with cash value and carried about like credit card and stores information on a microchip. The microchip contains a "purse" in which value is held electronically. In addition, it also contains security programs; these protect transactions between one card user and the other.

It can also be transferred directly to a retailer, merchant or other outlet to pay for goods and services, and like cash, transaction between individual without the needs for banks of the other third parties. Also, the system does not require central clearing. It is valued immediately. Also the system allows transfer of one value to the other hence it operates like cash.

- iii. The Automated Teller Machine (ATM): Worldwide, the use of paper cash still remains the most widely used and acceptable means of settling financial transactions and obligations. However, the proportion of cash transactions is increasingly on the decline, especially in advanced economics (Amedu, 2005). However, the physical carriage of cash as well as the visit to the bank branches is been reduced by the introduction of an electronic device; An ATM device allows a bank customer to withdraw cash from his account via a cash dispenser (Machine), and the account is debited immediately. A fundamental advantage is that it needs not to be located within the banking premises. It is usually in stores, shopping malls, fuel stations etc.
- iv. Cheque: A is a paper based payment instrument whose usages are still gaining ascendancy. The Automation focus on this instrument is to reduce the number of clearing days and improve on security arrangement in the course of settlement and collection. For example, in Nigeria the Central Bank of Nigeria CBN has just embarked upon online clearing and Nigeria has signified interest and signed path to this project.
- v. Chip Card: Also known as an Integrated Circuit (IC) Card. A card containing one or more computers chips or integrated circuits for identification, data storage or special purpose processing used to validate personal identification numbers, authorize purchases, verify account balances and store personal records.
- vi. Electronic Money: Monetary value measured in currency units stored in electronic form on an electronic device in the consumer's possession. This electronic value can be purchased and held on the device until reduced through purchase or transfer.
- vii. Internet Banking: This is a product that enables the Bank leverage on the Internet Banking System Module in-built on the new Banking Application (BANKS) implemented by the Bank to serve the Internet Banking needs of the Bank's customers.
- viii. Mobile Banking: This is a product that offers Customers of a Bank to access services as you go. Customer can make their transactions anywhere such as account balance, transaction enquiries, stop checks, and other customer's service instructions, Balance Inquiry, Account Verification, Bill Payment, Electronic fund transfer, Account Balances, updates and history, Customer service via mobile, Transfer between accounts etc.
- ix. Payment System: A financial system that establishes the means for transferring money between suppliers and of fund, usually by exchanging debits or Credits between financial institutions.
- x. Smart Card: A Card with a computer chip embedded, on which financial health, educational, and security information can be stored and processed.
- xi. Transaction Alert: Our customers carry out debit/credit and a message is sent to make the customers acknowledge the transaction.
- xii. Electronic Web Collection: This enables the Bank partner with Universities and higher institutions of learning to handle Admission, Registration, Examination Managements and Fees Collection needs. Electronic Admission by Prospective Candidates, Electronic School Fees Payment, Automated Registration, Examination and Results Publication/Management.

## LINKAGE BETWEEN ELECTRONIC BANKING AND FINANCIAL DEVELOPMENT

The introduction of electronic banking has improved banking efficiency in rendering services to customer. Information and Communication Technology (ICT) is at the centre of electronic banking system in Nigeria today (Steven, 2002). Banking industry in Nigeria cannot ignore information systems because they play a critical impact in current banking system, they point out that the entire cash flow of most banks are linked to information system. The application of information and communication technology concepts, techniques, policies and implementation strategies to banking services has become a subject of fundamental importance and concerns to all banks and indeed a prerequisite for local and global competitiveness banking (Connel & Saleh, 2004).

The advancement in Technology has played an important role in improving service delivery standards in the Banking industry. In its simplest form, Automated Teller Machines (ATMs) and deposit machines now allow consumers carry out banking transactions beyond banking hours. With online banking, individuals can check their account balances and make payments without having to go to the bank hall. This is gradually creating a cashless society where consumers no longer have to pay for all their purchases with hard cash. Bank customers can pay for airline tickets and subscribe to initial public offerings by transferring the money directly from their accounts, or pay for various goods and services by electronic transfers of credit to the sellers account.

As most people now own mobile phones, banks have also introduced mobile banking to cater for customers who are always on the move. Mobile banking allows individuals to check their account balances and make fund transfers using their mobile phones. Since this innovation, banks has perfected by interlinking customers deposit accounts with mobile money transfer. This e-banking has made banking transactions easier around the World and it has fast gaining acceptance in Nigeria.

## IMPORTANCE OF THE STUDY

The study of e-banking and the growth of commercial bank are very crucial particularly with the introduction of cashless policy. The need for this study is as follow: **Public:** the study is important to the public for the creation of awareness about various electronic methods of payments. It will enlighten the general public on the impact of e-banking and growth of Nigerian banking industry.

**Academics:** This study will provide literature for the members of the academic communities on e-banking and the growth of Nigerian banking industry. It will be an invaluable tool for students, academicians and individuals that want to know more about electronic banking especially in Nigeria.

**Government and Regulatory Authorities:** The study would enable the government to direct appropriate policy toward e-banking as well as enhancing economic performance.

## STATEMENT OF THE PROBLEM

Electronic Banking has become an issue of interest in the financial system. The weak payment is manifested in the present cash transaction system adopted by depositor or account holders; this led to the reason why the CBN had to introduce cashless policy to reduce usage of physical cash in financial transactions (both deposits and withdrawal across the country (Ahmad, 2010).

## OBJECTIVES

The major objective of this study is to investigate the customer's attitude towards E-banking in Nigeria. Other specific objectives of this study are to:

1. examine the effect of e-banking on the growth of the banking industry

2. examine the effect of e-banking on service delivery
3. determine the nature of relationship between investment in e-banking and customers' satisfaction

**HYPOTHESES**

**HYPOTHESIS 1**

- H<sub>0</sub>: E-banking does not have effect on the growth of the banking industry  
 H<sub>1</sub>: E-banking has effect on the growth of the banking industry

**HYPOTHESIS 2:**

- H<sub>0</sub>: There is no effect E-banking on service delivery  
 H<sub>1</sub>: There is effect E-banking on service delivery

**TESTING OF HYPOTHESIS**

**HYPOTHESIS 1**

- H<sub>0</sub>: There is effect of E-banking on the growth of the banking industry

**TABLE 1: DESCRIPTIVE STATISTICS**

	N	Minimum	Maximum	Mean	Std. Deviation
Use of technology helps to improve operations of bank	97	1.00	5.00	1.6392	1.07224
Valid N (listwise)	97				

**TABLE 2: USE OF TECHNOLOGY HELPS TO IMPROVE OPERATIONS OF BANK**

	Observed N	Expected N	Residual
SA	65	19.4	45.6
A	14	19.4	-5.4
U	8	19.4	-11.4
D	8	19.4	-11.4
SD	2	19.4	-17.4
Total	97		

Source: Field Survey (2016)

**TABLE 3: TEST STATISTICS**

	Use of technology helps to improve operations of bank
Chi-Square(a)	137.691
Df	4
Asymp. Sig.	.000

a 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 19.4.

**DECISION RULE**

Since X<sup>2</sup> value of 137.691 which is the computed value is greater than 9.49 which is the statistical value at 0.05 level of significant, we reject the null hypothesis and accept the alternative hypothesis.

**INTERPRETATION OF HYPOTHESIS**

Therefore, accepting the alternative hypothesis (H<sub>1</sub>) and rejecting the null hypothesis (H<sub>0</sub>) based on the above statistical analysis means that E-banking has effect on the growth of the banking industry.

**HYPOTHESIS 2**

- H<sub>0</sub>: There is no effect E-banking on service delivery

**TABLE 4: DESCRIPTIVE STATISTICS**

	N	Minimum	Maximum	Mean	Std. Deviation
The introduction of electronic banking in Nigeria has significantly made banking services flexible	97	1.00	5.00	1.8866	1.09807
Valid N (listwise)	97				

**TABLE 5: THE INTRODUCTION OF ELECTRONIC BANKING IN NIGERIA HAS SIGNIFICANTLY MADE BANKING SERVICES FLEXIBLE**

	Observed N	Expected N	Residual
SA	44	19.4	24.6
A	37	19.4	17.6
U	2	19.4	-17.4
D	11	19.4	-8.4
SD	3	19.4	-16.4
Total	97		

Source: Field Survey (2016)

**TABLE 6: TEST STATISTICS**

	The introduction of electronic banking in Nigeria has significantly made banking services flexible
Chi-Square(a)	80.268
Df	4
Asymp. Sig.	.000

a 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 19.4.

**DECISION RULE**

Since X<sup>2</sup> value of 80.268 which is the computed value is greater than 9.49 which is the statistical value at 0.05 level of significant, we reject the null hypothesis and accept the alternative hypothesis.

**INTERPRETATION OF HYPOTHESIS**

Therefore, accepting the alternative hypothesis (H<sub>1</sub>) and rejecting the null hypothesis (H<sub>0</sub>) based on the above statistical analysis means that E-banking has effect on the service delivery.

**RESEARCH METHODOLOGY**

The area of study include: GTBank, Zenith Bank, First Bank, Diamond Bank and Access Bank within Lagos State, situated at the Lagos Island, Lagos State. The choice of Lagos Island stems from the fact that the location is in Lagos State on close proximity to the researcher.



Descriptive survey method was adopted in carrying out this study. Data was obtained through the use of questionnaires. The questions were designed in simple and clear language to remove ambiguity on a 5 point Likert ordinal scale. The questionnaires were intended to generate responses that will assist the researcher to address the research problem, objectives and hypothesis. Due to the large size of the population of this study, the researcher decided to use random Hypotheses which was analyzed using Chi-square ( $\chi^2$ ) test statistic for independence.

## RESULT AND DISCUSSION

This research work is focused on, "Assessment of Customers' Attitude and Banks' Growth towards e-Banking in Nigeria". After analyzing the data from the questionnaire obtains from the field survey, hypotheses were tested to find out the significant of the above statement. It was reveal in the first hypothesis that the calculated  $X^2$  value of 137.691 is greater than the table value of 9.49 which means that there is effect of E-banking on the growth of the banking industry. The second hypothesis was equally accepted which states that There is no effect of E-banking on service delivery, since the calculated  $X^2$  value of 180.268 is greater than the table value of 9.49.

The major finding gives implication that the current electronic banking operation in Nigeria is significantly adequate. Other findings disclose that e-banking enables customers to conveniently use their ATM cards to make withdrawals from their accounts anytime, anywhere and from any location, irrespective of where the account is domiciled within the country and beyond. Internet banking enables customers to make funds transfer and check their balances at any time and from any location, provided there is network service.

## FINDINGS

The bank employees affirm that their banking operations are made convenient through electronic banking. Investigation further showed that customers do not securely keep their ATM cards and the secret Personal Identification Numbers (PIN) codes from their friends and close relatives. Besides, there is indication that the regulatory and control mechanisms among banks are weak. These make e-banking in Nigeria to be risky and prone to fraud. The study gives impression that the network management has significant influence on electronic banking service delivery to customers. It discloses a common problem of network failure. This finding is in agreement with Idowu, et al, (2002) which specifically indicates that the network links of most Nigerians banks are down 50 per cent of the time. The study also indicates that sometimes the accounts of the customers are debited in the process of making withdrawal without cash being dispensed by ATM. Indeed, from the research the network systems of most banks are relatively unreliable.

## RECOMMENDATIONS

Given the study findings, the researcher put forward the following recommendations, which if implemented by banks would ameliorate the current impediments in e-banking operations in Nigeria. These include;

1. Regulatory authorities like CBN (Central Bank of Nigeria) must stipulate standards for the banks to follow to avoid making the banking sector a dumping ground for outdated technological infrastructures.
2. Management of commercial Banks should ensure that its staff acquires the basic and necessary ICT skills that will make them still relevant in the job. Management should be aware of that, for without human resource (employees) performance, other resource accomplishments such as technology, raw-materials, capital and among others will make no meaning.
3. Government should lower the tariff on information technology-aided tools, and equipment imported and possibly subsidized by government. Government can also partner with multinational companies abroad to supply equipment to Nigerian banks directly at discounted rate.
4. It also recommended that ATM be located where customers will have adequate space to queue up for their turn to use the facility where there are many users. There is need to make a conspicuous mark on the floor to show the point the next waiting user should not cross while waiting for the current user of the ATM to finish his transaction. This would reduce the rate of e-banking fraud.
5. The study also reveals evident that e-banking increases the bank performance.

## CONCLUSIONS

The survey as presented on this work examined the Assessment of customers' Attitude and Banks' Growth towards e-Banking in Nigeria. On the basis of the findings of this study, it can be concluded that the introduction of electronic banking system in the Nigerian banking sector has helped tremendously to improve the productivity of bank personnel, leading to efficiency and effectiveness in service delivery. This study also found that the implementation of electronic banking system in Nigerian Banks has boosted its customer-relationship and customers satisfaction. Customers can access their account throughout the week as well as outside working hours to make withdrawal without going to the banking hall. This has engendered higher customer satisfaction.

## LIMITATION OF THE STUDY

In the course of this research work, some limitations were experienced by the researchers. Most importantly, the questionnaires to be used are mainly close-ended type thereby limiting the choice of answers that the respondents had to give to the question. It is hope that the experience on the field will be both exciting and challenging. The exercise will give the researcher a great insight into the aspect of conducting research work of this nature. However, to a great extent, the researcher received a lot of cooperation from the respondents especially the friendly ones while few of the respondents may be unfriendly and may prove difficult and unwilling to accept the questionnaire even during their leisure time.

## SCOPE FOR FURTHER STUDIES

The study suggests that more studies need to be done in this area in Nigeria, as research on customer's attitude towards E-banking in Nigeria is still largely unavailable. The study suggests that future studies should embark on the areas this study was not able to cover like;

1. Effect of E-banking on the growth of the banking industry
2. Effects of E-banking on service delivery

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**IMPLEMENTATION MECHANISM OF MGNREGA IN HIMACHAL PRADESH**

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**ABSTRACT**

*The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a major step in the direction of providing security of employment to rural workers by providing at least 100 days of guaranteed wage employment in every year to every household whose adult members volunteer to undertake unskilled manual work. The Act makes a historic step towards recognizing and ensuring work as a right of the people. The major aim of the scheme was to strength the rural society. The Govt. of India has contributed huge capital in this scheme and almost every year this amount has increased. After 9 years of its inception, this scheme has given the mixed results. As MGNREGA is started all over India, we can easily analyze both the positive and negative aspects of this scheme. In some parts it has made the people especially women self-dependent and increased the employment rate while in some parts a number of reports regarding the corrupt activities in MGNREGA, non-availability of work, biasness regarding distribution of work had come. This paper aims at providing an overview of the implementation mechanism of MGNREGA.*

**KEYWORDS**

MGNREGA, Employment Guarantee, Organisational apparatus, Rural Development.

**INTRODUCTION**

Several poverty alleviation programmes have been implementing by the centre and state governments in the rural areas of the country. The progress and success of these programmes, largely depends on the efficacy of organizational structure, with the help of which government is implementing these programmes. MGNREGA is the latest scheme being implemented by the state government with the share of center government.<sup>1</sup> This scheme has been implemented by the Ministry of Rural Development Department, State Rural Development Department, District Rural development agencies, Development Blocks and Panchayati Raj Institutions. The success of MGNREGA depends on the competence and effectiveness of these agencies. Thus, it has found momentous to study the executive arrangements, established at various level for the implementation of poverty alleviation programmes, particularly for MGNREGA. Here an attempt has been made to study the Administrative arrangements for MGNREGA at the Centre, State, District and Block level.

**IMPLEMENTATION APPARATUS OF MGNREGA AT CENTRE LEVEL**

The Ministry of Rural Development, Government of India, is the nodal agency for the implementation of MGNREGA. The Central Government has the authority to set up Central Employment Guarantee Council for receiving advice on MGNREGA implementation besides independent evaluation and monitoring of the scheme. The Central Government also has to prepare the budget and disburse the funds. Minister for Rural Development, who is assisted by a secretary to the Government of India, heads the Ministry. In addition, there is an administrative as well as of technical personnel. Besides there is a Central Employment Guarantee Council, which helps and assists the Ministry in the implementing, reviewing, evaluating and monitoring the MGNREGA.

The Ministry of Rural Development has established a Professional Institutional Network (PIN) for steady, sustainable feedback to enhance the quality of the programme. PIN is envisaged as an integrated structure for concurrent appraisal, diagnosis, remedial action and capacity building for MGNREGA as well as strengthening capacity of districts to create positive impact. Presently, the Network has 18 member institutions including Indian Institute of Technology (IIT), Indian Institute of Management (IIM), Administrative Staff College of India (ASCI), Indian Institute of Forest Management (IIFM), Agricultural Universities and other professional institutions. In its first phase, 13 institutions have conducted MGNREGA appraisal.<sup>2</sup> The roles and responsibilities of the Ministry of Rural Development are as follows:

1. Make rules under the Act.
2. Issue Operational Guidelines for the effective implementation of the Act.
3. Review list of permissible works under MGNREGA in response to demands of State Governments.
4. Constitute the CEGC.
5. Set up National Employment Guarantee Fund.
6. Set up National Management Team (NMT) within the Department of Rural Development to perform the national – level functions under MGNREGA.
7. Make budgetary allocation and ensure timely release of Central share.
8. Maintain and operate the MIS to capture and track data on critical aspects of implementation, and assess the utilization of resources through a set of performance indicators.
9. Support and facilitate use of Information Technology (IT) to increase the efficiency and transparency in implementation of the Act.
10. Facilitate technical support and capacity building to improve outcomes.
11. Support innovations that help in improving processes towards the achievement of the objectives of the Act.
12. Monitoring, Evaluation and Research on the performance of MGNREGA.
13. Empanel agencies that can be used by State Governments as PIAs for implementation of MGNREGA works and determine the percentage value of funding that can be given to them to meet their administrative costs.<sup>3</sup>

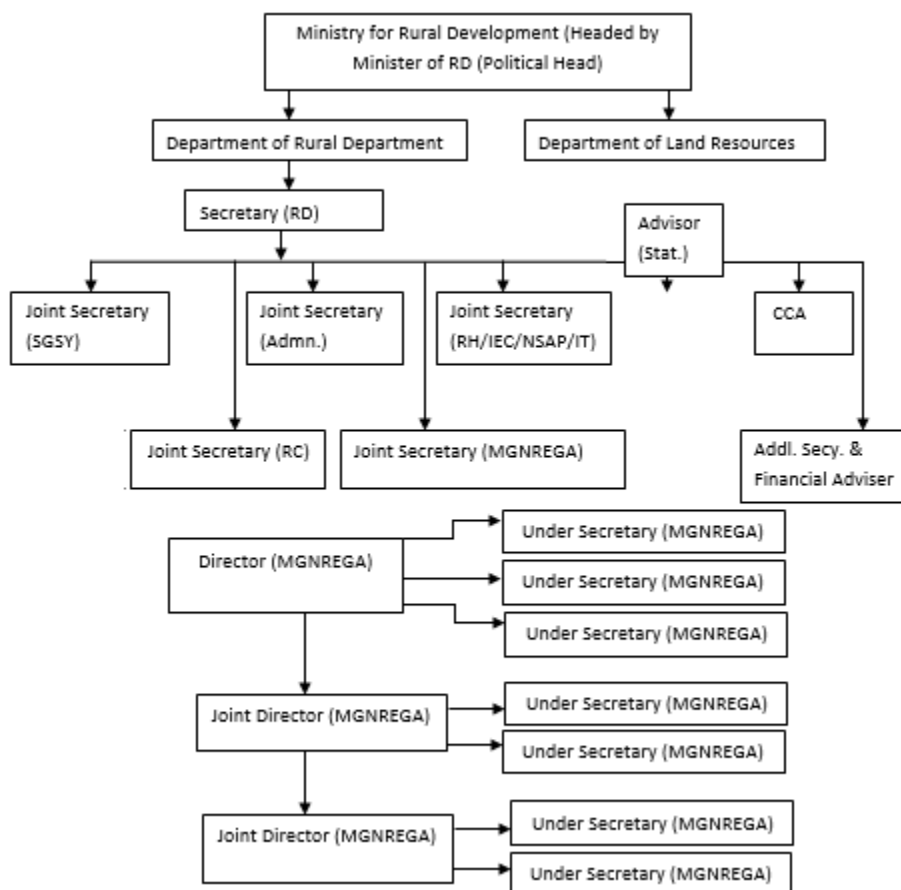
**COMPOSITION OF MINISTRY OF RURAL DEVELOPMENT**

Presently the Ministry of Rural Development consists of the following two departments:

1. Department of Rural Development
2. Department of Land Resources

Out of these two departments, Department of Rural Development is responsible for the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act. The organizational setup of the Department of Rural Development has been reflected in Chart 4.1.

CHART 1: ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MGNREGA AT THE CENTRE LEVEL



The political head of the Department of Rural Development at the Centre level is Minister for Rural Development. He is assisted by a Secretary to the Government of India, who is the administrative head of the department. He is assisted by Joint Secretary (MGNREGA), Joint Secretary (SGSY), Joint Secretary (Training), Advisor (Stat.), Joint Secretary (RC), Joint Secretary (RH/IEC/NSAP/IT) and Additional Secretary and Financial Advisor. These officials are assisted by several other officers such as Deputy Secretaries, Directors, Deputy Directors and Under Secretaries, etc. The Department of Rural Development is implementing a number of programmes in rural areas through the state Governments for poverty reduction, employment generation rural infrastructure, habitant development, provision of basic minimum services, etc.<sup>4</sup> The important programmes presently being implemented by the Department are MGNREGA, Pradhan Mantri Gram Sadak Yojana (PMGSY), Swarnjayanti Gram Swarozgar Yojana (SGSY), Rural Housing (Indira Awaas Yojana), DRDA Administration, Training Schemes, Promotion of Voluntary Schemes and Social Action Programme, organization.

**CENTRAL EMPLOYMENT GUARANTEE COUNCIL**

The Central Employment Guarantee Council (CEGC) (or ‘Central Council’) has been set up under the Chairmanship of the Union Minister of Rural Development. The roles and responsibilities of the CEGC, as per the Act, are to:

1. Establish a central evaluation and monitoring system.
2. Advise the Central Government on all matters concerning the implementation of the Act.
3. Review the monitoring and redressed mechanism from time to time and recommend improvements required.
4. Promote the widest possible dissemination of information about the Schemes.
5. Monitoring the implementation of this Act.
6. Preparation of annual reports to be laid before Parliament by the Central Government on the implementation of this Act.<sup>5</sup>

**ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MGNREGA AT THE STATE LEVEL**

At the State level in Himachal Pradesh, there is a Department of Rural Development, which has the overall responsibility for the implementation of MGNREGA in the State. The Department of Rural Development is accountable for formulation, implementation, evaluation, monitoring of various rural development programmes, including MGNREGA, at State Level. To perform these functions there is a well established organizational structure of the department, which has been discussed as under.

**COMPOSITION OF DEPARTMENT OF RURAL DEVELOPMENT IN HIMACHAL PRADESH**

The Minister of Rural Development heads the Department. He is the political head of the department. He looks after the working of the department. He is responsible for the overall functioning of the department to the State Legislature. The Department is functioning under the overall control of the Private Secretary (RD) at the Government level assisted by the Director –cum – special Secretary (RD), Additional Director–cum –Additional Joint Secretary (RD). The following wings are functioning at the State level:

1. **State Level Monitoring and Evaluation Cell (SLM and EC):** Deputy Director (RD) is the Programme Officer of the Cell.
2. **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** Deputy Director (Stats) and Assistant Director (MGNREGA) are the Programme Officers of the Cell.
3. **State Level Nodal Agency (Watershed):** Project Director (SLNA) is the Programme Officer of the Cell.
4. **Total Sanitation Campaign (TSC):** Assistant Director (TSC) is the Programme Officer of the Cell.<sup>6</sup>

The organizational structure for the implementation of MGNREGA, in the State Level has been presented in Chart- 4.2.

CHART 2: ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MGNREGA AT THE STATE

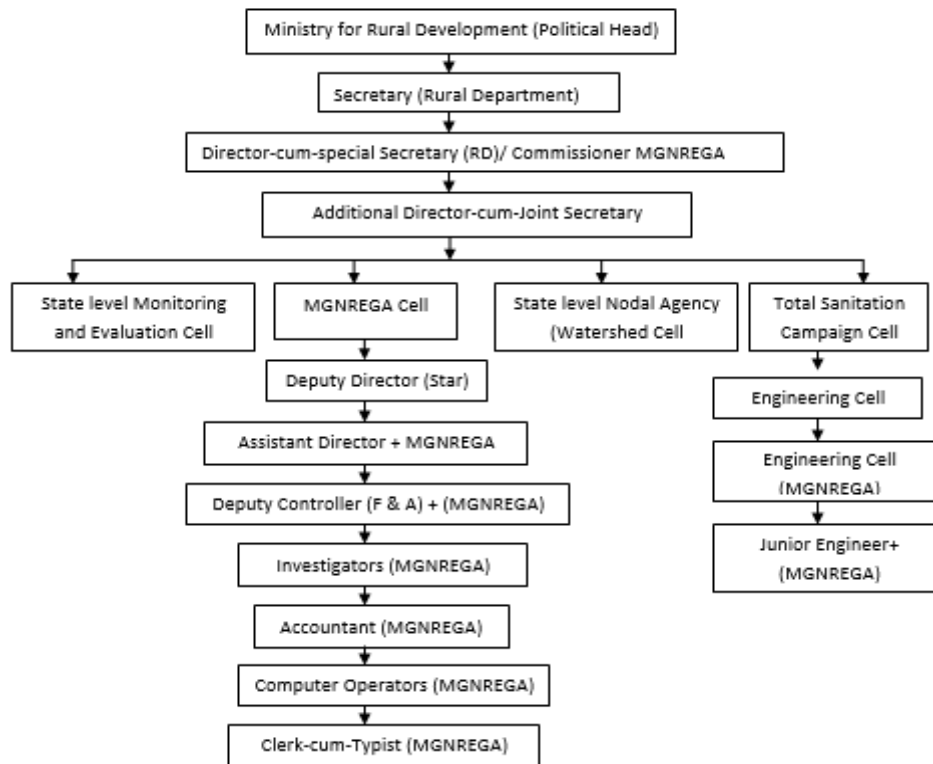


Chart 4.2 reflects that, In Himachal Pradesh Rural Development Department is headed politically by Minister of Rural Development. He is assisted by Secretary (Rural Development), who is administrative head of the department. Under the secretary, there are Director-cum-Special Secretary (RD)/Commissioner (MGNREGA), and Additional-cum-Joint Secretary. These officials are at the top stratum of the Department. The department is divided mainly three cells. MGNREGA cell is apprehensive with the implementation of MGNREGA out of these five cells in the state. Various officials are involved in these cell such as, Deputy Director (Statistics), Assistant Director and Deputy Controller (F&A). Additional charge of MGNREGA has been given to these officials. Under these officials, there are investigators (MGNREGA), Accountant (MGNREGA), Computers operators (MGNREGA), and clerk-cum-typist (MGNREGA).<sup>7</sup>

## RESPONSIBILITIES OF THE STATE GOVERNMENT

Responsibilities of the State Government include:

1. Make Rules on matters pertaining to State responsibilities under Section 32 of the Act.
2. Develop and notify the Rural Employment Guarantee Scheme for the State.
3. Set up the SEGC.
4. Set up a State level MGNREGA implementation agency/ mission with adequate number of high caliber professionals.
5. Set up a State level MGNREGA social audit agency/directorate with adequate number of people with knowledge on MGNREGA processes and demonstrated commitment to social audit.
6. Establish a State Employment Guarantee Fund (SEGF).
7. Ensure that the State share of the MGNREGA budget is provisioned for and released into the SEGF in the beginning of the financial year so that it can be used as a revolving fund.
8. Ensure that full time dedicated personnel, wherever required, are in place for implementing MGNREGA, specially the Employment Guarantee Assistant (Gram Rozgar Sahayak), the PO and the staff at state, district and Cluster level.
9. Delegate financial and administrative powers to the DPC and the Programme Officer, as is deemed necessary for the effective implementation of the Scheme.
10. Establish a network of professional agencies for training, technical support and for quality-control measures.
11. Regular review, research, monitoring and evaluation of MGNREGA processes and outcomes.
12. Ensure accountability and transparency in the Scheme at all levels.
13. Generate widest possible awareness about MGNREGA across the State.
14. Ensure that civil society organizations involved in mobilizing MGNREGA workers are able to formally meet State, district and block level officials in a formal setting at least once a month
15. Ensure compliance with all processes laid down in Act.<sup>8</sup>

## STATE EMPLOYMENT GUARANTEE COUNCIL

A State Employment Guarantee Council (SEGC) (or State Council) is to be set up by every State Government under Section 12 of MGNREGA. The SEGC has the following roles and responsibilities;

1. Advise the State Government on the implementation of the Scheme.
2. Review the monitoring and redressal mechanisms and suggest improvements.
3. Evaluate and monitor the Scheme within the State.
4. Recommend the proposals of works to be submitted to the Central Government under para 1B (xvi) of Schedule I of the Act.
5. Promote widest possible dissemination of information about this Act and the Schemes under it.
6. Prepare the annual report to be laid before the State Legislature by the State Government.<sup>9</sup>

## ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MGNREGA AT THE DISTRICT LEVEL

The District Rural Development Agency (DRDA) is a principal organ responsible to look after the implementation of various rural development activities and especially anti-poverty programmes at the district level. These agencies are autonomous bodies and registered under the Societies Registration Act, 1860. These agencies have been constituted to implement schemes/programmes of rural development in the district concerned. The DRDA is headed by the District Collector who

is its ex-officio chairman. An Additional Collector (Development) who also function as Project Director DRDA, is overall responsible for managing affairs of DRDA. As Project Director, he is assisted by a team of officials viz. District Planning Officer, the Project Manager, the Assistant Engineer, Subject Matter Specialist and an Accounts Officer, etc.<sup>10</sup> Organizational structure at district level has been shown in chart 4.3

CHART 3: ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MGNREGA AT THE DISTRICT LEVEL

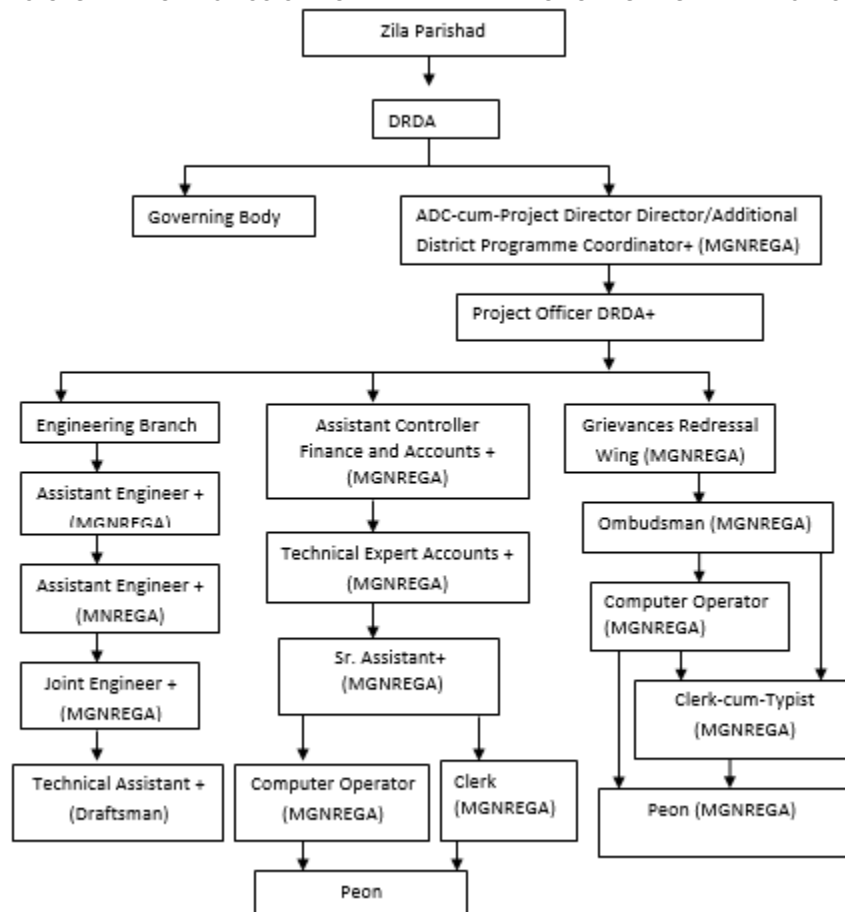


Chart 4.3 shows that, Deputy-Commissioner is the chief executive officer of the District Rural Development Agencies (DRDAs). Besides, Deputy Commissioner, there is a Project Director of the rank of an Additional District Magistrate (ADM) who heads the District Rural Development Agency. He is a senior scale officer of the All India Services or a senior officer of the state services eligible for appointment to the All India Services. Additional District Magistrate is overall incharge of the working and activities of the District Rural Development Agency. There is an Assistant Control (Finance and Accounts) under Project Officer who has the additional charge of MGNREGA, a Technical expert (Accounts), Senior Assistant and Computer Operator and Clerk. A Grievance Redressal wing has also been constituted to redress the grievances of the rural households pertaining to the MGNREGA. Ombudsman is the head of the Grievance Redressal Cell. The District Collector as Chairman of DRDA is empowered to form a committee to assist. DRDA in matter of development within the district related to smooth execution of programmes/schemes. The committee is not a permanent body but expected to meet once in a month. The committee performs the following functions:

1. Finalizes the different doctoral annual plans to be inducted into Annual Action Plan of the district.
2. Guides, monitors and reviews the various development programme/schemes.
3. Approves annual programmes at the village and block level for execution.
4. Reviews the progress of various programme and schemes implemented in the district for the development of scheduled castes.
5. Considers new schemes for the development of scheduled castes and other rural masses in the district.
6. It has the power to tie up sectoral programmes and inter – related input requirements. Thus, DRDA acts as an agency incharge of planning, implementation, monitoring and evaluation of the rural development programmes in the district.<sup>11</sup>

**THE DRDA PERFORMS THE FOLLOWING FUNCTIONS**

1. Identification of BPL families.
2. Keeping liaison with district level and block level agencies so that rural development takes may be performed in the desired manner.
3. Preparing plans and schemes to assist BPL families for improving their economic conditions.
4. Evaluating and monitoring of the programmes to ensure their effectiveness and follow up actions.
5. Arranging institutional credit support to identified beneficiaries.
6. Securing inter-sectorel and inter-departmental coordination and cooperation;
7. Publicity with an aim to generate awareness about rural development programmes.
8. Sending periodical reports to the state government on a prescribed format.
9. Preparing comprehensive development plan for every block.
10. Coordinating surveys and preparing perspective plans, annual action plans for blocks and district plans.

The administrative cost of DRDA is charged by setting apart an amount, i.e. some specific percentage of total allocation allotted to a development programme by the government. But this practice is not mandatory now a days, as many programmes have been entrusted to this agency and some of them may not provide for any administrative costs in exchange of their implementation/execution by DRDA. Therefore, this issue needs an attention of the government particularly in the time when Union government wishes to make this agency more responsible by entrusting more functions and by extending direct financial grants for rural development programmes.

In real sense, the union government has introduced a scheme to professionalize the DRDA since 1<sup>st</sup> April 1999. The primary objective to professionalize DRDAs is to make these bodies capable to effectively manage the anti poverty programme of the Ministry of Rural Development and interact effectively with other agencies. The agencies are expected to coordinate effectively with the line departments, the PRIs, the banks and other financial institutions, the NGOs as well as the technical

institutions with a view to gather requisite support and resources required for poverty reduction effort in the district. The agency has been performing the role of facilitator, guide and monitoring of all kinds of activities pertaining to rural development. It has been executing the programmes with close cooperation of block and village level elected and administrative institutions. It is the block and the village level governance which translates the policy and programmes of rural development in reality and therefore, the efficacy of policy formulation as well as execution depends on these district and sub – district level agencies.<sup>12</sup>

### DISTRICT PROGRAMME COORDINATOR (DPC)

The State Government designates a DPC, who can be either the Chief Executive Officer of the District Panchayat (DP), or the District Collector (DC), or any other District-level officer of appropriate rank. The DPC is responsible for the implementation of the scheme in the district, in accordance with the provisions made in the MGNREGA 2005 and rules and guidelines made there under. The DPC shall:

- i) Assist the DP in discharging its functions.
- ii) Receive the Block Panchayat plans and consolidate them along with project proposals received from other implementing agencies for inclusion in the District Plan for approval by the DPs.
- iii) Accord timely sanction to shelf of projects.
- iv) Ensure that any new projects added at block and district levels are presented again for ratification and fixing priority by concerned GS(s) before administrative sanction is accorded to them.
- v) Ensure timely release and utilization of funds.
- vi) Ensure wage-seekers are provided work as per their entitlements under this Act.
- vii) Review, monitor and supervise the performance of the POs and all implementing agencies in relation to MGNREGA works.
- viii) Conduct and cause to be conducted periodic inspection of the works in progress and verification of Muster Roll.
- ix) Ensure that First Information Report (FIR) is filed in every case in which there is prima facie, evidence misappropriation or financial irregularity.
- x) Appoint Project Implementation Agencies (PIAs) throughout the district, keeping in mind that for a least 50% of value of works, the PIAs need to be GPs.
- xi) Carry out responsibilities as given in Schedule II related to grievance redressal.
- xii) Coordinate an Information Education and Communication (IEC) campaign for MGNREGA within the district
- xiii) Develop annual plans for training and capacity building of various stakeholders within the district.
- xiv) Submit periodic progress and updates to the State Government.
- xv) Ensure that social audits are done in all GPs once in six months and ensure follow up action on social audit reports.
- xvi) Ensure that, all transactions including issue of JCs, recording of applications for work, allocation of work, generation of wage slips and Fund Transfer Orders (FTOs), entries relating to work performed delayed payment of wages, and unemployment allowance are made through MGNREGA soft only.
- xvii) Ensure that all entries relating to works such as details of the shelf of works, GPS coordinates, status of implementation, photographs of works at three different stages are entered in MGNREGA soft at even required stage. Information regarding completion of work should be entered in as soon as possible but in any case no *later* than 2 months from the time of physical completion.
- xviii) Ensure that all funds received by Implementing Agencies and District level authorities including Panchayats are posted in MGNREGA soft no later than two days of receipt of such funds.
- xix) Ensure that all required entries in MGNREGA Soft are made by all concerned officials including the line departments, in the district.

### DISTRICT PANCHAYAT

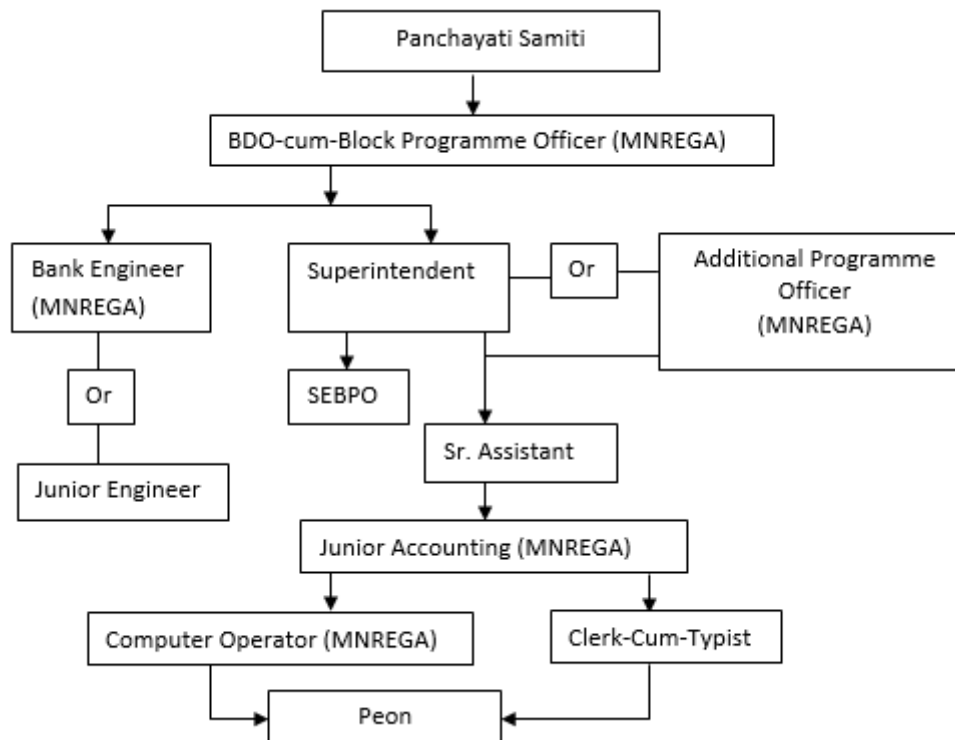
DPs are responsible for:

- 1) Consolidation of Annual Block Plans (within the District) into a District Plan.
- 2) Adding any inter-block work that according to them will be a good source of employment.
- 3) Monitoring and supervision of the MGNREG A in the District
- 4) Carry out such other functions as may be assigned to it by the state council, from time to time.<sup>13</sup>

### ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MNREGA AT THE BLOCK LEVEL

The primary responsibility for implementation of development programmes rests with panchayats samities and teams of officials at block level. The Samiti or the block office is the basic unit for preparation of perspective and annual active plan and for the implementation and evaluation of different programmes as per the state norms. In real sense it is the real rural development programme implementing agency, headed by an officer called Block Development and Panchayat Officer (BDPO) of Taluq Development Officers, etc. The officer is assisted by a team of extension officers like Social Education and Panchayat Officer. The Block Development Office now a days is not having any extension officer in functional areas rather they (extension officers) work under their district departmental heads. The 73<sup>rd</sup> constitutional Amendment Act has not also strengthened the panchayats samiti or administrative office at this level may be because it wishes to strengthen the DRDA. The Gram Panchayat has also been strengthened by the new enactment and that has again undermined the responsibility of panchayat samiti or block level administrative set – up established by a rural development. A village level official called Village Level Worker (VLW) Gram Sewak/ Gram Sachiv help the Block Development Office and to maintain the records of the village panchayats. Usually 3-4 Gram Panchayats are under this official. He assists the BDPO in implementing rural development schemes at village level. Organisational Structure for the implementation of MGNREGA at Block level has been shown in Chart 4.4.

CHART 4: ORGANIZATIONAL STRUCTURE FOR THE IMPLEMENTATION OF MNREGA AT THE BLOCK LEVEL



Block Development Officer is at the apex at the block level, while performing the duties under Mahatma Gandhi National Rural Employment Guarantee Act, he is treated as Programme Officer. For the assistance of BDO, there is an Additional Programme Officer MGNREGA at the block level who assists BDO in the functioning of MGNREGA. In the absence of Additional Programme Officer, the superintendent has to perform the activities/functions assigned to Additional Programme Officer. There are two Senior Assistant in the account branch who deals with the Centre and State heads each. To deal with the maintenance of MGNREGA records and accounts, there is a Junior Assistant. There are two computer operators (MGNREGA) and lower division clerk under their subordination. There are four Junior Engineers in technical branch who provides engineering services at the block level and assist it in reconstruction of works at the block level and they are accountable for providing technical assistant. At block level, Social Education and Block Planning Officer (SEBPO) also looks MGNREGA activities at block level. All the poverty alleviation programmes including MGNREGA have been reviewed in the meeting of APO, SEBPO under the chairmanship of Block Development Officer. The review of all the activities has also been made in the quarterly meeting of the Panchayati Samiti under the chairmanship of the Chairperson of Panchayat Samiti with BDO as its member secretary.<sup>14</sup>

### FUNCTIONS OF BDO

The primary responsibility of BDO is to ensure that anyone who applies for work gets employment within 15 days. The important functions of BDO are as follows:

- i) Consolidating, after scrutiny, all project proposals received from GPs into the Block Plan and submitting it to the District Panchayat for scrutiny and consolidation.
- ii) Matching employment opportunities arising from works within the Block Plan with the demand for work at each GP in the Block.
- iii) Ensuring baseline surveys to assess work demand.
- iv) Monitoring and supervising implementation of works taken up by GPs and other implementing agencies within the Block.
- v) Ensuring prompt and fair payment of wages to all labourers and payment of unemployment allowance in case employment is not provided on time.
- vi) Maintaining proper accounts of the resources received, released and utilized.
- vii) Redressing grievances within the Block. The PO shall enter every complaint in a complaint register and issue dated and numbered acknowledgement. Complaints that fall within the jurisdiction of the PO, including any complaints concerning the implementation of the Act by a GP shall be disposed of by the PO within 7 days, as prescribed under Section 23(6) of the Act. In case a complaint relates to a matter to be resolved by any other authority, the PO shall conduct a preliminary enquiry and refer the matter to such authority within seven days under intimation to the complainant.
- viii) Ensuring conduct of social audits and following upon required actions.
- ix) Ensuring all the required information and records of all implementing agencies such as JC register, employment register, work register, GS resolution, copies of the sanctions (administrative or technical or financial), work estimates, work commencement order, Muster Roll issue and receipt register, Muster Rolls, wage payment acquaintance, materials - bills and vouchers (for each work), measurement books (for each work), asset register, action taken report on previous social audits, grievance or complaints register.
- x) Ensuring any other documents that the Social Audit Unit (SAU) requires to conduct the social audit processes are properly collated in the requisite formats; and provided along with photocopies to the SAU for facilitating conduct of social audit at least fifteen days in advance of the scheduled date of meeting of the GS.
- xi) Setting up Cluster-Level Facilitation Teams (CFTs) to provide technical support to GPs within each Cluster of GPs.
- xii) Facilitating technical support to Gram Panchayats by CFTs.
- xiii) Liaison with Banks and Post Offices in opening up of new accounts and making regular and timely payments to labour. Liaison between GPs and Block as also between Block and District for all correspondence and communication.
- xiv) Organise formal monthly meetings with civil society organizations (CSOs) involved in facilitating MGNREGA implementation in the block.

### INTERMEDIATE PANCHAYAT

The function of the Panchayat at intermediate level shall be, to:

- i) Approve the Block Level Plan for forwarding it to the district Panchayat at the district level for final approval;
- ii) Supervise and monitor the projects taken up at the Gram Panchayat and Block level;
- iii) Carry out such other functions as may be assigned to It by the State Council, from time to time.



iv) Where Part IX of the Constitution does not apply, local Councils/authorities as mandated by the State concerned, will be invested with these responsibilities.<sup>15</sup>

Lastly, the block development machinery along with panchayats samiti is assisted by the Gram Panchayats and the Village Development Committees constituted for the purpose in some states. Rural development governance must be effective particularly to encourage local initiative and participation. New PRIs are quite helpful in this regard but the answer of the question whether these agencies are able to function in tune with the larger objectives for which they are created and the rural populations have an emotional nexus with these agencies is still not affirmative.

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## EFFECTS OF FDI IN RETAIL SECTOR IN INDIA

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**ABSTRACT**

*Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges such as tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generating employment.*

**KEYWORDS**

FDI, FDI in retail sector.

**INTRODUCTION**

Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by each region necessitating a need for localization even within the geographic zones. India has highest number of outlets per person (7 per thousand) Indian retail space per capita at 2 sq ft (0.19 m<sup>2</sup>) / person is lowest in the world Indian retail density of 6 percent is highest in the world. 1.8 million households in India have an annual income of over 4.5 million (US\$67,934.70).

**THE INDIAN RETAIL MARKET**

Country	Modern Retail (in 2011, % of total)
India	7%
China	20%
Thailand	40%
United States	85%

The organised retail market has a share of 8% as per 2012. While India presents a large market opportunity given the number and increasing purchasing power of consumers, there are significant challenges as well given that over 90% of trade is conducted through independent local stores. Challenges include: Geographically dispersed population, small ticket sizes, complex distribution network, little use of IT systems, limitations of mass media and existence of counterfeit goods. A number of merger and acquisitions have begun in Indian retail market. PWC estimates the multi-brand retail market to grow to \$220 billion by 2020.

**INDIAN RETAILERS**

A 2012 PWC report states that modern retailing has a 5% market share in India with about \$27 billion in sales, and is growing at 15 to 20% per year. There are many modern retail format and mall companies in India. Some examples are in the following table.

Indian Retail Group	Market Reach in 2011 and Notes
Pantaloon Retail	65 stores and 21 factory outlets in 35 cities, 2 million square feet space
Shoppers Stop	51 stores in 23 cities, 3.2 million square feet space
Spencers Retail	200 stores in 45 cities, 1 million square feet space
Reliance Retail	708 mart and supermarkets, 20 wholesale stores in 15 cities, 508 fashion and lifestyle ₹1206 crore (US\$180 million) per month sales in 2013
Bharti Retail	74 Easyday stores, plans to add 10 million square feet by 2017
Birla More	575 stores nationwide
Tata Trent	59 Westside mall stores, 13 hypermarkets
Lifestyle Retail	15 lifestyle stores, 8 home centers
Future Group	193 stores in 3 cities one of three largest supermarkets retailer in India by sales ₹916 crore (US\$140 million) per month sales in 2013

**INDIA RETAIL REFORMS**

Until 2011, Indian central government denied foreign direct investment (FDI) in multi-brand Indian retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or any retail outlets, to sell multiple products from different brands directly to Indian consumers.

The government of Manmohan Singh, prime minister, announced on 24 November 2011 the following:

- India will allow foreign groups to own up to 51 per cent in "multi-brand retailers", as supermarkets are known in India, in the most radical pro-liberalisation reform passed by an Indian cabinet in years;
- single brand retailers, such as Apple and Ikea, can own 100 percent of their Indian stores, up from the previous cap of 51 percent;
- both multi-brand and single brand stores in India will have to source nearly a third of their goods from small and medium-sized Indian suppliers;
- all multi-brand and single brand stores in India must confine their operations to 53-odd cities with a population over one million, out of some 7935 towns and cities in India. It is expected that these stores will now have full access to over 200 million urban consumers in India;
- multi-brand retailers must have a minimum investment of US\$100 million with at least half of the amount invested in back end infrastructure, including cold chains, refrigeration, transportation, packing, sorting and processing to considerably reduce the post harvest losses and bring remunerative prices to farmers;

- the opening of retail competition will be within India's federal structure of government. In other words, the policy is an enabling legal framework for India. The states of India have the prerogative to accept it and implement it, or they can decide to not implement it if they so choose. Actual implementation of policy will be within the parameters of state laws and regulations.

The opening of retail industry to global competition is expected to spur a retail rush to India. It has the potential to transform not only the retailing landscape but also the nation's ailing infrastructure.,

A Wall Street Journal article claims that fresh investments in Indian organised retail will generate 10 million new jobs between 2012–2014, and about five to six million of them in logistics alone; even though the retail market is being opened to just 53 cities out of about 8000 towns and cities in India.

#### **Current supermarkets**

Existing Indian retail firms such as Spencer's, Foodworld Supermarkets Ltd, Nilgiri's and ShopRite support retail reform and consider international competition as a blessing in disguise. They expect a flurry of joint ventures with global majors for expansion capital and opportunity to gain expertise in supply chain management. Spencer's Retail with 200 stores in India, and with retail of fresh vegetables and fruits accounting for 55 per cent of its business claims retail reform to be a win-win situation, as they already procure the farm products directly from the growers the involvement of middlemen or traders. Spencer's claims that there is scope for it to expand its footprint in terms of store location as well as procuring farm products. Food world, which operates over 60 stores, plans to ramp up its presence to more than 200 locations. It has already tied up with Hong Kong-based Dairy Farm International. With the relaxation in international investments in Indian retail, India's Foodworld expects its global relationship will only get stronger. Competition and investment in retail will provide more benefits to consumers through lower prices, wider availability and significant improvement in supply chain logistics.

#### **Economists and entrepreneurs**

Many business groups in India are welcoming the transformation of a long-protected sector that has left Indian shoppers bereft of the scale and variety of their counterparts in more developed markets.

B. Muthuraman, the president of the Confederation of Indian Industry, claimed the retail reform would open enormous opportunities and lead to much-needed investment in cold chain, warehousing and contract farming.

Organised retailers will reduce waste by improving logistics, creating cold storage to prevent food spoilage, improve hygiene and product safety, reduce counterfeit trade and tax evasion on expensive item purchases, and create dependable supply chains for secure supply of food staples, fruits and vegetables. They will increase choice and reduce India's rampant inflation by reducing waste, spoilage and cutting out middlemen. Fresh investment in organised retail, the supporters of retail reform claim will generate 10 million new jobs by 2014, about five to six million of them in logistics alone.

Organised retail will offer the small Indian farmer more competing venues to sell his or her products, and increase income from less spoilage and waste. A Food and Agricultural Organisation report claims that currently, in India, the small farmer faces significant losses post-harvest at the farm and because of poor roads, inadequate storage technologies, inefficient supply chains and farmer's inability to bring the produce into retail markets dominated by small shopkeepers. These experts claim India's post-harvest losses to exceed 25%, on average, every year for each farmer.,

Unlike the current monopoly of middlemen buyer, retail reforms offer farmers access to more buyers from organised retail. More buyers will compete for farmers produce leading to better support for farmers and to better bids. With less spoilage of staples and agricultural produce, global retail companies can find and provide additional markets to Indian farmers. Walmart, since its arrival in India's wholesale retail market, already sources and exports about \$1 billion worth of Indian goods for its global customers.

Not only do these losses reduce food security in India, the study claims that poor farmers and others lose income because of the waste and inefficient retail. Over US\$50 billion of additional income can become available to Indian farmers by preventing post-harvest farm losses, improving transport, proper storage and retail. Organised retail is also expected to initiate infrastructure development creating millions of rural and urban jobs for India's growing population. One study claims that if these post-harvest food staple losses could be eliminated with better infrastructure and retail network in India, enough food would be saved every year to feed 70 to 100 million people over the year.

Supporters of retail reform, The Economist claims, say it will increase competition and quality while reducing prices helping to reduce India's rampant inflation that is close to the double digits. These supporters claim that unorganised small shopkeepers will continue to exist alongside large organised supermarkets, because for many Indians they will remain the most accessible and most convenient place to shop.

Amartya Sen, the Indian-born Nobel Prize-winning economist, in a December 2011 interview claims foreign direct investment in multi brand retail can be good thing or bad thing, depending on the nature of the investment. Quite often, claims Professor Sen, FDI is a good thing for India.

#### **HISTORY OF FDI IN INDIA**

At the time of independence, the attitude towards foreign capital was one of fear and suspicion. This was natural on account of the previous exploitative role played by it in 'draining away' resources from this country.

The suspicion and hostility found expression in the Industrial Policy of 1948 which, though recognizing the role of private foreign investment in the country emphasized that its regulation was necessary in the national interest. Because of this attitude expressed in the 1948 resolution, foreign capitalists got dissatisfied and as a result, the flow of imports of capital goods got obstructed. As a result, the prime minister had to give following assurances to the foreign capitalists in 1949:

1. No discrimination between foreign and Indian capital. The government of India will not differentiate between the foreign and Indian capital. The implication was that the government would not place any restrictions or impose any conditions on foreign enterprise which were not applicable to similar Indian enterprises.
2. Full opportunities to earn profits. The foreign interests operating in India would be permitted to earn profits without subjecting them to undue controls. Only such restrictions would be imposed which also apply to the Indian enterprises.
3. Guarantee of compensation. If and when foreign enterprises are compulsorily acquired, compensation will be paid on a fair and equitable basis as already announced in government's statement of policy.

Though the Prime Minister stated that the major interest in ownership and effective control of an undertaking should be in Indian hands, he gave assurance that there would be "no hard and fast rule in this matter."

By a declaration issued on June 2, 1950, the government assured the foreign capitalists that they can remit the he foreign investments made by them in the country after January 1, 1950. In addition, they were also allowed to remit whatever investment of profit and taken place.

Despite the above assurances, foreign capital in the requisite quantity did not flow into India during the period of the First plan. The atmosphere of suspicion had not changed substantially. However, the policy statement of the Prime Minister issued in 1949 and continued practically unchanged in the 1956 Industrial Policy Resolution, had opened up immense fields to foreign participation. In addition, the trends towards liberalization grew slowly and gradually more strong and the role of foreign investment grew more and more important.

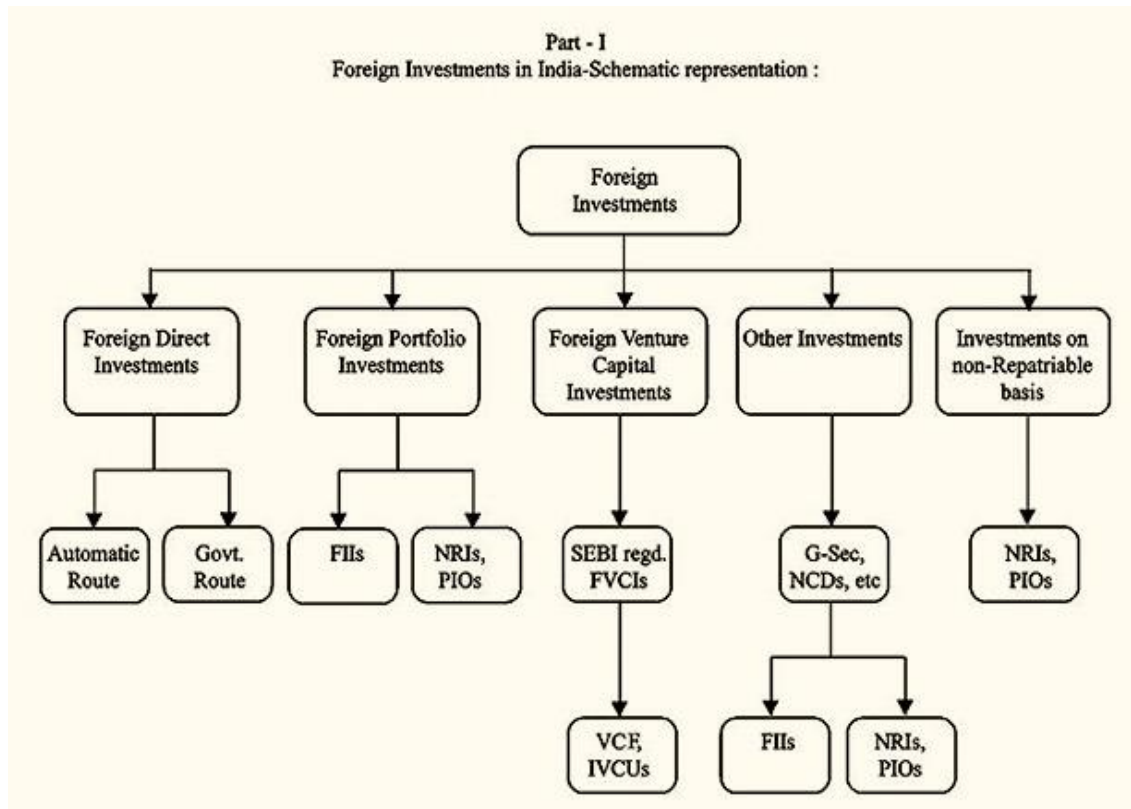
The government relaxed its policy concerning majority ownership in several cases and granted several tax concessions for foreign personnel. Substantial liberalization was announced in the New Industrial Policy declared by the government on 24th July 1991 and doors of several industries have been opened up for foreign investment.

Prior to this policy, foreign capital was generally permitted only in those industries where Indian capital was scarce and was not normally permitted in those industries which had received government protection or which are of basic and/or strategic importance to the country. The declared policy of the government was to discourage foreign capital in certain essential consumer goods and service industries.

However, this provision was frequently violated as a number of foreign collaborations even in respect of cosmetics, toothpaste, lipstick etc. were allowed by the government. It was also stated that foreign capital should help in promoting exports or substituting imports.

The government also laid down that in all those industries where foreign capital investment is allowed, the major interest in ownership and effective control should always be in Indian hands (this condition was also often relaxed).

The foreign capital investments and technical collaborations were required to be so regulated as to fit into the overall framework of the plans. In those industries where foreign technicians and managers were allowed to operate as Indians with requisite skills and experience were not available, vital importance was to be accorded to the training and employment of Indians in the quickest possible manner.



Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper wages, special investment privileges like tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generation of employment.

The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. The Indian government's policy regime and a robust business environment have ensured that foreign capital keep flowing into the country. The government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges and stock exchanges, among others.

## MARKET SIZE

FDI into India through the approval route shot up 162 per cent to US\$ 1.91 billion in the first ten months of the ongoing fiscal year, indicating that government's effort to improve ease of doing business and relaxation in FDI norms may be yielding results.

FDI to India doubled to US\$ 4.48 billion in January 2015, the highest inflow in last 29 months, from US\$ 2.18 billion in January 2014.

The foreign inflows have grown to touch US\$ 25.52 billion during the April-January 2014-15, up 36 per cent year-on-year (y-o-y), from US\$ 18.74 billion in the corresponding period last fiscal, according to Department of Industrial Policy and Promotion (DIPP) data. The top 10 sectors receiving FDI include telecommunication which received the maximum FDI worth US\$ 2.83 billion in the 10 month period, followed by services (US\$ 2.64 billion), automobiles (US\$ 2.04 billion), computer software and hardware (US\$ 1.30 billion) and pharmaceuticals sector (US\$ 1.25 billion).

India received the maximum FDI from Mauritius at US\$ 7.66 billion, followed by Singapore (US\$ 5.26 billion), the Netherlands (US\$ 3.13 billion), Japan (US\$ 1.61 billion) and the US (US\$ 1.58 billion) during April-January 2014-15 period. Healthy inflow of foreign investments into the country helped India's balance of payments (BOP) situation and stabilized the value of rupee.

Also, deals worth US\$ 3.4 billion across 118 transactions were struck in January in India, compared with US\$ 1.6 billion across 87 transactions in January last year and US\$ 1.2 billion across 74 deals in the same month a year before that, according to a Grant Thornton report on merger and acquisition (M&A) and private equity (PE) activity.

Inbound deals have more than tripled in value, led by the Herman-Symphony transaction worth US\$ 780 million and three other deals worth more than US\$ 100 million each.

## INVESTMENTS/DEVELOPMENTS

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on February 17, 2015, the Government has approved ten proposals of FDI amounting to Rs. 2,857.83 crore (US\$ 452.72 million) approximately.

Bangalore-based business process outsourcing (BPO) firm Hinduja Global Solutions Ltd (HGS) has announced that it has acquired a majority stake in Colibrum Partners LLC and Colibrum Direct LLC. The acquisition has been made by HGS Colibrum Inc, a US subsidiary of HGS, which would own 89.9 per cent of Colibrum, a wellness automation technology firm.

Insurance Australia Group Ltd (IAG) is set to raise its stake in its general insurance joint venture with the State Bank of India (SBI) from 26 per cent to 49 per cent, in the first such instance after Parliament cleared a bill on March 12 that raised the maximum permitted foreign stake in insurance sector.

The Maharashtra government has signed a memorandum of understanding (MoU) with the Swedish furniture retailing giant, IKEA, to set up two to three stores, with an estimated investment of around Rs 1,800 crore (US\$ 285.14 million). Maharashtra is one of four states, including Telangana, Karnataka and Delhi-National Capital Region (NCR), identified by IKEA to open its stores.

Lowe's Services India Private Limited, a subsidiary of Lowe's Companies, has opened its global innovation center (GIC) in Bengaluru, India. The GIC will focus on next-generation customer experience by laying emphasis on technology and analytics to provide customers with a more personalized shopping experience.

ThyssenKrupp Aerospace, part of ThyssenKrupp AG, the Germany-based conglomerate, and supplier of aerospace materials and logistics, has announced its foray into the Indian aerospace market with the setting up of a facility in Bengaluru. So far the company has invested around Rs 25 crore (US\$ 3.96 million) in the facility, which employs around 30 people

European aircraft major Airbus, which had sourced more than \$400 million worth of components from India in the past year, has signed an agreement with Bengaluru-based Dynamitic Technologies for supply of flap-track beams for its A-330 wide-body planes.

India has received proposals worth Rs 21,000 crore (US\$ 3.32 billion) from companies under the Union government's Make in India programme. Of this, Rs 6,000 crore (US\$ 950.61 million) of proposals have already been cleared.

Twitter Inc is planning to set up a research and design (R&D) centre in Bengaluru to grow faster in emerging markets. This will be the San Francisco-based company's first such facility outside the US.

Keiretsu Forum, a global angel investor network with 1,400 accredited members, has forayed into India by opening a chapter in Chennai.

CDC, the UK's development finance institution, has invested US\$ 48 million in Narayana Hrudayalaya hospitals, a multi-specialty healthcare provider. CDC will receive a small minority stake in return for its investment.

## GOVERNMENT INITIATIVES

The Government has amended the FDI policy regarding Construction Development Sector. The amended policy includes easing of area restriction norms, reduction of minimum capitalisation and easy exit from project. Further, in order to give boost to low cost affordable housing, it has been provided that conditions of area restriction and minimum capitalisation will not apply to cases committing 30 per cent of the project cost towards affordable housing.

Relaxation of FDI norms are expected to result in enhanced inflows into the Construction Development sector consequent to easing of sectoral conditions and clarification of terms used in the Policy. It is likely to attract investments in new areas and encourage development of plots for serviced housing given the shortage of land in and around urban agglomerations as well as the high cost of land. The measure is also expected to result in creation of much needed low cost affordable housing in the country and development of smart cities.

The government has also raised FDI cap in insurance to 49 per cent from 26 per cent through a notification issued by the DIPP. The limit is composite in nature as it includes foreign investment in forms of foreign portfolio investment, foreign institutional investment, qualified foreign investment, foreign venture capital investment and non-resident investment.

Also, India's cabinet has cleared a proposal which allows 100 per cent FDI in railway infrastructure, excluding operations. Though the initiative does not allow foreign firms to operate trains, it allows them to do other things such as create the network and supply trains for bullet trains etc.

## ROAD AHEAD

Foreign investment inflows are expected to increase by more than two times and cross the US\$ 60 billion mark in FY15 as foreign investors start gaining confidence in India's new government, as per an industry study. "Riding on huge expectations from the incoming Modi government, global investors are gung ho on the Indian economy which is expected to witness over 100 per cent increase in foreign investment inflows – both FDI and FII – to above US\$ 60 billion in the current financial year, as against US\$ 29 billion during 2013-14," according to the study.

India will require around US \$1 trillion in the 12th Five-Year Plan (2012–17), to fund infrastructure growth covering sectors such as highways, ports and airways. This requires support in terms of FDI. The year 2013 saw foreign investment pour into sectors such as automobiles, computer software and hardware, construction development, power, services, and telecommunications, among others.

## ADVANTAGES AND DISADVANTAGES OF FDI

It typically takes the form of starting a subsidiary, acquiring a stake in venture in an existing firm or starting a joint venture in a foreign country.

Green-field investment, i.e., establishing an entirely new enterprise in the foreign market.

Mergers & Acquisitions, i.e., merging or acquiring an existing firm in the foreign country.

FDI as an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (parent investor) in an enterprise resident in an economy other than that of the foreign direct investor.

## FDI IN RETAIL SECTOR

The retail industry is that sector of economy which consists of stores, commercial complexes, individual, agencies, companies and organizations. Etc. involved in the business of selling variety of finished products to the end-user consumers directly and indirectly. The goods in the retail industry are the finished products of all sectors of commerce and economy of a country.

The retail sector in India is vast, and has huge potential for growth and development, as the majority of its constituents are unorganized. The retail sector of India handles about \$ 250 billion every year, and is expected by economists to reach to \$660 billion by the year 2015.

The government led by Dr. Manmohan Singh announced new reform in Indian retail sector.

The FDI in single brand retail which was earlier 51% has been increased to 100%.

The FDI up to 51% is allowed in multi-brand retail stores.

The retailers will have to source at least 30% of their goods from small and medium sized Indian suppliers.

All retail stores can open up their operations in population having over 1million. Out of approximately 7935 towns and cities in India, 55 suffice such criteria.

Multi-brand retailers have to bring at least US\$100million of investment. Out of which 50% will be used for infrastructure.

The opening of retail competition should be within the parameters of state laws and regulations.

## ANALYSIS AND INTERPRETATION

### SWOT ANALYSIS OF RETAIL SECTOR

#### 1. STRENGTHS

- Major contribution to GDP: the retail sector in India is hovering around 33-35% of GDP as compared to around 20% in USA.
- High Growth Rate: the retail sector in India enjoys an extremely high growth rate of approximately 46%.
- High Potential: since the organised portion of retail sector is only 2-3%, thereby creating lot of potential for future players.
- High Employment Generator: the retail sector employs 7% of work force in India, which is rite now limited to unorganised sector only. Once the reforms get implemented this percentage is likely to increase substantially.

#### 2. WEAKNESSES (LIMITATION)

- Lack of Competitors: AT Kearney's study on global retailing trends found that India is least competitive as well as least saturated markets of the world.
- Highly Unorganised: The unorganised portion of retail sector is only 97% as compared to US, which is only 20%.
- Low Productivity: Mckinsey study claims retail productivity in India is very low as compared to its international peers.
- Shortage of Talented Professionals: the retail trade business in

India is not considered as reputed profession and is mostly carried out by the family members (self-employment and captive business). Such people are not academically and professionally qualified.

**3. OPPORTUNITIES (BENEFITS)**

- There will be more organization in the sector: Organized retail will need more workers. According to findings of KPMG, in China, the employment in both retail and wholesale trade increased from 4% in 1992 to about 7% in 2001, post reforms and innovative competition in retail sector in that country.
- Healthy Competition will be boosted and there will be a check on the prices (inflation): Retail giants such as Walmart, Carrefour, Tesco, Target and other global retail companies already have operations in other countries for over 30 years. Until now, they have not at all become monopolies rather they have managed to keep a check on the food inflation through their healthy competitive practices.
- Create transparency in the system: the intermediaries operating as per mandi norms do not have transparency in their pricing. According to some of the reports, an average Indian farmer realises only one-third of the price, which the final consumer pays.
- Intermediaries and mandi system will be evicted, hence directly benefiting the farmers and producers: the prices of commodities will automatically be checked.
- Quality Control and Control over Leakage and Wastage: due to organisation of the sector, 40% of the production does not reach the ultimate consumer. Cost conscious and highly competitive retailers will try to avoid these wastages and losses and it will be their endeavour to make quality products available at lowest prices, hence making food available to weakest and poorest segment of Indian society.
- Heavy flow of capital will help in building up the infrastructure for the growing population: India is already operating in budgetary deficit. Neither the government of India nor domestic investors are capable of satisfying the growing needs (school, hospitals, transport etc.) of the ever growing Indian population. Hence foreign capital inflow will enable us to create a heavy capital base.

**4. THREATS**

- Current Independent Stores will be compelled to close.
- This will lead to massive job loss as most of the operations in big stores like Walmart are highly automated requiring less work force.
- Big players can knock-out competition: they can afford to lower prices in initial stages, become monopoly and then raise price later.
- India does not need foreign retailers: as they can satisfy the whole domestic demand.
- Remember East India Company it entered India as trader and then took over politically.

In view of the above analysis, if we try to balance opportunities and prospects attached to the given economic reforms, it will definitely cause good to Indian economy and consequently to public at large, if once implemented. Thus the period for which we delay these reforms will be loss for government only, since majority of the public is in favour of reforms. All the above mentioned drawbacks are mostly politically created. With the implementation of this policy all stakeholders will benefit whether it is consumer through quality products at low price, farmers through more transparency in trading or Indian corporates with 49% profit share remaining with Indian companies only.

**ADVANTAGES AND DISADVANTAGES OF FDI IN RETAIL SECTOR****ADVANTAGES**

1. FDI shifts the burden of risk if an investment from domestic to foreign investors.
2. Repayments are linked to profitability of the underlying investment
3. FDI is the only capital inflow that has been strongly associated with higher GDP growth since 1970.
4. FDI contributes to economic growth as it raises the ratio of FDI flow to domestic investment.
5. FDI has led to potential gains through technology transfer.
6. FDI has generated large employment opportunities in a number of countries.
7. FDI has led to the growth of the international trade.

**DISADVANTAGES**

1. Entry of global giants will force the Indian Traditional Kiriyana Stores to shut down their business.
2. Profit will be distributed; investment ratios are not fixed.
3. An economically backward class person will suffer from price rise.
4. Market places will be located too far which will increase the travelling expenses.
5. There will be cross-culture conflicts
6. Exploitation of natural resources by foreign players
7. Inflation may be increased.
8. India will become slave due to entry of foreign players

**CONCLUSION**

It can be said that the advantages of allowing unrestrained FDI in the retail sector evidently outweigh the disadvantages attached to it and the same can be deduced from the examples of successful experiments in countries like Thailand and China where too the issue of allowing FDI in the retail sector was first met with incessant protests, but later turned out to be one of the most promising political and economic decisions of their governments and led not only to the commendable rise in the level of employment but also led to the enormous development of their country's GDP.

And also, nobody can force a consumer to visit a mega shopping complex or a small retailer/sabji mandi. Consumers will shop in accordance with their utmost convenience, where ever they get the lowest price, max variety, and a good consumer experience.

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## AN ANALYSIS OF SERVQUAL AND SERVPERF IN INDIAN BANKING CONTEXT

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## ABSTRACT

"Services sector is the largest sector of India. Services sector accounts for 52.97% of total India's Gross Value Added (GVA) of 115.50 lakh crore Indian rupees." (Planning commission, Government of India, 2015). Banking plays a very significant role here. After liberalization Indian banking scenario has changed drastically. Cut throat competition, high customer expectation and dynamic technological changes have forced bank to thrive on service quality. While most of the products in Banks are not much different from each other, as they governed by governing body the only scope of success comes from providing service quality. Service quality is defined as global judgment or attitude relating to the superiority of the service. SERVQUAL and SERVPERF are the most frequently used measuring scale to assess service quality. This paper evaluates the most frequently used measuring scale SERVQUAL and SERVPERF from the existing literatures and understands both the scales comprehensively. Many literary works have been done applying both the scales; primarily electronic search was conducted, then manual assessment and thorough analysis of the articles identified from the computer-based searches were conducted. Finally, Indian banking context has been considered and the rationale for their usage of scale is reviewed. The present paper also tries to give direction to researchers / marketing team regarding the usage of the two scales in practice. It also provides a contrast between the two scales. Though both SERVQUAL and SERVPERF are widely used scales, but SERVPERF scale is found to be superior from the review (Indian banking context).

## KEYWORDS

banks, servperf, servqual, service quality.

## INTRODUCTION

After liberation banking sector has shown tremendous growth. The customers have more choices in choosing their banks. A competition has been established between the banks operating in India.

With stiff competition and advancement of technology, the services provided by banks have become more easy and convenient. None could have imagined anytime banking 50 years back, services such as the paying of bills or the transfer of money from one account to the other are fast and have become very easy process as well.

New verticals of banking have been developed due to huge transactions and to provide quick service to customers as well. Concepts like wholesale banking, retail banking, merchant banking, were born for the continuous innovation of services and products by banks. Wholesale banking are services that are provided between merchant banks and other types of financial institutions.

Whereas typical mass-market banking in which individual customers use local branches of larger commercial banks is retail banking. Wholesale banking is different from retail banking because it focuses more on corporate-style entities and high-value transactions, and retail banking focuses on providing financial services to individual consumers. Many banks typically engage in both wholesale and retail banking. Today, retail bankers have to cope with numerous challenges as a result of the ever-changing economy. They must keep abreast of the latest retail banking technology and respond to customers with alacrity. It provides different kind of solutions like core Banking, payments, wealth management, mobile banking.

The scenario is fully changed now. Banks are now customer centric. Every campaign, every promotion is showcasing the service aspect of respective Banks. The number of players being large, customers has a good range of choice. Customer mostly chooses a bank which provides maximum satisfaction and better service. Oliver (1980) adds satisfaction increases while the ratio between performance and expectations increased as well. Customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products or services (Bitner and Hubbert, 1994) In this context customer satisfaction becomes the major contributor for profit. As Indian banks are regulated by regulatory bodies (mainly RBI), the products of the banks remain similar to each other. Thus the service aspect of banks has become significant.

**Service quality** has been variously defined as focusing on meeting needs and requirements, and how well the service delivered matches customer's expectation. Perceived service quality is a global consumer judgment or attitude, relating to service and results from comparisons by consumers of expectations of service with their perceptions of actual service performance (Berry, Zeithaml and Parasuraman 1985, Grönroos, 1984). Many authors have narrated the importance of service quality and its contribution to organization. (Crosby, 1991; Reichfeld and Sasser, 1990; Edvardsson and Gustavsson, 1991; Adil, 2012; Adil, 2013a, Adil, 2013b). Parasuraman et al. (1985) opine that service quality is the function of customers' expectation and service providers' performance. The concept of service quality was defined by Parasuraman et al. as "a form of attitude, related but not equivalent to satisfaction that results from a comparison of expectations with perceptions of performance. Expectations are viewed as desires or wants of consumers i.e. what they feel a service provider should offer rather than what the service provider would offer."

During 1980 and 1990 research were carried out to measure service quality. But Parasuraman et al. (1980) developed an instrument to measure service quality. By using five dimensions of service quality, namely, tangibles, reliability, responsiveness, assurance and empathy and used these as the basis for their service quality measurement instrument, SERVQUAL.

However, Cronin and Taylor (1992) argued that the conceptualization of service quality as a gap between expectations and performance is inadequate. Cronin and Taylor (1992) were the first to provide a theoretical justification for discarding the expectations part of SERVQUAL in favor of mere performance measures included in the scale. The authors named their scale SERVEPERF.

The present study evaluates and compare the most frequently used scales both SEVQUAL and SERVPERF. Here review of literary work is prime focus and thus it had been presented as the main division afterward.

## RATIONALE FOR THE STUDY

Even though a lot of studies had been done using both the scale. There are many comparisons drawn between the two scales in the developed countries, the similar studies in the context of a rapidly developing country like in India are limited. The research highlight the service quality in Banking in total, comparative analysis on SERVQUAL and SERVPERF scores in different kinds of bank, in different states and formats in banking industry. The present paper is a deep analyze of better applicability and enhance the understanding of SERVQUAL and SERVPERF in banking industry, however, has not been explicitly demonstrated in the past. This research focuses not only on the issue of measuring of service quality but also banking sector in different states of India. While carrying out a research it becomes very difficult to choose scales, to understand the applicability of scales, and their respective qualities and limitations. This paper will definitely provide guideline for choosing scales in future research.

## OBJECTIVES

1. The primary objective of this paper is to analyse the most frequently used measuring scale SERVQUAL and SERVPERF from extant literature and the rationale for their usage in the context of Indian Banking System.
2. To understand both the scales comprehensively.

**ASSUMPTION**

In this paper, researcher had considered service quality measuring tools after SERVQUAL, and particularly two scales have been considered only. (SERVQUAL and SERVPERF)

**LITERATURE REVIEW**

**I. SERVICE QUALITY**

As Indian Banking industry is mainly governed by Reserve Bank of India, as per the rule and compliance of regulations the products of the Banks are more or less similar to each other. The only way to create identity and survive is customer satisfaction.

Satisfaction is a function of an initial standard and some perceived discrepancy from the initial reference point (Andrews and Withey 1976; Campbell, Converse, and Rodgers 1976; Ilgen 1971; Locke 1969; Locker and Dunt 1978; Shrauger 1975; Spector 1956; Watts 1968; Weaver and Brickman 1974.) Although many researchers choose to measure discrepancies objectively, reviewers of the early dissonance studies (e.g., Watts 1968; Weaver and Brickman 1974) were among the first to argue that individuals implicitly make summary comparative judgments apart from and as an input to their feelings of satisfaction. Oliver (1980) adds satisfaction increases while the ratio between performance and expectations increased as well. Customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products or services (Bitner and Hubbert, 1994). It is a feeling or attitude of a customer towards a product or services after it has been used and is generally described as a full meeting of one's expectation (Oliver R.L, 1980). East, R (1977) defines customer satisfaction is a major outcome of marketing activity whereby it serves as a link between the various stages of buying behavior.

Availability of quality services has become need of the hour Here service quality becomes the base for the customer satisfaction. Many authors have discussed the importance of service quality for the business firm. (Shaw 1978; and Normann, 1984) and demonstrated its positive relationship with profits, increased market share, return on investment, customer satisfaction, and future purchase intentions.

Measuring product quality becomes easy, because of its tangibility in nature." While quality in tangible goods has been described and measured by marketers, quality in services is largely undefined and unresearched." Parasuraman, Zeithaml and Berry. 1985. The complexity of service quality, unlike product quality, is more abstract and elusive, because of features unique to services: intangibility, inseparability, heterogeneity (Parasuraman, Zeithaml and Berry, 1985) and perishability (Kasper and Lemmink, 1989) and is therefore difficult to measure. Now, at this juncture it becomes important to measure service quality. The solution to this problem was the "gap model" established by, Parasuraman, Zeithaml and Berry (1985)

**II. SERVQUAL**

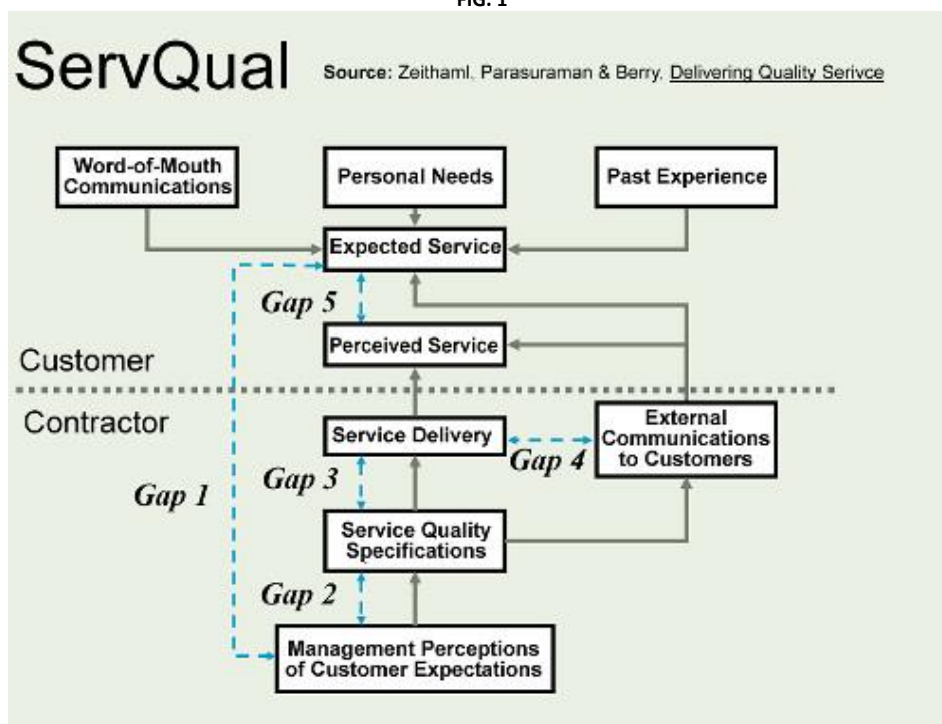
Many models have been developed to assess the determinants of service quality. The works of Parasuraman, Zeithaml and Berry (1985, 1988, 1991, and 1994) led to the development of a service quality model--SERVQUAL, which compares expectations and perceptions of customers regarding a particular service. SERVQUAL provides a technique for assessing and managing service quality (Buttle,1996). For eight years Parasuraman et al. had been working consistently on this model. Since at that time research in service quality was not enough an exploratory research was done by Parasuraman 1985, Zeithaml 1981, Berry 1980). Executive interview and focus group interview were conducted. "A set of key discrepancies or gaps exists regarding executive perceptions of service quality and the tasks associated with service delivery to consumers. These gaps can be major hurdles in attempting to deliver a service which consumers would perceive as being of high quality." (Parasuraman et al.1985).

The first gap is the consumer expectations-management perceptions gap.

"The gap between consumer expectations and management perceptions of those expectations will have an impact on the consumer's evaluation of service quality." Parasuraman et al 1985. The first gap is due to the difference between the perceptions of executives and the perceptions of consumers on security issues. In essence, it suggests that service marketers may not always understand what consumers expect in a service. This lack of understanding lead to second gap. The second gap is called Management perception-service quality specification gap by Parasuraman et al. The service quality specifications do not agree with management perceptions of quality expectations.

Service quality specifications-service delivery gap is the third gap. It implies that disparity between quality specifications of the promised service and the final service delivered. Management recognizes that a service firm's employees exert a strong influence on the service quality perceived by consumers and that employee performance cannot always be standardized. Gap four is Service delivery-external communications gap. External communication and advertisement by firms can influence consumer's expectation. According to Parasuraman et al. (1985)" Promising more than can be delivered will raise initial expectations but lower perceptions of quality when the promises are not fulfilled. In short, external communications can affect not only consumer expectations about a service but also consumer perceptions of the delivered service." This problem creates gap five expected service-perceived service gap. Difference between the expectations of what firms should provide in the industry and their perceptions of how a given service provider performs. Parasuraman, Zeithaml and Berry (1988) attempted to measure this fifth gap by developing the SERVQUAL instrument.

FIG. 1





SERVQUAL comprises 22 items (Likert-type) with five dimensions namely- tangibles, reliability, responsiveness, assurance and empathy. Initially Parasuraman et al. had developed ten dimensions and further they merged them into five dimensions. These five dimensions are basically five components of service quality.

TABLE 1: DETERMINANTS OF SERVICE QUALITY

1. RELIABILITY	It means that the firm performs the service right the first time.
2. RESPONSIVENESS	It is concern with the willingness or readiness of employees to provide service. It involves timeliness of service
3. ASSURANCE	It involves trustworthiness, believability, honesty. It involves having the customer’s best interests at heart.
4. TANGIBLE	It include the physical evidence of the service: physical facilities; appearance of personnel; tools or equipment used to provide the service
5. EMPATHY	It involves making the effort to understand the customer's needs.

Adopted from A Conceptua Model of Service Quality and Its Implications for Future Research (Parasuraman, Zeithaml and Berry 1985)

Table 1, explains different determinants and these 5 determinants are the essential structure for measuring service quality.

Though SERVQUAL has been generally robust as a measure of service quality, the instrument has been criticised on conceptual and methodological grounds. The main criticism of SERVQUAL has focused on the use of expectation as a comparison standard. It has been argued that expectation is dynamic in nature, and that it can therefore change according to customers’ experiences and consumption situations. (Halil Nadiri and Kashif Hussain (2005) One of the main problems mentioned in the literature is the applicability of the five SERVQUAL dimensions to different service settings and replication studies done by other investigators failed to support the five-dimensional factor structure The debate was majorly enhanced by Cronin and Taylor (1992) when they argued that the conceptualization of service quality as a gap between expectations and performance is inadequate

III. SERVPERF

Cronin and Taylor (1992) pointed out the perplexity in literature regarding the relationship between service quality and customer satisfaction. As per them, the concept of service quality should be the customers’ attitude towards the service, since the concept of satisfaction is defined as a gap between expectations and performance or disconfirmation of expectations. An attitude-based conceptualization would argue for either an importance-weighted evaluation of specific service attributes or even just an evaluation of performance on specific service attributes (Cronin and Taylor, 1992). They provided empirical evidence across four industries namely fast food, pest control, dry cleaning and banking to substantiate the superiority of their ‘performance only’ instrument over disconfirmation-based on SERVQUAL Scale. In equation form, it can be expressed as:

$$SQ_i = \sum_{j=1}^k P_{ij}$$

Where

$SQ_i$  = perceived service quality of individual ‘i’.

$k$  = Number of attributes / items

$P$  = Perception of individual ‘i’ with respect to performance of a service firm

on attribute ‘j’.

Source: Performance Only Model (SERVPERF)

IV. ANALYSIS OF LITERARY WORK

There are ample of studies conducted internationally and nationally using SERVQUAL and SERVPERF. These are the most commonly used tools to measure service quality. The strategy used for this particular research is funnel approach. Though for initial procedure and deeper understanding international literary work were considered, but here Indian context has been taken into account. *The following procedure was used to obtain sufficient collection of studies reporting the use of both SERVQUAL and SERVPERF scales. Primarily, an electronic search of the following databases was conducted: Global Journals, IJRCM, Research gate, International journals of business and management etc. Eventually a manual examination and thorough analysis of the articles identified from the computer-based searches were conducted. While there are many work done applying SERVQUAL and SERVPERF, and particularly in the context of financial sector, but thorough manual search and study was carried out. Finally banking context was taken into consideration. Since it is difficult to cite all the work, few most pertinent works are shown. This whole procedure yielded the followings:*

TABLE 2

AUTHORS	YEAR	SCALES	PURPOSE	STIMULI
Koushiki Choudhury	2008	MQUAL	To explore the dimensions of perceived service quality in the context of Indian Banking Industry	4 Largest banks in India (West Bengal)
Mamata Brahmabhatt Dharmendra Panelia	2008	QUAL	To measure and compare service quality and customer satisfaction among private, public and foreign banks	Private, Public and foreign banks (Gujarat)
K.Ravichandran B. Tamil Mani S. Arun Kumar S. Prabhakaran	2010	QUAL	Examine the influence of perceived service quality on customer satisfaction	2 Private Banks (Tamil Nadu)
Rajikumar G. Ravindran Sudharani	2010	PERF	To analyse service quality parameter among Co-operative banks	Co-Operatives banks(Kerala)
Vibha Arora N.Ravichandran Jain N.K	2011	PERF	To investigate the various dimensions of service quality and its critical predictors to customer satisfaction in Indian retail banks	Retail banks
Adil Mohd	2012	PERF	To explore the efficacy of SERVPERF in measuring perceived service quality at retail rural banks	Retail rural banks(Uttar Pradesh)
Ismail A Bootwala Dr. Anjali Gokhru	2012	MQUAL	To study the perception of customer for service quality of 3 groups of banks(private, public and foreign) and judge the similarity of differences in the perception for the 3 group of banks	Private, Public and foreign banks (Gujarat)
Dr. Rakesh R	2012	QUAL	To carry out quality assessment of banking industry using SERVQUAL	Commercial banks (Kerala)
R.Renganathan S.Balachandran K. Govindrajan	2012	PERF BANKSERV	To explore the impact of individual aspect of banking operation on various types of customer's perception of service quality	Nationalised banks (South India)
Maya Basant Lohani Dr. Pooja Bhatia	2012	QUAL	To measure and analyse the quality of service provided by Public and Private sector banks in Lughnow	Private and public banks (Uttar Pradesh)
Havinal Vererabhadrapa Dr. Sirigeri Jayanna	2013	PERF	To identify, evaluate and prioritize the service quality dimensions of private sector banks	5 private sector banks(Karnataka)
S.Vijay Anand M. Selvaraj	2013	PERF	An evaluation of service quality and impact on customer satisfaction in Indian banking sector	Commercial banks (Tamil Nadu)
Mohd Adil Dr. Mohammed Naved Khan	2013	PERF	To map service quality at banks in rural India: scale refinement and validation	Rural retail banks (Uttar Pradesh)
Rajeev Kumar Panda Rama Koteswara Rao Kondasani	2014	QUAL	To access customers' perceived service quality in private sector banks	Private sectors banks (Orissa)
Gaura Nantiyal	2014	QUAL	To study the impact of service quality on customer satisfaction in the retail banking sector	Commercial banks (Delhi)
M.P.BezBaruah Basanta Kalita	2014	PERF	To capture the service quality standard of scheduled commercial banks and also for the different banks group in order to make comparison	Scheduled commercial banks (Assam)
Dr.Rupa Rathee Dr. Aarti Deveshwar Ms Pallav Rajani	2014	QUAL	To identify the gaps between customer expectation and their perception of service quality provided by the private banks.	6 Commercial Banks (National Capital Region)
Dr. Benson Kunjuklanju Dr. Sreela Krishnan	2015	PERF	To identify the factors that influence customer perception towards service quality of commercial banks	State bank group Nationalized banks Old private sector banks New private sector banks
Mohd Imran Siddiqui	2015	QUAL	Seeks comparative study of service quality of SBI and HDFC banking customers	SBI banks, Hdfc banks (Uttar Pradesh)
Alhad M.Wakhare Arti Tiwari	2015	QUAL	To measure service quality gao of banks at Katol Road	Banks at Katol Road(Maharashtra)

SOURCE: Prepared by researcher

Note: QUAL- SERVQUAL, MQUAL – Modified SERVQUAL, PERF- SERVPERF

## FINDINGS

From the detailed analysis and evaluation of literary work, it was found that both SERVQUAL and SERV PERF are the most commonly used tools to measure service quality, specifically in Indian context. Although SERVQUAL is the basic skeleton for measuring service quality the but many researchers have proved that the SERVPERF model is better suited to measure the service quality in banking (Cronin and Taylor 1992, Boulding, 1993; Brown et al., 1993; Teas, 1994; and Brady et al., 2002) and execute better in assessing service quality in banking industry in developing countries such as India (Jain & Gupta, 2004; Adil, 2012; Adil & Ansari, 2012; Adil, 2013a; Adil, 2013b; Benson Kunjuklanju & Sreela Krishnan 2015). Cronin and Taylor 1992 questioned the conceptual basis of the SERVQUAL scale and found it confusing with service satisfaction. They, therefore, opined that expectation (E) component of SERVQUAL be discarded and instead performance (P) component alone be used. This not only cleared vague confusions but also reduced the number of items to be measured by half viz. 22 items in contrast to SERVQUAL's 44 items. Prior to that it became very difficult to hold on to customers as the respondents have to fill two questionnaires one prior using the services (i.e. expectations) and another post using the service (i.e perceptions). SERVPERF not only captures the true customer's perceived service quality but also more effective in reducing the number of items to be measured by half (Hartline and Ferrell, 1996; Babakus and Boller, 1992; Bolton and Drew,1991). Thus in country like India, it becomes easy to get rejoinder from respondent to carry research smoothly.

## CONCLUSION

Today, banking is an integral part of the financial sector of the economy. The survival strategy of banking sector depends on how best it can deliver services to its customers. The need of the hour is to continually improve the quality of services and technology and other aspects. Both SERVQUAL and SERVPERF have their own strengths and limitations. It definitely depends upon research area and subject for selecting the measuring scale. Apart from that, to measure service quality those

instruments and tools are to be considered, which are efficient to capture customer's perception. It certainly should be simple and easily applicable. To carry out the research it is important that questionnaire should be easily understood and less time consuming. Thus SERVPERF scale is found to be superior in possessing all these characteristics.

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**EFFECT OF MOBILE PHONES ON HUMAN BODY**

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**ABSTRACT**

*The cell phone is one of the greatest inventions created by man. Before, we only used the telephone, now we have the cell phone to use for communication on the go. However, like any other good thing, there is always something negative. There are potential health issues that come from frequent use of a cellular phone. Exposure to electromagnetic radiation is almost inevitable, now that mobile phones are everywhere. Even young children use phones. Some of us even sleep with our phones under our pillows. Despite the fact that there are negative effects on the nervous and reproductive systems, cell phones are still used daily. Yes, it is good that every day, mobile technology is changing. Then again, the exposure also changes, and we do not know whether it is good or bad. Various studies indicate that the emissions from a cell phone can be extremely harmful, causing genetic damage, tumors, memory loss, increased blood pressure and weakening of the immune system. The fact that this radiation is invisible, intangible, and enters and leaves our bodies without our knowledge makes it even more intimidating. Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA) are the two most prevalent second generation (2G) mobile communication technologies. This paper discusses on the analysis conducted to study the effect of electromagnetic radiation of two mobile phone technologies with different frequencies and power level via experimental works. The experiment was conducted in a laboratory using 10 human volunteers. The period of operation is 10 minutes as the talking time on the phone. Electroencephalogram is used to monitor and capture the brain signals during the experimental analysis for 10 minutes' interval. The result shows that mobile phone serving GSM has the larger effect on brain compared to mobile phone serving CDMA. The effect of mobile phone radiation on human health is the subject of recent interest and study, as a result of the enormous increase in mobile phone usage throughout the world (as of June 2009, there were more than 4.3 billion users worldwide). Mobile phones use electromagnetic in the microwave range. Other digital wireless systems, such as data communication networks, The WHO have classified mobile phone radiation on the IARC scale into Group 2B - possibly carcinogenic. That means that there "could be some risk" of carcinogenicity, so additional research into the long-term, heavy use of mobile phones needs to be conducted. Some national radiation advisory authorities have recommended measures to minimize exposure to their citizens as a precautionary approach. The rapidly evolving mobile phone technology raised public concern about the possibility of associated adverse health effects. The current body of evidence is summarized addressing epidemiological studies, studies investigating adverse biological effects, other biological effects, basic mechanisms and indirect effects. Currently, the balance of evidence from epidemiological studies suggests that there is no association between mobile phone radiation and cancer. This finding is consistent with experimental results. There is some evidence for biological effects, which, however, are not necessarily hazardous for humans. No basic mechanisms of biological effects have been consistently identified yet.*

**KEYWORDS**

GSM, CDMA, 2G, Electromagnetic Radiation, EEG, Mobile phone, hand-held Cellular telephone, Microwaves, non-ionizing radiation, radiation risk.

**INTRODUCTION**

A cell phone is basically a type of radio. It is like a two-way walkie-talkie. Unlike the walkie-talkie, in which you either talk or listen, you can talk and listen at the same time. There are also other functions like a three-way call, call holding and voice mail. There are two types of systems for cellular phones: Analog and digital. Older phones are considered analog while newer phones are digital. Cellular phones are cellular because they have a cellular system whenever calls take place. This is to ensure that the call is coming from a valid paying customer.

Safety is a legitimate concern of the users of wireless equipment, particularly, in regard to possible hazards caused by electromagnetic (EM) fields. There has been growing concern about the possible adverse health effects resulting from exposure to radiofrequency radiations (RFR), such as those from mobile communication devices. Mobile communication is where signal is transferred via electromagnetic wave through radio frequency and microwave signals. This signal produces electromagnetic radiation in the form of thermal radiation that consists of harmful ionizing radiation and harmless non-ionizing radiation. When using mobile phone, electromagnetic wave is transferred to the body which causes health problems especially at the place near ear skull region where they are known to affect the neurons.

**HOW DO CELL PHONES WORK?**

The invention of the mobile phone sprouted from the telephone, invented by Alexander Graham Bell in 1876. Wireless communication, meanwhile, is rooted to Nikolai Tesla's radio in the 1880s. The two inventions were just combined to form what we know as the cell phone.

The cell phone works by transmitting to a base station at one frequency once a person makes a call. The signal then is transmitted to the main telephone network either through cables or radio link with a different frequency. Another base station will send the signal to the mobile phone of the person being called. Both cell phones transmit incoming and outgoing signals with different frequencies so that they won't interfere with each other, unlike the walkie-talkie. The base stations continuously transmit the signals to both phones. Both phones will only transmit the radio waves until one phone cuts off the call.

**HOW ARE PEOPLE EXPOSED?**

The energy produced by mobile phones is very low. The energy is usually just 0.6 watts; five times lower than that of a flashlight. Whenever a person makes a call, signals are transmitted back and forth to the base station. Obviously, people are exposed to the radio waves from the transmission.

From the cell phone tower antenna, the energy is released horizontally with some downward scatter. This energy decreases the farther it gets from the antenna. This makes the level of exposure to radio waves on the ground lower than the level near the antenna. Exposure to radio waves coming from tower antennas is very unlikely, or at least minimal. The power levels are just too low and the placements of the antennas are high above ground level. Besides, signal transmission is sporadic, instead of constant.

Of course, there are domestic cellular antennas that are mounted on rooftops. It is possible that people with such antennas get higher exposure. However, there are safety guidelines to follow and if the amount of energy released by the antenna goes beyond the limit, access to the area is limited. Between a mobile phone and a base station antenna, the latter produces more radio wave energy, with an amount comparable to a light bulb. Thanks to its position, the public is relatively safe from exposure. The phone signal is not the only exposure the public must be aware of. There is also a potential health risk when cell phones emit electromagnetic energy, which depends on the frequency of the phone. Frequency is the measure of waves of electromagnetic energy that pass in a given period of time. The electromagnetic energy coming from phones is similar to the energy coming from microwave ovens and TV channels. This frequency is called nonionizing. The good thing is, it is not strong enough to damage chemical bonds, tissue or a person's DNA.

**THE CELL PHONE PROBLEM**

- **ELECTROMAGNETIC RADIATION**

Whenever cell phones are turned on, they emit electromagnetic radiation, even if they are in stand-by mode. Areas of the body near the phone are exposed to harmful radiation. There are several side-effects that come from the exposure:

- Blurry vision
- Rare brain cancers
- Fatigue
- Memory loss
- Headaches
- Nausea
- Neck pain
- Leukemia
- Enzyme changes
- Increased risk for heart conditions
- Birth defects
- Changes in metabolism
- Increased risk for Alzheimer's disease
- Neurological hormone changes linked to impaired brain function

Studies say that people who sleep with cell phones near them have poor REM sleep, resulting in bad memory and difficulty in learning. This is because the radiation from the phone impairs the production of melatonin.

Electromagnetic radiation is emitted from the phone's antenna, circuitry and battery, and it can cause several harmful effects on the body. Studies have shown that microwave energy from phones can penetrate the brain. Scientists say that 70% of people have several changes in brainwaves because of cell phone signals. The U.S. Government has set guidelines for manufactures to follow, but they are not enough. People are still at risk, as more than 2,000 research studies around the world have confirmed.

- **RADIOFREQUENCY (RF) EXPOSURE FROM CELL PHONES**

Radiofrequency produces non-ionizing radiation and makes up the electromagnetic spectrum with x-rays and gamma rays, which are ionizing electromagnetic radiations.

We can find radiofrequency in:

- Telephones, radios, televisions, cell phones
- Industrial processing
- Radar and microwave ovens
- Medical therapies

Cell phones use electric power to create signals to connect with base station towers and other transmission towers. What makes cell phones a unique radiofrequency source is that the transmitter is near the head of the user. There can be health problems from radiofrequency absorption into the head or any other part of the body.

Radiofrequency radiation can cause thermal energy. The human skin cannot easily detect the heat from cell phones. Therefore, users can absorb significant amounts of radiofrequency without being aware of it. High exposure can damage eyes.

Radiofrequency radiation, if low-level in amount, can cause non-thermal effects. Long exposure to low-level radiofrequency can affect the nervous system and other components of the immune system of small animals. For humans, the effect is not that clear. There are studies, however, that show differences in cognitive functions in cell phone users. Changes happen in reaction time and memory. Other health effects include migraines and sleep disorders.

Other researches also suggest that radiofrequency can be a cancer promoter in animals, but there is not enough evidence that radiofrequency can cause cancer in humans. Only a few studies have been done and results have been inconsistent about possible cancer effects of radiofrequency exposure from cell phones.

**HEALTH RISKS**

- **CANCER**

There have been many studies on cell phones and cancer. However, they yield conflicting results.

Most studies are done to see the relationship between cell phones and brain tumors. Some studies say that there was a slight increase in the rate of brain tumors since the 1970s, but cell phones were not available during the 1970s.

One study concludes that there is no link between cell phones and brain tumors, after following more than 400,000 cell phone users. Another study found a link between cell phones and cancer of salivary glands, but the small number of participants with malignant tumors may contribute to the study's unreliability. There is also a study that shows that there is a possible risk of glioma (a brain tumor) for heavy cell phone users, but it also claims that there is no increased risk of brain tumor in its conclusion.

The International Agency for Research on Cancer, a part of World Health Organization, agreed that there is limited evidence that cell phone radiation is a carcinogenic, after evaluating several researches on the possible link between cell phones and brain tumors. The group, however, classified radiofrequency as possibly carcinogenic.

Still, no one knows whether cell phones are carcinogenic or not. Despite several studies that are still ongoing, there is no convincing evidence that cell phones increase cancer risk. However, it is advisable to limit cell phone use, or at least keep it away from the head.

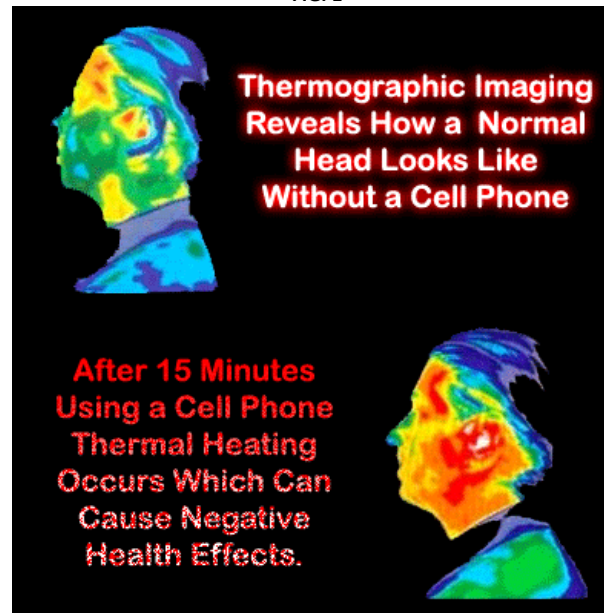
- **EFFECTS ON THE NERVOUS SYSTEM**

A new study shows that cell phone use has an effect on brain activity. Cell phone use can boost the metabolism of brain glucose in specific areas. However, Nora Volkow, a researcher, said that they still do not know whether it is harmful or not. She said that since brain cells use sugar for energy, glucose metabolism is a direct indicator of brain activity. There is about a 7% rise in glucose metabolism in the brain area that is closest to the phone. The increase happens when a phone is used for 50 minutes. Volkow's study also shows that the brain is sensitive to electromagnetic radiation, but she notes that more research is needed.

The study was done with the help of 47 healthy volunteers. They placed cell phones on the ears of the volunteers who underwent PET scans. Volkow and her team measured the metabolism of glucose in the brain. Although there was no difference between the "on" and "off" condition of the phones, they found that there was a 7% increase of metabolism. The most affected areas were the orbitofrontal cortex and temporal pole, which involve memory and other cognitive skills.

There are more studies needed to further explore the effects of cell phone use on the nervous system. However, Volkow said that children must not frequently use cell phones since their skulls are thinner.

FIG. 1



#### ● REPRODUCTIVE HEALTH

The Environmental Working Group found 10 studies that say there are changes in male fertility when men are exposed to cell phone radiation. Men who put their cell phones in their pockets or hang them on their belts have lower sperm counts and/or have less active sperms. Studies link the problem to exposure to cell phone radiation. Findings say that 15% of couples of reproductive age are infertile, half of which are linked to male fertility. The consistency of recent studies increases the possibility that cell phone radiation contributes significantly to reproductive health problems. Studies were done in many ways. Some studies were done by comparing sperm counts and sperm health between men who put their phones in their pockets and those who put phones elsewhere or who did not use phones at all. Men who carry a phone in their hip pocket have 11% fewer active sperm than those who keep their phone elsewhere. All studies show that there is a significant correlation between cell phone radiation and sperm health. They also show that the amount of radiation exposure is directly proportional to the changes.

There are no published studies that talk about the effect of cell phone radiation on reproductive health in women. This kind of study is more difficult to carry out because it requires invasive methods. However, recent articles said that cell phone radiation might be impedimental to the development of a fetus in rats. The Yale University School of Medicine agrees on this finding. University of California-Los Angeles researchers said that cell phone exposure during and after pregnancy has effects on the behavior of the child. Unlike studies on male fertility, more studies are needed to show any link between cell phone radiation exposure and female reproductive health.

#### ● PSYCHOLOGICAL AND SOCIAL EFFECTS

Studies have shown that cell phone use can negatively affect self-esteem. In 2005, a study titled "Cyber Psychology and Behavior" show that younger people who are outgoing but have self-esteem issues are most likely to develop addictive cell phone use behaviors. Cyber-bullying is also linked to low self-esteem.

Cell phone use also affects the diversity of a person's social life. A study by Pew Internet Project and the University of Pennsylvania discovered that 6% of US citizens believe they do not have significant relationships in their lives. The study also found that social networks of cell phone users are 12% larger than those of non-cell phone users.

Cell phone use can also affect a person's behavior toward people who are physically present near him or her. A 2008 article in The Open Communication Journal says that the responsive nature of answering a phone call creates a sense of obligation to the phone itself and it outweighs the sense of obligation to people near the user. Phone use, therefore, lessens the ability of the user to communicate with those around them when he or she is more focused on the phone.

#### CELL PHONES AND CHILDREN'S HEALTH (CHILDREN'S EXPOSURE IS GREATER THAN ADULTS)

Studies show that children are at greater risk than adults. According to a study in the Electromagnetic Biology and Medicine journal, children absorb more cell phone radiation than adults. It is because children have thinner and small skulls than adults, meaning their bone marrow absorbs ten times more radiation than adults'.

Although this finding does not tell us whether phones are more dangerous for children or not, it does show that we need a higher level of caution with children regarding cell phone use until more studies are done.

In Sweden, a 2008 study from the University Hospital in Orebro shows that children and teenagers are more prone to get brain cancer if they use cell phones. People using cell phones under the age of 20 are five times more likely to get glioma. Lennart Hardell, one of the advocates of the study, believes that children under 12 should not use phones unless it is an emergency and teenagers should limit their use of phones. The risk diminishes as they grow older since the brain becomes fully developed after the age of 20.

#### WHAT DO EXPERTS SAY?

- According to the National Cancer Institute (NCI), "Studies thus far have not shown a consistent link between cell phone use and cancers of the brain, nerves, or other tissues of the head or neck. More research is needed because cell phone technology and how people use cell phones have been changing rapidly."
- According to World Health Organization (WHO), "What microwave radiation does in most simplistic terms is similar to what happens to food in microwaves, essentially cooking the brain. So in addition to leading to a development of cancer and tumors, there could be a whole host of other effects like cognitive memory function, since the memory temporal lobes are where we hold our cell phones."
- According to Centers for Disease Control and Prevention (CDC), "Studies have shown that when some cellular phones are placed very close to implanted cardiac pacemakers they can interfere with the pacemaker's normal delivery of pulses. For most digital phones and pacemakers now in use, this does not have an effect if the phone is more than about six inches from the implanted pacemaker. Thus using the phone in the normal talking position would not disturb the operation of these pacemakers."
- According to the Federal Communications Commission (FCC), "Even though no scientific evidence currently establishes a definite link between wireless device use and cancer or other illnesses, and even though all cell phones must meet established federal standards for exposure to RF energy, some consumers are skeptical of the science and/or the analysis that underlies the FCC's RF exposure guidelines. Accordingly, some parties recommend taking measures to further reduce exposure to RF energy. The FCC does not endorse the need for these practices, but provides information on some simple steps that you can

take to reduce your exposure to RF energy from cell phones. For example, wireless devices only emit RF energy when you are using them and, the closer the device is to you, the more energy you will absorb."

- According to the Food and Drug Administration (FDA), "The low levels of RF cell phones emit while in use are in the microwave frequency range. They also emit RF at substantially reduced time intervals when in the stand-by mode. Whereas high levels of RF can produce health effects (by heating tissue), exposure to low level RF that does not produce heating effects causes no known adverse health effects."

## RESULTS

Finally, here are some ideas that can potentially reduce your risk:

1. **LIMIT YOUR TIME ON THE PHONE:** Reduce cell phone use to only the most necessary calls, and when you do use it, keep your calls short and to the point. Research has shown that a short, two-minute call can alter the natural electrical activity of the brain up to one hour.
2. **TEXT WHEN YOU CAN:** Obviously you don't want to do this when you're driving or while performing any other activity that demands your full attention, but when a text will suffice, send one instead of dialing.
3. **CONSIDER REPLACING YOUR CURRENT PHONE WITH A LOW-RADIATION PHONE:** Whenever you make or receive a call, your phone signal travels via electromagnetic waves, and scientists don't yet know - fully - how much they will affect your health over a period of time. So for now, researchers are suggesting you replace your current model with a lower-emission phone.
4. **USE A HEADSET OR SPEAKER:** Right now, there isn't enough research to determine whether using a speaker or headset, rather than your phone itself, offers better protection. But one thing is known: the electromagnetic waves emitted by your phone are absorbed most often received by the temporal lobe of your brain, during normal usage (phone to your ear), and that part of your brain handles hearing, auditory processing, formation of long-term memory, speech, and vision.
5. **DON'T PUT THE PHONE BY YOUR BODY OR ON YOUR WAIST DURING USE:** Again, it's a device that emits and transmits electromagnetic waves that are absorbed by the soft tissues in your body. One study suggested that men who wear their cell phones near their waste could see their sperm count reduced by as much as one-third.
6. **DELAYED USE:** If you're using your phone without a headset, wait for your call to connect before putting it next to your ear.
7. **AVOID USE IN METAL BOXES:** That may sound funny but using your phone in, say, an elevator or your car, cuts signal strength and forces the phone to use more power to connect.
8. **ABOUT THAT POWER THING:** If your cell signal is down to a few bars, consider waiting to use your phone. Again, it's a power thing: less signal means more power is required for use.
9. **A WORD ABOUT EMFs PROTECT YOURSELF FROM EMFs - ELECTROMAGNETIC FIELDS:** You can do that by purchasing a scientifically validated EMF protection device. Doing so will strengthen your bioenergy field and immune system against the harmful effects of EMFs.
10. **AS ALWAYS, SUPPORT YOUR BODY WITH PROPER NUTRITION:** Think about supplementing your nutritional diet with anti-oxidants such as catalase, glutathione, and Coq10. You can also supplement with melatonin, Zinc and Gingo Biloba.

## CONCLUSION

The study concludes that there are potential health issues that come from frequent use of a cellular phone. Exposure to electromagnetic radiation is almost inevitable, now that mobile phones are everywhere. Even young children use phones. Some of us even sleep with our phones under our pillows. Despite the fact that there are negative effects on the nervous and reproductive systems, cell phones are still used daily. Yes, it is good that every day, mobile technology is changing. Then again, the exposure also changes, and we do not know whether it is good or bad. Various studies indicate that the emissions from a cell phone can be extremely harmful, causing genetic damage, tumors, memory loss, increased blood pressure and weakening of the immune system. The fact that this radiation is invisible, intangible, and enters and leaves our bodies without our knowledge makes it even more intimidating. Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA) are the two most prevalent second generation (2G) mobile communication technologies. This paper discusses on the analysis conducted to study the effect of electromagnetic radiation of two mobile phone technologies with different frequencies and power level via experimental works. The experiment was conducted in a laboratory using 10 human volunteers. The period of operation is 10 minutes as the talking time on the phone. Electroencephalogram is used to monitor and capture the brain signals during the experimental analysis for 10 minutes' interval. The result shows that mobile phone serving GSM has the larger effect on brain compared to mobile phone serving CDMA. The effect of mobile phone radiation on human health is the subject of recent interest and study, as a result of the enormous increase in mobile phone usage throughout the world (as of June 2009, there were more than 4.3 billion users worldwide). Mobile phones use electromagnetic in the microwave range. Other digital wireless systems, such as data communication networks, The WHO have classified mobile phone radiation on the IARC scale into Group 2B - possibly carcinogenic. That means that there "could be some risk" of carcinogenicity, so additional research into the long-term, heavy use of mobile phones needs to be conducted. Some national radiation advisory authorities have recommended measures to minimize exposure to their citizens as a precautionary approach. The rapidly evolving mobile phone technology raised public concern about the possibility of associated adverse health effects. The current body of evidence is summarized addressing epidemiological studies, studies investigating adverse biological effects, other biological effects, basic mechanisms and indirect effects. Currently, the balance of evidence from epidemiological studies suggests that there is no association between mobile phone radiation and cancer. This finding is consistent with experimental results. There is some evidence for biological effects, which, however, are not necessarily hazardous for humans. No basic mechanisms of biological effects have been consistently identified yet.

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## SELF EFFICACY AND OTHER PERSONAL RESOURCES AS ANTECEDENTS OF EMPLOYEE ENGAGEMENT: A CRITICAL LITERATURE REVIEW

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### ABSTRACT

*The present study helps to infer the importance of Self Efficacy of the employees, the antecedents of self efficacy are self leadership tenets, empowerment, leader's support, and coaching. Positive outcomes and Consequences resulting from self efficacy are increased efforts, Work Engagement, Performance, Organization Citizenship Behaviour, Value Congruence, self concordance, intrinsic motivation, resiliency, job and life satisfaction, career ambition, perseverance, resiliency, improved attendance behaviour, less of stress and anxiety, evaluate work place demands more positively and have greater ability to cope with the job demands effectively. Self efficacy along with other personal resources namely Resilience, Optimism, self-esteem, and optimism lead to having better employee engagement. Self efficacy along with other personal resources has better effect on positive outcomes at work place. One of the personal resources namely proactive personality leads to having permanent Work Engagement. Self-efficacy also mediates the relation between anxiety and performance, and the effects of feedback and performance. Further Leaders' behaviours affected performance to the extent that they initially influenced self-efficacy. Self Efficacy along with other independent variables leads to Employee Engagement e.g. Occupational Self Efficacy along with HRD and predicts Employee Engagement. Self-efficacy is an important dimension of psychological empowerment since Conger and Kanungo (1988) have defined psychological empowerment as a motivation related concept of self efficacy. It is to be studied that Self efficacy along with Work Place Spirituality can be determinant of Employee Engagement. In a recent study Work Place Spirituality and Work Role Fit mediates the relationship between Psychological meaningfulness and Employee Engagement. It is to be studied in Indian Context that Individual Spirituality a positive significant relation with Employee Engagement. It is to be studied in Indian Context Individual Spirituality along with self efficacy has positive impact on Employee Engagement. It is to be studied in Indian Context Workplace Spirituality and Individual Spirituality along with Self Efficacy has positive impact on Employee Engagement.*

### KEYWORDS

self efficacy, employee engagement

### 1.0 INTRODUCTION

There are broadly two types of factors which influence Employee Engagement at work place dispositional or individual factors and situational or environment and organizational factors. Individual Factors are also called Individual Differences and here in this paper they are being said as Personal Resources. Personal Resources is widely used term. In this paper Individual or Personal Resources are the main focus of study. Situational factor has been discussed but only in association with Personal Resources. Self-Efficacy and other personal Resources play important role at work place performance. That is why we see the person organization fit not only in terms of technical skills but also in terms of various personal strengths and weaknesses in terms attitudes, behaviors, and working habits. It can be said that personal resources play a vital role in judgment of people.

The dynamic forces working in business today underlines the importance of personal resources of Employees to cope with the situation and lead business to survive and grow. Therefore, understanding of various factors to increase self efficacy and other personal resources and its impact on working on organizations is important. This paper discusses antecedents and consequences of self efficacy and other personal resources. Another aspect of study is what role self efficacy and other personal resources have as antecedents of Employee Engagement and how these personal resources in combination of organizational factors help in predicting factors leading to Employee Engagement. This study through Literature survey identifies the gaps in Literature in areas of personal resources which can be further explored for better prediction of Employee Engagement.

### 2.0 LITERATURE REVIEW

#### 2.1 DEFINITIONS OF VARIOUS DIMENSIONS OF PERSONAL RESOURCES:

##### 2.1.1 SELF EFFICACY

Definition: Perceived self-efficacy refers to belief in one's capabilities to organize and execute courses of action to manage prospective situations (Bandura, 1997). Occupational self-efficacy has been defined as the belief in ability and competence to perform in an occupation (Pethe et al., 1999) having factors like confidence, command, adaptability, personal efficacy constructive attitude and uniqueness

Bandura (1986) stated "Self-efficacy is the extent to which an individual believes him or herself competent of fruitfully performing a specific behavior" Bandura, (1989) found that these beliefs influence "what challenges to Undertake, how much effort to expend in the Endeavour, and how long to persevere in the face of difficulties". Self-assurance about successfully working in a particular task domain of a person is positively correlated to his or her self efficacy. Bandura (2007) found, "Perceived self-efficacy is conceptualized as perceived functioning competence. It is concerned not with what one has but with belief in what one can do with whatever resources one can muster. It is also often referred many times as positive self evaluation.

##### 2.1.2 PSYCHOLOGICAL AVAILABILITY

Kahn (1992) stated that Psychological availability (readiness to personally engage at a particular moment) is type of confidence and is relatively stable individual difference, and through it the more confident the individual feels about his or her capabilities, the more likely the individual to feel available and prepared to engage fully in his or her role.

##### 2.1.3 CORE SELF EVALUATIONS

Judge, Locke, & Durham, (1997), stated that the concept of core self evaluations, construct defined as individuals' assessment of their own value, efficacy and potential

##### 2.1.4 PROACTIVE PERSONALITY

Person having Personality which is proactive, they act in anticipation to deal with an anticipated situation.

##### 2.1.5 PSYCAP VARIABLES

These are individual qualities of optimism, efficacy, hope, and resilience which lead to individual differences and persons having these qualities are more able to handle environment.

##### 2.1.6 SELF LEADERSHIP

Self-leadership definition: Self-leadership is the practice of purposely influencing your thoughts, emotions and behaviours to achieve your objective/s (Bryant & Kazam, 2012)

##### 2.1.7 EMOTIONAL INTELLIGENCE

Goleman (1995) offered a definition of emotional intelligence as "the capability for be familiar with our own mind-set and those of others, for encouraging ourselves, and for managing feeling well in ourselves and in our relationships."

**2.1.8 SELF-ESTEEM**

It reflects a person's largely personal emotional estimate of his or her own importance. It is a decision of oneself as well as an outlook toward the self.

**2.1.9 INDIVIDUAL SPIRITUALITY**

"The basic feeling of being associated with one's total self, others, and the complete cosmos (Mitroff and Denton, 1999)

**2.1.10 WORKPLACE SPIRITUALITY**

Rego and Pina e Cunha, (2008), define workplace spirituality as the "acknowledgment that employees have an internal life which cultivate and is nurtured by significant work happening in the background of a community"

**2.2 HOW SELF EFFICACY CAN BE DEVELOPED / INCREASED**

Bandura (1977, 1986) found that development of self-efficacy is vicarious learning through based on behavioural observation. (Gist, 1989) stated another form of learning is based on self-instructional learning. This is called cognitive learning which utilizes 'self-instructional thoughts (or "statements") to guide performance' Considerable research by Bandura (1997) had found that self efficacy can be increased in four major ways – 1) effective mastery (successful direct experiences on job or in a training context), vicarious learning (On the job through mentoring programs or modelling in a training context), simple verbal persuasion, and social support for lower level jobs and strategic development for higher level jobs. Bandura (2000) had provided three specific approaches to develop self efficacies which he calls 1) guided mastery: which includes guided skill perfection and transfer back to job, 2) cognitive mastery modelling: that is about learning thinking skills and how to apply them and able to arrive at solutions to problems and make effective decisions, 3) development of self regulatory competencies like self motivation, and self management.

**2.3 LITERATURE SURVEY OF RELATIONSHIP BETWEEN PERSONAL RESOURCES AND OTHER VARIABLES****2.3.1 EMPOWERMENT AND SELF EFFICACY**

Through Literature it is known that empowerment is a process in which people act on their own behalf to achieve greater control over their lives (Conger and Kanungo, 1988; Staples, 1990), because of this individuals experience confidence through greater self-control (i.e. self-leadership skill development), and found that efficacy perceptions will be enhanced (Manz and Sims, 1996).

**2.3.2 SELF LEADERSHIP AND SELF EFFICACY**

Several studies examined self-leadership and found that its various dimensions have their separate influence on self-efficacy.

**2.3.3 SELF EFFICACY AND SETTING GOALS**

Bandura and Cervone (1986) found that after deciding targets, individuals elevated in self-efficacy increased their efforts to meet the standards, whereas those low in self-efficacy did not.

**2.3.4 RELATIONSHIP BETWEEN SELF EFFICACY AND EMPLOYEE ENGAGEMENT**

Pati S. P. et al. (2010) in their study titled "Employee Engagement: Role of Self-efficacy, Organizational Support & Supervisor Support"

It was observed that both Perceived Organizational Support (POS) and Occupational Self Efficacy (OSE) relate differently to the different dimensions of employee engagement. While POS is reasonably related with dedication, Occupational self -efficacy is reasonably related with the dimensions of vigor, and absorption. Influence of Occupational Self Efficacy (OSE) on Employee Engagement (EE) decreases on inclusion of Perceived Organizational Support (POS) in the regression model, perceived supervisor Support (PSS) does not moderate the relationship between Occupational Self Efficacy (OSE) and employee engagement.

**2.3.5 SELF EFFICACY AND PSYCHOLOGICAL ENVIRONMENT**

Self -efficacy can be taken as a variable representing of psychological empowerment because Conger and Kanungo (1988) have defined psychological empowerment as a motivational concept of self efficacy. Perceived Organizational Support (POS) can be said to represent structural empowerment dimension that define the functional aspect of the organizational structure (Guzzo Noonan 1994) and directly control the efficacy of four structural empowerment dimensions stated by Kanter (1977) namely opportunity, support, resources and information.

**2.3.6 LEADERSHIP INFLUENCES ON SELF EFFICACY**

Studies examining external leadership influences on self-efficacy perceptions usually center on how the stipulation of feedback (e.g. Karl, O'Leary-Kelly and Martocchio, 1993) or the use of effectual training techniques (e.g. Gist, 1989) influences these perceptions. Two studies specifically emphasized leader behavior influences on self-efficacy perceptions. Redmond, Mumford and Teach (1993) found that leader behaviors including task direction and goal-setting positively influenced self-efficacy expectations. Sherer, Adams, Carley and Wiebe (1989) found similar results in that the influence of an entrepreneurial parent (a leadership role) significantly affected subjects' level of self-efficacy and expectation to pursue an entrepreneurial career.

**2.3.7 OCCUPATIONAL SELF EFFICACY AND EMPLOYEE ENGAGEMENT**

Chaudhary Richa et al (2011) carried study of 'HRD Climate and Occupational Self-efficacy as Predictors of Employee Engagement' The findings of the study indicated that HRD climate is moderately correlated with employee engagement and Occupational self efficacy is highly correlated with employee engagement. Further study established that HRD Climate and occupational self-efficacy significantly predict employee engagement.

**2.3.8 CORE SELF EVALUATIONS AND PERFORMANCE**

Judge & Hurst (2007) found that Individuals with high core self-evaluations evaluate demands more positively, have greater ability to handle with these demands effectively, they put more hard work in the performance of their work roles and therefore have job engagement.

**2.3.9 CORE SELF EVALUATION, AND VALUE CONGRUENCE INFLUENCES PERFORMANCE WHERE EMPLOYEE ENGAGEMENT ACTS AS MEDIATOR**

In their Research Paper Rich Bruce Louis, Lepine Jeffrey A., Crawford Eean R. (2010) "Job Engagement: Antecedents and Effects on Job Performance" which was carried on 245 fire-fighters and their supervisors supported hypotheses that engagement mediates associations between perceived organizational support, value congruence, and core self-evaluations, and two dimensions of job performance: task performance and organizational citizenship behaviour. Engagement as mediator was able exceeded Job involvement, job satisfaction, and intrinsic motivation as mediator which were also included in study as mediators. In the study statistically significant indirect relationships through engagement between each of the antecedents and each of the outcomes is established, and these relationships emerge in models that also include job satisfaction, intrinsic motivation, and job involvement as mediators. Results indicate that engagement fully accounts for the relationships between the antecedents and the performance outcomes. Through it was reinforced and proved that Kahn's theory provided for a more complete representation of the self in terms of the energies that individuals invest in their roles, which was termed as Engagement by Kahn (1990)

**2.3.10 SELF EFFICACY AND SELF CONCORDANCE**

Judge T.A. et al. (2004) found that individuals who perceive themselves positively (having perception of self efficacy) likely to pursue roles that bring into line to their values, called self concordance, which encourage intrinsic motivation.

**2.3.11 IMPACT OF OPTIMISM, RESILIENCE, SELF-EFFICACY, AND ORGANIZATIONAL RESOURCES ON EMPLOYEE ENGAGEMENT**

In their Research Paper Stefanie Mache et al (2014) on the topic of "Exploring the impact of optimism, self-efficacy, resilience, and organizational resources on employee engagement" which was done through 223 respondents who were full time Doctors (Physician) in various Germany Hospitals. The aim of this study was to examine relations between personal and organizational resources as essential predictors for work engagement of German health care professionals. In the Research they found a significant positive correlation between Self-efficacy and work engagement. It was found that higher a person's self-efficacy, the more likely the employee begin job tasks, is able to meet various job demands, acts and decides originally and can handle job test or work problems.

**2.3.12 MANAGER SELF-EFFICACY AND EMPLOYEE ENGAGEMENT**

Luthans and Peterson (2002) Employee engagement and manager self-efficacy and its Implications development and managerial effectiveness found out that managers who are highly engaged lead in a motivated and visionary way resulting their employees also becoming very engaged in their work.

**2.3.13 OPTIMISM, SELF-EFFICACY, SELF-ESTEEM, AND EMPLOYEE ENGAGEMENT**

Xanthopoulou D et al (2007) in the Research "The role of personal resources in the job demands-resources model" researched on technicians' work engagement in relation to self-efficacy, self-esteem, and optimism and found out that the personal resources were related to employee engagement. A longitudinal study performed by Bakker et al (2008) "An emerging concept in occupational health psychology Work & Stress".showed that self-efficacy and optimism make a unique

contribution to explaining variance in work engagement over time found out that personal resources have a stronger impact on work engagement than other job resources.

### 2.3.14 SELF EFFICACY AND INTRINSIC MOTIVATION

Individuals who perceive themselves positively (having perception of self efficacy) are more likely to pursue roles that are according to their values, called self concordance, which promotes intrinsic motivation (Judge, Van Vianen, & De Pater, 2004) and in turn likely to promote engagement at work.

### 2.3.15 INDIVIDUALS HAVE LIMITED PERSONAL RESOURCES TO COPE AT WORK PLACE

There is a limited amount of energy people possess that they can share, suggesting that engagement in some roles comes at the expense of engagement in other roles. The above strongly implies considerable intra-individual variance (Rothbard, 2001):

### 2.3.16 POSITIVE SELF EVALUATIONS AND RESILIENCY

Hobfoll et al. (2003) stated Personal resources are positive self-evaluations that are associated to resiliency and also refer to individuals' sense of their ability to impact and control upon their environment successfully.

### 2.3.17 POSITIVE SELF-EVALUATIONS PREDICT MOTIVATION, GOAL-SETTING, JOB AND LIFE SATISFACTION, CAREER AMBITION, PERFORMANCE, AND OTHER DESIRABLE OUTCOMES:

Judge et al. (2004,2005) found that personal characteristics such as positive self-evaluations predict career ambition, motivation, goal-setting, job and life satisfaction, performance, and other desirable outcomes, the reason for this is that the higher an individual's personal resources, the more positive the person's self-esteem and the more goal self-concordance is experienced. Individuals with goal self-concordance are intrinsically motivated to follow their goals and as a outcome they set off higher performance and satisfaction (Luthans and Youssef, 2007).

### 2.3.18 PROACTIVE PERSONALITY, HIGH JOB DEMANDS AND HIGH JOB RESOURCES PREDICT IMPACTS ENGAGEMENT

Dikkers Josje S.E. et la. (2010) in a longitudinal study on proactively, job characteristics, and engagement with a sample of 2124 examined whether high job demands and high job resources predict an increase in engagement over time, a proactive personality will lead to increased levels of engagement over time and high job demands and high job resources will be more strongly associated to engagement over long period of time among proactive employees than among less proactive employees.

The study concludes that there is association between proactive personalities and two dimensions of engagement (i.e. dedication and absorption) and proactive employees perceiving high levels of social support reported the highest levels of dedication 18 months later, not considering of the apparent level of job demands.

### 2.3.19 SELF EFFICACY AND ITS EFFECT ON PERSONAL RESOURCES OF MAKING EFFORT, PERSEVERANCE, AND RESILIENCY

According to Bandura's social cognitive theory, self-efficacy beliefs control the choices people make and the way of action they follow Individuals tend to connect in tasks about which they feel competent and confident and avoid those in which they do not. Efficacy beliefs also help determine how much attempt people will put on an activity, how long they will pursue when facing problems and how resilient they will be in the face of unfavourable situations (Schunk, 1981; Schunk & Hanson, 1985; Schunk, Hanson, & Cox, 1987). The study has established that higher the sense of efficacy the greater the effort, persistence and resilience.

### 2.3.20 EFFICACY AND STRESS AND ANXIETY

Efficacy beliefs influence the amount of anxiety and stress individuals feel as they engage in an activity, greater the efficacy lesser the stress and anxiety (Pajares & Miller, 1994).

### 2.3.21 WELL BEING (FEELING RESOURCEFUL) AT WORK IS INFLUENCED BY PSYCHOLOGICAL EMPOWERMENT, CORE SELF-EVALUATIONS EMOTIONAL INTELLIGENCE, AND PSYCAP VARIABLES

Quiñones Marcela et al. (2013) in their study about whether job resources affect work engagement via psychological empowerment. The study was conducted through a sample of Chilean public 1313 workers. The study establishes that psychological empowerment mediates the associations between job resources namely (psychological task autonomy, skill utilization, and social support) and work engagement. The study also establishes that well being at work depend on psychological empowerment, core self-evaluations and emotional intelligence apart from Psy-Cap variables (i.e., optimism, efficacy, hope, and resilience). The results confirm the added value of psychological empowerment, as a resource in Job-Demand Resource model. This study helps us further knowledge about how to promote work engagement levels in organisations.

### 2.3.22 SELF-EFFICACY- PERFORMANCE

Empirical research on self-efficacy indicates a strong and consistent link between self-efficacy and subsequent outcomes. Researchers have linked self-efficacy to success in job search (Kanfer and Hulin, 1985; Rife and Kilty, 1990), academic achievement (Multon, Brown and Lent, 1991; Relich, Debus and Walker, 1986), improved attendance behaviour (Frayne and Latham, 1987), and increased task performance (Barling and Beattie, 1983; Lee and Gillen, 1989; Mathieu, Martineau and Tannenbaum, 1993) The positive influences of self-efficacy have been well recognized and strong observed support exists for the effects of self-efficacy on performance.

### 2.3.23 SELF-LEADERSHIP-SELF-EFFICACY-PERFORMANCE

Empirical research examined the mediating influences of self-efficacy in a variety of task domains. Feltz's (1982) results indicate that self-efficacy mediates the relation between diving nervousness and diving performance. Bandura (1982) informed self-efficacy mediates the impact of individual distress on the performance of intimidating tasks. Pieper and Johnson (1991) found that self-efficacy mediates the effects of feedback on performance in a computerized simulation in context of space shuttle mission. Further research examined whether self-efficacy works as a mediator through which general leadership behaviours are translated into performance outcomes. It was found that leader behaviours affected performance to the extent that they in the beginning influenced self-efficacy.

### 2.3.24 WORK PLACE SPIRITUALITY AND WORK ROLE FIT AS A FACTOR MEDIATES THE RELATIONSHIP PSYCHOLOGICAL MEANINGFULNESS AND EMPLOYEE ENGAGEMENT

A Study by Kumar V. (2014) was carried about what factors effect Employee Engagement in Business Organizations. In the study sample of 120 each was taken from IT, Banking and Education Survey and it was established that Supportive Supervisory Relations, Rewarding Co-workers Relations, Spirituality and Alignment, Psychological Meaningfulness, Employee's Job Resources, and Physical and Emotional Engagement are the antecedent of Employee Engagement; and In-Role Performance, Organizational Citizenship Behaviour, Job Involvement, Job Satisfaction, and Intention to Stay were the consequences of Employee Engagement. The study found out that Work place Spirituality and Work role fit as a factor mediates the relationship of Supportive Supervisory Relations and Employee Engagement; and also between Psychological meaningfulness and Employee Engagement and therefore importance of having the essence of spirituality among the employees.

### 2.3.25 INDIVIDUAL SPIRITUALITY, SELF EFFICACY, AND EMPLOYEE ENGAGEMENT

Rostami R.K. et al.(2015) In a study in IRAN about Relationship between Spirituality and Job Engagement, a sample of 76 nurses was taken. Pearson correlation and regression were used. The results proved that there is a significant relationship between the components of spirituality and job engagement of nurses.

Marzabadi E.A. et al. (2015), study in Iran is about the relationship between self-efficacy and spirituality with job satisfaction, a sample of 554 of staff was taken in one of the military centres. Pearson's correlation and stepwise regression analysis were used. The results showed that there is a positive significant relationship between Spirituality and Job satisfaction ( $p < 0.01$ ) and Self-efficacy and Job satisfaction.

### 2.4 LITERATURE GAP AND NEED OF FUTURE RESEARCH IDENTIFICATION

Many studies have established self efficacy as antecedent of Employee Engagement along with other personal resources namely core self evaluation, self esteem, proactive personality, Psycap variables (optimism, efficacy, hope, and resilience), self leadership. Also in many studies self efficacy along with HRD Climate, Psychological Meaningfulness, Leadership Support, and Psychological Empowerment are antecedents of Employee Engagement. The various consequences of the Self Efficacy and other personal resources have been increased efforts, Work Engagement, Performance, Organization Citizenship Behaviour, Value Congruence, self-concordance, intrinsic motivation, resiliency, goal-setting, job and life satisfaction, career ambition, perseverance, resiliency, improved attendance behaviour, less of stress and anxiety, evaluate work place demands more positively and have greater ability to cope with these demands effectively.

In a recent study by Kumar V. (2014) which has introduced Workplace spirituality as antecedent of Employee Engagement and the study established Workplace spirituality along with Work Role Fit as a factor proved that it mediates the relationship between Psychological meaningfulness and Employee Engagement. Therefore, there is need that self efficacy along with workplace spirituality studied together to found out their consequences whether that will lead to increased Work Engagement, Performance, Organization Citizenship Behaviour, Value Congruence, self concordance, intrinsic motivation, resiliency, goal-setting, job and life satisfaction, career ambition, perseverance, resiliency, and ability to cope with work place demands effectively.

Also the literature survey covers two limited studies carried in Iran in Hospital and Military Environment found that Spirituality and Employee Engagement and Job Satisfaction are significantly related. In one of the study self efficacy was also included. Therefore, wider studies in Indian Context should be conducted to test that self efficacy along with Spirituality can significantly predict Employee Engagement.

### 3. NEED OF THE STUDY

The present study is important to understand about self-efficacy and other resources at work place, what are antecedents of the personal resources and what are outcomes of these personal resources. Also how along with other independent variables how these personal resources can be more effective. This will help in having better outcomes at work place in form of Performance, Better Employee Engagement and organizational Citizenship Behaviour. It will also help in identifying some other dimensions which along with personal resources will help better to predict Employee Engagement and other positive outcomes at work place.

### 4. STATEMENT OF THE PROBLEM

Through Literature Survey Identify the gaps in Literature in areas of personal resources which can be further explored for better prediction of Employee Engagement and how these personal resources in combination of organizational factors help in predicting factors leading to Employee Engagement.

### 5. OBJECTIVES OF THE STUDY

Through Literature Survey:

- Identifying various personal resources at work place.
- Finding Antecedents and Consequences of Self Efficacy and other Personal Resources.
- Studying Personal Resources along with other variables as Antecedents of Employee Engagement
- Identifying other Personal Resources / Job Resources which can be studied further along with self-efficacy and other Personal Resources for better predictors of Employee Engagement.

### 6. HYPOTHESES

1. Workplace Spirituality along with Self Efficacy has positive impact on Employee Engagement.
2. Individual Spirituality along with self-efficacy has positive impact on Employee Engagement.
3. Workplace Spirituality and Individual Spirituality along with Self Efficacy have positive impact on Employee Engagement.

### 7. RESEARCH METHODOLOGY

A random sample will be selected from a segment of manufacturing or service sectors of Economy. Standard Measurement Scales from literature will be selected for the Independent and Dependent variables. After ensuring reliability of scales, Correlation and Regression Analysis will be used for finding out predictors of Employee Engagement. Multivariate Analysis will be done to check the impact of variables on each other and to infer the final model.

### 8. RESULTS & DISCUSSION

The above literature review leads to following results about antecedents and consequences of Self Efficacy and the factors which are influenced by self efficacy. Effect of other personal resources along with self efficacy and mediating role of self efficacy are also the other conclusions drawn.

- Empowerment Enhances Self Efficacy
- Different Dimensions of self-leadership have respectively had different effect on Self efficacy.
- Individuals high in self-efficacy put in more efforts to meet the work standards
- Occupational self-efficacy is moderately correlated with the dimensions of vigor, and absorption of Employee Engagement.
- Self-efficacy can be taken as a variable representing psychological empowerment
- Leadership influences on self-efficacy perceptions generally focus on how the provision of feedback or the use of effective training techniques influences these perceptions.
- HRD Climate and Occupational Self-efficacy are Predictors of Employee Engagement.
- High core self-evaluations assess demands more confidently have greater ability to handle with these demands effectively, and more efforts for performance.
- Core Self Evaluation, and Value Congruence Influences Performance, and Organization Citizenship Behaviour. Employee Engagement here acts as a Mediator between Core Self Evaluation and Performance and Organization Citizenship Behaviour
- There is Impact Of Resilience, Self-Efficacy, Optimism and Organizational Resources on Employee Engagement
- Managers who are highly engaged do often lead in a motivated and visionary way resulting their employees also becoming very engaged in their work
- Study of Employee engagement in relation to self-efficacy, self-esteem, and optimism found out that the personal resources were related to work engagement.
- Individuals who perceive themselves positively (having perception of self efficacy) are more likely to pursue roles that line up to their values, called self concordance, which promotes intrinsic motivation
- Engagement in some roles comes at the expense of engagement in other roles
- Positive self-evaluations linked to resiliency and individuals' sense of their ability to control and impact upon their environment
- Positive self-evaluations predict motivation, performance, goal-setting, career ambition, job and life satisfaction, and other desirable outcomes
- There is association between proactive personalities and two dimensions of engagement (i.e. dedication and absorption).
- Efficacy beliefs influences how much effort people will put on an activity, how long they will persist when facing obstacles and how tough they will be in the face of adverse situations.
- Greater the efficacy lesser the stress and anxiety
- Psychological task autonomy, skill utilization, and social support influences Work Engagement, Psychological Empowerment acts as mediator.
- Self-efficacy influences job search success, improved attendance behaviour, increased task performance, and academic achievement
- Self-efficacy mediates the relation between diving worry at doing work and diving performance.
- Self-efficacy mediates the effects of giving feedback and performance.
- Leader behaviours affected performance to the degree that they at the start influenced self-efficacy.
- Self-efficacy can be taken as a variable representing psychological empowerment because Conger and Kanungo (1988) have defined psychological empowerment as a motivation related concept to self efficacy.

- Work Place Spirituality and Work Role Fit mediates the relationship of Supportive Supervisory Relations and Employee Engagement and also between Psychological meaningfulness and Employee Engagement; and therefore Work Place Spirituality have important role in presence Employee Engagement at Work-Place.
- There is a significant positive relationship between Individual Spirituality & Self Efficacy and Job Satisfaction & Employee Engagement.

## 9. FINDINGS AND CONCLUSIONS

The above extensive literature survey helps to infer the importance of Self Efficacy of the employees, the antecedents of self efficacy are self leadership tenets, empowerment, leader's support, and coaching.

Positive outcomes and Consequences resulting from self efficacy are increased efforts, Work Engagement, Performance, Organization Citizenship Behaviour, Value Congruence, self concordance, intrinsic motivation, resiliency, job and life satisfaction, career ambition, perseverance, resiliency, improved attendance behaviour, less of stress and anxiety, evaluate work place demands more positively and have greater ability to cope with the job demands effectively.

Self efficacy along with other personal resources namely Resilience, Optimism, self-esteem, and optimism lead to having better employee engagement. Self efficacy along with other personal resources has better effect on positive outcomes at work place

One of the personal resources namely proactive personality leads to having permanent Work Engagement.

Self-efficacy also mediates the relation between anxiety and performance, and the effects of feedback and performance. Further Leaders' behaviours affected performance to the extent that they initially influenced self-efficacy.

Self Efficacy along with other independent variables leads to Employee Engagement e.g. Occupational Self Efficacy along with HRD and predicts Employee Engagement.

Self -efficacy is an important dimension of psychological empowerment since Conger and Kanungo (1988) have defined psychological empowerment as a motivation related concept of self efficacy.

It is to be studied that Self efficacy along with Work Place Spirituality can be determinant of Employee Engagement. In a recent study Work Place Spirituality and Work Role Fit mediates the relationship between Psychological meaningfulness and Employee Engagement.

It is to be studied in Indian Context that Individual Spirituality a positive significant relation with Employee Engagement.

It is to be studied in Indian Context Individual Spirituality along with self efficacy has positive impact on Employee Engagement.

It is to be studied in Indian Context Workplace Spirituality and Individual Spirituality along with Self Efficacy has positive impact on Employee Engagement.

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