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The Educator – the FIMT Journal having (ISSN No. 2277-9736) is a peer-reviewed and Bi-annual journal. It welcomes original papers from both academicians and Professionals on management, business, economics and related issues. Papers, based on theoretical or empirical research or experience, should illustrate the practical applicability and/or policy implications of work described.

The Journal has the following features:

- ◆ **Perspectives** presented on emerging issues and ideas that call for action or rethinking by managers, administrators, and policy makers in organizations. Recommended length of the article is 12,000 to 15,000 words.
- ◆ **Research** includes research articles that focus on the analysis and resolution of managerial and academic issues based on analytical and empirical or case research. Recommended length of the research paper is about 20,000 words.
- ◆ **Management Case** describes a real-life situation faced, a decision or action taken by an individual manager or by an organization at the strategic, functional or operational levels.

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Review Process: Two or more referees will review all contributions by following the 'double blind' system. The Educator –the FIMT Journal reserves the right of making editorial amendments in the final draft of the manuscript to suit the journal's requirements.

Editorial Policy

Journals focused towards the publication of current research and review work carried out globally. All contributions to the journal are rigorously refereed and are selected on the basis of quality and originality of the work. The journal publishes the most significant new research and review work in all areas pertaining to its scope and research being done in the world, thus ensuring its scientific priority and significance.

Research Communication

These embody important findings that are novel and by coverage are of reasonably wide interest. Communications should contain a brief abstract and an introductory paragraph. It is important to note that text should not be divided under subheads. Journal adheres to a stringent review/ screening process for considering a manuscript for publication in it. If a manuscript withstands an initial pre-screening test based on the aforesaid guidelines, it is forwarded to a detailed main-screening by competent reviewers/editors and referees. Here a manuscript is further grilled by another subject expert separately. If consensus in the prescreening and main screening is not arrived- at, on acceptance or rejection of, an opinion from third expert is sought for.

Chairman Message

It is a matter of great pleasure and responsibility for the FIMT family in bringing out the third Issue of its Bi-annual Educator –the FIMT Journal Volume III No. 1 July-Dec., is a testimony of our dedication and vision. This step is towards enhancing the capabilities and enhancing the skills of the upcoming talent in the field of research.

The FIMT is known for best infrastructure for student and faculty. It provides open, healthy, academic environment, Innovative thinking, and student's oriented approach with global perspectives, where students are "Most Important Person – MIPs and all resources of our institute are used to build a new cadre of global professionals.

It has established the tradition of being innovative and open and this is why I am so profoundly proud to be part of this Institute with its short but proud history. I am confident that the FIMT "educator" is a platform to the teachers and academicians to be creative and share their knowledge and learning with other resources from the industry at large.

One of the most significant gaps in our professional education in the country is its weak linkage with the industry and professionals. Until and unless we take creative steps to strengthen this linkage, Professional education will not receive the respect it deserves. I trust that "educator- the FIMT Journal develops into a comprehensive document to divulge the knowledge on socially, culturally and scientifically relevant subjects and does the yeoman services for the larger interest of humanity.

The editorial team deserves appreciation of their sincere efforts to being forth the diverse achievements of the institute. I congratulate the Director, Faculty, and the managing editor of the Educator for successfully bringing out their purposeful Journal. I am sure this positive work will continue in future also and will be able to achieve the objectives of this journal.

I invite all the persons who are engaged in research to participate in the process of knowledge creation and its disbursement to concern stakeholders.



V. K. Nanglia Bhardwa
(Chairman)

From The Editorial Board

"Knowledge Increase when It is shared" —

It gives me immense pleasure to bring to you the Third Issue of educator 2013. Conceived, initiated, and contributed by faculty members from various universities, the journal is a pioneering Endeavour of a college. It is a small step to bring together the minds of academia, researchers, and readers in one bind.

We believe that learning is a never-ending process and one continues to discover oneself in this journey. However, this process is not an isolated and individual venture. It requires an impetus and environment to thrive and flourish in. Keeping this aim in mind, the journal seeks to facilitate this learning environment. It is a concerted effort to give academic researchers a platform to present their ideas in front of an erudite community. The journal is a collection of the best papers contributed by academics that have spent years specializing in the field of commerce, accounting, business management and law.

Given the dynamic nature of commerce and business world, the best ideas are those that can stay abreast of changes in business and technology. The journal has therefore chosen papers that display this foresight and can stand the test of debate and discussion. It is a two-way process that benefits the consumer of this journal and the authors by opening up new questions, study, and investigation. It aids teachers to introduce this newfound learning into their classroom instruction.

This issue includes papers on various facets of management. The journal has been designed to cover the research papers, and articles. During the process of editing, I learnt lot of practical things — how to select, proofread, process of publishing, technology involved and post publication issues. I am thankful to the patron, Ms. Nalini's, the secretary of society who provided his able guidance while giving the team a free hand in the whole process. The elite Editorial Board and the members of team deserve a vote of appreciation and thanks for giving a fine shape to the present issue. We hope you enjoy reading our articles as much as we enjoyed writing them. This Journal will ensure to explore the new researches from the industry and academia in future.

Managing Editor

Contents

Managerial Capabilities of Women Entrepreneurs in Northern India Dr. Sanjeet Kumar, Dr. Mahesh Chand Garg	6
Empirical Study of Employee Turnover in IT Industry With Reference To NCR Dr. Inderjeet Dagar	14
Long-run Price and Income Elasticities of Indian Manufactured Exports Dr. Anu Satya	24
Strategic Thinking and Planning Skills P.O. Oviyasuyi	37
The Role of Training and Development: A Study on Private Banks Dr. Sunil Chandok	42
The Influence of Computer Awareness/Knowledge on User Perception Towards OSOS Kamakshalah Musunuru	49
Innovative Learning by Means of Interactive Simulated Games Dr. Hemlata Agarwal	57
Traditional Household Industries in India (A Case Study of Azamgarh District, Uttar Pradesh) Dr. Anil Kumar Srivastava, Dr. V.K.L. Srivastava, Dr. G.K.Sinha	67
Effectiveness of Social Media Advertising For Generation Next Dr. Shamsheer Singh	76
Job Stress and Turnover Intention Effect Indian Insurance Industry A Lot Dr. Rajul Bhardwaj	85
A Study of the Impact of In-Service Training for Secondary Teachers Dr. Purna Prabhakar Nandamuri, Dr. K. V. Rao	95
Major Controversies Relating to FDI In Multi Brand Retailing and its Policy Implications: An Analysis Shelly Oberoi, Akanksha Khanna, Gurmeet Singh	103

Managerial Capabilities of Women Entrepreneurs in Northern India

Dr. Sanjeet Kumar
Dr. Mahesh Chand Garg

ABSTRACT : Women entrepreneurship as defined by Government of India is an entrepreneur, who runs and enterprise owned and controlled by her and having minimum financial interest up to 51 percent of capital and giving at least 51 percent of the employment to women. Women have innate flair for entrepreneurship. This paper is to find out managerial capabilities of the women entrepreneurs with tentative hypothesis that there is no significance difference in various age groups of the respondents. For this study, a sample of 135 respondents has been taken from three different states i.e. Haryana, Punjab and Union Capital Territory of Chandigarh and from the each State, three district (with a sample of 15 respondents from each district) has been selected for the study. For measuring various phenomena and analyzing the collected data effectively and efficiently and for drawing sound conclusions, Chi-square test has been used, ranking was done on the basis of weighted scores and scoring was also done on the basis of scale.

Key Words: Managerial capabilities, Entrepreneurs, Effectively, Chi-square test.

INTRODUCTION

The entrepreneurship bug is catching up with women. Soon, it is going to be the women's era as they take over realms of small, medium and large enterprise. India is going to be the hub of women entrepreneurship. Women entrepreneurship development is an essential part of human resource development. The development of women entrepreneurship is very low in India, especially in rural areas. Entrepreneurship amongst women has been a recent concern. Women have become aware of their existence, their rights and their work situation. However, women of middle class are not too eager to alter their role in fear of social backlash.

The progress is more visible among upper class families in urban cities. Women entrepreneur is regarded as a person who accepts a challenging role to quench her personality needs and to become economically independent by making suitable adjustments in both family and social life. They are constantly on the look-out for new and innovative

ways which lead to strong economic participation. Their adeptness, skill and knowledge, their acumen in business and a pushing desire to do something positive are among the reasons for women to establish and manage organized industries and take up challenging ventures. Women and men as equal members of the society have the right to the equality of opportunities and treatment. The right to support one and to contribute to the economic well-being of one's family is as important for woman as man. In fact majority of women want and need to work and their income earning capacity is essential for their own survival and that of their families. "Women make up nearly 70 percent of the world's poor and 65 percent of the world's illiterate. Women work longer hours and are paid an average 25 percent less than men, but have made significant gains in entering formally male dominated jobs in the global labour force", says a new report by the International Labour Organization.

Over the last few decades, while women have come forward to establish their own enterprises, their

numbers remain few and far between. The entrepreneurial world is still male dominated. In developed countries, women tend to perform secretarial or low level managerial jobs in the corporate sector. Indeed, less than 5 percent of senior management positions are held by women in the USA. In developing countries such as India, even in the small scale sector, less than 7 percent of the enterprises have been set-up by women. But probably what is noteworthy is that women have been found effective in emerging social and economic role. Women had been a manager since long, from the time the concept of living in a family emerged. She had been an entrepreneur within the four walls where she was innovative in terms of budgeting with the limited income resources, used the waste material for making some useful products. With the changing role that women accepted ever since mid-eighties, the role of entrepreneurship amongst women has gained a considerable importance.

REVIEW OF LITERATURE

N. Rajani (2008) examined the quality of micro-enterprise management by women in socio-cultural milieu and to project the management training needs of women entrepreneurs. Shamsudoha (2009) revealed that women development has been an important issue in the developing country like Bangladesh. Both NGOs and Government have taken different entrepreneurial program for rural women development for their empowerment and alleviating poverty level. The study has evaluated the entrepreneurial program of well-known NGO's like BRAC and Grameen and traced the problem facing the selected women entrepreneurs. Therefore, the study has come out with important policy measures for making the entrepreneurial program effective. Kumari, Kaushik and Lodha (2010) analyzed the problems of rural women entrepreneurs. The study was conducted in the rural areas of Rajasthan with 60 rural women of whom half were engaged in entrepreneurial activity and half were not. The results of the study indicate lack of supportive network, financial and marketing problems were the major problem areas for rural women entrepreneurs and major de-motivator for

other women was to initiate entrepreneurial activity. Sahniabarna (2010) shows that empowerment of women has emerged as an important issue in recent times. The economic empowerment of women is being regarded these days as a sine-quo-non of progress for a country; hence, the issue of economic empowerment of woman is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way for economic independence of rural women. The study deals with empowerment of rural women through entrepreneurship and the advantages entrepreneurship among the rural women.

Drine and Grach (2010) compared male and female perceptions of typical entrepreneurship support services, such as Government provision of information, training and funding. Result of study suggests that existing support services are inadequate for promoting female entrepreneurship. Muhammad and Andow (2011) analyzed the impact of entrepreneurial skills development programmes (ESDPs) on turnover, capital, number of employees, market availability and profit before tax to the development and performance of woman entrepreneurs in Kaduna state. It concluded that ESDPs have some impact on the development and performance of women entrepreneurs in their businesses on all the parameters assessed. Prabhavathy (2011) revealed that entrepreneurship is a dynamic concept and no specific personality attribute can generate success. However, the technical knowledge and skill, parental support, previous job experience may help an entrepreneur to compete successfully in the market. Anun and Dilip (2011) found that the number of woman entrepreneurs has grown over a period of time. Woman entrepreneurs need to be lauded for their increased utilization of modern technology, increased investment, finding a niche in the expect market, creating a sizable employment for others and setting the trend for other woman entrepreneurs in the organized sector.

RESEARCH METHODOLOGY

The main objective of this paper is to find out managerial capabilities of the women entrepreneurs with tentative hypothesis there is no significance difference in various age groups of the respondents.

For this study a sample of 135 respondents has been taken from three different states (i.e. Haryana, Punjab and Union Capital Territory of Chandigarh) and from the each state, three district (with a sample of 15 respondents from each district) has been selected for the study. For data analysis percentage and chi-square test has been used.

DATA ANALYSIS

Table 1 shows the profile and entrepreneurial performance of respondents. Majority of respondents (40 percent) are belonging in the age group 31-35 years. 25.2 percent are in the age group of less than 30 years, 22.2 percent are in the age group of 36 to 40 years and 12.5 percent (8.1 plus 4.4 percent) respondents are belonging the age group of 41-45 and above 45 years. Regarding the residential background, majority of the respondents (90.4 percent) belongs to urban area and very less respondents (9.6 percent) belong to rural area. So, it can be said that urban area's women are more interested in business.

About the family background of the respondents, 90.4 percent women entrepreneurs are from the nuclear family and 9.6 percent respondents are from the joint family. So, this part of the table also indicates nuclear family women are more interested in entrepreneurship and they always ready for financial contribution in their family. Regarding the type of industry, majority of the respondents (41.5 percent) are from trading industry which explains that they just purchase the finish goods and sale it to the consumers, and 31.9 percent are in the service industry and 26.6 percent respondents are in the manufacturing industry, meaning therefore they purchase the raw material and process it, after that sale it among the customers.

About the location of the business, 56.3 percent respondents are running their business in rented shop, 27.4 percent respondents are running their business in own home, 13.3 percent respondents are running their business from purchased shop which means before starting the business firstly they purchased shop and then they started their business and only 3 percent respondents are running their business in Government plots.

Table 1: Profile and Entrepreneurial Performance of Respondents

Age Groups of Respondents			
S. No	Age Groups	Frequency	Percent
1	Less than 30	34	25.2
2	31-35	54	40.0
3	36-40	30	22.2
4	41-45	11	8.1
5	Above 45	06	4.4
	Total	135	100

S. No	Residential Back-ground	Frequency	Percent
1	Rural	13	9.6
2	Urban	122	90.4
	Total	135	100.0

Family Background			
S. No	Family back-ground	Frequency	Percent
1	Joint	13	9.6
2	Nuclear	122	90.4
	Total	135	100.0

Type of Industry			
S. No	Type of Industry	Frequency	Percent
1	Manufacturing	36	26.6
2	Trading	56	41.5
3	Services	43	31.9
	Total	135	100.0

Location of business			
S. No	Location of business	Frequency	Percent
1	Home itself	37	27.4
2	Rented shop	76	56.3
3	Purchased shop	18	13.3
4	Govt. Provided Plots	04	3.0
	Total	135	100.0

Source: Primary Data

Managerial Capabilities of Women Entrepreneurs in Northern India

Table 2 highlights the opinion about managerial capability of women entrepreneurs regarding financial management. Majority of the respondents (47.1 percent) in age group less than 30 years are in favour very good and some respondents favour good and 5.8 percent are in favour of excellent managerial capability regarding financial management. In the age group 31-35 years, 57.4 percent are in favour of very good and 42.6 percent are in favour of good and almost similar trend found in the age group 41-45 years. In the age group 36-40 years, most of the respondents (60 percent) are having opinion as good, 36.7 percent as very good and 3.3 percent as excellent. But in the age group above 45 years, all the respondents are in favour in very good opinion about managerial capabilities of women entrepreneurs regarding the financial management.

When applying the chi-square test, table value is (15.507) is more than chi-square value (12.961) at 5 percent level significance with 8 degree of freedom indicates the insignificant difference in different age groups of respondents about managerial capability of women entrepreneurs regarding the financial management.

Table 2: Regarding Financial Management

Age Groups (In Years)	Response			Total
	Excellent	Very Good	Good	
Less than 30	2(5.8)	16(47.1)	16(47.1)	34(100.0)
31-35	—	31(57.4)	23(42.6)	54(100.0)
36-40	1(3.3)	11(36.7)	18(60.0)	30(100.0)
41-45	—	7(63.6)	4(36.4)	11(100.0)
Above 45	—	6(100.0)	—	6(100.0)
Total	3(2.2)	71(52.6)	61(45.2)	135(100.0)

Chi-square = 12.961 Table value = 15.507 df = 8 p-value level = 5 Significant

Source: Primary Data

Note: Figures in parentheses indicates the percentages

Table 3 shows that majority of the respondents (67.7 percent) in the age group less than 30 years, 77.7 percent in the age group 31-35 years, 50 percent in the age group 36-40 years, 72.7 percent in the age-group 41-45 and all respondents in the

age group above 45 years are having views good about the managerial capabilities of women entrepreneurs regarding the marketing skills. 23.5 percent in the age group less than 30 years, 11.1 percent in the age group 31-35 years and 27.3 percent respondents in the age group 41-45 years are having views very good about the managerial capability of women regarding the marketing skills, but low respondents (5.9 percent) in the age group less than 30 years, 9.3 percent in age group 31-35 years and 13.3 percent in the age group 36-40 years are having response poor about the managerial capability of women entrepreneurs regarding the marketing skill.

The application of the chi square test reveals that no significant difference in the different age groups of the respondents about the managerial capabilities of women entrepreneurs regarding marketing skills, as the calculated value (14.592) is less than the table value 21.026 at 5 percent level of significance and p-value also favour the same.

Table 3: Regarding Marketing Skill

Age Groups (In years)	Response				Total
	Excellent	Very Good	Good	Poor	
Less than 30	1(2.9)	8(23.5)	23(67.7)	2(5.9)	34(100.0)
31-35	1(1.9)	6(11.1)	42(77.7)	5(9.3)	54(100.0)
36-40	—	11(36.7)	15(50.0)	4(13.3)	30(100.0)
41-45	—	3(27.3)	8(72.7)	—	11(100.0)
Above 45	—	—	6(100.0)	—	6(100.0)
Total	2(1.5)	28(20.8)	94(69.6)	11(8.1)	135(100.0)

Chi-square = 14.592 Table value = 21.026 df = 12 p-value level = 5 Significant

Source: Primary Data

Note: Figures in parentheses indicates the percentage

Table 4 indicates that in age group less than 30 years, 41.2 percent respondents are favouring good, 35.3 percent respondents are favouring very good, and 23.5 percent are favouring poor about

the managerial capability of women entrepreneurs regarding the production management. In the age group 31-35 years, 38.9 percent respondents support very good, 29.6 percent respondents support good, 5.6 percent respondents support poor excellent and 25.9 percent respondents regarding about the managerial capabilities regarding production management. Within the age group 36-40 years, 40 percent respondents are in favour of good, 13.3 very good, 36.7 percent are in favour of excellent and 10 percent respondents are in favour of poor about the managerial capabilities of women entrepreneurs regarding the production management.

In the age group 41-45 years, none of the respondents is having poor response about managerial capabilities of women entrepreneurs regarding the production management. In the age group above 45 years, 33.3 percent are support very good, half of respondents support good and 16.7 percent respondents are having the poor opinion about the managerial capabilities of women entrepreneurs regarding the production management. Since the calculated value (14.091) is less than the table value (21.026) at 5 percent level of significance, there is no significant difference in the managerial capability of women entrepreneurs regarding the production management among different age groups of respondents.

Table 4: Regarding Production Management

Age Groups (In years)	Response Excellent	Very Good	Good	Poor	Total
Less than 30	—	12 (35.3)	14 (41.2)	8 (23.5)	34 (100.0)
31-35	3 (5.0)	21 (38.9)	16 (29.6)	14 (25.9)	54 (100.0)
36-40	4 (13.3)	12 (40.0)	11 (36.7)	3 (10.0)	30 (100.0)
41-45	1 (9.1)	3 (27.3)	7 (63.6)	—	11 (100.0)
Above 45	—	2 (33.3)	3 (50.0)	1 (16.7)	6 (100.0)
Total	8 (5.9)	50 (37.0)	51 (37.8)	26 (19.3)	135 (100.0)

Chi-square =14.091 Table value =21.026 df = 12 p-value =.210 Significant level=5 Percent

Source: Primary Data

Note: Figures in parentheses indicates the percentage

From the Table 5, it is inferred that 52.9 percent respondents in the category less than 30 years, 35.2 percent in the category 31-35 years, 30 percent in the category 36-40 years, 45.5 percent in the category 41-45 years support excellent about managerial capability of women entrepreneurs regarding planning. In the category 31-35 years 42.6 percent, in the category 36-40 years 63.4 percent, in the category 41-45 years 36.3 percent and in the category above 45 years 66.7 percent respondents are in favour of very good regarding planning. 5.9 percent in the category less than 30 years, 18.5 percent in the category 31-35 years, 3.3 percent in the category 36-40 years and 18.2 percent in the category 41-45 years are in favour of good about the managerial capabilities regarding planning. But very less respondents, 2.9 percent in category less than 30 years, 3.7 percent in the category 31-35 years and 3.3 percent respondents in the category 36-40 years are in favour of poor about the managerial capabilities of women entrepreneurs regarding the planning.

The application of the Chi square test reveals that there is no significant difference in different age groups of respondents about managerial capabilities of women entrepreneurs regarding the planning, as the calculated value (12.842) is less than table value (21.026) at 5 percent level of significance and the p-value (.381) also favour the same that there is no significant difference in the different age group of the respondents.

Table 5: Regarding Planning

Age Groups (In years)	Response Excellent	Very Good	Good	Poor	Total
Less than 30	18 (52.9)	13 (38.3)	2 (5.9)	1 (2.9)	34 (100.0)
31-35	19 (35.2)	23 (42.6)	10 (18.5)	3 (5.5)	54 (100.0)
36-40	9 (30.0)	19 (63.4)	1 (3.3)	1 (3.3)	30 (100.0)
41-45	5 (11.1)	4 (8.9)	2 (4.4)	—	11 (100.0)
Above 45	2 (33.3)	4 (66.7)	—	—	6 (100.0)
Total	53 (39.3)	63 (46.7)	15 (11.0)	4 (3.0)	135 (100.0)

Chi-square =12.842 Table value =21.026 df = 12 p-value =.381 Significant level=5 Percent

Source: Primary Data

Note: Figures in parentheses indicates the percentage

Table 6 highlights that a large chunk of the respondents i.e 32.4 percent, 40.7 percent, 63.3 percent, 45.4 percent and 66.6 percent from less than 30 years, 31-35 years, 36-40 years, 41-45 years and above 45 years respectively are having response good about the managerial capabilities of women entrepreneurs regarding organizing. 44.1 percent in the age group less than 30 years, 46.3 percent in age group 31-35 years, 36.7 percent in age group 41-45 years and 16.7 percent respondents in age group above 45 years are having response very good whereas 3.7 percent in age group 31-35 years are in favour of poor about the managerial capabilities of women entrepreneurs regarding organizing.

The results of Chi-square shows that the calculated value (17.024) is less than the table value (21.026) at 5 percent level of significance with 12 degree of freedom. It is concluded that there is no significant difference in different age groups of respondents about managerial capabilities of women entrepreneurs regarding organizing.

Table 6: Regarding Organizing

Age Groups (In years)	Response Excellent	Very Good	Good	Poor	Total
Less than 30	8 (23.5)	15 (44.1)	11 (32.4)	—	34 (100.0)
31-35	5 (9.3)	25 (46.3)	22 (40.7)	2 (3.7)	54 (100.0)
36-40	—	11 (36.7)	19 (63.3)	—	30 (100.0)
41-45	2 (18.2)	4 (36.4)	5 (45.4)	—	11 (100.0)
Above 45	1 (16.7)	1 (16.7)	4 (66.6)	—	6 (100.0)
Total	16 (11.9)	56 (41.5)	61 (45.0)	2 (1.5)	135 (100.0)

Chi-square =17.024 Table value =21.026 df = 12 p-value =.149 Significant level=5 Percent

Source: Primary Data

Note: Figures in parentheses indicates the percentage

Table 7 shows that almost half of the respondents in the all age groups are having views as good about the managerial capabilities of women entrepreneurs regarding staffing in which 32.4 percent are from the age group less than 30 years, 40.7 percent are from the age group 31-35 years, 63.3 percent are from the age group 36-40 years, 45.4 percent are from the age group 41-45 years and 66.6 percent respondents are from the age group above 45 years. But only 3.7 percent in the age group 31-35 years are opine poor about the managerial capabilities of women entrepreneurs regarding staffing.

The application of the Chi-square test calculated value (13.153) is less than the table value (21.026) reveals that there is no significant difference among the different age groups of respondents about the managerial capabilities of women entrepreneurs regarding staffing.

Table 7: Regarding Staffing

Age Groups (In years)	Response Excellent	Very Good	Good	Poor	Total
Less than 30	8 (23.5)	15 (44.1)	11 (32.4)	—	34 (100.0)
31-35	5 (9.3)	25 (46.3)	22 (40.7)	2 (3.7)	54 (100.0)
36-40	—	11 (36.7)	19 (63.3)	—	30 (100.0)
41-45	2 (18.2)	4 (36.4)	5 (45.4)	—	11 (100.0)
Above 45	1 (16.7)	1 (16.7)	4 (66.6)	—	6 (100.0)
Total	16 (11.9)	56 (41.5)	61 (45.0)	2 (1.5)	135 (100.0)

Chi-square =13.153 Table value =21.026 df = 12 p-value =.358 Significant level=5 Percent

Source: Primary Data

Note: Figures in parentheses indicates the percentage

Table 8 reveals that in age group less than the 30 years majority of the respondents (47.1 percent) show good, 41.2 percent show very good and 11.7 percent respondents show the poor response about the management capabilities of women entrepreneurs regarding directing. In the age group

31-35 years 3.7 percent respondents show the excellent, 27.8 percent show very good, 46.3 percent show good, 20.3 percent show poor and 1.9 percent show the very poor response. But in the age group 41-45 and above 45 years of the respondents are denied to any response in poor or very poor response about managerial capabilities of women entrepreneurs regarding directing.

Chi-square test table value (26.296) is greater than the calculated value (14.676) concludes that no significant difference in the different age groups of the respondents about the managerial capabilities of women entrepreneurs regarding directing.

Table 8: Regarding Directing

Age Groups (in years)	Excellent	Response Very Good	Good	Poor	Very poor	Total
Less than 30	—	14 (41.2)	16 (47.1)	4 (11.7)	—	34 (100.0)
31-35	2 (3.7)	15 (27.8)	25 (46.3)	11 (20.3)	1 (1.9)	54 (100.0)
36-40	—	8 (26.7)	17 (56.7)	5 (16.6)	—	30 (100.0)
41-45	1 (9.1)	4 (36.4)	5 (54.5)	—	—	11 (100.0)
Above 45	1 (16.7)	2 (33.3)	3 (50.0)	—	—	6 (100.0)
Total	4 (3.0)	43 (31.9)	67 (49.6)	20 (14.8)	1 (0.7)	135 (100.0)

Chi-square Table value $\chi^2 = 26.296$ $df = 16$ $p\text{-value} = 0.001$ Significant level = 5 Percent

Source: Primary Data

Note: Figures in parentheses indicates the percentage

It is inferred in the Table 9 that most of respondents (55.9 percent) in the age group less than 30 years, 66.7 percent in the age group 31-35 years, 53.3 percent in the age group 36-40 years and 50 percent in the age group above 45 years are in favour of poor, where as 72.7 percent in the age group of 41-45 years and 50 percent in the age group of above 45 years are in favour of good about the managerial capabilities of women entrepreneurs regarding controlling.

The application of the Chi-square test shows the significant difference in the different age groups of the respondents about the managerial capabilities

of women entrepreneurs regarding the controlling. Because the table value (26.296) is less than the Chi square value (38.115) at 5 percent level of significance and the p-value (.001) also support the same.

Table 9: Regarding Controlling

Age Groups (in years)	Excellent	Response Very Good	Good	Poor	Very poor	Total
Less than 30	4 (11.8)	1 (2.9)	10 (29.4)	19 (55.9)	—	34 (100.0)
31-35	1 (1.9)	5 (9.3)	8 (11.1)	36 (66.7)	6 (11.0)	54 (100.0)
36-40	1 (3.3)	5 (16.7)	8 (26.7)	16 (53.3)	—	30 (100.0)
41-45	—	—	8 (72.7)	3 (27.3)	—	11 (100.0)
Above 45	—	—	3 (50.0)	3 (50.0)	—	6 (100.0)
Total	6 (4.5)	11 (8.1)	35 (25.8)	77 (57.0)	6 (4.6)	135 (100.0)

Chi-square Table value $\chi^2 = 38.115$ $df = 16$ $p\text{-value} = 0.001$ Significant level = 5 Percent

Source: Primary Data

Note: Figures in parentheses indicates the percentage

CONCLUSION

In the end, the study concludes that regarding age of respondents, most of respondents are young because they belong to age-group of 31-35 years have qualification graduation and below graduation and belongs to urban area. In this study, 122 out of 135 respondents are having nuclear family background and have the employees in between 5 to 10. Most of the woman entrepreneurs do not have their own shop and they run their business in the rented shop/building. The study reveals that majority of respondents are agreed that woman entrepreneurs having very good fund management and planning capability. But in the case of controlling, woman entrepreneurs are poor. Large number of respondents favors in good that woman entrepreneurs have good management skill, production management, organizing, staffing skill and directing skill.

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There are over 400 ITES-IT INDUSTRY companies operating in the Indian market, including captive units (of both MNCs and Indian companies) and third-party services providers. In terms of India's US continues to be the main consumer of India's ITES-IT INDUSTRY services (with a 66% share of the market), followed by Western Europe (including the UK), which accounted for 20% of export revenues. In terms of functional service offerings, Customer Care and Support services contributed approximately 34% of the industry's revenues (with the other leading service lines including Finance (13%) and Administration (19%). The global financial Content Development (19%). The global financial services vertical remained the largest user of Indian ITES-IT INDUSTRY services, followed by telecom, healthcare and airline segments. Captive units continued to dominate the ITES-IT INDUSTRY industry, accounting for over 65 percent of the value of the work off shore to India.

LITERATURE REVIEW

Grossman and Helpman's (2005: 135) statement, "We live in an age of outsourcing," clearly designates that outsourcing has now become an acknowledged, accepted and established business strategy. One of the most familiar forms of outsourcing is business process outsourcing (BPO) or ITES-IT INDUSTRY, i.e., transferring the operational ownership of one or more of the firm's business processes to an external supplier that, in turn, administers the processes according to some predefined metrics (Ghosh and Scott, 2005; Stone, 2004). IT INDUSTRY or Business Process Outsourcing thus refers to the rearrangement of entire business functions to some other service providers, primarily in low cost locations. The service provider may be either self-owned or a third party. This relocation or transferring of business processes to an external provider is essentially to accomplish increased shareholder value. Some of the general services provided by the IT industry are Receivables and Payables, Inventory Management, Order Processing, Cash flow Analysis, Reconciliation, Data Entry, Payroll Processing, QuickBooks Accounting, Financial Statement Preparation and Accounting Services. Some of the web based services include live online sales and order entry, E-commerce

transaction support, Live online enquiry handling, Web Design/Development. Reduced international trade barriers and improved telecommunication and IT capability over the past decade has led to a situation where organizations across the world are increasingly interlinked with each other. This has resulted in intense global competition, challenging business managers across the world to find ways to reduce the cost of conducting business and accessing global resources in meeting the need of global markets. In such a context, the reorganization of business models to leverage benefits of outsourcing and focus on core competencies has become a key strategy pursued by large corporations across the world. IT INDUSTRY service-providers are expected to provide a wide spectrum of benefits to their customers, ranging from having greater expertise in the outsourced processes, lower costs achieved through economies of scale, scalability and the ability to absorb cyclicity of loads.

Ammu Anantharaja (2009) said that the highest percentage of attrition is in voice based processing of BPO industries. Career growth, compensation and supervision are the most important reasons for attrition. Due to monotonous nature of the job, employees change their jobs. Boxall et al (2003) in New Zealand confirmed the view that motivation for job change is multidimensional and that no one factor will explain it. However, over time there have been a number of factors that appear to be consistently linked to attrition. Mobley et al (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover). Elangovan (2001) noted that the notion of job satisfaction and organizational commitment being causally related has not been incorporated in most turnover models. His study indicated there were strong causal links between stress and satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment). He further noted a reciprocal relationship between commitment and turnover intentions (lower commitment leads to greater intentions to quit, which in turn further lowers commitment). Morrell et al (2004) tested the

unfolding model by studying the voluntary turnover of nurses in the UK. Their findings indicated that shocks play a role in many cases where people decide to leave. Furthermore, they found that shocks not only prompted initial thoughts about quitting but also typically had a substantial influence over the final leaving decision. They also noted that decisions to quit prompted by a shock are typically more avoidable. The authors suggest that their research illustrates the importance for managers of understanding avoidability to the extent to which turnover decisions can be prevented. Palan (2008) said that in BPO sectors training does not lead to employee attrition as there is no plan to optimize organizational investment. To protect our training investment, a comprehensive plan to retain employees need to be in place. It starts from selection & recruitment & ensuring that training is a process & not an event engagement of the employee by the line manager & a competency based learning culture go a long way to enhance employee retention. Taplin et al (2003) conducted a large-scale turnover study in the British clothing industry. Two factors emerged as the most significant reasons for employees leaving the industry. One was the low level of wage rates in the clothing industry relative to other manufacturing sectors. The other reason referred to industry image with staff leaving because of fears relating to the long-term future of clothing manufacture in the UK. In this study, turnover rates were highest among the most skilled workers.

IMPORTANCE OF THE STUDY

The growing and prosperous Information Technology (IT) industry provides multiple job opportunities for the software professionals. Consequently, a large number of people switch from one organization to the other. The National Association of Software and Service companies (NASSCOM) predicts that about 2.5 million new jobs would be created in India. Thus it is evident that, a large number of vacancies would be created because of the high rate of attrition as well as the new opportunities created by the evolving job market. Thus maintaining the supply and demand of professionals in equilibrium would become an important task for HR managers in the near future. Thus it is important to recognize and

analyze the primary factors that cause attrition in man power due to "job hopping".

STATEMENT OF THE PROBLEM

High attrition is big HR challenge faced by industry. Most IT companies suffer high attrition problem. Engaged & satisfied employees are more likely to stay with their companies. Identifying motivation & satisfaction factors for IT consultant. High attrition, is therefore of great importance in increase employee retention. The purpose of this research is to investigate what are the main reasons for leaving their companies. Organizations invest a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee's attrition. Although there is no standard framework for understanding the attrition process as whole, a wide range of factors have been found useful in interpreting attrition. Therefore, there is need to develop a fuller understanding of the attrition.

OBJECTIVES

It is clear from the review of IT INDUSTRY research that solutions are required to some specific problems of practical importance in the field of escalating attrition and retention in IT industry. The broad objective of this paper is to identify the root causes of attrition and retention in IT industry, analyzing the level of employee motivation, satisfaction and involvement, generate a model for maximizing sustenance of employees in the organization and come up with concrete recommendations, which will eventually be valuable to the organizations to retain their employees for a long term. The management of various IT firms encounters challenge of employee attrition, which is beyond control & influence growth of an organization, present research has been undertaken. The specific objectives of this paper are:

1. To identify and rank the factors of attrition in IT Industry based on accumulative literature review and secondary data.
2. To develop a regression model for escalat-

- ing the stay of employees in IT industry and give recommendations for the same.
- To assess the existing level of employee motivation and validate the model by studying the impact of recommendations on a small patch.
 - To study the Attrition problem in IT Industries.
 - To understand the causes behind the employee attrition.
 - To propose remedial measures to control the attrition.

RESEARCH METHODOLOGY

This research is undertaken to assess the causes of attrition and its remedies. The main aim is to ensure that the required data are collected objectively and accurately. The methodology deployed for this survey consisted of primary research, with insights being captured through questionnaires and face-to-face discussions with senior management of participant organizations. Inputs from potential customers to this industry have also been collated, with respect to their key concerns while considering outsourcing to India. The general intent of this descriptive study was threefold. Therefore a systematic and organized methodology was obtained for the research study. A survey design was used to obtain the required information. The population for this study comprised of employees working in various IT Industry in the National Capital Region. A sample size of 250 was chosen for this study. Simple random sampling technique was used to gather data from the respondents, because of which respondents diverged from every age group, gender, organization, marital status etc. but were restricted only to low and middle level employees, where the attrition is highest. The questionnaire was intricately designed to tap the demographic variables including age, education, gender, marital status, and tenure of the respondents. It also gathered information about the factors responsible for attrition, the factors that can be employed to retain the employees in a IT INDUSTRY, their overall level of satisfaction, motivation, involvement and life interest and work compatibility. Main data collection began in the month of March to June 2012.

PRIMARY DATA: Data regarding the causes of attrition and its remedies was collected directly by interacting with the employees of the organization by a structured questionnaire.

SECONDARY DATA: The secondary data was collected from the magazines, journals and the internet.

SAMPLE SIZE: Data regarding perception towards employee attrition had been collected from 200 Employees working in different IT Industries. Researcher has used purposive sampling method and collected quantitative data. The data collected from primary source were analyzed by using simple statistical tools viz. tabulation, percentage etc.

RESULT & FINDINGS

A questionnaire was intricately designed to tap the factors responsible for attrition, the factors that are expected to be present in a specific job for retention. The instrument was divided into 4 parts. The first part gathered information about the personal profile of the respondents which included their age, gender, education, marital status, and tenure. Part II consisted of questions about their reasons for change or probable change in their jobs. Part III aimed at knowing what according to the respondents is important for their sustenance in an organization. And last of all, Part IV was about their overall perception of the work which included their level of satisfaction, level of motivation, level of involvement and level of life interest and work compatibility. In order to gain a deeper understanding about the phenomenon of high attrition, and identification of the factors behind it, a lot of literature on IT INDUSTRY, particularly what got published during 2004 and 2005 was studied in detail. Major causal factors for high attrition in Indian IT INDUSTRY industry identified in this study were based on qualitative research using secondary data. These were compared with causal factors for attrition identified through personal interview with a number of IT INDUSTRY employees in the NCR. There was a close similarity between the two results, authenticating the qualitative research on causal agents for attrition identified in this study.

FINDINGS

Domestic Indian IT INDUSTRY Industry has seen a spurt in the recent years growing at a 33 %CAGR. The Domestic Indian IT INDUSTRY industry grew from a USD 660 Million to a USD 1.18 Billion Industry EBITA margins for domestic IT INDUSTRY stood at a double digit Percent figure Billing rates are less compared to offshore segment - Most Indian IT Industry (especially call centers) are engaged throughout the night hours (for offshore clients), leaving the facility empty for the day. The dependent variable was sustenance in an organization, and the independent variables were personal characteristics viz. age, gender, education, marital status, and retention factors viz. motivation factors, extrinsic factors, involvement factors, and life interest and job compatibility factors. All these eight factors were put in the model as independent variables and willingness to continue in the organization was put as the dependent variable. Intrinsic motivation factors, employee involvement factors, age and education are the main determinants of retention. The value of multiple R is 0.60 and the value of r square is 0.36 in the equation. It states that 36% of the retention in a IT INDUSTRY is explained by these factors. An employee's sustenance in an organization can be rightfully explained by these factors.

Equation: 1

$$Y = 1.78 + 0.47 \times 1 + 0.15X2 - 0.13X3 - 0.11 \times 4$$

Where,

Y = Stay in the organization X1 = Intrinsic Motivation Factors X2 = Involvement Factors X3 = Age X4 = Education

After forming the regression model, value for each respondent's willingness to stay in the organization was calculated. These predicted values were then compared to the actual values as given by the respondents. There was a strong correlation between the actual and predicted values. The correlation came out to be 0.659** which was significant at 0.01 level. Thus, on the basis of the regression model it can be concluded that intrinsic motivation factors and involvement factors are quite instrumental in retaining the employees in an organization and at the same time, age and education negatively contribute to the sustenance

of the employees in the organization. Employee involvement is a proven tool to motivate and retain employees and according to the result here, it can be constructive in the Indian IT Industry too. In the West, there has been ongoing interest in getting workers more involved in various processes, such as decision-making and information sharing. Employee participation adds to employees growth needs and sense of achievement through a healthier deployment of their dexterity and potential.

1. It is found that the percentage of attrition was the highest (62%) among the respondents of 24-28 age categories and was the lowest (10%) among the respondents of 19-23 age group categories and the 28% among the respondents of 29 and above group. From the analysis it is inferred that there is a close relationship between the ages of respondents. And its impact on attrition.

2. It is found that the percentage of attrition was the highest (73%) among the male respondents. And the lowest (27%) among the female respondents. From the analysis it is concluded that there is a close relationship between gender and its impact on attrition.

3. It is found that percentage of attrition was the highest (64%) among the respondents of 2-4 years experience and (17%) attrition among the 5 and above year experience respondents 19% attrition was among the 1-2 years job experience respondents. From the analysis it is concluded that 3-4 years experienced IT professionals having higher percentage of attrition.

4. Employees leave organization due to various reasons. 40% IT professionals left the organization due to better offer next door. 25% IT professionals resigned due to overseas opportunities. 8% professionals leaving job for only higher package. 12% IT professional left the job because of boss relation. Very few professionals leave the job due to improper time schedule. From the analysis it is concluded that Majority of IT professionals left the job due to growth opportunity.

5. Female IT professionals left the job and they shift the cities due to marriage. 4% IT professionals resign due to personal and family problem. 2% employees shifted other cities due to parent health.

6. Majority professionals are leaving the job

voluntary and very few professionals leave the job due to company problem means voluntary attrition rate is very high compare to involuntary attrition. Means the 92 percent employees left the job voluntary and only 8 percent employees left the job involuntary.

7. Employees join IT firms with some objectives, they having higher dreams they want higher status for fulfilling their objectives that's why they seek opportunity elsewhere. Majority (67%) employees left the previous company due to better opportunity.

8. Qualification of a person impacts his decision regarding companies. High qualified people will always expect a better position suiting their profile and often look for better level compensation. They will have high level expectations and will always look for better job best. Switching jobs is their regular job.

According to my research study majority of the respondents are skilled.

GENERAL FINDINGS

These findings are based on researcher's observation and discussions during field work.

1. The most common reasons for which employees leave an organization is salary or compensation. Most employees who have been in the same organization for a while expect to be compensated for their hard work and experience. If they feel that they are not being rewarded or even considered for an increase, they very often look to move somewhere else where they can receive a higher salary.
2. An employer should always keep this in mind that beyond a point, an employee's primary need has less to do with how he is treated and how valued he feels. The first time an employee may not leave, but a thought has been planted, the second time that thought gets strengthened. The third time he starts looking for another job.
3. Another factor which may prompt an employee to leave an organization may be the interpersonal relationships. Much

of this depends directly on the immediate managers. Different managers create problems for employees in different ways by being too authoritative, too selfish, too critical, but they forget that employees are not fixed assets. They are free agents.

4. Here the employee chooses to separate himself from the organization because of personal reason such as ill-health, desire to return to the native place for family reasons. The spouse is transferred and the current organization has no branch in the new location and so on. In the Indian context women may have to give up their jobs post marriage to resettle elsewhere in the country or even post-pregnancy.
5. An employee leaves an organization if the fairness of the system does not inspire his confidence. Organization which pays scant regard towards employee safety and care will also have to face the mounting attrition level.
6. High levels of stress and lack of work life balance- companies in their zeal to squeeze out every little ounce of productivity from their employees and further increase profitability may opt for less number of employees. In the immediate context, it may produce palpable results. But in the long run perspective, stress level may soar as employees groan under the weight of excessive workload. Employee's personal life will also go for a loss due to alarmingly high level of work pressure. Employee burn out and steep fall in productivity are the obvious fallout. Sooner than later employees will be constrained to rethink their priorities and join an organization that promises a relaxed pace of work and a breathing space.
7. Sometimes employees have to separate from an organization as they have not completed their probation period successfully or they are being laid off for want of work or their appointment was only on a temporary basis. In fact it is this aspect of separation that is most unpleasant since the earlier once discussed were cases of

separation which were employee initiated. Care must be taken by the organizations to ensure that the above be carried out as smoothly as possible else, this could create a lot of negative impressions about the company which could be detrimental for the organizations image in the long run. One major consequence of this type of separation is that it affects the morale of the employees at large and creates a feeling of insecurity in general. Hence retention of talent pool is one of the biggest challenge in front today's organization.

SUGGESTIONS

Retention plan strategies should be different for different level of employees, because their roles are different, their needs are different, what motivates them are different and what makes them leave are also different. Based on the study it has been seen that dimensions of satisfaction and motivate are significantly different for employees on the basis of age, gender, marital status and education. Then, the regression model revealed that intrinsic motivation and involvement factors, as well as age and education level contribute to the sustenance of employees in the organization. Thus based on the findings, it can be said if the employees are motivated and involved in the work they can be retained. The ease of retention would depend on their degree of motivation and involvement. By referring above findings few prescriptions have been rewarded that may assist IT firms to retain intellectual, knowledgeable and educated manpower, which consequently helps organization to prosper.

1. OFFER FAIR AND COMPETITIVE SALARIES commensurate with industry. Fair compensation alone does not guarantee employee loyalty, but offering below market wages makes it much more likely that employee will look for work elsewhere. To retain workers, conduct regular reviews of the salaries offer for all job titles like entry level, experienced staff and supervisory level. These salaries need to be compared with department's salaries with statistically reliable averages. If there are significant discrepancies, then

management needs to take steps to ensure that organization is in line with the marketplace.

2. DEVELOPING A GOOD TRAINING PROGRAM: Training is a vital function of every organization which helps employees in performing effectively. Providing proper training is essential to both employer and employee in increasing their skills and managing their job more easily. It is essential for both professional performance and organizational development. It helps employees perform effectively and efficiently.

3. REWARD AND RECOGNITION OF EMPLOYEES: In the changing business environment the employers should be aware of how they have to be recognized and rewarded as an employee. With the change in the information technology and work culture, employers should be aware of providing innovative recognition and reward programs, and should be reviewed from time to time. Traditionally, employees used to be rewarded once in a year but with the change in the business environment, the way the rewards and recognition is provided to the employees has also changed. Recognition and rewards are considered to be powerful tools for employee motivation, satisfaction and performance management. Rewards can be in monetary and non-monetary terms. Monetary rewards are important for a company that recognizes and rewards its employees. Recognizing and rewarding the employee's performance will help the organization celebrate its success. The different reward system available are variable pay, lump sum merit awards, meeting expectations awards and so on.

4. STOCK OPTIONS: Various compensation policies have been evolved at corporate level, as companies started looking for innovative ways of retaining their employees. One of the ways is to use stock options. Stock options are generally the right but not obligation to buy the company's stock at some point in the future at a predetermined price. Granting stock options to employees has a positive effect on the overall performance of the organization. They are offered by both public and privately held companies. They have found their way to India in 1990s and have begun to be used by them as one of the retention tools. Infosys was the first stock option schemes (ESOP). These options

were also effectively used by companies in retaining their talented workforce.

5. STRENGTHEN THE RECRUITMENT PROCESS: Employee retention invariably depends upon effective recruitment. When an organization hires an employee who has the right mix of skill set and personality, he is pretty much likely to stick to his job. It is quite necessary for an organization to have cleared, accurate and a very transparent recruitment process. It is equally important to be frank and realistic with potential hires.

6. CAREER OPPORTUNITIES: World class training, development and career management are effective tools that will help an organization to retain its talent. It makes sense to find out employees' expectations vs. the company and ensure that an employee's career on high growth trajectory mode. Employee should be encouraged to attend meetings and seminars at regular intervals. Companies should have their constant dialog with employees about their professional aspirations. Companies can financially sponsor and support the employees to pursue higher qualifications without losing their gainful employment.

7. EXIT INTERVIEWS: Exit interviews stand out as one of the best option to get into the root of the attrition problem. Exit interviews provide the HR managers a chance to understand what an employee needs and also to discover workplace issues. Many organizations often find it most severe, prior to expose the specific causes of employee attrition. In such cases exit interviews stand as an ideal platform, where the HR managers gain a clear picture about their employee's demands and take initiatives before they lose their star performers to their competitors. Exit interviews, if conducted properly, can be very effective tools in retaining the employees. The HR managers should know how to diagnose the results obtained from the exit interviews. They also feel that outsourcing exit interviews often reduces the costs. Exit interviews as a tool for talent retention.

8. WORK LIFE BALANCE- In today's competitive world, work life balance has become a buzzword and often people are realizing that

they are in need of balancing their work and home life. In efforts to earn more money and to have a good quality of work life, they have been trying hard, there by missing the point of balance between work and home. With the shift of the economy towards knowledge economy, employees have started working for 12-14 hours instead of 8-9 hours per day, and even the meaning and importance of the quality of work life has also changed. There is a need to restructure their work schedule and bring about a balance between the employees work life.

CONCLUSION

Attrition is becoming a serious problem in today's corporate environment. As employee attrition has been the silent killer for improving the organizational productivity, attrition cost for many organizations are very high and can significantly affect the financial performance of an organization. From results it can be concluded that there are various reasons behind employee attrition. These reasons are best offer next door, overseas opportunities, Boss relation problem, higher package, further overseas studies, shifting of cities due to marriage, family and personal problem, improper time schedule and parent's health requires moving to other cities. Voluntary attrition rate is high between the ages of 24-28 years. After getting the 2-4 years experience IT professionals got higher opportunity so the growth opportunity is the main reason of the voluntary attrition. This research paper proposed a remedial measure if implemented and executed properly would help concern organization to understand their employees' needs with regard to their career, job, and family and follow the above mentioned remedies and retained their talented workforce, thereby meeting their expectations and requirements, and thus reducing employee attrition.

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Long-run Price and Income Elasticities of Indian Manufactured Exports

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ABSTRACT: This paper suggests that India's share in world exports did not rise at a fast pace due to its slow changing commodity composition even as late as the late-1990s. In this paper we estimate the long run price and income elasticities of India's manufactured exports at the one digit level of standard international trade classification using the VAR approach to establish cointegration. We obtain varied estimates of price and income elasticities disaggregated by group. Results show that the group with the highest share in India's aggregate exports has the lowest income elasticity of demand. Increased share in world exports can occur if there is a transformation of the industrial and export structures. Policy must ensure an increase in the share of dynamic categories of manufactures comprising chemicals and engineering goods.

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Key Words: Price and income elasticities of demand, Indian exports, cointegration.

I. INTRODUCTION

This paper presents the estimates of price and income elasticities of demand for Indian manufactured exports at the UN, one digit level of standard international trade classification (SITC, Revision 2, for the period 1960-2005. Price and quantity changes following currency depreciation determine the change in trade balance in the long run. These elasticity estimates also provide the responsiveness of real exports to changes in prices and world incomes and hence help understand the changes in share in world exports.

A country's share in world exports is expected to increase if its export basket comprises products for which world demand is high and increasing, i.e., high world income elasticity of demand. Market shares of aggregate exports in world exports depend more on what than on how much a country exports. Theory informs us that a country's share in global exports is influenced by world demand conditions, market diversification, commodity composition and competitiveness of exports in price and non-price terms.

India's share in world exports declined since the 1960s and minuscule gains since the late-1990s are much less than what has been achieved by China in the past. Export growth decomposition in India's merchandise export growth, using the constant market share (CMS) framework, has been done by Veermani (2007) for the period 1962-2005. The decomposition into the world demand effect, market distribution effect, commodity-composition effect and competitiveness effect is done separately for 1962-90 and 1993-2005 to compare the growth in the pre and the post-1991 reforms. He shows that the latter two effects appear with a negative sign in the pre-reform period implying that commodity composition and competitiveness of exports are important issues to be reckoned with in India's case. He concludes that the negative competitiveness effect reflects the adverse effect of the overvalued exchange rate and the anti-export bias of economic policy. The negative commodity composition effect is a pointer to the fact that India specialized in the 'wrong' commodities. In the post-reform period competitiveness effect turns positive especially attributable to period after 1997 though commodity

Long-run Price and Income Elasticities of Indian Manufactured Exports

25

composition effect remains negative. Growth between 2002-05 is due more to market distribution effect than competitiveness effect. Hence Veermani's analysis suggests that India's share in world exports did not rise at a fast pace due to its slow changing commodity composition even as late as the late-1990s.

We hypothesize here that India's declining shares in world exports was due particularly to the low share of the two dynamic groups of exports, chemicals and allied products (SITC 5) and machinery and transport equipment (SITC 7). Data shows that these two non-traditional manufactures had the least shares in India's aggregate exports over a large part of the period under study, 1960-2005. However, in the empirical analysis conducted below we find that these two groups have more than unit income elasticities of demand. Associated with low weights in the aggregate, the world income elasticity for aggregate exports will be low which gets mirrored in declining shares in global exports.

The analysis for manufactures at a disaggregated, one-digit level of classification uses a systems method or a vector autoregressive model (VAR) for non-stationary time series to estimate the long run price and income elasticities of export demand thus taking into account the supply side as well. Disaggregated analysis makes a case for sector-specific policies as these elasticities vary between sectors. The data-set covers the period before and after the 1991 economic reforms. Hence a break in 1991 is also tested for a level shift in the trend growth and change in the world income elasticity of demand.

The paper is organized as follows. Section II presents the empirical model. Section III lays out the main results of our empirical analysis. The last section concludes. At the outset it would be appropriate to add a caveat regarding the availability of data for the long period of our study. As the time period is very long more than one data source have been used for some of the time series and therefore may not be perfectly comparable. Thus one should treat these results as pointers and make a case for improved, disaggregated studies in the future.

II. THE EMPIRICAL MODEL

The conventional method of econometric estimation of price and income elasticity of export demand involves a single equation for demand using the ordinary least squares (OLS). The demand equation with real exports as the dependent variable is estimated as a function of export prices, competitors prices and world income. Empirically this yields low relative price elasticities and high world income elasticities based on the assumption of price-homogeneity. Endogeneity between real exports and prices implies they are determined simultaneously. Hence a single equation model of export demand would have a simultaneity bias. Goldstein and Khan (1985) note that single equation demand or supply price elasticities will be downward biased vis-à-vis their true estimates. Demand elasticities obtained by OLS method for single equation demand model is free of such a bias only if the price elasticity of supply is infinite. However this is not obtained empirically and supply elasticity generally ranges between 1.1 and 0.6. The simultaneous equations model (SEM) estimated by Muscatelli (1991) for the Far Eastern NICs obtains low price elasticities and high income elasticities of demand for the NICs' manufactures. He also notes that studies at a higher level of disaggregation yield high price elasticities. Abbott and De Vita, (2002) estimate a structural VAR for Hong Kong.

Since the late-1980s developments in the field of econometric analysis have changed the conduct and interpretation of time-series analysis. As most of the time-series used in econometric analyses are non-stationary, use of OLS methods give spurious results unless the series are co-integrated. Co-integration is a long term property of the data when different series move together in the long run although they may exhibit short term fluctuations by moving apart. The system has the capacity to converge to long term equilibrium by correcting the short term deviations. The amount of error corrected in one period is given by the error correction term¹.

The basic model used here is a simultaneous equations model to address the issue of simultaneity

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1. See Granger and Engle (1987), Hall, (1986), Banerjee, et al., (1986).

between export quantities and prices. The structural model comprises the following export demand and supply functions²:

$$X_d = f(PX, WPE, WY) \text{ and} \\ X_s = g(PX, DP, XS, CU \text{ or } FIXCAP)$$

Where X is the volume of exports, PX is the export price, WP is competitor's price or demand, WY is the exchange rate, WY is world income or demand variable, DP is domestic price, XS is export subsidies and taxes, CU is the domestic capacity utilisation or demand pressures and $FIXCAP$ is the domestic capacity variable. The proxies used for these variables are discussed in Appendix A. Exchange rate enters in the relative price term in order to take prices in common currency.

Price variables in the demand function capture price competitiveness of exports. In the supply function, domestic prices measure the cost of production and determine relative profitability of exporting. Domestic prices differ from export prices because of the difference in the nature of demand in the home and foreign markets, domestic cost-structures and market distortions. Export profitability measured by the ratio of PX to DP assumes that costs of production for the two markets are the same but in reality they may not be so (Winters, 1981). Exporting activity depends on this measure of relative profitability with domestic capacity held constant in the short-run. To meet short-run increase in demand output inventories are run down or products for home market are diverted to foreign markets. This switching depends on the technical substitutability of the products demanded in the two markets, the desire to maintain market shares, and the cost of switching back to a market once it has been left. In the long-run export-profitability allows varying capacity itself and induces exporters to undertake product and market-development.

In the demand equation we use unit value indices as a proxy for relative export prices despite the limitations of UVIs. UVIs are based on customs data and are not price indices and they may change due to price or compositional changes. Nonetheless due to low cost of obtaining UVIs most countries

use them as surrogates of price indices. Alternatively, establishment-level price data must be compiled hence a survey-based price index needs to be computed. Else a hybrid approach can be adopted which uses both customs-based UVIs and survey-based price indices. UVIs are more suited for homogeneous commodities but with increasing product differentiation, they may not be preferred over survey-based price indices because of the bias due to changes in the mix of heterogeneous items recorded by the customs authorities. Moreover the poor quality of the recorded data on quantities also limits the utility of UVIs. If the customs' commodity description is too broad then UVIs do not compare like with like items and when the relative share of each item covered shifts over time. However in the absence of availability of price indices based on establishment surveys and for low-tech goods where quality changes over the long term are slow UVIs can be the first proxy that can be used.

In the supply equation UVI of exports and the wholesale price index (WPI) of domestic goods are used. The latter is a fixed-weight index and the UVI is a flexible-weight index. Export subsidies are designed to offset domestic taxes, allow exporters to be price-competitive and raise the effective price received by the exporters. The export subsidy rate, equal to the ratio of value of export subsidies to export values is used. The subsidy variable is incorporated separately to see its effect on prices.

World income variable captures the effect of world activity on export growth. A country's share in world exports increases if its income elasticity of demand exceeds unity. This variable also measures non-price competitiveness (Muscatelli, *et al.*, 1994). As foreign incomes increase, demand for better quality, larger variety and sophisticated products rises (Barker, 1977). Countries capable of dynamising their export structures according to changing global tastes raise their shares of world exports. World income elasticity of demand for their products thus exceeds unity. This is the result of a 'simultaneous supply-side adjustment' along with an increase in demand. Countries which alter their

export structures to meet this demand manage to appropriate larger shares in global exports. This creation of a dynamic comparative advantage and transformation of industrial and export structures explains the success of the East Asian NICs. The export success of the NICs is reflected in their low price and high world income elasticities of export demand which is empirically verified by Muscatelli (1991) and Muscatelli *et al.* (1990, 1992, 1994). The East Asian NICs succeeded by altering their industrial structures in favour of products for which world demand was rising. They also developed new products by investing in R&D and promoted 'learning by doing'. By achieving price and non-price competitiveness they increased their shares in world exports. Simultaneously, state policy supervised domestic industrial activity and foreign investment³. In the empirical literature world income is proxied by either real world GDP, Index of Industrial production, world imports, world exports or world investment variable.

Rise in domestic capacity increases total production and proportion of output exported. Internal demand pressure can be used in the supply function to measure supply constraints. Large size of the home market makes firms more inclined to cater to this protected, captive market and avoid risks in exporting. Export prices rise and order-delivery lags weaken the exporting country's competitiveness. An asymmetry exists in the influence of this variable on exporting because during a domestic slump, exports do not necessarily rise because of infrastructural and other supply-side constraints on capacity utilisation. Capacity is measured by total fixed capital stock and internal demand pressures are measured by total final consumption expenditures. Rise in fixed capital stock is also a proxy for investments in new embodied technology which should affect export performance positively. If exports are a residual then the rise in

domestic demand pressures will affect the availability of exports negatively thus raising prices. If these two variables appear together with similar magnitude but opposite signs then capacity utilisation is a binding constraint. Artus (1970) and Donges and Riedel (1977) have modeled demand pressures for the UK and for developing economies respectively. Muscatelli (1991) and Virmani (1991) also include capacity and demand pressure variables respectively in their analyses.

Econometric estimations are done using the Johansen's Vector Auto-Regressive model for non-stationary time-series⁴. Unit root tests help identify whether the series is stationary or non-stationary. This involves testing the null of a unit root and rejecting the null if the coefficient of x_{t-1} is negative and significantly different from zero in the regression of dx_t on x_{t-1} and dx_{t-1} . The standard t tests are not valid and Fuller (1976) and Dickey and Fuller (1981) have tabulated t values to test for unit roots. However one has to be careful of these tests for small samples. Unit root tests on first differences indicate that all our series are integrated of order one or $I(1)$. As most time series are non-stationary with deterministic trends, the cointegrating VAR is estimated under the assumption of unrestricted intercepts and restricted trends⁵. This allows for linear trends in the underlying VAR but not in the long-run cointegrating relation.

To test for a system-wide shock on the cointegrating vectors and convergence to equilibrium, the impulse response (IR) functions are presented in Appendix C. Breaks in the equations are estimated in the ECM which captures the short-run dynamics and the speed of convergence to equilibrium. Simultaneously implies that the ECM terms for demand (ECM1) and for supply (ECM2) functions appear in the ECMs.

3. Mortimore (1993) notes the difference between the role of the US and the Japanese multi-nationals in Latin America and Asia respectively, i.e., how the NICs became part of the flying geese' model and the Latin Americans remained.

4. Appendix B discusses the methodology followed in the paper.

5. Due to space constraints, unit root tests, tests for the length of the VAR and the test for the number of cointegrating vectors are not reported here.

2. Goldstein and Khan (1985), Leamer and Stem (1971), Magee (1975) and Winters (1981) also provide an analysis of these issues.

III. RESULTS

Here we estimate the demand and supply functions for manufactured exports at one-digit level of classification for the period 1960-2005, in line with the classification of SITC, Rev. 2/ Rev. 3, which is available up to 2005. Beyond 2005 the change in classification renders the pre and post-2005 data incomparable. For SITC 8, the period ends in 1998 as the data on domestic prices is not available after 1998. In any case this category is made up of very heterogeneous commodities and hence the size of price and income elasticities is not very meaningful. The elasticities for the first three groups (SITC 5, 6 and 7) are therefore more relevant for policy formulation. World exports in real terms have grown more than twice the rate of growth of real world GDP and hence we obtain WGDP elasticity to be around twice that of WXM in our empirical estimations. The equations estimated are (for $i = 5, 6, 7$ and 8):

$$QX_i^t = \beta_0 + \beta_1 RELP_i^t + \beta_2 WY_i^t + \epsilon_t$$

$$PX_i^t = \alpha_0 + \alpha_1 WPI_i^t + \alpha_2 FIXCAP_i^t + \alpha_3 SUBSIDY_i^t + \nu_t$$

Table 1 Estimates for SITC 5 (chemicals and allied products), 1960-2005

Variables	FIXCAP, DUM91, WXM, DUM91WXM		FIXCAP, DUM91, WGDP, DUM91WGDP	
	Demand	Supply	Demand	Supply
QXS	-1.00	0.552 (1.73)	-1.00	0.2 (0.83)
RELPS	-1.238 (-4.025)		-1.272 (-3.84)	
WXM	1.229 (14.27)			
WGDP			2.72 (11.83)	
PXS		-1.00		-1.00

6. Results for all exports and at the disaggregated level are conducted. In Sahay (2010). These results show that at the aggregate level only price variables are significant and the world income elasticity is not significant. This has an important policy implication in that only price competitiveness matters which can be achieved by appropriate currency adjustments. This has also been a major part of the new economic policy since 1991 and of the IMF-World Bank 'conditionalities'. These results also align with most empirical studies conducted for aggregate exports and reflect in the official policy of an excessive reliance on currency adjustments to correct trade imbalances.

Variables	TOTEXP, FIXCAP, DUM91, WXM, DUM91WXM		TOTEXP, FIXCAP, DUM91, WGDP, DUM91WGDP	
	Demand	Supply	Demand	Supply
WPIS				3.24 (4.09)
FIXCAP				-3.84 (-2.27)
SUBSIDY				-5.108 (-3.41)
ECM1(-1)	-0.35 (-1.92)	-0.262 (-1.49)	-0.496 (-2.93)	-4.45 (-3.45)
ECM2(-1)	0.61 (3.81)	-0.32 (-2.13)	0.372 (2.67)	-0.205 (-1.23)
DUM91	-1.361 (-1.99)	0.64 (0.98)	-3.23 (-1.89)	0.027 (0.212)
DUM91 WXM	0.273 (2.39)			0.095 (0.061)
DUM91 WGDP			0.66	
LR- $\chi^2(6)$	11.146		6.921	(2.001)

Note: Figures in the brackets are t ratios.

The results for SITC 5 are presented in Table 1 for both the world income proxies. The price elasticity exceeds unity. In the estimation using WXM as the income proxy, income elasticity is larger than one. The error correction term is negative and significant and the break in 1991 is significant along with the interactive dummy DUM91WXM. In the data in aggregate exports of India in the late-1980s which is reflected in a rise in income elasticity after 1991, is almost double of the WXM estimate. On the supply side domestic prices (costs) are positively signed and significant which shows a rise in export prices as costs increase or as domestic market profitability embodied technology and the provision of subsidies contribute to lowering of export prices.

Long-run Price and Income Elasticities of Indian Manufactured Exports

Table 2 Estimates for SITC 6 (manufactures classified by material), 1960-2005

Variables	TOTEXP, FIXCAP, DUM91, WXM, DUM91WXM		TOTEXP, FIXCAP, DUM91, WGDP, DUM91WGDP	
	Demand	Supply	Demand	Supply
QXS	-1.00	0.552	-1.00	0.2
QX6	-1.00	-0.22 (-1.15)	-1.00	0.301 (1.99)
RELPS	-2.12 (-4.52)			-1.58 (-0.03)
WXM	0.266 (4.092)			
WGDP			0.79 (13.16)	
PXS		-1.00		-1.00
WPI6		1.92 (5.20)		2.143 (4.31)
TOTEXP		2.75 (2.41)		4.59 (3.3)
FIXCAP		-3.25 (-2.44)		-5.01 (-2.79)
SUBSIDY		-3.14 (-2.93)		-4.48 (-3.55)
ECM1(-1)	-0.105 (-0.904)	0.038 (0.311)	-0.196 (-1.36)	0.09 (0.62)
ECM2(-1)	0.103 (0.97)	0.123 (1.11)	0.009 (0.11)	0.16 (1.62)
DUM91	-0.187 (-0.38)	0.165 (0.321)	-0.991 (-0.803)	0.65 (0.51)
DUM91 WXM				
DUM91 WGDP			0.221 (0.91)	
LR- $\chi^2(7)$	46.51			37.08

Note: Figures in the brackets are t ratios.

Results for exports of manufactures classified by material (SITC6) are given in Table 2. The results show that price elasticity of demand exceeds unity whereas the income elasticity is less than one for both income proxies. It is this category which has the highest share in Indian exports till the end of the 1990s. All the supply side variables are correctly signed and significant. A break in 1991 is not significant either for a level shift or a change in income elasticity.

Table 3 Estimates for SITC 7 (machinery and transport), 1960-2005

Variables	FIXCAP, DUM91, DUM91WXM, WXM		FIXCAP, DUM91, WGDP, DUM91WGDP	
	Demand	Supply	Demand	Supply
QX7	-1.00	0.14 (2.51)	-1.00	0.511 (2.55)
RELPS	4.77 (1.79)			3.43 (1.63)
WXM	4.42 (3.04)			
WGDP				8.18 (3.25)
PX7		-1.00		-1.00
WPI7		1.55 (3.27)		0.702 (3.29)
FIXCAP		-0.856 (-0.56)		-1.88 (-3.51)
SUBSIDY		-5.42		-0.11 (-0.17)
ECM1(-1)	-0.098 (-1.49)	0.124 (3.51)	-0.003 (-0.033)	0.022 (0.58)
ECM2(-1)	-0.331 (-1.32)	0.205 (1.514)	0.32 (0.92)	-0.54 (-3.1)
DUM91	-0.721 (-0.617)	-0.406 (-0.65)	-3.34 (-1.41)	1.62 (1.37)
DUM91 WXM		0.085 (0.478)		
DUM91 WGDP				0.62(1.37)
LR- $\chi^2(6)$	77.01			15.43

Note: Figures in the brackets are t ratios.

Exports of machinery and transport equipment (SITC 7) have the highest income elasticity among the four groups considered here for both the income proxies (Table 3). The relative price variables are not significant implying that non-price competitiveness is more important for these exports. This group is the most dynamic group of the four groups considered here but it has the lowest share in India's aggregate exports which explains the declining or a small share of Indian exports in aggregate world exports. On the supply side domestic cost is correctly signed and significant. Fiscal incentives do not play an important part in making exports competitive. Rather investments in

fixed capacity are more relevant for these exports. No breaks are significant. The break in 1991 shows a level decline and the change in income elasticity after 1991 is not significant. This is borne out by the stagnant share of these exports in aggregate exports till the end of the 1990s.

Table 4 Estimates for SITC 8 (miscellaneous manufactured articles), 1960-1998

Variables	FIXCAP, WXM, DUM91		FIXCAP, WGOR, DUM91, WGOR	
	Demand	Supply	Demand	Supply
OXB	-1.00	-0.187 (-1.78)	-1.00	-0.378 (-3.88)
RELPS	-0.170 (-3.51)		-2.72 (-3.06)	
WXM	1.68 (24.79)		2.69 (8.41)	
WGOR				-1.00
FXB		-1.00		1.35 (4.31)
WPS		0.654 (2.931)		2.06 (7.36)
FIXCAP		1.91 (6.164)		-1.46 (-2.57)
SUBSIDY		-1.769 (-2.55)		-0.15 (-1.82)
ECM(-1)	-0.28 (-2.89)	-0.043 (-0.4)	-0.19 (-1.79)	-0.16 (-1.37)
ECM2(-1)	-0.28 (-1.49)	-0.268 (-1.71)	-0.13 (-0.62)	-0.17 (-1.37)
DUM91	1.578 (1.281)	2.61 (2.037)	1.45 (0.37)	5.44 (1.87)
DUM91 WXM	-0.269 (-1.387)			
DUM91 WGOR			-0.3 (-0.32)	
LR: $\chi^2(6)$	39.25			17.46

Note: Figures in the brackets are *t* ratios

7. Comparable results are also obtained using other proxies for demand pressures, i.e., TOTEXP and TFCE. For reasons of space they have not been reported.

8. Miscellaneous manufactures comprises simple, labour-intensive manufactures and have been an important group for developing countries in their transition from simple to high-tech and sophisticated manufactures. Most developing countries including China made initial gains in exports by exporting sports goods, toys, travel goods, handbags, watches, clocks, professional and scientific instruments, articles of apparel and clothing and footwear. Hence even though this is a heterogeneous group it is important for a developing country like India as this group comprises simple manufactures.

The last group considered here comprises miscellaneous manufactures (SITC 8). This group has a heterogeneous commodity mix and hence the results must be treated as best indicative. The data for domestic costs is available only till 1999. Using WXM, relative price elasticity is less than unity and with WGOR, it exceeds unity. Income elasticity is more than the elasticity for WXM. On the supply side domestic costs and subsidies are correctly signed and significant. FIXCAP has a positive sign. The error correction terms are positive showing a level shift but there is no break in the income elasticity after 1991 for either of the two proxies. Income elasticity in fact shows a decline after 1991 although insignificant.

To sum up, the results for demand and supply functions for individual categories of India's manufactured exports display little uniformity in terms of magnitude of the explanatory variables. Using either WXM or WGOR as a proxy for WY, the estimates show that relative export prices (RELPS, RELPE and RELPB) are significant for SITC 5, 6 and 8 but not for SITC 7. The price elasticity coefficient is higher for manufactures classified by material (SITC 6) compared to chemicals (SITC 5) for the specification using WXM whereas the coefficient of SITC 8 is the highest when WGOR is used. The scale-elasticity given by the coefficient of world manufactured exports (WXM) is significant for all four groups. The coefficient is the highest for SITC 7 followed by SITC 8, 5 and 6. SITC 8 is made up of simple, labour-intensive manufactures. Manufactures classified by material (SITC 6) have the smallest income elasticity. Low scale elasticity for SITC 6 implies that as world manufactured exports increase demand for these exports from India grows slowly. Earlier, we noted

that SITC 6 and 8 have the highest shares in aggregate exports of India. Hence the aggregate weighted elasticity is expected to be influenced by the group with the lowest elasticity having the highest weight. Using WGOR as the WY proxy, the individual and the aggregate estimates are higher as expected and SITC 7 has the highest estimate followed by SITC 5, 8 and 6. In particular, the income elasticity for SITC 6 using WGOR is still less than one and does not increase after 1991 reforms. Rather there is a level decline and the change in income elasticity is not significant.

In the supply functions normalised for price, domestic costs (WPI5, WPI6, WPI7 and WPI8) influence export prices for all groups. Increase in domestic capacity (FIXCAP) helps lower export prices for SITC 5, 6, and 7 by easing supply constraints. For SITC 6, domestic demand pressures are a binding constraint. Increase in domestic capacity (FIXCAP), which can also be seen as investment in new technology, helps exports in all cases except SITC 8 as the latter is made up of products using simple, standardized technology. Subsidies (SUBSIDY) help exporters price their products competitively and cover part of the costs for chemicals, manufactures classified by material and miscellaneous manufactures using either of the world income proxies while it has no effect on machinery and transport exports in either case.

Tests for a break in 1991 coinciding with a regime switch are conducted. A break is negative and significant for chemicals with a rise in long term income elasticity after 1991. For groups 8, 7 and 8 a break in 1991 is not significant for either a level shift or a change in long term income elasticity after 1991. Hence it is only for chemicals that world demand changes favourably after 1991 reforms, for other groups these reforms did not manage to elicit the change in world demand in the desired direction.

Error correction terms show a mixed pattern of adjustment in the short run. Persistence profiles also show convergence to equilibrium though it is slower for quantities than prices for machinery and transport

equipment and miscellaneous manufactures (SITC 7 and 8 respectively) vis a vis chemicals and manufactures classified by material (SITC 5 and 6 respectively). Generalised IR for a shock in the world activity variable has a large impact effect on both export volume and price for chemicals (SITC 5) and manufactures classified by material (SITC 6) and more on volumes for machinery and transport (SITC 7) and miscellaneous manufactures (SITC 8). The impulse response functions show that any system wide shock is followed by a disturbance from the equilibrium but the latter is restored soon.

IV. CONCLUSION

Data suggests that India lost export shares primarily because of a slow changing export structure from the 1960s till the mid 1980s. Currency adjustments used to achieve price competitiveness are also part of the conditionality imposed by the international financial institutions. However this policy is constrained by competitive devaluations. The East Asian experience underlines the role of human capital and increased competencies in dynamising export structures and associated technologies. Production and export of dynamic products, with greater variety and improved quality, is an aspect neglected by theories which promote international division of labour based on static comparative advantage. Ultimately what and not how much you export matters.

We have estimated the demand and supply functions of exports to determine the long run relative price and income elasticities of demand for exports which vary for different groups. Relative price elasticity is significant for SITC 7 implying non-price factors are more important in determining the competitiveness of this group. World income elasticity is the least for traditional, resource-based manufactures which has the highest share in India's exports. Income elasticity is the highest for machinery and transport equipment although the share of this group stagnated between 1980-2000. Share of

chemicals in India's aggregate exports improved in the 1990s and has more than unit income elasticity¹⁰. This is the only group which registers a significant rise in income elasticity after 1991 hence captures non-price variables. Once again the above analysis asserts that India has been exporting the 'wrong commodities' as noted by Veermani (2007). Domestic market profitability and domestic cost conditions are important for all categories except resource-based manufactures. Capacity is significant for all groups except SITC 8. Fiscal incentives are significant for SITC 5, 6 and 8.

This paper asserts that price competitiveness alone is not sufficient for export promotion. Both world income and supply-side variables are important. Policy must promote manufactures for which world demand is high. A balance between currency adjustment and targeted fiscal incentives must be recognized. Significance of price and non-price variables suggests that infrastructure, R&D, training and reducing red-tape demand urgent attention. Despite data limitations the results obtained are in line with our expectations.

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Data Sources

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- UNCTAD, TRADE AND DEVELOPMENT REPORT
- WTO, INTERNATIONAL TRADE STATISTICS
- GOI, ECONOMIC SURVEY
- GOI, BUDGET STATEMENT
- UN, INTERNATIONAL YEARBOOK
- RBI, REPORT ON CURRENCY AND FINANCE
- RBI, HANDBOOK OF STATISTICS ON INDIAN ECONOMY
- IMF, INTERNATIONAL FINANCIAL STATISTICS
- US, BLS

10. A caveat needs to be added here. Rise in the share of chemicals' exports from developing countries in the period of globalisation has environmental implications. This is also seen as the export of 'dirty industries' to these countries guided by the 'perverse comparative advantage' emanating from lax regulations and weak institutions.

Appendix A Description of Variables and Proxies used

There are problems in getting the data for the time-series for India for the long period of our study

Hence the annual data series are obtained from more than one secondary source. These sources include Government of India publications and publications of international institutions. The proxies used are specified below.

- (i) QX - Volume index of Indian exports at the one-digit level.
- (ii) PXI - Unit value index (UVI) of exports at one-digit level. In the demand equation as the price of Indian exports rises demand for Indian commodities falls. Hence this variable has a negative sign in the demand equation.
- (iii) PXW - The foreign export price variable is obtained from Lipsy et al. (1991) and the US export prices as suggested in UNCTAD (2002). UNCTAD (2002) notes that the US export price index can be used as a proxy for trade between developed countries and hence we can use these as a proxy for world prices. It may be recognized that a one to one overlap of world and US export prices may not be expected but this is the best proxy that is available for the long period of our study. Exchange rates have been used to convert world prices into common currency terms. Hence the exchange rate is not modeled as a separate variable in the model. The world price variable captures substitution possibilities and affects competitiveness. As competitors' prices increase Indian exports become relatively cheaper and demand for exports from India rises. This variable is expected to have a positive sign in the demand equation.
- (iv) WY - The two measures of world activity used here are weighted world income (WGDP) and world manufactured exports (WZM). A rise in world activity or trade will positively affect the demand for Indian exports. WY income variable also captures various aspects of non-price competitiveness.
- (v) WPI - India's wholesale price index (WPI) of different commodity groups. Taken as a proxy for domestic costs (and/or domestic profitability), a rise in this variable is expected to raise costs (and/or domestic profitability) and hence export prices.
- (vi) TOTEXP or FIXCAP or DDPRESS - Total final expenditure (TOTEXP) captures the effect of internal demand on export supply. It affects the availability of stocks and the capacity to meet foreign orders. It adversely affects non-price competitiveness due to the cyclical or the recession-boom effects. The gross fixed capital stock. It influences export supply positively and hence eases pressures on prices. Growth in capital stock overtime is also a reflection of investment in new technology especially embodied in equipment. In periods when TOTEXP exceeds FIXCAP it implies domestic demand pressure is a binding constraint. If the coefficients of these two variables in the supply equation are equal but opposite in sign, then their ratio - DDPRESS, is used.
- (vii) SUBSIDY - Ratio of the value of all incentives or disincentives to the value of exports is used. It is expected to influence export supply positively by lowering costs and freeing resources for increasing product variety.

Appendix B Vector Autoregressive Regression (VAR) and Cointegration

A vector of variables $Y, Y = (X_1, X_2, X_3, \dots, X_k)$, has the following vector autoregressive (VAR) representation¹¹:

$$Y_t = c + \sum_{i=1}^k \pi_i Y_{t-i} + \epsilon_t$$

where $i = 1 \dots k$; $\epsilon_t \sim NID(0, \Sigma)$ and Y is a vector of n variables suitably transformed such that all the series in it are I(1). One can argue that a VAR is an over-fit reduced form of a simultaneous equations model. One of the virtues of VAR is that all variables on the right hand side are predetermined. Reparameterising the model yields a vector error correction model (VECM).

The estimates of β obtained using the ML procedure is conditional on the lagged difference terms. In contrast to the Engel-Granger procedure, the short run dynamics of the system are included in the model and hence reduces the bias in the first-step of the EG method, albeit, at the expense of a smaller number of degrees of freedom. The long-run cointegrating vectors in our model are given by

$$QX_t = \alpha_{10} + \beta_{21}(PXI_t - P^*WY_t/E) + \beta_{11}WY_t + \epsilon_{1t}$$

$$PX_t = \alpha_{20} + \beta_{22}QX_t + \beta_{23}WPI_t - \beta_{24}SUBSIDY_t - \beta_{25}CU_t + \epsilon_{2t}$$

Where $i = SITC 5, 6, 7$ and 8 . XD is the volume of exports of India, PXI is the price of exports of India, PXW is the world price of exports adjusted for exchange rate, WY is the world activity variable, WPI is the domestic price variable, CU is either $FIXCAP$ which is the domestic capacity variable or $TOTEXP$ which is the internal demand pressure and $SUBSIDY$ is the subsidy rate. All variables are in natural logs.

$$\beta = \begin{pmatrix} \beta_{11} & \beta_{21} & \beta_{11} & \beta_{12} & \beta_{13} & \beta_{14} & \beta_{15} & \beta_{16} & \beta_{17} & \beta_{18} \\ \beta_{12} & \beta_{22} \end{pmatrix}$$

The conditions for exact identification are

$$\begin{cases} \beta_{11} = 1 & \beta_{14} = 0 \\ \beta_{12} = 0 & \beta_{18} = 1 \end{cases}$$

Prior to full identification of the system we need to test the co-trending restrictions,

$$\begin{cases} \beta_{11} = 1 & \beta_{14} = 0 & \beta_{18} = 0 \\ \beta_{12} = 0 & \beta_{18} = 1 & \beta_{12} = 0 \end{cases}$$

where $\beta_{14} = 0$ and $\beta_{18} = 0$

are coefficients of the trend variable in the quantity and the price equations. Subsequently, theory based restrictions are imposed to obtain the structural representation from the reduced form VECM. In order to obtain the export demand cointegrating vector, coefficients of WPI , $SUBSIDY$ and CU must be equal to zero. The supply function, normalised for prices, is obtained by excluding the WY variable. Thus the null of over-identifying restrictions is given by

$$\beta = \begin{pmatrix} 1 & \beta_{21} & \beta_{11} & 0 & 0 & 0 & 0 & 0 & 0 \\ \beta_{12} & 0 & 0 & 1 & \beta_{12} & \beta_{12} & \beta_{12} & 0 & 0 \end{pmatrix}$$

which is tested using the LR test. Structural identification and estimation of the cointegrating vectors can be achieved through

11. There are various kinds of lags - information or recognition, gestation, reaction and adjustment. These lags exist because information is costly and takes time to collect and disseminate, there are bureaucratic or technological problems which cause delayed response, there are costs of adjustment to shift resources locked in one sector/industry to another sector/industry and there are order-delivery lags. 12 Banerjee et al. (1986).

maximisation of the LL function subject to the exactly and over-identifying restrictions. The latter are tested using the LR statistic given by $2(LR_1 - LR_2) - c'$ with degrees of freedom given by the difference between the total and exactly-identifying restrictions. LR_1 is the LL under exactly-identifying restrictions and LR_2 is the LL under exactly-identifying restrictions and over-identifying restrictions. Non-rejection of the null implies there exists a structural interpretation of the coefficients of the cointegrating vectors. However there is found a tendency of over-rejection of the null using the LR test. Hence if economically meaningful vectors can be found using restrictions then the vectors are acceptable.

If a stable system is subject to a shock or innovation, i.e., the standard error is positive for one period as y moves away from equilibrium and then returns to it. The path taken by the variables to return to the equilibrium is called the 'impulse response' (IR) of the VAR. The effect of system-wide shocks on the cointegrating relations incorporating the exactly and over-identifying restrictions is obtained by plotting their persistence profiles. This plot also gives the speed of convergence to their respective equilibria. These IR functions can be either orthogonalised or generalised IR plots. The former depends on the ordering of the variables and

assumes that innovations in each equation are not correlated. The latter assumes that innovations are correlated and is not sensitive to the ordering of the variables.

While estimating the cointegrating rank, in the first step, the deterministic parts including the time trends and impulse or step-dummies in the mean term are removed. They are included in the VECMs and significance implies level shift. Exogenous shocks should be treated as short-run deviations from the long-run path and incorporated in the ECM, using dummy variables. They should be treated as temporary deviations and incorporated in the ECM than confuse long-run trends with short-run dynamics (Muscatelli and Hum (1993)).

However, cointegration analysis suffers from low power of the unit root tests for testing stationarity of the time series and the test for cointegration in the EG method. Small-sample bias is introduced in the long-run elasticities due to small-sample size. Lack of cointegration could also be due to omission of variables. Even if there is no cointegration, there might still exist a significant ECM. Moreover, we can find a cointegrating vector even if some variables in the equation are of a different order [see Hall (1996), Muscatelli and Hum (1993)].

□

Strategic Thinking and Planning Skills

P. O. OVIASUY

ABSTRACT: Strategic thinking and planning are twin concepts which every manager is expected to internalize and practice in their day-to-day activities. This paper looks at Strategic thinking and planning as positive concepts for a successful personal and professional life. In its approach, the paper started with the introduction, did some conceptual clarifications, identified the differences between strategic thinking and planning, and gave some useful tips on better strategic thinking and planning as well as the skills of strategic thinking and planning. The five powers of conquering fear in strategic thinking and planning were discussed. The paper concludes that managers who adopt strategic thinking and planning in their personal and professional life will be encapsulated with overwhelming success.

INTRODUCTION

Every strategy starts with a vision, a vision of success, both in the long-term and short-term picture. All of the experience that you accumulate should help you to improve strategic thinking. Strategic thinking is a process in which you develop a vision for your business and then work backwards to develop a plan to accomplish that vision. Without vision, a business will have no direction, but it is impossible to achieve a vision without a strategy. Strategic thinking involves developing skills in creativity, problem solving, teamwork, critical thinking and flexibility. Strategic thinkers are able to see the big picture, as well as how to attain it. It is a common and accepted idea that a person tends to become what they think about. This notion has broad implications because it shows you can change the amount of success you achieve by changing the way you think.

Nowhere is this more meaningful than in the area of positive thinking. Positive thinking is not a new age idea, it is a most definitive science of thinking that has demonstrated beyond a shadow of a doubt the connection between personal achievements and the power of positive thinking. Western societies have experienced a dramatic paradigm shift away from the notion that excellence is achieved through

negative feedback. Relying on negative feedback to achieve excellence could not be farther from the truth. Evidence shows a 9 to 1 ratio for the difference in achievements in an environment rich in positive thinking compared to negative thinking.

To know this fact is one thing but to change thinking patterns is another and it is not easy. It requires training and coaching to understand the power of positive thinking, to begin to use it and to have it become second nature in your life. This paradigm shift has taken firm roots in the past decade where the positive thinking strategy has become an accepted standard as being directly related to the success or lack of it of an organization.

CONCEPTUAL CLARIFICATIONS

For easier comprehension of this paper the following concepts are clarified:

Strategic: is a systematically articulated plan of action geared towards achieving a very sensitive aspect leading to the realization of the ultimate goal. In other words, it is an action or plan designed to ward-off failure which is the enemy of success. The term is more commonly used in the military to mean an action done or used against an enemy's home territory as a longer-term military objective. (Davis, 1998:822).

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Thinking: is using thought or rational judgment. Put differently, it is opinion, judgment, thoughts or courses of thoughts.

Planning: involves selecting mission and objectives and the actions to achieve them. It requires decision making that is, choosing future courses of action from among alternatives. No real plan exists until a decision, that is, a commitment of human or material resources or reputation has been made. Before a decision is made, all we have is a planning study, an analysis, or a proposal, but not a real plan.

Planning bridges the gap between where we are to where we want to be in a desired future. It strongly implies not only the introduction of new things but also sensible and workable implementation. It makes it possible for things to occur that would not otherwise have happened, although the future can seldom be predicted with accuracy and unforeseen events may interfere with the best-laid plans unless there is planning. Actions tend to be aimless and left to chance. There is no more important and basic element in establishing an environment for performance than enabling people to know their purposes and objectives, the tasks to be performed, and the guidelines to be followed in performing them. If group effort is to be effective, people must know what they are expected to accomplish.

Skills: This is the acquisition of expertise through systematic knowledge or practice. It refers to expertness, practiced ability, dexterity or act, experience gained over a long period of practice.

Strategic Thinking: Strategic thinking implies predicting a general "shape" of what the future might bring, that is, financial trends or significant political events.

Strategic Planning: Strategic planning is a process of analysis and declaration, usually used by companies to focus their goals and directives. Strategic planning focuses on strategy, direction and decision-making.

DIFFERENCES BETWEEN STRATEGIC THINKING AND STRATEGIC PLANNING

Strategic planning is a process of analysis and declaration, usually used by companies to focus their

goals and directives. Strategic planning focuses on strategy, direction and decision-making. Before an organization could plan for its future, it would first have to examine its own strengths, weaknesses, threats and as well as a summary of its political, economic, social and technological missions. The primary objective of strategic planning is not merely analysis, but the formal consideration of an organization's future course.

How does strategic planning differ from strategic thinking? There are some subtle differences that should be reviewed. Strategic thinking is not as detailed as strategic planning. Strategic thinking implies predicting a general "shape" of what the future might bring, that is, financial trends or significant political events, tremendous detail. Of course, nobody can predict the future and so strategic planning would centre more on predicting organizational performance rather than social outcomes.

There are also more subtle differences. In strategic thinking, managers understand the entire system including all functioning units. With strategic planning, some management personnel may be kept in the dark, only being taught how to fulfill their role. The best way to understand the difference is that strategic thinking seems to favour a more effective operation, whereas strategic planning focuses on efficiency. Both systems are recommended for a variety of reasons. A company leader must have a clear direction of where his or her company is going. Just as an individual sets short-term goals, so the leaders in an organization must continue to set goals and directives on a continuing basis. Whether you own your own business, are progressing in your career, or are seeking strategy for some other aspect of life, you should be putting forth effort to become a better strategic thinker. Here are some tips to keep in mind.

TIPS TO BECOME A BETTER STRATEGIC THINKER

Every strategy starts with a vision, a vision of success, both in the long-term and short-term pictures. Strategists are not afraid of failure but look forward to learning from experience.

educator (VU-11)

Strategic Thinking and Planning Skills

- **You will always be learning, no matter how long you live.** All of the experience that you accumulate should help you to improve strategic thinking. The best strategists use both strategic thinking and planning to their advantage, managing their time efficiently, even while focusing in on details as much as possible.
- **Try and remember this simple fact:** time is more costly than money. Money comes and goes but you can never get wasted time back.
- **Becoming a better strategic thinker** requires that you modify your thinking so that you can be more observant of what is happening around you.
- **Most strategic thinkers have a very high level of awareness and are careful to take in as much information as possible.** The more you know about the past and present the more you can predict the future. This is what strategic thinking is all about.
- **It is also important that you stay patient.** Staying patient does not mean that you have to control your enthusiasm or refrain from taking risks. Actually, the more short-term goals that you create, the better off you will be.
- **You should also be encouraged to consider more risks as this can help you get over your fears of taking decisive action.** Short-term goals keep individuals motivated and confident. At the same time, you need patience to help keep your upcoming goals moving you toward your dreams and keep your long-range mission in check.

Why Great Strategies Fail

All of these tips can help you to formulate a great strategy. However, there is no guarantee that your brilliant strategic plan will work. This is why you are advised to never risk more than you have to lose, especially when starting out in business. Often times, you will miscalculate if you are trying to strategize for a potential outcome. You cannot predict the future with 100% accuracy, no matter

how much planning you do, and no matter who you are.

A miscalculation could also be due to an error in your strategy. Some of the most common errors result from simple planning mistakes. For instance, a failure to understand the client or targeted client could be responsible for a poor marketing campaign.

The company may over-estimate their resources or even the competence of their staff to handle a complicated project. A lack of organization may be responsible for an unsuccessful campaign. There could even be problems with time management, with employee education, or with poor overall communication. If this has happened do not let it discourage you. Use every setback as a learning experience and strategize so that the next endeavour is monumentally successful. I am sure you have heard the expression, "learn from your mistakes." As we move forward and make progress on our journey, we will have many experiences to learn from. Use them to your advantage.

SKILLS OF STRATEGIC THINKING AND PLANNING

Learn to think strategically and powerfully using the following points as your guide.

- **Examine the status quo:** Strategic thinking skills require you to examine how things have always been done critically in order to determine if that is the way things should be done. Strategic thinkers are willing to look outside of the norm to find more efficient and creative ways of doing things.
- **Look at the forest, not the trees:** Strategic thinkers are not mired down by the details of managing day-to-day issues. Strategic thinkers look at the organization as a whole to assess attributes and areas of opportunity.
- **Focus on the future:** Strategic thinking is goal oriented and guided by a vision for the future of a company. When you are developing strategies for business growth, those strategies must have clearly defined goals that contribute to the overall vision for the company.

- **Consider external forces when you develop a strategic plan:** Governmental regulations, legal developments, market conditions, economic factors and technological developments can all affect how you plan for the future.
- **Get feedback from within your industry:** Market research, particularly in product-driven industries, can help you match the vision for your company to consumer expectations.
- **Check the facts:** Even though strategic thinking involves making predictions about the future, those predictions must be realistic. Gather hard data, including your organization's financial reports and analysis of your industry, to inform your predictions and help you develop goals based in reality.
- **Consider the organizational structure of your business and assess how that team fits into your strategies for the future:** You may have to reorganize your team to achieve your goals.
- **Anticipate challenges:** An important part of thinking strategically is being able to predict what issues will arise and devising a plan to confront those issues ahead of time.
- **Develop a vision for your company by thinking about the future needs of your industry:** Use past indicators to predict the evolution of your market, and then define your role within that future market.
- **Remember that any plan based on assumptions or predictions must be flexible in case the future does not turn out the way you thought it would:** Flexibility is an important part of strategic thinking skills. (Miller, 2011)

THE FIVE POWERS OF CONQUERING FEAR OF STRATEGIC THINKING AND PLANNING

- **Become "ignorant" to fear:** Fear appears in many different forms. It can come from negative self (i.e. "I can't do this," "I'm not good at this," etc.). It can come from

negative media forecasts (i.e. bad predictions of the economy, bad weather reports, reports of murder, etc.). Remember the story of Henry Ford? He could have been nothing in this lifetime because of what he could not do, but his fears took a back seat to his ability to ignore any ideas that were not in congruence with his dream. Therefore, you must mute the voice of fear by limiting (or completely eliminating) your contact with fear-causing entities.

- **Don't let fear have time to think:** Thoughts are powerful. A single thought can be responsible for life or death in this world. And anything that you think about long enough will find its way into the physical realm. Therefore, if you were to spend time thinking about the things that you want out of life (I mean conscious concentration), you begin to see them. Conversely, the same is true for the things that you don't want in life. Commit your time to faith and believing, not fear and doubt.
- **Always speak faith and belief:** To frame your own world free of debilitating fear, always think, act, and speak positively in faith and belief. Be bold and say things as you want them to be in your life. If it is a new house you want, say it! If it is a new car you want, say it! If it is a successful family life you want, say it! If it is a better job that you want, say it.
- **Create and maintain a positive outlook of yourself:** There is a motto that goes like this: "If I know who and what I am, no one can tell me who and what I am not!" No matter what the world has decided to think about me, I have decided to think great thoughts about myself. Therefore, I am free of world's often limiting belief system. I don't worry about things like weather reports, poor economic forecasts, what celebrity just went to jail, and who does not believe in my dreams, because if God is for me, who or what can be against me (Romans 8:31)? Decide who and what you are right now and do not be moved by negativity.

- **Continue to execute the thing(s) that you fear until fear disappears:** Success is active. Action dispels fear. If you sit still, fear has the time to paralyze your abilities and efforts, ultimately causing you to fail. Continue to move toward your goals with great diligence and great courage. (Miller, 2011)

CONCLUSION

Strategic thinking and planning are twine concepts which every manager is expected to internalize and practice in their day-to-day activities. This paper looked at Strategic thinking and planning as positive concepts for a successful personal and professional life. In its approach, the paper started with the introduction, did some conceptual clarifications, identified the differences between strategic thinking and planning, and gave some useful tips on better strategic thinking and planning as well as the skills of strategic thinking and planning.

The five powers of conquering fear in strategic thinking and planning were discussed. Therefore, it is my humble submission that managers who adopt strategic thinking and planning in their personal and professional life will be encapsulated with overwhelming success.

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The Role of Training and Development: A Study on Private Banks

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ABSTRACT : Employee training is becoming a necessity to every organization now-a day. Employees are entrusted different roles and responsibilities in the banks. Training enables them to carryout these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. Training is important not only from the point of view of the organization, but also for the employees. Training is valuable to the employees because it will give them greater job security and an opportunity for advancement. In this study the researcher studies the existing practices of the various aspects of training program and its effectiveness in private sector HDFC banks in North India. In this study employees are divided in 3 groups' i.e. junior level, middle level and senior level. And the sample size is taken as 30. And the questionnaires are distributed in each group, among 150 employees of 5 North Delhi branches and 5 West Delhi branches of HDFC. In the senior level there are approximately 50 employees (Branch Head, Asstt.Branch Head). In the middle level approximately 50 employees (Sr.Executives) and in junior level 50 employees (Executives) are there. While doing the sampling it is believed that there is homogeneity among employees in each group. This is mainly to assess the present status of the employee effectiveness in discharging the roles and responsibilities in tune with the objectives of the bank. The aim is to assess the effectiveness of the various facets of training i.e. employee's attitude towards training inputs; quality of training programmes; training inputs and application of training inputs to the actual job and satisfaction of employees. Training improves the commitment of the employees to the organization. A sense of belongingness and future retention of employees is reflected through training and the employees are getting competitive advantage through T&D programs.

Keywords: Training program, Employee attitude, Training input, Banks, Growth & Result, Training effectiveness, Quality

INTRODUCTION

The journey towards a knowledge economy demands the new additional type of competencies like team spirit, co-operation, etc. To reach the destination of knowledge economy in high productivity places like banks, the lifelong learning concept should be applied to its workforce. During the last ten years, "lifelong learning" has become one of the most frequently heard terms in training circles. This is perhaps an apt response to the increasingly rapid changes under-way in modern societies. As a sequel, every business entity worth its salt is placing utmost importance on the

development of Human Capital - the knowledge, skills and motivation embodied in people. The growing share of economic output in the services sector, including that of banking is turning to be knowledge and information-intensive. This in itself is placing a high premium on the continued upgrading of skills and competencies of the workforce. The growth of the knowledge economy that has, of course, partly been stimulated by demand for the new types of goods and services, increasing globalization of economic activities and technological changes, have only multiplied the need and urgency for new or additional type of competencies, such as team work, problem solving

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communication skills and capacity to see workplace development in a broader context, among the employees. With the kind of reforms and the resulting changes that are currently overawing the Indian banks, the urgency to inculcate such competencies among the workforce is getting intensified in the banking sector.

The study is conducted mainly to find out the Effectiveness of Training and role of training and development in private sector HDFC banks in North India. In this study employees are divided in 3 groups' i.e. Junior level, middle level and senior level. The present - day economy is very much dependent upon the various functions of banking practices; It is unthinkable for the country's economy for its growth, sustenance and development without the role of banks. The role of banks is essentially carried out by the people and therefore it is essential to have a well trained and motivated staff to manage the banking operations. Success of the banking operations depend upon the people, the employee and the effectiveness of the employee is very much depending on the training input given to the employees. The effectiveness of training is not static, it has to be periodically reviewed, updated and upgraded in tune with demanding situation of the economy, government policy, advancements in Information Technology and expectations of customers. All the above-mentioned aspects impressed the researcher to study the existing Training Methods and their effectiveness in private sector HDFC banks in North India. In this study employees are divided in 3 groups' i.e. junior level, middle level and senior level. and come out with recommendations for future.

LITERATURE REVIEW

Donald L. Kirkpatrick (1997). Evaluation, Training and Development Handbook approached its, evaluation process in a more logical way. The author emphasized that while evaluating training, instead of just studying the reactions of the trainees, the study could be carried out in four different levels viz., i.e., reaction, learning, behaviour and results. The author's guidelines and discussions on each level of evaluation of training are worth mentioning. Jane Richards (1997), Management Training-the Real Objectives views that while

embarking upon a management programme, the real objective must be to focus on the individual manager, not the position in the company.

The author's discussion on training needs analysis i.e., about core competencies, job profiling and identification of competencies gaps-either against core competencies for individuals or against job profiles for generic roles is worth mentioning. Niki Glaveli; Stella Kulidu (2005), in their paper analyzed the changes that took place in the Greek banking industry in the last years, their impact on the role of employees training and development for strategy implementation and success, using four case studies to investigate the effect of the environmental changes on these particular banks and the role of their training and development strategies in adjusting themselves to the changing industry environment. Riyaz Rainay (2004), in their study empirically examined the training policy in two commercial banks, namely, State Bank of India and Jammu & Kashmir Bank Limited. The focus is on the various facets of training including Management's attitude towards training, training inputs, quality of training programmes and transfer of training to the job. Whereas it records that the training scenario is to a large extent satisfactory, it evaluates the opinions of the employees of two cadres of both banks; in particular that it can be made fully effective only when the training needs assessment and transfer of training to the job are considerably improved, besides bringing in finer improvements in other dimensions. Shishupal Singh Badhu and Karunesh Saxena (1999), Role of Training in Developing Human Resources is another work of relevance. In this, the authors concluded that an organization should have well-defined training policy as well as training manual and training should be made an ongoing process.

Regarding the executive development programmes the authors have concluded that, these programmes have been found to be useful in improving the productivity, efficiency and effectiveness of managers. The authors have suggested that these programmes should be included as an integral part of the training programme. The current research study differs from the studies reviewed in the past, in this study the researcher evaluated the effectiveness of training in six banks and how training contributes for growth of the banks is clearly examined. It consists of private

sector banks. Most of the studies focused on either one sector of banks. In this study, researcher dealt with private sector banks

OBJECTIVES OF THE STUDY

- To find the association between effectiveness of training and growth and result of banks.
- The main objective of the research is to know the role of training and development at Private Bank.
- To analyze the need of training and development in bank.
- To know whether the employees are satisfied from the training process or not.
- To analyze whether training is necessary for employees for their future improvement, for enhancing their skills and knowledge or not.

Hypotheses

- Training Programme gives positive impact on the growth of the banks.
- There is no significant difference between training programmes in bank.

RESEARCH METHODOLOGY

A well-structured questionnaire was used to collect the primary data. For designing an effective questionnaire for the study, it was felt necessary to test the validity of the questionnaire. This was done by a pilot study consisting of visits to different branches of the selected 150 employees of 5 North Delhi branches and 5 West Delhi branches of HDFC. This study developing a draft questionnaire and getting opinion of the bank employees on the draft questionnaire. The questionnaire was finalized based on the comments and suggestions of the bank employees and also the enhanced exposure of the researcher based on the field visits to various banks. Secondary data for the study were collected from reputed journals, magazines, websites and bank records. Total sample size for this study is 150 respondents. In the senior level there are approximately 50 employees (Branch Head,

Asstt.Branch Head). In the middle level approximately 50 employees (Sr Executives) and in junior level 50 employees (Executives) are there. The data was collected by survey method, the data source was primary and secondary sources both.

DATA ANALYSIS AND FINDINGS

The data was analyzed by using SPSS(Statistical Package for Social Sciences) analysis was made and following tools were used for the study Reliability test, and Frequency test, regression.

Reliability Test: Cronbach's alpha is the most common form of internal consistency reliability coefficient. An examination had been made from the reliability of the data to check whether random error causing inconsistency and in turn lower reliability is at a manageable level or not, by running reliability test. From table 1 it is clear that values of Coefficient alpha (Cronbach's Alpha) have been obtained, the minimum value of Coefficient alpha obtained was .799. This shows data has satisfactory internal consistency reliability.

Table no-1

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.799	.799	30

In HDFC bank they have a T&D strategy aligned with organization's business strategy:

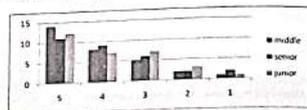


Table no-2 HDFC Bank T&D Strategy

The above graph shows that 47% of middle level employees are much more satisfied that the organization have a T&D strategy aligned with organization's business strategy as compared to other two levels of employees.

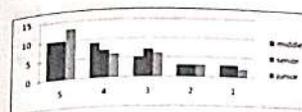


Table no-3 The training improved your commitment to the organization.

To improve the commitment to organization in HDFC more of the junior level employees i.e. 43% are highly satisfied that training improves their commitment to the organization as compared to middle and senior level employees.

H1 There is no significant difference between training programmes in banks.

To determine if one or more of the independent variables are significant predictors of Effectiveness of Training, the information provided in the coefficient table is examined. All the above seven independent statements are statistically significant. The standardized coefficient beta column reveals that Learning Objectives Met have beta coefficient .210 which is statistically significantly at 0.000. Training Programme have beta coefficient .036 which is not statistically significantly at 0.000. Training Input & Facilities have beta coefficient .161 which is statistically significantly at 0.000. Job Effectiveness have beta coefficient .181 which is statistically significantly at 0.000. Growth & Result have beta coefficient .491 which is statistically significantly at 0.000. Behaviour & Relations have beta coefficient .123 which is statistically significantly at 0.000. Attitude towards Training have beta coefficient .128 which is statistically significantly at 0.000. To assess multicollinearity one looks at the size of Tolerance and VIF. For the tolerance small value indicate the absence of collinearity. The VIF is the inverse of tolerance, one looks for large values. If the tolerance value is smaller than .10, it is concluded that multicollinearity is a problem. Similarly, if the VIF is 5 or larger, then multicollinearity is a problem. Since the tolerance value is substantially above .10 and the VIF is smaller than 5, it is concluded that multicollinearity among the independent variable is not a problem.

Predicted Value of Effectiveness of Training

- = - .812 + 180 (Learning Objectives Met)
- + .001 (Training Programme)
- + .193 (Training Input & Facilities)
- + .201 (Job Effectiveness)
- + .482 (Growth & Result)
- + .120 (Behaviour & Relations)
- + .137 (Attitude towards Training)
- + .271 (Ave. Error in Prediction)

H 2 Training Programme gives positive Impact on the growth of the banks

All the respondents at HDFC Bank are satisfied with the usefulness of the training and development programmes in work situation. They are aware of the existing training programmes and also agreed that there is considerable improvement in productivity after the training. Only 33% of employees at Middle level feels the needs of training are not efficiently clarified to the trainees. Even some of the junior level employees have a little problem with the duration of the training 20% of junior level employees needs some modification on change in the existing culture of training. Senior level employees are very much satisfied from the evaluation process of training. A sense of belongingness and future retention of employees is reflected through training. Thus, HDFC Bank has a very strong training and development process. They invest in their manpower resources to make them more efficient, so that they can reach at the top level and can remain there on the yearly basis. 150 employees had participated in the survey and their responses showing level of satisfaction against each question (5 degree likert scale ranging from totally satisfied-Largely satisfied-Partially satisfied-Marginally Satisfied-No Change) were recorded and there after a summary was prepared in Table no-4 effectiveness of training and development.

CONCLUSION

Human Resource Management is meant "to integrate all personal activities with each other and strategically with organizational objectives". Essentially, it first serves the organizational interest

and in that context, "It's an investment rather than a cost to the organization". The utilization of all other resources directly depends on efficient utilization of human resources. Every organization needs to have well-trained and experienced people to perform the activities that have to be done. As jobs have become more complex in the banking sector, the importance of employee training has increased. In a rapidly changing society, employee training is not only an activity that is desirable but also an activity that an organization must commit resources to, if it is to maintain a viable and knowledgeable workforce. Owing to the changing banking environment, HR department should care for appropriate response in equipping people who have to perform in the new environment. In this study, when effectiveness of training increases it directly has a positive influence on growth & result of the banks. So training is really effective in all the banks that are taken for this study. In the banking sector, employee's behavior plays a vital role in improving the productivity of an organization. By incorporating personality development programmes such as role play, group discussion and business games the superior and subordinate relationship can be strengthened. Banks should take necessary steps in such away that employees should feel training is essential to enhance the productivity and customer satisfaction to meet the present business challenges in India.

All the employees mainly need training for the up gradation of abilities, training in allied fields and to develop specific abilities /competence. And some also need training for promotion i.e. Pre promotion training. Most of the employees want that identification of training should be done through performance appraisal and discussion with supervisors. In HDFC Bank the needs are identified through this process also. Some of the junior level employees have a little problem with the duration of the training. Almost 33% of employees at junior level have a little problem with the attitude of the trainers and 20% of junior level employees need some modification on change in the existing culture of training.

The HDFC Bank has a very strong training and development process. They know that the manpower is the main pillar of an organization. They invest in their manpower resources to make them more efficient, so that they can reach at the top level and

can remain there on the yearly basis. HDFC Bank try to improve and develop their training and development process and try to implement new module of training, so that employees can remain up to date with the competitive environment.

RECOMMENDATIONS

It is very difficult to give any recommendation because most of the employees are satisfied from the role of training and development. But some little changes can be done as follows:

- The needs of training can be explained clearly to the employees. Why they need the training in which field the employees have to be improve themselves. On what basis it was determined that an employee need a training on a particular topic. All these types of question should be explained to the trainees/employees.
- Most of the employees need training for up gradation of abilities develops specific abilities/competence, training in allied fields. The company should give more stress on these fields.

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Table no-4: Effectiveness of Training and development:

Effectiveness of Training and Development	Senior Level				Middle Level				Junior Level						
	TS	LS	PS	MS	CS/NC	TS	LS	PS	MS	CS/NC	TS	LS	PS	MS	CS/NC
Do you think that your company is learning organization which provides strategic umbrella for developing its employees?	17	13	10	5	5	20	15	5	6	4	16	18	10	5	1
Did your company have a T&D strategy aligned with Organization's business strategy?	11	9	6	2	2	14	8	5	2	1	12	7	7	3	1
To what extent are you aware about the existing training programme in HDFT?	10	8	6	3	3	12	9	5	2	2	13	7	5	2	3
4. To what extent are you aware about the HR programme which is related to the training like promotion, performance appraisal?	14	7	5	2	2	14	7	4	2	3	12	6	7	4	1
To what extent the training needs of the organization are assessed periodically?	11	7	7	2	3	11	8	6	4	1	15	6	4	1	3
To what extent the needs of training are efficiently clarified to the trainees?	10	7	5	4	4	9	10	6	3	2	11	7	6	3	1
To what extent the training programs are considered important on your part?	13	6	7	3	1	10	7	8	4	1	8	10	5	3	4
To what extent you need any modification or change in the existing culture of training for enhancing the required skills.	11	9	5	3	2	9	11	5	3	2	12	6	8	2	2
To what extent you satisfied with the attitude that trainers show towards you.	12	6	6	3	3	11	6	7	3	3	11	8	6	3	2
To what extent you satisfied from your study material which is provided during the training.	14	8	6	1	1	12	7	6	3	2	9	8	7	4	2
To what extent you feel the need of external trainers or agency?	11	6	7	3	3	13	7	5	4	1	10	6	7	4	3
To what extent you satisfied with the duration of training that you got from the organization.	10	9	6	4	1	10	7	7	4	2	14	7	6	2	1
To what extent the outcomes of evaluation put into use for future improvements.	12	7	7	3	1	11	7	8	2	2	10	9	8	3	2
To what extent you find any change or development in your skills, knowledge, enthusiasm, etc after undergoing training.	10	7	8	4	1	12	7	6	3	2	11	8	6	4	1
To what extent training improved your commitment to the organization?	10	7	7	3	3	10	9	5	3	3	13	6	6	3	2
To what extent a sense of belongingness and future retention of employees is reflected through training.	12	7	7	2	2	13	7	5	4	1	10	8	7	4	1
To what extent training reduces the gap between the present and standard performance level.	9	8	7	4	2	12	6	6	4	2	12	7	6	3	2
Do you get any competitive advantage through T&D program When comparing the same in competitive environment?	10	9	6	3	2	9	8	6	4	3	9	8	7	3	3



The Influence of Computer Awareness/Knowledge on User Perception Towards OSOS

Kamakshah Musunuru

ABSTRACT: The use of Open Source Software is much limited owing to nature of the user. Most of the users who use OSS are either developers or those who have unusual interest in software. It is almost twenty years after Linux had seen this world, still the market figures of Linux use are at very abysmal levels. In spite of the maturity and adoption, Linux is still remained as a second hand option for many users across the world. Linux users are mostly believed to be those who possess technical knowledge about the software. But things have been changing as the users are appearing from diverse fields endowing with variegated skill sets. Linux are available for users as full featured software. Even though Linux is proved to be best software in server by all other operating systems. Windows alone attribute to approximately 85% of market share. As per marketing philosophy a product must be able to fulfill user needs, and this fact needs to be ensured by every marketer in order to relish the success. Some of the most fundamental requirements other than needs fulfillment are, price, availability and communication. As far as these requirements are concerned Linux is not worse than any other operating system. Then where is the problem in suffering from dwindling market share. Exactly at this point this paper attempts to find whether personal factors (individual) tend to influence technical factors. Does, technical know-how influences user perception. And does this user perception can be one of the important attributes which characterizes market share. In this study a survey was done to know if computer awareness of individuals influences their perception towards Linux. A hypothesis was formulated to test if any dependency exists in between these two variables (namely individual's computer awareness and their perception towards Linux). It was found that the two variables are not significantly different, which means computer knowledge or awareness of individuals significantly influences their perception towards Linux.

INTRODUCTION

The beginning for Linux is not as successful as people talked about stillborn Linux and about its failure of major efforts. But efforts like Richard Stallman's GNU Project in 1983 and which is followed by Matthias Ettrich's KDE project in 1996, Miguel de Icaza and Federico Mena's GNOME desktop environment in 1997 along with Mozilla Corporation's Firefox and OpenOffice.org could give a second chance to convince the entire world about its power. It is damn truth that Linux is slowly outperforming the existing top players of the operating systems market, and with in no time could become leader in the market. AJ

though Linux is much preferred by software professionals and other technicians, it was slowly permeated to be used by all most all users of different types. Now Linux is being used by other types of users like students, workers, and etc. It is not extraneous to state that Linux is pervasive every where not only in desktops but mobiles, labs, airplanes and also at manufacturing setups in different forms.

There are number of problems with Microsoft Windows, by which Linux could embark upon. Linux is observed to take very less time to boot and setup itself ready immediately compared to Windows. Linux is acclaimed by almost all users that it requires less

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Linux might be free, but Linuxians are not free. Open source technicians are on much demand owing to scarcity of the same in this area. Hence, Linux adoption at earlier stages is advisable for it might lead to steep learning curve and its associated advantages. Anuradha. S. (2011); while advocating Linux for schools, in her excerpt states that apart from saving expenditure, Linux can be started earlier as it can improve learning curve.¹¹² The Austrian Government move to switch OS to open source platform is another move which demonstrates about growing importance to OSOS on policy level. Kristofl, head IT at Austrian Federal Ministry of Education, Arts and Culture (BMUKK) asserts that the Linux adoption, in fact, goes beyond cost advantages; the very advantage of using Linux is to ensure wide and varied learning (Gijs, H. 2009).¹¹³ Morrison. G. (2010), asserts that using free software is not all about saving money but is also about preserving choice. It is always not about money, but about etiquette, righteousness and also to remain as a rational consumer.¹¹⁴

B. Market share of OSS and Linux

In fact, there is very meager literature to this area of study, hence, doing research to find usability of GNU/Linux some extent typical in nature. As it is known, most of the Linux distributions are mostly free; hence, making it difficult to trace market statistics regarding real usability of Linux. So, under these circumstances it even makes it odd to state that the market share of Linux is only 1 to 2%. It makes very difficult to state market shares of different operating systems for they tend to have different shares in different markets. Here the term market is little fuzzy in its nature, for instance, the OS can be found differently for different uses, it can be a server, a desktop, a laptop, a mobile or also might be a piece of code in an electronic machine in operations set up. For example, mostly Linux is found as an premium option to Super Computers and servers, while Windows is widely used in all desktops. The other side, android OS is most sought after OS, which is another by-product of Linux-mobile-OS that turned out to be third largest OS meant for Smart phones. The android by now enjoying an whopping amount of 850% of growth in market share.¹¹⁵ (Kapoor, M., 2003) The experts forecast that the Linux is expected to achieve 10% of market share at least by the next decade.¹¹⁶ (Doug Roberts, 2011) The Linux could not cross more than 1% market share against its counter parts like WinXP, WinVista, Win7, MacOSX and etc.⁹

RESEARCH METHODOLOGY

A. Objectives

In view of above research background, the following objectives are formulated to realize an optimum solution for the problem (market share or usability) of the research. The objectives are drafted in coherence to the research context (usage preferences or perception towards GNU/Linux).

1. To elicit users opinions regarding different characteristics of Linux
2. To ascertain users preferences towards Linux.
3. To measure and understand the level of computer awareness and its relationship with various technical factors of Linux.
4. To analyze and study the relationships in between or among certain variables under study.

B. Research design

This study does not advocate any solution as how market can be increased, since, the research of user perception and satisfaction is in initial stage in this area of open source software. Hence, the type of the study is basically *exploratory* in nature. As far as the data needs are concerned, both primary and secondary data is used for this study. There are so many secondary data sources, like IT magazines, journals, News Papers, and some of the documents like both cross sectional and longitudinal studies across various institutions and organizations in the field. Regarding primary data, a contact instrument like questionnaire is used to gather the data for the study, which comprises of both open and closed end questions. Due to the nature of questionnaire, it was possible to gather categorical data, usually it is a bit difficult to handle categorical data for it needs highly sophisticated statistical techniques like hierarchical cluster analysis, multiple correspondence analyses, hence, it is decided to use certain packages like *FacisMineR* and *EnquireR* that are suitable to carry out the said analysis.¹¹⁷¹¹⁸¹¹⁹

Simple random sampling technique is used for this study. Based on the population (The population of the state as per 2001 census stands at 76.21 millions, this constitute 7.42 % of total population of the country). According to Rajendra S.B., (2005), less

than 1% population in India own PCs¹²⁰. Taking it as a general finding; it will be approximately 0.76 million of population in AP owns personal computers. But in case of Twin cities the total population is only 4.2 millions, so making the figure around 0.04 million.

The total amount of literacy in Twin Cities is 73.5% of the population only; hence same amount of population may be aware of computer but may not know much about it. If this 73.5% (3.08 millions) is population for the study, then 1% (0.03 million) can be sample frame for the study. Then population parameter will be perception towards Open Source Operating System. Since, we are talking about percentage of people interested in OSOS; determination of sample size will be under the question of Proportions. So, the formula will be: $N = (pq)/(q^2)$ ¹²¹. Where; N= Sample Size (to be determined), p=the proportion of population that has a given attribute (0.2), q=proportion of the population not having the attribute (0.8), q = standard error of the population (0.025).¹²² Substituting all these values in the given formula (pq/q^2) yields: 256. Which means; the researcher can be 95% confident that 2% of the respondents would like to use OSOS in contrast to Windows, with an error margin of 5%, (0.05 used in above calculation).

D. Formulation of Hypothesis

One of the major aims of the study is to find and observe whether the variables are dependent or independent... in other words, the contribution of the sample respondent's response to one variable contributes to another variable. In *EnquireR* the whole process goes as it returns a description as whether any two variables of two different groups dependent or independent. The returned description is a grid of rows and columns, the rows represents the variables of first group, whereas, the columns represents variables of second group. The cells are colored in light red when the *p-values* associated are significant, which means, the variables observed to be dependent. On these grounds the hypothesis can be:

H₀=the variables under study are independent to each other, H₁= the two variables are interdependent.¹²³

$$\chi^2_{obs} = \sum_{i=1}^I \sum_{j=1}^J \frac{(n_{ij} - \frac{n_{i.}n_{.j}}{n})^2}{\frac{n_{i.}n_{.j}}{n}}$$

The following hypothesis are formulated for the study; since, the study is to find perception of the respondents,

H₀= the variable, computer awareness does not influence perceptual factors.

H₁= the variable computer awareness does influence on perceptual factors.

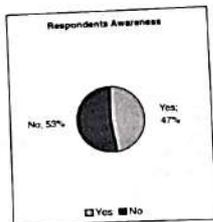
ANALYSIS AND DISCUSSION

A. Description to data frame

The whole study revolves round two types of variables that are identified to study user perception; viz., *security, vendors lock in, availability, proprietary drivers, performance, technical help and user friendliness*. The data is organized as a data frame analysis which is also in the form of a matrix with rows and columns. All columns represent variables for/under study. The aim is to study and analyze the sample respondents by their responses towards these variables. All rows represents individuals/cases, whereas, cell possess responses of these respondents and the data is categorical in nature. Order of the matrix is 246 × 10, i.e., 246 individuals and 10 variables. Only 246 individuals were responded out of 256 individuals. Out of 256, total number of respondents who appears to have computer awareness is 116. Remaining 130 do not seem to possess awareness or knowledge. Even though most of the respondents ignorance about computer, they remained significant in the study. In preceding sections we would know how this happened.

TABLE - 1: RESPONDENTS AWARENESS/ KNOWLEDGE

RESPONSE	FREQUENCY	PERCENTAGE
YES	116	47
NO	130	53



The table - 2 shows the relationship or dependence of computer awareness against its technical variables. The variables shown in the table are global, which means, percentage of individuals in the sample frame rather than in their respective sub-classes. The chi-square values represent the degree to which responses are significant with respect to any given variables under comparison. The dependence in between computer awareness and availability of proprietary drivers (chi-square value = 47.6142) appears to be more significant compared to its counterparts, which is followed by User friendliness, vendors lock-in, 47 respondents (from the sample) of those who has fair computer knowledge or awareness are significant at 2.573e-10 (p-value < 0.05). Approximately 41 respondents happened to be significantly opined towards computer awareness and vendor's lock-in. But, detailed description can only be known by close observation to the variables sub-classes and modalities.

TABLE - 2: GLOBAL RELATIONSHIP IN BETWEEN TECHNICAL FACTORS AND COMPUTER AWARENESS

Technical Variables	Chi-square value	Degrees of freedom	p-value
Vendors Lock-in	41.3645	4	2.259e-08
Security	31.9428	3	5.381e-07
Proprietary Drivers	47.6142	3	2.573e-10
Availability	21.8472	2	1.803e-05
Performance	25.3785	2	3.084e-06
User friendliness	42.6337	2	5.524e-10
Technical Help	25.0711	2	3.597e-06

All variables under study have certain subclasses that are briefed as descriptors in preceding sections (description to the data frame). Each variable is explained by its respective descriptor or sub-class. A sub-class is a term which reveals respondents opinions that are significant to other descriptor of a variable in relationship. For instance, the variable vendors lock-in is explained by five descriptors knowingly, community or friends, downloaded, provided by retailer or dealer, purchased separately and purchased with computer. The variable computer awareness is explained by descriptors Yes or No, the following table shows the level of dependency in between proprietary drivers and computer awareness.

TABLE 3 CHI-SQUARE TEST RESULTS FOR PROPRIETARY DRIVERS AND COMPUTER AWARENESS

X-squared = 47.6142, df = 3, p-value = 2.573e-10

Proprietary Drivers	Computer Awareness	
	No	Yes
Not required but difficult to obtain	15.568230	17.447154
Not required but easy to obtain	2.810650	3.149866
Required but difficult to obtain	1.431055	1.603769
Required but Easy to obtain	2.642276	2.961172

Source : obtained from statistical analysis on sample respondents

Over all on global scale there are approximately 48 respondents who significantly responded to these two variables combined. Among which there are 22 individuals in sub-class "No", in which almost 69% of respondents perceive that the proprietary drivers are required but are difficult to obtain. And those who possess computer awareness are more than those do not possess the same in this modality (relationship in between the two variables). Out of 25 individuals who possess computer awareness opined the same as those who do not possess. Hence, in this the most important observation is that there is more or less same response from both categories of computer awareness, the difference observed is very marginal. Another important observation is most of the respondents perceives that the proprietary drivers are not required but difficult to obtain. Very few

respondents opined to be required but difficult to obtain. In the same fashion; the following are the observations to the other variables:

1. Regarding user friendliness and computer awareness; there are approximately 43 individuals to this modality. Among which 20 individuals possess computer awareness and 23 individuals do not possess computer awareness. Most (49%) of the respondents from non-awareness class perceive that OSOS is user friendly. Approximately 30% of those who have computer awareness opined or perceive that it OSOS is user friendly, and their responses are significant at 4.068411e-10 each of them respectively.

2. Regarding vendors lock-in and computer awareness; 41 individuals belongs to this modality. Approximately 22 individuals are observed to possess computer awareness, in which 39% of individuals downloads software, followed by 35% are provided by dealer, and each of 8% observed to be either get it from communities or friends or purchase separately or got along with computer. The same responses are observed even from those who do not seem to have computer awareness.

3. Regarding security; there are 31 individuals who responded significantly to this modality. The responses are more or less equal for two of the sub-classes ("No", "Yes"). Each of 69 % of individuals doesn't know about security issues related to OSOS and the responses are significant at 3.560176e-08 each of them respectively. Approximately 17% of the individuals perceive high security as an important factor to use; the responses are significant at 4.919392e-08 for each sub-class respectively.

CONCLUSIONS

The respondents are observed with respect to two descriptors knowingly; "Yes", "No". In the sample individuals, there are 116 respondents who have computer awareness, and 130 who do not have the same. The following are some of the perceptual tendencies observed from the sample respondents.

- There is no significant different in between sub-classes ("Yes", "No"). The variable computer awareness or knowledge strongly depends on proprietary drivers (chi-square value = 47.6142) and the dependence is significant (p-value = 2.573e-10). In other words, user's perception towards proprietary

drivers is strongly influenced by their computer awareness

- The second important factor which depends on computer awareness is user friendliness. Out of 42 individuals who belong to this modality, a maximum number of respondents (50%) perceive OSOS as user-friendly, and their responses are significant at 4.068411e-10 (p-value < 0.05). Most importantly these individuals do not seem to have computer awareness.
- Regarding user's perception towards vendor's lock-in; out of 41 individuals who belongs to this modality, 52% of them has computer awareness rest are not. There is no difference in opinion as each of 40% downloads, 35% get it from dealers, and only 8% from other sources.
- Regarding security; out of 32 individuals, most (70%) don't have any knowledge about security. Each of 17% perceives highly secure.

Hence, from the above, it can be concluded that computer awareness tend to influence user perception towards OSOS. High level of dependency is observed among technical variables of perception and computer knowledge or awareness. In other words, computer awareness of the individuals strongly influences their perception towards usability. Moreover, the global chi-square values for these variables observed to be significant with respective p-values. Hence, there is no sufficient evidence to accept null hypothesis that the variable computer awareness doesn't influence perception of the users.

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Innovative Learning by Means of Interactive Simulated Games

Dr. Hemlata Agarwal

ABSTRACT : Innovative learning is needed for management professionals, providing a mechanism to organize thinking for complex professional issues in today's life. What participants learn depends not only on what they are taught but also on how they are taught, their developmental level, and their interests and experiences. To imbibe innovative learning, educational thoughts must be updated and ways of training talents must be reformed. To train creative talents, the student's individuality must be developed. This can be achieved readily by including interactive games in classroom teaching as interactive games and learning, at their best, engage humans at a deep level of pleasure irrespective of the age. This paper is an attempt to put in the picture how use of interactive simulated games can make learning more fun in a classroom and yet can be enduring. A well-tested simulation game plan is illustrated as an example by the author for one of the topic of the curriculum for the subject International Business.

Keywords : Innovative learning, Interactive Simulation Games, Skill Development and Management Education

Introduction

Innovative learning is needed for management professionals, providing a mechanism to organize thinking for complex professional issues in today's life. Infact it has become an essential component of management education. Individuals who become self-directed learners are able to acquire expert knowledge in various fields, to change careers, and to endow meaningful lives with creativity and variety. Developing these capacities is not only important for a successful economy, but also for effective social engagement, participatory democracy, and more equitable communities.

What participants learn depends not only on what they are taught but also on how they are taught, their developmental level, and their interests and experiences. These beliefs require a much closer attention along with the methods chosen for presenting material.

Hamza and Griffith (2006) says that to train creative talents, developing independent thinking ability, divergent ability and ability to imagine must be strengthened.

To train independent thinking ability, three things should be considered:

- Allow participants to ask bold and reasonable doubts, balance before readily accepting things, and a sound mind in self-refusal.

The training of divergent ability

- Train students' ability to boldly break away from conventions and to bravely develop their creative spirit.

The training of imagination

- Hold students' curiosity to stimulate their knowledge-seeking desire, broaden their knowledge scope. Make a light-hearted learning environment.

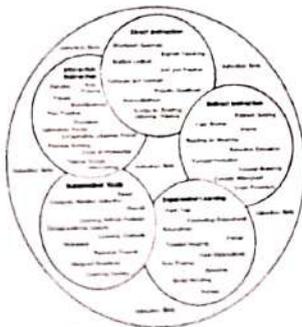
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It can be understood from the above that to train creative talents, educational and teaching process must be optimized. We must reform educational and teaching methods, reform the content of teaching and standardize the system of courses and build a creative team of teachers. Planning a unit or lesson involves a number of instructional decisions. The teacher must identify the following: the content and processes to be addressed, the strengths, needs, and interests of students, the Common Essential Learnings that could be incorporated, and the most effective instructional approaches. Such decisions are critical and must be made consciously and purposefully (Hamza and Griffith, 2006).

Fig 1 shows various instructional methods used by management faculties and trainers with accompanying explanations organized by instructional strategy.

A preliminary step to academic success in any education is the faculty's attitude toward students and envisioning student's success. A faculty's use of diverse methods and strategies in presentation of subject content, in leading discussions and debates, and in encouraging small group interactions, nurtures a student's curiosity.

Figure 1: Instructional Strategies.



Source: Understanding the Common Essential

Learnings (Saskatchewan Education, 1988, Chapter 2: Instructional Models, Strategies, Methods, And Skills)

To imbibe innovative learning, educational thoughts must be updated and ways of training talents must be reformed. To train creative talents, the student's individuality must be developed. This can be achieved readily by including interactive games in classroom teaching as interactive games and learning, at their best, engage humans at a deep level of pleasure irrespective of the age.

Objective and Methodology

This paper is an attempt to put in the picture how use of interactive simulated games can make learning more fun in a classroom and yet can be enduring. An in-depth survey of the existing literature and articulation of authors own experience of interactive simulation games carried out in her classes is the major source of this paper. A well-tested simulation game plan is illustrated as an example by the author for one of the topic of the curriculum for the subject International Business.

What is meant by Simulation Game?

A simulation game is most frequently defined as a technique securing an artificially created environment that copies chosen features of real situations, which enables the participants observe the results of their decisions and react to them (Angelides & Paul, 1999). These games simulate a hypothetical business, economic, or managerial environment and thus enable an active social communication of the real players in quasi-real business conditions.

Why to choose simulated games for learning?

According to Kolb, learning is most effective when it is directed and controlled by the learner and based on the learner's own practical experience, thus it has a concrete sense and meaning to the person (Pavlica et al., 1998). In accordance with the model, individuals learn effectively when they intentionally transform their concrete experience reality and problems they encountered and

related to them by means of reflective (thoughtful) observation. They analyze the behavior which, lead to an experience, human relations and surrounding factors which affected this experience, and for future use they create an abstract image – their own perception of reality. The whole process of learning continues with a phase of active experimentation which leads to the new experience that is to be analyzed, named, and understood. Simulation Games have high presence in non-formal and informal education games are still often seen just as an unexciting activity and the potentials of games for learning stay undiscovered. We play games to have fun, to immerse into an imaginary world, to take the challenge and outsmart the opponents and/or win, etc. There are probably as many different reasons to play games as there are players.

When we have a look at the games within the learning context as opposed to the activity only for the leisure time, we have learners' and teachers' perspective of using games for learning:

- **From the learners' point of view** using a game for learning can have various meanings, e.g. learning and having fun, taking the challenge and achieve better score, trying out different roles, being able to experiment and seeing what happens, being able to express the feelings, be able to reflect about certain conflict situation, and so on.
- **From the teachers' perspective**, we choose to use games for learning to reach a new generation of learners with a medium they are used to interact with from their childhood. We can offer a game for introducing a new learning topic thus raising the learners' interest for this topic, or as a complementary activity for many other reasons, e.g. to create a complex learning opportunity, to increase the motivation of learners, to offer another way of interaction and communication.

Simulation Games can also be used for personal development and to improve self-esteem of the player (i.e. learner). In most instances, students are easily motivated to participate. During games, students become active participants in the learning

process. A variety of learning objectives may be associated with the interactive games. Some focus on the application of previous knowledge, skills, and abilities, while others emphasize the acquisition of new knowledge, understandings, insights, and appreciations. Many games promote and develop innovative and creative thinking or involve interactions, which develop interpersonal and social skills, attitudes, and values.

Process of choosing simulated games for learning.

There are many different off the shelf games that can be used in the learning context. But which game to use? How to choose the game in the first place?

The first question that has to be answered is "What do we want that learners learn? Based on the learning objectives we can choose games that we want to use for the classes. Part of the process of choosing games for learning includes also consideration of various constraints and opportunities in the learning setting, e.g. size of the student group, technical possibilities for students, skills of students (as well as skills of teacher), licensing policy, sustainability, etc.

Coleman (1975) defines 5 kinds of rules:

- (I) **Procedure rules** – describe how to play a game, and define the way the game progresses. They are based on empirical observations of the presented reality and they implicitly involve theoretical assumptions about functioning of the processes presented by the game.
- (II) **Rules that restrict behavior** – oblige what players (individual roles) must or may not do. They help to define individual roles. They must be in line with the responsibilities of the individual roles in real life, imitated by the game.
- (III) **Rules defining goals** – exactly define the goals of individual roles within a game. It is particularly important to make sure that the role is correctly defined in accordance with its goals and motivations.
- (IV) **Rules defining reaction of environment** – specify the reaction of the simulated part

of the game environment. They are directly tied to the simulated roles. These rules regulate reactions of that part of the environment which is not presented in a game by real actions of live players (played roles);

- (V) **Controlling rules** – define the outcome of breaking of the rules by players (played roles). The goal of exercising the controlling rules is to ensure following the game rules and to clearly define the way of correction of their breaking.

Games are divided into a certain number of stages. Each cycle is further divided into several steps. The individual steps are collections of activities which progress in a certain sequence within one cycle, and thus push the game forward. As stated by Coleman (1975), the most typical is the cycle of four steps:

- 1) **Initiation** – result of a concrete impulse. The players become familiar with the script or new data and information which are a result of the preceding cycle;
- 2) **Planning** – takes place on the basis of analyzing the available information;
- 3) **Action** – based on the decisions adopted according to the results from the preceding step, certain activities which should lead to the given goals take place;
- 4) **Evaluation** – the last step of the cycle. Simulation is paused in order for the discussions over the results from the given cycle to take place.

After evaluation, a new cycle begins, and its first step is again initiation. The function of initiation is fulfilled by so-called impulses. They are events or problem situations which force players (students) to concentrate on a certain aspect of the simulated problem. Impulses may be initiated by the students (players) themselves by means of their actions. They may be prepared or spontaneous by the teacher (lecturer of the game) or they might be initiated by the students (players) themselves by means of their actions.

In order to determine what is to be learned from Management Education Games, it is helpful to have a framework or taxonomy which gives more insight in the concept and the different aspects of learning.

For this, the Bloom taxonomy (Bloom & Englehart, 1956) is used. This taxonomy covers three domains, though for the scope of this paper the first domain, the cognitive domain, is most relevant. Also relevant is the second domain, the affective domain. The learning objectives for simulated games are linked to these learning categories.

In the *cognitive domain*, there are six categories of learning:

- **Knowledge:** Recall data or information.
- **Comprehension:** Understand the meaning, translation, interpolation, and interpretation of instructions and problems. State a problem in one's own words.
- **Application:** Use a concept in a new situation or unprompted use of an abstraction. Applies what was learned in the classroom into novel situations in the work place.
- **Analysis:** Separates material or concepts into component parts so that its organizational structure may be understood. It also distinguishes between facts and inferences.
- **Synthesis:** Builds a structure or pattern from diverse elements. Put parts together to form a whole, with emphasis on creating a new meaning or structure.
- **Evaluation:** Make judgments about the value of ideas or materials.

Cognitive learning might best be thought of as developing an understanding of basic facts and concepts so that sound decisions can be made (Faria, 2001).

In the *affective domain*, there are five categories of learning:

- **Receiving Phenomena:** Awareness, willingness to hear, selected attention.
- **Responding to Phenomena:** participation on the part of the learners. Attends and reacts to a particular phenomenon. Learning outcomes may emphasize compliance in responding, willingness to respond, or satisfaction in responding (motivation).

- **Valuing:** The worth or value a person attaches to a particular object, phenomenon, or behavior. This ranges from simple acceptance to the more complex state of commitment. Valuing is based on the internalization of a set of specified values, while clues to these values are expressed in the learner's behavior and are often identifiable.
- **Organization:** Organizes values into priorities by contrasting different values, resolving conflicts between them, and creating a unique value system. The emphasis is on comparing, relating, and synthesizing values.
- **Internalizing values:** (characterization): Has a value system that controls their behavior. The behavior is pervasive, consistent, predictable, and most importantly, characteristic of the learner. Instructional objectives are concerned with the student's general patterns of adjustment (personal, social, emotional).

Affective learning might best be thought of as what the simulation/game participants perceive that they learn (Faria, 2001).

Some of the most commonly used interactive simulated games are listed as under which are freely available at the Internet sites:-

Interactive Games	Objective
Controlled Scene	Games where an off-stage director (or the audience) controls some aspect of the scene throughout the game.
Experiential	Games where the entire audience participates in the game as actors.
Game Shows	Games modeled after TV game shows.
Restriction	Games where the players are restricted in some fundamental way.
Scene Replay	Games where a scene is created and then replay with some sort of variation.
Interviews	Games that involve one player interviewing another, as though on a TV talk show.

Styled Scene	Scenes that are created mimicking a certain style
Literary	Games that have some basis in literature
Long-form	Games that last a half hour or more. May involve other games as parts.
Montage	Games that involve a swirl of (un)related images and scene-lets.
Warm-ups	Games that are useful to warm up the creative mind
Word-at-a-Time	Games where a scene or narrative is constructed by players saying one word each in series
Workshop	Games that we don't perform, but that we use in rehearsal or when teaching improv workshops
Stories with Holes	Games that helps to piece together the clues and solve the mystery.
Write from the Edge	Games that gives more power to blend art of writing

Virtually all games, regardless of the discipline for which they are developed, require the participants to make decisions under conditions of uncertainty.

One of the advantages of games and simulations is the extent to which they encourage participants to confront their own attitudes and values. An excellent example is the Prisoner's Dilemma Game. This well known game is set up in such a way that participants make a choice, often without realizing it, to compete rather than to cooperate. The effects of the choice become evident as the game proceeds. It's a terrific way to help participants become aware of their competitiveness.

Games and simulations can also help participants grasp the total course content. An advantage of using the game at the beginning section of a program is that it can give participants a chance to experience the whole before discussing the parts. For example, starting a cross-cultural session with a simulation game such as Bafa' Bafa', is a great way to prepare people being transferred abroad for the frustrations, joys and insights that come from contact with foreign culture. The game provides an excellent chance for participants to focus on what they consider normal, how they act within their own inner circle, and how they interact with

strangers. They usually spend an hour playing the game and then up to five hours discuss how stereotypes are formed and perpetuated.

Games and simulations can also help test the behavioural style and performance of participants. Playing a game at the beginning of a course allows the faculty to identify the styles and skills that already exist and to note which need to be strengthened. Playing a game at the end of a course enables the faculty to assess the instructional experience.

Below is illustrated an adopted simulation game which author has used very successfully in her teaching of the topic *Theories of International Trade and Negotiation skills* for the subject International Business. Different skills can be learned through this simulated game like - Team skills, business knowledge, economic skills, planning/strategic skills, analytical skills, problem-solving and decision-making skills, general personal skills, negotiation skills, leadership skills and interpersonal communication skills.

Simulated Game: Peanut Butter Sandwich Dilemma

(source: "Peace Begins with You and Me", http://dragon.sleepdeprived.ca/games/cooperative_games/cooperative_games_27.htm)

Purpose: To explore some of the difficulties encountered by countries in providing food and revenue for their people with the resources at hand. While trading with other countries, the students will learn how easy it is to fall into conflict with others competing in the world market. The students will better understand the challenge for countries - rich and poor, large and small - to maintain both world peace and internal peace, and to serve the needs of their people.

Time required: One hour to play and half an hour to discuss.

Number of Participants: Minimum 10 maximum 60.

Materials Required: Marble Papers, Pen and Papers to keep record and Bristol Boards.

How to play?

Split the group into eight different countries.

Each country should have at least two people in it. Within each country a leader must be chosen - a President, Queen, Prime Minister or even a Dictator, as they prefer. Each country also chooses a decision-making process to use during the course of the game, for example, majority rule, the leader makes the final decision, or whatever. Lastly, each country chooses a name. Even this can prove a challenge to peace in some countries. Each country is then given a sheet of Bristol board folded like a place card so it stands on its own. On one side are written the size, population and financial status of their country. On the other side, for their information only, is a list of their resources and what they need to provide for their population. World resources are represented by the ingredients for a complete peanut butter and jam sandwich lunch.

One lunch consists of:

- 1 peanut butter
- 1 jam
- 1 butter
- 1 knife
- 1 napkin
- 1 plate
- 2 bread

Apples are actually an extra, but may be "needed to survive".

In the game, these resources are represented by small pieces of marble paper in different colours and shapes. When resources are traded between countries, these papers help keep track of the gains and losses. The aim of the game is to use the resources available in your country to provide, through trade on the world market, what your country needs to survive while maintaining peace in the world.

Total World Resources (These are total supplies handed out to the countries, based on each country's information):

- 13 peanut butter
- 13 napkins
- 10 knives
- 10 jam

- 10 butter
- 28 bread
- 12 apples
- 10 plates

The countries take turns trading with each other in order to gain the necessary resources. To add some spice and realism to the play, each country has the option on their turn to either trade or pick a "Luck of the Draw" card. These cards might offer a life-saving miracle or inflict a major disaster. This "Luck of the Draw" could be handled by a separate team of two students who will not be part of any team. They must keep a track of which team took the lucky draw and should not allow any team to take the lucky draw for more than five times. This is just to have a better control of the class. The instructor's decision should be final in case of any conflicts and disputes.

Luck of the Draw Cards: (each written on a square of Bristol board)

1. You've had a terrific harvest. Double your largest resource!
2. Your country was hit by an earthquake. Your largest resource has been wiped out.
3. You've made peace with an old enemy. Add three units of jam to your country's supply.
4. Disaster strikes! Spring flooding cuts your peanut butter harvest in half.
5. Your country develops a new fertilizer that doubles your apple supply. Congratulations!
6. Early frost hits the strawberry fields and wipes out everything. Cancel your jam exports.
7. The wheat crop is twice what you expected! Double your bread supply.
8. Drought hits. The cows stop giving milk. Your butter supply dries up completely.
9. Your new factory turns out plates in half the time. Double your plate supply.
10. Torrential winds and rains shut down all production. Your knife supply is wiped out altogether.
11. A tornado wipes out your only plate factory. Hand in all your plates.

12. A new technique lets you produce knives at twice the speed. Double your knife supply.
13. Unused land has proved to be perfect for peanuts. Your peanut butter supply triples.
14. An enemy had bombed your capital city. Your second largest resource is wiped out.
15. JACKPOT! Fortune smiles. Double all your resources.
16. JACKPOT! Fortune smiles. Double all your resources.
17. Fire wipes out two of your largest factories. Your napkin and bread supplies are gone.
18. You can make "bitter butter better." You bought big batches of bitter butter and made it better. Double your butter supply.
19. Hailstorms have wiped out your apple crop. All your apple supply is gone.
20. A neighbouring country shares surplus napkins with you. Add three to your napkin supply.

Note: Although world resources are limited, have available some extra resources to cover the bonuses granted in good "Luck of the Draw" Cards.

Distributed Among Countries.

(This information is written out on cards and given to each country)

Country #1: A large, wealthy country with a large population and high labour costs.

Resources Available:

- 12 bread
- 2 knives
- 6 apples
- 6 plates

Needed to Survive:

- 2 peanut butter sandwiches
- 2 apples

Country #2: A large, wealthy country with a large population and low labour costs.

Resources Available:

- 5 knives

5 jam

7 napkins

5 butter

Needed to Survive:

2 peanut butter sandwiches

2 apples

Country #3: A small, poor country with low labour costs.*Resources Available:*

2 jam

2 butter

3 napkins

Needed to Survive:

1 peanut butter sandwich

Country #4: A medium sized country with adequate resources to be self-sufficient.*Resources available:*

6 bread

3 knives

3 plates

Needed to Survive:

1 peanut butter sandwich

1 apple

Country #5: A medium sized country with an evenly distributed population; plenty of resources but not a lot in excess of need.*Resources Available:*

3 apples

3 jam

3 butter

Needed to Survive:

1 peanut butter sandwich

1 apple

Country #6: A fair sized country with a large population working for reasonable wages; some good natural resources.*Resources Available:*

3 peanut butter

3 napkins

6 bread

Needed to Survive:

1 peanut butter sandwich

1 apple

Country #7: A small poor country, heavily populated with lots of cheap labour.*Resources Available:*

4 bread

1 plate

3 apples

Needed to Survive:

1 peanut butter sandwich

Country #8: A very large and very poor country, small population and few developed resources.*Resources Available:*

10 peanut butter

Needed to Survive:

2 peanut butter sandwiches

1 apple

At the completion of the time and activity the following things should be discussed with the class.

Discussion Questions

1. How did the groups feel about the way the resources were distributed?
2. Did the rich group share with the poor group? If they did share, how did they decide to share and how much to share?
3. How it feels when people don't share even when they have in excess and don't need it for themselves?
4. Did countries who could prepare their required sandwiches tried to make extra sandwiches or sat quietly?
5. Did they kept their resources with themselves after completion or shared it with others?
6. Were there countries that shared their resources with others or did they came forward to help other countries in negotiating resources with others of their own?

7. Were countries polite and cooperative while sharing?

8. Why is food important? Why is sharing important?

9. What happens when you never have enough to eat and always feel hungry?

10. What are the learnings from the simulated game?

There are many variables for faculties to consider when making decisions about teaching through interactive simulation games. It is essential that they have a conceptual base for understanding Core Curriculum and a framework for understanding the levels of instructional decisions.

While selecting, designing or playing the games and simulations in the classroom the following points must be kept in mind:-

- The games or simulation need to be relevant to the participants.
- The easiest way to create games and simulations is to mimic the format and character of well-known ones.
- Well know games and simulations can be modified to suit the course requirements.
- Funlike, contrived games can be followed by more serious, less contrived games.
- Instructions for games and simulations need to be carefully thought out.
- Games and simulations almost always need to be discussed afterwards for the experience to be an effective teacher.

SUMMARY

Simulation games help model the realities of the business world by simulating basic - and in some cases advanced - business theories and practices in controlled game environments. Successful learning opportunities by means of interactive simulated games can be created when learning is made innovative. Major characteristics of the innovative learning approach are, among others, interaction, coping with problems, understanding of the whole and so on. The students of MBA courses have to be an active participant in knowledge acquisition, engaged in restructuring, manipulating,

re-inventing, and experimenting with knowledge to make it meaningful, organized and enduring. Some management faculties are hesitant to use games and simulations in their programs, fearing that participants will find them too contrived and/or dismiss them as mere entertainment. And certainly like any other teaching method, games and simulations are not without risk. Used in the wrong way at the wrong time, they may do little good. Used appropriately, however, they can be enjoyable and effective way to advance innovative method of imparting knowledge.

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Traditional Household Industries in India (A Case Study of Azamgarh District, Uttar Pradesh)

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ABSTRACT : Since primitive age the eminent people of the society had shaped the villages by work distribution among the denizens according to their proficiency so that the villages can be organized and run in a smooth and balanced way. It was known as a 'labour distribution'. In such way village economy was very strong because every person performed their work honestly and earn money for their livelihood. Such type of village economy on the one hand produced the required goods for villages and on the other hand it had solved the problem of unemployment. Because the children of villagers accepted the profession of their parents and became trained in that occupation. The villages were comprises of every type of castes like upper castes, other backward caste and schedule castes. The work of every castes was allocated and defined in villages. Since the origin of human being the villages were running on the principle of "Varna Vyavastha". Every person was performing their caste based business. The business of parasite class (prajai) of villages were known as cottage industries. These industries have been operating for ancient period. The villagers were self-reliant in every respect at that time. Thus the every person of village was inter-dependent and inevitable for everybody. Thus the village economy was self-governed and regulated. The manufacturing work was done by villagers in their spare time with the help of family members without machinery support. There were various type of cottage entrepreneurs in villages (i.e., blacksmith, goldsmith, gardener, village potter (Kumhar), weaver worker (Dharkari), palanquin bearer (Kanhari), leaf utensil maker (Musahar) etc. Today about 1.2 lakhs families are engaged in cottage industries for their livelihood in Azamgarh district. But owing to the Government apathy and traditional product, village industry could not get momentum. These industries are running in its ancient form and techniques. Nowadays, all the products of cottage industries are being produced by the modern machines which are durable, fine and cheap. So cottage industries have been facing tough competition with the products of modern producers. Thus, these industries are in a vulnerable state of affairs. The families who are engaged in this profession are on the verge of starvation as it has led to unemployment and poverty in the society. If these professionals could not contribute to generate income and employment then nobody can save it from extinction.

Since primitive age the eminent people of the society had shaped the villages by work distribution among the denizens according to their proficiency so that the villages can be organized and run in a smooth and balanced way. It was known as a 'labour distribution'. In such way village economy was very strong because every person performed their work honestly and earn money for their livelihood. Such

type of village economy on the one hand produced the required goods for villages and on the other hand it had solved the problem of unemployment. Because the children of villagers accepted the profession of their parents and became trained in that occupation.

The villages were comprises of every type of castes like upper castes, other back-ward caste and schedule castes. The work of every castes was

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allocated and defined in villages. Since the origin of human being the villages were running on the principle of "Varna Vyavastha". Every person was performing their caste based business. The business of parasite class (praja) of villages were known as cottage industries. These industries have been operating for ancient period. The villagers were self-reliant in every respect at that time. Thus the every person of village was inter-dependent and inevitable for everybody. Thus the village economy was self-governed and regulated. The manufacturing work was done by villagers in their spare time with the help of family members without machinery support. There were various type of cottage entrepreneurs in villages i.e., blacksmith, goldsmith, gardener, village potter (Kumhar), wicker worker (Dharikar), palanquin bearer (Kanhar), leaf utensil maker (Musahar) etc.

However, this research work is consist of only four village cottage entrepreneurs. They are village potter (Kumhar), palanquin bearer (Kanhar), wicker worker (Dharikar) and leaf utensil maker (Musahar). These cottage entrepreneurs produced goods and services and supplied it in villages. The village potter (Kumhar) produced earthen pots, wicker worker (Dharikar) produced bamboo goods, leaf utensil maker (Musahar) produced leaf utensils like patta and dona. These product were used in domestic chores, rituals and ceremonies. The palanquin bearer (Kanhar) provided their services for carrying people and goods. Hence the villages were running in a healthy atmosphere and in disciplined way. However the marketing of their product and services was in a limited area.

The government of Uttar Pradesh has divided these entrepreneurs in two categories. Kumhar and Kanhar are comes in the category of other backward castes and Dharikar and Musahar are schedule caste.³ The government has also classified these cottage entrepreneurs as per industrywise in three categories: (i) village pottery (Kumhar's work) is based on mining industry (ii) wicker work (Dharikar's work) is based on forest industry and (iii) leaf utensil (Musahar's work) is based on agriculture.⁴

Though the government made some schemes to develop and provide financial and technical assistance to entrepreneurs according to different industries. However the Government had not formulated any solid scheme especially for caste

based cottage entrepreneurs. As per Census, 2001 there were only 393.38 lakh total main worker in Uttar Pradesh. Out of this population only 5.32 percent were household enterprises.⁵ Thus the number of household entrepreneurs was very meager of total population. In spite of small number of entrepreneurs, the economic condition of cottage entrepreneurs were gradually declining in state. They were on the lower rung in society. More or less the same situation were prevailing in other states of India.

Keeping in mind the role of village cottage entrepreneurs to strengthen the rural economy, the father of nation Mahatma Gandhi had rightly said that India lives in villages. Therefore he cogently emphasized for the development of cottage industry. The cottage industries are not only occupation but also it is an art and culture. The ancient arts are like a mirror of growth of a country. However these cottage industries are at present in a wither condition. If this condition prevail continue, the cottage industry which are backbone of rural economy, would be ruined in near future.

The wretched condition of village cottage entrepreneurs has compelled to undertake an empirical study of four cottage entrepreneurs at micro level. These are as under:

- (i) Kumhar
- (ii) Dharikar
- (iii) Kanhar
- (iv) Musahar

These entrepreneurs produce various types of products. A brief description of their work is as follows:

KUMHAR : According to the ancient Greeks pottery is the perfect combination of four elements. These are earth, water, air and fire. Pottery is made of earth, shaped with water, dried in air and made durable by fire. Its manufacturing is comprised of grinding of soil, mixing with water, shaping, drying and firing. During Neolithic age the oven for baking bread was used for firing of the pottery. Baking is an essential part of making pottery. In ancient period man was in constant touch with clay because it is in abundance, ubiquitous and accessible materials on the earth.⁶ People discovered that clay had plastic property that made man to realize the potentialities of this material. It laid the foundation of pottery. In

India clay products in various forms have been used since ancient period. It was proved by the excavation of Harappa and Mohan-Jodaro about four thousand years ago. Besides pottery was also in existence in the Vedic hymns (2000-3000 B.C.). Thus the earthen wares are universally used in India and the potters constitute one of the important functions of Hindu social system.⁷

The village potters make various type of articles. First of all potters make small diya on their wheel. Which is known as a "Janam-Tithi". After this potters make Kasora, Parayee, Gagari (pitcher), Mate, Handia, Dhakani, Purwa, Kunda, Chlam, Gamala, (flower pot), Alhari for preparation of curd, Thapuwa (tiles), Naria, Laxmi-Ganesh and gwalin etc.⁸

DHARIKAR : Wicker worker is known as a Dharikar. Dharikar manufactures various type of product with the main raw material bamboo. Apart from this, twine, small instruments and colours are required for manufacturing of wicker. By selling these product in village and village market Dharikar earn his income. Thus the marketing area of Dharikar is very limited.

KANHAR : The Kanhar caste people provide their services to villagers. The male and female members of this community worked as a water drawer from well in the elite persons households in villages. They also provide their services as a carrier of palanquin. In which males and females were carried from one place to another place. Apart from this, they also carried good by sling. Thus they worked as a means of transport in under-developed area. The litter was especially used in auspicious occasion or carrying infirm and sick persons. In this way Kanhar earned their income. Besides they also provide their services as a grain parcher.

MUSAHAR : Leaf utensil makers is known as Musahar in rural areas. They live nearby forest area or outskirts of villages. They live in makeshift houses. They always roaming from one place to another place in search of "palas tree". Because they make leaf utensils like patta and dona with the leaf of palas tree. They sale patta and dona in nearby villages on occasion of ceremonies and rituals. They also sale their dona -patta in nearest market. Thus the marketing of these products are occasional and its market is small.

Objectives of the Study

The caste based village cottage entrepreneurs have an important place in Indian society since ancient period. Any type of social and rituals are not performed without the help of entrepreneurs. These entrepreneurs are the originator of modern industry. These industries are producing high quality of goods that are able to compete with the high level of production.

Today about 1.2 lakhs families are engaged in cottage industries for their livelihood in Azamgarh district. But owing to the Government apathy and traditional product, village industry could not get momentum. These industries are running in its ancient form and techniques. Nowadays, all the products of cottage industries are being produced by the modern machines which are durable, fine and cheap. So cottage industries have been facing tough competition with the products of modern producers. Thus, these industries are in a vulnerable state of affairs. The families who are engaged in this profession are on the verge of starvation as it has led to unemployment and poverty in the society. If these professions could not contribute to generate income and employment then nobody can save it from extinction.

By observation of background and the present position of cottage industries, the present research work has been taken with the following objectives :

1. To know the general profile of caste based village cottage entrepreneurs;
2. To know the business activities like capital requirement, business operation, selling of product and services, mode of selling, income of entrepreneurs, impact of substitute product on occupation, economic condition of trade etc.
3. To know social status of entrepreneurs and future of these business so that innovative suggestion may be made at all stages of business. Thereby these cottage industries may function profitably.

RESEARCH DESIGN

Area of Research

The research work is undertaken for micro study of the 10 villages of Tahbarpur Block of Azamgarh district. There are about 1200 village

cottage entrepreneurs in Azamgarh. Out of these entrepreneurs only 25 entrepreneurs of each caste total 100 entrepreneurs are selected for study on the basis of random sampling. The villages which are covered in this study are as follows:

Villages Selected for Study¹

Development Block and District	Villages Panchayat	Village
Tahbarpur, Azamgarh (U.P.)	1. Semari	Semari-Kishunpur
	2. Chari	Chari-Ramoshwarpur
	3. Bairampur	Bairampur
	4. Manghari	Manghari-Khalla
	5. Shokhwalla	Govindpur-Shokhwalla
	6. Atapur	Ibrahimpur
	7. Rasimpur	Raisingpur-Sudanipur
	8. Musimpatti	Musimpatti
	9. Karyabar	Karyabar
	10. Bishunpur	Bairampur

Hypothesis

For completion of research work two hypotheses have been determined. These are as follows:

1. The economic condition of caste based village cottage entrepreneurs has been deteriorated.
2. The state government has not made any plan for the development of these entrepreneurs.

STATISTICAL TOOLS

Since the present study is an empirical investigation of the problems of caste based village cottage entrepreneurs, the data has been collected through personal talks and interviews with the entrepreneurs. Besides a questionnaire has been filled up for collection of data and relevant information. Simple statistical methods have also been applied for the interpretation of data.

LIMITATIONS OF THE STUDY

The traditional caste based village cottage entrepreneurs are in a sordid position. They are

almost abandoning their occupation due to apathy of government and tough competition with machine made product. They have no interest in such a low profile occupation. Hence they were not ready to give information about their occupation. Besides the survey of all village entrepreneurs of Tahbarpur block was not possible owing to the constraints of limited resources and time.

However, after completion of this study various relevant and important facts have come to limelight.

ISSUES TAKEN UP FOR THE SURVEY

The present survey covers the following issues of traditional caste based village cottage entrepreneurs:

- General Profile of Cottage Entrepreneurs.
- Business Activities of Cottage Entrepreneurs.
- Social Status and Future of Cottage Entrepreneurs.
- GENERAL PROFILE OF COTTAGE ENTREPRENEURS

Age wise Number of Entrepreneurs

Age (in years)	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
18-30	4	16	5	20	2	8	10	40
31-50	7	28	8	32	10	40	11	44
51 & above	14	56	12	48	13	52	4	16
TOTAL	25	100	25	100	25	100	25	100

Age wise number of entrepreneurs has been given in table-1. It consists of caste based entrepreneurs i.e. Kumhar, Dharikar, Kanhar and Musahar. Kumhar who were engaged in village pottery were 56 percent in the age group of 51 years and above. It means aged persons were working in this occupation. Whereas only 16 percent youth were occupied between the age of 18-30 years.

Similarly, 48 percent Dharikar were doing this occupation in the age group of 51 years and above. Only 20 percent were in the age group of 18-30 years.

The aged Kanhar, who have no alternative to

change their occupation were carrying out this traditional and ancestral work whereas 8 percent youth and 40 percent adults were adopted this profession. Because they had no other employment opportunity. Thus they were bound to accept this work.

Musahar castes were very poor. Most of the person of this community were below poverty line. They were entirely dependant on forest. They made patli-dona with laufa. About 40 percent young and 44 percent adults were engaged in this occupation. Whereas remaining 10 percent aged person were also executing this work.

Status of Education

Qualification	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Illiterate	3	12	4	16	3	12	20	80
Up to Primary	5	20	4	16	3	12	6	20
Up to High School	6	32	7	28	6	32	-	-
Up to Intermediate	5	20	6	24	5	20	-	-
Graduation & above	4	16	4	16	6	24	-	-
TOTAL	25	100	25	100	25	100	25	100

Table-2 reveals that the status of education was not satisfactory among traditional village entrepreneurs. Illiteracy among Kumhar, Dharikar, Kanhar and Musahar was 12 percent, 16 percent, 12 percent and 80 percent respectively. Thus the illiteracy in Musahar caste was highest. Besides, 10 percent Dharikar, 24 percent Kanhar were graduate and above degree holder. There were no Musahar entrepreneurs who had acquired high school and above education.

Children's Education

Response	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Yes	19	76	20	80	16	72	2	8
No	6	24	5	20	7	28	23	92
TOTAL	25	100	25	100	25	100	25	100

Table-3 divulge about the children education of village cottage entrepreneurs. The children of Kumhar, Dharikar, and Kanhar were almost enrolled in schools. Where as only 8 percent children of Musahar community were schooling. The highest 92 percent children of this caste were not enrolled in school. While 24 percent, 20 percent, 28 percent of Kumhar, Dharikar and Kanhar respectively had never taken admission in school.

Reasons of No Enrolment

Reasons	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Poverty	4	66.7	4	60	3	42.9	23	100
Do Not Like	-	-	-	-	1	14.3	-	-
Assist in House Work	2	33.3	1	20	3	42.8	-	-
TOTAL	6	100	5	100	7	100	23	100

Table-4 shows that a considerable number of children of village cottage entrepreneurs had not enrolled in school because of poverty and to help in the domestic chores. It had come to limelight with this study that 67 percent children of Kumhar, 60 percent children of Dharikar, 43 percent children of Kanhar and 100 percent children of Musahar were not schooling due to poverty. While small percentage of children were not enrolled in school because they did not like education and some were busy in assisting house work. Thus a large number of children of cottage entrepreneurs were not enrolled in schools. This position of education shattered the objective of "Garva Gukata Abhiyan" of primary education.

Village Occupation as an Ancestral Work

Response	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Yes	23	92	22	88	24	96	25	100
No	2	8	3	12	1	4	-	-
TOTAL	25	100	25	100	25	100	25	100

It is evident from table-5 that almost all entrepreneurs told that their occupation was

ancestral. It was carrying on from generation to generation. Hence they had accepted this profession. 96 Thus 92 percent Kumhar, 88 percent Dharikar, 96 percent Kanhar and 100 percent Musahar responded that this was their hereditary work.

A few numbers of entrepreneurs like 8 percent Kumhar, 12 percent Dharikar, 4 percent Kanhar had responded that it was not their ancestral work. They had adopted this occupation few years ago.

BUSINESS ACTIVITIES OF COTTAGE ENTREPRENEURS

Capital Requirement
Table- 6

Capital	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Rs 2000-	8	32	11	44	5	20	16	64
Rs 3000-	7	28	12	48	8	32	9	36
Rs 5000-	10	40	2	8	12	48	-	-
Rs 10000-	25	100	25	100	25	100	25	100

It is obvious from table-6 that traditional village cottage entrepreneurs required small capital to start their work. Out of all four type of village cottage entrepreneurs, 32 percent Kumhar, 44 percent Dharikar, 20 percent Kanhar and 64 percent Musahar required Rs. 2000 to Rs. 3000 to run business. Whereas 28 percent Kumhar, 48 percent Dharikar, 32 percent Kanhar and 36 percent Musahar responded that the work required initial capital of Rs. 3001 to 5000 to start business. However, 40 percent Kumhar respondent that today pottery articles were manufacturing with the help of a machine which operate with electricity. Hence excess capital was needed to start this business. The capital should be at least Rs. 5001 to 10,000.

Likewise 8 percent Dharikar, 48 percent Kanhar also required excess money i.e. Rs. 5001 to 10,000. According to respondent because of money inflation the cost of raw materials had been increased. Hence without enough money the business can not be started.

Business Operation
Table- 7

Mode of Operation	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Manual	22	88	25	100	25	100	25	100
Machine	3	12	-	-	-	-	-	-
TOTAL	25	100	25	100	25	100	25	100

The means of business operation were manual and machine. Table-7 shows that most of the village cottage entrepreneurs operated their business manually. This mode of operation was applied in all enterprises. As per data, 88 percent Kumhar, 100 percent Dharikar, 100 percent Kanhar and 100 percent Musahar performed their work manually. Whereas at present pottery electric machine and leaf utensil maker machine has been come in the market. Hence some urban businessmen of other caste are manufacturing leaf product with machine. Consequently, people of Musahar caste became unemployed and on the verge of starvation.

Selling of Output and Services

Table- 8

Place	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Village	16	64	15	60	22	88	20	80
Rural Markets	7	28	5	20	3	12	3	12
Urban Areas	2	8	5	20	-	-	2	8
TOTAL	25	100	25	100	25	100	25	100

The traditional caste based village cottage entrepreneurs soled their output and services in their own and nearby villages. It is evident from table-8, that 64 percent Kumhar, 60 percent Dharikar, 88 percent Kanhar and 80 percent Musahar sold their articles in villages. A few percentages of entrepreneurs marketed their product in rural and urban areas. The entrepreneurs who sold their articles in rural markets were 28 percent Kumhar, 20 percent Dharikar, 12 percent Kanhar and 12 percent Musahar. Apart from this, 8 percent Kumhar, 20 percent Dharikar and 8 percent Musahar sold their good in urban area to get attractive price. But the government had not made any effort to encourage marketing of the product of these entrepreneurs.

Mode of Selling of Goods and Services

Table- 9

Mode	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Wholesale	3	12	2	8	-	-	-	-
Retail	22	88	23	92	25	100	25	100
TOTAL	25	100	25	100	25	100	25	100

Table-9 express that almost all traditional caste based village cottage entrepreneurs sold their articles in retail market. Only 12 percent Kumhar and 8 percent Dharikar marketed their goods in wholesale market. Kanhar provided their services to individual person in villages. Likewise Musahar also executed their business work in retail sector.

Traditional village cottage entrepreneurs were plebian. They had no capacity to produce and sale on large scale. Therefore their marketing area was limited.

Monthly Average Income

Table- 10

Income	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Rs 500-	10	40	11	44	25	100	21	84
Rs 1500-	8	32	9	36	-	-	4	16
Rs 3000-	7	28	5	20	-	-	-	-
TOTAL	25	100	25	100	25	100	25	100

It is obvious from table-10 that the average monthly income of traditional caste based village cottage entrepreneurs was divided into three groups Rs.500 to 1500, Rs.1501 to 3000 and Rs. 3001 to 5000. There were 40 percent Kumhar, 44 percent Dharikar, 100 percent Kanhar and 84 percent Musahar were in the income group of Rs.500 to 1500. Whereas 32 percent Kumhar, 36 percent Dharikar and 16 percent Musahar were in Rs.1501 to 3000 income group. Only 28 percent Kumhar and 20 percent Dharikar were in Rs.3001 to 5000 income bracket.

Thus the income of village cottage entrepreneurs was not sufficient for a square meal. Thus it was neither attractive nor suffice for livelihood.

Impact of Substitute Product and Services on Occupation

Table- 11

Response	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Yes	23	92	19	76	25	100	24	96
No	2	8	6	24	0	0	1	4
TOTAL	25	100	25	100	25	100	25	100

Table-11 evince that nearly all entrepreneurs responded that the substitute product and services had badly affected the production, selling, profitability and future of traditional household business. Only 8 percent Kumhar, 24 percent Dharikar and 4 percent Musahar were not much affected by the machine made substitute. Kanhar had been extremely affected in present time. Because nobody use palanquin or sling as a means of transport. Thereby the income of Kanhar had been eroded. Hence they were bound to shift this profession. So that they may lead their life happily.

Financial Assistance to Entrepreneurs by Government

Table- 12

Response	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Yes	-	-	-	-	-	-	-	-
No	25	100	25	100	25	100	25	100
TOTAL	25	100	25	100	25	100	25	100

All entrepreneurs reported that no financial assistance or technical know-how had been provided by the government to protect these antique articles. These ancient art were not only profession but also heritage of our country. However, these professions lacked behind in our country and it is on the verge of extinction. These facts were substantiated by table-12.

Economic Condition of Trade
Table- 13

Condition	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Very Good	-	-	-	-	-	-	-	-
Good	10	40	7	28	-	-	-	-
Bad	15	60	18	72	25	100	25	100
TOTAL	25	100	25	100	25	100	25	100

Table-13 disclose that not a single entrepreneur responded that the economic condition of their trade is very good. Maximum entrepreneurs like 60 percent Kumhar, 72 percent Dharikar, 100 percent Kanhar and Musahar each had narrated that the economic condition of trade was bad. While 40 percent Kumhar and 28 percent Dharikar uttered that the economic condition was good. However as per physical observation traditional caste based village cottage occupations were in decaying condition. The entrepreneurs had no money to plough back in business.

SOCIAL STATUS AND FUTURE OF COTTAGE ENTREPRENEURS

Social Status

Table- 14

Condition	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Very Good	-	-	-	-	-	-	-	-
Good	8	32	9	36	-	-	-	-
Bad	17	68	16	64	25	100	25	100
TOTAL	25	100	25	100	25	100	25	100

To know the social status of entrepreneurs of these traditional occupations, three options were put up i.e. very good, good and bad. The respondent reported that the social respect in this profession was not good. Whereas 32 percent Kumhar, 36 percent Dharikar accepted that social position was good. It is corroborated with table-14.

Future of Occupation
Table- 15

Condition	Kumhar		Dharikar		Kanhar		Musahar	
	No.	%age	No.	%age	No.	%age	No.	%age
Very Good	-	-	-	-	-	-	-	-
Good	3	12	2	8	-	-	1	4
Bad	22	88	23	92	25	100	24	96
TOTAL	25	100	25	100	25	100	25	100

Table-15 delineates that the future of traditional caste based village cottage industry was not good. Because 88 percent Kumhar, 92 percent Dharikar, 100 percent Kanhar and Musahar each had expressed that the future of these profession was pitiable. Hence the youth were not interested to adopt their ancestral profession because of low income and low social status.

CONCLUSION

After completion of survey work, the following conclusions have been drawn :

- The village cottage entrepreneurs are caste based and ancestral.
- The whole family members are engaged in these occupation.
- Most of the entrepreneurs are poor and hardly arrange a square meal for their family with their business.
- The caste based village cottage industries are entirely operating with Indigenous method.
- The higher level of illiteracy persist among entrepreneurs as well as their children.
- There is a crunch of money, machine and technical know-how in the occupation.
- The entrepreneurs manufacture their articles manually and get raw materials at higher cost.
- The profitability ratio is either meager or not.

- The government has not given heed to protect these age-old art and heritage.
- These occupations are eco-friendly and they are evidence of green marketing.

- There is a need of well thought out strategy to develop these entrepreneurs.
- The academicians, social worker and NGOs should organize seminar and workshops to draw attention of the government and public towards the present position of age-old and rudimentary occupation.

SUGGESTIONS

It is not worthwhile to make comprehensive suggestions regarding caste based village cottage entrepreneurs on the basis of small number of sample. However in order to develop these occupations and make them economically viable and socially reputable following suggestions may be put forward :

- To strive to innovate a new production method for village cottage industries.
- The entrepreneurs should be motivated to send their children in better careers.
- To preserve this ancient art and culture, government should come forward with the financial and technical plan.
- The government should also provide raw materials to the entrepreneurs and should make arrangement for marketing of their products.
- The government should make effort to increase income of entrepreneurs.

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Effectiveness of Social Media Advertising For Generation Next

Dr. Shamsher Singh

ABSTRACT : In the age of information, social media advertising is growing rapidly and at fast pace. Social networking services, with growing members, are adding advertising features as they strive to compete with mainstream paid services, such as Google and Yahoo!. The debate has been going on for last few years with advertising interrupt where as social media engages. Outbound marketing has lost its clout where as inbound marketing delivers greater efficiency. The fact is they work together. And most brands need both. Let's take Face book as an example. The question, raised in this research paper is whether Face book or any social media network is giving a tough competition to other conventional advertising mediums or not. The research methodology includes the collection of primary data from generation next by using interview method and social media sites.

Key Words: Social Media, Advertising, Generation next.

INTRODUCTION

What is the similarity between US President Barack Obama, Indian super star Amitabh Bachchan and Chinese seasoning and processed food maker Chings Secret? None other than the fact that all three are using social networking for their brand promotion. While Obama has a fan following of over a million, Bachchan of over three lakhs, Chings Secret has built over one lakh followers through social media. Today everyone is using some social networking site or the other. If they are a professional they use LinkedIn. If they have a flair for writing they are either a regular blogger or use micro blogging sites like Twitter. If they are interested in connecting with their old friends or finding new ones they are hooked on to Facebook, Orkut and many others. And there are several other Social Networking Sites which cater to varied tastes, like Flickr for photography and YouTube for videos, music and movies. Invariably, more often than not, users on these sites are discussing a brand / product / service. These individuals are using social media to share views,

and news about brands. Consequently, from the point of a brand promotion and management, social media becomes a significant tool.

Social media are media for social interaction, using highly accessible and scalable publishing techniques. Social media uses web-based technologies to turn communication into interactive dialogues. Andreas Kaplan and Michael Haenlein define social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content." Social media is the medium to socialize. They use web-based technology to quickly disseminate knowledge and information to a huge number of users. They allow creation and exchange of user-generated content. Facebook, Twitter, Hi5, Orkut and other social networking sites are collectively referred to as social media. Social media represents low-cost tools that are used to combine technology and social interaction with the use of words. These tools are typically internet or mobile based like Twitter, Facebook, MySpace and YouTube.

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Effectiveness of Social Media Advertising For Generation Next

Social Media, today, is among the 'best opportunities available' to a brand for connecting with prospective consumers. Social Media Marketing is the new mantra for several brands since early last year. Significantly different from conventional marketing strategies, Social Media Marketing (SMM) offers three distinct advantages. One, it provides a window to marketers to not only present products / services to customers but also to listen to customers' grievances and suggestions. Two, it makes it easy for marketers to identify various peer groups or influencers among various groups, who in turn can become brand evangelist and help in organic growth of a brand. And, three, all this is done at nearly zero cost (as compared to conventional customer outreach programmes) as most of the social networking sites are free. Social media marketing helps in generating exposure to businesses, increasing traffic/subscribers, building new business partnerships, rise in search engine rankings, generating qualified leads due to better lead generation efforts, selling more products and services and reduction in overall marketing expenses.

Who are Generation -Next?

Generation -Next are those born between 1980 and 1992. These are between 20-30 years of age and comprise about 17 percent of the world's population. The Table -1 shows their percentage in each major geographic location

Table : 1 Generation Next in World Population

Geographic location	Total population (In millions)	Percentage of Gen Next
World	1,143 6,831	17%
Asia + Near East	692 4,042	17%
Africa	181 1,013	18%
Oceania	5 35	15%
Latin America and Caribbean	101 591	17%
North America	48 344	14%
Europe (Including Baltic's)	68 529	13%
Others		6%

Source: U.S. Census Bureau, International Database - December, 2009

The Generation Next have grown up in an era of global economic prosperity and a significant numbers of them are the children of affluent Baby Boomers. They own or at least are familiar with instruments like credit cards and loans. A large percentage of them have direct or indirect support of their parents - a reason their lifestyle often revolves around spending and not saving or investing for the future. Generation -Next are independent, practically motivated, tech-savvy, socially mindful, and financial strong.

Generation Next are quite different in their values and characteristics from their parent's generation. Most of them, being single children, are used to dealing head-on with figures of authorities and are inclined to establish a familial attitude with their friendship groups. They have a strong trust in their social network and are a peer-oriented population. A large number of them have computers and mobile phones from their teens and spend a considerable amount of time messaging, chatting, watching videos and visiting social networking sites. They are tech-savvy population and have grown up using the Internet and its applications for communication, entertainment, social networking, shopping, information, reviews, and news and so on.

Generation Next has grown up using two crucial elements in their daily lives - mobile and social media. While the Internet has become an integral part of their lives, one of the most remarkable phenomenon over the past few years has been the growth of the mobile and wireless market.

This growth in technology has made mobile banking possible through SMS or Mobile Internet, which is commonly used to check account balances and account transactions. About two-third of the global Internet population visits social networks. Face book has more than 400 million active users. Worldwide, Face book saw 69 percent growth in the number of users in May 2010 as compared to May 2009. The U.S. still has more Face book users, 115 million, than any other country. Over the past year, Latin America and Europe saw the strongest growth rates in users, with the number of visitors in those regions growing by 102 percent and 74 percent respectively. Face book went from being non-existent to number one in most European countries in the past few years.

LITERATURE REVIEW

"The State of Small Business Report 2011," a study sponsored by Network Solutions, LLC and the University of Maryland's Robert H. Smith School of Business, points to economic struggles as the catalyst for social media's rapid popularity. The study results show that social media usage by small business owners increased from 12% to 24% in just one year, and almost 1 out of 5 actively uses social media as part of his or her marketing strategy. In 2009, only 23% of marketers were using social media for years. Now that number has grown to 31%. Here's a breakdown of what the small businesses reported as the main uses of social media marketing:

- 75% have a company page on a social networking site
- 69% post status updates or articles of interest on social media sites
- 57% build a network through a site such as LinkedIn
- 54% monitor feedback about the business
- 39% maintain a blog
- 26% tweet about areas of expertise
- 16% use Twitter as a service channel

According to the study, different industries are adopting social media marketing at different rates, and while many industries have started using social media marketing in their efforts to reach more customers, many still have not positioned it as their top priority.

According to Ms. Virginia Sharma, Vice-President, Marketing and Communications, IBM-India/South Asia: "In India, with the increase penetration of mobile subscriber base and Internet coupled with a younger consumer base, Social Media has become a key engagement channel, challenging older, mass-marketing assumptions, skill sets and approaches. In addition to using traditional information sources, such as market research and competitive benchmarking, the most proactive CMOs are mining new digital data sources to discover what individual customers and clients want."

The marketers have shifted their attitudes toward social media marketing spending. This was recently affirmed in the new study, "The CMO Survey

2011", from Duke University's Fuqua School of Business and the American Marketing Association. A key finding of the study is "Social media marketing budgets continue to rise. According to the results, businesses currently allocate 6% of their marketing budgets to social media, an allotment they expect to increase to 10% during the next year and 18% over the next 5 years. In August 2009, marketers had already planned on devoting more money to social media. However, in February 2010, marketers reported that they plan to allocate one-fifth of their marketing budgets to social media marketing in the next 5 years. This is a significant increase from the 2009 projections.

According to Social Media Marketing Industry Report 2010, a majority of marketers (56%) are using social media for 6 hours or more each week, and nearly one in three invest 11 or more hours weekly. Twitter, Facebook, LinkedIn and blogs were the top four social media tools used by marketers. A significant 81% of marketers plan on increasing their use of blogs. A majority of the marketers are employing social media for marketing purposes and small businesses were slightly more likely to use social media. 76% of marketers are spending at least 4 hours each week on their social media marketing efforts. Social media gives marketers a voice and a way to communicate with peers, customers and potential consumers. It personalizes the "brand" and helps you to spread the message in a relaxed and conversational way.

Beverage companies, automobile manufacturers, pastry shops many others have been using social media tool. Pepsi, Coke, Nokia and many of the top brands have effectively used social media for achieving their business objectives. Few companies that have become involved in social media are:

Absoful Vodka - Online Video on YouTube and using Facebook to house their Top Bartendertan page

BMW - Utilizing Facebook to promote their 1-Series Road Trip and they have created a Rampantest Page for fans

Dunkin Donuts - They've found value in social media and have set up a micro blogging Twitter account

General Motors - GM leverages the social media to improve the online equity of its brand and make consumers feel more connected.

Until recent past, social media effectively served as another customer outreach activity of organizations - essentially building brand awareness and generating leads. However, trends are now changing towards utilizing social media for positively impacting sales. A mindset shift towards making social media a committed engagement channel is already underway. An analysis by Walpaint and Altimeter - engagementdb.com, concurs that the most successful companies on social platforms were maintaining profiles on 7 or more channels.

Social Media Marketing in India - An Overview

India has 71 million active internet users. Social Media is really picking up new heights in India.

According to a new global survey from leading office-space solutions provider, in 2010 there has been a rise in Indian companies using social networks, blogs, micro blogs and forums to win new business. The global Regus survey findings are based on the responses of over 17,000 managers and business owners across 30 countries. According to the survey report, increasing numbers of Indian companies are using social media as an effective business tool with 83 per cent firms in the country agreeing that without social media activity, marketing strategies cannot be successful. The rising awareness among business internationality has seen social networking evolve from a non-essence to a necessity.

Indian (66 per cent) and global firms (61 per cent) are also emphasizing the need for a balance of marketing media, confirming their belief that without a combination of traditional and digital techniques marketing campaigns would not work. While 83 per cent of Indian firms feel they cannot do without social media activity, the global figure for the same finds 74 per cent of companies around the world in agreement with it. In 2010, Global Survey of Business Social Networking - Regus found that 52 per cent of Indian firms were successfully winning new customers through business social networking activity. A year later, the proportion has risen nine percentage points to 61 per cent.

Two fifths (39 per cent) of firms globally and almost half in India (49 per cent) devote up to 20 per cent of their marketing budget to business social networking activity, the survey indicated. 52 per cent businesses globally and 64 per cent in India use websites such as Twitter and Weibo to engage, connect with and inform existing customers, it said. In India, 67 per cent of firms encourage their employees to join social networks such as LinkedIn, Xing and Video, compared to 53 per cent globally, it said. According to this survey report, India tops the usage of social networking by business - it has the highest activity index, 127, far more than the US'97.

Many companies are coming big way for Social Media Optimization for their Product or Services nowadays. During Parliament Election in 2009, Social Media was used for influence Indian Voters. During the movement for Lokpal, Anna Hazare's team has used social networking sites to mobilize a large number for follower in Delhi. Social Media Marketing in India is being undertaken by brands like Tata DOCCOMO, MTV India, Channel V, Clear, Top Tata Photon, Axa diodorants, Microsoft, Naukri, Shaadi and many more. Besides, numerous Indian celebrities are also using SMM platform to promote their movies, music and events via Twitter, Facebook and personalized blogs. Social Media Marketing is also boosting public relations business. Several PR agencies in India are undertaking brand building exercises for corporate organizations, brands and celebrities. However, to the delight of many among us, the biggest gamers from SMM till date have been the organizations like the Not for Profit sector. Several Campaigns like Bet Bajao and Jaago Re have been quite successful on Social Networking Sites. These campaigns have been spreading the word about their cause through blogs, Twitter and Facebook.

India is the world's youngest country and has a high internet penetration among the youth. So, use of social networking sites for brand promotion and for engaging their prospective and present customers, is the latest trend. And people are using multiple sites to reach out to a wide array of customers. For example, Microsoft is linking corporate as well as students through LinkedIn, Twitter and Facebook, to offer its certification courses," says Navneet Arora, associate director, Quasar Media, which handles social networking

accounts for some of the corporate biggies like Skoda India, General Motors, Kingfisher World and Microsoft India.

Take the example of Skoda India, which has built a community of 2,000 persons through social media. The car maker's entry into the social media started after a female client posted a comment about its alleged slow customer service, which was picked up by another person and posted on a social networking site. This person was contacted by the company to reach out to the aggrieved Skoda customer. The customer's grievance was solved, who then went on to praise the company's effort in engaging its customers, on the social networking site. This was five months ago and the company formed a page on the site, and now boasts of 2,000 followers.

Social Media Marketing Strategies

SMM in India is still in its infancy. Most of the online retailers though appreciate its positives fallouts on the brand awareness and promotion; they are still in the early stages of adoption. For an organization willing to invest in social media marketing, it is important to understand why SMM is an important marketing strategy and how it can help:

- This is the age of consumer satisfaction. It is not about selling. It is more about interacting. There is a lot to learn from the customers. Using social media one can identify customers, listen to their feedback and use them to improve and innovate on products or services.
- SMM is not a mass advertising strategy. It can be used to identify peer groups and advertise to that particular group. Social Media can help in identifying influencers and through them one can guide a prospective customer into making a purchase.
- SMM calls for novel advertising methods as the attention span of online junta is very low. This is largely due to the multitasking phenomena. A person watching a video clip on YouTube might be simultaneously updating a blog, while reading another one and watching friend's photographs on

Facebook. In order to garner their attention away from distractions the advertisement must be innovative and interesting to hold the imagination and attention of the prospect.

- At the same time the message must also provoke the recipient into action; like seeking a detailed description of the product/service, or suggesting to a friend, or initiating purchase. So, if the advertisement is trying to sell something then it should be conveniently placed with links so that the prospect can make a purchase with least effort.
- Similarly Social Media can be used to increase customer loyalty through customer support services and hence improve customer retention.
- Social Media Marketing can also be used by brands to ward off any negative publicity. But the brands will have to be cautious here as over doing it may further aggravate their customers / stakeholders.

Companies using traditional marketing methods (e.g. surveys, focus groups, test marketing) often spend millions to locate their target markets. Establishing a social media strategy will help them see where potential customers are hanging out. The companies can search for related groups and fan pages through Facebook, start accounts on social bookmarking sites such as Digg or Stumble Upon, and check on who is linking to your site to find out who's interested. Social media gives businesses on small budgets the ability to find out what people are saying about them (and others in their industry, without paying large sums on market research. With its ear to the ground on social media, the company will be the first to know if its product is working or if changes need to be made.

To successfully implement one's SMM strategy the following points must be kept in mind:

- The company shouldn't just jump on to the bandwagon just because others are jumping into it. The market should be analyzed first to understand whether their brand would really benefit from SMM. It should try and find out whether SMM strategies fit its brand.

- The company shouldn't expect results overnight. SMM is a long term strategy. It will not happen overnight. The results might become visible anywhere from three to six months.
- SMM is not a standalone tool for marketing. It has to be used along with all the other conventional marketing strategies.

There are many things that social media can do for business. Developing a strategy for using it means that the firms need to think about what they want to accomplish this year and determine how social media fits into the plan. One of the benefits of a social media strategy is the fact that the available tools can be customized for their particular needs. The firms can choose to concentrate their efforts on the sites that seem to offer the best return on investment, while taking a "wait and see" stand on the others.

OBJECTIVES

- To study the role of social media marketing.
- To measure the effectiveness of social network marketing sites

RESEARCH METHODOLOGY

In this research a Descriptive Research Design has been used. Questionnaire method i.e. using a standard questionnaire to extract primary data as to what the viewer's feel about the usage of social media networking websites & whether the advertisement quality is interesting enough to garner responses has been used to collect the primary data.

Extensive use of internet social media website has been used to get the relevant data on the subject.

Data Collection – From both Primary and Secondary sources have been used in the research

- **Primary Data Collection** – A questionnaire was administered to 200 respondents which acted as first hand data collected for the purpose of the project.
- **Secondary Data Collection** - Focused on study and analysis of secondary sources of information and data to understand the structure, mechanism of advertising business and provide a strong base for

future course of study and actions.

Data Source : The information was analyzed from a study carried out in the form of survey administered (i) through physical interaction & (ii) surveymonkey.com (Online)

Type of Sampling: Random Sampling

Sample Size -200

Basic Criteria for Selecting a Respondent:

1. The person should have account on any social networking site(s).
2. The person should be a regular user of such social networking site(s).

DATA ANALYSIS & FINDINGS

Table-2 Demographic Profile of Respondents

Basis	Characteristics	Number of respondents	Percentage
Age	18-25 years	134	67
	25-40 years	66	33
Gender	Female	112	56
	Male	88	44
Education	10+2	46	23
	Graduation	90	45
	Post Graduation	56	28
	Others	08	04
Occupation	Private Service	96	48
	Government Service	34	17
	Business	24	12
Income level	Students	46	23
	Up to 3 lacks pa	18	9
	3-5 Lacks	96	48
	5-8	62	31
	Above 8 lacks	24	12

The respondents profile indicate that majority respondents are in the age group of 18- 25 years , either graduate or post graduate , have private service as their occupation and fall in the income group of 3-5 lacks per annum . This analysis indicate that it the educated group which has substantial income generally uses the social networking website for different purposes. The female respondents are

higher in the survey as compare to male respondents which is generally seen as a trend.

Table-3 The Social Networking site used by the respondents

Social Networking site	No of respondents	Percentage (%)
Face book	192	96
Twitter	90	45
LinkedIn	102	51
Google+	116	58
Orkut	96	48

α (Percentage can be higher than 100 as respondents are using multiple sites)

It is clear from the table 3 that face book is most preferred site of the respondent s as almost all respondents uses the face book. In other site it is linkedin twitter , google+ and orkut which are used by almost 50 percent respondents . It indicates that is always better to use face book for the advertisement rather than any other site.

Table-4 Average time spent on social networking website

Time spent	No of respondents	Percentage
1 to 1.5 hours daily	134	67
1.5 to 3 hours daily	44	22

Majority of respondents spent on an average one hour to one and half hour daily on these website. There are only 33 percent respondent using social media website for more than 1.5 so the social media website should keep this point in mind while designing any promotional strategy.

Table-5 Preferred time slot

Preferred Time Slot	No of respondents	Percentage
7 AM - 12 noon	10	5
12 Noon - 4 PM	15	7.5
4PM - 8 PM	18	9
8 PM - 12 midnight	152	76
Midnight - 7 AM	9	4.5

The most preferred time by majority is 8 PM to 12 midnight . This is the time when we are back from our work and would like to socialize with others and choose to visit these social media website.

Table 6 Favorites Social Media Site

Social Networking site	No of respondents	Percentage
Face book	168	84
Twitter	8	4
LinkedIn	10	5
Google+	4	2
Orkut	10	5

It is the Face book which is favorite social media site for all most all the respondents. Other site are nowhere in the race. It is important that all organization who would like to take advantage of social media must have their own webpage on face book

Table -7: Specific reason for using social media website

Purpose	No of respondents	Percentage
Friendship	104	52
Networking	78	39
Peer influence	12	6
Others	6	3

Majority of the respondents uses social media web site for creating or developing friendship followed by developing networking. These are two major reason for using social media website.

Table-8 Types of Advertisement Viewed

Types of Advertisement	No of respondents	Percentage
Entertainment	106	53
Services	36	18
Real Estate	12	06
FMCG Products	32	16
Others	14	07

Majority of respondents have observed advertisement related to either entertainment or services or FMCG products.

Table-9 Advertisement Qualities on website

Opinion	No of respondents	Percentage
Strongly Agree	42	21
Agree	88	44
Indifferent	34	17
Disagree	30	15
Strongly disagree	06	03

Majority of respondents either strongly agree or agree (85%) with the quality of advertisement

Table-10 Advertisement Influences on Purchasing Decision

Opinion	No of respondents	Percentage
Strongly Agree	04	02
Agree	78	39
Indifferent	94	47
Disagree	24	12
Strongly disagree	00	00

Only 41 percent respondent agree that advertisement on social media does influences their purchasing decision and they consult/ take the opinion their friends before making the purchase decision. On the other hand there are 47 percent respondents who are not influenced by the advertisement on social media.

Table:11 Source of Information for Social Media Networking

Source of information	No of respondents	Percentage α
Word of Mouth	144	77
Invitation / Email	64	32
Workplace	50	25
Other websites	44	22
Print Media	38	19

α (Percentage can be higher than 100 as respondents can get information from multiple sources)

It is the world of mouth which is the major source

of information about the social media sites followed by invitation /email and workplace. It is important inference that these social media website provide all facilities to their members/user to further promote these website.

CONCLUSION

This study has found that Generation Next is very active on the social media sites. They are highly qualified either graduate or post graduate, have private service as their occupation and fall in the income group of 3-5 lacks per annum. This generation has substantial income generally uses the social networking website for different purposes. This study indicates that they are very active social media networking websites and is the main driver of such sites. Male and female both are active on such websites hence these can be very useful platform for the marketers.

Face book is the most popular social media website as almost everyone has a face book account and it is the most preferred site for all the young generation hence all the companies who are looking to promote their products target at the segment must have their presence on Face book and should advertise on it . The average time spent is around and half hour and look for entertainment as their main motive for visiting these website. They also look for advertisement related to service and FMCG products and a small number of respondents also look for real estate related information on these websites.

All though the majority respondents viewed advertisement on these website, but these advertisement do not influence their purchasing decisions. This shows that even though there is advertising effectiveness by the companies, they are yet to figure out the right formula to induce buying behaviour in customers on the web. Word of Mouth is the prime source of social media awareness followed by an electronic invitation to join & workplace. Most of the people use these sites to stay in touch with friends followed by networking features.

It is imperative to understand that social media have exponential potential. They are part of an ever-growing online network of people who discuss.

comment, participate, share create and express their viewpoint on these sites. Social sites need to grab the attention of users by being a little more selective. Internet has now become an integral part of people's lives. Advertisers should now realize that social site is no more just a time pass, instead it has become a part of people's lives & must leverage them to gain business. Having the right mix of creativity and frequency, social site ads can act as the most effective and efficient medium that any business can actually have. It can use the emotions of the humans to capture the minds, thus having power to turn ordinary customers into lifetime customers.

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Job Stress and Turnover Intention Effect Indian Insurance Industry A Lot

Dr. Rajul Bhardwaj

ABSTRACT : Life Insurance and retirement planning which have quite a lot to do with insurance industry are questions of interest. The Insurance industry focuses on close contact among clients, sales people and managers. That is a human-oriented industry, for which the experienced leaders inspire the sales people through continuous training and encouragement and lead them by vision. Therefore, leader's leadership type is the critical factor for the success of the organization. This research explores the relationships among leader's leadership style, subordinate's personality characteristic, and job stress and turnover intention. It also identify the role of the variable of personality characteristic and job stress and turnover intention. It convenient sampling method to collect data. In pretest, 50 copies of questionnaires are sent to employees of M Insurance company, for which 46 valid ones are returned. And then, a total of 220 copies of questionnaires are sent out, of which 176 returned questionnaires are valid. The effective response rate is at 80%. This conclude that Leadership style has significant influence on job stress; Job stress has positive relationship with turnover intention; Leadership style has negative influence of turnover intention; Personality characteristic has no moderating effect on the relationship between leadership style and job stress; Personality characteristic brings no moderating effect on the relationship between job stress and turnover intention; Job stress has mediation effect on the relationship between leadership style and turnover intention.

Keywords : Leadership Style, Job Stress, Personality Characteristic, Turnover Intention.

INTRODUCTION

Life insurance and retirement planning that have quite a lot to do with insurance are questions of interest. The insurance industry focuses on close contact and interaction among clients, sales people and managers. That is a human-oriented industry, for which the experienced leaders inspire the sales people through continuous training and encouragement and lead them to work hard to achieve goals by vision. The leader's leadership type plays an important role in achieving performance of the organization. The leader's ability to adapt to internal and external environment changes and lead a group of cordial subordinates to work together is the key to success. Thus, this research explores the relationships among the leader's leadership style and the subordinate's personality characteristic, job stress and turnover intention. This research also studies the role of the variable of personality

characteristic and job stress respectively and gives advices to managers to lower the turnover rate in the life insurance industry. The specific research objectives are listed as follows: (1), to explore the influence of leadership style on the subordinate's job stress; (2), to explore the influence of job stress on turnover intention; (3), to explore the influence of different leadership style on the turnover intention; (4), to explore the moderating role of personality characteristic on leadership style and job stress respectively; (5), to explore the mediating effect of personality characteristic and job stress respectively.

LITERATURE REVIEW

Leadership Style

The practice and academic circles agree that leadership is really an important subject in the field of organizational behavior. Leadership is one with

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the most dynamic effects during individual and organizational interaction. In other words, whether a management is able to execute "collaborated effort" depends on leadership capability. The excellent leader not only inspires subordinate's potential to enhance efficiency and also meets their requirements in the process of achieving organizational goals. Stogdill (1957) defined leadership as the individual behavior to guide a group to achieve the common target. In latter days, Richards & Engle (1986) defined leadership as about establishment of vision, value and creation of environment so that the objective can be accomplished. Definitions on leadership defined by selected authors were summarized into table 1.

Table 1 Definition of Leadership

Year	Author	Definition of Leadership
1957	Hemphill & Coons	Leadership is the individual behavior to guide a group to achieve the common target.
1957	Stogdill	Leadership is an influential activity to others or organization to achieve the target set by the leader.
1969	Bowers	Leadership is an activity process of interpersonal relationship; other's behavior is influenced through this process to achieve the set target.
1977	Davis	Leadership means persuasion on others to enthusiastically chase for certain target.
1982	Morphet, Johns & Reller	Leadership means, in the social system, the individual action, behavior, faith and target are influenced by the others under volunteer cooperation.
1986	Richards & Engle	Leadership is about

1990	Sergiovanni	establishment of vision, value and creation of environment so that the objective can be accomplished. Leadership means the leader satisfies the staff's demand by use of consultation, negotiation and compromise so that the staff trades his work for rewards.
1990	Jacobs & Jaques	Leadership helps others to strive and to enhance aspiration to achieve the target.
1993	Robbins	Leadership is the ability to influence the group to achieve the target.
1994	Yuki	Leadership is the process of influence on the subordinate, in which the subordinate is inspired to achieve the target, the group is maintained in cooperation, and the established mission is accomplished, and the support from external group is obtained.
2001	Northouse	Leadership is exchanged relationship between leader and subordinate.
2003	Fry	Leadership means use of leading strategy to offer inspiring motive and to enhance the staff's potential for growth and development.

After reviewing studies on leadership theory conducted in the past, it is generally divided into four periods:

(1) Traits theory in 1930s— It focuses on the innate leadership qualities and competence. These innate qualities are not found in others. The so-called quality can be divided into physiological and mental aspects. The physiological aspect includes: height, weight, looks, and vigor while the mental aspect includes intelligence, confidence, and aggressiveness etc. Stogdill (1948) proposed twelve leadership related studies and was considered as representative of this period.

(2) Behavioral theory from late 1940s to late 1960s— It believes that a leader will be able to achieve ideal organizational efficiency if he demonstrates effective leadership behaviors. These leadership behaviors may be trained or learned through experience. Actual behavior or leadership styles are emphasized. Representative research is conducted in Ohio State University. Ohio State University proposed "consideration" and "initiating structure" of leadership behaviors. Consideration is a behavior that focuses on strengthening relationship with subordinates based on their needs and perceptions, while "initiating structure" is a behavior that focuses on subordinate performance in goal accomplishment.

(3) Contingency theory in late 1960s— This theory states that there is no set of optimum leadership model in this world and that it depends on the situation encountered. Situational leadership theory began its development subsequently. It states that leaders need to adopt the most optimum leadership style based on different organizational situations. Among which, Fiedler's contingency theory (1967) is most well-known.

(4) Contemporary leadership theory since 1970s— The viewpoint of contemporary leadership theory states that leadership is a type of interactive process with the environment. Bass & Avolio (1990) proposed transactional leadership and transformation leadership: (1) transactional leadership—encouraging subordinates through incentive establishment. In other words, incentive elicits work performance. Transactional leadership is the basis for most leadership theories. It focuses on the exchange relationship between the leader and the subordinate (Fry, 2003; Northouse, 2001); (2) transformation leadership—to enhance staff's trust and respect for leader by altering intrinsic work

value and faith of staff at the same time in order to elicit work capabilities. Because "charisma" is viewed as an essential element, transformation leader provides incentives for subordinates, enhance subordinate potential and development. (Fry, 2003), and (3) Charismatic leadership theory refers to the follower's perception toward certain behaviors of the leader as being heroic or extraordinary.

JOB STRESS

Job stress means improper occupational stress or burden that badly affects the psychological and physical condition of the worker himself (Kroes, 1974). Peng (1998) states that psychological stress is neither stimulus nor reaction but a handling method or relationship; it is the interaction between the individual and the environment, which gains or endangers the individual health. When the individual feels job stress, it usually comes along with following symptoms: (1) psychological aspect— passive, disconsolate, anxious and anger; (2) physical aspect— imbalance incretion, headache, sleepless and disturbed; (3) behavioral aspect— change of living behavior, decrease of job involvement, absence from work, and turnover. The definitions of various authors were summarized in table 2.

Table 2 Definition of Job Stress

Year	Author	Definition of Leadership
1956	Seley	Stress means uncertain reaction of the body to demand, and also basic demand from internal or external environment, or reaction result against threat of balance condition.
1971	French	Stress is the consequence that an individual's ability or skills fail to coordinate with the job or the job environment cannot satisfy the individual demand.

Year	Author	Definition of Leadership
1974	Kroes	Stress is improper occupational pressure or burden which badly affects the psychological and physical condition of the worker himself.
1978	Beehr & Newman	Stress is the change that drives the worker from normal psychological and physical condition.
1980	Ivancevich & Matteson	Stress is some adaptive reaction, a consequence of special psychological or physical demand from the event, and such reaction takes personal character as intermediary.
1984	Fleming et al.	Stress is a conceptualized process and contains one's recognition and reaction to danger or threat.
1985	Jamal	Stress is one's reaction against threat in the working environment.
1998	Peng	The psychology claims that job stress is neither stimulus nor reaction but some handling method or relationship.

PERSONALITY CHARACTERISTICS

Personality characteristic means one's psychological and physical phenomenon. At different time and condition, it adapts to different environment by unique behavioral mode and thinking method. Friedman & Rosenman (1959) categorize personality characteristics into type A and B. Type A shows

educator Vojtli

exuberant ambition and aggression. Type B has more patience and pays less attention to competition and sense of achievement. Definitions of personality characteristic were summarized as shown into table 3.

Table 3 Definitions of Personality Characteristic

Year	Author	Definition of Personality Characteristic
1959	Gullford	Personality characteristic is a combination of individual trait and property, which generates a lasting and special characteristic different from the others.
1961	Allport	Personality means dynamic behavior from psychological and physical aspect to adapt to the environment.
1970	Pervin	Personality represents structure and dynamics from reaction to the environment.
1972	Scott & Mitchell	Personality is formed from accumulation of psychological growth and development.
1998	Robbins	Personality is one's reaction to the others and consequence of interaction with others.
1985	Lee	Personality characteristic means psychological attributes of affection and thought among people; it's also a specific and lasting behavioral pattern.
1997	Lu	The formation of personality is affected by gene, culture, environment, and social factor.

TURNOVER INTENTION

Turnover intention means the subjective perception of the organizational member to quite the current job for other opportunity (Fan, 1978). Table 4 showed definitions of turnover intention defined by various authors.

Table 4 Definition of Turnover Intention

Year	Author	Definition of Turnover Intention
1973	Porter & Steers	Retreating behavior from job dissatisfaction. The best anticipation for turnover
1975	Kraut	The best measurement to presume the worker's turnover behavior
1975	Fishbein & Ajzen	The best measurement to presume the worker's turnover behavior
1978	Mobely	Idea of leaving the current organization or post
1982	Bluedorn	It is differ from actual turnover behavior which is influenced by more external element.
1993	Tett & Meyer	Perception of a series of retreating cognitions.

leadership style, personality characteristic, job stress and turnover intention. This research also tries to identify the role of variable for personality characteristic and job stress respectively. Framework of this research is shown as Figure 1.

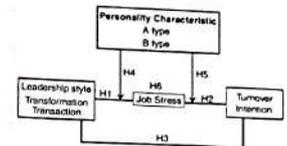


Fig. 1. Research framework

RESEARCH HYPOTHESES

If the organization intends to keep outperforming in the violently competitive environment, leadership is the most influential factor. The objective of this research is to explore the relationships among leadership style and sales people job stress and turnover intention and the role of personality characteristic and job stress respectively. We learn from the above literatures that the leader's leadership style has significant influence on the staff's job stress and turnover intention. Thus, this research develops following hypothesis based on the research framework:

Different leadership style has different impact on the subordinate's work willingness. The leader's ability to adapt to internal and external environmental change and lead a group of cordial subordinates fighting together is one of the keys to success. Hsu (1986) conducts research on 222 operators of China Steel Company in Kaohsiung on the relationship among leader's personality characteristic, the leader behavior, the staff's job stress and job satisfaction. The research indicated that consideration leadership had significantly negative connection with job stress, but the initiating structure positively connected with job stress, the leadership style and job stress are negatively connected. Hence, we develop hypothesis as below:

RESEARCH METHOD

Research Framework

Insurance is human-oriented business. The service it offers is intangible and the services of competitors are highly similar, for which the salespeople must face keen competition and challenge from competitors. The turnover rate of life insurance salesmen keeps high because of such job compensation without base pay and suffering from heavy stress that is hard to be accepted by the people.

The experienced leader is well aware of this fact and keeps training, assisting and inspiring the sales personnel. Therefore, the leader's leadership style is very important for the performance achievement of organization. Therefore, we have a great interest in exploring the relationships among

H1 Leadership style has significant influence on job stress

H1a Transformational leadership has negative influence on job stress

H1b Transactional leadership has positive influence on job stress

Job stress is usually generated along with change of productivity such as passive job involvement, indifference to colleagues, envy and suspicion, efficiency drop, job absence, turnover, etc. Parasuraman & Alutto (1984) studied 217 employees of food manufacturing company and found that job stress had positive connection with turnover intention. Therefore, we propose the hypothesis as follows.

H2 Job stress has positive influence on turnover intention.

Fleishman & Harris (1962) conducted research on relationships among leadership style, turnover rate and complaint rate. The research result reveals that consideration leadership style (transformational) has apparently negative connection with turnover, while initiating structure (transactional) is positively connected with turnover. Therefore, we develop hypotheses as below:

H3 Leadership style has significant influence on turnover intention.

H3a Transformational leadership has negative influence on turnover intention.

H3b Transactional leadership has positive influence on turnover intention.

Wang (1990) made his research on the subject of connection among employee with A-type personality characteristic, leader's leadership style, and employee's job stress* and found that people with A-type personality characteristic perceive more job stress than those with B-type, while ones with B-type feel apparently more job stress at low self-respect post than those of A-type. Thus, hypotheses are developed as follows.

H4 Personality characteristic has moderating effect on the relationship between leadership style and job stress.

H5 Personality characteristic has moderating effect on the relationship between job stress and turnover intention.

H6 Job stress has mediation effect on the relationship between leadership style and turnover intention.

Research Design

According to the purpose of the paper, we develop structural questionnaire that revised from other's inventory. A 5-likert scale is used. The measurement of constructs is shown in table 6.

Table 6 Measurement of Constructs

Construct	Item
Leadership style	25
Transformation	20
Transaction	5
Job stress	8
Personality characteristics	14
Turnover intention	5

This research chooses sales personnel of local insurance companies as the subject and collects data by convenient sampling method. The survey instrument was initially pre-tested by 50 employees of M Insurance company for content, readability, and ambiguity. Based on results of the pretest, minor changes were made to select questionnaire items, and the instrument were sent to 220 employees of insurance companies, for which 176 returned mailings are valid, effective response rate at 80%.

After collecting the valid questionnaires, SPSS is used to do data analysis.

DATA ANALYSIS

Sample Profile

Table 7 Basic Statistics of Samples

Item	Contents	No. of samples	%
Sex	Male	71	40.3
	Female	105	59.7
Age	Under 20	1	0.5
	21-30	74	42.0
	31-40	65	40.0
	41-50	29	16.5
	Over 50	7	4.0

Item	Contents	No. of samples	%
Education	Junior High School	4	2.3
	Senior High School	60	34.1
	College, University	106	60.2
	Graduate School or above	6	3.4
Marital Status	Married	74	42.0
	Single (including divorced, widowed)	102	58.0
Seniority	Under 1 year	35	19.9
	2-4 years	61	34.7
	5-7 years	31	17.6
	8-10 years	18	10.2
	Over 11 years	31	17.6

After collecting the valid questionnaires, we provide demographic information first and then SPSS is used to do data analysis. Descriptive statistics analysis (frequency allocation and percentage analysis) is used to display the profile of samples. Basic statistics of samples is showed as table 7.

STATISTICAL ANALYSIS

This research starts with factor analysis of leadership style and then moves to reliability analysis and regression analysis.

Leadership style construct comprises of 33 measurement items. The main components analysis with the variant of orthogonal notation is used to extract the factor. Two factors are extracted and factor's loading is over 0.7 and the accumulative explained variation is at 67.19%. These two factors are named as transformational leadership and transactional leadership. After factor analysis, 25 items are selected.

Reliability means accuracy of measurement tool. This research adopts Cronbach's α to verify the internal consistency. Roberts & Wortzel (1979) state that Cronbach's α lying in 0.79 to 0.96 means high reliability. For the reliability analysis done by this research, Cronbach's α of leadership style is 0.962, of which Cronbach's α for transformational

leadership is 0.975. Cronbach's α for transactional leadership is 0.833. Cronbach's α of job stress is 0.891, Cronbach's α of personality characteristic is 0.882, Cronbach's α of turnover intention is 0.864. As shown in table 8, reliability of each construct is over 0.8, which means this research is highly reliable and trustworthy.

Table 8 Cronbach's α of Constructs

Construct	No. of Items	Cronbach's α
Leadership Style	25	.952
Leadership - transformational	20	.975
Leadership - transactional	5	.833
Job stress	8	.891
Personality Characteristic	14	.882
Turnover intention	5	.864

This paper uses regression analysis to study the relationships between predictive variable and criterion variable.

Regression analysis result as shown in table 9 indicates that leadership style has significant connection with job stress. Therefore, the hypothesis H1 is supported. Furthermore leadership style is divided into transformational style and transactional style to do separately analysis. The result reveals that transformational leadership is negatively connected with job stress. H1a is therefore supported as shown in table 10. The positive influence of transactional leadership on job stress is not significant, so H1b is not supported as shown in table 11.

Table 9 Regression of Leadership Style on Job Stress

Model	Unstandardized Regression Coefficient		Standardized Regression Coefficient	t value	Significance	R ²
	B	Std. Error				
Constant	2.967	.288		10.317	.000	
Leadership Style	-.166	.076	-.163	-2.175	.031	.027

Table 10 Regression of Transactional Leadership on Job Stress

Model	Unstandardized Regression Coefficient		Standardized Regression Coefficient	t value	Significance	R ²
	B	Std. Error				
Constant	3.038	.263		11.560	.000	
Transactional Leadership	-.181	.068	-.198	-2.669	.008	0.39

Table 11 Regression of Transactional Leadership on Job Stress Analysis

Model	Unstandardized Regression Coefficient		Standardized Regression Coefficient	t value	Significance	R ²
	B	Std. Error				
Constant	2.069	.232		9.350	.000	
Transactional Leadership	.055	.067	.062	.816	.416	.004

Regression analysis of job stress on turnover intention as shown in table 12 indicates that job stress has positive relationship with turnover intention, H2 is supported. It means that the more job stress, the more turnover intention.

Table 12 Regression of Job Stress on Turnover Intention

Model	Unstandardized Regression Coefficient		Standardized Regression Coefficient	t value	Significance	R ²
	B	Std. Error				
Constant	.612	.144		4.247	.000	
Job Stress	.287	.058	.350	4.930	.000	.123

Regression of leadership style on turnover intention as shown in table 13 indicates that job

stress has negative relationship with turnover intention but not significant. H3 is not supported. It means that leadership style has no positive impact on turnover intention. So, no further testing and discussion about H3a and H3b are needed.

Table 13 Regression of Leadership Style on Turnover Intention

Model	Unstandardized Regression Coefficient		Standardized Regression Coefficient	t value	Significance	R ²
	B	Std. Error				
Constant	1.719	.237		7.258	.000	
Leadership Style	-.117	.063	-.139	-1.858	.065	.019

Analysis is done on personality characteristic, leadership style and job stress and finds the interaction effect of personality characteristics "leadership style is not significant. It means personality characteristic has no interfering effect on the relationship of leadership style and job stress as shown in table 14. Therefore, the hypothesis H4 is not supported.

Table 14 Regression Analysis with Interactive Effect on Job Stress

Source	Type III Sum of Squares	df	Mean Square	F value	Significance
Constant	17.539	37	.477	1.606	.247
Personality Characteristics Leadership Style	42.581	59	.722	2.431	.090
Personality Characteristics Leadership style	33.064	70	.472	1.591	.240

a. R. Squared = .976 (Adjusted R. Squared = .481)

Analysis is done on personality characteristics, job stress and turnover intention and finds the interaction effect of personality characteristics "job stress is not significant. It means that personality characteristic has no moderating effect on relationship between job stress and turnover

intention shown as table 15. Therefore, H5 is not supported.

Table 15 Regression Analysis with Interactive Effect on Turnover Intention

Source	Type III Sum of Squares	df	Mean Square	F value	Significance
Constant	9.350	38	.248	.853	.680
Personality Characteristics Job Stress	18.939	27	.701	2.431	.011
Personality Characteristics Job Stress	26.408	82	.322	1.116	.302

a. R. Squared = .880 (Adjusted R. Squared = .481)

According to path diagram shown in figure 2, the result indicates (-0.163) x (0.35) = -0.139. It means that the indirect effect of job stress on leadership style and turnover intention is larger than direct effect, which means job stress has mediating effect on the relationship of leadership style and turnover intention. So the hypothesis H6 is supported.

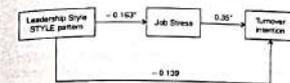


Fig 2 Path diagram

CONCLUSIONS AND SUGGESTIONS

Conclusion

We choose the insurance industry as the object of study and explore the interrelationship between leadership style and job stress and turnover intention. This research also investigates the variable role of personality characteristic. According to the result of empirical analysis, the conclusions are generated as follows.

(1) For the insurance operators, transformational leadership style has negative influence on job stress, which has something to do with the characteristic of insurance industry because the

insurance employees have no base pay and the majority of their income comes from sales bonus. Under such bonus system, if the transformational leadership gives more consideration and encouragement, the employees will be aroused and instigate of compression resistance for gaining high income.

(2) Job stress has positive relationship with turnover intention. Job stress usually results in psychological and physical discomfort, and then turnover intention increases.

(3) The style indicates that leadership style has negative relationship with turnover intention.

(4) The verification indicates no interfering effect on the relationship between personality characteristics and leadership style and job stress. Such result differs from those of previous researches and property of such industry probably be the reason. Different personality characteristic does not moderate the leadership style and high compression resistance of the insurance operators.

(5) Personality characteristic brings no moderating effect on the relationship between job stress and turnover intention. Generally speaking, personality characteristic of insurance salespeople are more enthusiastic and compression resistant than that of other business. The bonus system of insurance industry retains salespeople sticking to the post in order to keep getting commission from the client's policy premium. Therefore, personality characteristic brings no interfering effect on job stress and turnover intention.

(6) The verification indicates that job stress has bigger indirect effect on leadership style and turnover intention than the direct effect. So, job stress has mediation effect on relationship between leadership style and turnover intention.

Managerial Implications

This research chooses insurance industry as object and expects to explore, through regression analysis, the relationship among the insurance leader's leadership style and the subordinate's personality characteristic, job stress and turnover intention. According to the conclusion of this research, following suggestions are provided for management.

(1) Transformational leadership is used to help the subordinates aware that rewards need making efforts. Proper encouragement and consideration are required to raise the eager for future vision and accomplishment of mutual goal.

(2) Insurance job has no base pay and the salespeople are highly autonomous. The leader should spend more time in assistance and communication so that the subordinates understand real stress comes from economic income pressure but not from the job itself.

Limitations

(1) Limitation of Research Scope

Because the research object is the insurance industry only, it's not easy to generalize the research result to other industry.

(2) Limitation of Research Variables

This research only considers the variables in question. Other variables such as organizational citizen behavior, organizational climate, job involvement and job efficiency are not taken into investigation.

(3) Limitation of Resources

Due to limit of research time, manpower and budget, this research only sent out 220 questionnaires and the sample size is small.

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A Study of the Impact of In-Service Training for Secondary Teachers

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Abstract : In-service training is an organized effort to improve the performance of the personnel assigned with different positions in an organizational setting. This paper is an integral part of the doctoral dissertation - 'A study of Management Practices of Secondary Schools'. The objective is to explore the prevailing status and impact of In-service training for teachers in the select schools. Primary data was collected from a sample of 188 secondary schools from Krishna district of Andhra Pradesh in India. The findings reveal that the in-service training for teachers has not been given importance across all types of school managements.

Keywords : School Based Management, In-service training, Teacher training, Professional development of teachers.

INTRODUCTION

Since education is people oriented, managing the human resources gains a greater importance in school management. As it is widely known, around 95% of the educational budget is spent on staff cost in school education sector. Therefore, managing education implies managing human resources. Many research reports point out that only optimized human contribution can bring efficiency in this sector. Optimized contribution is possible only when the teachers are imparted with continuous training. In-service training is an organized effort to improve the performance of all personnel already holding assigned positions in a school setting (Sapp, 1996). It is a key factor influencing the professional development of teachers and contributing to the improvement of their knowledge through an active role (Saitl & Saitl, 2006).

The importance of in-service training in education (Blackburn & Moisan, 1987) is accepted by all since the eighties. In-service training is a long-term process and a part of continuing education. It

is a tool to professionalize teaching, improve quality and efficiency of the educational system and promote the scientific and technological advances and innovations. Curriculum Framework for Quality Teacher Education prepared by NCTE reminds that professional development of teachers begins with pre-service and gets renewed through in-service training (Krishna, 2011). If the dynamic characteristics of present day society are considered - with the pace of transition and adaptation to new technological and socio-cultural changes, in-service training turns to be the only tool to face these changes (Munilo, 1999). However, the link between in-service training and innovations in educational practice is not clear and it would be necessary probe in a deeper way, since there isn't enough research that shows the short and long term effects of in-service training on Innovation projects or changes in educational practice (Hernandez, 1996).

In-service Training

The key to any change in the formal educational

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system is the teacher, and unless the teacher is convinced about and feels competent to handle this, very little will change. To meet national requirements and public expectations for school and student performance, the nation needs to bolster teacher skills and knowledge to ensure that every teacher is able to teach increasingly diverse learners. As students are expected to learn more complex and analytical skills and prepare themselves for further education and work in the 21st century, teachers must learn to teach life skills that develop higher order thinking and performance. These new standards require a new kind of discourse by the teachers who can address students' needs as well as the demands of their disciplines and who can create bridges between students' experiences and curriculum goals (Darling, 2005).

A majority of schools in high-achieving nations provide good scope for teachers' professional development by incorporating it into teachers' regular work schedule. Research has shown that successful professional development experiences have a noticeable impact on teachers' work in and out of the classroom (Vallegas, 2003). Among OECD nations, more than 85% of schools in Belgium, Denmark, Finland, Hungary, Ireland, Norway, Sweden and Switzerland provide time for professional development in teachers' working schedule (OECD, 2004). In Sweden, 104 hours or 15 days a year - approximately six percent of teachers' total working time, are allocated for teachers' in-service training program called 'lifting the teachers' (OECD, 2005).

The need for in-service education for teachers was recognized as early as 1904 in Lord Curzon's 'Resolution on Educational Policy' where it was stated that every possible care should be taken to maintain a link between the training and the school and so that the student on leaving the college may not neglect to practice the methods which he was taught. In 1949, the University Education Commission stressed the urgent need for the institution of in-service courses and observed that it was extraordinary that the school teachers learn whatever subject they teach before reaching the age of 24 or 25 and that their further education is left to experience, which in most cases, is another name for stagnation. It must be realized that experience needs to be supplemented by experiment and a teacher should become a learner from time to time

in order to keep alive and fresh (Sindkhedkar, 2006). The Education Commission, 1964-66 has also highlighted the significance of in-service education for all types of professions in this manner. It is widely accepted that in-service education is the continuity of pre-service education.

This view has been further supported by the commissions that have followed. Despite all these efforts, one of the Indian government's reports (GOI, 2008) opines that 'we are constrained to observe that we have not made significant progress in mounting a comprehensive programme during the last three decades'. Enabling educational systems to achieve on a wider scale, the kind of teaching that has a substantial impact on student learning requires much more intensive and effective professional learning than has traditionally been available at present in India. The only real vehicle for improving the quality of public education is through in-service programs at all appropriate levels (Parker, 1980). The research studies of Joshi (1997), Sree Lakshmi (1995), Srivastava (1999), and Rajput and Walla (2002) established that the in-service training programmes help teachers gain confidence, update knowledge, content and pedagogical skills.

Many ideas are currently being floated about content and mechanisms for assessing children. But what about the question of assessing a teacher's ability to teach or his knowledge of the content he or she is expected to teach? Rukmini Banerji and Geeta Kingdon (2009) carried out a study in ten districts of Bihar and Uttar Pradesh in the 2007-2008 school year and found that teacher competency scores were weakly related to teacher educational qualifications, pre-service training and years of experience.

In most education systems, traditional in-service training activities are considered to be general rather than specific: they focus on listening rather than doing; they lack effective models, and they generally do not have any provision for feedback. Therefore, these activities are perceived as a fixed training program transferred to trainees by lecturers (Ozdemir, 1997). Frequently, all teachers in a school are required to attend occasional, full-day in-service sessions on topics selected by administrators and presented by outside experts who rely primarily on direct instruction and draw upon their own experiences (Sandholtz, 2002).

Although the motives are good, the traditional and still prevalent practice of hiring an 'expert' to speak to a captive audience results in satisfying almost none. Many teachers view in-service training activities as unimportant and therefore resist attending (Schmid & Scranton, 1972). The government based in-service training concept tends to focus on what teachers need to know and how they can be trained, rather than on what they actually know and how that knowledge might be expanded. This approach to teacher professional development is not effective, because it does not take into consideration teachers' pre-existing beliefs and personal needs, which is a necessary prerequisite of successful professional development (Hargreaves, 1992; Fullan, 2001).

In India, many policy documents recognized the need to enhance the relevance and the quality of in-service teacher education as a way to make education more child-centered and relevant to students' and teachers' local contexts. The Education Commission (1964-66), strongly recommended that: i) large scale programmes of in-service education of teachers should be organized by universities and teacher organizations at all levels to enable every teacher to receive at least two or three months of in-service education in every five years of service; ii) continuing in-service education should be based on research inputs; iii) training institutions should work on 12-month basis and organize in-service training programmes such as refresher courses, seminars, workshops and summer institutes (GOI, 1968). The Report of the National Commission on Teachers (1983-85), highlighted the absence of clear-cut policies and priorities for in-service education and lack of systematic identification of the training needs. The NCERT, the State Councils of Educational Research and Training (SCERT) and the District Institute of Educational Technology (DIET) are largely involved in in-service training in India. The in-service training programmes range from one week to one month. However, messages mediated through the prevailing training approaches do not have the expected impact on classroom processes (NCTE, 1998).

In the context of the National Policy on Education-1986, the Government of India formulated a national scheme of in-service training of teachers to reach out to primary and secondary school teachers. The objectives of the scheme known as

the Programme of Mass Orientation of School Teachers (PMOST), in operation during 1986-90, in education, use of learner-centered approach, responsibilities of teachers, enrichment of their knowledge in curricular areas, and other thrust areas enlisted in the NPE. The programme was implemented by the NCERT in collaboration with the SCERTs in different states with duration of ten days.

After the PMOST, another programme known as the Special Orientation Programme for Primary School Teachers (SOPT), aimed to cover 0.45 million teachers every year, was launched in 1993-94, involving the Indira Gandhi National Open University (IGNOU) and the Indian Space Research Organisation (ISRO), to improve the quality of elementary education, which was later extended up to the Higher Secondary stage. Maheshwari and Raina (1998) found that the responses from teachers and their trainers indicated considerable potential for the exploitation of new technology where large numbers of teachers require training. The infrastructure for in-service training of teachers exists at the Central, State, regional, district and sub-district levels.

At the national level, there are the NCERT, the National University of Educational Planning and Administration (NUEPA), the Central Institute of English and Foreign Languages (CIEFL), and the Central Institute of Indian Languages (CIIL). At the regional level, there are Regional Institutes of Education located in the five regions of India. At the state level, there are the SCERTs, State Institute of Education (SIE), State Institute of Science Education, and the State Institutes of Educational Technology (SIETs). Districts have DIETs working at primary and upper primary levels. At the same time, another opportunity for teachers' professional development comes via the innovation of Cluster Resource Centers (CRCs), each covering schools within a geographical area of about 10 km. In-service education of secondary teachers is being looked after by the Colleges of Teacher Education (CTEs). The Institutes of Advanced Studies in Education (IASEs) are looking after the in-service education of senior secondary school teachers, including principals of these schools and the faculty of DIETs. So far, 500 DIETs; 87 CTEs; 38 IASEs; and 30

SCERTs have been set up as teacher education resource institutions in the country (NCERT, 2006). Some states, like Gujarat, have started giving the autonomous status to the SCERTs/DIETs within the broad governmental framework, but these remain part of the government's administrative structures in most other states in India. Principals of schools are also provided training to equip them with the competencies required for planning and management of resources - human as well as material, by the NUEPA. Inspectors of schools are provided training to equip them with competencies essential for providing academic support to teachers in improving their performance.

Under Sarva Shiksha Abhiyan (SSA), the provision of 20 days training for all teachers every year, 60 days refresher course for untrained teachers but employed and 30 days orientation for fresh recruits have been made. Any move towards well supported teachers in schools will need to be accompanied by paying closer attention to developing the professional competencies of those doing that support - the CRC and DIET staff (Caroline, 2003). In the present context, many of the state teacher training institutes do not have sufficient infrastructure to provide training to the teachers. The major problem lies in providing sufficient infrastructure to these training institutes. Even after five years of implementation of SSA, some of the states were unable to make State Institute of Educational Management and Training (SIEMAT) operational (Nilay and Naimur, 2005). The Acharya Ramamurthy Review Committee (1990) explicitly stated that in-service and refresher courses should be related to the specific needs of the teachers and should take due care of the future needs of teacher growth and evaluation (GOI, 1990). However, the findings of Arora et al (2001) and Yadav (2003) are contrary to the spirit of the above recommendation. Teacher training would be very critical and crucial for the success of the SSA, the Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) and the Model Schools Program, said Sanjeev Mangolra, of Core Projects India Limited which in collaboration with the University of Oxford, has been working for teacher capacity building and enablement in India. Caroline, Archana and others (2004) from University of Manchester examine the in-service training programmes in DIETs and

concluded that despite the structural innovation of DIETs to enhance systemic responsiveness to local contexts, training messages mediated through DIETs are largely not having the expected impact on classroom processes. A study conducted by USAID in the Kuchinera Transitional School in Andhra Pradesh, (USAID, 2006) found that although the teachers did receive pre-and in-service training provided by the Indian government, the training did not fully address issues of quality and relevance of education for rural teachers and students. The study, more specifically, concludes that without providing teachers with adequate training, materials, and support, they will not be able to address the needs of students who are already at great risk of dropping out of school permanently. Kaur (1988) found that in-service training of teachers had significantly contributed to the development of professional competency in Punjab. Gupta and Jain (2005) compared the self-appraisal of their teaching skills by government and private school teachers trained through formal and distance mode and found that the private school teachers trained through formal mode scored significantly higher than their government teachers. Eswaran and Singh (2008) found that more than 25% of the teachers in Tamilnadu and Bihar reported that the content of training programme was not relevant at all to their learning needs.

Statement of the Problem

It has been widely felt that Indian school system has continuously been failing to produce results in consonance with the resources allocated. The education sector in India has not yet fully internalized the developments in the field of management and continues to look at educational planning, administration and organization as aliens. The 'Challenges of Education', the 'National Policy on Education - 1986', the 'Program of Action - 1992' and many subsequent documents and reports brought this mutual exclusivity into focus and emphasized the need for professionalization of educational management. These reports realized that success in implementation of the National Policy on Education would be a function of its management process. Jean Dr ze and Gazdar (1997) say that the most striking weakness of the schooling system in rural Uttar Pradesh was not so much the deficiency

of physical infrastructure but the poor utilization of the existing facilities. It is, in fact, important to note that in the context of development of India, the management of services sector assumes not only importance but is central to the development process itself. Education as a critical service sector and the agencies of education, a critical face of this angle, has been suffering from lack of professional management. A study conducted by the Centre for Civil Society, New Delhi, (Singh, 2006) stressed that the major problem lay not in the level of financial allocations, but rather in the organizational inefficiencies, lack of accountability and mis-utilization of funds. The effectiveness of education depends largely on how well its units of service are managed and how best the service providers are trained. Education can be made more relevant to the user by incorporating professional training and development programmes for teachers at school level.

However, teachers' practical needs and expectations as a focus of research have not received sufficient attention. When teachers are deprived of their professional development, they tend to be skeptical and become isolated from school improvement efforts. As India is progressing in achieving the goals of accessibility and enrolment in school education, this is the time to shift concentration towards the critical issues for making the system result oriented. The present study is an effort to fill the gap.

Objective of the Study

The principal objective of the study is to study the nature and impact of the prevailing in-service training programmes for teachers at secondary level.

Methodology

Stratified sampling has been utilized to draw the sample from the finite universe of 557 secondary schools operating under four major types of management in Krishna District of Andhra Pradesh in India. The sample has been made largely representative by selecting 188 secondary schools accounting for around 34% of the population and representing 49 out of a total of 50 mandal administrative units. The primary data is collected through self designed questionnaire and interview schedules from the Headmasters / Principals of the

select secondary schools. The data is analyzed through Chi-Square Test with the help of SPSS version 17, to establish the consistency of the responses.

Results and Analysis

In-service training aims at enhancing and strengthening the professional knowledge, interest and skills of serving teachers. In-service education is thus, a programme of activities aimed at the continuing growth of teachers and educational personnel in service. The present study attempts to explore the nature and impact of in-service training practices at the secondary level of sample schools.

Discussion

Among the different categories of managements, around 60% of the public sector and 30% of the aided schools were providing some kind of training for their teachers while the private managements don't concentrate on this issue, as evident from Figure-1. Moreover, training is provided only in subjects concerned and only for a few days ranging from 3 to 6 days per annum whereas the private unaided schools don't have a specific training policy.

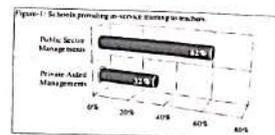


Figure-1

The teachers do not show interest in training as the methodology and contents are old-fashioned and even recurring. Since the DIET network is meant for training teachers at primary level, no permanent training facilities were established exclusively for secondary level. However, the district educational administration is arranging temporary training facilities at some schools having suitable infrastructure facilities at mandal as well as district

levels during the periods of training. Some teachers from around 70% of the public sector and around 30% of aided schools have attended training programs during the past three years. The data is provided in Figure-2.

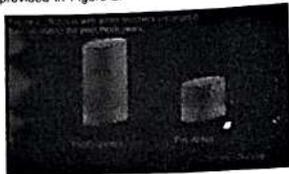


Figure-2

The government initiated in-service training programmes at secondary level don't involve the teachers working for private unaided managements. There is no specific policy and mandatory provisions for attending the training programmes. Government is not offering any incentives and encouragement for attending training programs except for a mere reimbursement of expenses. In fact, the training programmes are conducted as subject quality improvement programmes. As opined by the majority of school heads, the present type of training programmes are not beneficial and don't result in performance improvement of teachers. The data is subjected to the Chi-Square Test to establish the consistency.

Among the Government schools, only 25% felt the in-service training useful where as 50% rated it as not useful. The Local Body schools also resembled the same trend as around 60% said 'not useful' and about 35% felt it useful while a meager 3.5% rated the present in-service training system as 'totally useless'. The responses from aided schools showed a positive trend as 15% rated it as 'very much useful' and 69% felt 'useful' while only 8% coincided with the majority opinion. Thus the majority of the Government schools (50%) and Local Body schools (60%) opined that the present system of in-service training is not useful. The Chi Square value (44.715) is highly significant at 0.001 level (Table-1).

Table-1: Chi-Square Tests results (SPSS Output).

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.715***	8	.000
N of Valid Cases	143		

The findings of the study provide a contradictory picture of the earlier findings cited in the literature. The gloomy picture of the in-service training for teachers obtained from the presents research differs with the conclusions of Arora et al (2001) and Yadav (2003) as it failed to address the specific needs of teachers. Further, on the issue of contribution of the in-service training programmes to professional improvement of teachers, the findings differ with that of Kaur (1988). However, the results of the present study coincide with those of Caroline, Archana and others (2004) on the issues of quality improvement; USAID (2006) on the impact of training programmes; and Eswaran and Singh (2008) regarding the aspects of relevance of the training programmes. Thus the findings of the study confirm with that of some previous works and contradict with some studies conducted on the same issue, giving raise to wide future prospects for a wider research in the same area.

Conclusion

The success of educational process depends on the expertise, quality and commitment of the persons who deliver the service. Therefore, the quality of training that the teachers undergo becomes critical. The poor achievement levels and increasing failure rates of the students of the public sector schools reflect the deficiencies in the present teachers' training system. Continuing or in-service professional development for teachers is inevitable in order to compensate for the shortcomings in or lack of training of those teachers who are in the field along with keeping them refreshed about recent pedagogical developments which results in improved instructional quality and better student learning outcomes.

Basing on the findings of the study, the district

and state educational administrations must take the responsibility for quality improvement of secondary education by providing comprehensive induction as well as refresher training to teachers. Permanent, own and full pledged training facilities and departments must be established at the district/mandal levels. Training components has to be made relevant to the real needs of the teachers and demands of the actual classroom situations. Government can take the help and utilize the expertise of research bodies and NGOs in this endeavour. The DIETs can be restructured and upgraded to be fully functional and to activate them as permanent training facilities for all categories of teachers.

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Major Controversies Relating to FDI in Multi Brand Retailing and its Policy Implications: An Analysis

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Akanksha Khanna
Gurmeet Singh

ABSTRACT: With the ongoing wave of globalisation, the companies are overhauling their approach to business practices worldwide in order to address the Opportunities and Challenges presented by the Multi Polar World. Therefore they are moving from conventional business practices to more geographical flexible approach and are aligning their strategies to the external environment. It is believed that Foreign Investment is a key component in the economic growth of any developing country. Foreign Direct Investment (FDI) truly act as catalyst in this context. Indian Retail Sector carry a large prospective for attracting FDI as it is expected to grow three times the current levels i.e 660 US billion \$ by 2015. Large Format Retailers have diminished the idea of "Grow local and sell local". But the latest move by the Indian government to allow 51% FDI in Multi Brand Retailing has attracted a huge debate in the country. It has been argued that the reforms will result in greater benefits to the economy, consumers and farmers but the concerns have been raised by some political parties and trade associations that the outcome would be opposite. *Henry Ford, the genius inventor said, "Don't find fault, find a remedy". This axiom reverberates ever so relevantly in today's Indian retail sector scenario like never before.* In this context, the present paper makes a modest attempt to analyse the controversial issues concerning the influx of FDI in multi brand retailing and also highlights the challenges and threats to all the players involved in it. This paper also reviews that adequate safeguards should be build by the Indian government so that it does not end up in losing proposition.

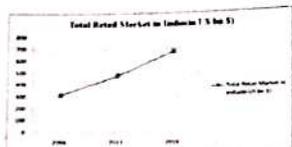
Keywords: Foreign Direct Investment, Retail Industry, Organised Retail Industry, Unorganised Retail Industry, Single Brand Retailing, Multi Brand Retailing, E-Retailing.

SECTION I

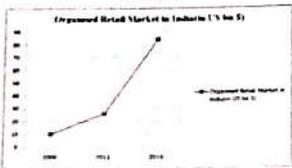
INTRODUCTION

India is a land of Retail Democracy which is characterized by High level of Livelihood through Employment, High level of Self Organisation, Low Capital Input and High Level of Decentralisation. India is the fifth largest Retail Market Globally. Retail contributes approx from 14%-15% of India's GDP. India has highest Retail Density in the World with 15 million Outlets. A T Kearney, an international management consultancy firm, has acknowledged India as one of the uppermost retail destinations.

According to Technopak the Indian Retail economy is jump to mature to US\$ 94.4 billion by FY12 and India has all the prospective needed to sustain this growth. According to a study conducted by PWC, Indian Retail Market currently stood at US \$ 400 billion in 2009-10 which is approximate to reach US \$ 573 billion by 2012-13 and is growing 30%-40% per annum. The India retail market is estimated at US\$ 470 Billion in 2011, contributing for 35% of GDP and is expected to rise to US\$ 675 Billion by 2016. The trend and the expected Total Retail Market and Organised Retail Market in India is exhibited in Graph 1 and Graph 2.



Graph 1



Graph 2

Indian Retail Industry is divided into two sectors: Organized and Unorganized Sector. Indian retail market is highly dominated by decentralized unorganized market, which accounts for about 95% of the sales. The share of organized retailing in India, at around 2%, is too near to the ground, compared to 80% in the USA, 40% in Thailand, or 20% in China, thus leaving the huge market prospective largely intact. But, organized retail industry is one of the budding sectors with massive growth potential and with its emergence, Indian economy is surely going to gain from well capitalized retail industry. Since 1991, Due to Globalisation and Liberalisation, Retail Industry has grown exponentially in form of Foreign Direct Investment (FDI). Foreign Investment in India is governed by the FDI policy which is announced by the Government of India and the terms of the Foreign Exchange Management Act (FEMA) 1999, which was notified by Reserve bank of India. This notification has been amended from time to time. The Ministry of Commerce and Industry, Government of India is the nodal agency for monitoring and reviewing the FDI policy on continued basis. The FDI policy is notified through Press Notes by the

Secretariat for Industrial Assistance (SIA), Department of Industrial Policy and Promotion (DIPP). The foreign investors are liberated to invest in India, except few sectors where prior approval from the RBI or Foreign Investment Promotion Board (FIPB) would be obligatory. The Government of India recognizes the momentous role played by foreign direct investment in accelerating the economic growth of the country and thus started a swing of economic and financial reforms in 1991. India is now planning to initiate the second generation reforms proposed for a faster assimilation of the Indian economy with the world economy. As an outcome, India has been rapidly altering from a restrictive regime to a liberal one. Many reforms have been done by Indian Government in this context which is shown in the figure 1:

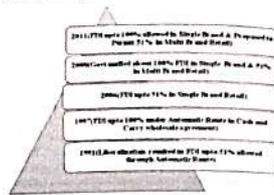


Figure 1

Among the emerging markets, in 2011, India is ranked as the fourth most Attractive Country for Retail Industry as per the Global Retail Development Index which is developed by A.T Kearney on the basis of 25 macroeconomic and retail specific variables. India is expected to lead one of the best retail economies by 2042s due to good talent pool, huge markets and availability of cheap raw material. Some studies have also state that variables like market size and differences in factor costs were found to be considerable in determining the FDI location as these are very important in determining the market economies and they cannot be achieved and oppressed till the limo market achieves a certain size. (Markusen and Maskus, 1999). Foreign players may invest in the form of Single Brand Retailing and Multi Brand Retailing. Organized retail has become

a centre of attention for most of the leading international players. Retailing through formats such as supermarkets, hypermarkets, department stores and other forte chains are swelling India's consumers chiefly fit in to the middle and lower financial strata of society and both these segments would desire shopping at multi-brand retail stores which provide them an extensive assortment of price points and options in each product class. A widely held retail companies, 33.6%, cater to the customers falling in Rs 100,000 to Rs 500,000 income group, followed by 26.2% companies catering Rs 500,000 to Rs 1,000, 000 income group, both of which are emergent segments in India. As far as shopping behaviour of Indian consumers is concerned, modern outlets are preferred because they associate entertainment with shopping and now-a-days it's a customer delight to go out for shopping and entertainment simultaneously (Sinha 2003). Retail stalwarts such as Wal-Mart, Tesco and Marks & Spencer have already made entry into the Indian retail industry and with multi-billion dollar funds by major household players such as Reliance Retail. The US-based world's largest retailer Wal-Mart has already recognized its existence in the Indian market through a wholesale cash and carry stores. The company at present operates 17 wholesale cash-and-carry stores under Best Price Modern Wholesale stores in India. This industry is expected to go from strength to strength and have bright future as a number of drivers are aiding the development of the industry such as improved levels of income and increasing purchasing power etc. In 2008, Indian government sanctioned FDI up to 51% in single brand retailing now this cap has been increased to 100%, last year in November 2011, union cabinet allowed FDI up to 51% in multi brand retailing, but this reform was put on hold as lot of opposition and protest was generated by various state governments, political parties like Trinomial congress, small shopkeepers, small traders, trading associations, industrial associations on certain grounds which has compelled Indian government to scrutinize the long term implications of organized retail in India. The government is geared up with the policy and the verdict has already been permitted by the cabinet it is only the matter of removing the finger from the pause button.

In this backdrop the Objective of the study is:

- To discuss the present status and Policy Implications of FDI in Multi Brand Retailing.
- To Highlight the Major Controversies relating to FDI in Multi Brand Retailing in India.
- To Discuss the Challenges and Threats to the Foreign Retailers and Domestic Retailers.
- To provide various Suggestions to all the effected Players through approval of FDI in Multi Brand Retailing.

To achieve the objectives of the study, the paper is divided into following sections: SECTION I, the present section gives an overview of FDI in Organised Retail in India followed by SECTION II which contains Review of Literature. SECTION III exhibits the Present Status and the policy implications of FDI in Multi Brand Retailing and also highlights the Major Controversies relating to FDI in Multi Brand Retailing. SECTION IV Highlights the views of the Indian Government and the Foreign Retailers on the Issue followed by SECTION V states the Challenges and Threats which all the Players may encounter with. SECTION VI provides some Suggestions and Recommendations on the matter and SECTION VII entails the Conclusion followed by SECTION VIII gives the details about the References used in the study.

SECTION II

REVIEW OF LITERATURE

Reardon and Hopkins, 2006 Reardon and Berdegue, 2007 states that in underdeveloped countries Modern Retail arrived in Three Consecutive Waves. In the early hours of 1990s, the First Wave took place in South America, East Asia, China, North Central Europe and South Africa. The Second Wave took place in late 1990s in Mexico, Central Europe and Third Wave happened in the late 1990s and early 2000s in Africa, Central and South America, South East Asia, China, India, Russia. They also state that the Third Wave Countries lagged behind due to the severe Foreign Policy on FDI in Retail Industry. China and Russia liberalized their FDI policy in 1990s and India did in early 2000s. In 2006, India sanctioned 51% in Single Brand Retail Joint Venture, but Multi Brand was still in debate at that time too. Koshy, Joseph, Partner, Joseph and Joseph law office

describes in their article, FDI in Retail Sector, 2006 that Indian government has permitted FDI in several sectors but FDI in retail has been in debate in the country as it had been opposed by many State Government and Leftist. According to Report, "Corporate Hijack of Retail-Retail Dictatorship Vs Retail Democracy" by Navdanya/Research Foundation for Science, Technology and Ecology, the entry of Giant Corporations like Wal-Mart etc in the Indian Retail Industry will have undulating impact on 650 million Indian farmers. A Report (Oligopoly Tnc, 2005, the ETC group) states that the main energetic forces in the Food Retail Sector are the Cul Throat Antagonism and Global Integration. If Giant Retail chains get footing in India, it will lead to disarticulation of small retailers and farmers. Dr Mandep Singh, Associate Prof of Economics, The Earth Institute of Colombia University states in his article FDI in retailing in India, 2010, that the entry gate of FDI regime should be in phased manner as household retailers need adequate time period to adjust changes and compete with global retail giants. A publication by ICT by IANS, The Indian.com.co. Ltd, 2010 reveals the view point of heads of various Giant Retailers. FDI in Multi Brand Retailing: Time to expand the Horizons by Parekh, Paresh, Mumbai Agency, DNA, 2010 states that it is necessary to differentiate the Foreign Financial Institutions and Foreign Retailers for permitting FDI as Foreign Financial Institutions bring right talent and know how along with the capital which may be more pertinent to the profitable business in the sector. It also argues that Indian organised retailers may require finance for private equity than a premeditated alliance with foreign retailers. It further predicts that it is worth debating whether to place conditions before permitting FDI like rural employment creation, mandatory investment in back end infrastructure. Mukherjee and Patel, 2005 reveal in their study that FDI through organised retailing have optimistic effect on the Indian industry in form of easy access to finance and global best practise through joint ventures. Joseph and N. Sundarajan, 2009 (the Indian Council for research on international economic relations, ICRIE) in their study that only 17% of small shops were shut down due to competition from organised retailing. Through adoption of better business practise and technology, domestic retailers have competed effectively in opposition to organised retail. There has been an optimistic spill over effect on the Indian economy as its possession advantages

got dispersal to household enterprises, thereby enhancing their productivity.

SECTION III

Present Status of FDI in Multi Brand Retailing in India and the Major Controversies relating to it and its Policy Implications.

1. Present Status and Proposal as finalised by Indian Government

Indian government has opened Indian economy for global players as a part of an accord with World Trade Organisation (WTO) and also cheating foreign direct investment into the territory. After allowing 100% FDI in Single Brand Retailing, in 2011, UPA Government has allowed the decision of FDI in Multi Brand Retailing. The following proposal has been finalised by the government on this controversial issue:

- Government has legalized up to 51% of foreign direct investment (FDI) in multi brand retail trade.
- Fresh agricultural produce including fruits, vegetables, flowers, grains, pulses, fresh poultry, fishery, meat products etc may be unbranded.
- Minimum amount of US \$ 100 million is to be brought in by foreign retailers.
- Out of the total amount brought in by foreign retailers at least 50% shall be invested in the back end infrastructure i.e. towards processing, manufacturing, distribution, design improvement, quality control, packaging, logistic etc.
- At least 30% of manufactured or processed products shall be procured from small domestic industries by the foreign retailers which have the total investment not exceeding US \$ 1 million (without providing depreciation).
- Retail stores shall be established only in cities with population of more than 10 lakhs as per 2011 census and shall also cover area of 10 kilometres around the municipal/urban agglomeration limits of such cities.

2. Controversies relating to FDI in Multi Brand Retailing

educator Vol.-III

Many Opponent political parties mainly BJP and Trinamool Congress have strongly protested against this decision. The most inopportune part is the UPA Government's validation of execution actions to be kept invulnerable from parliamentary approval. 'Quit FDI Day' was observed on 9th August, 2012 to protest against FDI in multi brand retailing by staging dharnas. According to Praveen Khandolwal, Secretary General of Confederation of All India Traders, foreign investments by global giant retailers would lead to closure of small business and lakhs of people will be jobless. He further added that it's highly undemocratic if Government will form an accord without traders' assent. This issue has been encircled by number of controversies. The predicament arises whether opening up of FDI in multi-brand retail will build problems or onflow with opportunities to local retailers. There is no appropriate response and apparent views have been seen in the favour and against FDI in multi-brand retailing. Some of the controversies are listed below:



Figure 2

1. Does India really need foreign retailers?

ACTUALITY: Indian economy is small with restricted surplus capital and is already in force on budget deficit. India need trillions of dollars to build its infrastructure and other facilities, it's simply not probable to back this expansion by domestic investors and Indian government, therefore international investment capital through FDI is obligatory. Apart from capital, Indian retail industry also call for knowledge and global retail industry which can potentially unlock export markets for domestic farmers and producers.

2. Entry of Giant Retailer will result in Shutting down of Independent stores leading to enormous job losses, only few jobs would be created but millions will be vanished?

ACTUALITY: Instead of job losses, retail reforms are likely to bring gigantic advancement in the Indian jobs as organised retail will call for workforce than millions of and the maintenance of retail stores, roads cold storage centres, software industry and other retail supporting organisations. Walmart alone would employ 5.6 million citizens if it swell in India as much as their charisma in the USA and also if the staffing level is reserved at the same level as in the US stores. The accepted jobs in prospect Indian organised retail would total over 85 million.

3. Foreign players may practise dumping, got competition out of the way as they may become monopoly and raise prices?

ACTUALITY: Since 30 years, over 350 global retail companies like Wal-Mart, Carrefour, Tesco, Coop etc with annual sales over \$ 1 billion have operated in several countries. Competition between Wal-Mart like retailers has set aside food prices in check. Country like Canada credits it's near to the ground inflation rates to Wal-Mart outcome. Price inflation in such countries has been 5-10 times lesser than price inflation in India. The consumer price inflation in Europe and US is less than 2%, in comparison to India's double digit inflation. Anti-Trust Laws and State Regulations like in Indian penal code have prevented Food Monopolies all over the world.

4. Indians will work hard and foreigners will reap profits?

ACTUALITY: With execution of 51% FDI limit in Multi Brand Retailing, just about half of the returns will remain in India as profits will be subject to taxes which will trim down the Budget Deficit of Indian Government. Eventually, retail companies will get returns all the way through hard work and by creating value.

5. Will Giant Retailers be able to avoid Pollution in terms of Carbon Footprints?

ACTUALITY: This question has mix response as India is already reeling with managing environmental crisis. India would not be able to avoid polluting more with the advent of large scale retail chains in India and it would make even harder to meet global norms. According to a survey, the Net GHG (Green House Gas) emission of 2005 of major Retailers - Wal-Mart, Carrefour, Tesco collectively was about 20 million metric tonnes which is corresponding to the 80 most polluting countries in the world.

SECTION IV VIEWS OF THE MAJOR PLAYERS

1. What Indian Government say on FDI in Multi Brand Retailing?

In spite of lot of strong opposition on FDI in multi brand retailing, Indian government has been trying to counterfeit an accord on this extremely contentious issue, but several states still remain opposed to this idea. Till now only 10-11 Indian states and union territories like Delhi, Uttarakhand, Manipur, and Rajasthan etc have supported the centre's decision to permit FDI in Multi Brand Retailing. Delhi's Chief Minister, Sheila Dikshit stated that *FDI in Multi Brand retailing will benefit the Indian economy in many ways. She further states that this proposal would help in improving infrastructure, reduce waste, minimize the role of middlemen, reduce food inflation, stabilize prices, improve Agro Commodities management address gaps relating to post harvest infrastructure. The Indian Government need FDI to meet its foreign exchange requirements and government also believes that only global retailers can satisfy the rising and varied demands of Indian consumers. FDI in Multi Brand Retailing would improve the Agricultural Marketing, Revenue to the Government could also increase as large portion of Indian sector is unorganised and has low tax compliance. Profound FDI in the Multi-Brand Retail sector will upshot in gainful employment opportunities in agro-processing, sorting, marketing, logistics management and front-end retail management. In the next three years, minimum 10 million jobs will be produced in the retail sector. It will assist farmers to get prices over the MSP by omitting manipulative middlemen. MNC Retailers and Foreign Retail Giants will make certain supply chain efficiencies for incessant supply of the products. Policy to make an urge for investing minimum of \$100 million and out of which at least half the amount must be invested in back-end infrastructure, including cold chains storages, refrigeration, transportation, packing, sorting and processing which would definitely help in condensing post-harvest losses and costs. A condition to acquire minimum of 30% of goods from Indian micro and small industry will promote domestic manufacturing, thereby creating a manifold outcome for employment, technology up gradation and income creation. At the World Economic Forum 2012 in*

Davos, India's Commerce and Industry Minister Anand Sharma told Wal-Mart president Doug McMillon and Metro board member Frans Muller that India's resolution to put foreign direct investment (FDI) in multi-brand retail on hold was "just a pause" strained by opposition. He further stated that the government is committed to take forward the reform agenda as the Indian retail market has massive scope for growth and development but many Indian retailers face a crunch in terms of financial support and supply chain management. So foreign players can come in and help them. He also said that FDI in multi brand retailing will not only improve the quality of goods but it will also enhance competitiveness. He also made a statement that no state will be forced to put into practice FDI in Multi Brand retailing. Uttarakhand Chief Minister Vijay Bahuguna also favoured FDI in Multi Brand retailing saying that availability of Cold Storages and Proper Marketing Facilities will reduce the damage to the Agri-Horticulture-Organic produce which would ultimately result in increase in the income of rural farmers. The Deputy Chairman of the Planning Commission, Mr Montek Singh Ahluwalia also totally favours opening up of the sector for FDI.

Apart from Trinamool Congress the idea of FDI in multi brand retailing has been opposed by many other ministers and political parties. Minister of State for Commerce and Industry Jyotiraditya Scindia stated his view to the Rajya Sabha in written that without adequate safeguards FDI in multi-brand retail will lead to prevalent disarticulation and poor treatment of Indian workers in retail, logistics, agriculture and manufacturing. A written petition has been filed by Vandana Shiva, an NGO activist, in the Delhi High Court alleging that Bharti Wal-Mart and Bhardi Retail are directly and indirectly carrying out retail trading in multi-brand in contravention of the FDI policy. BJP is also opposing entry of Foreign Direct Investment in multi-brand retail in the country on the ground that it will be an "injustice" to small traders. BJP leader LK Advani also said that sanctioning foreign brands to do retail trade in India is an injustice to retailers as it leave many small traders jobless. BJP President Nitin Gadkari stated that the country's economic condition is in a "sorry state" because of UPA government's erroneous economic policies, crooked practices and visionless leadership. Former BJP National President Rajnath Singh claimed that, "If FDI is introduced in retail

sector, it will break the backbone of Indian economy". According to Mr Viren Shah, President of Federation of Retail Traders Welfare Association and Mr B.C. Bhatia, National Federation of All India Traders, with the Entry of Global Giant Retailers into Multi Brand Retailing, the interests of the small retailers would be compromised.

2. What Foreign Retailers say on FDI in Multi Brand Retailing?

The President and CEO of Wal-Mart International, Mr Doug McMillon said at the World Economic Forum's Annual Meeting that FDI in Multi Brand Retailing will not impact the fortunes of small shopkeepers. He further stated by giving an example that after 20 years of retail business in Mexico, 50% of retailing in Mexico is still done informally and fear of shutting down of independent and kirana stores is overstated. He also admitted that operating in India would pose challenges due to Regulations and High Real Estate prices in India. According to the CEO of US based Discount Department FDI in Multi Brand Retailing will help address inflation concerns for consumers as well as it will benefit the farmers in India.

SECTION V CHALLENGES AND THREATS TO THE PLAYERS

Retail industry is the second largest employer in India and has remarkable growth potential and on the other hand foreign players have deeper pockets, ability and are in need to invest constantly to enlarge. In economies like china and Japan, the retail industry are slowly reaching towards saturation point and many retailer are confronting increasing margin pressures. Therefore, global giant retailers are attracted towards developing economies like India which is mounting at a hasty velocity. Global retailers are interested to invest in India due to increasing urbanisation and favourable consumer base. FDI in multi brand retailing will generate employment opportunities, income, technology transfer and economic stability but still there are several factors like government regulations, lack of ample infrastructure and inadequate investments are the probable bottlenecks for retail companies. It may pose advantages as well as challenge for domestic retailer, foreign retailers and also for the Indian government. Therefore some of the challenges and threats are listed below in this context.

- FDI in Multi Brand retailing may lead to large scale disarticulation of employed in retail sector due to unfair competition which may eventually result in mass departure of domestic retailers
- The domestic retailers may not be able to endure in the ex-parte competition as the Indian retail sector especially organised is in an embryonic stage
- The existing firms may mislay their self competitive potency if they join forces with global biggies.
- Any MNC going to set up a multi-brand retail store across India will have to countenance vast licensing obligations in each state of its operation which could be a major obstacle in the way of FDI in multi-brand retail, they will have to get approval for investment as well from the central regulatory authority which, at present, is the Foreign Investment promotion Board (FIPB).
- The foreign players may encounter Red-Tapism as prior to investment approval their application has to pass through various transfer channels which is highly subjugated by bureaucrats resulting in impediment in decision making leading to disinterested corporate giants.
- Although there are number of anti-corruption cells and acts in India but still corruption could be a major obstacle for foreign investors.
- No doubt there is availability of cheap labour in India but most of them are unskilled therefore foreign investors may require to provide training and development to them to administer advance retail chains.
- In 2008-10, rigorous financial damage was caused to investors worldwide due to inflation but Indian economy remained modest affected because of partial open economy. But FDI in multi brand retailing would escort to persistent threats due to revolution in business cycles of global partners.
- Today India already has foreign debt, trade deficit and current account deficit which mean nearly all resources and transactions in India are owned or financed by Foreign

Nations resulting in killing of Indian rupee due to Foreign Currency influence which can be witnessed in Rising Commodity Prices, Rising Fuel Prices and Rising Debts. FDI in retail may impact Indian small and medium Manufacturing sector which is already dented by China Products which will further them hurt.

- In current Inflation Stricken Economy, Indian Government need to be careful while permitting FDI in Multi-Brand Retailing as it fears to hurt the sentiments of Middlemen, Farmers and Owners of mom and pop stores.

SECTION VI

SUGGESTIONS AND RECOMMENDATIONS

Being a controversial issue, no doubt Foreign Direct Investment (FDI) in Multi Brand Retailing is expected to transform the Indian Retail landscape in a noteworthy way. The global organised players would bring in the much needed investment that would incite the further growth of the sector which is particularly important for nourishment of some of the domestic retailers which lack requisite resources to ride out the storm during an economic slump. The technical know-how, global best practices, quality standards and cost competitiveness brought forth through FDI would portend well for the domestic players to harvest the necessary support to protract their growth. The infrastructure support would definitely help to improve the backend processes of the supply chain and enable to purge wastages and augment the operational efficiency. FDI in multi-brand retail would in no way imperil the employed in the unorganised retail sector. On the contrary, it would pilot to the conception of millions of jobs as substantial infrastructure capabilities would be needed to cater to the changing lifestyle needs of the urban Indian who is keen on allocating the disposable income. The numerous intermediaries would be restricted and the farmers would get to enjoy a bigger share of the pie. Despite of numerous advantages, this matter has been opposed by many political parties, small traders etc on certain grounds like it may have adverse impact on Agrarian Community, environmental issues, loss of jobs, creation of

monopoly and so on. Political parties have opposed to this move pointing that it will be suicidal for small and marginal farmers and would affect thousands of traders in the sector. Hence, FDI in multi brand retailing is a conflicting and very sensitive matter, therefore the foreign retailers as well as the Indian government need to take rational decision before implementing proposed reforms. So few suggestions and recommendations are listed below in this regard:

- The first basic step needed for reforming Indian retail sector is providing it an industry status which will not only facilitate better financial processes but also enable prudent practices.
- Policy clarification is required to authorize giant global players which will augment the confidence of the foreign investors and the sector should be opened for giant firms in calibrated manner.
- A serious revision of the labour laws is required to strengthen the retail industry. All laws should be suitably changed and reasonably modified.
- The government should provide a "Single Window Clearance System" which will rationalize license process allied with the establishment and administration of retail stores and a uniform license regime can be implemented in all the states.
- The government can create retail and entertainment zones (REZ) similar to SEZ and necessary exemptions like stamp duty, octroi etc could be provided to foreign retailers operating within them which will help in reducing prices.
- A tax incentive in the form of 100% deduction on expenditure incurred on the employment of fresh personnel and weighted deduction for payment made by retailers towards training and development to their staff in order to improve their expertise can be allowed. This will help in promoting employment in the retail sector.
- Government must assist in creation of farmer cooperation so that they can directly sell to organised retailers and also a private code of conduct should also be formulated for organised retailers.
- Better credit availability should be ensured

to unorganised retailers through innovative banking solutions.

- A national commission should be set up which should evolve a set of conditions for foreign retailers on procurement of farm produce, domestic produce etc. It must noticeably state the minimum space, construction, storage standards etc as done in china where FDI in retailing was permitted in 1992.
- Half of the jobs created by foreign giants should be retained for rural youth.
- A strong legal framework in form of competitive commission should be formulated especially for foreign retailers to pact with anti-competitive practices and predatory prices. It should also ensure that foreign giants do not dislocate small retailer and there is peaceful co-existence between the two.
- FDI in online Multi Brand Retailing would be allowed. It will have catastrophic outcome for online as well as offline retailers. Hence, it should be banned for at least next 10 years as Indian e-retailers need to achieve satisfactory scale to contend with global e-companies.

SECTION VII

CONCLUSION

Modern retail is very high-priced business and execution of FDI in multi brand retail will be salutation step as it would supply much needed capital for the sector. Therefore, an essential step needs to be taken to thrust further growth in this sector. It will not only prove to be fruitful for the economy but also put together the Indian and global retail market. But with the altering trends in the Indian urban and rural society, there is an insistent need to enlarge the Indian retail sector. The reaction towards 100% FDI in Multi Brand Retailing is assembling velocity. Presently, the UPA government has a mainstream in the house and it seems that they will proficiently be able to pass the bill. There is a likelihood that it will be shore up by other state governments as well. However, the opponent led by BJP is not in support of this move and in recent times, it has presented a report to the parliament recommending

an absolute proscribe on FDI in Multi Brand Retailing. So, this is a contentious issue which should be set on keeping in mind the interest of all the stakeholders. No doubt, the proposed FDI norms will open entry gate for global retailers for tactical investment who have been waiting to invest in India since so long. Therefore it is a need of an hour to implement the reforms and policy framework related to FDI after considering the social, political and economic structure. The permission to enter global giants is clearly a game changer for Indian retail sector. For a victorious head start, the big retail bosses shall come to India either autonomously or partnering with Indian counterparts. India will appreciably gain in terms of quality standards and is bound to drag cost-competition of Indian producers and marketers. There is possibility that FDI in Multi Brand Retailing would provide improved pay packets for retail staff which unorganised retail sector has botched to offer but, as it would have direct impact on huge chunk of population, there is need to deal with it vigilantly therefore, FDI in Multi Brand Retailing must be anchored in a way that it grades in a Win-Win situation equally for domestic and foreign players. It should also be ensured that foreign investors make a legitimate input to the development of Indian's infrastructure. A stringent and restrictive regulatory framework should be framed by the Indian government keeping in mind the Indian specificities' national shopping regulation act can also be enacted to legalize the fiscal and social aspects of structured retail industry. The government should also provide proactive aid to traditional retailers so that they can lucratively compete with the modern global players.

SECTION VIII

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