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ENTERPRISE VALUE CREATION THROUGH CREATIVE MANAGEMENT  
PRACTICES**

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## **Preamble**

The increasing competition is resulting in hunger for new customer acquisition and the perennial need to retain the existing customers. On this backdrop, the organizations today are forced to adopt divergent management practices. Evolving technologies and dynamic societal environment are posing a constant threat to the existing management practices. This complex situation is questioning the efficiency of all resources put into the business. The necessity to continuously innovate across the functions is felt by all business organizations to create a sustainable value in this ever changing business environment. The value of products and services today is based more and more on creativity — the innovative ways that they take advantage of new materials, technologies, and processes. Value creation in the past was a function of economies of scale: mass production and the high efficiency of repeatable tasks.

Value creation in the future will be based on economies of creativity: mass customization and the high value of bringing a new product or service improvement to market; the ability to find a solution to a complex customer problem; or, the way a new product or service is sold and delivered. This has opened new horizons for creative management techniques, which range from creative thinking, brainstorming and mind mapping to provocations and abstract decision making.

Organizations, the world over, have sensed the emergent need to develop and sustain a creative work culture where ideas can grow and translate to value creation in business. Delivering these values calls for an integrated approach of various organizational functionalities. The theme **“Enterprise Value Creation through Creative Management Practices”** is hence chosen for this International Conference. With a view to further explore and understand the different techniques of enterprise value creation, Tirpude Institute of Management Education, Nagpur, invites academicians, research scholars and business managers to share their knowledge and insights at this International Conference in February 2015.

**Dear Friend,**

It is my singular pleasure to forward to you the proceedings of International conference on “Enterprise Value Creation through Creative Management Practices”, held on 26th and 27th February, 2015 at our institute. This publication takes full advantage of the scholarly work of academicians and industry professionals and also creates an opportunity for you to store the same for future referencing.

I believe that cultivation of a strong research culture is absolutely necessary for excelling in the process of academic enhancement and knowledge disbursement. An academic institute can achieve this primary objective of value addition of updated and relevant knowledge to its students and the academic community at large by enabling high quality original research.

As editor, my task was made extremely challenging due to very rare and original quality of research work submitted by contributors from across the international and domestic arena. Nevertheless, I have been able to select some of the finest works with the help of our reviewing team comprising of erudite scholars from academia and industry and present the same to you.

I am sure you will find the contents thought provoking and of immense value and relevance.

Thanking you,

**Dr. Sanjay Kavishwar**

**Editor**

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## **“Emergence of Employer Branding In the Indian Context”**

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### **1. Introduction and significance of employer branding in modern businesses**

Branding was originally used to differentiate tangible products, but over the years it has been applied to differentiating people, places and firms (Peters, 1999). According to Aaker (1991), established brand is regarded as a critical means for differentiating between products and creating competitive advantage for organizations. Similarly, employer branding has become a new approach for gaining an edge in the competitive world. It refers to the process of identifying and creating a company brand message, applying traditional marketing principles to achieving the status of employer of choice (Sutherland et al., 2002). According to Barrow and Mosley (2005), employer branding is used not only to transfer the message of the personality of a company as an employer of choice, but it also has been used to adapt the tools and techniques usually used to motivate and engage employees. Like a consumer brand, it is an emotional relationship between an employer and employee.

Ambler and Barrow (1996) have defined employer branding as the development and communication of an organization's culture as an employer in the marketplace. It is the package of functional, economic and psychological benefits provided by employment, and identified with the employing company. It conveys the "value proposition" - the totality of the organization'

Culture, systems, attitudes, and employee relationship along with encouraging your people to embrace and share goals for success, productivity, and satisfaction both on personal and professional levels. Employer branding is a distinguishing and relevant opportunity for a company to differentiate itself from the competition creating its branded factors as its USP for employee satisfaction and happiness resulting in retention, productivity and efficiency. According to Sullivan (2004), employer branding is a long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with



regards to a particular firm. The employer brand puts forth an image showing the organization as a good place to work. This means involving employees at all levels in the development of the brand so that it accurately reflects both the realities and aspirations of the business and its workforce in recent years and also in the globalized economies, the world has witnessed the dramatic entrance and success of Indian corporations in the global marketplace. With the continued influx of multinational corporations in India—as well as Indian corporations expanding beyond their own borders—the opportunities for India to contribute to the world economy have significantly increased, with the likelihood of favorable outcomes for “Brand India” in the domestic and international markets. Thus, as India, Inc. forges forward to make a wider mark in the world, the employer brand as a strategic HR tool will take on greater importance in Indian organizations— in how it is developed, communicated, marketed and ultimately. Big companies of India are using to solidify their brand to tap the tremendous growth potential that diverse markets represent. In product marketing, consumers make purchase decisions based on their brand perceptions and expectations of the brand experience. Similarly, for enhancing the brand image of these companies, employer branding not only would enhance and solidify corporate reputation for fairness, inclusion and opportunity for all, but also encourage more motivations and productivities in the work. Employer branding closely relies on marketing concepts for highlighting the positioning of a company as an employer. The ‘customer’ here is the ‘employee/potential employee’, while the aim remains the same: attracting new customers while retaining the current ones. Also, just like a consumer brand, the employer brand highlights the emotional and rational benefits that the employer provides to the employees.

## **2. Literature Review**

There are a plethora of theories about marketing and branding, and a large number of literatures discussing corporate image and corporate reputation, however, there are only a few theories available concerning employer branding, especially the linkage between employer brand and consumer marketing communication methods. A brand was defined as a name, term, sign, symbol or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Gardner & Levy, 1995). Clark (1987) on the other hand, offered another definition relating brands with values, i.e. brand is values that provide the important link between consumers and marketers,

while Kapferer (1992) approaches brands under a holistic view. He claimed that a brand is not a mere product. It is a product's essence and often brands are examined through their component parts like brand name, logo, design or packaging etc.

According to Keller (1993) brand equity elevated the importance of brand in marketing communication strategy and is often used to persuade customers to buy a product or service. However, in recent years, especially in today's competitive market, employer branding is used to recruit and retain good employees from a diverse work force. Most companies tend to promote factors that make their firm a good place to work and also offering a bright and cheerful office space, an ethos of collaboration and teamwork, flexible working hours, crèche facilities, or even an excellent canteen. Levering (1996) has opined that a good workplace is believed to produce higher quality products, support more innovation, have the ability to attract more talented people, and experience less resistance to change and lower turnover costs, all of which translate directly into a better bottom line. According to Sutherland, Torricelli, & Karg (2002), in organization's skilled employees are hard to attract and difficult to retain and it has become critical to business success. The employer branding is used for corporate identity and reputation which communicates its image to current and potential employees. Luthans and Peterson (2002) have found employees who are engaged in their organization with satisfaction demonstrate good performance and achieve success. This helps the corporate managers to be more effective and Successful, which in turn increases the manager's self efficacy.

Research has shown that self efficacy is positively linked to work performance in that individuals with higher self efficacy are more likely to be proactive in initiating work, and show sustained effort and determination in their pursuit to achieve the task, even when problems occur. According to Robert & Dowling (2002), superior performing firms have a greater chance of sustaining superior performance over time if they also possess relatively good reputations. It is consistent with the growing body of strategy research that links high-quality intangible assets with sustained superior performance. Collins and Stevens (2002) have also stated that early recruitment and advertising may have beneficial effects on increasing the quantity and quality of applicants. Fulmer, Gerhart and Scott (2003) have analyzed employer branding policies on top 100 US companies. They found that employer branding policies were associated with not only

stable and highly positive workforce attitudes but also had effect on organization's performance. Turban and Cable (2003) have argued that firms higher in corporate social performance (CSP) have more positive reputations and are more attractive employers to employees than firms lower in CSP. Such results suggest that potential applicants are aware of firms' CSP and that those with more positive ratings may have competitive advantages because they attract more potential applicants than firms. Levinson (2007) also suggests that employees who are happy in their work are more likely to stay in that organization, and found that work engagement is significantly related to organizational commitment.

### **3. Conceptual & Theoretical Foundation of Employer Branding**

Employer branding is the process to communicate an organization's culture as an employer in the marketplace. An employer brand is the sum of all the characteristics and distinguishable features that prospective candidates and current employees perceive about an organization's employment experience. The employment experience serves as the foundation of the employer brand and includes tangible features such as salary, rewards and benefits, but also extends to intangibles such as an organization's culture, values, management style and opportunities for employee learning, development and recognition (Newell & Dopson, 1996; Hendry & Jenkins, 1997). Figure 1, which is described below gives an idea about employer branding and its determinants. In establishing employer branding, organizational identity comes when there is a common ownership of an organizational philosophy which is manifested in a distinct corporate culture. It helps organizations to enhance employer brand identity. An organization's image refers to how the potential and existing employee receives and perceives the employer brand. Organizational culture is an idea in the field of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. Employer image is a composite psychological impression that continually changes with the firm's circumstances like performance, pronouncements, etc. It is the employees' perception of the firm. Employer brand loyalty serves to define what the organisation would most like to be associated with as an employer; Highlight the attributes that differentiate the organisation from other employers; And clarify the employment deal (balancing the value that employees are expected to contribute with the value from employment that they can expect in return). These leads the employers to attract the employees and it would also enhance the

productivity of the employees. **Figure 1:** Employer branding and its determinants

According to Corporate Leadership Council (1999), a firm's employment brand is ultimately based on its actual employment offers and its ability to deliver on its promises. Like a product brand, the employer brand has multiple components, each contribute to strength of the brand with current and potential employees. The employer brand and its components are shown below in figure 2 & 3. There are five components that make a good employer brand. The first component is product brand strength. A product has added values which meets certain psychological needs of the consumers. These added values are elicited that the brand is of higher employer branding. The second component is the company culture and environment. This includes the values that the company stands for, work rituals and systems in place and examples set by the top leadership.

The third component is work life balance. There is no point wasting time and money attracting people towards something the company cannot deliver. The fourth component is work environment. If the people at the top do not show their commitment through the required actions and behaviors, the employer branding process will not be successful. The fifth is the compensations and beliefs, which is the job offer made to an employee. This is made up of the financial compensation, job role and responsibilities, designation, work environment and career plan.

**Figure 2:** The Contribution of the Product Brand to the Employment Brand (Source: Corporate Leadership Council, 1999)

**Figure 3:** The Components of the Employer Brand

#### **4. A Strategic Model Developed on Employer Branding**

In developing product branding strategy, a lot of factors are involved. They are i) nature of business, ii) nature of market, iii) target reception, iv) budget flexibility, v) long term mission of the organization, and vi) organizational structure. Similarly in employer branding, the organizations are following to develop their brands. Every organisation has an external brand and an internal brand. The external brand is the image that an organization projects to the customers, suppliers, investors, and the public. The internal brand is the image of the employers to the employees. When properly planned and executed, an employer branding initiative can generate

lively dialogue between an employer and its employees, build a rationale for a 'mutual working arrangement', and establish compelling reasons to commit to the arrangement

#### **Figure4: Employer Branding**

##### **4.1 External Branding**

External branding refers to branding which is done by using external sources and which may (or may not) require some investment in monetary or other forms.

Use of job sites – As HR the first thing which comes to the mind is recruitment, so Job sites also offer good branding opportunities through different means like Pop ups, pop ins etc.

Banners – Banners are also a good mean for branding. Banners can be of both types' means Online Banner and Street banners. By Online banner, the organization name will be flashed on different web pages as per your choice and price.

Organizing seminar, presentation- The organization can organize talks, presentations, seminars etc. for attracting people towards your organization.

Corporate social responsibility (CSR) - Corporate social responsibility refers to corporate getting associated with society for some noble cause. The association can be in any mode either getting associated with a Charitable Trust or a NGO or some other public venture.

Public events – Public events are one of the major ways of creating a brand image. An organization can participate in any of the public event and assuring that it does not get disappeared in the crowd of many brands or big names.

Newspapers- Branding can be done through newspapers as well. If you target the local public, you can go for advertisements considering the individual day circulation, target readers, rapport of newspaper, type of newspaper etc. If you target only to employ people for your workforce requirement, you can place job Ads which may seem expensive at the first glance but in terms of attracting the correct workforce, it can do magic.

Email – For mail ids related to job portals, the organization can create an auto reply which can contain brief description of the key aspects of candidate's and public interest and at the same time introducing that company to the public.

#### **4.1 Internal Branding**

Internal Branding is concerned with the current and potential employees' information about the employment experience and what is expected of them.

Front office – Always pay attention to your front office because first impression is last impression. It should be kept neat and clean with a pleasant receptionist who always maintains freshness and welcomes the guests with courtesy.

Stays interview – HR department can always conduct stay interviews in which they can interact with the employee and ask them regarding their career prospects, their alignment with the company, their feedback regarding their concerned departments, etc. These feedbacks could be analyzed and therefore an internal brand image of the country can be created.

Exit interview – An exit always carries a fair chance of initiating the chain reaction among the employees. By analyzing the exiting reasons, the organization can overcome the justified ones in the future.

Employee satisfaction: Employee satisfaction is always very important for any organization to grow. A satisfied employee is a productive employee. The company must create a good and positive rapport for the company in the market outside.

Policy information: A policy should be designed in such a way that it holds good even after a long period of time. A frequent internal policy change sends a message to the outer world that the company is not consistent and reliable.

Customer orientation: Customers are always the most important factors in business activities. The workforce should always be motivated towards delivery of customers' perceived requirements

Employee participation: Always try to ensure the maximum participation from the employee side, either in terms of internal events participation or external events.

Trained employees: The organization should impart proper training of employees before they are engaged in work. The training should be in all the aspects like policies, vision, mission and activities of the organization. This will project a good picture of organization on the new employee.

#### **4. Employer branding on Indian companies**

Employer–employee relationships have undergone a paradigm shift over the past few decades. The war for talent has meant companies are jostling for space in an increasingly crowded job

market where skill is at a premium. A successful employer branding strategy can have a far reaching impact in increasing the number and quality of applicants. With companies like Infosys, TCS, figuring prominently in establishing their brand as a best place for working and also attracting the best talents across the world, one can safely surmise that wooing talent is the new battle to be fought. This can happen only when there is a perception that their workplace is attractive. Infosys and the companies seek to do this by a strong learning culture and leadership development strategy, where each employee has a career roadmap to follow.

### **5.1 Employer brand: Infosys**

At a time when organizations are debating the strategic importance of their human resources, Infosys recognizes that the key role of its human assets can sustain and increase its competitiveness. With changing employee demographics in the world, it has become essential to source talent where it is cost-effective and deploys it where it creates the maximum value. To achieve this objective, Infosys has developed an innovative workforce –management strategy – the Global Talent Program. This is the largest sustained effort by any company to recruit from campuses outside of India and develop the skills of a global workforce through training assignments in India. After training, the trained personnel are deployed by Infosys in their home countries. Increased profitability, reduced cost, increased market share, improved customer service, higher stock value, increased productivity and higher retention rates led to the winning the Optima’s Award in the GLOBAL outlook category for 2007. In addition to this, Infosys keeps its employees engaged and enthusiastic in the demanding 24\*7 work environment necessary to serve its global clientele. To meet the global challenges and also to reduce attrition rate, Infosys introduced a wide variety of programs that provides the best aspects of universities but with professionalism that a workplace required. These programs have helped stem attrition, which is well below the industry average and have made Infosys a top employer of choice. Business today and its knowledge partner Mercer Human Resource Consulting rated Infosys the Best Company to Work for In India” in 2006, based on a methodology built on four quadrants of HR metrics, employee satisfaction, perceptions of key stakeholders, and HR processes and policies. (Source: <http://www.infosys.com/HCM/white-papers/Documents/managing-talent-flat-world.pdf>)

### **5.2 Employer brand: Tata Consultancy Services (TCS)**

The work environment at TCS is built around the belief of growth beyond boundaries. Some of the critical elements that define the work culture of TCS are global exposure, cross domain experience, and work life balance. Each of these elements goes much deeper than what it ostensibly conveys.

### **5.2.1 TCS Value proposition**

The TCS employer brand positioning builds on its strengths and it communicates that TCS as an organization that offers its employees a complete Global IT Career by highlighting the three main value propositions:

Global exposure- Global exposure at TCS extends beyond geographical boundaries. This means working on world- class projects on a global scale and exploring cutting- edge technologies, fresh out of the world renowned research labs. The opportunity to understand, interact, and work with people from cultures all over the world creates kaleidoscopic avenues for learning that propel the employees to be at par with the best in the world.

- (a) Freedom to work -TCS has established an environment that focuses on individual aptitude, talent, and interests. As a proven practice, the company promotes the employees cross- domain experience. It provides the employees with opportunities to function across different industry verticals, service practices, and functional domains as well as varied technology platforms.
  
- (b) Work life balance- TCS has introduced many programs as per the needs and aspirations of our employees while retaining fun as a key element. The company understands the need of an increased flexibility in order to navigate the different spheres of life.  
(Source: <http://www.careers.tcs.com/CareersDesign/Jsps/WorkingatTCSValue.jsp>)

## **5.5 Conclusion**

Today, an effective employer brand is essential for gaining competitive advantage. Increasingly, Indian corporations are becoming intentionally strategic to utilise the employer brand to attract and retain talent for the expansion and growth. The increasing focus on competitive advantage is leading many Indian firms to rethink their employer brands. A powerful employer brand has the capacity to attract and retain talent and represent quality to its customers, with the goal of



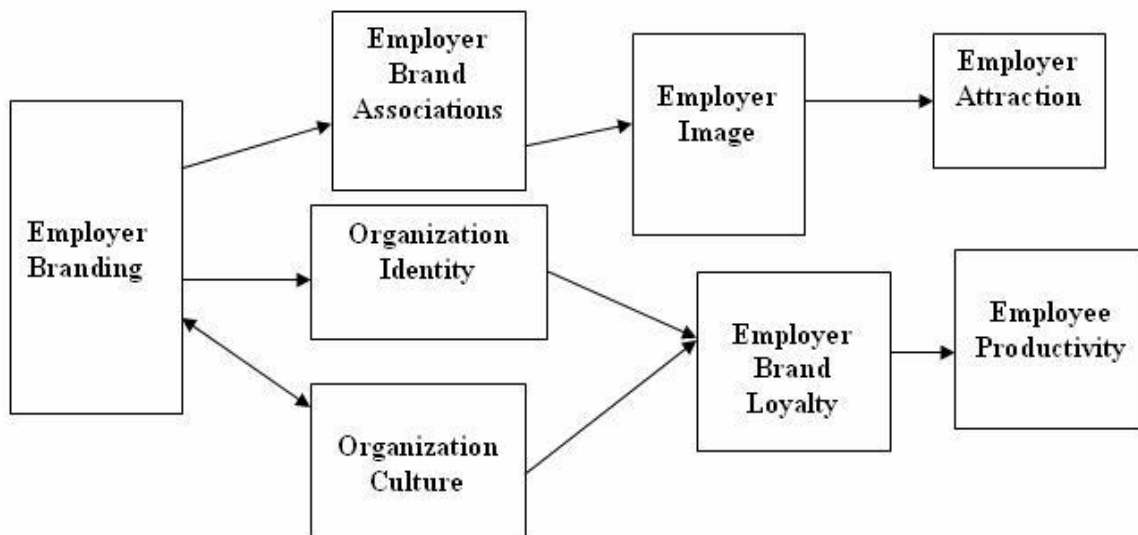
gaining global recognition in a sustainable manner. The right kind of employer branding has also plenty of advantages as it provides a personality to the company and helps structure recruitment. It pulls in the right kind of candidates and spells out the company's expectations from them right at the beginning. Most importantly, it ensures that the best employees stay on longer, thus allowing the company to carry on its operations smoothly. Ultimately, the key to a successful employer brand is to ensure that expectations are fully aligned with the realities of working for the organization.

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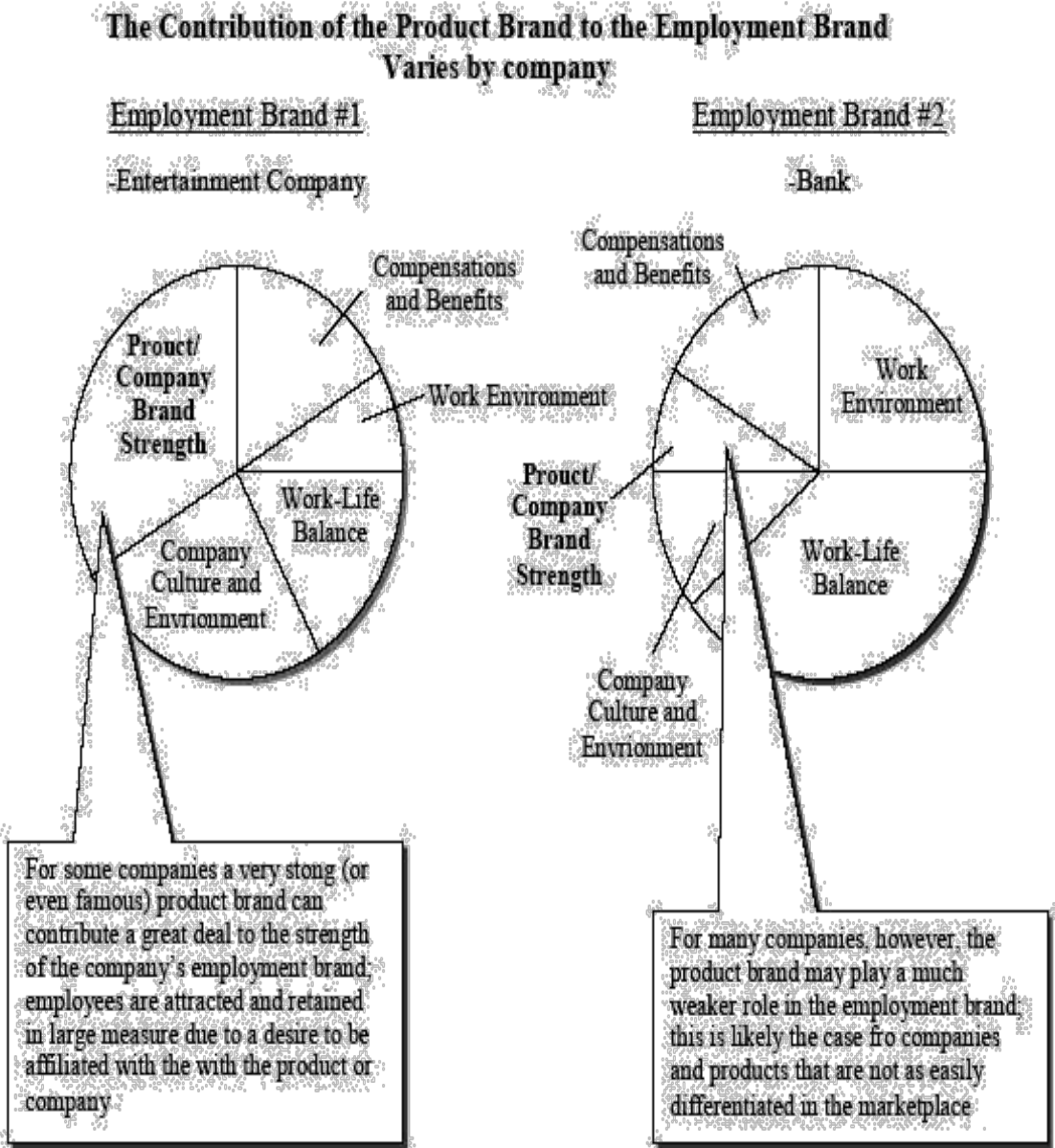
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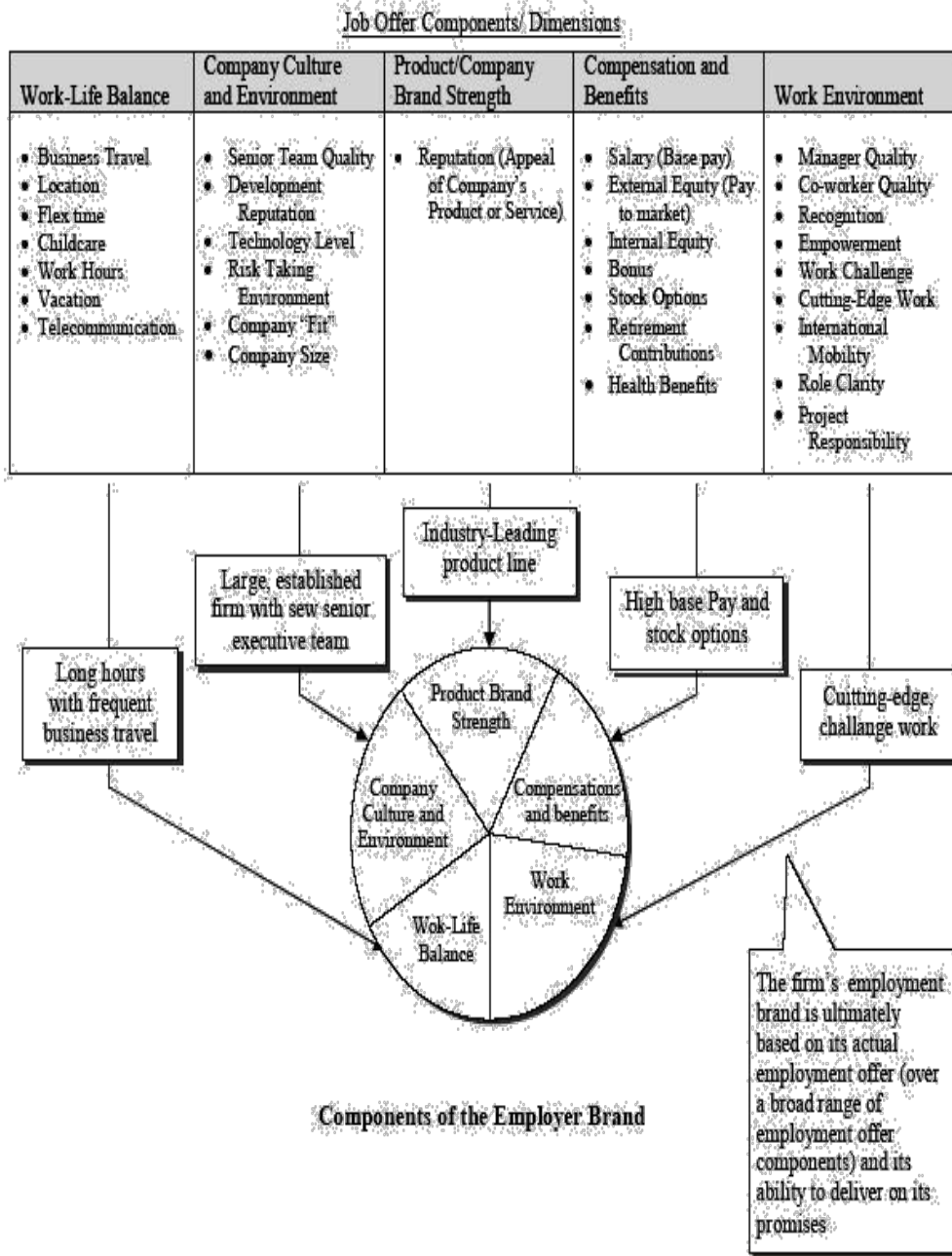
**Figure 1:** Employer branding and its determinants



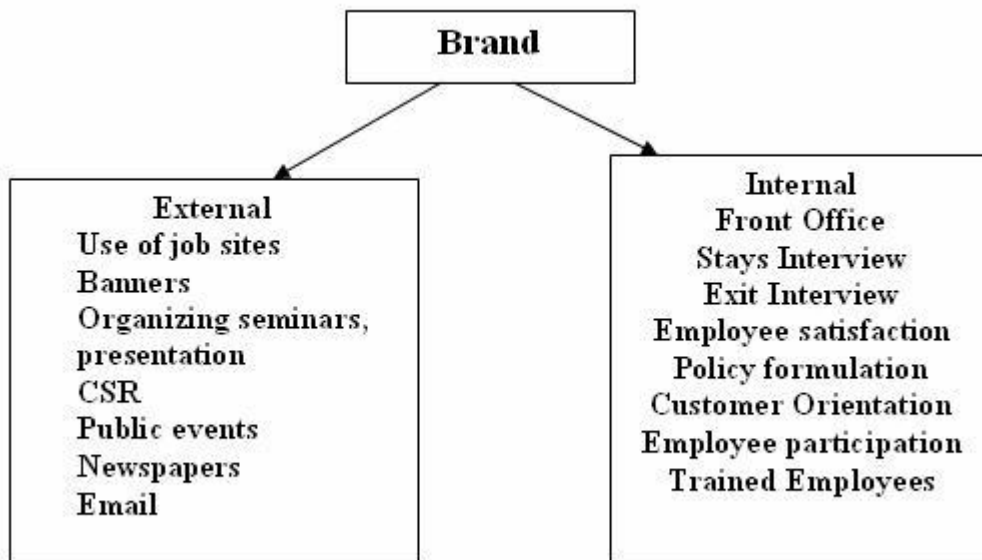
**Figure 2:** The Contribution of the Product Brand to the Employment Brand (Source: Corporate Leadership Council, 1999)



**Figure 3:** The Components of the Employer Brand (Source: Corporate Leadership Council, 1999)



**Figure 4: Employer Branding Model**



## **Blue Ocean Strategy: A Conceptual Study**

### **Amit Phillora**

Blue ocean strategy was developed by a Korean Professor W. Chan Kim and his fellow Canadian college Professor Reine Mauborgne at the renowned INSEAD Business School in Fontainebleau near Paris.

It took 15 years to develop this strategy. In this professors analysed more than 100 leading companies from 30 different industries.

All of these companies had successfully created new, to this point concealed markets with innovative products, services or entire new business models. These ground-breaking innovations were described by W. Chan Kim and Renée Mauborgne as “Blue Oceans”.<sup>1</sup>

### **Blue Ocean and Red Ocean**

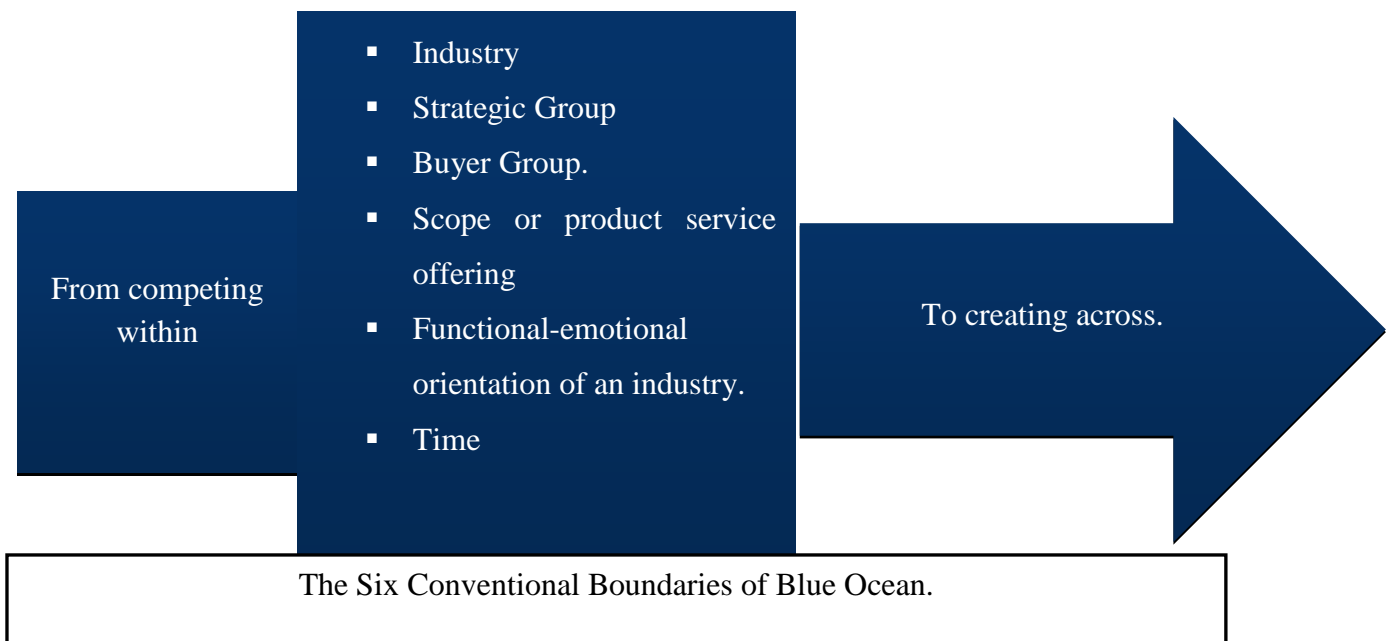
<sup>1</sup><http://www.bos-partners.de/en/method/history.html>

## Definition of Blue Ocean & Red Ocean

This is a slang term for the uncontested market space for an unknown industry or innovation. Coined by professors W. Chan Kim and Renee Mauborgne in their book "Blue Ocean Strategy: How to Create Uncontested Market Space and the Make Competition Irrelevant" (2005), blue oceans are associated with high potential profits.<sup>2</sup>

Red ocean strategy is known for existing market place. It consists of all the existing industries of today. In red ocean strategy companies knows there roles and knows there limitations. The companies knows how to play their marketing role. The companies compete with each other for capturing market place. The companies try to attract customers try to attract customers by playing marginal games with offering price and MRP. Market becomes crowded due to which profit and development drops down. Products become commodities and cut-throat competition turns the red ocean bloody.

### **Six paths to blue ocean strategy**<sup>3</sup>



### **Creating a blue ocean**

#### **New market space**

The only way to beat the completion is to stop trying to do competition. To understand this concept Crique Du Soleil divided the market universe into 2 big oceans i.e. red and blue oceans. Red ocean consists of all industries that are existing today. This is known as market

<sup>2</sup>[http://www.investopedia.com/terms/b/blue\\_ocean.asp](http://www.investopedia.com/terms/b/blue_ocean.asp)

<sup>3</sup>[www.blueoceanstratergy.com](http://www.blueoceanstratergy.com)

place. Blue Ocean represents those industries which are not in existence in today's market. This is known as unknown market.

If we talk about Red Ocean than we can say that, the industries boundaries are defined and accepted and competitive rules of the game are known<sup>4</sup>. Here companies try to take the maximum share of the market and competed with each other due to which the market becomes crowded and the chances to get profit gets reduced. Products become commodity and a cutthroat competition begins between the industries which makes the red ocean bloodier.

Blue Ocean can be defined as untapped market space, demand creating and the opportunity for highly profitable growth.

Although some blue oceans are created well beyond existing industry boundaries, most are created from within red oceans by expanding existing industry boundaries. In blue oceans competition is irrelevant because the rules of games are not yet set and yet to be made.

Blue ocean strategies are made by studying the red ocean industries. It took 25 years of analysis of red ocean industries strategies for designing the blue ocean strategies. By applying Blue Ocean strategies conditions of the companies got improved by investing less amount the financial and economic condition of the companies started improving. But creating a blue ocean is not an easy task because without analytic frameworks to create blue oceans and principles to effectively manage risk, creating blue oceans has remained wishful thinking that is seen as too risky for managers to pursue as strategy.

### **Impact of Creating Blue Ocean**

A study was done to find out and quantify the impact of creating ocean on a company's growth in both revenue and profit. In this study 108 launches by the companies were studied. In this study it was found that 86% ( $108 \times 0.86 = 92.88$ ) number of launches were merely incremental improvements within the red ocean of existing market place. Still these 86% accounted for 62% of total revenue.

**Business Launch** =  $86\% \times 108 = 92.88$  (*Red Ocean*);  $108 \times 14\% = 15.21$  (*Blue Ocean*);

**Impact on revenue** =  $62/86 = 72.09\%$ ;  $38/14 = 2.714\%$ .

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<sup>4</sup> For discussions on how market boundaries are defined and how competitive rules of the game are set, see Harrison C. White (1981) and Joseph Porac and José Antonio Rosa (1996).

Impact on profit =  $\frac{39}{86} = 0.45\%$ ;  $\frac{61}{14} = 4.35\%$ .

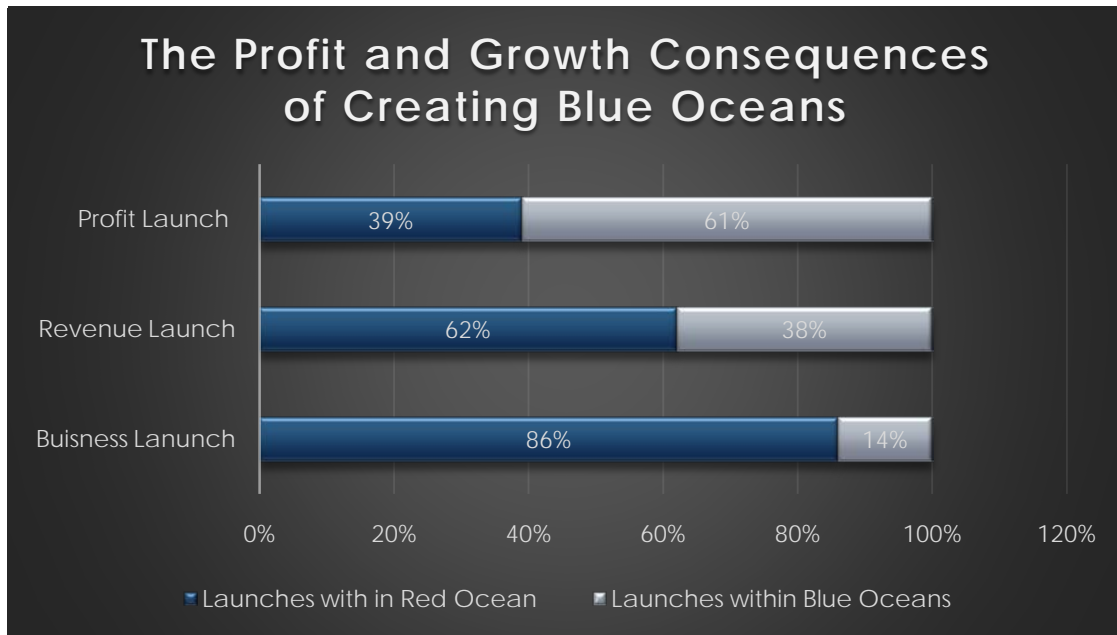


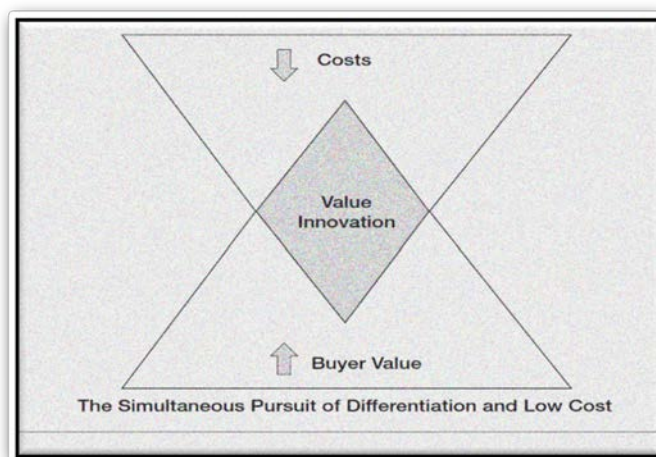
Figure -1

value innovation

Value innovation is created in the region where a company's action favourably affects both its cost structure & its value proposition to its buyer. Cost saving are made by eliminating and reducing the factors an industry compete on.

Buyer value is lifted by raising and creating elements the industry has never offered. Over time, costs are reduced further as scale economies kick in due to the high sales volumes that superior value generates.

Figure -2





## visuALizing strategy

Visual Awakening	Visual Exploration	Visual Strategy Fair	Visual Communication
<ul style="list-style-type: none"> <li>• Compare your business with your competitors by drawing "as is" strategy.</li> <li>• See where your strategy canvas need change.</li> </ul>	<ul style="list-style-type: none"> <li>• Go into the field to explore 6 Paths to create blue oceans</li> <li>• observe the distinctive advantages of alternative products and services.</li> <li>• Study the ERRC Model.</li> </ul>	<ul style="list-style-type: none"> <li>• Draw your "to be" strategy canvas based on insights from field observations.</li> <li>• Get feedbacks on alternative strategy canvas from 'customers , competetors ', 'customers and non customers'.</li> <li>• Use feedback built the best to be future strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Distribute your before and after strategic profiles on one page for easy comparison.</li> <li>• Support only those projects &amp; operational moves that allow your company to close the gaps to actualize the new strategy.</li> </ul>

Visualizing strategy can also greatly inform the dialogue among individual business units and the corporate center in transforming a company from a red ocean to a blue ocean player. When business units present their strategy canvases to one another, they deepen their understanding of the other businesses in the corporate portfolio. Moreover, the process also fosters the transfer of strategic best practices across units.<sup>5</sup>

### Difference between red and Blue Ocean

Sno	Red Ocean	Blue Ocean
1	Compete in existing marketing space.	Create uncontested market space.
2	Beat the competition.	Make the competition irrelevant.
3	Exploit existing demand.	Create and capture new demand.
4	Make the value cost trade off	Break the value cost trade
5	Align the whole system of a company's activities with its strategic choice of differentiation <i>or</i> low cost	Align the whole system of a company's activities in pursuit of differentiation and low cost

<sup>5</sup><http://www.blueoceanstrategy.com/concepts/bos-tools/visualizing-strategy/>

6	Focus on existing customers.	Focus on non-existing customers.
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### Analytical tools and frame work

1. Four Action Framework;
2. Strategy Canvas;
3. Eliminate-Reduce-Raise-Create Grid.

#### four action frame work

The four action frame work was created for reconstructing the buyer value elements in crafting a new value curve. It basically answers following four key question:

1. Which of the factors that industries take for granted should be *eliminated*?
2. Which are the factors should be *reduced well below* the industry's standard?
3. Which are the factors should be *raised well above* the industry's standard?
4. Which are the factors should be *created* that the industry has never offered?

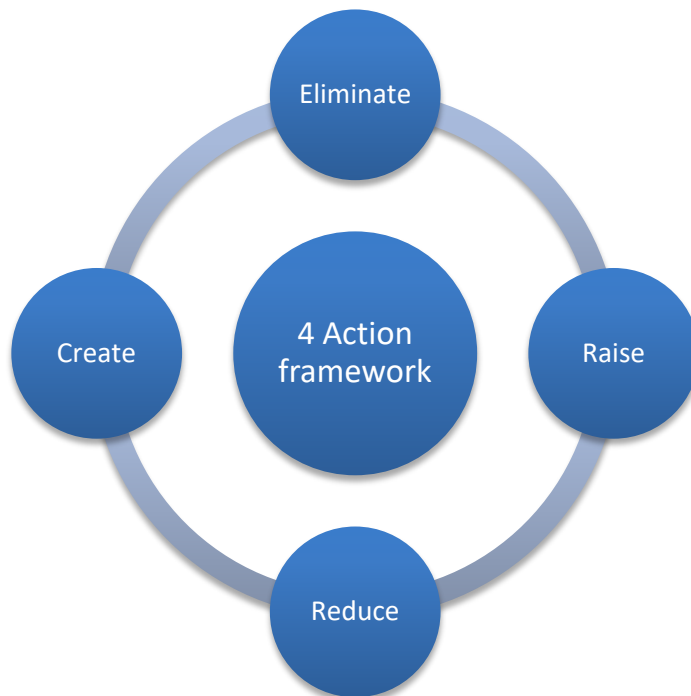


Figure -3

Strategy Canvas

The strategy canvas is both a diagnostic and an action framework for building a compelling blue ocean strategy. The horizontal axis captures the range of factors that the industry competes on and invests in, while the vertical axis captures the offering level that buyers receive across all of these key competing factors.

The strategy canvas serves two purposes:

1. To capture the current state of play in the known market space, which allows users to clearly see the factors that the industry competes on and where the competition currently invests and
2. To propel users to action by reorienting focus from competitors to alternatives and from customers to noncustomers of the industry.

The value curve is the basic component of the strategy canvas. It is a graphic depiction of a company's relative performance across its industry's factors of competition. A strong value curve has focus, divergence as well as a compelling tagline.<sup>6</sup>

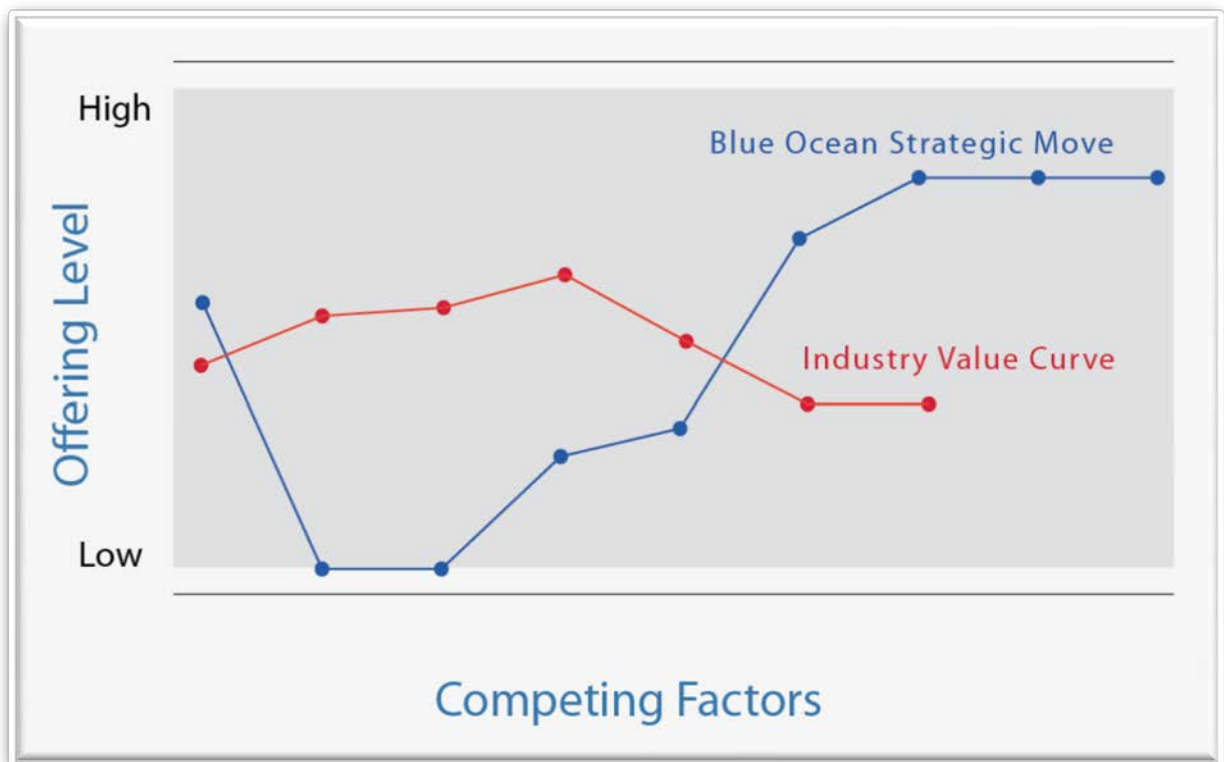


Figure-4

eliminate-reduce-raise-CREATE GRID

It is also one of the tools which is used for creating Blue Ocean.

ERRC GRID complements the four action framework. It pushes companies not only to ask the questions posed in the Four Actions Framework but also to act on all four to create a new value curve, which is essential to unlocking a new blue ocean.

By driving companies to fill in the grid with the actions of eliminating and reducing as well as raising and creating, the grid gives companies four immediate benefits:

1. It helps in pushing the 4 factors (ERRC) & simultaneously pursue differentiation and low cost to break the value-cost trade off.
2. It immediately flags companies that are focused only on raising and creating, hereby lifting the cost structure and often over-engineering products and services – a common plight for many companies.
3. It is easily understood by managers at any level, creating a high degree of engagement in its application.
4. Because completing the grid is a challenging task, it drives companies to thoroughly scrutinize every factor the industry competes on, helping them discover the range of implicit assumptions they make unconsciously in competing.<sup>7</sup>

#### Characteristics of blue ocean strategy



Figure-4

#### Reconstruct market boundaries

1. Look across alternative industries.
2. Looking across the strategic groups with the companies/industries.
3. Look across the chain of buyers.
4. Look across the complementary products and service offerings.
5. Look across functional or emotional appeal to buyers.
6. Look across the time.

#### Pioneer Migratory settler Map (PMS)<sup>8</sup>

<sup>7</sup><http://www.blueoceanstrategy.com/concepts/bos-tools/errc-grid>

PMS is a very useful exercise which is used by corporate management team for finding out the profitable growth of the company.

The team need to plot company's current and planned portfolios on PMS.

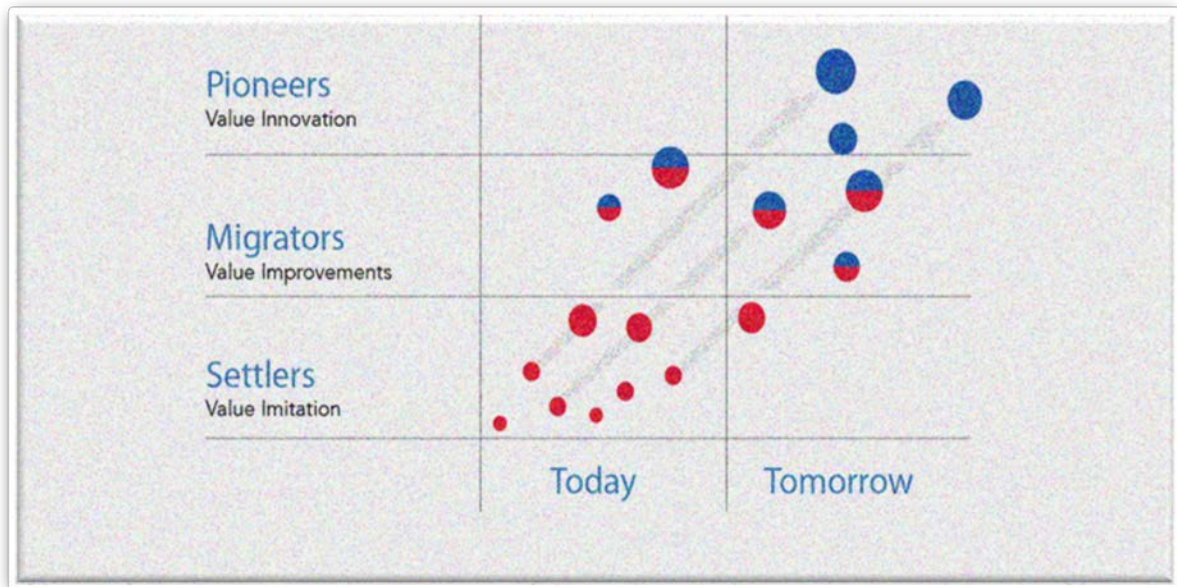


Figure-5

1. Settlers are defined as “*me too businesses*”.
2. Migrators are business offerings better than most in the marketplace.
3. Company's pioneers are the businesses that offer unprecedented value.

These are a company's blue ocean strategies, and are the most powerful sources of profitable growth. They are the only ones with a mass following of customers.

If both the current portfolio and the planned offering consists mainly of settlers, the company has a low growth trajectory, is largely confined to red oceans, and needs to push for value innovation. Although the company might be profitable today as its settlers are still making money, it may well have fallen into the trap of competitive benchmarking, imitation, and intense price competition.

If current and planned offerings consist of a lot of migrators, reasonable growth can be expected. But the company is not exploiting its potential for growth and risks being marginalized by a company that value-innovates.

In our experience the more an industry is populated by settlers, the greater the opportunity to value-innovate and create a blue ocean of new market space.

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<sup>8</sup><http://www.blueoceanstrategy.com/concepts/bos-tools/pms-map/>

This exercise is especially valuable for managers who want to see beyond today's performance. Revenue, profitability, market share, and customer satisfaction are all measures of a company's current position.

Contrary to what conventional strategic thinking suggests, those measures cannot point the way to the future; changes in the environment are too rapid.

Today's market share is a reflection of how well a business has performed historically.<sup>9</sup>

three tiers of non customers

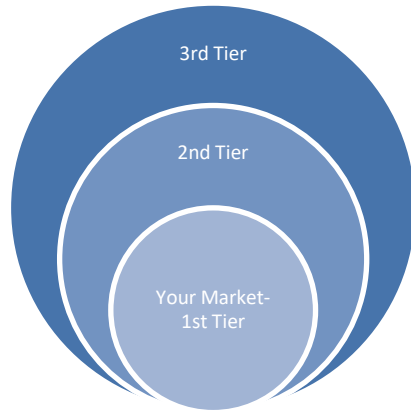
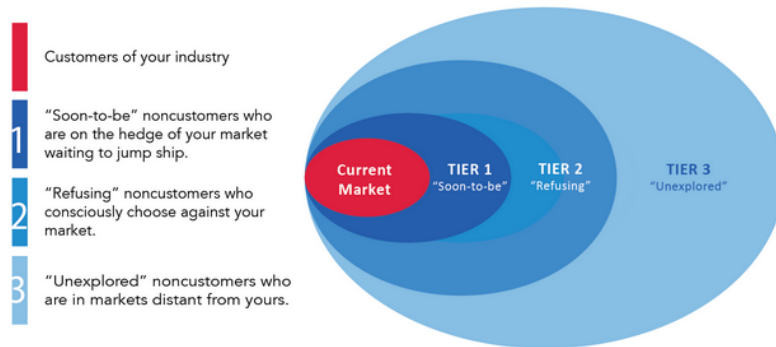


Figure-6

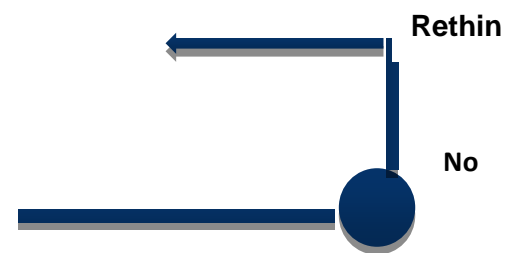
### 3 TIERS OF NONCUSTOMERS



sequence of bos

### Buyer's utility

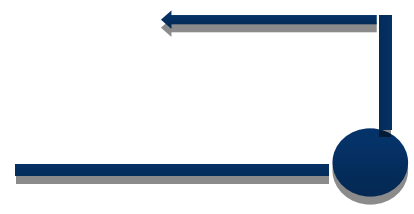
Is there exceptional buyer utility in your business idea?



<sup>9</sup><http://www.blueoceanstrategy.com/concepts/bos-toe-oms-map/>

**Price**

Is your price easily accessible to the mass of buyer?



No

**Cost**

Can you attain your cost target to profit at your strategic price?



No

**Adoption**

What are the adoption hurdles in actualizing your business idea?



**A Commercially viable blue ocean idea**

Figure-7

Buyer's utility map





Figure-8

The Buyer Utility Map is a tool which is designed for helping managers in thinking from a demand-side perspective. It outlines all the levers companies can pull to deliver exceptional utility to buyers as well as the various experiences buyers can have with a product or service.

This mind-set helps managers identify the full range of utility spaces that a product or service can potentially fill.

Purpose	Delivery	Use	Supplement	Maintenance	Disposal
How long does it take to find the product you need?	How long does it take to get the product Delivered?	Does the product require training or expert assistance?	Do you need other products and services to make this product work?	Does the product require external maintenance?	Does use of the product create waste items?
Is the place of purchase attractive & assessable?	How difficult is it to unpack and install the new product? Do buyers have to Arrange delivery themselves?	Is the product easy to store when not in use?	If so, how costly are they?	How easy is it to maintain and upgrade the product?	How easy is it to dispose of the product? Are there legal or environmental issues in disposing of the product safely?
How secure is the Transaction Environment?	If yes, how costly and difficult is this?	How effective are the product's features and functions?	How much time do they take?	How costly is Maintenance?	How costly is Disposal?
How rapidly can you make a purchase?		Does the product or service deliver far more power or options than required by the average user? Is it overcharged with bells and whistles?	How much pain do they cause?  How easy are they to obtain?		

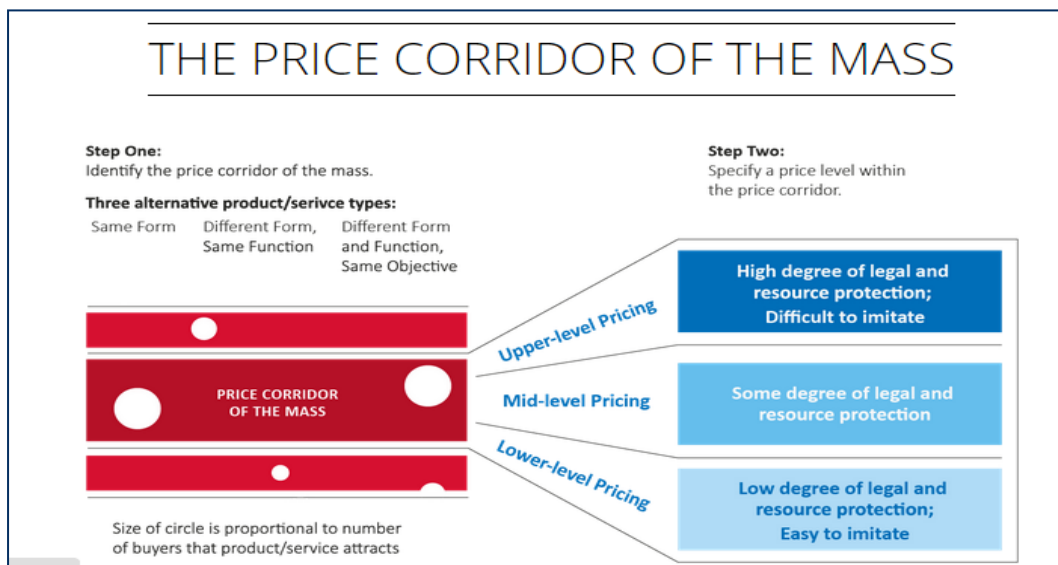


Figure-9

## FOUR HURDLE

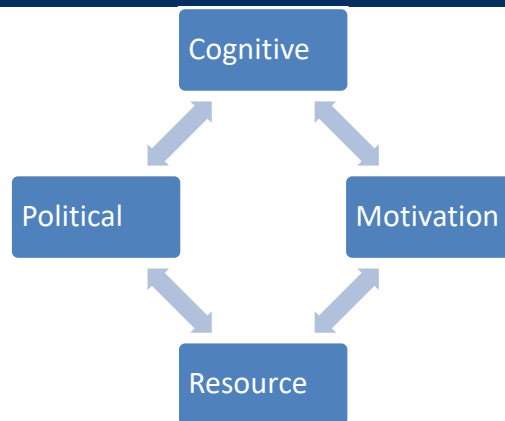


Figure-10

1. The Cognitive Hurdle: Waking employees up to the need for a strategic shift. Red oceans may not be the paths to future profitable growth, but they may have served the organization historically and employees have grown comfortable with them, so why rock the boat?
2. The Resource Hurdle: It is assumed that the greater the shift in strategy, the greater the resources it requires for execution.
3. The Motivational Hurdle: How do you motivate key players to move fast and tenaciously to carry out a break from the status quo?
4. The Political Hurdle: As one manager put it, “In our organization you get shot down before you stand up.”<sup>10</sup>

## TIPPING POINT LEADERSHIP<sup>11</sup>

<sup>10</sup><http://www.blueoceanstrategy.com/concepts/bos-tools/4-hurdles-to-execution/>

<sup>11</sup><http://www.blueoceanstrategy.com/concepts/bos-tools/tipping-point-leadership/>

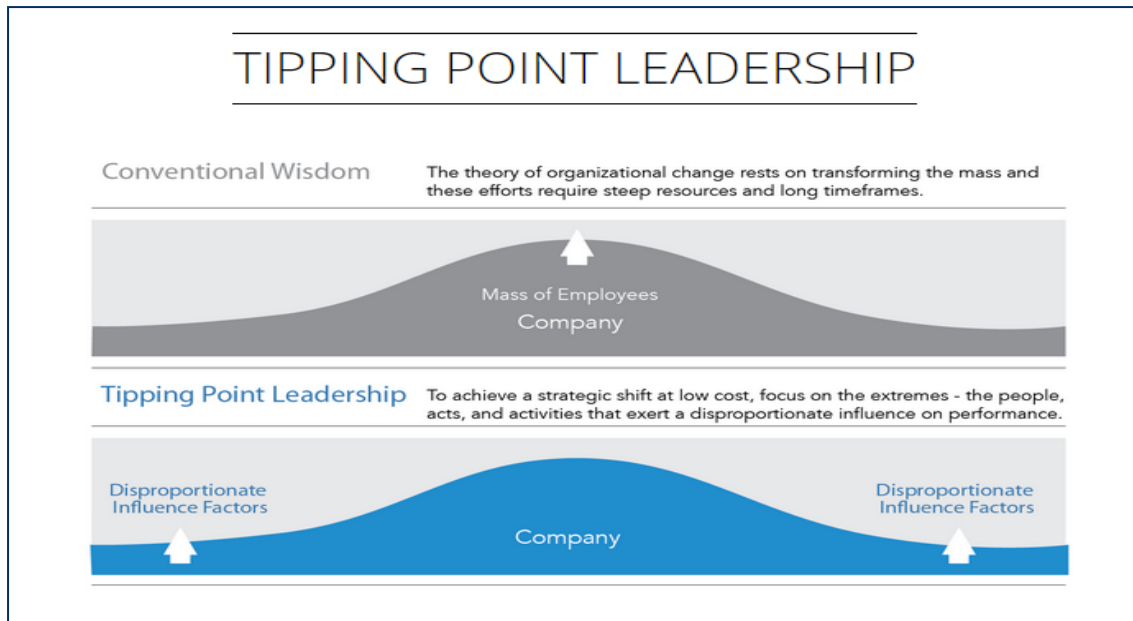


Figure-10

The conventional theory of organizational change rests on transforming the mass. So change efforts are focused on moving the mass, requiring steep resources and long time frames — luxuries few executives can afford. Tipping point leadership, by contrast, takes a reverse course. To change the mass it focuses on transforming the extremes: the *people*, *acts*, and *activities* that exercise a *disproportionate influence* on performance. By transforming the extremes, tipping point leaders are able to change the core fast and at low cost to execute their new strategy.

By single-mindedly focusing on points of disproportionate influence, tipping point leadership helps managers topple the 4 Hurdles to Execution quickly and at a low cost by answering the following questions:

1. What factors or acts exercise a disproportionately positive influence on breaking the status quo?
2. On getting the maximum bang out of each buck of resources?
3. On motivating key players to aggressively move forward with change?
4. And on knocking down political roadblocks that often trip up even the best strategies?

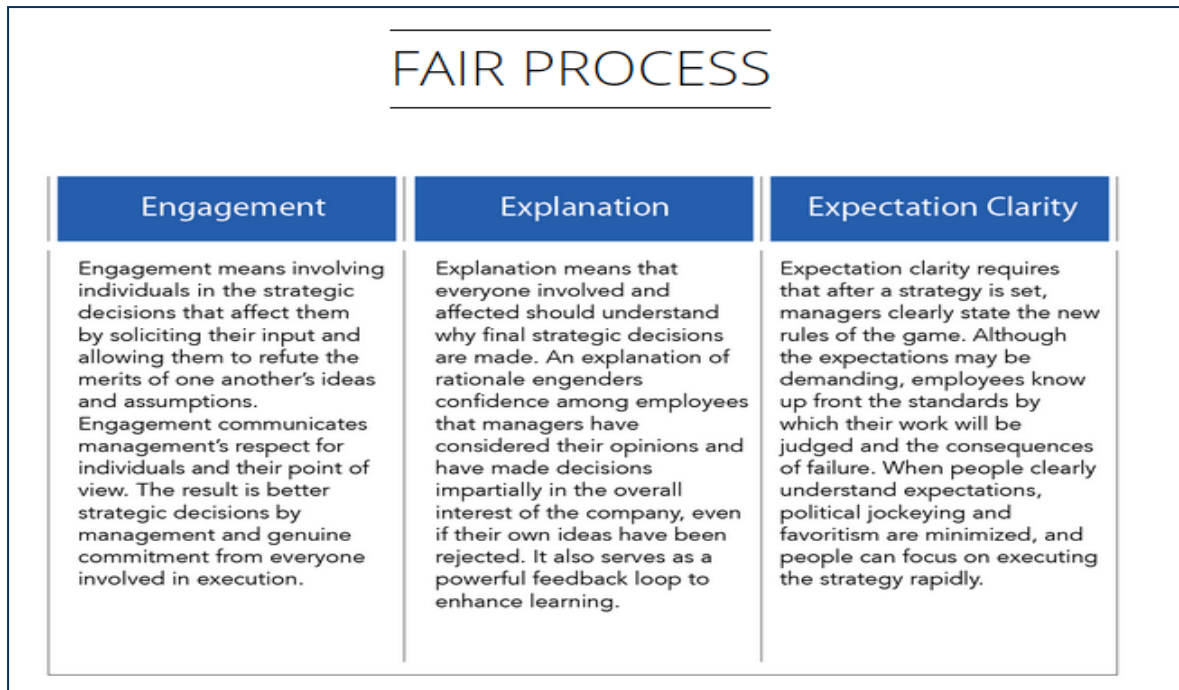


Figure-11

Fair process builds execution into strategy by creating people's buy-in up front. When fair process is exercised in the strategy formulation phase of a company, people trust that a level playing field exists in the organization, inspiring voluntary cooperation during the execution phase.

There are three mutually reinforcing elements that define fair process: engagement, explanation, and clarity of expectation. Whether people are senior executives or shop employees, they all look to these elements. We call them the three E principles of fair process.

It should be noted that any subset of the three is insufficient. The three criteria collectively lead to judgments of fair process.<sup>12</sup>

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## **“Customer Loyalty in Banking Sector : A Study on Premium Bank at Kolkata”**

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### **Introduction:**

The liberalization of Indian economy, technological innovation, changing customer needs and beginning of multiple delivery channels are some determinants that help in redesigning the financial services in India (Srinivasan and Madevan2014). Banking industry in India is one of the major financial service sectors where customer service has become a prime consideration. The banking sector in India is now directing towards competency in providing services to their customers as per their financial and economic needs (Santhiyavalli, 2011). It has become important for any bank to identify the strategic issues in terms of customer satisfaction (Santhiyavalli, 2011). Quality service plays the role of an antecedent of customer satisfaction (Mishra, B.P. and Keshari, M.2014). Therefore, for their sustainability in the competitive environment banks are required to put effort to enhance the service quality (Bapat et.al.2014,Srinivasan and Madevan2014). Thus Enhancement of service quality helps to achieve customer satisfaction which leads towards customer loyalty (Filipand Anghel 2009, Rai and Medha 2013).

### **Literature Review:**

Retention of present customer base is more useful in terms of economic benefit of any business organization than repetitively looking for new customers (Verhoet, 2003: Reichheld and Sasser, 1990). According to Colgate and Hedge (2001), loss of customer affects the market share of a bank adversely. Therefore, it is important for a bank to put much emphasis on customer retention in order to ensure their existence in the banking sector. Customer retention and loyalty has become elementary objectives of any bank for its survival in competitive market (Heskett and Schlesinger 1994).

### **Customer Loyalty – Meaning and Concept:**

Customer loyalty is defined as the customers’ willingness to continue the relationship with a particular company (Kim & Yoon, 2004).According to Oliver (1999), customer loyalty refers to customers’ assurance to re-buy or re-patronize the company’s product or service in the future even though there are other stimuli having the potential to influence them to switch

over. Customer loyalty develops a sense of attachment amongst customer with company's people, product and service (Jones and Sasser1995). According to Rust and Zahorik (1993) customer loyalty helps a business organization to achieve a long run business success and to build up a relationship with customer in order to retain them for a long run.

### **Relation between Customer Loyalty and Customer Recommendation:**

Ample literature has proved that both customer loyalty and customer recommendation are highly associated. According to Reichheld (2003) and Satmetrix (2004), customer recommendation has a significant association with customer loyalty and customer loyalty leads their intention to recommend company's name to others. Mohsanet. al. (2011), in their study pointed out that a loyal customer would have a tendency to recommend others or influence others to buy or use the same product or brand. According to Bontis and Booker (2007), Customer loyalty shows high positive association with customer recommendation. In their study, they have concluded that the reputation of a brand facilitate the organization by creating the link between customer satisfaction, loyalty and recommendation in the banking sector. From different literatures, it has been observed that customer loyalty is associated with Customer recommendation. It can also be stated that a customer can be treated as a loyal customer for a company when they recommend others to use the company's product or service.

### **Factors affecting Customer loyalty in Banking Sector:**

Different researchers in their study have identified a number of factors affecting customer loyalty. Ali et. al., in their study pointed out that service quality, trust and reputation are three factors having high positive impact on customer loyalty in banking sector at Pakistan. Similarly another research on banking sector in Albania has revealed that the factors viz. service, security, relationship and performance of staff have positive impact on customer loyalty (Köksaland Dema 2014). Akhteret. al. , in their study, explained that customer satisfaction, customer relationship, product image and trustworthiness are some important factors affecting customer loyalty in the banking sector at Pakistan. Filip and Anghel (2009) in their study identified some determinants of customer loyalty in Romanian banking sector. These are customer satisfaction, service quality, customer feelings of trust, brand image, value of the core products and services.

Megdadiet. al . (2013), in their study found some important factors viz. the effect of perceived quality and expectations, willingness and trust, bank change and switching cost and bank commitment on satisfaction have significant effect on customer loyalty. Dawar (2013) identified a number of factors affecting the customer loyalty in banking sector. These are courtesy and friendliness of staff, information provided to customers, knowledge of staff, willingness to answer queries, equal treatment of all customers, reliability of services, availability of staff, adherence to time limit, quickness in the redressal of your complaints, promptness, Amount charged for banking services, timely intimation of changes, infrastructure e-facilities to customers, maintenance of privacy and confidentiality, response to telephonic queries.

## **Objectives:**

The above discussion in the section of literature review has revealed that customer loyalty is an important issue for any financial institute. Customer loyalty can be determined on the basis of customer satisfaction and customer recommendation. From different literatures it can be interpreted that customer recommendation and customer loyalty are so related that measurement of customer recommendation indicates the level of customer loyalty. A substantial amount of literature review helped identify different parameters that have significant effect on customer loyalty. Considering all these above-mentioned issues following two specific objectives have been settled as research objectives.

- 1) To identify factors affecting customer loyalty in banking sector
- 2) To measure the effect of different factors on customer recommendation in banking sector

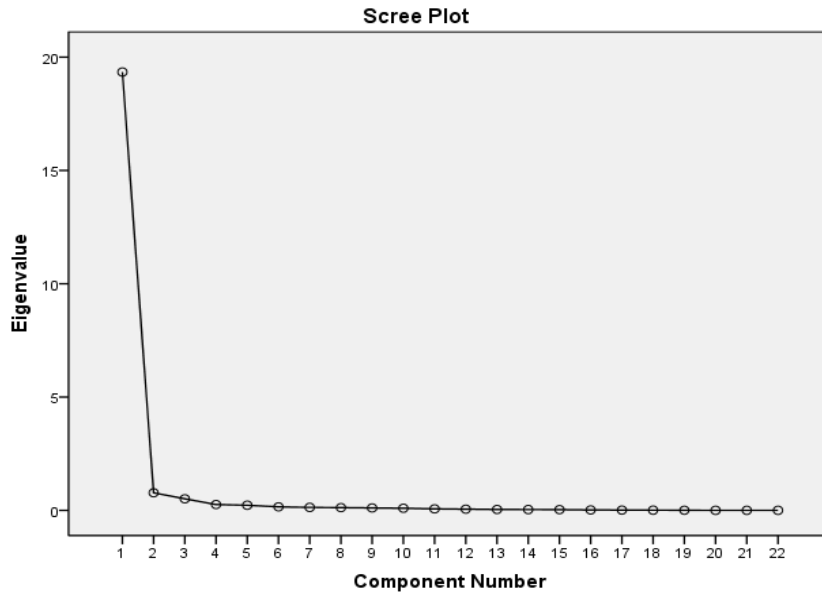
## **Research Methodology:**

This study introduces a three-step methodology to conduct a research on measuring the effect of factors affecting a premium bank at Kolkata. In the first step, an exploratory research has been conducted to explore twenty two components relating to the customer loyalty on the basis of literature review and qualitative research with small sample of ten customers of the bank. In the second step, a cross sectional descriptive research has been conducted by collecting data from a large sample of 96 customers of the bank. A survey with a structured questionnaire has been conducted to obtain primary data from the above-mentioned sample. The questionnaire contains Likert pattern scale to obtain customer perception scores against all the above-mentioned twenty two parameters and their intention to recommend others to avail the service from the same bank. We have applied confirmatory factor analysis to determine two factors out of twenty two components. In the third step, the effect of the above-mentioned two factors on customer recommendation has been measured by applying binary logistic regression model.

## **Result:**

The exploratory research mentioned in the section of research methodology helped explore twenty two components of banking service relating to customer loyalty. These twenty two components are trustworthiness, satisfaction of financial need, equal treatment of all customers, convenience, stability, innovativeness, customer service, reputation, net-banking, ATM service, wideness of network, informative, mobile banking, continuity, transaction with bank, availing other services, free limit of cash deposit and withdrawal, free limit of cash transaction, payment of taxes, promptness and transparency.

A questionnaire survey with 96 customers of the bank has obtained their perception scores corresponding to all the above mentioned parameters of banking service. As per the first objective of the study a factor analysis has been conducted to identify the factors affecting customer loyalty of the bank.



From the scree plot given by the result of factor analysis, it is observed that there are two factors having the Eigen value more than one. Therefore it can be stated that the factor analysis of the above-mentioned perception scores has reduced the number from twenty two to two factors.

Table – 1 shows the result of factor analysis.

	Factor	
	1	2
Trustworthiness	.572	.749
Satisfaction of financial need	.470	.848
Equal treatment of all customers	.767	.553
Convenience	.578	.749
Stability	.397	.860
Innovativeness	.766	.548
Customer service	.736	.639
Commitment	.714	.660
Reputation	.429	.865
Net-banking	.783	.570



ATM service	.792	.560
Wideness of network	.701	.645
Informative	.702	.651
Mobile banking	.853	.463
Continuity	.775	.607
Transaction with bank	.819	.510
Availing other services	.852	.438
Free limit of cash deposit and withdrawal	.845	.381
Free limit of cash transaction	.797	.380
Payment of taxes	.793	.528
Promptness	.728	.645
Transparency	.787	.560

It has been found that trustworthiness, satisfaction of financial need, convenience, stability and reputation are five factors have shown high association with Factor – 2 whereas other seventeen components are grouped under Factor – 1. Therefore, Factor – 1 consists of the components viz. equal treatment of all customers, innovativeness, customer service, net-banking, ATM service, wideness of network, informative, mobile banking, continuity, transaction with bank, availing other services, free limit of cash deposit and withdrawal, free limit of cash transaction, payment of taxes, promptness and transparency. The components of the Factor – 1 are mostly identified with the service features of banking sector. Therefore, the Factor – 1 has been identified as Service. On the other hand the components of the Factor – 2 are related to the image of the bank in the mind of customer. Therefore, Factor – 2 has been identified as Image.

A KMO and Bartlett's test has been conducted to understand the adequacy of sample size and the sphericity of the data. The result of KMO and Bartlett's test has been given in Table – 2.

<b>Table - 2: KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.842
Bartlett's Test of Sphericity	Approx. Chi-Square	5591.520
	df	231

	Sig.	.000
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The high value of KMO indicates the sample size is adequate to conduct factor analysis. The P value of Bartlett’s test shows the significant sphericity is there in factor analysis.

In the next step of the study, we have conducted logistic regression to measure effect of the factors viz. image and service of the bank on the customer recommendation. In this study the customer recommendation has been divided into two categories viz. low customer recommendation and high customer recommendation. Customer recommendation has been considered as a dependent variable whereas two factors viz. image and service have been considered as independent variables. The perception scores of image has been determined by calculating the average perception score of five components viz. trustworthiness, satisfaction of financial need, convenience, stability and reputation. Similarly, perception score of services has been determined on the basis of the average score of the rest of the components apart from the above-mentioned five components. A binary logistic regression analysis has been conducted with all the dependent and independent variables. Table – 3 shows the result of binary logistic regression.

<b>Table - 3: Variables in the Equation</b>						
	B	S.E.	Wald	df	Sig.	Exp(B)
Image	-.938	1.313	.511	1	.475	.391
Service	7.650	2.635	8.428	1	.004	2100.268
Constant	-17.641	6.575	7.200	1	.007	.000

As per the result of Table – 3, customer recommendation does not depend on the image of the bank whereas it significantly depends on the service of the bank. Therefore, it can be interpreted that the bank should give more importance on seventeen service features mentioned above.

### **Conclusion:**

A substantial amount of literature review has established the fact that in banking sector it is more important to ensure customer retention by developing customer loyalty. Different literatures have also identified customer recommendation as an indicator of customer loyalty. In this study customer recommendation has been considered as dependent variables depending on the service provided by the bank. The service of the bank consists of seventeen components viz. equal treatment of all customers, innovativeness, customer service, net-banking, ATM service, wideness of network, informative, mobile banking, continuity, transaction with bank, availing other services, free limit of cash deposit and withdrawal, free limit of cash transaction, payment of taxes, promptness and transparency. All the above-mentioned service features of the bank have significant impact on customer recommendation. Therefore, it can be concluded that the authority of the bank should put more emphasis on the above-mentioned seventeen components than five components of image viz. trustworthiness,

satisfaction of financial need, convenience, stability and reputation in order to ensure customer loyalty.

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## **CRM IN HEALTHCARE INDUSTRY: AN INNOVATIVE, EMERGING DISCIPLINE.**

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## **INTRODUCTION**

CRM is all about identifying, satisfying, retaining & maximizing the value of a customer. CRM is a vital issue in healthcare service particularly when there is a potential for healthcare providers to build ongoing relationships with patients. In the competitive, healthcare environment, many of the healthcare providers are now focusing on CRM with the help of information systems to deliver value over price.

Face with mounting pressures to contain cost and mandates to adopt continuous quality improvement process; the health care industry is actively engaged in relationship marketing and partnering activities.

Customers' relationship management (CRM) which has overriding significance for any business is no less significant for hospital services (Salam, 2000). Hospitals are most important elements in any health care delivery system. A hospital plays a major role in maintaining and restoring the health of the people.

Care of the sick and injured, preventive health care, health research, and training of medical and paramedical staff are general broad functions of a hospital. It involves to the outpatient and inpatient hospital services and on many occasions emergency medical services. An important resource in a hospital is a human resource. This should be particularly emphasized. This should be particularly emphasized in the content of a hospital since relationship of medical staff plays important role in treating patients - the hospital customers.

In health care, CRM practices are essentially patient - focused strategies that involve effective management of hospital interface and interaction with patients. Effective CRM practices in a hospital may mean providing services related information to a patient very quickly. Responding to the patient appointment and an admission requests promptly, dealing with patient queries and complaints expeditiously, and exercising all kind s of flexibilities in serving patients to the patients.

According to Oliver (2008), the value of CRM is to create and maintain good and long term relationships with customers. Customer loyalty is a critical criterion for CRM. Loyalty refer to the repeated use of certain product and services by customers and even changes in business scenarios will not affect the purchase patterns or willingness to continue to use those products or services. Therefore, the core of the CRM in healthcare service is to satisfy patients' interest and needs to increase the patient loyalty level.

A healthcare system over-wrought with inconsistencies and errors can prevent even the best organization from developing strong relationships with its patients. Customer relationship management (CRM) for the healthcare industry sounds simple enough. In fact, experts are of the view that the concept of CRM is implicit in the practice of healthcare.

There are few relationships as important as the one-to-one relationship between a patient and his or her healthcare provider. When patients select hospitals, they believe that those hospitals to have accurate and complete information about their health. Patients no longer tolerate the excuse that errors and inconsistencies in their medical information are just an unfortunate side effect of dealing with large amounts of data.



A CRM system can help doctors, paramedical staff to view patient's demographic information, history of the patient. Using CRM they can also standardize and streamline processes. It also helps them to enable proactive communications. In short it helps them to improve their patients' overall health. Additionally, this indirectly will satisfy the patient as they receive additional services, which increases the likelihood they will make regular preventative healthcare an ongoing priority Hagland (2009).

It's hard to imagine a more customer-centric industry than healthcare. While most businesses sell products or services, healthcare providers like hospitals and private practices keep customers--the patients--alive and well. Healthcare payers, the other part of the industry, enable those patients to afford the ever-increasing cost of medical attention. Yet most people would report negative experiences with those organizations, centered on lack of understanding of individual patient issues. Scott Schumacher, senior vice president and chief scientist of Initiate Systems, spells out the need. "The most important part of [healthcare] CRM is integrated patient records," Schumacher says. He relates the oft-quoted hassle of filling out a medical history and insurance information, and then waiting. "Electronic medical records get rid of all that--it makes the check-in process more palatable." Currently, all patient data is stove piped; lab work, imaging, and history are kept in separate systems. One of the things we do is enable communication between these silted systems," Schumacher says. There's good reason for this. "If you don't match two records that you should have put together, such as with drug allergies, you will have more than just a dissatisfied customer.

## **Customer Loyalty:**

Customer loyalty is both an attitudinal and behavioral tendency to favor one brand over all others, whether due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand. Customer loyalty encourages consumers to shop more consistently, spend a greater share of wallet, and feel positive about a shopping experience, helping attract consumers to familiar brands in the face of a competitive environment. Loyalty is the key to hospitals' survival in uncertain times.

Over the last 25 years, an average 80 percent of consumers have consistently laid claim to a hospital they would call their "own." More than half of the top 10 reasons consumers prefer a certain hospital center on some form of loyalty: they have always gone there; there is a strong perception of personalized care; a doctor recommended the hospital; perceptions of overall reputation are positive; they or a friend or relative works there; patients' experiences with staff were memorable.

Loyalty and the impact it plays on health care isn't new. While hospitals can't change their location to become closer to patients' homes, they can ensure that all consumers who live close to them are "their" patients. Patients who had an excellent experience at your hospital are more likely to return for future services and to promote the hospital to others. Doctors who are loyal to your organization admit more patients there, and loyal employees enthusiastically recommend your hospital to others.

## **HYPOTHESIS**

1) H1 0: CRM does not affect patient's loyalty.

$$\mu > 2.0$$

H1 A: CRM affects patient's loyalty.

$$\mu \leq 2.0$$

2) H2 0: CRM does not address patient requirements and issues.

$$\mu > 2.0$$

H2 A: CRM addresses patient requirements and issues.

$$\mu \leq 2.0$$

3) H3 0: To identify the valuable patient is not significant in CRM strategy.

$$\mu > 1.0$$

H3 A: To identify the valuable patient is significant in CRM strategy.

$$\mu \leq 1.0$$

4) H4 0: CRM does not play any role in providing accurate and quicker information to the patient.

$$\mu > 1.0$$

H4 A: CRM plays an important role in providing accurate and quicker information to the patient.

$$\mu \leq 1.0$$

## **RESEARCH METHODOLOGY**

The research method used was secondary sources of data. Research articles and case studies of CRM practices in hospital were analyzed.

This arrangement could be broadly classified into three types of relationship marketing practices.

- 1) Programs that are aimed at customer retention.
- 2) Programs that involve special supply and delivery arrangements with other health care providers and key suppliers.
- 3) Relational partnering programs to leverage the resources of others.

### **The Study Area**

The study was carried out in the city of Maharashtra. For study purpose five big corporate private hospitals of the region were covered. It has many big private hospitals.

### **Data Analysis**

Sample Description Questionnaires were answered by 500 of respondents of five different hospitals.

36% respondents were female and 64% were male.

69% respondents were above 45 years of age.

71% of respondents were graduates, 17% of respondents were non graduates, 12 % of respondents were postgraduates.

The 500 older participants were asked to answer the questions related to hypothesis. After receiving their responses mean and standard deviation are calculated.





### Major findings

Customer Relationship Management in Healthcare industry (CRM) is about patients care and business strategy and the use of IT to achieve the objective of profitability through enhanced patient relations.

Hypothesis	Mean	Standard Deviation	Results / Remarks
H1 0: CRM does not affect patient's loyalty. H1 A: CRM affects patient's loyalty.	1.85	0.85	Reject hypothesis H1 0. Accept Hypothesis H1 A
H2 0: CRM does not address patient requirements and issues. H2 A: CRM addresses patient requirements and issues.	1.95	0.9	Reject hypothesis H2 0. Accept Hypothesis H2 A
H3 0: To identify the valuable patient is not significant in CRM strategy. H3 A: To identify the valuable patient is significant in CRM strategy.	1.2	0.4	Reject hypothesis H3 0. Accept Hypothesis H3 A
H4 0: CRM does not play any role in providing accurate and quicker information to the patient. H4 A: CRM plays an important role in providing accurate and quicker information			Reject hypothesis H4 0.

to the patient.	1.2	0.4	Accept Hypothesis H4 A
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## CONCLUSION:

From the above tabulated results it can be concluded that CRM implementation is essential in healthcare industry. CRM creates a win-win situation for both healthcare administrators and patients. Using CRM a healthcare industry can increase patient's loyalty, can address patient's issues, and can identify valuable patient. At the same time patient can get accurate information very quickly. Most important aspects from patient point of view is that process transaction is faster because of CRM.

CRM is a complete system that provides a means & methods to enhance the experience of the individual customers, so that they will remain customers for life.

CRM requires a cultural change with organizations. The customer experience needs to be consistently enhanced. It's an ongoing business process and will create sustainable competitive advantage.

“If we aren't listening to our customers, our competitors will.”

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## **Enhancing Value of Small And Medium Business Enterprises Through Innovative Marketing Management Practices**

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### **Introduction**

India is one of the very few countries to have consistently supported small-scale enterprises in order to promote greater employment and perhaps also a more egalitarian distribution of wealth. This led to the growth of small enterprises in terms of output, employment and exports. Since the time of independence, the small-scale sector in India has been a major contributor to country's Gross Domestic Product (GDP). Phrases such as 'lifeblood of the economy' are used by politicians to describe SMEs' contribution to the economic welfare of society. Small and medium business types are well-known for its strong

roots and foundation. Through the experience and aid coming from the financial institutions, the small and medium enterprise can compete in both domestic and international market.

Small and Medium Enterprises are the fountain head of several innovations in manufacturing and service sectors, which plays a major role in the supply chain of corporate and the Public Sector Units. SMEs are now exposed to greater opportunities than ever for expansion and diversification across the sectors. Indian market is growing rapidly and Indian entrepreneurs are making remarkable progress in various industries like Manufacturing, Precision Engineering Design, Food Processing, Pharmaceutical, Textile & Garments, Retail, IT and ITES, Agro and Service sector.

Smaller units cannot afford a large managerial cadre and, as a result, are dependent upon the time, effort, and skills of the entrepreneur. Moreover, small units necessarily are more vulnerable to extraneous shocks. At the same time, smaller units are more flexible and quicker to respond to changing circumstances

Marketing is the process of satisfying the organization's stakeholders by creating value for them. Marketing is the common thread that ties all the stakeholders together. Ideally, marketing is the business philosophy which embraces the process of doing things, a state of mind, or a view of how business should be done. This is critical in the smaller organization where every person's actions count.

Marketing enables the entrepreneurs to improve the quality of their goods and services. Hence, the strong skills of marketing become inevitable for SME sector. The marketing function in SMEs is hindered by constraints such as limited access to resources, and a lack of marketing expertise on the part of the owner/manager, it is expected that SME marketing differs from marketing in larger organizations.

### **Innovation**

The process of translating an idea or invention into a good or service that creates value for which customers will pay. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. In business, innovation often results when ideas are applied by the company in order to further satisfy the needs and expectations of the customers.

### **Innovative Marketing**

It is a process where a product is marketed and communicated to the target group by the help of ideas and process which were not used earlier. It can be done through changes in the

product design, launching the product in unique place, promoting through unconventional method, uniquely pricing the product etc.

### **Enterprise Value**

**Enterprise value (EV), Total enterprise value (TEV), or Firm value (FV)** is an economic measure reflecting the market value of a whole business. It is a sum of claims of all claimants: creditors (secured and unsecured) and equity holders (preferred and common). Enterprise value is one of the fundamental metrics used in business valuation, financial modeling, accounting, portfolio analysis, etc.

### **Value Addition**

The enhancement a company gives its product or service before offering the product to customers. Value added is used to describe instances where a firm takes a product that may be considered a homogeneous product, with few differences (if any) from that of a competitor, and provides potential customers with a feature or add-on that gives it a greater sense of value.

### **Management Practices**

Methods or techniques found to be the most effective and practical means in achieving an objective (such as preventing or minimizing pollution) while making the optimum use of the firm's resources.

### **Review of Literature**

**Anuradha Pathak, Khushboo Makwana (2014)**, Innovative Promotional tools for small enterprises keeping in mind the various constraints of small firms, strategies have been suggested which small firms can use to promote their products and services such as participation in trade fairs, exhibitions, haats, melas and mandis, school and college promotions, nukkad natak, flash mob, co-branding, guerrilla marketing, use of websites and social media, sms, telecalling, banners, posters, inserts etc. which are economical and can be effective if properly leveraged.

**Viral M. Pandya (September 2012)**, Comparative analysis of development of SMEs in developed and developing countries. It is evident from the paper that SMEs contribution is considerably high in economic development irrespective of the fact whether it is developed country or developing country. Not only financially subsidized promotion but the strategic

implementation becomes very important for sustainable development of SME sector. Strategic implementation takes care of financial aspects, human resource, marketing, research and development, technology and corporate governance in SME sector. There are several lessons to be learned from developed countries' SME sector. We can conclude from the analysis that SME sector in developed countries is not only relying on credit availability or technological innovation. They have implemented all possible strategies for development of SMEs. Hence it is need of the hour for policy maker's of developing and under developing countries to focus upon aspects as many as possible that helps SME sector to become real back bone of countries and fuel the economic growth.

**Dr Leone Cameron, Peter Miller (2008)** Improving HRM practice in SMEs: How to apply relationship marketing concepts-Small businesses enhancement of entrepreneurship and creation of sustainable performance through the use of relationship marketing characteristics in the recruitment, selection, orientation and development of trust between employers and employees can only enhance the long term sustainability and performance of small businesses who participate in this new and innovative model for recruitment and retention of staff. The research evolved from an entrepreneurial ideal of the owner manager of a small business who realized the importance of reducing the expenses involved in maintaining sustainable performance in a volatile employment market. Exploratory quantitative research identified four relationship constructs that paralleled the four relationship marketing phases. These findings were enhanced through qualitative interviews that confirmed the quantitative findings as providing a new paradigm for creating sustainable performance through the entrepreneurial application of relationship marketing characteristics. Hence forth, known as the three RRR's of Recruitment Relationship and Retention that are intuitive as a means of creating sustainable entrepreneurship in SME.

**Kucuk and Krishnamurthy, 2007**, Internet and virtual communities have transformed consumers, societies, and corporations with wide spread access to information, better social networking and enhanced communication abilities

**Purpose of the study** - The researcher is tried to find out the effectiveness of innovative marketing management practices on small and medium business enterprises.

### **Objectives**

1. To know about the term Innovative Marketing and Management practices.

2. To study the value addition of small and medium business enterprises with reference to innovative marketing practices.
3. To analyze the impact of innovative marketing practices in terms of turnover and income generation.
4. To study the role of small and medium business enterprises in employment generation.

### **Research Methodology**

The researcher has used analytical research. In analytical research the facts or information already available is analyzed and critically evaluated.

### **Limitations**

- The study is limited to secondary data which is collected from books, online journals and websites.
- The study is limited to small and medium business enterprises only.

### **Analysis and Interpretation**

Small and medium-scale enterprises (SMEs) occupy an important and strategic place in economic growth and equitable development in all countries. Constituting as high as 90% of enterprises in most countries worldwide, SMEs are the driving force behind a large number of

innovations and contribute to the growth of the national economy through employment creation, investments and exports. However, the potential of SMEs is often not realized because of problems commonly related to size, isolation, market opportunities, standards/quality, supply chains, logistics and technology innovation.

To preserve their narrow profit margins, small-scale entrepreneurs in developing countries do not opt to innovate products and processes and resort to tactics that deters their growth in the long run. Left on their own, many SMEs face difficulties arising from liberalization-induced adjustments. With SMEs varying widely in size, capabilities, environment (urban or rural based) and organizational structures (in the case of cooperatives), coherent region-wide approaches to address their problems have been difficult to craft. In order to enable SMEs tide-over the problems of technological backwardness and enhance their access to new technologies for sustainable growth. The need today is also to leverage on modern technologies to harness human capabilities through the process of increased communication,

cooperation and linkages, both within the enterprise as well as across enterprises and knowledge-producing organizations.

## **INNOVATIVE MARKETING PRACTICES FOR SMEs**

In order to avail the benefits of advanced communication technology the SMEs have adopted new innovative practices. Implementation of the few innovative practices as mentioned below can help the SMEs to fasten their decision making process and get closer to being customer oriented.

### **1. Internet as a Tool of product promotion**

No one can underestimate the importance of internet in today's competitive world . internet is growing faster than all other communication technologies. This promotional tool is efficient, cost effective and its reach is unassuming and overwhelming. It is of utmost importance that every organization has its own website and must operate and update it regularly. The website should be viewer friendly, well informative, self explanatory with the latest information available, and should be interactive in nature. SMEs must registered their strong presence on internet so as to survive in the globally competitive world.

### **2. Customer Relationship Management (CRM)**

The significance of CRM must be recognized and emphasized by SMEs. This area must be focused by SMEs so as to play an increasing role in the international market by embracing strategic advantage of adopting information technology driven supply chain management (SCM) and Customer Relationship management (CRM). Today 80% of SMEs are using SCM component of e-business. It is need of hour that innovation in the perspectives of CRM should be highlighted in SMEs too.

### **3. Digital Advertising**

Digital marketing tactics, marketing automation tools and the latest best practices can result in a tremendous revenue growth opportunity for SMEs. The world of digital marketing assists the SME entrepreneurs to spread the wings and experience global presence of the business through websites, blogs, social networking, e-Newsletter, e-Mail Marketing, e-CRM. There exist gaps in awareness and confidence levels among the SME sector in actively engaging in the digital advertising (ACCA, 2011). Digital advertisement can be used innovatively through incorporation of the advanced digital solutions in the areas of cloud computing, e-invoicing, social lending and e-commerce.



#### **4 Information And Communication Technologies (ICT) as a tool**

The potential for information and communication technologies (ICT) to deliver efficiency gains is widely accepted. Appropriate ICT can help SMEs cut costs by improving their internal processes, improving their product through faster communication with their customers, and better promoting and distributing their products through online presence. ICT is playing a crucial role in SMEs across the internal as well as external value chains and reshaping their business models to strengthen the competitive performance. Effective utilization of an information and decision support system will provide SMEs a disciplined business environment.

#### **5. Permission Marketing**

Permission Marketing is a term used in e-marketing. It is a part of Email marketing with a focus on user experience, if users receive e-mail that has no value to them, it would only result in spam. The user has to increase the visibility of the business; where especially major brands have found results by focusing on it. But small and medium enterprises are yet in the implementation stage of e-mail marketing. Permission marketing via email is named one of the important points in the marketing strategies. This method will assist the industrial marketer to turn the stranger into friend and friend into customers.

#### **6 Re-establish Technological Listening Posts**

Technological listening posts as a means for technological knowledge sourcing were seen to be a widespread empirical phenomenon in centers of technological excellence and innovation clusters. Customers need to know not only who they are and what they buy, but why they buy and why they choose to buy from SMEs. They need to double their efforts and dialogue through social media and get direct feedback from customers or clients through listening posts.

#### **7 Focus on Fresh Ideas**

SMEs need not have to rely exclusively on a small team or just the marketing staff to produce fresh ideas. It is up to the companies to take advantage of the scope available for fresh ideas and products. Building the reputation of SME, is on their courage to shoulder responsibility, and on their performance. Manager of the enterprises need to make innovation as everyone's

responsibility this fall with brainstorming sessions, company retreats or by giving special recognition to individuals with the smartest suggestions. Openness to ideas may give an organization a new perspective in whole and ensure in being innovative.

## **8 Customers Social Responsibilities (CSR) Activities**

Customers today are well aware of social responsibilities and also want to associate themselves with those organizations who understand the same. CSR is mainly discussed in the context of larger enterprises; but it is also a strategic tool to enhance the competitiveness of SMEs. Generally, CSR may positively influence SMEs' competitiveness and thus increase the turnover/sales in the following ways:

- Improved working conditions including health and safety at work leads to higher motivation and loyalty of employees, resulting in a higher creativity and innovativeness.
- Improved environment friendly products or production processes, resulting in a better customer satisfaction and loyalty.
- CSR activity can be undertaken through promotional campaigns to raise charitable funds for noble causes.
- Businesses that rely on local customers will benefit from helping community-based causes and help increase the goodwill among customers which can spread through word-of-mouth or Enterprises need to provide help where it's needed most and earn appreciation from customers that leads to sales. All these activities are undertaken by the majority of the MNEs but not in SMEs, even if some do, they are not in an organized way.

## **9 Cluster Approach**

According to Porter (2001), we define clusters as regional concentrations and networks of companies, specialized suppliers, service providers, firms in related industries, and associated institutions (i.e. universities, standards agencies, and trade associations) that compete partially at the marketplace but also cooperate in pre-competitive fields. SMEs can adopt cluster approach to with stand the competition. This approach relies upon the mutual understanding and trust between the cluster members. The cluster member must be involved in complementary business rather than competitive business to ensure the working of this approach. The formal way of establishing the cluster will enhance the market capabilities of

the SMEs and gives the cluster members the power to bargain. This approach can surely help SMEs get better facilities and subsidies from the Government and can also help in co-branding to reach potential customers.

## **Conclusion**

The right sales and marketing strategies play an essential role in the success of business. Developments in technology have opened up entirely new ways to market and sell products and services. Best practice now involves harnessing the power of the Internet, email and mobile telephony to increase the effectiveness of getting products and services to the customer. Even the smallest business can benefit from having a website. Many organizations also use electronic newsletters (often known as e-zines), regular emails and SMS (text) messaging to communicate with their markets. As with all best practice, it is important to get the implementation right. Your website needs to be thought out carefully, and updated regularly. You need to be aware of the legislation that applies to electronic business communications, including selling from websites.

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**“IMPACT OF THE RECENT TRENDS OF FOREIGN DIRECT  
INVESTMENT IN RETAIL IN INDIA”**

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## **INTRODUCTION**

Foreign direct investment (FDI) is direct investment into production in a country by a company located in another country, either by buying a company in the target country or by expanding operations of an existing business in that country. It was introduced in India through the regulatory framework known as Foreign Exchange Regulation Act (FERA), 1973. It was framed to encourage the domestic industry through foreign investors in the area of new/ high technology & priority to build national competency.

Foreign direct investment (FDI) has been one of the defining characteristics of the world economy during the last two decades. The purpose of this paper is to provide an overview of foreign direct investment in India. Since 1991, the flow of foreign direct investment (FDI) rapidly expanded across India; this growth was caused by an increase in mergers and acquisitions activities. As this trend gained force from two decades, there is now an increasing need to assess the country's long term economic growth with the growing trend of FDI in India. India is making steady progress in establishing itself as an attractive destination for FDI in international market.

Turning Points—

Since 1993, Indian Economy has seen many reforms in FDI sectors.

- Formation of FERA.
- Industrial Policy (1980-82)
- Technological Policy
- Industrial Policy (1991- Signing up with WTO).

The purpose of this paper is to provide an overview of foreign direct investment in India, to analyze the recent trends of FDI in retail and the current status of FDI in multi brand retailing in India. The source of information for this paper is mainly secondary data.

## **RETAIL SECTOR**

The word retail is derived from the French word 'retailer', means to cut off a piece or to break bulk. Therefore, a retailer is a dealer or trader who sells goods in small quantities. It

consists of all activities involved in the marketing of goods and services directly to the consumers, for their personal, family or household use. This excludes direct interface between the manufacturer and institutional buyers such as government and other bulk customers. It is the last link that connects the consumer with the manufacturing and distribution chains.

Retail trade has emerged as one of the largest industry contributing to employment generation, revenue generation, increased turn over and many more. It has emerged as one of the most dynamic and fast paced industries with several players entering the market. As a matter of fact retailing in India is gradually edging its way towards becoming the next boom industry.

## **FOREIGN DIRECT INVESTMENT**

Foreign Direct Investment (FDI) as defined in Dictionary of Economics is investment in a foreign country through the acquisition of a local company or the establishment there of an operation on a new site. Foreign direct investment (FDI) is direct investment into production in a country by a company located in another country, either by buying a company in the target country or by expanding operations of an existing business in that country.

FDI is a source of external finance which means that countries with limited amounts of capital can receive finance beyond national borders from wealthier countries. FDI is considered to be considered as an ingredient in economic growth.

Foreign direct investment is done for many reasons including to take advantage of cheaper wages in the country, special investment privileges such as tax exemptions offered by the country as an incentive to gain tariff-free access to the markets of the country or the region.

## **OBJECTIVES:**

1. To study the concept and growth of retail sector in India.
2. To study the concept of FDI and its impact in the past few years.
3. To study the recent trends in FDI in retail sectors.

## **RETAILING IN INDIA**

**Retailing in India** is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be one of the top five retail markets in the world. India is one of the fastest growing retail markets in the world, with 1.2 billion people.

In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues to hold on retail reforms for multi-brand stores.

## **TYPES OF RETAIL SECTOR-**

### **ORGANISED MARKET**

Organized retailing, in India, refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the publicly traded supermarkets, corporate-backed hypermarket and retail chains and also the privately owned large retail businesses. Organized retailing was absent in most rural and small towns of India in 2010. Supermarkets and similar organized retail accounted for just 4% of the market.

### **UNORGANISED MARKET**

Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local corner shops, owner manned general stores, convenience stores, hand cart and pavement vendors, etc.

Most Indian shopping happens in open markets or numerous small grocery and retail shops. Shoppers typically wait outside the shop, ask for what they want, and cannot pick or examine a product from the shelf.

India's retail and logistics industry, organized and unorganized in combination, employs about 40 million Indians (3.3% of Indian population). The typical Indian retail shops are very small. Over 14 million outlets operate in the country and only 4% of them being larger than 500 sq ft (46 m<sup>2</sup>) in size. India has about 11 shop outlets for every 1000 people. Vast majority of the unorganized retail shops in India employ family members, do not have the scale to procure or transport products at high volume wholesale level, have

limited to no quality control or fake-versus-authentic product screening technology and have no training on safe and hygienic storage, packaging or logistics.

### **RECENT TRENDS IN RETAIL**

The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry. The trends are as follows:

1. Retailing in India is witnessing a huge rise in recent years.
2. India is a potential goldmine which is rated as the fifth most attractive emerging retail market.
3. Estimated to be US\$ 200 billion, of which organized retailing (i.e. modern trade) makes up 3 percent or US\$ 6.4 billion.
4. Organized retailing in India has been largely an urban untapped sector.

### **RECENT TRENDS IN FOREIGN DIRECT INVESTMENT IN INDIA**

In short FDI refers to capital inflows from abroad that are invested to enhance the production capacity of the economy. In November 2011, India's Central Government announced retail reforms for Multi Brand Stores and Single Brand Stores. The announcement sparked intense activism. In July 2011 the GOI has recommended FDI in retail sector as –

(a) 51% in Multi - Brand Retail.

(b) 100% in Single - Brand Retail.

### **SINGLE BRAND IN INDIA**

Single brand retail is one in which a single item is sold across all outlets. Such as Reebok, Titan, Puma etc.

The Indian government removed the 51 percent cap on FDI into single-brand retail outlets in December 2011, and opened the market fully to foreign investors by permitting 100 percent foreign investment in this area.



- As India has liberalized its single brand retail industry to permit 100 percent foreign investment, a study has been done on the regulatory issues and legal structures pertinent to establishing operations in this new dynamic market. That India should be well on the radar for foreign retailers was recently supported by A.T. Kearney, whose 2011 Global Retail Development Index ranks the nation as fourth globally.
- India's retail industry is estimated to be worth approximately US\$411.28 billion and is still growing, expected to reach US\$804.06 billion in 2015. As part of the economic liberalization process set in place by the Industrial Policy of 1991, the Indian government has opened the retail sector to FDI slowly through a series of steps:

### **RECENT TRENDS IN SINGLE RETAIL**

FDI in “single-brand” retail -

Up to 100% FDI is permissible in single-brand retail conditions stipulate that:

- (i) Only single-brand products are sold
- (ii) Products are sold under the same brand internationally
- (iii) Single-brand products include only those identified during manufacturing
- (iv) Any additional product categories to be sold under single-brand retail must first receive additional government approval. FDI in single-brand retail implies a retail store with foreign investment.

### **MULTIBRAND IN INDIA**

Marketing of similar products, of various different brands by the same firm/ organization is known as multi branding. For example: Walmart, Big Bazar, Tesco . FDI in multi brand retail was not permitted in India. However, the Government of India proposed some policy changes in late 2011. Currently, this sector is limited to a maximum of 49 percent foreign equity participation.

### **Recent Trends in FDI**

- **Single Brand**

The Government finally has permitted 100 percent FDI in Single brand retail under the government approval route subject to certain conditions. Some of the stipulated conditions are: (a) Products to be sold should be of a 'Single Brand' only. (b) Products should be sold under the same brand internationally i.e. products should be sold under the same brand in one or more countries other than India. (c) 'Single Brand' product-retail trading would cover only products which are branded during manufacturing. (d) The foreign investor should be the owner of the brand. (e) In respect of proposals involving FDI beyond 51%, mandatory sourcing of at least 30% of the value of products sold would have to be done from Indian small industries/ village and cottage industries, artisans and craftsmen'.

➤ **Multi Brand Retail**

**Proposal as finalized by the Govt.**

A decision has been taken by the Government to permit FDI in all products, in a calibrated manner, subject to the following conditions:

- FDI in Multi Brand Retail Trade (MBRT) may be permitted up to 51%, with Government approval;
- Fresh agricultural produce, including fruits, vegetables, flowers, grains, pulses, fresh poultry, fishery and meat products, may be unbranded. Minimum amount to be brought in, as FDI, by the foreign investor, would be US \$ 100 million.
- At least 50% of total FDI brought in shall be invested in back-end infrastructure". Back-end infrastructure will include investment made towards processing, manufacturing, distribution, design improvement, quality control, packaging, logistics, storage, ware-house, agriculture market produce infrastructure etc. Expenditure on land cost and rentals, if any, will not be counted for purposes of back-end infrastructure.
- At least 30% of the procurement of manufactured/ processed products shall be sourced from Indian small industries which have a total investment in plant & machinery not exceeding US \$ 1.00 million.
- This valuation refers to the value at the time of installation, without providing for depreciation. Further, if at any point in time, this valuation is exceeded, the industry shall not qualify as a small industry for this purpose.
- Self-certification by the company, to ensure compliance of the condition at serial nos.(iii), (iv) and (v) above, which could be cross-checked as and when required Accordingly, the investors to maintain accounts, duly certified by statutory auditors.

→ Retail sales locations may be set up only in cities with a population of more than 10lakh as per 2011 Census and may also cover an area of 10kms around the municipal/urban limits of such cities.

## **CONCLUSION**

The retail sector is one of the fastest growing sectors with large number of employment engaged in this sector. FDI in retail sector can create gigantic impact in Indian Retail. FDI still opens the door for the growth in increasing the employment, productivity and efficiency in Indian Economy. FDI gives a support and opportunity to develop economically to developing countries like India.

Further, FDI will also help in transfer of technologies, management skills and intellectual properties. The policies made by the government in this area will aid the farmer economy as it will lower the loss of products by preventing it from getting perished.

An analysis of the recent trends in FDI flows at the global level as well as across regions/countries suggests that India has generally attracted higher FDI flows in line with its robust domestic economic performance. The main apprehensions in India, however, are that FDI in retail would expose the domestic retailers – especially the small family managed outlets - to unfair competition and thereby eventually leading to large scale exit of domestic retailers and hence significant job losses.

Still, the policy of FDI is gathering momentum in recent times due to the concept of “Make In India” vision. The Retail Sector in India contributes 10% to GDP and 8% to the employment of the country. In terms of growth, the FMCG retail sector is the fastest growing unit.

**“Come Made In India”** as propounded by our present Prime minister Mr. Narendra Modi is going to give a boost to FDI in Indian Retail.

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## **EMERGING ROLE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN VALUE CREATION THROUGH MANAGEMENT PRACTICES**

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### **INTRODUCTION**

Customer relationship management is an emerging tool that enables marketers to maintain their presence in the dynamic marketing environment. Customer relationship management is high on the corporate agenda. Recent research carried out by Business Intelligence reveals that seven out of ten companies have already started out on the CRM journey.

Customer Relationship Management (CRM) is a managerial philosophy that seeks to build long term relationships with customers. CRM can be defined as “the development and maintenance of mutually beneficial long-term relationships with strategically significant customers” (Buttle, 2000).

It can also be noted that the relationship is developed with strategically significant customers, and hence it is necessary for the organisation to determine the nature of the significance. Traditionally this would be done by determining the value of the customer to the organisation, but other criteria that can be used include whether a customer serves as a benchmark for other customers or whether the customer inspires change in the supplier (Buttle, 2002).

CRM needs a deep understanding of the customer expectations, attitude & behaviour through a well organized & maintained customer database & innovative customer strategies. The goal of CRM is to ensure customer satisfaction & delight at every level of interface with the company (Pahuja & Verma, 2008)

### **OBJECTIVE OF THE STUDY**

- To explore creative Customer Relationship Management (CRM) practices in business for value creation.

### **METHODOLOGY OF THE STUDY:**

The data for the purpose of the study has been collected through secondary sources, which mainly include websites.

### **NEED OF CRM?**

In the commercial world the importance of retaining existing customers and expanding business is paramount. The costs associated with finding new customers mean that every existing customer could be important.

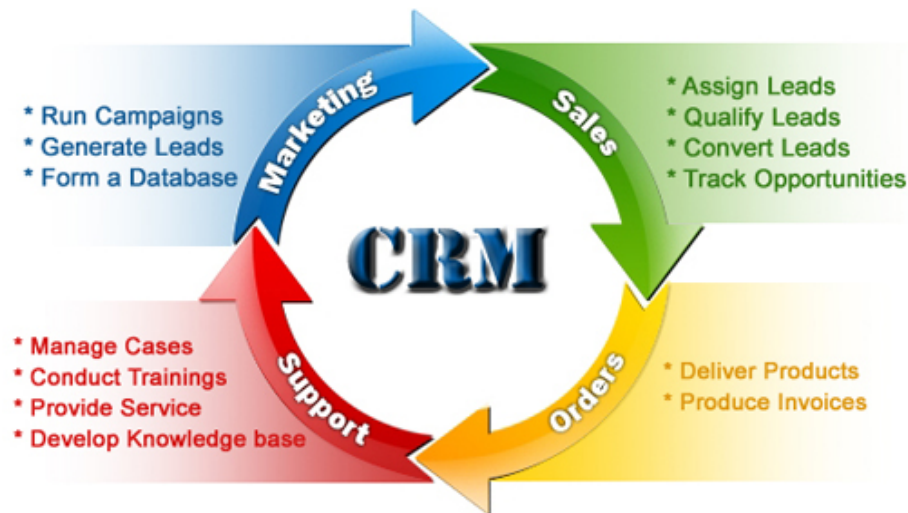
The more opportunities that a customer has to conduct business with your company the better, and one way of achieving this is by opening up channels such as direct sales, online sales, franchises, use of agents, etc. However, the more channels you have, the greater the need to manage your interaction with your customer base.

Customer relationship management (CRM) helps businesses to gain an insight into the behaviour of their customers and modify their business operations to ensure that customers are served in the best possible way. In essence, CRM helps a business to recognise the value of its customers and to capitalise on improved customer relations. The better you understand your customers, the more responsive you can be to their needs.

### **Ways to achieve CRM**

CRM can be achieved by:

- Finding out about your customers' purchasing habits, opinions and preferences.
- Profiling individuals and groups to market more effectively and increase sales.
- Changing the way of operations to improve customer service and marketing.



## CRM BENEFITS TO BUSINESS

Implementing a customer relationship management (CRM) solution might involve considerable time and cost. A major benefit can be the development of better relations with your existing customers, which can lead to:

- **Increased sales:** Increased sales through better timing due to anticipating needs based on historic trends
- **Customer identification:** Identifying which of your customers are profitable and which are not.
- **Identification of customers need:** Identifying needs more effectively by understanding specific customer requirements
- **Cross-selling:** Cross-selling of other products by highlighting and suggesting alternatives or enhancements

Consequently, this can lead to better marketing of products or services by focusing on:

1. Effective targeted marketing communications aimed specifically at customer needs.
2. More personal approach and the development of new or improved products and services in order to win more business in the future.

Ultimately this could lead to:

- i. **Improved profitability:** Improved profitability by focusing on the most profitable customers and dealing with the unprofitable in more cost effective ways
- ii. **Enhanced customer satisfaction:** Enhanced customer satisfaction and retention, ensuring that your good reputation in the marketplace continues to grow
- iii. **Increased customer value:** Increased value from your existing customers and reduced cost associated with supporting and servicing them, increasing your overall efficiency and reducing total cost of sales

Once business starts to look after its existing customers effectively, efforts can be concentrated on finding new customers and expanding market. The more one knows about customers, the easier it is to identify new prospects and increase customer base.

Customer needs change over time, and technology can make it easier to find out more about customers and ensure that everyone in an organisation can exploit this information. Even with years of accumulated knowledge, there's always room for improvement.



## TYPES OF CRM SOLUTION

Customer relationship management (CRM) is important in running a successful business. The better the relationship, the easier it is to conduct business and generate revenue. Therefore using technology to improve CRM makes good business sense.

Companies like Siebel, E-piphany, Oracle, Broadvision, Kana, Net Perception and others have developed CRM products to do everything from the track customer behavior on the Web.

CRM solutions fall into the following four broad categories.

#### **1) Outsourced solutions**

Application service providers can provide web-based CRM solutions for business. This approach is ideal if one need to implement a solution quickly and company does not have the in-house skills necessary to tackle the job from scratch. It is also a good solution if those who are already geared towards online e-commerce.

#### **2) Off-the-shelf solutions**

Several software companies offer CRM applications that integrate with existing packages. Cut-down versions of such software may be suitable for smaller businesses. This approach is generally the cheapest option since investment is in standard software components. The downside is that the software may not always do precisely what one want and one may have to trade off functionality for convenience and price. The key to success is to be flexible without compromising too much.

#### **3) Custom software**

For the ultimate in customised CRM solutions, consultants and software engineers can tailor or create a CRM system and integrate it with your existing software. However, this can be expensive and time consuming consequently costs will vary depending on what software designer quotes.

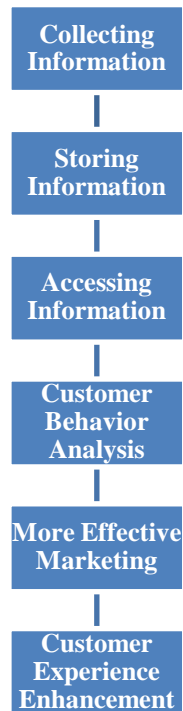
#### **4) Managed solutions**

A half-way house between custom and outsourced solutions, this involves renting a customised suite of CRM applications as a tailored package. This can be cost effective but it may mean that you have to compromise in terms of functionality.



## IMPLEMENTATION OF CRM

The implementation of a customer relationship management (CRM) solution is best treated as a six-stage process, moving from collecting information about your customers and processing it to using that information to improve your marketing and the customer experience.



### Stage 1 - Collecting information

The priority should be to capture the information to identify customers and categorise their behaviour. Those businesses with a website and online customer service have an advantage as customers can enter and maintain their own details when they buy.

### Stage 2 - Storing information

The most effective way to store and manage customer information is in a relational database - a centralised customer database that will allow to run all systems from the same source, ensuring that everyone uses up-to-date information.

### Stage 3 - Accessing information

With information collected and stored centrally, the next stage is to make this information available to staff in the most useful format.

#### **Stage 4 - Customer Behavior Analysis**

Using data mining tools in spreadsheet programs, which analyse data to identify patterns or relationships, begin to profile customers and develop sales strategies.

#### **Stage 5 - More Effective Marketing**

Many businesses find that a small percentage of their customers generate a high percentage of their profits. Using CRM to gain a better understanding of customers' needs, desires and self-perception, reward and target most valuable customers.

#### **Stage 6 - Customer Experience Enhancement**

Just as a small group of customers are the most profitable, a small number of complaining customers often take up a disproportionate amount of staff time. If their problems can be identified and resolved quickly, staff will have more time for other customers.

### **ISSUES RELATED TO IMPLEMENTATION OF CRM**

There are several reasons why implementing a customer relationship management (CRM) solution might not have the desired results.

**Poor communication:** Poor communication can prevent buy-in. In order to make CRM work, all the relevant people in your business must know what information you need and how to use it.

**Weak leadership:** Weak leadership could cause problems for any CRM implementation plan. The onus is on management to lead by example and push for a customer focus on every project. If a proposed plan isn't right for your customers, don't do it. Send your teams back to the drawing board to

**Lack of commitment:** There could be a lack of commitment from people within the company to the implementation of a CRM solution. Adapting to a customer-focused approach may require a cultural change. There is a danger that relationships with customers will break down somewhere along the line, unless everyone in the business is committed to viewing their operations from the customers' perspective. The result is customer dissatisfaction and eventual loss of revenue.

**Lack of compliance:** Lack of compliance with “*An Act respecting the protection of personal information in the private sector*” and personal information could be sometimes misused.

## **CONCLUSION**

Customers are more empowered today than ever before and the Internet is accelerating the trend toward greater customer empowerment. CRM applications attempt to focus on the customer first, specifically one customer at a time, to build a long-lasting mutually beneficial relationship

Customer relationship management (CRM) helps businesses to gain an insight into the behaviour of their customers and modify their business operations to ensure that customers are served in the best possible way.

Customer Relationship Management (CRM) helps in Cross-selling increased sales, Customer identification, Identification of customers need and thereby leads to improved profitability. Considering the time and cost constraint various CRM Solutions can be adopted for value addition. Organizations today must focus on delivering the highest value to customers through better communication, faster delivery, and personalized products and services. The issues of CRM and customer service are vital in the developing environment as customer expectations increase. Customer service levels are critical in establishing and developing relationships. Management need to examine existing processes and methods in which service is offered, and where necessary make changes which can improve the service for customers.

Thus, CRM plays an inevitable role in value creation through management practices

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## **Creativity Management – The New Challenge for Business Process Management**

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### **Introduction**

"Our people are our greatest asset." The sentiment is ubiquitous, but translating this management rhetoric into practice can be a stumbling block even in the best of times. Yet even now—with a beleaguered economy still in the tentative, early stages of what could be a long road to recovery—it is more important than ever for managers and organizations to help employees manage their work and personal lives. Knowledge-intensive Processes are characterized by the involvement of what is commonly referred to as knowledge-workers (Davenport, 2005). Usually these processes are complex, unpredictable, and, as a consequence, difficult – if not impossible – to model in terms of their process flow. There is a vast body of knowledge on how knowledge-workers may be supported to carry out their tasks within such business processes. As Harmon states, knowledge workers “create special problems for anyone who tries to analyze the processes that employ them” (Harmon, 2007). He introduces a continuum where “ordinary workers” work on simple procedural processes, knowledge-workers on more complex processes, and so-called experts work on unique and extremely challenging processes. Harmon characterizes a knowledge worker as someone who

“employs a few hundred rules to solve the problems he or she encounters” (Harmon, 2007). Thus, knowledge workers apply processes of convergent, rule-based thinking to solve their problems. Experts, on the other hand, usually work on problems that require very complex cognitive networks employing a vast number of rules and, in many cases, they step into new territory; i.e., the required rules, procedures, and business partners do not even exist.

We propose to add another role of stakeholders: creative people. Classifying creative people as a subtype of experts is not entirely true and sufficient. A person does not necessarily need to be an expert with many years of experience to be creative, yet may be working on a highly complex and creative task. Creative people usually perform processes that are very much characterized by divergent thinking (Runco, 2007). Of course, there is a continuum between convergent and divergent thinking, and most situations require both (Eysenck, 2003). That expertise actually does play a role in being creative is enforced by (Amabile, 1998) who identifies motivation, expertise, and creative thinking skills as the main factors that enable people to be creative. But even though expertise is an important aspect, it is surely not the sole or even the most important source of creativity. Creative individuals have to find solutions in complex processes requiring information, intensive communication, and creative freedom. Moreover, creativity in business processes also leads to particular (creative) risks, requires particular incentive systems, and demands good knowledge of the involved creative tasks and their consequences to allow the process owner to successfully allocate resources without compromising creativity where it is most needed.

Creative people and their processes play a prominent role in business processes as organizations seek to deploy the merits of business process management to more than just the set of transactional processes. Product development and marketing campaigns are just two examples of such creativity-intensive processes that increasingly find their way into the agenda of process managers. Besides this, there are entire and quickly growing industries designed around creative processes, with the entertainment industry being the most prominent example of a creative industry. Whether as a key process in the creative industries or as a complementary process in non-creative industries, creativity-intensive processes have one element in common: they consist of pockets of creativity. A pocket of creativity is a subset of a business process in which the input of creative personality is required to solve a creative task. Even more, these pockets of creativity are sections where the organization distinguishes itself from competitors, creates innovation, and gains competitive advantages.

It is important to note that creative processes often are not necessarily processes that occur only once, like the design phase of a new product. They actually might be executed quite frequently. Let's consider a visual effects company producing hundreds of frames and animation sequences per year. Every sequence may involve highly creative acts involving divergent thinking. Although a particular task (designing a skeleton, designing movements) may seem straightforward to the observer, it actually is a highly creative task and may massively impact the outcome of the overall business process. The notion of pockets of creativity helps to pinpoint those process parts that have high requirements regarding creativity management while the remaining parts of a process could be approached by "conventional" BPM wisdom.

Consequently, we like to go a step further and identify, classify, and improve those sections of business processes that are not only knowledge-intensive but also highly creative in nature. It may seem appropriate to view these sections as "black boxes" as the underlying processes are complex and hard to predict. However, we argue that this approach would not be sufficient and leaves too much to the individual conducting the creative task. Based on the awareness that pockets of creativity have a significant impact on business processes we believe that it is necessary to create more transparency. We do not aim to model and prescribe the process flow, as in many cases this might prevent people from being creative. However, we propose to identify how creative tasks are characterized, how creative tasks can be supported, and how they can best be integrated into their part of the overall business process. Moreover, we believe it is necessary to develop new metrics that allow the successful management of pockets of creativity. Managing creativity within business processes is a great challenge for process owners. One needs to ask questions such as "How much creativity should be allowed for what task?", "What are the consequences of allowing too much creativity?" or "How can the risk arising from creativity be mitigated?"

Consequently, we introduce the notion of creativity-intensive processes as a subtype of knowledge-intensive processes that are characterized by the involvement of creative people who produce creative products, often largely depending on divergent thinking. Creativity-intensive processes involve pockets of creativity that are crucial elements of business processes directly related to an organization's success and innovativeness and can lead to particular problems the process owner is facing.

### **How Does Creativity Impact BPM?**

When managing creativity-intensive processes, it is necessary to distinguish two main perspectives: task-level (or activity-level) analysis and process-level analysis. The task-level perspective pertains to the questions of how pockets of creativity are characterized and how they can be supported. In contrast, the process-level perspective takes a look at the overall business process; as mentioned earlier, the existence of creative tasks within a business process significantly affects the process as a whole.

In the following we introduce some typical scenarios in which creativity impacts business processes and their management. This is then followed by a section where we describe exemplary actions and strategies that can be implemented to deal with challenges that arise from the existence of creative tasks within business processes.

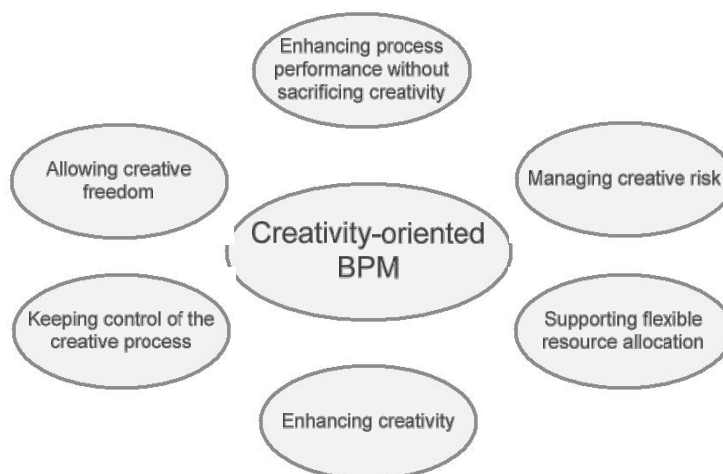
- **Allocating resources (task-level, process level):** Let us consider a process in the film industry comprised of both creative and non-creative tasks; e.g. the development of an animation sequence. The particular creative tasks are resource and time-intensive. Thus, the process owner has to decide what resources (budget, equipment, creative individuals) have to be allocated to what task. She has to deal with a quite complex situation: First, it is necessary to identify where the actual creative tasks are within the process and how they integrate into the process. Second, the process owner needs a good understanding of how the task is characterized (who should be involved, what capabilities are required, what communication is required, is the task knowledge-intensive? etc.). Third, the process owner has to estimate the impact of the task on the overall process performance considering what can be referred to as the task's creative impact. Based on this, she can decide how much time, budget, and freedom are granted to alter process and product.
- **Enhancing creativity (task-level):** After having identified a particularly important task for the overall process (a task with particularly high creative impact), the process owner may want to enhance the quality of the creative product as the core output of that task. Having identified the characteristics of the task, strategies can be developed to support it in the best possible way. Typical questions: Should creative people meet face to face? Should we include a brainstorming session? Should we provide access to a knowledge base? All these questions depend on the characteristics of the creative tasks (who is involved, what type of creative task, etc.). Creativity could relate to the generation of a new idea, the evaluation of alternative proposals, or a selection

process. A key difference with “conventional” knowledge-intensive tasks is that enhancing creativity means to foster, in particular, divergent thinking, which can lead to the generation of truly creative products but may also produce unwanted risks.

- **Managing creative risks (task-level, process-level):** Creative tasks are inherently connected to high variance of possible outcomes, which is due to the fact that being creative means to be original and come up with novel ideas and solutions. This may lead to unwanted consequences, such as losing control of process (losing control of time and budget), low product quality (which may lead to customer dissatisfaction), and lack of external compliance (which can lead to a loss of reputation or even to lawsuits). This is again of particular relevance in the film industry when the customer is often unable to specify the requirements and the visual effects studio, for example, has to provide a set of iterative solutions to get closer to the actual requirements. At the same time, the company has to keep control of time and budget and to comply with external requirements such as governmental policies and legal requirements (e. g., a scene must not be too sexually explicit for a particular target audience). The identification of creative tasks and their attributes within a process is the prerequisite to successfully implementing risk management strategies. Prominent examples of how to mitigate (creative) risks are appropriate review cycles. In this context a number of questions arise: Where within the process should be reviewed? Who should be involved within the review cycle? Where is formal approval needed? Should people meet physically to discuss the artefact? Can we distribute a digitized artefact for evaluation? Again, these decisions highly depend on the characteristics of the creative task as well as on the characteristics of the involved creative and non-creative persons. There is a particular challenge from the perspective of human performance analysis: What are the creative capabilities of particular persons? Where in the process can a person be involved to be able to actually evaluate the creative product? On a task level, the process owner can consider particular creativity techniques as well as knowledge management support and the allocation of other resources such as time and budget to avoid creative risks beforehand (risk avoidance).
- **Enhancing process performance (process-level):** As mentioned earlier, creativity-intensive processes are characterized by a high demand for flexibility. That is, conventional process automation approaches such as workflow management or even



more sophisticated approaches such as exception handling or evolutionary workflow solutions may not be appropriate. However, processes may be comprised of both well-structured parts and pockets of creativity that may not have any obvious structure at all. Identifying and better understanding these pockets of creativity therefore allows for designing an IT solution that can provide a maximum level of automation where it is suitable. However, we strictly recommend not trying to conventionally “model” and automate the creative parts of the processes in the conservative sense, as typical methods do not cater to the specific requirements of creativity. What is needed is rather a resource-based, data-driven perspective that does not impose too many constraints on the process. The aim has to be to “manage creativity without sacrificing creativity.” The examples show that there are numerous problems creativity-intensive processes create for process owners. We summarize different facets under the term creativity-orientedBPM. Figure 1 provides an overview about the key requirements of such processes.



**Figure 1. Facets of Creativity-oriented BPM**

### **Managing Creativity-intensive Processes**

Facilitating transparency by identifying pockets of creativity is only a first step on the way to managing creativity-intensive processes. The process owner has to be equipped with appropriate actions and strategies. As indicated earlier, the different strategies/actions apply on two different levels: task-level and process level. However, in reality, this distinction may not always be that clear-cut. Undoubtedly, there is a close relationship between the two areas. In the following, we provide an overview of some examples. As mentioned earlier, creative thinking, expertise, and motivation are the main factors that influence people’s creativity.

Particularly the strategies and actions that we propose on task level aim to enhance creativity by targeting these properties of creative persons. At the same time, it is necessary to provide means to manage the overall process considering aspects such as process performance, cost, or risk.

#### **Strategies/actions on task level:**

**4.2 Creativity techniques:** Creativity techniques can be applied to enhance the creative potential of a task. What creativity techniques can be applied depends on the type and characteristics of a pocket of creativity. Examples for different types of pockets of creativity are generation (an artefact [e.g., a product] is designed), evaluation (creative evaluation of an artefact), and selection (selection of one or more artefacts out of a number of artefacts). Advanced BPM tools could potentially provide a set of pre-defined process patterns that capture alternative creativity techniques (e.g., the process of a brainstorming session).

- **Knowledge management:** Creative tasks are knowledge-intensive. There is a close relationship between a person's knowledge and a person's ability to be creative (Weisberg, 1999). For example, a creative director said to us, "Everything you draw on, everything I draw on in my creativity comes from somewhere. So it's already been created somewhere." Thus, for every pocket of creativity, you will want to consider what type of knowledge can be made available (e.g., technical guidelines on how to use a tool, previous experiences for a type of task, artefacts that have been created earlier and that can now be used as reference material). A particular challenge lies in fostering both convergent and divergent thinking by knowledge management in order to allow people to be truly creative.
- **Resource allocation:** Pockets of creativity are crucial to an organization's success. Therefore, the allocation of resources should be based on the analysis of the impact different pockets of creativity have on the overall process performance and on the quality of the creative output. Identifying task characteristics is the prerequisite for resource allocation including time and budget as well as the appropriate equipment and creative persons.
  - **Job Assignments (allocation of people):** As Amabile notes, "one of the most common ways managers kill creativity is by not trying to obtain the information necessary to make good connections between people and jobs" (Amabile, 1998). The right assignments of jobs to creative people are crucial to

success. The identification and characterization of pockets of creativity and of their impact and of the demanded skills provides the process owner with a more complete picture of the overall process and allows better job assignments.

- o **Team Building (allocation of people):** Whereas homogeneous teams may produce quick results in very efficient ways, heterogeneous teams may take a longer time but come up with truly creative results (Amabile, 1998; Runco, 2007). Thus, based on the creative impact that the process owner expects from a particular task, she might favor for heterogeneous teams that may foster divergent thinking (compare also the strategy of allowing latitude / freedom) or homogeneous teams where high process performance is required and not so much creativity. Another important aspect is that of group size as larger groups tend to inhibit creativity more than smaller groups do (Runco, 2007).
- o **Time Allocation:** Time is a central resource and deadlines need to be considered thoroughly: Whereas some tasks, such as the exploration and development of new concepts, require substantial time for incubation (Osborn, 2001), in some cases time pressure can even enhance creativity as it can increase a creative person's motivation (Amabile, 1998; Runco, 2007).
- o **Other Resources:** Assigning the required resources influences the creative output. If no sufficient resources (including budget) are allocated, people may spend their creativity on finding additional resources instead of on being creative (Amabile, 1998). At the same time, adding additional resources above a "threshold of sufficiency" (Amabile, 1998) does not enhance creativity but can increase process cost. Again, the identification and characterization of pockets of creativity throughout the process landscape sets the baseline for resource allocation. If creative tasks with high impact on the overall process success lack resources, this may fundamentally hamper an organization's creativity and success.
- **Allowing latitude / freedom:** Allowing freedom for a particular task increases variance and decreases predictability. This leads to greater creative potential but also to greater risk. The process owner has to carefully decide what freedom she allows for each and every task to achieve high creativity and innovation while still everybody works towards one aim. As Amabile puts it, autonomy "around process fosters creativity because giving people freedom in how they approach their work heightens their intrinsic motivation and sense of ownership. Freedom about process also allows

people to approach problems in ways that make the most of their expertise and their creative-thinking skills.” By defining pockets of creativity and setting up goals and constraints it can be ensured that creative persons are actually granted the freedom where it is needed while they do not have to “diverge at their own risk” (Amabile, 1998). Possible constraints are deadlines, clearly defined outputs (such as a certain number of alternative artefacts, etc.), review processes, and regular communication among creative persons and stakeholders. Obviously, there is a connection to the resource perspective as the allocation of resources such as time and budget plays a crucial role in allowing latitude and freedom.

- **Incentives / consequences:** Motivation is one of the main factors that influences a person’s creativity (Amabile, 1998; Runco, 2007). We expect that incentives for creative people with their own sense of creativity and aesthetics are different from established incentives. For example, there is a close relationship between creative freedom and motivation. As we have stated earlier, creative people’s motivation may be fostered by means such as allowing them freedom or even putting them under time pressure. It is important to note that monetary incentives in most cases are not the sole source of motivation to enhance people’s creative power. Another important source to enhance intrinsic motivation is information sharing and collaboration. Here, process management can serve as a facilitator as the identification of pockets of creativity and their required knowledge helps to understand where knowledge is created, where it is stored and located, and how it is transferred and applied.

#### **Strategies / actions on process level**

- **Approval processes / reviewing processes:** Approval processes are a means to ensure that the creative product meets the requirements. It can be distinguished between quality assurance (technical aspects) and creative reviews (Does the product meet the creative expectations?) Approval processes are quite a complex strategy, as the process owner has to make different decisions, such as “When should the approval happen?” “Who should be invited/ involved?” “Do we have to meet physically?” This is strategy on the process level that requires identification of pockets of creativity and the particular (creative) risks due to a high variance of possible outcomes.
- **Flexible process automation:** Depending on how pockets of creativity integrate into the overall business process, flexible workflow support can be implemented. Normally, creative tasks are associated with a great number of potential exceptions

that may occur. Modeling every possible exception may lead to an over-engineered and hard to manage model. Consequently, approaches such as exception handling (Casati et al., 1999) or even case handling (v.d.Aalst et al., 2005) should be considered. Moreover, recent Web 2.0 technologies such as widgets and blogs can be integrated to build more flexible infrastructures supporting the particular requirements of creative teams in rapidly changing business environments.

- **Group communication systems / continuous communication:** Communication is essential for creativity (Kristensson & Norlander, 2003). A thorough understanding of the pockets of creativity within a process and their interrelations in terms of information flow allows designing appropriate communication strategies (face-to-face meetings versus asynchronous media, etc.). Continuous communication ensures that the project team works towards one aim. Thus, this strategy aims to mitigate variance that may be caused by weak requirements specifications as well as creative freedom.

Managing creativity needs to be an integral part of the process of process management. We propose to integrate the following steps into this process:

- (1) **Identification of the main creative and non-creative tasks:** The first addition to classical BPM projects would be an early tagging of the creative tasks within the business processes. That is, within the process, pockets of creativity are identified. To enable the identification of suitable actions/strategies to deal with the phenomenon of creativity, the identified pockets of creativity are characterized (what skills are needed, who is involved, what communication is needed, what is the creative impact on the overall process).
- (2) **Task-level-analysis:** Task-level-analysis focuses on human performance analysis with a particular concentration on how creative performance can be supported. In contrast to conventional knowledge-intensive tasks, in pockets of creativity divergent thinking plays a prominent role. The process owner has to further decide what level of creativity she allows on the task level. This can be moderated by the freedom creative people have to alter product or process. As creative products are characterized by novelty and appropriateness, these decisions are crucial in regard to the quality of the process output.
- (3) **Process-level-analysis:** Actions/strategies on process-level include support of communication, process re-design and process improvements, approval and review processes, etc.

- (4) **Monitoring:** As with conventional process lifecycle models, creativity-intensive processes require monitoring and controlling procedures. Though it is unlikely that this will take the form of log-based process monitoring and advanced dashboards, it is required to capture the success of certain resource and data allocations to certain types of pockets of creativity in order to facilitate reuse in future similar scenarios.

### **Conclusion:**

Overall, we found that many organizations are spending a lot of energy creating succession plans, but few are able to integrate succession management in all company operations and among all levels of employees. We learned that the companies struggle most with identifying employees with high potential, development planning and global implementation. Creativity is not only the prerequisite for innovation and, thus, a core competitive factor in contemporary organizations. Creativity influences business processes and the way we conduct business process management. We have described typical scenarios in which creativity impacts business processes and their management. Moreover, we have presented exemplary strategies and actions that organizations apply to deal with the phenomenon of creativity to enhance process performance and quality of creative products. We believe it is both relevant and timely to take a closer look at the role that creativity plays within business processes and how it can be managed. Existing modeling techniques, software tools and management practices may support some of the important aspects in this context. However, until now there is no comprehensive approach on how to manage creativity from a business process perspective. With this paper we would like to set the baseline for a discussion on the notion of the creativity-intensive process.

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**“Enterprise Value Creation through creative management practices By adopting Blue Ocean Strategy in Haldiram’s”**

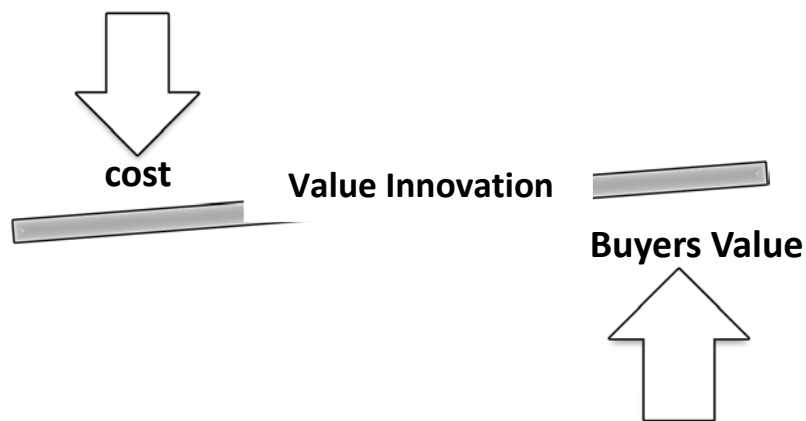
**Prof. Chitra Gidwani ,**

**Jhulelal Institute of technology, Nagpur.**

**I. Introduction**

Global market is divided into two parts Blue Ocean and Red Ocean, Red Ocean defines the existing market. In Red Ocean competitors follow the defined rules of the existing markets where laws of the markets are clearly defined. The firms compete with each other vigorously to increase their market share. Cost, competition and price are important parameters to survive in Red Oceans. Due to extensive competition, firms try to kill each other to decrease the competition and gain larger share of market and thus the red ocean becomes bloody. On the other hand , rules and boundaries of the market in Blue Ocean are not defined. In the blue Ocean market is new and does not exists currently. Blue Ocean is the new undefined ocean

with no competitor. Therefore it has the potential for getting profitable returns for those firms which create it. Researchers believe that building Blue Ocean is not a static process, it is dynamic. A good Blue Ocean Strategy is hard to imitate. The cornerstone of Blue Ocean Strategy is value innovation. An Innovative strategy cannot be easily imitated. Thus Blue Ocean Strategy focuses on value innovation.



Blue Ocean Strategy suggests that the key to successful business is to redefine the terms of competition and move into uncontested market place. The goal of Blue Ocean Strategy is not to fight competition but to make the competition irrelevant.

## II. Comparative Study of Red Ocean Strategy v/s Blue Ocean Strategy

Red Ocean Strategy	Blue Ocean Strategy
Compete in existing market space	Create uncontested market space
Beat the Competition	Make the Competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with its strategic choice of differentiation or low cost	Align the whole system of firms activities in pursuit of differentiation and low cost

## III. Four Action Framework of Blue Ocean Strategy- A New Value Curve



**Eliminate:**

Which of the factors that the industry takes for granted should be eliminated?

**Reduce:**

Which factors should be reduced well below the industry standard?

**Raise:**

Which factors should be raised well above the industry standard?

**Create:**

Which factors should be created that the industry has never offered?

**IV. Apple Inc's Blue Ocean Strategy**

Apple Inc is an American Multinational headquartered in California that designs develops and sells consumer electronics. It's best known products include iPhone, iMac computers, iTunes, iPod, iPad etc. Apple Inc was founded by Steve Jobs and Steve Wozniak on April 1 1976. Apple Inc is an excellent example of how Blue Ocean Strategy can be implemented to achieve competitors' success in market place. Blue Ocean Strategy makes competition irrelevant. In the late 90's music industry was dealing with a lot of problems, during this era mp3 also emerged and allowed digital copies of music. In 2003 Apple launched the game changing concept of iTunes. iTunes created a niche market for itself by allowing music download legally via internet for as cheap as 99cents. It also differentiated itself by quality of music and a true Blue Ocean Strategy was created by creating a new Business Model in uncontested market place where the other players were offering free music.

Apple again became a successful example by announcing its move into the smart phone industry by launching iPhone. Smartphone before iPhone were not successful because of ease of use, lack of connectivity difficulty in handling and keyboard use. Before apple smartphone did not had a significant market share in the Smartphone industry. Apple redefined the smartphone industry by launching iPhone. iPhone was brilliant in touch screen and its unique quality design and a compiled device.

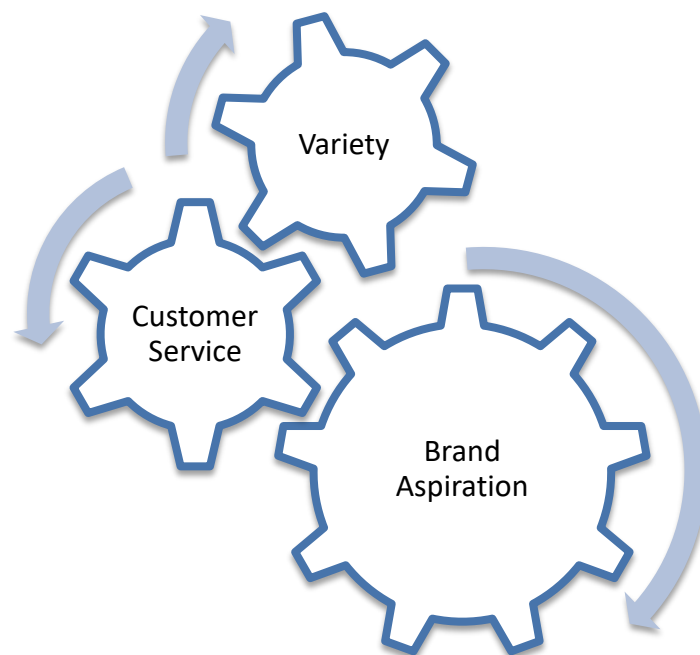
Apple again became a good example of Blue Ocean Strategy by Launching iPad in 2009. It became a single device integrating Information and Communication Technology. Before

Apple no company thought of swimming into this blue ocean and apple took advantage of it. Apple has 70-80% Market Share in Tablets Worldwide.

#### V. **Star Bucks Coffee's Blue Ocean Strategy**

Starbucks coffee is an American Coffee company and coffeehouse chain based in Seattle, Washington. Starbucks is the largest coffeehouse company in the world. The relevance of Starbucks in study of Blue Ocean Strategy depends upon its application of this strategy to gain competitive advantage in the Beverage Industry.

Star Bucks was operating in highly competitive market and needed to redefine its strategy. It transformed the simple coffee drinking experience into a 'way of life'. It redefined the coffee drinking experience into a soothing coffee shop where customers enjoyed the ambience, music and internet facilities, which other chains ignored and are now replicating. But Starbucks enjoyed the first mover advantage in this Blue Ocean and became the largest brand in this category.



- **Variety:** Star Bucks introduced a number of different products and drinks that serve a variety of customers which can be enjoyed in an environment where customers can relax, chat, read and socialize.
- **Customer Service:** Starbucks believed at delivering value to customers by the best customer service by recruiting qualified employees.

- **Brand Aspiration:** Star Bucks became a premium brand by creating a brand aspiration where customers want to relax over a cup of coffee and it created a brand aspiration that became a symbol of Day Out experience for meeting and spending time with friends.

While one cannot ignore that the cost of one cup of coffee in Star Bucks is outrageous when compared to cost of coffee at home, the customers did not look at it that way. The customers value it for indulgence which was worth the value for money. Starbucks transformed the coffee industry by shifting its focus from traditional coffee selling to an emotional atmosphere where customers can enjoy the experience. By adopting Blue Ocean Strategy Star Bucks became an international brand with margins roughly five times compared to industry average.

## **VI. Gillette's Blue Ocean Strategy**

Gillette made its beginning in Boston, US on September 28th 1901 as the 'American Safety Razor Company' and in 1902, renamed itself as 'The Gillette Safety Razor Company'. In 1903, Gillette first rolled out its razor shaving system and in the first year, it saw sales of only 51 razors and 168 blades. However, once it received the patent over the product in 1904, sales jumped to 90,844 razors and 123,6486 blades by the end of the year.

Before the invention of Gillette razors the being able to shave at home was a luxury. Razors were only owned by premium barber shops or wealthy bureaucrats. Gillette facilitated shaving for an average person and hence shaving became a regular part of one life.

As far as implementation of blue ocean strategy is concerned Gillette focused on one of the core concepts of BOS that is simplicity. Simplification creates exceptional value for customers while cutting down costs at the same time.

Gillette's adaptation of simplification in their Blue Ocean Strategy turned the Razor Blade Industry by offering a service model to its customers instead of conventional industry products. Gillette tried to focus on convenience and price transparency. By adoption of BOS Gillette has dominated the global scenario in the razors and blades market. Gillette eroded the market by launching its innovative Mach-3 razors to make shaving for customers a soothing experience. Gillette's strong research and development team reinvented its Blue Ocean Strategy by launching 'M3Power', a battery-powered upgrade to its Mach3 line.

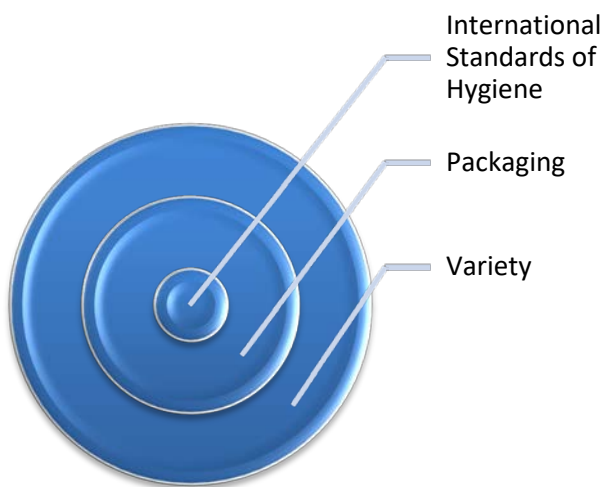
Gillette has been continuously been able to sustain its dominance in the market against its competitors by adoption of BOS.

## **VII. Adoption of Blue Ocean Strategy in Haldiram's Nagpur**

### **i. Introduction**

Haldiram's was incorporated in 1937 in form of small retail sweet and namkeen shop in Bikaner Rajasthan. Haldiram's expanded its operations by producing high quality, ready to eat snacks and sweets. Today Haldiram's is the largest chain of Sweets and Snacks in India.

### **ii. Parameters of Haldiram's Success**

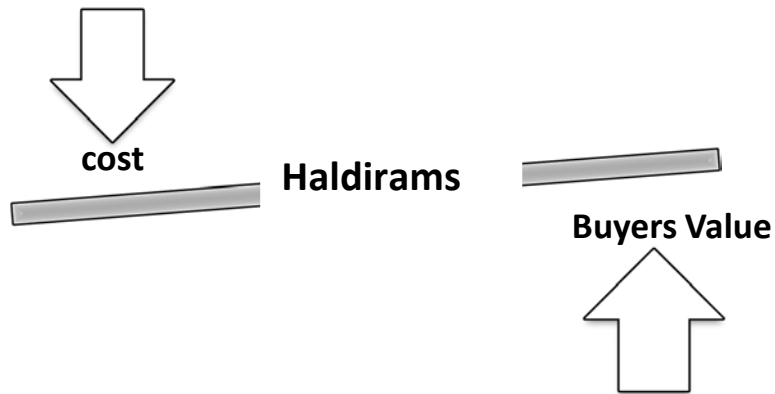


### **iii. Ensuring Success of Haldiram's by adoption of BOS**

Haldiram's can carve its way to the top despite stiff competition from global food giants by their innovation and services. Haldiram's extensive marketing research, its innovative products and variety gives the brand an edge over its competitors. Haldiram's competitive advantage also lies in the fact that it makes the products available to the customers at their doorsteps by their extensive distribution services. The company is also well known for its employee retention and customer loyalty.

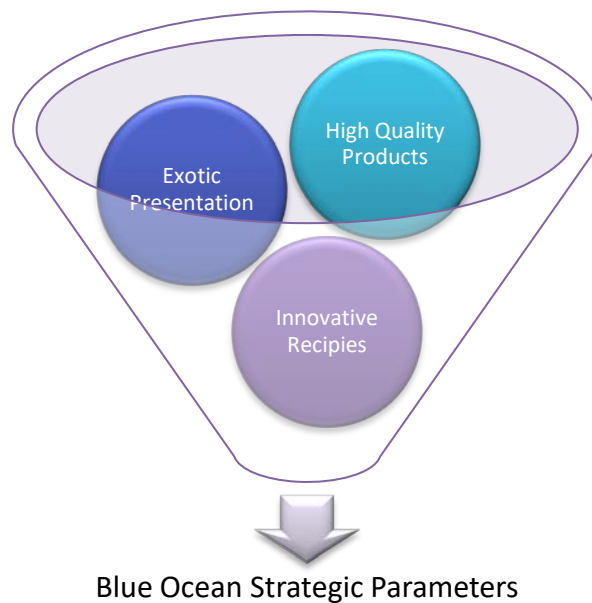
### **iv. Haldiram's in Value Innovation Curve**

Haldiram's delivers value to the customers for the price they pay for its products and thus it is the largest brand in the market today. Haldiram's can adopt Value Innovation curve by continuously innovating products and delivering customer value.



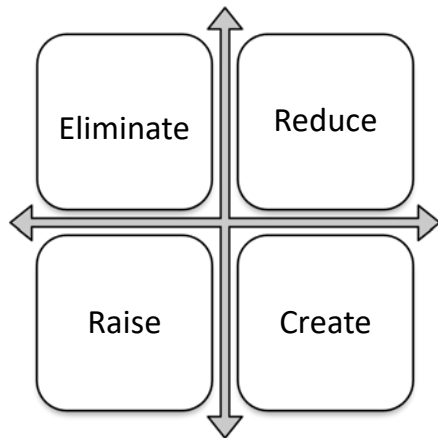
**v. Adoption of Blue Ocean Strategic Parameters in Haldiram's**

Haldiram's should try to get competitive advantage by constantly innovating new products by adoption of latest technology and offering great taste by innovative recipes that competitors cannot imitate and exotic presentation of their products worldwide.



**vi. Four Action Framework of Blue Ocean Strategy- A New Value Curve**

Haldiram's in Four Action Framework of Blue Ocean Strategy



**Eliminate:**

Haldirams should remove the factors that Food Industry takes for granted.

**Reduce:**

Haldirams should reduce the factors that industry takes for granted.

**Raise:**

Haldirams should raise the factors in their production and services that food industry takes for granted.

**Create:**

The brand should create value products through constant innovations and those products and services should be offered that industry has never seen or imagined.

**VIII. Conclusion**

**Advantages of adoption of Blue Ocean Strategy- A boon for Haldirams**

Instead of trying to beat the competition and gain a share of existing market place Haldirams should try to increase their profitability by adopting Blue Ocean Strategy. Blue Ocean Strategy though a new termed coined in marketing had always existed and is a reason for success of companies like Gillette, Apple and Star Bucks, who tried to create a new world of opportunities rather than fighting with competitors. It would prove to be a boon strategy for Haldirams by ensuring its success in the competitive market place. When Haldirams would offer a leap in value it would earn brand loyalty and brand buzz in the market place. Research shows that even the most expensive marketing practices fail against BOS. Once Haldirams would create a blue ocean for itself it can reap its benefits without credible challenges for 10-15 years. Adoption of this strategy in Haldirams would create considerable cognitive and economics barriers to imitation.

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## **Role of Information Technology in CRM (Customer Relationship Management)**

Reference to Banking Sector in Vidarbha Region

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## **INTRODUCTION**

Indian Banking, influenced by the financial sector reforms and globalization is witnessing a shift away from meeting social priorities to the confronting market forces. The power of technology has fuelled this change and made reflective impact on the banking business. From being enabler, IT is gradually emerging as a driver and key differentiator of business performance and competitive superiority. The dire competition in the banking

industry is mainly through technology innovation products and customer services, up gradation and modernization.

The Indian banks now need to find out what to sell, whom to sell, when to sell, how to sell and how to be different to increase profitability. Banks are now in need to differentiating themselves by adding value-added service. Offerings and building long-term relationships with their customers through more customized products enhanced value offerings, personalized services and increased accessibility.

A customer is now the core component in the Indian banking industry. The business of banking can neither function without customers, likewise in Vidarbha region, Banking institutions are trying to keep old customer happy, rather than getting new customers. Banking in Vidarbha region uses customer relationship management (CRM), which is information technology based tool to differentiate customer needs and wants, which help to enhance the profitability of bank.

## **LITERATURE SURVEY**

**Peter Verhoef (2003)** in an innovative research which he has identified the understanding of the effect of CRM efforts on customer retention and customer share development. The author aimed at achieving the objectives to the effect of (CRP) Customer Relationship Perception and (RMI) Relationship Marketing Instruments on customer retention and customer share development over time. The authors also examined the effect of customer relationship perception and relationship marketing instruments on customer retention and customer share development in different areas. Hence, he analyzed questionnaire data on CRPs operational data on the applied RMIS. He has adopted the methodology of combined survey data from customers of a Dutch financial services company with the help of usable sample size 1677 customers for the first measurement and 918 for the second measurement. This study concluded that the effective commitment and loyalty programs that provide economic incentives positively affect both customer retention and customer share development, whereas direct mailings influence customer share development. However, the effect of these variables is rather small. The results also indicate that firms can use the same strategies to affect both customer retention and customer share development.

**S.S. Hugar and Nancy H. Vaz, D'Costa, (2010)** proposed that India is on the threshold of a stark global competition, especially so for the banking sector with the likelihood of the



economy opened for global banks soon. The Indian public sector banks, which have come face-to-face with competition just since last decade, are found wanting both with regard to performance as well as their customer orientation. The CRM practices of the banks can help them in retention of their existing customers in the competitive market. This paper defined that CRM is the only solution to confront the current situation of competition between the local and global player.

**M.J.Xavier, Dniel K. Shanthakumar, D. K.Shanthakumar, (2003)** edited that Customer Relationship Management (CRM), being a relatively new discipline, is replete with opportunities for research studies. Some of the ideas discussed in this article include the development of a scale to measure the depth of relationship, stages of relationship development and also the underlying dimensions of business relationships. Further, the research should identify ideal timing (in terms of the stage of relationship and depth of relationship) for cross selling and up-selling of products and services. Taking the customer lifecycle into account, the article explores research opportunities at different stages, viz., (1) customer need assessment and acquisition, (2) customer development through personalization and customization, (3) customer equity leverage through cross-selling and up-selling and (4) customer retention and referrals for new customers. Customer need and assessment and acquisition stages related to the understanding of customer's basic need for CRM perspective which show the close relation of satisfaction of product and services play vital role.

## **CRM: AN INFORMATION TECHNOLOGY TOOL IN BANKING SECTOR**

### **Marketing**

Traditionally, the term marketing simply refers to carrying out promotional activities that are involved in promoting a product to either a single customer or to a group of customers. CRM facilitates and enhances the marketing function in order to increase the effectiveness of marketing by studying the potential targeted customers (Crminfoline, 2009). Several CRM components are available under this domain and some of them are discussed in this section which relates to the banks.

### **Customer Value**

Schneider (1980) in his work presented a clear view about the customer value. According to the author, knowing customer's value and being able to pinpoint profitable customers is just the beginning of CRM. To build a successful CRM, organizations need business strategies and practices that enable them to nurture the relationship beyond its simple dollar value.

Similarly, Reichheld and Sasser (1990) argue that the longer an organization retains a customer, the better profit it will generate.

### **Customer Segmentation**

According to Groth, 2000; Ahn, *et al.*, 2003, customer segmentation is an analytical technique of marketing department at banks which is required for personalized services. Clustering and classification are the two common techniques used for customer segmentation in CRM. For segmentation, certain variables of customers can be used such as sex, age, as well as their visiting order and the visiting time of the web pages etc. With the help of segmentation technique, it is easy for marketing staff of banks to promote their products to the required and targeted customers.

### **Customer Behavior Prediction**

Behavior prediction is a marketing component of CRM which (by using some data mining techniques) helps marketing department at the bank to determine what customers are likely to do in the future. It uses historical customer behavior to predict future behavior (Dyche', 2002, p.33).

### **Customer Retention**

In any organization, keeping an existing customer is far more cost effective than acquiring a new one. In other words, the more customers leave the bank the greater the loss of revenue, loss of the initial acquisition investment and the loss of a stable market base for selling new products (Dyche', 2002, p.32). According to Ahmad and Buttle (2002), customer retention is increasingly being seen especially in the context of saturated market or lower growth of the number of new customers. It has also been acknowledged as a key objective of relationship marketing primarily because of its potential in delivering superior relationship economics.

### **Customer Loyalty**

Customer loyalty describes the tendency of a customer to choose one product over another for a particular need. In other words, it is the result of well-managed customer retention programs; customers who are targeted by a retention program demonstrate higher loyalty to a business. All customer retention programs rely on communicating with customers, giving them encouragement to remain active and choosing to do business with a company (Jimnovo.com, 2009). Similarly, Kincaid (2003) believes that customer loyalty is based on the customer's value perception and is measured by behavior. Moreover, customer satisfaction is often used as a loyalty indicator.

## **BANKING IN VIDARBHA REGION**

**Vidarbha** is the eastern region of the Indian state of Maharashtra, comprising of Nagpur Division and Amravati Division, having 11 districts namely, Amravati, Akola, Bhandara, Buldana, Chandrapur, Gadchiroli, Gondia, Nagpur, Wardha, Wasim and Yavatmal out of the 35 districts of the state. The total population of the region was 2.06 crore as per the census of 2001 which was 21% of total population of the state. The area comprises of 31.6% of total area of the state indicating lower density of population.

Vidarbha economy is primarily agricultural based. The main cash crops of the region are cotton, oranges and soya beans. In the 1990s, India woke up to a wave of farmers suicides. In the beginning it was believed that most of the suicides were happening among the cotton growers, especially those from Vidarbha region. However, data indicated that it was not just the cotton farmers but farmers as a professional category were suffering.

The availability of credit from banking system is one of the factors, which could reduce the death of the farmers in Vidarbha region, The major initiatives taken by the policy makers and strategies adopted to enhance credit flow to agriculture sector in Vidarbha region with the following banking system, summarized as under:

Nationalized Banks

Lead Bank Scheme

Fixation of Targets for Priority Sector and Agriculture

Multi-agency Approach to Agricultural and Rural Banking

Kisan Credit Card (KCC):

Cooperative bank

## **RESEARCH METHODOLOGY**

### **OBJECTIVES**

The objectives of the study is:

To study the Role of Information Technology in CRM (Customer Relationship Management) use for Retaining customer in banking sector in Vidarbha region.

For the purpose of this study both primary and secondary data is used - primary data is collected via questionnaire and to ensure reliability, the questionnaire was designed according to the role of information technology concept used in customer relationship management for retaining profitable and valuable customer to ensure profitability of bank. Secondary data were mainly from journals, articles, etc.

### **SAMPLE SIZE & SAMPLING TECHNIQUE**

Convenient Sampling Method is adopted to collect the primary data. 900 Customers from different public and private sector banks in Vidarbha region are randomly selected for sample.

## SOURCES OF DATA

Primary data has been collected from the Customers of the

- Public Sector Banks
- Private Sector Banks

## FINDINGS AND ANALYSIS

Employee perception about Information Technology enables Customer Relationship Management in banking sector in Vidarbha region related to customer retention and growth.

Sr. No.	Factors	Scale- >	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly disagree 1	Total
1	Identify Profitable Customers by CRM using IT Tool.	Freq.	23	44	18	15	0	100
		%age	23.00	44.00	18.00	15.00	0.00	100.00
2	Identify high/low cost to serve customers by CRM using IT Tool	Freq.	28	45	12	14	1	100
		%age	28.00	45.00	12.00	14.00	1.00	100.00
3	Increment in revenue per customer	Freq.	17	50	16	16	1	100
		%age	17.00	50.00	16.00	16.00	1.00	100.00
4	Increase average number of consumer purchases of Product	Freq.	35	38	18	8	1	100
		%age	35.00	38.00	18.00	8.00	1.00	100.00
5	Reduce acquisition cost by CRM using IT Tool	Freq.	48	35	11	5	1	100
		%age	48.00	35.00	11.00	5.00	1.00	100.00

6	Decrease direct marketing costs per customer per year by CRM	Freq.	54	24	12	10	0	100
		%age	54.00	24.00	12.00	10.00	0.00	100.00
7	Increase average customer retention rate by CRM using IT Tool	Freq.	44	19	21	15	1	100
		%age	44.00	19.00	21.00	15.00	1.00	100.00
8	Negotiate improved ordering and delivery relationships	Freq.	47	25	16	11	1	100
		%age	47.00	25.00	16.00	11.00	1.00	100.00
9	Identify lifetime value potential of customers	Freq.	48	24	23	5	0	100
		%age	48.00	24.00	23.00	5.00	0.00	100.00
10	Identify strategic customers who can add to bank growth	Freq.	48	27	22	3	0	100
		%age	48.00	27.00	22.00	3.00	0.00	100.00
11	Raise consumer switching costs	Freq.	40	25	22	12	1	100
		%age	40.00	25.00	22.00	12.00	1.00	100.00
12	Increase a customer's contribution margin (is marginal profit per unit sale)	Freq.	47	21	24	8	0	100
		%age	47.00	21.00	24.00	8.00	0.00	100.00

Above table shows that total 12 questions, which are based on information technology, enable customer relationship management from bank employee of different rank. Table data indicate that 54.00% of respondents agree with bank, Customer Relationship Management decreases the marketing cost per customers on yearly basis and 50.00% of respondents agree

with increase in revenue per customer. 44% of employee respondent strongly agree with retention of customer using information technology enabled customer relationship management and 15% of employee respondent disagree with retention of customer using information technology enabled customer relationship management.

### **CONCLUSION**

It is observed that CRM is playing important role in the banking sector in Vidarbha region and it will help further understand customer value and will be able to provide individualized service to the customer as per customer segmentation. This will help bank to understand customer need and want to retain customer, which is strong recognition of its benefits for the long term survival of banking system in Vidarbha region. Bank wants to attain a sustainable competitive advantage over other bank and it is possible only with information technology enabled customer relationship management, which is really helping banks to retain profitable customers.

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## **Relevance of Job Design in Modern Work Context**

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## **Introduction**

Human resource is a key resource for every organization. People are indispensable to any organization. As work takes up major portion of the employee's time of the day, for most people work becomes an important component of his or her life.

For the success of any organization, productive employees are of utmost importance for long-term success and in order for employees to be productive; their jobs need to be motivating and satisfying. Being satisfied with work would have a profound effect on the performance level of the employees. A motivated workforce means a highly productive staff, all of which will help in achieving the organizational goals. An employee should be able to perceive their job as being meaningful, important, significant, satisfying and motivating.

## **Job Satisfaction and Motivation**

Job satisfaction and motivation are the most discussed topics by researchers among the other organizational success factors resulting from individual attitudes and behavior. An individual's attitude and behavior within the organization mostly decides the success or failure of his or her overall performance. Advanced studies on these two important factors have contributed in-depth definitions and empirical evidences in enhancing their practicability.

According to Tan Shen Kian et.al. (2014), job satisfaction is an emotional response that results in broad behavioral actions towards working environment; while motivation is a behavioral action that may return with specific emotional response. They further state that job satisfaction is an attitude from experienced objects, whereas motivation is behavior towards identified objects. An employee's behavior is unquestionably the result of thought and the thought processes can differ phenomenally from person to person (Cacioppo, Petty, Kao, & Rodriguez, 1986). Thus, individual and cultural differences have been offered as an explanation to attitude-behavior inconsistencies. As any given behavior is unlikely to relate to a single attitude; rather many attitudes, situations factors and individual differences interact to

produce behavioral action (Ajzen, 1991; Fishbein & Ajzen, 1974). It is thus possible for employees to be satisfied with their jobs but not be motivated. Ajzen and Fishbein (2005) presented the principle of compatibility that offers a potential explanation for the attitude–behavior discrepancy. This principle states that attitudes will better predict behavior if the specificity of a measured attitude matches the specificity of the behavior under consideration. Though motivation and job satisfaction are not synonymous with each other, presence of them both is important to any organization.

## **Job Satisfaction**

Several researchers have defined job satisfaction in many different ways.

Locke (1976) defines job satisfaction as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". According to Moyes, Shao & Newsome (2008) the employee satisfaction may be described as how pleased an employee is with his or her position of employment. Job satisfaction is the favorableness or un-favorableness with which employees view their work (Alam Sageer et.al, 2012).

Job satisfaction has been generally referred to as an employee's feelings of satisfaction on the job, which acts as a motivation to work (Brief & Weiss (2002); Price (2004); Robbins (2005)). Betts (2000) defined job satisfaction as a perception of the job by the job holder, who determines level of satisfaction based upon physiological and psychological need. It is not the self-satisfaction, happiness or self-contentment but the satisfaction of the job. Job satisfaction is generally recognized as a many-sided construct that includes employee feelings about a variety of both intrinsic and extrinsic job elements (Howard & Frink, (1996); Wayne, (2006)).

Assessing job satisfaction through anonymous surveys of the employees became widespread in the 1930s. Not many researches were done prior to then. According to Latham and Budworth, Uhrbrock (1934) was one of the first psychologists to use the then newly developed attitude measurement techniques to assess factory worker attitudes.

## **Motivation**



Whiseand and Rush (1988) explained motivation as the willingness of an individual to do something and conditioned by actions to satisfy needs. Wregner and Miller (2003) described motivation as something that energizes individuals to take action and is related to the choices the individual makes as part of his or her goal-oriented behavior.

Fuller et.al. (2008) stated that motivation is a person's intensity, direction and persistence of efforts to attain a specific objective. Intensity has been explained as to how hard an individual tries to attain the specific objective, direction is the channel to intensity towards the correct objective, and persistence refers to how long someone maintains an effort to attain the specific objective. All these definitions of motivation are actually similar in meaning as drive, energize and action.

### **Importance of Job Satisfaction and Motivation**

If we can improve job satisfaction and morale, we can improve job performance as well. The importance of employee satisfaction cannot be down-played. Ultimately when employees are motivated this increases productivity, lowers absenteeism and turnover, and improves overall performance. Job satisfaction has a great impact on organizational commitment, which affects the goals of productivity, quality, and service.

When employees are committed to an organization, they are more likely to be more productive. Like absenteeism, turnover is related to job dissatisfaction. Turnover occurs when employees leave an organization and have to be replaced. Excessive turnover can be a very costly problem. It causes morale problems in those employees that remain, results in withdrawal behaviors and disrupts normal operations. Hiring new workers comes with increase in the cost involved in selecting and training replacements, lengthy training times, interrupted schedules, additional overtime, mistakes and not having knowledgeable employees in place.

As in turnover, absenteeism is subject to adjustment by certain factors. The degree to which people feel that their jobs are important has a strong influence on their absence. Employees who feel that their work is important are inclined to demonstrate regular attendance. Absenteeism is expensive, results in lost man-hours, lowers productivity and affects team morale. While high job satisfaction will not of necessity result in low absenteeism, high absenteeism is likely to result from low job satisfaction.

Low satisfaction levels negatively reflect in poor safety practices. When people are discouraged about their jobs, supervisors, and organizations, they are more liable to experience accidents. Continual job dissatisfaction is powerful source of job stress. An employee trapped in such a situation may experience issues in health and mental well-being, escalating medical costs, and may withdraw by means of high absenteeism and tardiness, and may finally quit.

## **Job Design**

Job design is a very significant function of staffing. Job design primarily focuses on designing the process of transformation of inputs into outputs and considers the human and organizational factors that impact that transformation. Designing the job properly is vital. Job design specifies the contents and working procedures of how the task must be carried out. The very centrality of work in the life of most people means that job or work design, and the impact of those design elements on job incumbents, is a compelling research focus. Job design is essential to make the work more interesting and challenging so as to motivate the employees for higher level of performance.

Job design helps increase organizational productivity and employee satisfaction. Workers feel motivated by jobs in which they believe they can make a difference. Jobs need to be designed keeping that in mind. An employee may take on a whole position involving many tasks, or a reduced number of tasks, depending on ability, time allotment and other constraints.

Jobs are assigned to people who are considered able to fill its requirements. From the employer's point of view, the employee understands exactly what is required at the job and is therefore answerable for the same. From the employee's point of view, the job requirements and responsibilities become evident. Thus, a job description that results from job design can make both employer and employee have a common understanding of the work to be done.

Job Design Theory deals with four basic questions:

- What motivates people to work?
- What job characteristics are significant?
- How are job design alternatives to be identified?
- What job design changes are to be implemented?

To perform any job it is essential for an employee not just to have the required ability to do the job but also the willingness to carry it out. Jobs should be so designed that it motivates the employees and satisfies them on the job.

The importance of employee satisfaction and work motivation is increasing all the time. Productivity of the organization is greatly influenced by the job satisfaction and motivation of employees as many researchers have pointed out (Gagné and Deci, 2005; Jesus and Lens, 2005). Job satisfaction and motivation are impacted by job design. Jobs that are rich in positive behavioral elements contribute to employee's satisfaction.

## **Review of Literature**

### **Job Design**

Job designing is the process of assigning tasks to a particular job by equally considering the interdependency of those tasks with the other jobs. Job design refers to “the way tasks are combined to form complete jobs” (Robbins and Coulter, 2006). Job design is defined as “the application of motivational theories to the structure of work for improving productivity and satisfaction” (Daft, 1994: 530). Job design has also been defined as “the process by which managers decide individual job tasks and authority” (Gibson, Ivancevich & Donnelly, 1994: 505). The process of job design has been defined as, “...specification of the contents, methods, and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder.” (Buchanan, 1979). Clear job descriptions, a motivated workforce and successful task completions emerge from the use of job design principles.

### **Job Design Theories and Models**

Job design theories and models have existed for almost 300 years. Some of these are listed below (source: Wikipedia):

- Adam Smith (1776) - breaking down complex jobs into simple and narrower ones
- Charles Babbage (1835) - require less skilled, and cheaper labor through job simplification
- Taylor (1911) - Simplified and efficient work

- Harding (1931) - Horizontal job enlargement
- Herzberg (1959) - Two-factor theory
- Emery & Trist (1960) - Sociotechnical systems
- Turner & Lawrence (1965) - Operational measures of the job characteristics
- Hackman & Oldham (1975) - Job characteristics model
- Martin (1987) - Wider range of tasks and more autonomy in jobs

The main purpose of these models has been to increase job satisfaction by enhancing job motivation.

Some approaches have been discussed below that could lead to positive results.

### **A) Herzberg's two-factor theory**

Frederick Herzberg's two-factor theory is one of the most well-known approaches to job enrichment. He suggested that the factors involved in producing job satisfaction and motivation are separate and distinct from hygiene factors, which lead to job dissatisfaction. Growth and motivation factors include achievement, recognition, the work itself, responsibility, and advancement. Herzberg has given emphasis to the motivational and satisfaction factors as follows:

**Motivational Factors** – Intrinsic factors relating to job content (e.g., autonomy, level of challenge, responsibility, achievement, career advancement, personal growth, job interest, recognition, etc.). Motivators lead to satisfaction or lack of satisfaction.

**Satisfaction Factors** – Satisfaction, which is considered to be different from dissatisfaction, leads to motivation. For example, if an employee feels that his or her work is meaningful he or she may feel satisfied and take pride in the job therefore motivating him/her to exhibit high performance (e.g, staying late after work, paying close attention to details, helping new employees).

### **Job design using Herzberg's Two-Factor Theory**

The Herzberg's Two-Factor Theory placed more emphasis on job content and providing employees with work that is meaningful, challenging, and interesting. The Two-Factor Theory led to the implementation of **job enrichment**, which is still common in organizations

today. The Herzberg theory suggests that management needs to focus on reestablishing work so motivators are able to work. This can be done through job enlargement, job rotation, and job enrichment:

### **1) Job rotation**

Job rotation is a job design method which is able to enhance motivation, develop workers' outlook, increase productivity, improve the organization's performance on various levels by its multi-skilled workers, and provides new opportunities to improve the attitude, thought, capabilities and skills of workers. Job rotation is also a process by which employees laterally mobilize and serve their tasks in different organizational levels; when an individual experiences different posts and responsibilities in an organization, it increases the ability to evaluate his capabilities in the organization.

### **2) Job enlargement**

Hulin and Blood (1968) define job enlargement as the process of allowing individual workers to determine their own pace (within limits), to serve as their own inspectors by giving them responsibility for quality control, to repair their own mistakes, to be responsible for their own machine set-up and repair, and to attain choice of method. Frederick Herzberg referred to the addition of interrelated tasks as 'horizontal job loading'.

### **3) Job enrichment**

Job enrichment increases the employees' autonomy over the planning and execution of their own work. Job enrichment has the same motivational advantages of job enlargement; however it has the added benefit of granting workers autonomy. Frederick Herzberg viewed job enrichment as 'vertical job loading' because it also includes tasks formerly performed by someone at a higher level where planning and control are involved.

Figure 1 shows the Herzberg's Job Enrichment Suggestions

## **B) Hackman and Oldham's Motivational work design**

The psychological literature on employee motivation contains considerable evidence that job design can influence satisfaction, motivation and job performance. It influences them primarily because it affects the relationship between the employee's expectancy that increased performance will lead to rewards and the preference of different rewards for the individual.

The job-characteristics model is based on the idea that people will respond differently to the same job and that it is possible to alter a job's character to increase motivation, satisfaction, and performance. Five job characteristics were developed in later research: variety, task identity, task significance, autonomy, and job-based feedback.

The job-characteristics model seeks to structure work so that it can be performed effectively and is personally rewarding and satisfying. According to this model, matching people with their jobs will reduce the need to urge them to perform well. Instead, workers will try to do well because it is rewarding and satisfying to do so. They will love to do their work.

According to Hackman and Oldham theory, a workplace can be redesigned to better improve their core job characteristics. Their overall concept consists of:

- Making larger work units by combining smaller, more specialized tasks.
- Mandating worker(s) to be responsible via having direct contact with clients.
- Having employee evaluations done frequently in order to provide feedback for learning.
- Allowing workers to be responsible for their job by giving them authority and control.

#### **C) Work reform approach**

Work reform approach deals with the workplace relation and the changes made which are more suitable to management and employee to encourage increased workforce participation. Interpersonal relations and management-employee relations forms the central focus of this approach.

#### **D) Human Relations School's approach**

The *Human Relations School* takes the view that businesses are social systems in which psychological and emotional factors have a significant influence on productivity. The common elements in human relations theory are the beliefs that:

- Performance can be improved by good human relations

- Managers should consult employees in matters that affect staff
- Leaders should be democratic rather than authoritarian
- Employees are motivated by social and psychological rewards and are not just "economic animals"
- The work group plays an important part in influencing performance

### **E) Job design approaches from Campion & Thayer (1987)**

There are several ways to implement job design in the workplace. Campion and Thayer (1987) offer four individual approaches: mechanistic, motivational, biological, and perceptual/motor. Each is designed to focus on different characteristics of a job, thereby producing different outcomes, costs, and benefits when used to redesign a job.

The table 1 compares and contrasts the four approaches as presented by Campion & Thayer (1987)

### **F) Japanese-style management**

Japanese-style management practices have been associated with high productivity, low turnover, and low absenteeism. They evolved as a product of the U.S.-guided post-World War II development of Japan (which discouraged unionization) as well as of Japan's cultural heritage.

The Japanese management approach treats employees according to family-like norms. The development of organizational cohesiveness seems to be a major objective of Japanese human resources policies. A more cohesive work culture could lead to increased trust, which could further lead to delegation of authority and autonomy for workers in their work.

All the above approaches to job enrichment and enlargement would lead to greater satisfaction and motivation from work.

## **APPLICATION OF JOB DESIGN IN THE MODERN WORK CONTEXT**

Organizations need to recognize that the work design affects its employees positively or negatively and therefore they must pay careful consideration on how they design the jobs.

Several approaches can be simultaneously used to enrich jobs and to make them more satisfying and motivating to the employees.

### **What job design changes are to be implemented?**

The job characteristics model suggests that jobs should be designed such that the person performing the job comes in contact with the customer, whether internal or external. Jobs designed in this manner will not only help the employee by providing feedback, but also provide skill variety (e.g., interacting with customers in addition to carrying out work); task significance (e.g., seeing the connection between their work and consequences for customers); and enhance autonomy (by giving people the freedom to manage their own relationships with clients).

Improvement in interpersonal relations would affect the modern work space which has inherently turned very robotic in the work context leaving very little or no space for individual relationships. Developing a conducive work culture would be instrumental in creating a productive workforce, one which is satisfied and motivated from their work.

In scenarios where there is limited upward mobility, organizations should encourage lateral job rotation. These carefully planned job rotations provide some amount of status and recognition since not all jobs at the same hierarchical level are equal in their centrality or importance to the organization's activities and this affects the task significance. This movement will help provide opportunities to learn newer skills that are required for future formal promotions and thus impacts skill variety and growth satisfaction. By rotating from job to job, employees will become increasingly immersed in the company's philosophy and culture.

### **Herzberg's Job Enrichment Suggestions**

Select those jobs in which a) the investment in industrial engineering does not make changes too costly, b) attitudes are poor, c) hygiene is becoming very costly, and d) motivation will make a difference in performance.

Approach these jobs with the conviction that they can be changed. Years of tradition have led managers to believe that job content is sacrosanct and the only scope of action that they have is in ways of stimulating people.



Brainstorm a list of changes that may enrich the jobs, without concern for their practicality.

Screen the list to eliminate suggestions that involve hygiene, rather than actual motivation.

Screen the list for generalities, such as "give them more responsibility," that are rarely followed in practice. This might seem obvious, but the motivator words have never left industry; the substance has just been rationalized and organized out. Words like "responsibility; "growth; "achievement," and "challenge," for example, have been elevated to the lyrics of the patriotic anthem for all organizations. It is the old problem typified by the pledge of allegiance to the flag being more important than contributions to the country - of following the form, rather than the substance.

Screen the list to eliminate any horizontal loading suggestions.

Avoid direct participation by the employees whose jobs are to be enriched. Ideas they have expressed previously certainly constitute a valuable source for recommended changes, but their direct involvement contaminates the process with human relations hygiene and, more specifically, gives them only a sense of making a contribution. The job is to be changed, and it is the content that will produce the motivation, not attitudes about being involved or the challenge inherent in setting up a job. That process will be over shortly, and it is what the employees will be doing from then on that will determine their motivation. A sense of participation will result only in short-term movement.

In the initial attempts at job enrichment, set up a controlled experiment. At least two equivalent groups should be chosen, one an experimental unit in which the motivators are systematically introduced over a period of time, and the other one a control group in which no changes are made. For both groups, hygiene should be allowed to follow its natural course for the duration of the experiment. Pre- and post-installation tests of performance and job attitudes are necessary to evaluate the effectiveness of the job enrichment program. The attitude test must be limited to motivator items in order to divorce employees' views of the jobs they are given from all the surrounding hygiene feelings that they might have

Be prepared for a drop in performance in the experimental group the first few weeks. The changeover to a new job may lead to a temporary reduction in efficiency.

Expect your first-line supervisors to experience some anxiety and hostility over the changes you are making. The anxiety comes from their fear that the changes will result in poorer performance for their unit. Hostility will arise when the employees start assuming what the supervisors regard as their own responsibility for performance. The supervisor without checking duties to perform may then be left with little to do.

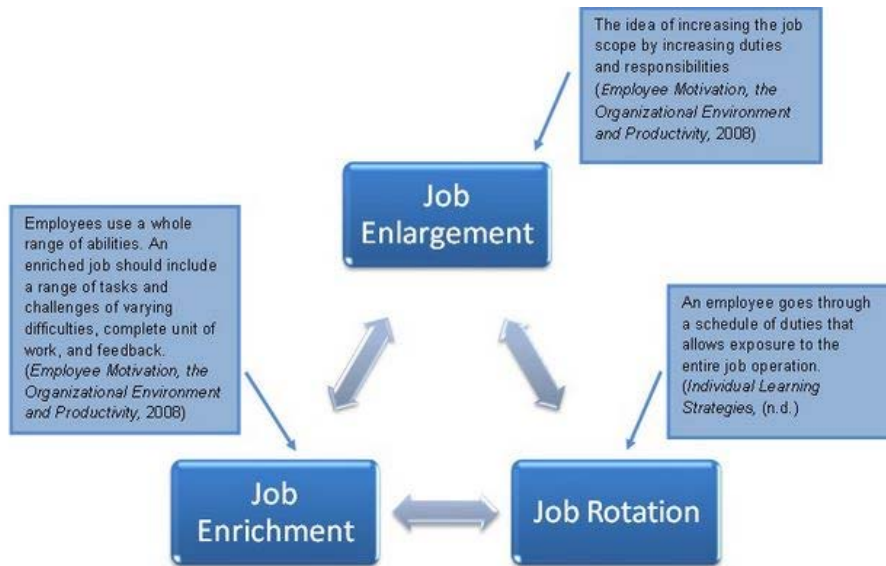
**Source:** Herzberg (1987:95)

## **CONCLUSION**

When people are satisfied with their jobs, it rarely is necessary to force or coerce them into working hard and trying to perform the job well. Instead, they try to do well because it is rewarding and satisfying to do so. They are motivated to perform their job well. There are those specific elements and core job characteristics in a job that need to be present in a job adequately and in the correct proportion for the employee to perceive the job as being meaningful, important, significant, satisfying and motivating. There has to be the elements of enrichment in the jobs that can provide sufficient challenge on the job. The job needs to have inherent motivating and satisfying attributes to ensure the employees are able to perform well and remain productive on their job. If job design is used in systematically designing the work, the modern work context will prove to be very attractive to the employees and productive for the employers.

## **FIGURES**

Figure 1: Herzberg's Job Enrichment Suggestions



## TABLES

Table 1 - Job design approaches from Campion & Thayer (1987).

<u>Mechanistic</u>		<u>Motivational</u>		<u>Biological</u>		<u>Perceptual/Motor</u>	
Typically used for low level factory jobs (i.e. assembly line).		Typically used for executive, managerial, and professional jobs.		Typically used for heavy industry or lighter repetitive jobs.		Used in all kinds of jobs, not typically for any one position or job type.	
Redesign through specialization, simplification, and defining skill requirements.		Redesign through enriching or enlarging the job.		Redesign through knowledge of ergonomics. Focusing on biomechanics, physiology, occupational medicine, and anthropometry to limit movement for safety.		Redesign through focusing on maximizing, but not exceeding mental capabilities.  Works in tandem with other 3 approaches.	
Pros	Cons	Pros	Cons	Pros	Cons	Pros	Cons
Positions can be staffed by almost anyone	Less satisfied and motivated employees	Low absenteeism	Longer training time	Little physical effort	Costly implementation	Decreased likelihood of errors and accidents	Low satisfaction
Training time is typically very short	High absenteeism	High performance	More difficult to staff	Low absenteeism	Possibility for employees to become drowsy or lethargic	Decreased chance of mental overload and stress	Lower mental stimulation
Mental demands low	Health complaints and injuries	Involved, satisfied, and motivated employees	Employees more prone to stress and mental overload	High job satisfaction		Reduces training time	
Stress and mental overload unlikely			Errors likely			Improves utilization levels	

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### **India as a brand for Investors**

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#### **Introduction**

If marketers have any unique ability then may be the most distinctive is to create, maintain, project and enhance brands. As per the acceptance of marketing world “branding is the art and cornerstone of marketing” The definition of the brand is a name, form, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors.

The brand is seen to be a promise to deliver benefits, services and trust to the customers. The brand is primarily a name of trust. It conveys and communicates the feelings of confidence and quality among customers. The brand contains the following elements.

1. Attributes – Assurance of promised features.
2. Benefits - The functional and emotional benefits should be transferred to the customers
3. Values – it must have the possession of values. This will keep the brand's position always intact.
4. Culture – Brand can't be sustained without culture; as the Japanese brands have a culture of high quality.
5. Personality – The brand can project a certain personality. The personality becomes a strong feature of brand.

The brand presentation is the cumulative presentation of attribute, benefits, values, culture and personality. Brand equity consists of the brand acceptability, brand preference and brand loyalty. The brand enjoys 'brand equity' in technical terms but in reality it enjoys more of customer association.

Can India as a country be presented as a brand or not? The country may be expected to present as a brand because many countries have been strategically working on this approach. The present paper will examine the issue of branding for India. The attributes selected for this study are the physical infrastructure and educational status of the country. The main focus of the study is to present the country as a brand from "Investors' point of view".

#### Review of Literature

C Merle crowford (1987) says "a concept of positioning is meant to drive the entire programme".

Aaker writes (1984) "Positioning is so central and critical that it should be considered at the level of mission statement----- it comes to represent the essence of a business"

Dr Tabuer ( 1988) presented "The brand name suddenly has emerged as the most coveted corporate assets of all. Brands no longer are merely product competing for market share,;

they are annuities”. Branding can also be exercised for a country. The country also needs to prepare its positioning. The present paper is going to examine this fact.

### **The objectives are as follows**

1. Study the specific attributes of branding in brand specific – India.
2. The Benefits presented by India over other countries for Industrial Investment.
3. The status of Human Resources in Country.
4. To suggest a workable strategy for better branding exercise.

### **Conceptual Framework**

\* Population (2000) = 100 cr officially (but we have considered it as 110 cr)

Our Basic Resources

Birth Rate = 2.25% Small variations

Death Rate = 0.75% appear in data

Net rise per year = 1.5% different agencies.

No. of villages- 5.85 lac

Towns/Cities - 3,500

Rural Population - 73%

Urban Population = 27%\* [9% urban, 18% rural migrants] (also see Tables 11.2a and b)

### **Need based education\*5**

The education system calls for a serious review and needs to be completely revamped. We have no time to waste. For the enormous task at hand we require large number of hands and educated youth. We must stress on need based education rather than turning out graduates blindly. This is talking of graduates and post-graduates in the fields of arts and science particularly. This is a category that is normally under-employed or unemployed. The present education system provides them general knowledge about our history, art or culture but



whether this can be used in actual practice no one knows. As a result these youth either become top bureaucrats to rule and bully the nation or pick up some low grade jobs or remain unemployed and idle away their youth. Some may engage in self-employment while others may pick-up some unscrupulous activities. We propose to bring modifications to make education more need based.

### **Human resource development (HRD)\*6**

HRD has been neglected in our country during the post independence era. The populace was instead taught indiscipline, abuse to management and strikes. Education and discipline is an attitude that was lacking. Our guardians who should have been our torch-bearers snatched away even the small candle of culture that we carried and in the darkness of illiteracy and ignorance pushed us all deep into a marsh.

The impact of globalisation\*7 on different sectors does not send positive signals. Barring the giant industries, the tiny' units are facing serious challenges and are likely to wither away slowly. The beneficiaries are TATA, ITC, Reliance, Aditya Biral Group etc..... the urbanization and creation of a dual economy has increased poverty and unemployment.

India is not able to make serious dent in the international markets in the post GATT era. The United States has placed restriction on several terms including Indian Rayon Shiffon. The US has also threatened to restrict access to its markets to companies from Asia, including India and Latin America, along with reducing the duration of VISA to Indian professional from six to three years.

India is already in debt-trap. As much as 90% of Gross Fiscal Deficit was used for interest payments in 1995-96, which was only 46% in 1988-89 showing that interest burden has doubled in a decade. According to the CMIE estimates, interest payment' account for 30% of total expenditure of the central government and 5% of GDP. Added to this the extravagant expenditure of government which is sky rocketing day to day.

Ashok Jain, M.D and C.E.O of Good healthyou.com has expressed the rate of change is faster than the rate of used

Reena Jhala M.D and C.E.O of shining Emotional surplus has emphasized on the relation between global brands & multinationals with regional communication. The brands are also getting a place in regional media.

Kamini Banga, Market Researcher, - The fragmentation is also responsible for branding situation.

### **The Research Methodology**

The research exercise has been conducted with a blend of primary and secondary data collection. The official data sources have been well referenced for gaining the statistical details. The primary Data exercise has been conducted directly from the sample units selected for the research work.

The sample units are as follows :

1.	The Foreign Investors	-	40
2.	The Non Residential Indian Investors	-	40
3.	The Domestic Indian Investors	-	40
4.	The Executives of Multinational and National companies	-	40
5.	The students from the various Management and Technical Institutes.	-	40
<b>Sample size</b>		<b>-</b>	<b>200</b>

Scaling system selected, as based upon 3 scale points - strongly agree, agree and disagree – has been adopted for research work.

### **The Result and Discussion**

#### **Country as a Investment destination**

Strongly agree	Agree	Disagree
70%	20%	10%

The Investors agree that India is a proper investment destination. India as business destination scores a high position. The business awareness in the country and corporate setup has remained organized in the country after independence.

### **India with infrastructure position**

Status	Response
Strongly agree	45%
Agree	35%
Disagree	20%

Investors have started agreeing that infrastructure position have been on improvement. The infrastructure position is a strong factor. No foreign investor wanted to invest in a dismal infrastructure position. The last 10 years efforts have now started showing some results.

### **India as a culture for investment.**

Status	Response
Strongly agree	75%
Agree	20%
Disagree	5%

India has been accepted as a country with sound culture for investment.

### **Indian education system on global standard**

Status	Response
Strongly agree	20%
Agree	30%
Disagree	50%

The education system plays an important role for corporate to receive the available manpower within the country. The education system can be more result oriented, focused, practical and need based according the perception of investors.

### **The sector wise preference for investment**

Industry	Preference
Manufacturing	15%
Agro-based	40%
Service industry	45%

The service Industry governs the maximum potential for investment. Manufacturing is not preferred due to higher time period and unfeasible conditions for establishment. Service industry is preferred due to large base of manpower and strong existence in the country.

### **Bottlenecks for investment**

Factors	Response
Bureaucracy	40%
Labour law	35%
Attitude of professionals	20%
Political commitment	5%

Bureaucracy is the major bottleneck. In spite of best efforts this has not changed its shape and existence. It is a major speed breaker in the investment decisions.

### **Conclusion**

- 1 Bureaucracy is a problematic child in Investment Related Decision
- 2 Instead of Administrative jungle, Professional Path will be more suited
- 3 Advance Management Techniques for project related decisions can be of great use.
- 4 State Government and local Government rules may have to be streamlined
- 5 Professional Marketing of Indian Brand is warranted.

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## **GREEN MARKETING: The green revolution in Marketing**

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### **INTRODUCTION:**

What is green marketing? Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The

not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively.

*THE AMERICAN MARKETING ASSOCIATION (AMA) A 3 WAY DEFINITION* (retailing definition) The marketing of products that are presumed to be environmentally safe. (social marketing definition) The development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality. (environment definition) The efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns.

### **REVEIW OF LITERATURE:**

Prothero, A. (1998) introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

Prothero, A. & Fitchett, J.A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Kilbourne, W.E. (1998) discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm.

Karna, J., Hansen, E. & Juslin, H. (2003) interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesised according to the model of environmental marketing used to guide this study.

Donaldson (2005) in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their

concerns beyond the environment in their behavior.

Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

### **OBJECTIVES:**

This paper attempts

- To discuss characteristics and importance of green marketing
- To know Marketing mix of Green marketing
- To examine some of the Challenges of Green marketing
- To understand the problems going with Green marketing
- To know present scenario of Green marketing in India

### **RESEARCH METHODOLOGY:**

This study is based on secondary sources of information from various research publications, published newspapers, journals-online & printed, magazines, web sites, books. This paper attempts to throw light on the conceptual issues associated with green marketing.

### **WHY GREEN MARKETING:**

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding the protection of the environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for the growing market for sustainable and socially responsible products and services. Thus the growing awareness among the consumers all over the world regarding protection of the environment in which they live. People do want to bequeath a clean earth to their offspring. Various studies by environmentalists indicate that people are concerned about the environment. Now we see that most of the consumers are becoming more concerned about environment-friendly products.

In a nutshell most of the companies are venturing into green marketing because of the following reasons:

In India, around 25% of the consumers prefer environmental-friendly products, and around

28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. Many companies have started realizing that they must behave in an environment-friendly fashion and believe both in achieving environmental objectives as well as profit related objectives. Various regulations recently framed by the government to protect consumers and the society at large led to the adoption of Green marketing as a compulsion rather than a choice. For example, the ban of plastic bags in many parts of the country, and prohibition of smoking in public areas, etc. Many companies take up green marketing to maintain their competitive edge.

### **CHARACTERISTICS OF GREEN PRODUCTS:**

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are recyclable, reusable and biodegradable,
- Products with natural ingredients,
- Products containing recycled contents, non-toxic chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

### **IMPORTANCE OF GREEN MARKETING:**

Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives.

### **MARKETING MIX OF GREEN MARKETING:**

When companies come up with new innovations like eco friendly products, they can access



new markets, enhance their market shares, and increase profits. Just as we have 4Ps product prices, place and promotion in marketing, we have 4ps in green marketing too, but they are a bit different. They are buttressed by three additional Ps, namely people, planet and profits.

### ***A. PRODUCT***

The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green.

### ***B. PRICE***

Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization, etc. Wal Mart unveiled its first recyclable cloth shopping bag.

### ***C. PLACE***

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

### ***D. PROMOTION***

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine.

### **CHALLENGES IN GREEN MARKETING:**

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while Implementing Green marketing.

The major challenges to Green marketing which have to be faced are:

- **New Concept**-Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort
- **Cost Factor**-Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.
- **Convincing customers** - The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labeling schemes. Eco-labeling schemes offer its —approval to—environmentally less harmless products. In fact the first eco-label program was initiated by Germany in 1978. Sometimes the customers may also not be willing to pay the extra price for the products.
- **Sustainability**-Initially the profits are very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Hence the business needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid falling into lure of unethical practices to make profits in short term.
- **Non Cooperation**-The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.

### **REASONS FOR USING GREEN MARKETING IN FIRMS:**

When looking through the literature, there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
2. Organizations believe they have a moral obligation to be more socially responsible
3. Governmental bodies are forcing firms to become more responsible
4. Competitors environmental activities pressure firms to change their environmental

marketing activities

5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviors.

### **SOME PROBLEMS WITH GOING GREEN:**

Although a large number of firms are using green marketing, there are a number of potential problems which need to be addressed. One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. In short, green marketing claims of a firm must overcome to the following problems:

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration;
- Only use meaningful terms and pictures.

### **PRESENT SCENARIO IN GREEN MARKETING IN INDIA:**

Organizations are Perceive Environmental marketing as an opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without prompting this fact .Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:
  - Reduce production of harmful goods or by products
  - Modify consumer and industry's use and /or consumption of harmful goods; or

- Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Competitors' Environmental Activities Pressure Firm to change their Environmental Marketing Activities.

In order to get even with competitors claim to being environmentally friendly, firms change over to greenmarketing. Result is green marketing percolates entire industry. Cost Factors Associated With Waste Disposal or Reductions in Material Usage Forces Firms to Modify their Behavior. With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:

- A Firm develops a technology for reducing waste and sells it to other firms
- A waste recycling or removal industry develops.

### **CONCLUSION:**

Green marketing is based on the premise that businesses have a responsibility to satisfy human needs and desires while preserving the integrity of the natural environment. Indeed, there are significant indications that environmental issues will grow in importance over the coming years and will require imaginative and innovative redesign and reengineering of existing marketing efforts on the part of many businesses. Clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have their responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

### **SUGGESTIONS:**

- Improve awareness about green products and their effectiveness.

- Green products should be priced according to it's quality.
- There should not be more price difference between standard product and green product.
- Green product's quality should be better than standard products.

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**Value creation in management education: A study on changing perception  
of students pursuing management programmes**

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**Introduction**

If we look at the Management education or business Education in India, it has been proliferating at a very high rate. India trains more than 100,000 degrees annually in Management education. The liberalization of Indian education during 1990's has been responsible for this growth. In Chennai in 1903 was set up the India's first business school – commercial school of pachiappa charities. In 1913, Sydenham College in Mumbai was the first college level business school to be founded. This was followed by Shri Ram College of commerce in Delhi in 1920. If we look at the Indian Business schools, most of them have followed the US type of systems in terms of pedagogy, curriculum and interfacing with industry. In the initial years of business education, it was not popular. All bright students were expected to join science stream and take engineering at the IIT's or other technical institutes. In 1961 two IIM's were launched. IIM Calcutta with collaboration from Sloan school of Management at MIT and IIM Ahmadabad started with Harvard business school help. During 1980's business education got increased importance. During 1990's growth in the number of business schools occurred and also management education received lot of status. Many of the big private companies started recruiting business graduates for management jobs. The teaching pedagogy has been undergoing constant changes in the Management education to suit the above requirements.

In addition to MBA programmes many universities started BBA programmes and these have become popular. BBA programmes are being preferred to traditional commerce programmes. Some of the metrics used by business schools for measuring quality are:

student's quality, placement, faculty development and teaching pedagogy. Getting admission to one of the premium business schools is considered to help students in their growth. Common admission tests are conducted by IIM's for admission into their schools. Other business institutes also use the CAT score for their admission process. The quality of management education is also influenced by the pedagogy used by the business schools. An efficient pedagogy can facilitate an effective learning in the class. In most business schools it is mandatory to do two months summer internship in a business organization which helps in honing the skills of the students. The challenge in business education is to ensure quality in all the business schools, particularly tier 2 and tier 3 not just tier 1 cities.

### **Rational of study**

Present corporate world is full of competition. New technologies are emerging every day and everything is turning towards globalization. In such challenging situation, young managers possessing management degree turn out to be survivors. The biggest challenge of the corporate world is to produce efficient managers. A management degree from a reputed institution certifies that the person holding the degree has enough managerial skills required to face the competition. Management courses develops skillful workforce which constitutes of leaders of future as well as competitive managers. They have the ability to handle complex business situations. They maintain healthy relationships with clients.

Postgraduate education in management in India is currently enjoying a higher demand than ever before, for several reasons:

- A large number of graduates are coming out of colleges and institutes every year, making every job opportunity highly competitive and difficult to get. With job opportunities not being expanded in similar proportion, the majority of these graduates turn towards postgraduate education. Many multinational companies attracted by India's "open door" policy, adopted due to economic liberalization and globalization, have recently set up their branches and offices in India. These companies, during campus placement and recruitment, have shown a preference for candidates with postgraduate management degrees.
- Several companies have raised the entry-level qualification itself to post-graduation with specialization in management. This is being done to ensure availability of candidates with better skills and knowledge and also to filter out the large number of applications they receive for every job that they advertise for.
- Many students feel that a postgraduate qualification, particularly in management, will provide them with special skills like good communication abilities, ability to work in teams,

leadership quality and exposure to current trends in business and commerce, thus enhancing their employability.

However there is a mismatch found in the way students perceive the management education, the way it is designed and delivered by management schools and the way industry looks up and expects the management program to cater to their needs by providing plug in solutions to their recruitment needs. Hence this topic of research was considered for study.

### **Objectives of the study:**

1. To study the history and changing perceptions about management education, by conducting a secondary research.
2. To find out the current perception of management students by carrying out a survey of a small test sample of around 100 students pursuing MBA education.
3. To study the findings and conclude on the changing perceptions and its impact on changing value addition in education.

### **Observations and findings**

#### **Secondary research: review of literature**

Some of the interesting literatures surveyed helped in throwing light over the scenario of perceptions of MBA students at global level. These are mentioned below:

Higher education institutions are unable to attract and retain qualified and trained teachers. Besides unattractive compensation packages, recruitment procedure is lengthy and working environment not conducive to retention. The need today is to realize and makes education more 'demand driven' to meet the emerging needs of the economy( World Bank Report 'India and the Knowledge Economy; Leveraging Strength and Opportunities' (Report number 31267-IN, April 2005). It may also be observed that students at the undergraduate levels are callus in their attitude and relative importance they attach to faculty as intellectual capital. The need is therefore more to develop a positive attitude for this group who are just out of school and are not able to understand the importance of the course they are enrolled in. Most of them attach great degree of importance to infrastructure facilities and support services for assessing an institute. It may also be noted that the satisfaction levels of the undergraduate students is very low in terms of special lectures conducted, industry interaction arranged by the institute, and updating of the courses. Much needs to be done in this regard as it is evident that the providers of education are only concentrating on improvising the quality of the post graduate courses in their institutes where as the under graduate courses are relegated a back



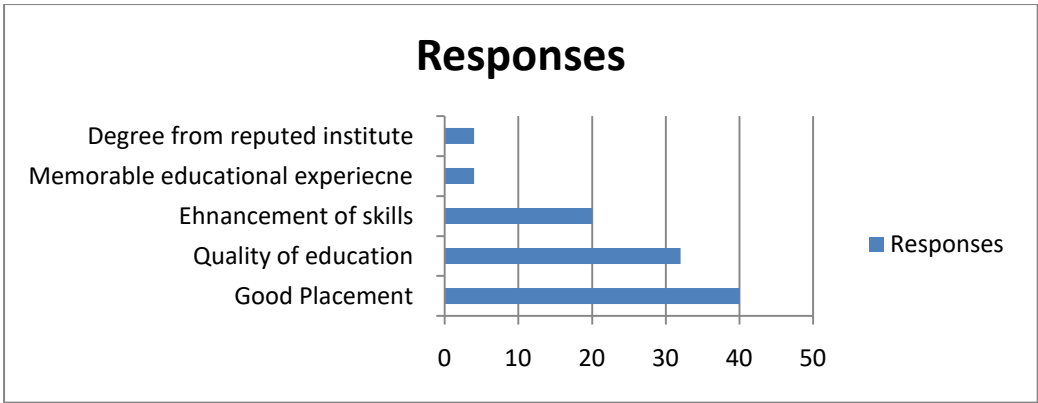
seat ( Singh L.A., Khatri P., 2011). Those undertaking full-time MBA degree programs are fully convinced that it will lead to a more lucrative job and better career prospects, according to GMAC’s research. Students believe that the skills and abilities they gain during the course will land them long-term employment. There is a perception among MBA degree students that this employment will be challenging and financially rewarding. Interpersonal and interview skills along with the improvement of critical thinking were all cited as additional reasons that an MBA degree program will yield significant career benefits. (AIB community contributed article, 2013)

When asked about the impact of the MBA on their careers, the responses were clearly positive. Positive impacts listed include: increased communication skills, quantitative skills, ability to define and solve problems and leadership skills. Alumni responses reveal 52.8% indicated increased communications skills, 51.7 % increased quantitative skills, 59.7% increased ability to define and solve problems and 69.9% increased leadership skills. This means there is a close relationship between the program goals and alumni perceptions. Other positive responses include: 38.6% received promotions, 48.3 % received increased compensation, and 40.9% increased job satisfaction. The survey shows 31.3% changed employers, 4% decreased job satisfaction and 6% established a business.(Bledsoe M., Oatsvall R., 2009)

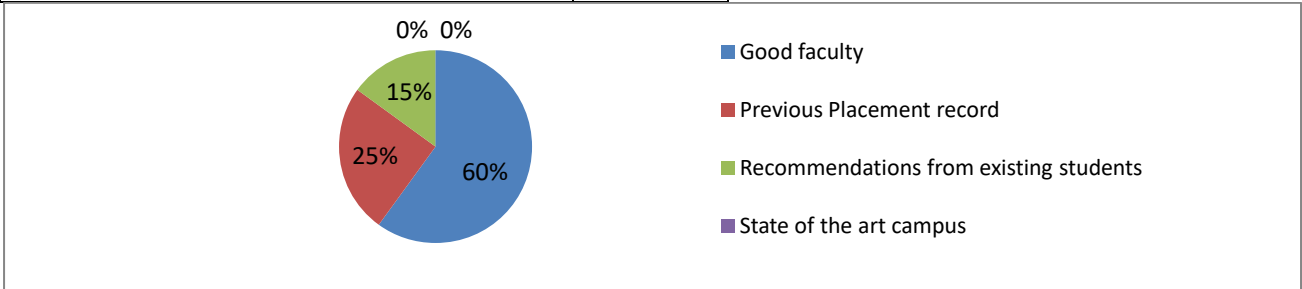
**Primary research: A small indicative test sample survey**

After conducting a sample survey of students who are seeking, undergoing and have passed out from management programs, their responses were compiled. Survey was conducted online. Since the sample size is small, results cannot be confirmative but can be considered as indicative.

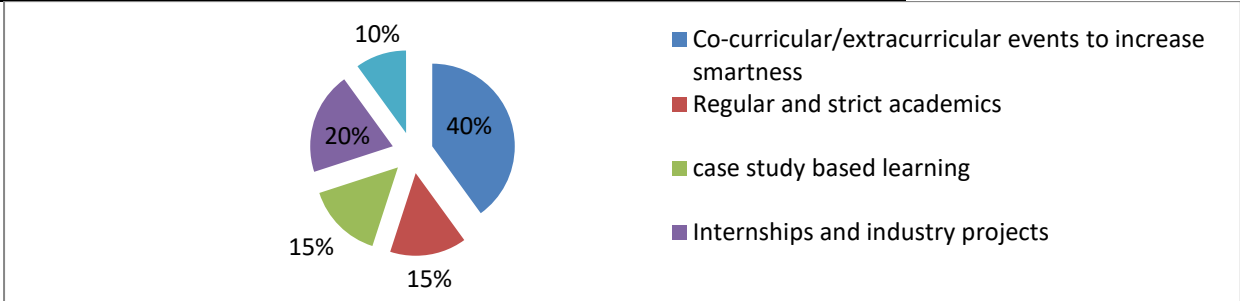
Q1. What do you expect from MBA Education?	
Good Placement	80
Quality of education	64
Enhancements of skills	40
Memorable educational experience	8
Degree from reputed institute	8



Q2. What appeals you more in a B-school?	
Good faculty	60%
Previous Placement record	25%
Recommendations from existing students	15%
State of the art campus	0
Social acceptance and esteem derived from B school Brand	0

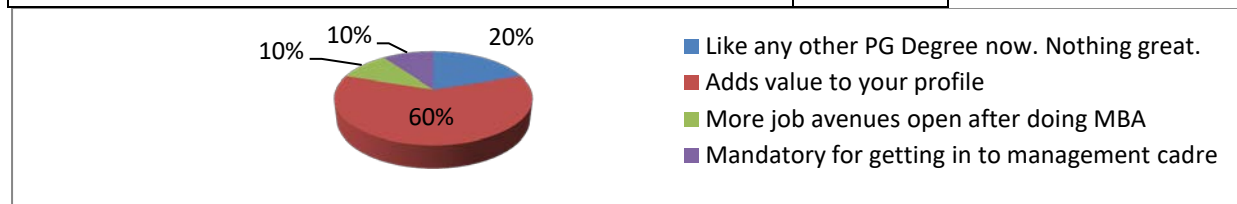


Q3. What should B-Schools practice?	
Co-curricular/extracurricular events to increase smartness	40%
Regular and strict academics	15%
case study based learning	15%
Internships and industry projects	20%
affiliations and allied diplomas to add value to your degree	10%



Q4. What's your exact perception about MBA degree ?	
Attribute	Responses
Like any other PG Degree now. Nothing great.	20%

Adds value to your profile	60%
More job avenues open after doing MBA	10%
Mandatory for getting into management cadre	10%



### Conclusion and suggestions

From the secondary research, it could be clearly observed that the perceptions of Indian MBA students have changed over time. Though it started as an option to science education, later on it gained its own reputation as been backed up by the Industry. Later on Industry made it compliant to have a post graduation in management. Mushrooming of management institutes at tier II and tier III cities with most of the institutes not being able to provide good infrastructure, placement support and quality education, the degree became more a compliance and less an avenue for better prospects. However few institutes maintained their reputation through persuasion of educational values and industrial support. Student's perceptions changed to relocating to metro cities and industrial towns for management education and placement support became a focal point. Even in that case, good quality education, qualified and able faculties, infrastructure and extra-curricular/ co-curricular events were also focal points for some students. Competitive environment among students was basically found in top B-schools since the cream of the students go admissions there. It was also found that at universal level, understanding of global business environment was also a key factor among students.

In primary research i.e. survey, 40% students look forward to good placements and next 32% look forward to quality of education. Similarly 60% students confirmed that what appeals more to them is the good faculty in the institute. While 25% rely on previous placement records and 15% on feedback of senior students. 40% students said that institutes should focus on co-curricular and extra-curricular placements. 20% wanted focus on industry projects and industrial interface. 60% students conveyed that for them MBA degree is a value addition. But 20% refused. They informed that it is just another post graduation degree.

From the survey it was indicative that students perceive management education as a platform for industrial interface, an opportunity to conduct/manage co-curricular and extra-curricular activities. A non changed perception since the inception of management course could be the need for good faculties. Students definitely look forward for good placements, but it is not the only reason for seeking management education. Quality education and skills enhancement are nearly important issues.

These findings naturally invite attention of management institutions to a three dimensional approach. First dimension is quality education imparted by good qualified faculties. Looking at all top B-schools and emerging local management institutes, selection and development of faculties could be seen as a common thread. Second dimension is the activity based learning which includes co-curricular and extra-curricular activities which actually bring students on a platform which quite resembles with the real life situations they will be facing in their work life. Third dimension is the placement support and industry tie-up which helps students work with industries and get jobs through campus placements. This three dimensional approach of course needs to be backed up by well designed curriculum, good campus experience and conducive atmosphere and last but not the least, the research oriented approach of the institution.

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- 4) Article on Shodhganga on History of Management Education in India accessed from: [http://shodhganga.inflibnet.ac.in:8080/jspui/bitstream/10603/8862/9/09\\_chapter%201.pdf](http://shodhganga.inflibnet.ac.in:8080/jspui/bitstream/10603/8862/9/09_chapter%201.pdf)
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6) Explaining the Perceptions of an MBA degree, Article on Australian Institute of Business website, under “community contributed article”, 2013, accessed from <http://www.aib.edu.au/mba/2123/explaining-the-perceptions-of-an-mba-degree>

## **“Achieving Operational excellence through Creativity in hospitals”**

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### **Introduction**

Operational excellence of the hospitals means that

- Patients have to wait for less time in queues.
- There is no shortage of drugs.

For this, simulation is used. Simulation is a decision support technique to conduct experiment with models that represent real-world systems of interest. First step of simulation is data collection .Data is collected from original/real system.

**About the real system:**

Daga hospital is an obstetrics and gynecology hospital situated in Nagpur. There is one operator that sends patients to the respective doctors. A long queue is observed at the operator. Simulation of queuing system is done and decisions are taken to **achieve operational excellence.**

Also there is shortage of drugs. Simulation of inventory system is done and decisions are taken to **achieve operational excellence.**

The entire simulation procedure can be summed up as:

- Collect data.
- Decide distribution from histogram.
- Generate new values from random variate generator.
- Simulate using these values.
- Analyze the output and make decisions.

### **Operational excellence through creativity**

Operational excellence is achieved in hospitals through creative technique of simulation. First simulation of queues is carried out. Then simulation is applied to inventory system.

#### Simulation for queues of hospital:-

First step of simulation is data collection. Inter-arrival times and service times are collected from hospital. Inter- arrival time values are as follows:

1.5,2.0 ,5.5,9.0,5.0,6.0,2.5,3.0,6.5,8.0,0.5,3.5,2.5,7.0, 0.5, 4.0,1.0,2.0,1.5,4.5

Average= 3.8

A histogram is plotted wherein values are plotted on x-axis and frequency values are plotted on y-axis. Midpoints of the bars are joined. We get a curve of exponential distribution.

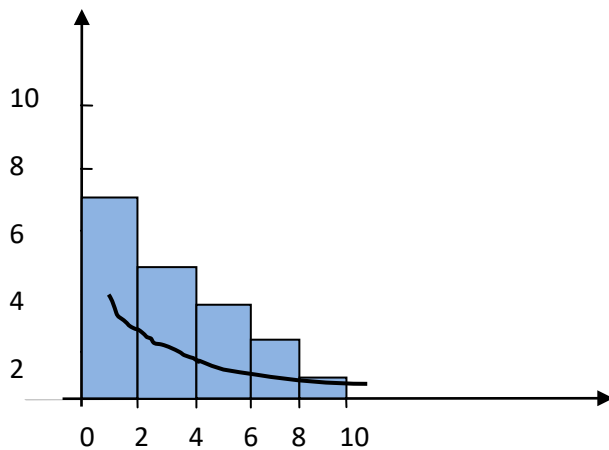


Figure 1: Histogram

Hence data is exponentially distributed. Then new values of inter-arrival times are generated using random variate generator of exponential distribution as:

- i)  $F(x) = 1 - e^{-\lambda x}$
- ii)  $F(x) = R$
- iii)  $1 - e^{-\lambda x} = R$
- iv)  $-\lambda x = \ln(1 - R)$   
 $X = -1/\lambda \ln(1 - R)$

This is implemented using C++ program and 10 new values of inter-arrival time are generated. These values are used for simulation.

```

CATC3\BIN\TC.EXE
File Edit Search Run Compile Debug Project Options Window Help
EXPO.CPP
#include<iostream.h>
#include<math.h>
#include<stdlib.h>
#include<conio.h>

void main()
{
clrscr();
float x; int count;
srand(time(0));
cout<<"how many values you want to generate?";
cin>>count;
for (int i=0;i<count;i++)
{
float r1=rand()/((float)RAND_MAX);

x=-3.0*log(1-r1);
cout<<x<<endl;
}
}
19:9
F1 Help Alt-F8 Next Msg Alt-F7 Prev Msg Alt-F9 Compile F9 Make F10 Menu

```

Figure 2: Program to generate exponentially distributed values

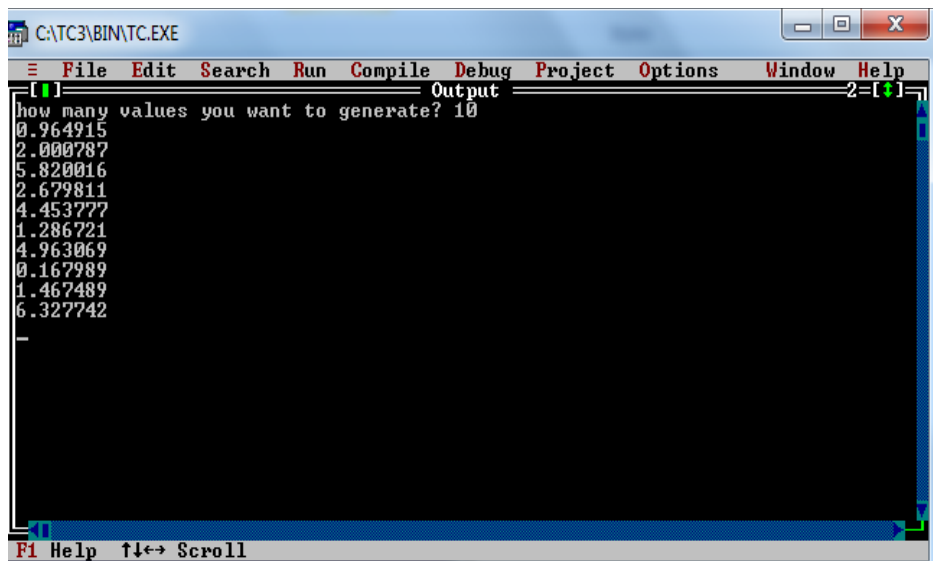


Figure 3: Output screen

These output values are rounded off as follows:

IT	IT(rounded off)
0.96	1
2.00	2
5.82	6
2.67	3
4.45	4
1.28	1
4.96	5
0.16	0
1.46	1
6.32	6

After this, 20 values of service time are collected as follows:

2.5, 3.0, 1.5, 1.0, 1.0, 3.0, 0.5, 2.0, 3.5, 2.5, 0.5, 2.5, 3.0, 5.0, 3.5, 0.5, 4.0, 4.0, 5.0, 4.5

Mean= 2.65

Std. deviation= 1.46



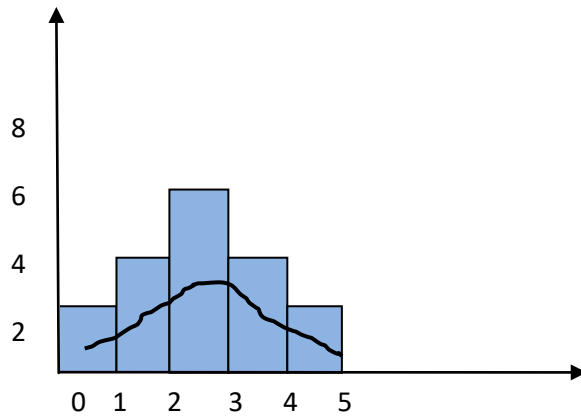


Figure 4: Histogram

From the histogram, Service times are normally distributed. Then new values of inter-arrival times are generated using random variate generator of normal distribution as:

$$X = \mu + \sigma Z$$

Where,

$$Z_1 = (-2 \ln R_1)^{1/2} \cos 2\pi R_2$$

$$Z_2 = (-2 \ln R_1)^{1/2} \sin 2\pi R_2$$

This is implemented using C++ program and 10 new values of service times are generated.

These values are used for simulation.

```

CATC3\BIN\TC.EXE
File Edit Search Run Compile Debug Project Options Window Help
NORMALDI.CPP
void main()
{
clrscr();
int count;
double x1,x2,z1,z2;
srand(time(0));

cout<<"how many values you want to generate?";
cin>>count;
for(int i=0;i<count/2;i++)
{
float R1=rand()/<float> RAND_MAX;
float R2=rand()/<float> RAND_MAX;

z1=sqrt(-2*log(R1))*cos(2*3.14*R2);
z2=sqrt(-2*log(R1))*sin(2*3.14*R2);
x1=(2.65+(1.46*z1));
x2=(2.65+(1.46*z2));
cout<<x1<<endl;
cout<<x2<<endl;
}
}
1:1
F1 Help F2 Save F3 Open Alt-F9 Compile F9 Make F10 Menu

```

Figure 5: Program to generate normally distributed values

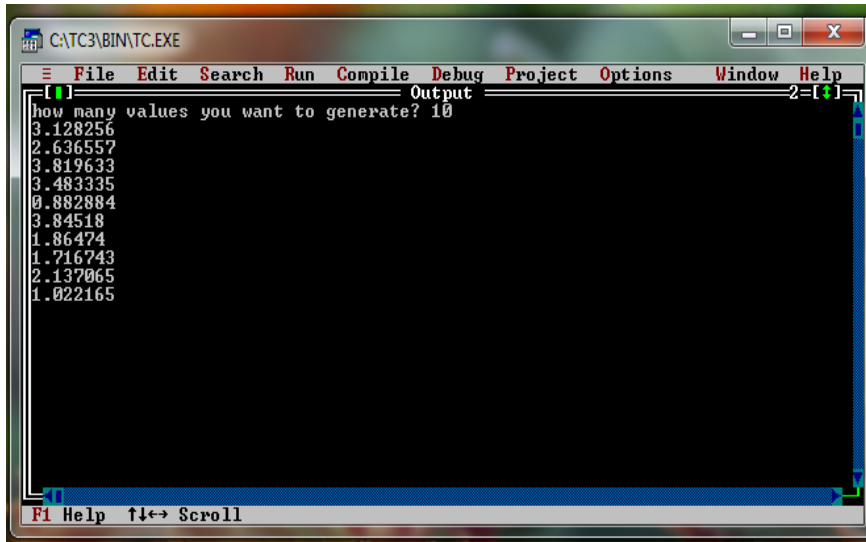


Figure 6: Output screen

These output values are rounded off as follows:

ST	ST(rounded off)
3.12	3
2.63	3
3.81	4
3.48	3
0.88	1
3.84	4
1.86	2
1.71	2
2.13	2
1.02	1

Using these values of inter-arrival times and service times, simulation of queuing system is done as:

Customer number	Inter-arrival time	Arrival time	Service time	Time service begins	Time service ends	Waiting time in queue	Idle time of server
1	-----	0	3	0	3	0	---

2	1	1	3	3	6	2	0
3	2	3	4	6	10	3	0
4	6	9	3	10	13	1	0
5	3	12	1	13	14	1	0
6	4	16	4	16	20	0	2
7	1	17	2	20	19	3	0
8	5	22	2	22	24	0	3
9	0	22	2	24	26	2	0
10	1	23	1	26	27	3	0

Simulation time = 0--- 27min.

Average waiting time in queue =  $15/10=1.5$  min.

Probability that customer has to wait= no. of customers waiting /total no. of customers  
 $= 7/10= 0.7$  or 70%

Server utilization = total time server is busy /total simulation time  
 $= 25/27 = 92.59 \%$

Here server utilization is more than 75%.Hence server is overloaded. Also, there are 80% chances that customers have to wait in queues. So, we need another server.

### **Simulation for inventory management of hospital**

There are various drugs which are required on daily basis. Out of them, antibiotics are considered for simulation. Simulation steps are applied to the real system. Here, daily demand and lead time is collected from the hospital.

#### Daily demand

20 values of daily demand for antibiotics are collected as:

57,55, 57 ,70, 75 ,18 ,20 ,34, 40, 36 ,60, 58 ,53 ,38 ,63 ,64, 85 ,90,35,62

A histogram is plotted for the above values as:

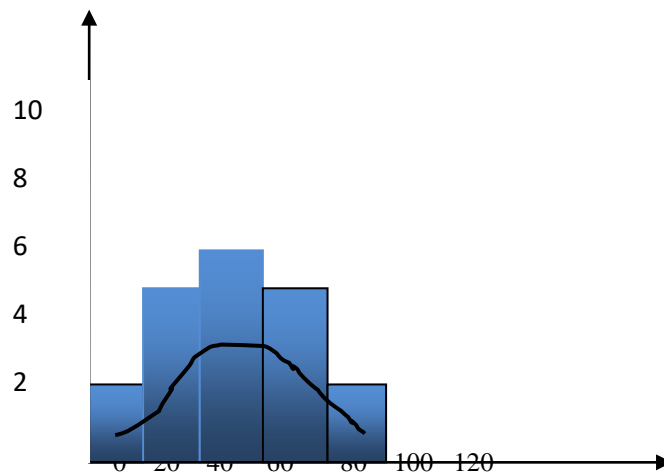


Figure 7: Histogram

From the histogram we see that curve is of normal distribution hence we conclude that data fits into normal distribution.

Parameters of normal distribution (Mean and std. Deviation) are then calculated as:

Mean ( $\mu$ ) = **53.5**

$$\text{Std. Deviation } (\sigma) = \sqrt{\frac{\sum x_i^2 - n\bar{X}^2}{n-1}}$$

$$= \sqrt{\frac{59425 - 57245}{19}} = 10.7$$

New values for daily demand can be generated using random variate generator for normal distribution as:

$$X = \mu + \sigma Z$$

For this,  $X = 59.6 + 10.7Z$

Where,

$$Z_1 = (-2\ln R_1)^{1/2} \cos 2\pi R_2$$

$$Z_2 = (-2\ln R_1)^{1/2} \sin 2\pi R_2$$

```

CATC3\BIN\TC.EXE
File Edit Search Run Compile Debug Project Options Window Help
NORMALDI.CPP
void main()
{
clrscr();
int count;
double x1,x2,z1,z2;
srand(time(0));

cout<<"how many values you want to generate?";
cin>>count;
for(int i=0;i<count/2;i++)
{
float R1=rand()/<float> RAND_MAX;
float R2=rand()/<float> RAND_MAX;

z1=sqrt(-2*log(R1))*cos(2*3.14*R2);
z2=sqrt(-2*log(R1))*sin(2*3.14*R2);
x1=(53.5+(10.7*z1));
x2=(53.5+(10.7*z2));
cout<<x1<<endl;
cout<<x2<<endl;
}
}
24:15
F1 Help Alt-F8 Next Msg Alt-F7 Prev Msg Alt-F9 Compile F9 Make F10 Menu

```

Figure 8: Program to generate normally distributed values

```

CATC3\BIN\TC.EXE
File Edit Search Run Compile Debug Project Options Window Help
Output
how many values you want to generate? 10
45.692201
42.824009
55.558004
52.584641
60.010296
31.731702
56.771297
56.513445
44.05177
50.128894
F1 Help ↑↓↔ Scroll

```

Figure 9: Output screen

These output values are rounded off as follows:

Daily Demand	Daily Demand (rounded off)
45.69	46
42.82	43
55.55	55
52.58	53

60.01	60
31.73	32
56.77	57
56.51	56
44.05	44
50.12	50

**Lead time:** This is the time taken for the delivery of the product measured in days. Following data has been collected for 50 days.

	Lead time	No. of days	probability	
	1	10	0.2	
It is uniformly distributed between 1 to 5 days. New values of lead time can be generated using random variate generator as:	2	10	0.2	observed that lead time is distributed between the ranges 1 to 5 days. New values of lead time can be generated using random variate generator as:
	3	10	0.2	
	4	10	0.2	
	5	10	0.2	
	50			
Here,				$X = KR$
				$K=5.$
				$X=5R$

```

C:\TC3\BIN\TC.EXE
File Edit Search Run Compile Debug Project Options Window Help
LEAD.CPP
#include<iostream.h>
#include<math.h>
#include<conio.h>
#include<stdlib.h>

void main()
{
clrscr();
int count,i;
float x;
srand(time(0));
cout<<"how many values you want to generate?";
cin>>count;

for(i=0;i<count;i++)
{
float r1=rand()/(<float> RAND_MAX);
x=5*r1;
cout<<x<<endl;
}
1:1
F1 Help Alt-F8 Next Msg Alt-F7 Prev Msg Alt-F9 Compile F9 Make F10 Menu

```

Figure 10: Program to generate uniformly distributed values

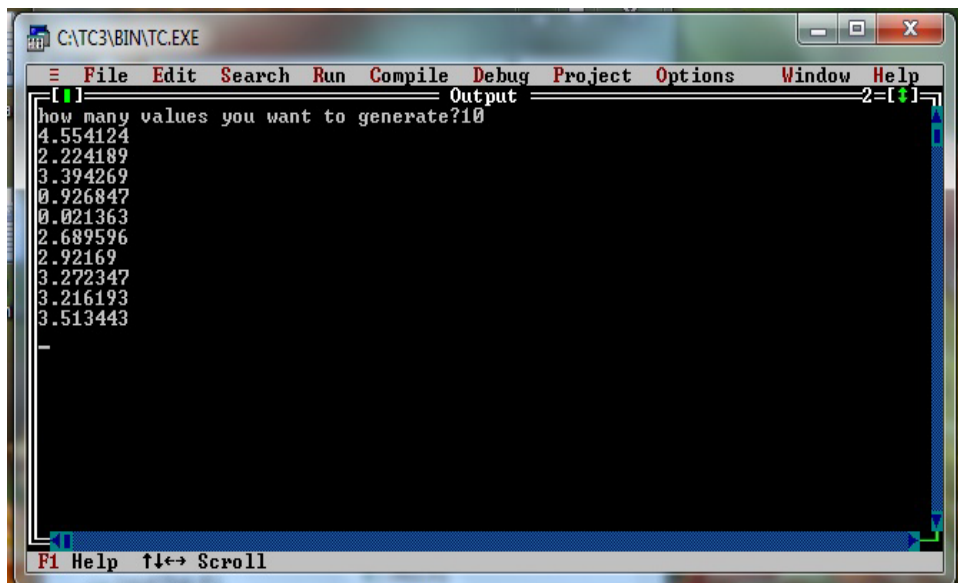


Figure 11: Output screen

These output values are rounded off as follows:

Lead time	Lead time (rounded off)
4.55	4
2.22	2
3.39	3
0.92	1
0.02	0
2.68	3
2.92	3
3.27	3
3.21	3
3.51	3

Using these values of demand and lead time, simulation of queuing system is done as:

Day	Inventory level(I)	Order size	Lead time (uniformly	Daily demand	shortage
-----	--------------------	------------	----------------------	--------------	----------

		(I+50)	distributed)		
1	70	----	----	46	----
2	24	74	4	43	19
3	0	--	--	55	55
4	0	--	--	53	53
5	74	---	---	60	0
6	14	64	2	32	18
7	64	---	---	57	0
8	7	57	3	56	49
9	0	---	---	44	44
10	57	---	---	50	0

From the above table, we calculate average shortage as:

$$\frac{19+55+53+18+49+44}{10} = \frac{238}{10} = 23.8$$

From above simulation, average shortage is 23.8. Average demand for 10 days is 49.6. In 10 days, shortage is large and hence it has to be reduced. This can be done by increasing the reorder level or by increasing the order size.

## Conclusion

In simulation of queuing system, server utilization is more than 75%. Hence server is overloaded. Also, there are 80% chances that customers have to wait in queues. So, we need another server.

In simulation of inventory system, average shortage is 23.8. Average demand for 10 days is 49.6. In 10 days, shortage is large and hence it has to be reduced. This can be done by increasing the reorder level or by increasing the order size.

Thus, decisions can be taken and system can be modified using simulation. This helps in **achieving operational excellence through creativity.**

The main advantage of simulation is that once data is collected we can generate many values from it and can perform simulation. We need not go to the real system every time to get



values. Suppose we want to increase accurateness, then we can simulate for more values such as 100 or 200 values. We can generate so many values using random variate generator for that particular distribution. So we need to decide distribution.

## **References**

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## **European Financial Crisis**

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**With the Expert Guidance of**  
**Prof. David Russell**  
**Dean – International MBA**  
**Paris School of Business**

### **1. INTRODUCTION**

Over the last two years, the European area has been going through a painful discussion over the managing of its own home problems, now the Major problem of “Euro Crisis” Starting from Portugal, Ireland, Spain, Italy, and Greece. These European area financial systems have experienced a deep sink in the ranking of their sovereign debts, extraordinary Increase of Borrowing cost. These things endanger other Euro area and also the Future of European Union and its member states.

Keeping in the mind the great achievement as Vision of launching Euro as a common currency in 1999, it was indeed a great step. Yet talking about the crisis, rather than stating it

as a currency crisis in a traditional sense, it was indeed about managing the countries own economies, with their own hampering economic and political factors, having their own constituents of the countries own debt and fiscal capacities, all these things are a differentiating factor, but the fact that remains and makes every member state of European union together is managing their economy with the common currency by which they are joined amongst each other. So, the actual crisis could be stated as managing their economy in a different manner but with the same currency was the actual crisis,

Given the large financial weight of the European area in the planet, and frequency with which the problems is growing from one European area economic system to the next, the level for palliatives is over. The way, in which the European area problems is worked this point forward, is likely to be of far attaining importance to the world.

## **2. The EURO ZONE: Backing History**



**Figure 1 The Euro Zone Area (Source: World Bank)**

This section deals with the History of how and when Euro was launched as a common currency in the European Union. In the European Union, the urge for common currency Euro was proposed way back by the League of Nations in 1929. Then discussions for its

implementation were followed and then in 1979, European monetary system was created. This led to the creation of European Monetary Union (EMU). It was perceived in 1988-89, by a committee which consisted of the Central bankers for its effective formation which led to the Maastricht Treaty in 1991. This treaty established rules based on its budgetary and monetary policies for all the other countries who wished to join the EMU. The rules were formerly known as 'Convergence Criteria' which involved criteria for countries as budget deficits, national debt, inflation, interest rates, and exchange rates. So following this step, On January 1<sup>st</sup> 1999, eleven countries decided to have a common currency as Euro in the EU area and as of now, it has 27 countries which include Czech, Hungary, Poland, Cyprus as well. But still certain countries such as Denmark, Sweden, and United Kingdom decided to opt out and even now they have their own currency.

---

### **3. The Emergence And The Existence Of The Crisis**

The Global financial crisis of 2007-2008 was the major reason and it could also be said as the starting point of the European crisis. Even to consider before that, the credit boom in 2003 was also the reason which created the crisis. Even it can also be said that the common Euro implementation also created havoc in another way. This is said in the sense that when the Euro was launched, it initially had an effect in the exchange rate and the rate fell and decreased. This indeed had an effect in borrowing. When the rates fell, this increased the borrowings, especially in Weak currency countries such as Portugal, Ireland, Italy, Greece and Spain. so due to these reason, the public, and the private debt increased to a large extent. The government debt was almost on the peak. They did not have money. Huge pools of investments were taken from developed countries. This increased the European countries borrowings to a lot of extent. All the affected and also led to very low growth of Gross

Domestic Product (GDP) of especially the countries mentioned above.

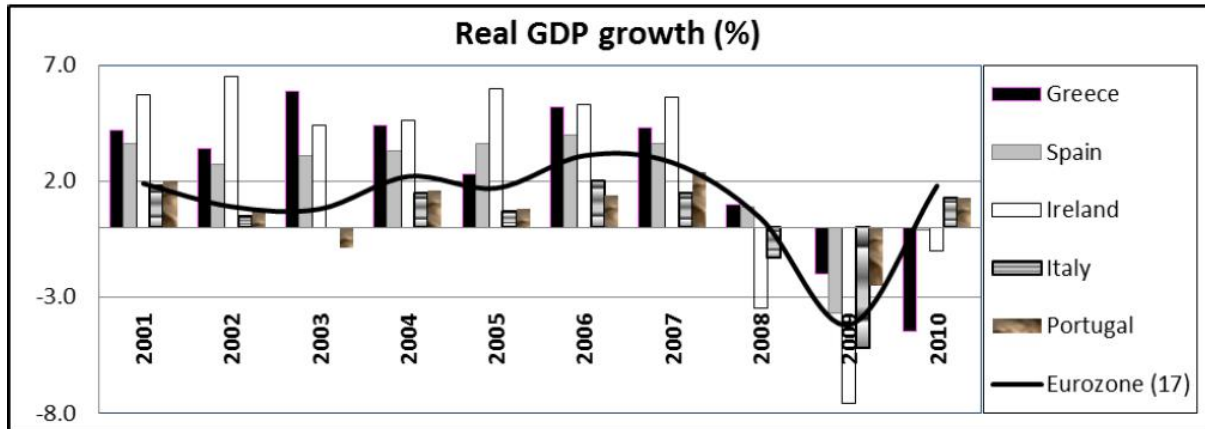


Figure 2 Source: Euro Stat

#### 4. Major Member States That Were Affected By European Crisis

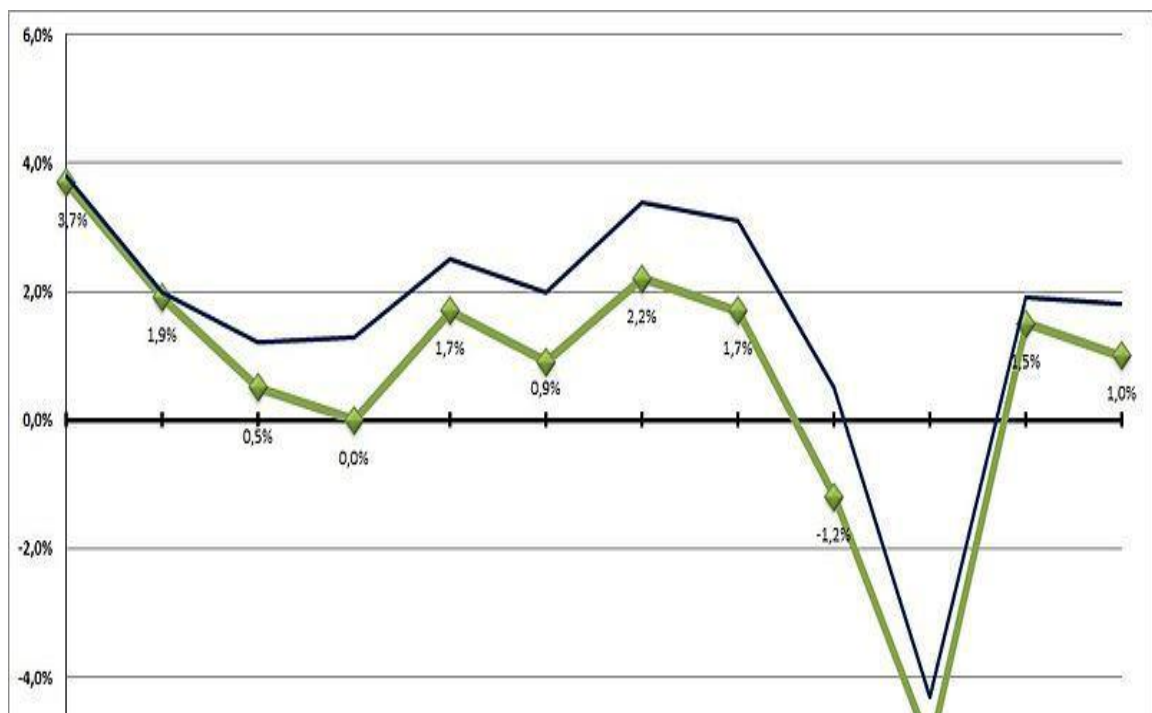
The effects of the individual weak currency countries are as follows:

##### 4.3 Ireland

The situation of Ireland in Europe has been noticeable by an almost whole sale nationalization of the financial industry that converted into serious financial stress. But not long back, the Ireland in Europe was confirmed as the Celtic competition for its economic anticipating the waves. The economic system extended quickly during 1997–2007 with investment triggered, in part, due to a low business tax prices. With low interest levels, there was fast development of credit valuation from 2002 to 2007.

The development of loans was associated with financial institutions depending intensely on whole selling exterior credit. As residence prices revealed a downwards activity from 2007 Irish financial institutions was standing revealed and came under serious pressure. The residence price accident by the first half of 2009 generally coincided with the tensing up of credit score control. By mid Apr 09, there was a noticeable increase in Irish Bonds and the government had to nationalize financial institutions and take on the liabilities. In Sept 2010, government support for six financial institutions had increased considerably to 32 % of GDP. In Nov 2010, the government decided to seek a €85 billion dollars "bailout" from the ECB and the IMF. Thus the problems of Ireland came from an extreme build-up of bank loaning rather than public debt as in the situation of Portugal. But, the financial problems turned into a financial problem. In terms of lack of employment, Ireland with an lack of employment rate of 13.7 per cent is among the worst-affected, after The country which also experienced a failure in the household sector

## 2. Italy



**Figure 3 A graph showing Italy's GDP growth from 2000 to 2010 (including forecasts for 2011) compared with EU's GDP growth**

It is the seventh largest economy in the world and also the fourth largest in Europe. When the statement is claimed it is in the terms of nominal GDP. Figures show that the GDP of Italy especially taking GDP into consideration has approval record that its growth was not as expected and it was along with EU. The statistics shows that during the European crisis, when the GDP of EU fell down from 11.7% to -5.1%, the same trend was being followed by its member state Italy, as in Italy GDP was 3.6% in 2006 declined to -4.1% in 2009. Due to this the time between 2005 and 2009 was considered as economic decline of Italy. Apart from its GDP, it also had influence in public debt, which was 119%, which indeed hampered its other economic factors such as unemployment rate which was 8.4% during the crisis.

## Portugal

**Portugal | GDP Real Growth and CPI, 2005-2014 (%)**

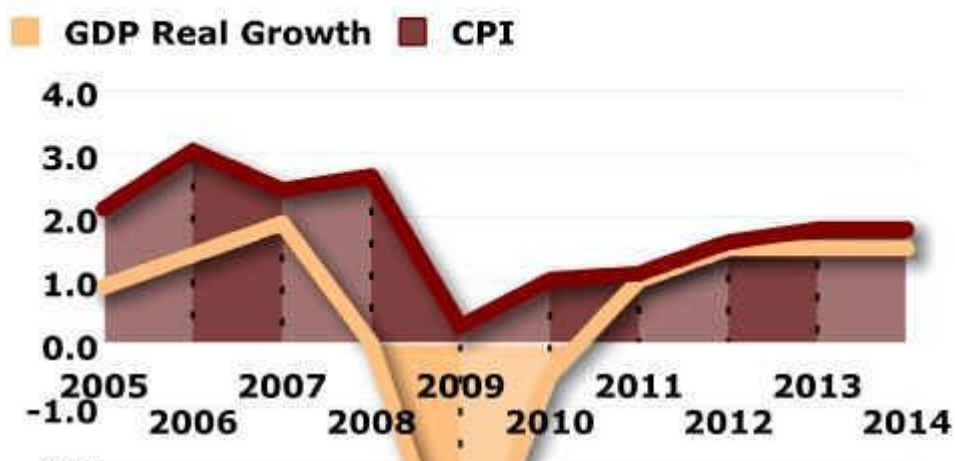


Figure 4 Graph showing the GDP of Portugal

During the European crisis Portuguese economy was severely infected due to two major factors i.e fiscal debt and public debt. As in its overall average debt which was - 7.1% went up to 75% of GDP. Of course, its debt and deficit was lower than Greece. So it can be perceived people did not witness a boom-burst situation as compared to other economies. The reason for the crisis that affected Portugal was redundant public servants, lots of embezzlement and fraud in major banks and funding of numerous ineffective external consultancy and advisory committees which weakened the economic productivity of Portugal.

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#### 4. Cyprus



**Figure 5 Graph representing Cyprus Economy**

Tourism and shipping sector being impacted by Subprime Crisis which made the Cypriot economy contracted by 1.67% in 2009. Cypriot banks bought €22 billion of Greek private sector debt and then was deeply hit by the decision of the European Union for a haircut on Greek bonds in 2011. The disproportionate size of the financial sector meant that a possible collapse of the Cypriot banks would have catastrophic results for the economy. A large off-shore banking system. A total nominal GDP of €19.5bn (\$24bn). In order to combat with this crisis, an Emergency loan for 2.5 Billion Euros was taken from Russia at an interest rate of 4.5% payable in 4.5 years in order to balance the budget deficit and re-financing debt. This was also followed by an IMF deal where they agreed to lend ten billion euros to Cyprus. The savers were also due where they would be compensated with shares of the banks.

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## 5. Greece





**Figure 6 - Graph Representing the Economy of Greece**

Greece was definitely one of the Non-member states which were affected by European crisis to a lot of extent. As per the Eurostat, the public debt of Greece in 2009 was 126.8% of GDP. Its inflation reached a score of 4.75% in 2010. And it also witnessed an increase in unemployment rate. The major reason for this crisis that could be taken into consideration was the government overspending which was worth **\$413.6 billion**. The Government were paying salaries which included High bonuses for holidays, and to top it, the Greece Government also paid 14 month salary instead of 12 month salary for one year to their employees. This reached to a situation that the deficit of Greece was 13.4% of its national economy as per the statistics given in Eurostat. Though it has to be also mentioned that Greece government is working on its crisis by firstly raising the Taxes on tobacco, fuel etc. so that they could get money from tax as their source of income, and secondly also raised their retirement age by 2 years. They are still working on their government spending and finding the ways to reduce it.

## 5. EU POLICY ACTIONS

When the European crisis occurred, especially statistics revealed that the member states of EU that were most affected were Italy, Spain, Portugal, Ireland and Greece, whose debt to GDP were 118.3%, 63.4%, 81.3%, 91.6% and 130.2% respectively. But EU showed a smart way of first helping Non Euro members' states rather than member states that were severally affected. The reason behind this step was pretty clear. EU wanted to pool out the investments of the Non Euro member states and make those economies as Euro economy in order to strengthen the European Union.

The representative for the above stated fact was European Central Bank which is one of the seven Institutions of EU listed in the treaty of EU. The tool that they used was ECB refinancing rate, which banks do have to pay when they borrow money from the ECB. Banks do so when they are short on liquidities.

The former steps taken by EU were ECB cutting the refi. Rate from 4% to 3.75% which was followed by a Commission that was established for effective supervision chaired by J De Larosiere. The commission proposed minimum protection for Bank deposits to Euro 100000. This was followed by adopting of EERP (European Economic Recovery Plan) and it's also provides Medium Term financial assistance to Hungry (Non Euro ) up to 6.5 billion euros. Simultaneously, European Council approves EERP and by that time Refi. rate pegged to 2.5%. After the thorough analysis, the commission recommends the transforming the supervisory committees into EU authorities, which included National Supervisors of Cross Border financial institutions, Common European Rule Book and PAN European institutions regulating at EU level. The second non Euro member, who was benefitted assistance up to 3.1 billion euros, was Latvia, which was followed by Romania (5.1 billion euros). The

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commission also addressed the need of National Government to safeguard their tax revenues, so they proposed to improve tax transparency and exchange of information within the EU.

The significant step that was taken by the EU council in May 2009 was to approve an increase to 50 billion euros of the lending ceiling for Non Euro member states in financial complexity, by that time Refi. Rate came down to 1%.

## **6. Concluding Observation**

This is a clearly stated fact that the European Crisis has created Havoc in European Union. Not only Non Euro Countries but also the Euro Countries have been severely affected. It is not the question of one country or one member state. The fact that has to be taken into consideration is the European Union. Though the Government of respective countries and also the head, the European Union is working on it. It is difficult to show an immediate progress in terms of unemployment, GDP, Deficit and other economic Factors. Progress can only be seen in a long run. But seeing all the consequences, it can be well observed that the Crisis have created a major problem for the economies and this would be an example for the other countries as how should they handle it and stipulate it in terms of their monetary economy and as well as their development.

This is also observed that European Union is performing an appreciable task to help the countries during the crisis and it is pretty evident that European Union has a very big role in helping its member countries to combat their European Crisis.

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## **“Enterprise value creation through creative HR practices”**

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### **Introduction**

Innovation is a key strategic priority for organizations. In order to meet the innovation challenge effectively, those who lead and manage organizations must understand the important relationship between creativity and innovation. Challenges stimulate creativity. Creativity is all about the making and communicating of meaningful new ideas. Innovation is the transformation of these ideas and insights into deliverable business results. In short, you can have creativity without innovation - but you can't have innovation without creativity. Therefore it is important to focus on the actual process of creative idea generation and managing that idea as the engine of true innovation.

So when it comes to employees in an organization how can we make sure what your employees are expecting to help build your organization and are they treated fair enough? The answer is with the two key elements roles and rules of every organisation.

### **Roles**

People like to have a clear understanding of their role in a company as well as the roles of others. Every successful team has well-defined positions for its members: Everyone knows what he or she is to do, how to do it and how their performance can impact those around them. In business, this means you need to have clear reporting structures that spell out who's in charge and how tasks are to be accomplished in the organization. This approach applies not only to intradepartmental structures, but also to company-wide or interdepartmental projects. In addition, role definition is a foundational part of establishing clear performance expectations for each employee.

### **Rules**

Managers and employees need to share a clear understanding of what is and what is not acceptable behaviour within the company. Unfortunately, in today's workplace, an employer can be held liable for the bad behaviour of an employee, especially when that bad behaviour affects other employees, customers or individuals. Having a clear set of behavioural expectations is critical in establishing that you're not contributing to that bad conduct as an employer.

Setting clear and specific behavioural standards in the form of rules establishes a framework for spotting and addressing violations of those standards. If you rely on loosely defined general standards that aren't properly documented, then violations become subjective and open to interpretation. The result of such ambiguousness is often litigation.

Human Resource Management has a crucial function in stimulating innovation processes in companies, by affecting creativity and knowledge sharing. However, this function is rather difficult to manage.

In other words, HRM practices become very crucial to how organizations control and shape attitude, behaviour and skills of individuals, of importance to whether organizations deliver innovations that corresponds with their goals. But the role of HRM in organizations is dual. On the one hand, HRM concerns policies and practices for organising and managing work, which includes the fundamental structure of the work organization. On the other hand, HRM also focuses on employee management which encompasses policies and practices to employ and manage people which include both individual management activities as for example recruiting, motivating, developing and retaining employees, record maintenance and also processes to inform, consult and negotiate with individuals and groups.

HRM is the main tool for organizations to influence and shape the attitude, behaviour and skills of individuals to perform at work and hence to achieve the goals of the organization. Certain HRM practices do affect the innovativeness of a firm, and might therefore be a valuable resource for firms wishing to innovate.

### **Motivation & Innovation**

Regarding motivation, HRM practices that motivate employees to a sense of independence will result in employees being more effective in problem solving and creating new ideas in order to cope with job demands. At the individual level, job complexity includes a high degree of autonomy and skill variety, and is alleged to be an important factor that promotes

creativity. Further, resources such as time, money, information and physical space, were found to be an important condition for creativity to occur. Contrary, lack of resources was also found to be a potential driver for creativity. This situation is argued to often be the reality for companies during their start up phases. By lacking resources, they use motivation, determination and creativity instead.

## **Training & Innovation**

Rotation, Virtual Rotation, and Job Share It seems that any discussion of training and development these days comes back to smaller budgets, smaller staffs, and an all-out effort to continue cutting costs. Plus, there is usually the issue of layoffs, production slow downs, and how to make a smaller workforce continue at present levels of output. One of the ways to innovate training is to use this situation for the benefit of the organization through rotation, virtual rotation, and even job share programs. Let's look at how you can make this work for your organization. No one likes to hear about the possibility of layoffs or firings because of poor economic conditions. But if it happens to your organization, the training organization may be part of the effort to pick up the pieces and keep things moving forward. If so, consider using less staff as a way to train on the job. Let's suppose a full time person has been left on. One way to innovate the training of that person is to have them work in one area on a part time basis and also have them train in a similar area on a part time basis. In this arrangement, the person not only continues gaining skill in his or her area of expertise, he or she will begin to gain skill in another area. You can position this as on-the- job training for better times, and also as a way to keep a talent pool in place even though the organizational staffs has been reduced. As things continue to improve, you can expand this program as necessary.

What about rotations? When management training programs became popular, trainees were rotated into different areas of an organization so that they could obtain a picture of how the entire organization functioned. Now that staff is reduced, you can take this concept to a new level, and open it up to non-managers.

- **Modern Media Training**

Innovative training is not always about the concept itself. The innovation comes with delivery and execution of what may be traditional training methods. But we are living in a new



environment, where technology is part of our everyday lives - and is a cost effective method of communication. How can the training organization use this "new media"? It's very simple. Use the new media to market training, conduct training, and to get buy-in from stakeholders

- **Blended Learning**

Blended learning hit the forefront of training and development a few years ago, especially with the advent of online learning interventions. The blended classroom experience exposes participants to live classroom instruction followed by online or computer simulation. But with the technology we have today, blended learning can take on to new innovations. Blended learning uses a combination of delivery methods. To most of us, blended learning means that we combine an online intervention or computer simulation with the live classroom experience. And this concept definitely works. But as technology changes, we have a variety of media available to put in the "blend". So, the innovation in blended learning is twofold: the delivery methods and the combination of those methods.

### **Communication & HRM**

Communication is used in human resources to transmit information from top level management to lower level managements. This information pertains to company policies or goals. Effective communication increases productivity, which benefits employees and the organisation as well. Proper communication techniques can boost employee morale to create a positive work atmosphere.

All the communication should be professional between the management and employees. Employees should never be made to feel uncomfortable, but supported and respected. Human resources should not micromanage employees but communicate information and respect the professionalism of the employees to execute the task.

Positive communication practices create a work environment that reduces employee turnover. It is important to keep experienced employees within the company to help train and instruct others.

### **CONCLUSION**

The discussions on the link between HRM and innovation that has expanded considerably over the last decade. This may partly reflect that both HRM and innovation have been

expanding fields in this period. It arguably also reflects trends in the business world that prompt the emerging integration of HRM and innovation research. As firms increasingly adopt open innovation models and engage with external knowledge sources they find that they need to bring new groups of employees into the innovation process. This calls for dedicated training, new performance indicators, new rewards, and new ways of communicating with and between employees and so on, in short, it calls for an active HRM effort. Relatedly, firms may open up the innovation process internally, namely by increasingly sourcing ideas and knowledge from organizational members. Such initiatives are also likely to call for new HRM initiatives.

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## **Study the effect of NPA on the performance of Yavatmal District Central Cooperative Bank**

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### **INTRODUCTION**

Co-operative Banks are much more important in India than anywhere else in the world. The distinctive feature of this bank is service at a lower cost and without exploitation. It has gained its importance by the role assigned to them, the expectations they are supposed to fulfill, their number, and the number of offices they operate. Co-operative banks role in rural financing continues to be important day by day, and their business in the urban areas also has

increased phenomenally in recent years mainly due to the sharp increase in the number of primary co-operative banks. The DCC Bank plays an important role in agriculture financing. It provides various types of loans by considering the needs and requirements of the farmers. At present, most of the DCC Banks are facing the problems of overdue recovery, non-performing assets and other problems. Yavatmal District Central Cooperative Bank plays a vital role in the agriculture and rural development of Yavatmal district. The DCC Bank has reached to the rural area of Yavatmal through its large number of branches. Hence their financial health is a prime matter. Now a days, Non-performing Assets are one of the major and problematic issue, which requires a higher attention. Therefore, it is an attempt to study the NPA management of YDCC Bank, Yavatmal, performing at district level.

### **SIGNIFICANCE OF THE STUDY**

In India, NPA were very high in the beginning of 90's. Over a period of time there is considerable decline in the NPAs of all banks. In the case of public sector banks, gross non-performing assets were 9.4% in 2002-03 and it declined to 7.8% in 2003-04. The net NPA during the same period declined from 4.5% to 3%.

In the view of M. Narasimham Committee Report and its recommendations by the Government and RBI, it is interesting to know the working of these banks. There is a need of radical changes in the old and traditional working of these banks. There is an urgent need to improve the performance of these banks to make them competitive and eradicate the intensity of NPA from district central cooperative banks. RBI and NABARD issued strict norms to all DCCBs for their NPA management. This study of NPA management will prove definitely useful to improve the profitability and state of affairs. It is also useful to enhance the NPA position of YDCC Bank, Yavatmal.

### **REVIEW OF LITERATURE**

Reserve Bank of India set up DCCB Level Implementation & Monitoring Committee (DLIC) in 2007. The role of DLIC is planning, coordinating and guiding the implementation of the Revival Package in the district. Radhakrishana R. (2006) – The Expert Group on Agricultural Indebtedness was set up in August 2006 under the chairmanship of Radhakrishana. The Group provided a large number of recommendations covering immediate credit measures, financial architecture, institutional architecture, risk mitigation and other measures. Kalyankar (1983) in his study titled, “Willful Default in Loans of Co-operatives” evaluated the trends in deposits, share capital, working capital, loans outstanding, advances, overdues and recoveries at the district level financing institutes. Vaikunthe L.D. in 1988 conducted a

study namely “Recovery Performance of DCCB, Dharwad”. In order to examine the bank’s recovery performance, the researcher has conducted a survey of 180 borrowing households. The study presented that crop failure was the main reason behind the mounting overdues and NPAs. Niranjnraj and Chitanbaram (2000), in their study titled, “Measuring the Performance of DCCBs” observed that suitable models should be developed to evaluate the performance of co-operative banks. Venugopal Y. in 2001, undertook a study on “Funds Management in Co-operative Banks- A Need for New Approach”. He reported that in the context of open economy and application of prudential norms and regulation of interest rates, a new orientation of achieving higher productivity and profitability is required for the funds management in Co-operative Banks. Monica Soni in 2002 a study on “NPA Management by Rural Banks; A Critical Appraisal” was undertaken by. The study aimed at analyzing the NPA position of two major players in rural banking viz., Co-operative Banks and Regional Rural Banks. NPAs have serious impact on the profitability of banks. The efficiency of rural banks could be made better, if their performance with respect to NPA management improved. Shah (2007) conducted a case study titled “Evaluating Financial Health of Credit Co-operatives in Maharashtra State of India”. It is found that NPAs or overdues as the main factors for deterioration in health of these banks. Balasaheb Vikhe Patil (2008) – The present paper titled, “Agricultural Indebtedness: Crisis and Revival” studied the rural indebtedness in India. It is found that it has remained an important issue and an obstacle for development. For overcoming the problem of overdue it is necessary that improvement in credit delivery system, a correction in planning strategy and adoption of efficient credit and recovery measures.

### **OBJECTIVES OF THE STUDY**

The proposed study is undertaken with the following objectives-

1. To explore income from non fund business.
2. To understand the meaning and nature of NPAs
3. To study the implementation of NPA norms by YDCC Bank.
4. To study the effect of NPA on the performance of YDCC Bank.

### **METHODOLOGY OF STUDY**

Only secondary data have been collected for this proposed study of NPA management of Yavatmal District Central Cooperative Bank, Yavatmal. Data has been collected from the Annual Reports and various manuals of YDCC Bank. The statistical tools like percentage, average, index method have been used for the analysis of data.

## **SCOPE OF THE STUDY**

The scope of the study is limited to Yavatmal District Central Cooperative Bank, Yavatmal. To make the current and running assessment of the YDCC Bank, we have selected the period for last three years i.e. 2010 – 11, 2011 – 12, 2012 – 13. The proposed study includes a thorough analysis of Gross NPA, Net NPA, its provisions and various ratios related to NPA during the study period.

## **INCOME FROM NON FUND BUSINESS**

Yavatmal District Central Cooperative Bank, Yavatmal, strongly favors non fund business. If we talk about the business conducted by Yavatmal District Central Cooperative Bank, as non fund business, this includes Electricity Bill Collection Centre and Insurance Business. Both the businesses generate income as commission that to be on higher side.

Commission generated by Insurance business in last three years i.e. 2010 – 11, 2011 – 12, 2012 – 13 was approximately 1.4 Crores.

Commission generated in collection of electricity bill at each and every branch of YDCC in last last three years i.e. 2010 – 11, 2011 – 12, 2012 – 13 was approximately 95 lacs.

In short it is clear that if YDCC bank focuses on such type of business in future, this will help to generate maximum profitability to the organization.

( Data Source – banking Personnel).

## **NON-PERFORMING ASSETS – MEANING AND DEFINITION**

An asset is classified as non-performing asset (NPAs) if dues in the form of principal and interest are not paid by the borrower. However with effect from March 2004, default status would be given to a borrower if dues are not paid for 90 days. If any advance or credit facilities granted by bank to a borrower become non-performing, then the bank will have to treat all the advances/credit facilities granted to that borrower as non-performing, without having any regard to the fact that there may still exist certain advances / credit facilities having performing status.

With a view to move towards international best practices and to ensure greater transparency, it had been decided to adopt the '90-days overdue' norm for identification of NPA, from the year ending March 31, 2004.

## **ANALYSIS OF COMPOSITION AND TREND IN NON-PERFORMING ASSETS OF YDCC BANK, YAVATMAL**

Gross NPA is the amount outstanding in the borrower account, in books of the bank other than the interest which has been recorded and not debited to the borrower account.

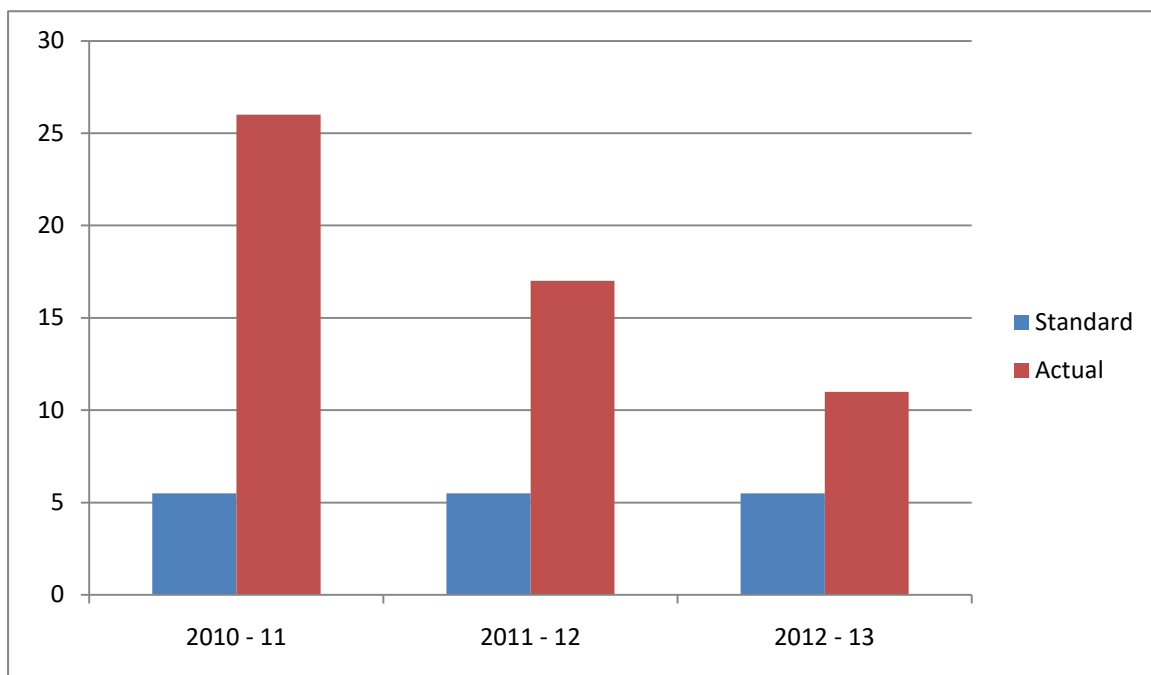
Net NPAs is the amount of gross NPAs less (1) interest debited to borrowal and not recovered and not recognized as income and kept in interest suspense (2) amount of provisions held in respect of NPAs and (3) amount of claim received and not appropriated.

**The Reserve Bank of India defines Net NPA as -**

Net NPA = Gross NPA – (Balance in Interest Suspense account + DICGC/ECGC claims received and held pending adjustment + Part payment received and kept in suspense account + Total provisions held).

The Reserve Bank of India has advised the banks to compute their Gross Advances, Net Advances, Gross NPAs and Net NPAs as per the prescribed format w.e.f. September 2009.

**PROBLEMS OF NPA MANAGEMENT**



**Table Shown Actual NPA in comparison to Standard NPA rate**

The most important and critical problems that are faced by the DCC Banks in India are recovery of loans and advances, heavy over dues and NPA. YDCC Bank, Yavatmal, is facing general problems like other district central cooperative banks, such as laziness among the employees, delay in work, heavy losses, low percentage of recovery, Low technological advancement, poor management, administered rate of interest structure for a long time, cut

throat competition by private and nationalized banks, increasing number of insolvent and weak DCCBs, lack of professionalism, lack of knowledge regarding Prudential Norms issued by RBI and NABARD, corruption and malpractices.

The DCCBs have been facing serious problems of rising NPAs growing due to external as well as internal factors. Inter factors are poor lending decision, Non-compliance to lending norms, Lack of post credit supervision, Failure to appreciate good payees and Excessive over draft lending. Non transparent accounting policy are adversely affecting on DCCBs financial performance.

Along with these there are some external factors which are responsible for the growth of NPAs such as Socio political pressure, Change in industry environment, Encounters macro-economic disturbance, Natural calamities, Industrial sickness, Diversion of funds and willful defaulters, Time or cost overrun in project implementation, Labour problems of borrowed firm, Inefficient management, No use of latest technology, etc. Due to these NPAs, the DCCBs may decrease profitability, reduce capital assets and lending limits, increase loan loss reserves and it may bring unwanted attention from government regulators.

#### **FINDINGS AND CONCLUSIONS**

YDCC Bank, Yavatmal has implemented prudential norms regarding NPA issued by RBI and NABARD for reducing the percentage of NPA. The above description presented that YDCC Bank's Net NPA was satisfactory - NPA Provision was presented continuously with increasing trend; and Gross NPA and Ratio of Gross NPA to total advances were shown continuously decreasing during the study period. All these are the indicator showing that NPA position of YDCC Bank is satisfactory.

Gross NPA of YDCC Bank marked a continuous decrease. NPA provisions showed continuously increasing trend during the study period. Ratio of gross NPA to total advances indicated the strong financial position of YDCC Bank, Yavatmal. Analysis of gross NPA, NPA provision and ratio of gross NPA to total advances marked the satisfactory financial performance of YDCC Bank, Yavatmal. YDCC Bank made excess provision on assets during the year 2012-13. YDCC Bank has maintained the level of CRAR more than the level prescribed by RBI.

#### **LIMITATIONS OF THE STUDY**

1. The study is limited to the performance evaluation regarding NPA of YDCC Bank, Yavatmal only due to the resource and time constraints.

2. The inherent limitations of secondary data may be observed in collected financial information for the study.
3. The conclusions drawn from the study need not necessarily applicable to other DCC Banks.

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### **SELF MANAGEMENT: KEY TO UTILIZING HUMAN POTENTIAL IN AN ORGANIZATION**

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Science says that we use only 1 to 10% of our potential and the balance 90 – 99% of what we are worth remains unknown. Most of live and die without so much as glimpse of who we are and what we bring into this world. What a tragedy! So what is this potential and how do you grow up to it?

The environment in business organization is marked with increasing competition and complexity. The board rooms are being regularly bombarded with following issues:

- Need for ability to cope with turbulent and dynamic environment.
- Increase in demand for employee empowerment.
- Change in roles of employees from passive acceptors to active participants.



- Upsurge in the phenomenon of decentralization and delegation of authority.
- Widespread Total Quality Management.
- Creative solution to problems.
- De layering of organizations.
- Increase in work force diversity.
- Employee commitment and loyalty major indicators of organizational excellence.

Eighty percent of Human Resource Managers (HRMs) from seven countries believe that employees are becoming more determined to voice their views and 73% believe that their employees are increasingly able to play a constructive role in reflecting on their company. That's what emerges from a study undertaken by Manpower and the ANDCP among 2800 human resource managers in seven countries (Germany, United States, France, United Kingdom, Italy, Japan and the Netherlands). The HRMs were surveyed on their practices in the area of human resources management and on developments in their field.

Prof. R.K. Gupta, Director, Sobhagya Consultancy & Marketing Services-India in his article 'The Competencies for 21st Century Manager' clearly states that ".....Never before there were so many challenges before the managers as are in 21<sup>st</sup> century. Not only the complexion of work force changing quickly but the environmental risk, rapid technological changes, globalization forces acting on organizations, severe competitive environment and increasing demand on organizations by various stake holders make the role of modern managers complex and stress full."

***The simple solution to a complex problem lies in breaking down huge into small, in other words managing an organization is easier when the smallest yet the most important component of the organization i.e. the human individual starts learning how to manage itself.***

Drucker looks at the profound social and economic changes occurring today and considers how management--not government or free markets--should orient itself to address these new realities. Drucker sees the period we're living in as one of "PROFOUND TRANSITION--and the changes are more radical perhaps than even those that ushered in the 'Second Industrial Revolution' of the middle of the 19th century or the structural changes triggered by the Great Depression and the Second World War." In the midst of all this change, he contends, there

are five social and political certainties that will shape business strategy in the not-too-distant future: the collapsing birthrate in the developed world; shifts in distribution of disposable income; a redefinition of corporate performance; global competitiveness; and the growing incongruence between economic and political reality. Drucker then looks at requirements for leadership ("One cannot manage change. One can only be ahead of it"), the characteristics of the "new information revolution" (one should focus on the meaning of information, not the technology that collects it), productivity of the knowledge worker (unlike manual workers, knowledge workers must be seen as capital assets, not costs), and finally the responsibilities that knowledge workers must assume in managing themselves and their careers.

This paper aims at exploring the utility of the concept of self management in changing business environment. The attempt is to find out the quantity and quality of people practicing self management in corporate world.

### **Research Methodology**

The research methodology has focused on both primary and secondary data collection. A structured questionnaire has been administered on the working managers to study various dimensions of self management i.e. concept, process, techniques, advantages and barriers to self management. The information drawn from the research would help us to understand the growing need of individuals managing themselves; to achieve personal as well as organizational excellence.

The paper is being written with the assumption that the following golden words of Mahatma Gandhi are the answer to challenges being thrown upon changing management scenario in today's world.

*“Character cannot be built with mortar and stone. It cannot be built by hands other than your own.”*

### **Conceptual background**

#### **Defining Self**

Self is the human being itself. It embodies all the inherent potential we were born with, including all capabilities actualized and not yet actualized. It also embodies our innate ability

to learn and grow any of those inherent capacities. It is the self we all enjoyed as young children.

Components of the self-concept include physical, psychological, and social attributes, which can be influenced by the individual's attitudes, habits, beliefs and ideas. These components and attributes cannot be condensed to the general concepts of self-image and the self-esteem.

By self, we generally mean the conscious reflection of one's own being or identity, as an object separate from other or from the environment. It generally refers to **"the totality of a complex, organized, and dynamic system of learned beliefs, attitudes and opinions that each person holds to be true about his or her personal existence"** (Purkey, 1988).

Franken (1994) states that "there is a great deal of research which shows that the self-concept is, perhaps, the basis for all motivated behavior. It is the self-concept that gives rise to possible selves, and it is possible selves that create the motivation for behavior" (p. 443). This supports the idea that one's paradigm or world view and one's relationship to that view provide the boundaries and circumstances within which we develop our vision about possibilities. This is one of the major issues facing children and youth today (Huitt, 2004).

In Psychosynthesis, an approach to psychology that was developed by Roberto Assagioli, M.D., the concept of Self points towards a source of wisdom and guidance within the person, a source which can operate quite beyond the control of the conscious personality. It has also been called Higher Self or Transpersonal Self.

### **Concept of Self Management**

Self-Management is the ability to manage your personal reactions to responsibilities and challenges in work and life. This involves managing your time and adapting to changing situations. It requires you to reflect on your experiences and their effect on your physical and mental state.

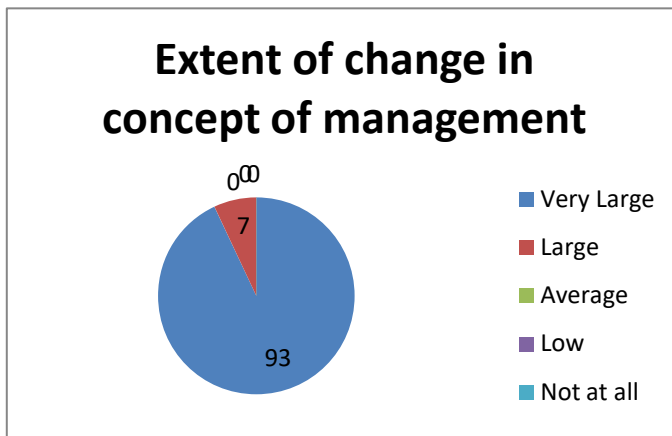
The premise behind self-management is that employees can and do take an active role in regulating their performance. They do so by setting their own goals, monitoring their behavior related to those goals, and rewarding themselves for goal achievement. Over 20

years ago management scholars Fred Luthans and Tim Davis suggested: "Research and writing in the management field have given a great deal of attention to managing societies, organizations, groups, and individuals. Strangely, almost no one has paid any attention to managing oneself more effectively.... Self-management seems to be a basic prerequisite for effective management of other people, groups, organizations and societies" (1979, p. 43).

## FINDINGS OF SURVEY

### Extent of change in the concept of management

Very Large	Large	Average	Low	Not at all
93	7	0	0	0

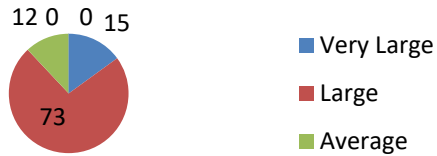


On administering the questionnaire on the respondents majority of the employees expressed that the concept of management has changed to a large extent since the last decade.

### Relevance of concept of ' getting work done through others' in today's competitive environment

Very Large	Large	Average	Low	Not at all
15	73	12	0	0

## Relevance of concept of ' getting work done through others' in...

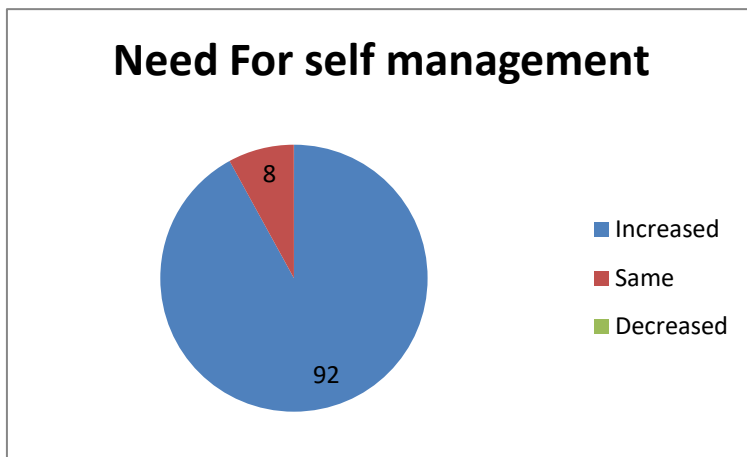
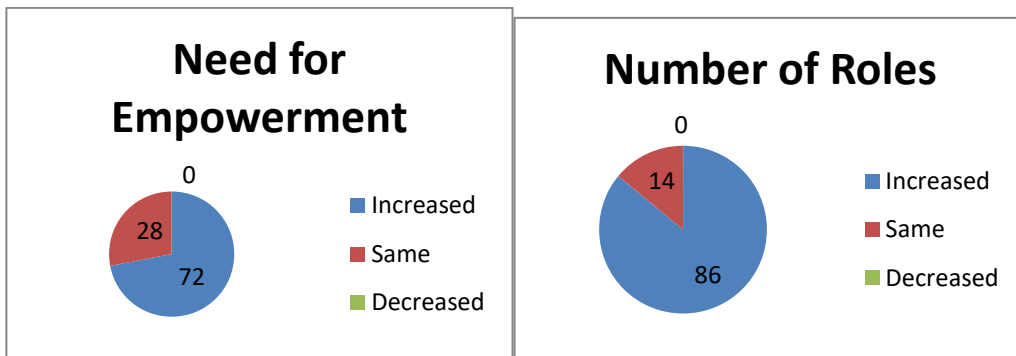
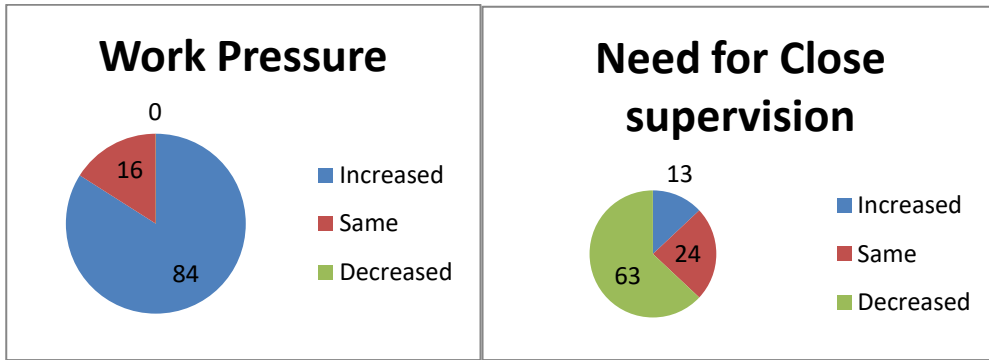


### Interpretation

Majority of the managers opined that the concept of management related to getting work done through others is still relevant. Although 12% said that the quality of work is better if one does it himself hence the relevance is only relevance.

### Change in the amount of Work Pressure, Empowerment need, Need for Close supervision, Need for Self Management, Number of roles to be carried out as a manager (multitasking)

Issues	Increased	Same	Decreased
<b>Work pressure</b>	84	16	0
<b>Need for close supervision</b>	13	24	63
<b>Need For empowerment</b>	72	28	0
<b>Number of roles</b>	86	14	0
<b>Need for self management</b>	92	8	0



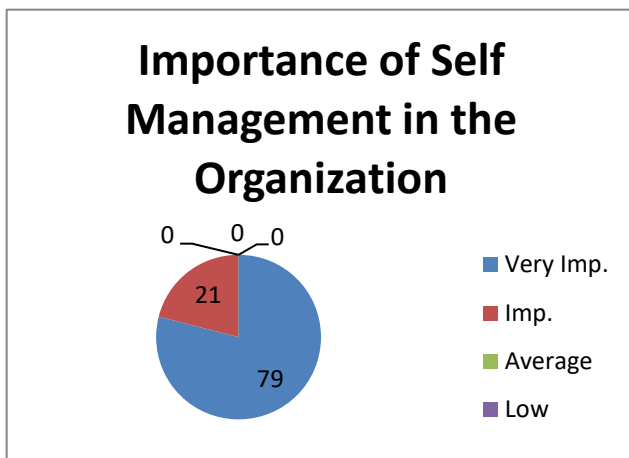
**Interpretation**

This question led to lots of discussion where in majority of respondents said that there has been lots of visible change in need for empowerment amongst employees. Most of them also

expressed that the amount of work load has increased in leaps and bounds in the last decade owing to downsizing in organizations, degree of increase in competition and rise in expectations of management which has further resulted in increase in number of roles to be performed. In order for employees to work effectively in a firm that delegates power and responsibility, they need to have the basic skills of self-management (Wellins & George, 1991). One aspect which everyone clearly expressed that the need of self management has definitely increased due to rise in dynamism and turbulence in business environment.

**Importance of Self management in organization**

Very Important	Important	Average	Low	Not at all
79	21	0	0	0



The importance of self management was expressed by all respondents irrespective of the sector.

Bergen, C W Von, Soper, Barlow, Gaster, Buddy in their article ‘Effective Self Management Techniques’ highlight the importance stated by various researchers “.....Concurring, Alfred, Snow, and Miles (1996) examined managers in a large number of leading-edge companies and identified five competencies required for successful careers in business for the 21st century. A key skill noted was self management: "...in addition to the technical,

commercial, and collaborative skills needed to interact with more traditional organizations, individuals will need to have a full complement of self-governance skills" (p. 24). Hill (1992) and Kets de Vries (1994), likewise, suggest that supervision requires a commitment to self management. London (1985) and Bennis (1984) indicate that managers have to learn how to manage themselves. Bennis (1984) calls this "the creative deployment of their characters" (p. 200). Management guru Peter Drucker (1999) agrees with Bennis that success in today's knowledge economy comes to those who know themselves. Drucker (1999) notes that history's great achievers (e.g., Napoleon, da Vinci, Mozart) have always managed themselves. That, in large measure, is what makes them great achievers. But they are rare exceptions, so unusual both in their talents and their accomplishments as to be considered outside the boundaries of ordinary humans. Yet Drucker (1999) believes that most of us, even those of us with modest endowments, will have to learn to manage ourselves."

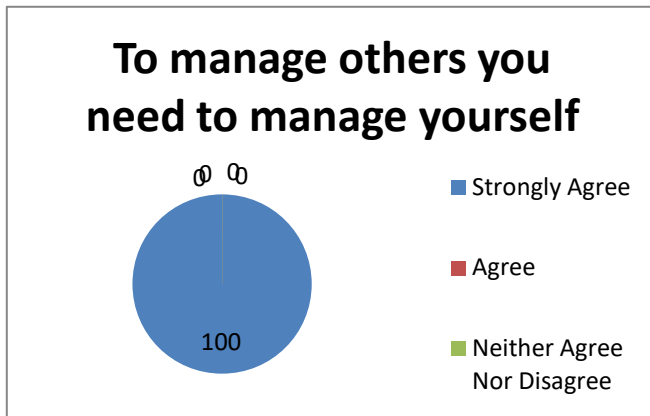
The respondents emphasized on the two dimensions of importance of self management:

1. Importance for Organization
  - Improved Efficiency.
  - Availability of self disciplined employees.
  - Better utilization of time.
  - Fewer disciplinary issues.
  - Increase empowerment.
  - Promotion of team culture
  - Congenial work atmosphere
2. Importance for Individual
  - Stress free
  - Easy acceptance of delegation of authority
  - Higher Self confidence
  - Self Knowledge
  - Better achievement of goals
  - More planned life
  - Higher work life balance

**To manage others you need to manage yourself**



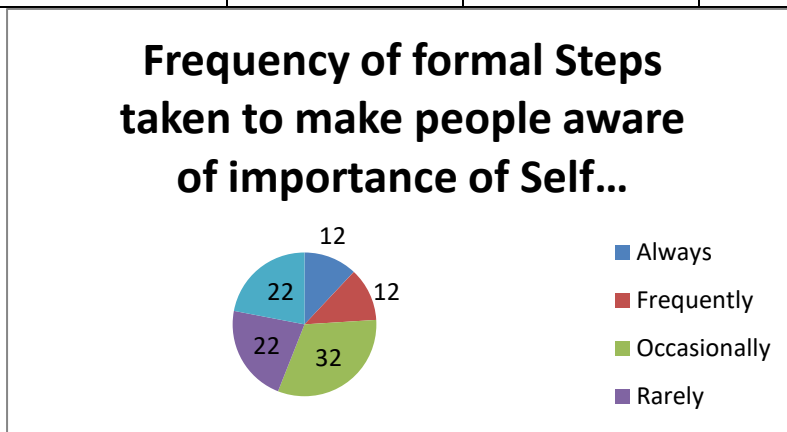
Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
79	21	0	0	0



The entire population of respondents strongly agreed to the statement that in order to manage others you first need to manage yourself.

**Frequency of steps taken to make people aware of the importance of self management**

Always	Frequently	Occasionally	Rarely	Never
12	12	32	22	22



Ironically inspite of the fact that majority of managers accept the importance of self management for orgaizational excellence yet ftrequency of concrete steps or measures taken to foster the culture of self management is towards the lower side.

The steps taken realated to self management are training sessions on time management, goal setting and inclusionof self appraisal in performance appraisal process

### **Process of self management**

Steps in the process (after Frayne & Geringer, 1992; Manz & Sims, 1989) entailed:

- (1) self-assessment and reality check,
- (2) goal setting and action planning,
- (3) a written contract,
- (4) constructive thought patterns,
- (5) designing rewards,
- (6) self-monitoring, and
- (7) self-reinforcement.

The indepth discussion of what sequential steps should be taken by employees to learn self management the following steps were highlighted by majority of respondents

**KNOW THYSELF**

**ESTABLISHING LONG TERM AND SHORT TERM OBJECTIVES**

**IMPLEMENT BY BUILDING STRENGTHS AND OVERCOMING WEAKNESSES**

**MONITOR, EVALUATE AND ADAPT ( SELF APPRAISAL)**

## 1. KNOW THYSELF

***“KNOWING OTHERS IS INTELLIGENCE; KNOWING YOURSELF IS TRUE WISDOM. MASTERING OTHERS IS STRENGTH; MASTERING YOURSELF IS TRUE POWER.”***

Franken (1994) suggests that self-concept is related to self-esteem in that "people who have good self-esteem have a clearly differentiated self-concept.... When people know themselves they can maximize outcomes because they know what they can and cannot do" (p. 439). It would seem, then, that one way to impact self-esteem is to obey the somewhat outworn cliché of "Know thyself."

The resources available to an individual are his/her physical, mental and spiritual abilities. The physical resources include his/her senses, body parts and the brain. The inherent capabilities envelop his/her ability for language, reason, intuition, creativity and imagination.

A systematic self analysis would help an individual to become consciously aware of his brighter sides and gray areas. The identification of strengths and weaknesses would further enable him not only in selecting a suitable career but in-depth analysis would also guide him towards personality empowerment. It is when a person comes to know about his short temperedness or indecisive ability he can put conscious efforts to overcome these long term personality barriers. In the process of knowing yourself the focus should not be only therapist but should also bring into surface the positive qualities that he or she possesses in terms of physical, emotional or intellectual dimensions. The exercise of exploring oneself should not be limited to superficial levels of likes or dislikes, skills, knowledge and emotional imbalances. The purpose should be to unearth the principles and values that govern your behavior from subconscious levels.

Hence the effort to catalog the abilities in detail would generate *Emotions, conscience, appreciation, wonder, joy, happiness, gratitude, peace, love, beauty, satisfaction, fulfillment, ecstasy, harmony, tranquility, meaning, purpose, choice, trust, consciousness and humor* as contributors of an individual's development and growth.

## 2. ESTABLISHING LONG TERM AND SHORT TERM OBJECTIVES:

Goal setting is a powerful process for thinking about your ideal future, and for motivating yourself to turn this vision of the future into reality.

The process of setting goals helps you choose where you want to go in life. By knowing precisely what you want to achieve, you know where you have to concentrate your efforts. You'll also quickly spot the distractions that would otherwise lure you from your course. More than this, properly-set goals can be incredibly motivating, and as you get into the habit of setting and achieving goals, you'll find that your self-confidence builds fast. Hence it is imperative to introduce this exercise of establishing goals in every aspect of our life ranging from career and intellectual development to spiritual enrichment. An individual who would encompass his body, mind, intellect and spirit in his goal establishment would be on the pathway to provide enlightened leadership.

### 3. Achieve by building strengths and overcoming weaknesses

The linkages between the first and second step can be established by working on this third step of achieving goals by utilizing strengths and overcoming weaknesses.

It is interesting that Drucker (1999) suggests working on one's strengths: "One should waste as little effort as possible on improving areas of low competence. It takes for more energy and work to improve from incompetence to mediocrity than it takes to improve from first-rate performance to excellence. And yet most people-especially most teachers and organizations-concentrate on making incompetent performers into mediocre ones. Energy, resources, and time should go instead to making a competent person into a star performer" (p. 66).

## 4. MONITOR, EVALUATE AND ADAPT (SELF APPRAISAL)

**SELF MANAGEMENT WOULD LIMIT ITSELF TO ONLY AN EVENT IF AN INDIVIDUAL DOES NOT CONTINUOUSLY MONITOR ITS BEHAVIOR AND PERFORMANCE. EVERY EMPLOYEE SHOULD TRACK ITS ACTIVITIES IN SUCH A WAY THAT ANY DEVIATION CAN BE IDENTIFIED ON TIME AND APPROPRIATE CORRECTIVE MEASURES CAN BE TAKEN TO OVERCOME THEM.**

On monitoring changes in self and environment a self managed employee can comfortably adapt itself to environmental dynamism.

### Model of self management

<b>Present Environment scenario</b>
<ul style="list-style-type: none"> <li>• Need for ability to cope with turbulent and dynamic environment.</li> <li>• Increase in demand for employee empowerment.</li> <li>• Change in roles of employees from passive acceptors to active participants.</li> <li>• Upsurge in the phenomenon of decentralization and delegation of authority.</li> <li>• Widespread Total Quality Management.</li> <li>• Creative solution to problems.</li> <li>• De layering of organizations.</li> <li>• Increase in work force diversity.</li> <li>• Employee commitment and loyalty major indicators of organizational excellence.</li> </ul>

<b>Outcomes</b>
<p><b>Organizational</b></p> <p>Improved Efficiency.</p> <p>Availability of self disciplined employees.</p> <p>Better utilization of time.</p> <p>Fewer disciplinary issues.</p> <p>Increase empowerment.</p> <p>Promotion of team culture</p> <p>Congenial work atmosphere</p> <p><b>Individual Outcomes</b></p> <p>Stress free</p>

**Conclusion:**

Hence the importance of Self Management in present scenario has reached to the tune of being imperative for organizational excellence as also strongly advocated by Peter Drucker in his article Managing Oneself published in Harvard Business Review in January 2005

“.....History's great achievers - a Napoleon, a da Vinci, a Mozart - have always managed themselves. That, in large measure, is what makes them great achievers. But they are rare exceptions, so un-usual both in their talents and their accomplishments as to be considered

outside the boundaries of ordinary human existence. Now, most of us, even those of us with modest endowments, will have to learn to manage ourselves. We will have to learn to develop ourselves. We will have to place our-selves where we can make the greatest contribution. And we will have to stay mentally alert and engaged during a 50-year working life, which means knowing how and when to change the work we do.”

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## **“A study on Customer Relationship Management & CRM software**

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### **Introduction - Customer Relationship Management**

Customer relationship management (CRM) is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth. CRM systems are designed to compile information on customers across different channels -- or points of contact between the customer and the company -- which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give customer-facing staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

Customer relationship management, or CRM, is a strategy that is recognized broadly and implemented widely to both manage and increase the quality of a company's interactions with a variety of clientele and potential business interests. Customer relationship management involves the use of technology to optimize business processes through organization, synchronization, and automation. This optimization primarily involves activities related to sales, but may also involve activities related to technical support, marketing, and customer service. The primary goals of customer relationship management are related to discovering, engaging, and signing on novel clients, as well as maintaining relationships with established clientele, restoring relationships with former clients, and minimizing resources used on marketing and serving clients. Customer relationship management is a business strategy implemented at the company level, involving all departments related to clients. When implemented successfully, there is consistency between technology, personnel, and processes to increase the profit margins of an enterprise while simultaneously reducing its costs.

### **Need for Customer Relationship Management**

- Customer Relationship Management leads to satisfied customers and eventually higher business every time.
- Customer Relationship Management goes a long way in retaining existing customers.
- Customer relationship management ensures customers return back home with a smile.
- Customer relationship management improves the relationship between the organization and customers. Such activities strengthen the bond between the sales representatives and customers.

## Steps to Customer Relationship Management

**It is essential for the sales representatives to understand the needs, interest as well as budget of the customers.** Don't suggest anything which would burn a hole in their pockets.

- **Never tell lies to the customers.** Convey them only what your product offers. Don't cook fake stories or ever try to fool them.
- **It is a sin to make customers waiting.** Sales professionals should reach meetings on or before time. Make sure you are there at the venue before the customer reaches.
- **A sales professional should think from the customer's perspective.** Don't only think about your own targets and incentives. Suggest only what is right for the customer. Don't sell an expensive mobile to a customer who earns rupees five thousand per month. He would never come back to you and your organization would lose one of its esteemed customers.
- **Don't oversell.** Being pushy does not work in sales. If a customer needs something; he would definitely purchase the same. Never irritate the customer or make his life hell. Don't call him more than twice in a single day.
- **An individual needs time to develop trust in you and your product.** Give him time to think and decide.
- **Never be rude to customers.** Handle the customers with patience and care. One should never ever get hyper with the customers.
- **Attend sales meeting with a cool mind.** Greet the customers with a smile and try to solve their queries at the earliest.
- **Keep in touch with the customers even after the deal.** Devise customer loyalty programs for them to return to your organization. Give them bonus points or gifts on every second purchase.



- **The sales manger must provide necessary training to the sales team to teach them how to interact with the customers.** Remember customers are the assets of every business and it is important to keep them happy and satisfied for successful functioning of organization.

## **Types of Customer Relationship Management**

There are several variations in customer relationship management. Among the most common are sales force automation, marketing, customer service, analytics, integrated and collaborative practices, small business, social media, and non profit or membership based systems. Each will be discussed below.

- In sales force automation, software is used by the company to improve the efficiency of the sales process. This results in sales representatives having to spend less time on different parts of the sales process, which allows them to spend more of their available time pursuing clients. A contact management system forms the backbone of sales force automation; it allows the company to track or record each stage of the sales process and pay attention to each client served by the company. Additionally, sales force automation software applications may also provide information on territories, opportunities, work flow automation, sales forecasts, and knowledge of products.
- In marketing, which is also termed marketing automation, systems here assist the company in locating and reaching its best customers, as well as in finding leads the sales team can pursue. A valuable feature in marketing is the ability to not only track but also measure diverse campaigns, including domains such as social media, direct mail, email, and searching. Data monitored by marketing include deals, responses, revenue, and leads.
- In customer service, technology may be used by companies to improve the quality of service they can offer clients, while at the same time increasing the efficiency and minimizing the cost of that service. Comprehensive call center solutions are commonly applied here, such as computer telephone integration, or CTI, intelligent call routing, and the ability to escalate.
- Systems involving analytics are typically integrated with applications related to service, sales, and marketing. The purpose of sales analytics is to allow companies to

develop a more comprehensive understanding of why clients do what they do and hold the preferences they do. Applications for marketing are typically paired with predictive analytics, which leads to improvements in the ability to segment and target clients. Web analytics, for example, have increased in complexity from their initial functions as means to track mouse clicks to their current implementations as methods of predicting likely purchases and identifying difficulties customers face in making purchases.

- Integrated and collaborative practices refer to interaction and collaboration between departments inside companies and enterprises; the goal here is to increase levels of cooperation and fluidity among different departments, such as marketing, service, and sales. Collaborative systems involve the use of technology to bridge distances between departments.
- Small business solutions involve integrated solutions that assist both individuals and organizations in monitoring and documenting interactions such as jobs, emails, faxes, documents, and scheduling. Tools for small businesses generally focus on account management. Small businesses are increasingly turning toward online solutions, particularly for workers who travel and telecommute, to solve their business needs.
- Social media sites such as Facebook, MySpace, and Twitter, are thought to wield considerable influence in bridging the gaps between consumers and companies. This is due to the amplified voice people have when using such sites, where they are able to share their experiences and opinions on services and products they have tried. In recent years, companies have taken a greater interest in these sites and in the ongoing conversations held by their members, and it has become more common to see attempts at integration into social networking sites. A company presence on such a site can aid in developing a greater understanding of client needs and preferences, and help target future consumers.
- Finally, systems related to membership based and non profit organizations are used to track constituents, as well as the actions they take related to the organization itself. Such systems typically include capabilities for tracking features such as fund raising, membership levels, volunteering, demographics, and communications with target individuals.

- Relationship management is a customer-oriented feature with service response based on customer input, one-to-one solutions to customers' requirements, direct online communications with customer and customer service centers that help customers solve their issues.
- Sales force automation. This function can implement sales promotion analysis, automate tracking of a client's account history for repeated sales or future sales, and also co-ordinate sales, marketing, call centers and retail outlets in order to realize the salesforce automation.
- Use of technology. This feature is about following the technology trend and skills of value delivering using technology to make "up-to-the-second" customer data available. It applies data warehouse technology in order to aggregate transaction information, to merge the information with CRM products, and to provide KPI (key performance indicators).
- Opportunity management. This feature helps the company to manage unpredictable growth and demand and implement a good forecasting model to integrate sales history with sales projections.<sup>[7]</sup>
- CRM in developing and maintaining client relationships
- Increasingly CRM is expanding outside of the core sales and marketing areas and systems are available that incorporate support and finance data also into the CRM view that a user gets, enabling a wider holistic view of a customer from one screen for a user.
- Customer relationship management systems track and measure marketing campaigns over multiple networks. These systems can track customer analysis by customer clicks and sales.
- CRM makes a knowledge about sales, product , customers relationship for a organization which helps to lead a organization to set for future goals.

## **Benefits of Customer Relationship Management (CRM)**

- **Improved Customer Experience**

Customers expect a customized, streamlined experience from beginning to end. They want you to know who they are and to have what they need— without transferring the call and without keeping them waiting. A customer relationship management system will enable you to quickly identify your customers, address their

initial needs and subsequently recommend additional products or services that match their profile. It gives your staff the ability to recognize who they're dealing with from the very beginning, making them more efficient and more productive. Customers, in turn, enjoy better customer service—with fewer hassles.

- **Focused Marketing Efforts**

CRM solutions provide you with a complete picture of your sales pipeline, as well as your existing customers. With that in hand, you can identify and target individuals with the greatest potential for future sales. Rather than taking the mass marketing approach, CRM allows you to focus and fine-tune your marketing efforts to make those efforts more productive. That saves you money, because you aren't expending resources on individuals who ultimately won't become customers.

- **Automated Analytics and Reporting**

Whether your business is large or small, chances are you don't have time to track and analyze the buying habits of every last customer. The beauty of customer relationship management applications are that they handle that piece of the marketing puzzle for you. Because your customer and sales information is housed in one place, you have automatic access to a full range of reports on which products or services are selling and who's buying them. You also gain a clearer picture of the sales pipeline itself: How is it working? Where are the snags? Which staff-member is the most productive? A CRM's centralized information warehouse gives you powerful analytic and reporting tools that would be hard to replicate in stand-alone systems.

- **Better Coordination and Cooperation**

When sales, marketing and customer service share a common CRM platform, they are able to speak the same language with one another. Rather than being separated by systems functionality or access to key information, departments across the organization are able to function more cohesively. Suddenly, they have what they need to work as a single unit. They know what the goals are and how to attain them. A customer relationship management system can manage to day-to-day administrative tasks for you, giving your sales team the chance to get back to, well, selling.

## **CRM Software**

CRM software is designed to help businesses meet the overall goals of Customer Relationship Management . CRM software is highly scalable and customizable, allowing businesses to gain actionable customer insights with a back-end analytical engine, view business opportunities with predictive analytics, streamline operations and personalize customer service based on the customer's known history and prior interactions with your business. CRM software is commonly used to manage a business-customer relationship, however CRM software systems are also used in the same way to manage business contacts, clients, contract wins and sales leads.

## **CRM Software Installations**

Customer relationship management software is offered in a number of installations including on-premises (where the software resides inside the corporate firewall and is managed by IT operations), or as web-based ( "cloud" applications) where the software is hosted by a CRM provider and accessed by the client business online via the provider's secure services.

## **Why do you require CRM Software?**

Only satisfied customers return to use the services of your company. To this effect, CRM software solutions help you to manage your business customers and streamline all facets of customer interaction. Using safe secure CRM software you can easily identify individual customer preferences, improve customer relationships, maximize customer retention, and develop customer loyalty.

Rather than just managing customers, an efficient CRM software application enables you to focus and manage those customers who add value to your business. By integrating key business areas - Sales, Marketing and customer service, CRM software makes it easy to manage business processes and also improves collaboration across vendors, managers, employees, and customers.

Also, by storing business data in one secure database, using CRM software you can gain instant secure access to business-critical information to manage sales force, marketing processes and customer support.

## **Expenditure on Research & Development by leading Indian Automobile Companies**

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**Dr. Pushplata Chouksey,  
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### **Introduction**

Once dependent on import of technology from foreign countries, India today has emerged as a strong force in the Industry. India has reached a milestone as top Indian companies have started exporting automobiles to foreign countries. This has been possible due to extensive research and development of products by the companies. R&D is an important division under any manufacturing unit and it assumes paramount importance in an automobile industry where technology plays a pivotal role on a finished product.

Implementation of new ideas & innovation is the main activity of creative management. Top automobile companies of India have dedicated R&D department to facilitate innovation in their respective products. Huge amounts are uncured by these companies every year to create value for their enterprise. Amount spent by Automobile Companies on Research & development is mainly for-

- New product development/ Improvement in existing product
- New process development/ Improvement in existing processes
- Constantly improving & upgrading products to have a competitive edge over rival companies

Apart from above, expenditure on R&D by automobile companies can be for cost reduction, to bring economies of scale or to bring efficiency in the operations. In this

study, we aim to identify the amount of expenditure incurred by Top five automobile companies of India during last decade.

### Objective of the Study

- To know the amount spent on research & development by some leading Indian automobile companies in the past ten years
- To determine the percentage increase of amount spent on research & development by leading automobile companies.

### Methodology Adopted

The study is concerned with the ten year's data of Bajaj Auto Limited, Hero Motocorp., Maruti Suzuki India ltd., Mahindra & Mahindra, Tata motors. The data is secondary in nature and is obtained from the published annual reports of the companies. Data is analyzed to comment upon the amount spent on research & development by leading automobile companies.

### Results & Discussions

Today, Indian Automobile companies are under sprain to make their products more cost effective so that their product reaches the mass population of India; which is largely represented by the middle class or economically weaker section of the society. Under such circumstances, it becomes imperative on the part of companies to constantly reinvent their products. Substantial amount is incurred by the companies on "Research & Development" every year and we have tabulated the figures as under:

**Table No. 1.1**

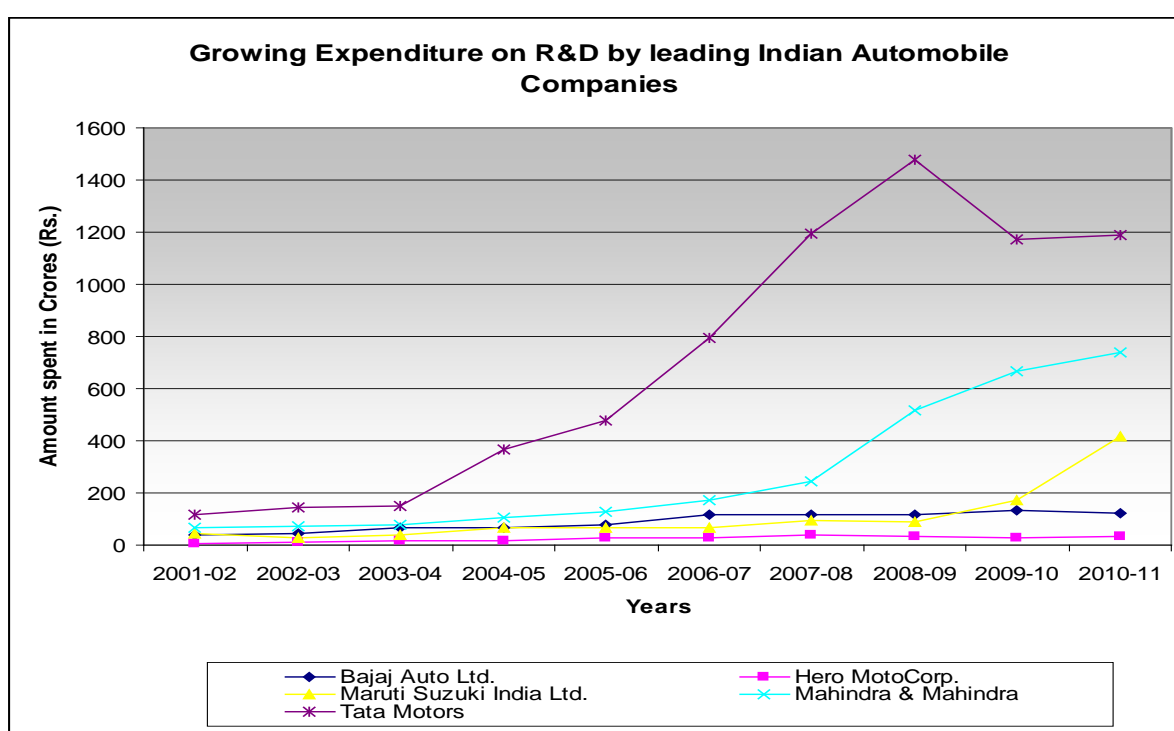
EXPENDITURE ON R&D BY LEADING INDIAN AUTOMOBILE COMPANIES										
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Bajaj Auto Ltd.</b>	37.4	42.24	65.02	66.96	76.74	115.03	118.74	114.87	134.76	124.6
<b>Hero MotoCorp.</b>	7.11	8.53	16.76	16.45	25.39	25.96	38.2	32.3	30.31	32.15
<b>Maruti Suzuki India Ltd.</b>	46.7	28.3	39.6	65.7	67.1	63.9	95.8	91	173.3	416.3

<b>Mahindra &amp; Mahindra</b>	65.47	74.4	76.7	104.44	126.59	170	245.33	515.65	664.86	739.25
<b>Tata Motors</b>	114	143	151.8	364.78	476.12	796.86	1195.97	1476.61	1170.97	1187.21
<b>Total</b>	<b>270.68</b>	<b>296.47</b>	<b>349.88</b>	<b>618.33</b>	<b>771.94</b>	<b>1,171.75</b>	<b>1,694.04</b>	<b>2,230.43</b>	<b>2,174.20</b>	<b>2,499.51</b>
<b>Increase (%)</b>	-	<b>9.53</b>	<b>18.01</b>	<b>76.73</b>	<b>24.84</b>	<b>51.79</b>	<b>44.57</b>	<b>31.66</b>	<b>-2.52</b>	<b>14.96</b>

*Average Increase is 29.95 %*

(Source – Published Annual Reports of Companies)

**Graph No 1.1**



(Source – Published Annual Reports of Companies)

Expenditure on R&D is a key for product innovation. Well planned and effectively executed R&D has the capability to improve profit margins of the company in long run. Growing expenditure on R&D by Top Automobile Companies of India highlights its significance.

Total expenditure by these companies has increased from 270.68 Crores in 2001-02 to 2499.51 Crores. This implies increase of 823% in 2011 as compared to 2002. There has been a positive growth in expenditure on R&D except in the Financial Year 2009-10. Amount of spending by Tata motors is so high that overall growth in R&D expenditure is negative due to



fall in R&D expenditure by Tata Motors. As a matter of fact, Tata Motors emerges as the leading company incurring highest expenditure on Research & Development as shown by the above graph. On the other hand, Hero Moto Corp. is the company having lowest expenditure on Research & Development.

Possibility of accomplishing success in product innovation has kept these companies engaged in research work. Successful R&D has the impact of bringing benefits to the society in the form of improved & cost effective products. Companies being aware of this fact have invested heavily on R&D during last ten years. Average increase of around 30% per year in R&D expenditure by Top Automobile companies of India, underlines the importance of creative management through spending in R&D.

### **Conclusion**

Unlike in 1980's where one had to wait for months to own a piece of Bajaj Scooter, Indian consumer today has a wide choice for selecting a product to best suit his/her needs. More enhanced & improved products have replaced stereotype scooter and noise making motor bikes of early seventies and late eighties. From buying monotonous Maruti-800 & Maruti-1000 couple of decades ago, Indian customer today is poised for varied range of cars. Mahindra has done the remarkable job of making first India SUV besides helping Indian farmer with its tractors and agricultural equipments. This is the most remarkable contribution made by the automobile Industry which has been achieved through continuous research work and advancement of products.

R&D is an important tool of creative management and growing expenditure by Indian Automobile Companies on R&D amply highlights this fact.

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## **Marketing Channel Strategies in Rural Emerging Markets Unlocking Business Potential**

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In his landmark book “The Fortune at the Bottom of the Pyramid,” C.K. Prahalad describes the profits that can be earned by selling products to “Bottom of the Pyramid” customers. While there is truth to this, companies face unique challenges when operating in the rural regions of emerging markets where many of these customers live. For example, the consumer population is dispersed over a wide geographic area, transportation infrastructure is often poorly developed, and many consumers have sporadic and extremely low incomes.

This paper examines these challenges from a marketing channel perspective. The fundamental question is: How can companies entering into rural emerging markets design a marketing channel strategy that meets the needs of customers and allows for the long-term profitable success of the business? I begin answering this question by examining common challenges that companies operating in this environment face. Then, I develop a generalized framework for designing marketing channels in rural emerging

markets. Finally, I apply the framework to d.light Design, a company that manufactures and sells solar lanterns in India and Africa.

## **INTRODUCTION**

The majority of emerging market nations continue to have largely rural, agrarian-based economies. In India alone, of the one billion residents counted in the 2001 census, roughly 720 million people lived in rural areas. Delivering products and services into this market presents both unique challenges and enormous opportunities for companies

There may be profit potential, the question remains as to how companies can successfully tap into it. This paper examines one particular part of this question: How can a company attempting to enter a rural region in an emerging market with a new product or service and an unknown brand make a profit?

A marketing channel is a set of interdependent organizations involved in the process of making a product or service available for use or consumption.

The nature of rural emerging markets makes building a successful marketing channel challenging. The population is widely dispersed, transportation infrastructure is poor or non-existent, household incomes are low and sporadic, and traditional methods of creating brand trust and awareness will not work. The entering company needs to design marketing channels that both successfully deliver products to customers in a capital-efficient way, and that *unlock* the latent desire that customers have to purchase and receive those products. In this manner, not only are transporters and warehouses part of a successful marketing channel, but so are entities that educate customers about products and services they may not know they need, as are the financial programs that help customers finance their purchases.

This paper begins by examining the unique challenges that a company will face when building a marketing channel in rural emerging markets. Each challenge is discussed and examples are given of companies that have solved the challenge in creative ways.

## **CHALLENGE: DISTRIBUTION NETWORK DESIGN**

When a company decides to sell its products and services in a rural emerging market, one of the most important decisions it will make is the design of its distribution network. A company operating in a developed market needs to carefully consider its distribution network design in order to achieve profitability, companies operating in rural emerging market face particular

challenges because of the low density of the population and poorly developed transportation infrastructure.

The majority of populations in emerging markets continue to live in rural areas. In India for example, according to the 2001 census, 72% of the country's population resides in over 600,000 villages. Of those villages, 85% have less than 5,000 people in them, meaning that 612 Million people in India live in low-density areas. As a consequence of the low population density companies may be faced with continuously escalating inventory holding and transportation costs as they are forced to stock and manage sales points in thousands of villages to meet customer expectations for product availability. The key points companies should focus on when designing their rural distribution networks in emerging markets are as follows:

1. The company should choose the distribution network model that is appropriate for the product or service it is selling.
2. While continuing to meet the customer's needs, the company should aggregate consumer demand into central locations as much as possible in order to decrease inventory and transportation costs.
3. The company should consider taking advantage of rural entrepreneurs (RE's) to facilitate last-mile product delivery and sales.

#### **CHALLENGE: LACK OF BRAND TRUST**

Any company selling products and services to consumers must first establish trust with the consumer. For a company like Coca-Cola in the United States, this is easy because the Coca-Cola brand is well known and trusted by the entire consumer population. The situation is very different for a company entering into a rural emerging market with a new product or service and an unknown brand. Not only will consumers be less aware of many brands, they will also have less innate trust in new brands because of their lack of access to information and because of the plethora of fake and poor-quality brands being offered in the marketplace. This is not to say that rural consumers are not brand-conscious. The companies entering into rural emerging markets with unknown brands, the best solution to this problem is to *piggyback* on an existing known and trusted brand or local entity also has a strong service operation and reputation.

#### **CHALLENGE: AFTER-SALES SERVICE**

An important component of marketing channel design that many companies in rural emerging markets overlook is providing quality after-sales service to customers. Companies should consider after-sales service an important component of building a consumer's trust in the company's brand. Although the activity takes place after a purchase has already been made, if a company's after-sales service is poor, customers will likely not purchase the company's products again and will tell other potential customers about their bad experience. It is clearly important, providing quality after-sales service to customers in rural emerging markets poses the same set of challenges that product distribution does.

#### **D.LIGHT DESIGN IN INDIA**

- **S10.** The S10 is marketed as the most affordable and best performing solar lamp on available on the market. It has a built-in solar panel and is designed to perform well in many different usage scenarios. The light takes ten hours to fully charge and then can provide bright light for eight hours. The S10 retails for \$15 USD.
- **S1.** The S1 is a bright, ultra-small, and ultra-affordable solar light. It has a built-in solar panel and its appearance is designed to appeal to young students who will use the light for studying. . The light takes ten hours to fully charge and then can provide bright light for four hours. The S10 retails for \$9 USD.

Besides the product features, all of the lights come with a product warranty of up to one year. The lights are designed to last for three to five years, and the rechargeable batteries need to be replaced about every two years.

#### ***d.light Enters the Indian Market***

When d.light entered the Indian market, it began its sales and marketing efforts in Uttar Pradesh (UP), a large state in northern India that appeared to have favorable dynamics for the company and its affordable, solar-powered light products. UP is a large, mostly rural state in northern India in which most of the 200 million residents do not have reliable access to utility-provided electricity. One internal d.light survey found that even UP residents that did have grid-electricity connections often received less than eight hours of electricity per day. In addition to the states problems with electricity, many residents in UP live in extreme poverty. The annual per-capita GDP of UP in 2006 was Rs. 13, 262, or \$294 USD per year (\$1.10 USD per day) The majority of UP's labor force is employed in the agriculture sector.

d.light first attempted to enter the market in UP by selling its products to consumers through small electronics retail shops located in villages. The retailers often had stores with no more than 100 sq feet of space. Shortly after product distribution began using the third-party warehousing and distribution logistics companies, things began to go wrong. The rural retailers were geographically dispersed and were selling very small numbers of d.light products every month. The cost of shipping sporadic and small orders to the dispersed retailers overran the warehousing companies profit margins on the transaction, and the warehousing companies stopped fulfilling retailer requests for more lights. Retailers became frustrated as they could not order any more d.light products and faced stock outs. Their frustration grew when some customers who had purchased d.light products returned to the retailers with defective lights and demanded free product replacement as guaranteed by their warranties. Retailers would often replace the customer's light free of charge and then have to wait months to receive a replacement light from the warehousing companies, if they received a replacement at all. When retailers became fed-up with d.light they would begin pushing consumers to purchase other lamps.

While d.light's rural retail distribution network was collapsing, the company also entered into a partnership with Nippo Batteries, one of the largest sellers of batteries in India. Under the partnership agreement Nippo agreed to stock and sell d.light products in its retail outlets. Although d.light products were made available in Nippo retail outlets, the partnership stalled as both organizations realized that Nippo sales representatives were unable to effectively sell d.light products. The retail store owners are considering selling d.light products in three different ways:

1. **Bundle with the first LPG cylinder:** When a consumer buys his first LPG cylinder, he also has to buy complimentary products like a cooking stove and a gas connection pipe. Many retailers bundle other Beyond LPG products in this transaction as well.
2. **Sell in the retail stores:** The retail store owner will display d.light products in his store and generate sales when customers come into the store to pick up their LPG cylinders.
3. **Sell through delivery men:** Around 50% of BPCL customers have their LPG cylinders delivered to them at home. BPCL may have the men who make the LPG cylinder deliveries also attempt to sell d.light products to these customers.

## **D.LIGHT DESIGN INDIA AND THE FRAMEWORK FOR MARKETING CHANNEL STRATEGY IN RURAL EMERGING MARKETS**

d.light Design India's marketing channel strategy in the areas of distribution network design, distribution network logistics, brand trust, consumer education, affordability, and after-sales service. Although d.light has made large positive strides in its Indian marketing channel strategy,

***Delivering Products: Distribution Network Design*** : d.light began its business in Uttar Pradesh selling products in small rural retailers. While this strategy brings the products closer to the consumer, research presented earlier in this paper showed that companies have not had success selling consumer durables in small rural retailers. Rural consumers want the same breadth of options and the same low prices for consumer durables that urban consumers receive, and they are willing to travel to urban centers to get them.

***Activating Customers***: During the company's initial entry into Uttar Pradesh, d.light did a poor job of building brand trust with consumers. Not only did d.light not piggyback off of a trusted brand in the region, the company also angered local retailers. As explained earlier using the case of Kick Start International, in rural emerging markets consumers have access to limited product information and retailers have tremendous power over which brands consumers will trust. Partially as a result of not building its brand trust with consumers in UP, d.light faced poor sales in the region. More recently d.light has made the good decision of piggybacking off of the trusted FINO and Bharat Petroleum brands. Bharat in particular is very trusted by Indian consumers and d.light should continue pursuing opportunities to co-brand its products with the "Bharat Petroleum" name .

***Activating Customers: Affordability***: Although d.light is designed to provide good product value at an affordable price, many consumers in UP will still struggle to buy the company's products due to the extreme poverty that they face. When d.light was selling products through small rural retailers, the company was placing its products in small villages in which the poorest people are likely to live. As could be expected, many of people were unable to afford even the least expensive d.light product.

In partnering with Bharat Petroleum, d.light is taking the affordability strategy of targeting consumers who have relatively higher and more consistent incomes. Customers can afford to buy LPG cylinders, which are expensive compared to other cooking methods (most people in India continue to collect free firewood for cooking).

**Activating Customers: Education:** Consumer education is the area in which d.light's marketing channel needs the most immediate work. Consumers in rural India are not aware of high-technology products like solar lamps, and they also lack an understanding of why solar lamps are better than traditional kerosene lamps. In order to grow consumer demand for its products and therefore grow its sales, it will be better that d.light make a concerted effort to follow in the footsteps of companies like Hindustan Unilever and educate its customers about their latent need for the d.light products.

**Maintaining Customers: After-Sales Service:** Just as with consumer education, d.light has not yet made a concerted effort to define an after-sales service plan for its customers and partners. My d.light provide its marketing channel partners and local repairmen with spare parts and instructions on how to fix its products. d.light products are fairly simple and modular, meaning spare parts are easy to swap in for broken parts. In addition, Bharat Petroleum retail stores employee repairmen to assist customers with LPG cylinder and stove issues, and these repairmen could be easily trained to repair d.light products as easily well.

## **CONCLUSION**

Companies that enter a rural region of an emerging market to sell a product or service will face myriad challenges. Dispersed populations, sporadic incomes, and low education levels are just a few of the many problems that companies will have to address to be successful. In this paper I suggest that the key to building a successful marketing channel in a rural emerging market depends on a company's ability to activate customers, deliver products, and maintain products. Of course, merely performing these activities is not enough, if a company seeks to be profitable in the long term, the activities will have to be performed with an eye towards cost effectiveness and economic return.

The framework I introduced for marketing channel strategy in rural emerging market is meant to help companies navigate the challenging operating environment. By educating consumers, designing creative affordability strategies, and building brand trust, companies will be able to unlock rural customers' latent desire to consume. By designing appropriate distribution networks and constructing trustworthy distribution channels, companies will be able make products available when and where rural consumers expect them. And by



providing effective after-sales service, companies will be able to maintain positive customer relationships and continue to gain brand trust.

Although the challenges for companies entering into rural emerging markets are great, the opportunities are even greater. The opportunities being present in three broad categories:

- *Profits*. Although individuals are poor, the aggregate spending power of this group is enormous. Furthermore, the needs of these consumers are just beginning to be met, meaning there are large, profitable opportunities available for companies willing to make the investment.
- *New Business Models*. Beyond profits, companies entering rural emerging markets have the opportunity to develop new types of business models that have never existed before.
- *Social Good*. Consumers in rural emerging markets have traditionally not been included in the formal market economy that is much of the developed world's success is based on. By extending the market's reach into these regions, companies that offer high-quality and trustworthy goods and services will be enabling rural consumers to capture value they otherwise wouldn't have.

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## **A Comparative Study of Customer Perception towards Traditional Marketing and E-Marketing in the city of Jabalpur**

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### **Introduction:**

During last decade marketing in India has experienced a tremendous change. E-marketing or E-Business has become a popular mode of marketing today. This new mode of marketing has its lot many benefits. It is very popular amongst youngsters of the country. Expansion of internet and mobile facilities has helped this marketing method effective. Various websites are offering goods and services to the customers at effective pricing with best assured quality. The young generation who have good hand on computer and also very much inclined to use newer technology are using these websites.

This mode of marketing is successful because of availability of ICT infrastructure, E-Banking facility, packaging standards and excellent courier facilities. In addition to this Payment on Delivery option, Return of Goods within time frame, Post Purchase Service etc, are also excellent. These are the contributors in making this shopping successful.

Traditional marketing has been influenced by the emergence of this new mode of marketing. Of course the percentage of customers of e-marketing is very low as compare to traditional marketing. Also e-marketing is popular in educated people with ICT awareness and also with good understating of websites etc.

**Review of Literature:** As per recent reports online marketing has become very effective in India. It has increased its market value and in near future it is going to be one of the most fast developing fields of the country.

(<http://articles.economictimes.indiatimes.com/>) Indian online retail market is estimated to grow over 4-fold to touch \$ 14.5 billion (over Rs 88,000 crore) by 2018 on account of rapid expansion of e-commerce in the country. According to research and consultancy firm RNCOS, the online retail market is projected to grow at a compound annual rate of 40-45 per cent during 2014-18. The current market size of online retail sector has been pegged at \$ 3.5 billion (over Rs 21,000 crore), it added.

In the expansion of e-marketing advertising has also played an important role. These companies have increased their advertisement expenditure enormously and are getting benefits of it.

(<http://articles.economictimes.indiatimes.com>) They may have been operating on shoestring budgets out of garages or home-offices till just a couple of years ago, but in recent months several Indian e-commerce firms including Flipkart, Jabong and Quikr have emerged big spenders on television commercials.

Top e-commerce companies in India, which on an average spent a measly 10 lakh each on advertising in 2010-2011, have increased it to anywhere between Rs 25-75 crore, said a top official at one of India's leading media buying and planning agencies. Some of the biggest spenders in the space include Olx, Flipkart, Quikr, Snapdeal, Jabong and Myntra, that hold a meaty portion of the estimated Rs 18,000-crore online retail industry, the person said. They have hired advertising firms such as Lowe and Partners, Scarecrow Communications and Happy Creative Services to steer their campaigns.

Another study expresses the popularity and success of e-commerce in India. This mode of purchase is very popular in big cities where youngsters with computer awareness and availability of Internet and smart phones are making these sites very effective. Busy life style and expansion of cities force them to stay at distant places are motivating youngsters for

ecommerce. Internet/Mobile banking credit/debit card payments facilities and even cash on delivery is making e-marketing successful amongst youngsters. The growth very fast those who are customers they are increasing their product list of purchase through this medium and new people from even small cities are now purchasing through websites.

(<http://www.business-standard.com/>) The Indian e-commerce industry is likely to clock a compounded annual growth rate (CAGR) of 35 per cent and cross the \$100-billion mark in value over the next five years, a study conducted by Associated Chambers of Commerce and Industry of India (Assocham) along with PricewaterhouseCoopers (PwC) has said. According to the study, the Indian e-commerce industry is valued at \$17billion now.

Continuing on the strong growth momentum of 2014, the e-commerce industry is estimated to see a 67 per cent increase in the average annual spending on online purchases per individual in 2015, to Rs 10,000 from Rs 6,000 in 2014, the study said.

### **Objective:**

Objective of the paper is to do comparative study about customer perception towards traditional marketing and e-marketing. The focus group was youngsters.

### **Data Source:**

The present study is based on primary data. A survey was conducted in the city of Jabalpur. The sample size was 100. The focus of the study was mainly young generation as they are the frequent users of on line shopping. Sample was selected by purposive sampling method. Efforts were made to include college going students who are users of smart phones/internet/websites etc.

### **Data Analysis:**

The data collected through primary survey is analyzed and with the help of diagram presentations are made, Percentage method is used to do the analysis.

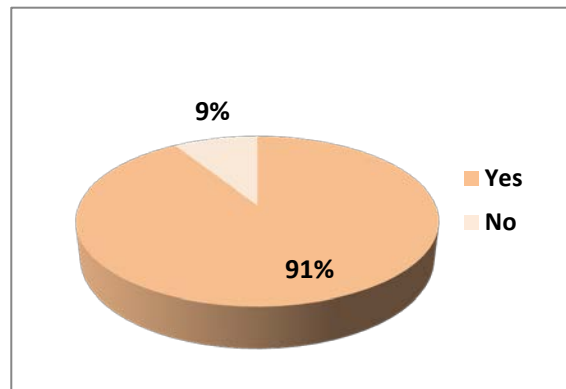
### **Demographic Characteristics of sample:**

In the sample total 100 persons were included 65 are male and 35 are female. Out of that only 2 persons were below 20 years. 70 persons were of 21-25 age, 22 were of 26-30 age group and in the age group 31-35 there were 6 persons. In the sample literate youngsters are

selected so that the real picture of e-shopping can be understood. Sample was having 3% higher secondary pass, 24% graduates and 73% are post graduates. 68% of the sample was students, 14 were salaried persons, 06 professionals and 12 were self-employed.

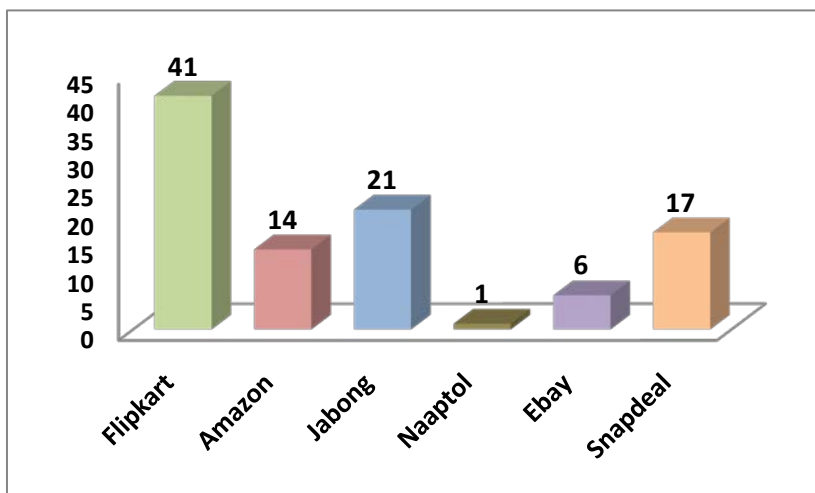
**Purchased through Websites (e marketing, Digital Marketing):**

Respondents were asked about the purchase with this medium. The responses were very positive and 91% said yes they have purchased through these websites only 9 said no. This shows the popularity of e-marketing amongst youngsters.



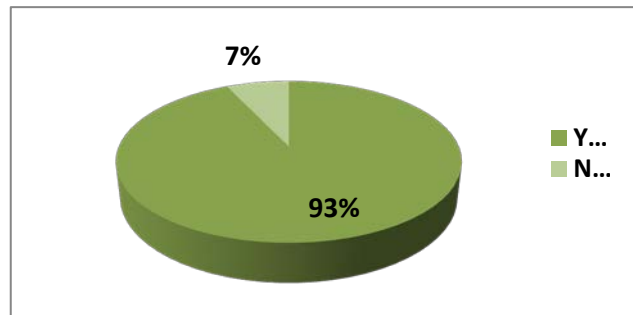
**Which website do you think good for purchase?**

E-commerce has become very popular today in India. In recent years we have joined with various websites offering e-commerce. Indian as well as world known companies are available in India. When asked which is the best company. Responses were favoring Flip[kart as highest preferred (41%) , Jabong with 21% preference was at second followed by Snapdeal with 17% and Amazon with 14% and ebay has only 6% preference for purchasing. Even 9 persons who have not yet purchased have their liking for these websites.



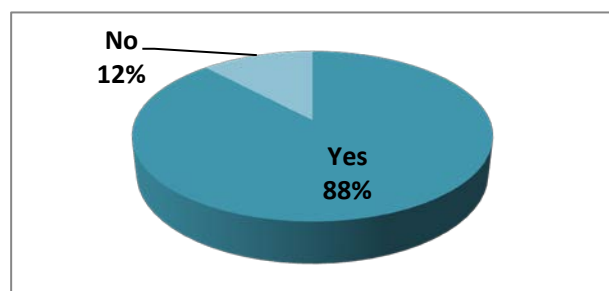
**Whether these websites offer good quality product?**

A straight question was asked about the quality of product of these websites. 93% responses were in agreement they said yes they offer good quality of products. Even two responses were from those who even have not purchased but they feel they offer good products.



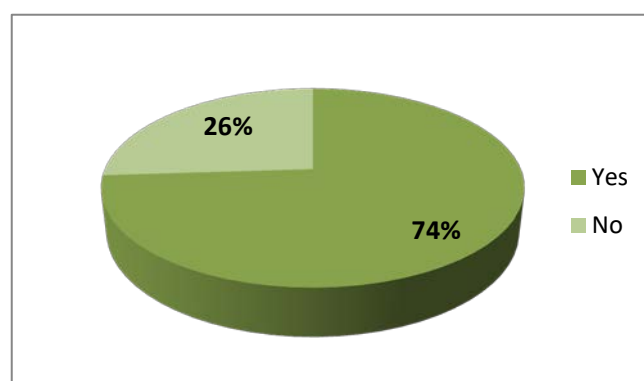
**Do you think e-marketing is difficult for the people who don't have computers/ computer knowledge/ Internet facility/ Mobile facility?**

When asked these youngsters whether the use of websites are difficult for people who don't have computers/computer awareness or internet/smart phones response was confirming the requirements of all these 88 said yes and 12% said no. This is what is one of the most important aspect of the e-commerce that it has its reach to only those people who have all the above.



**Do you prefer e-marketing/ Digital Marketing over traditional marketing?**

Another direct question was asked to the respondents about the comparison between traditional market and e-marketing. 74% of these youngsters preferred e-marketing over traditional marketing and 24% said no.



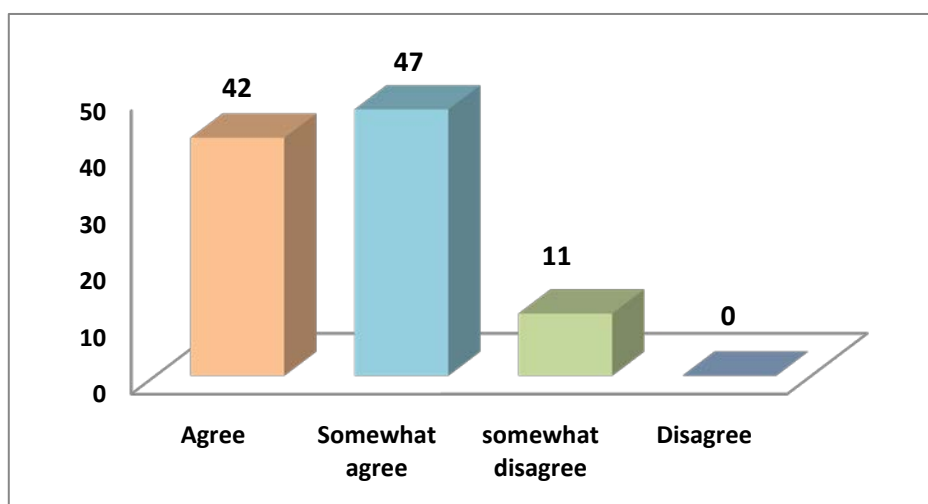
### Why you prefer e-marketing/ Digital Marketing?

The reasons for preferring websites by youngsters were best prices 18%, quality of product 7% variety of product availability 38% and they provide good offers 37%. The approach of these websites is so effective that makes them very popular today. Another question was asked where they get more options of products. Response was again in favour of e-marketing 64% said it gives more options. 36% were of the opinion that traditional markets are providing more options. Payment of delivery option also has played a crucial role in the success of e-marketing when asked respondents 74% confirmed that it's a good option 26% were not happy with it.



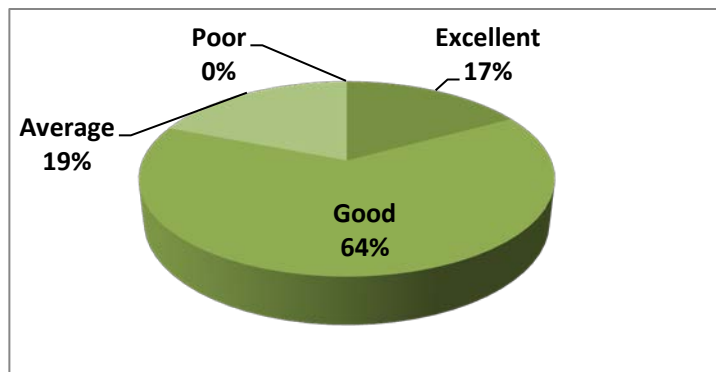
### Do you agree that when you see product physically it is easy to select?

One aspect goes very strong in favor of traditional marketing is that the physical appearance of product. Many products are such which can be touched or fragrance can be taken, or its shape can be seen, its colour and comparison between various colours and whether it suits to customer needs are if it can be measured or analyses physically. In all these aspects traditional market has edge over e-marketing. In survey it was confirmed also. Respondents were asked whether agree with the fact that when a product is seen physically it is easy to select. And 89% agree only 11% said no.



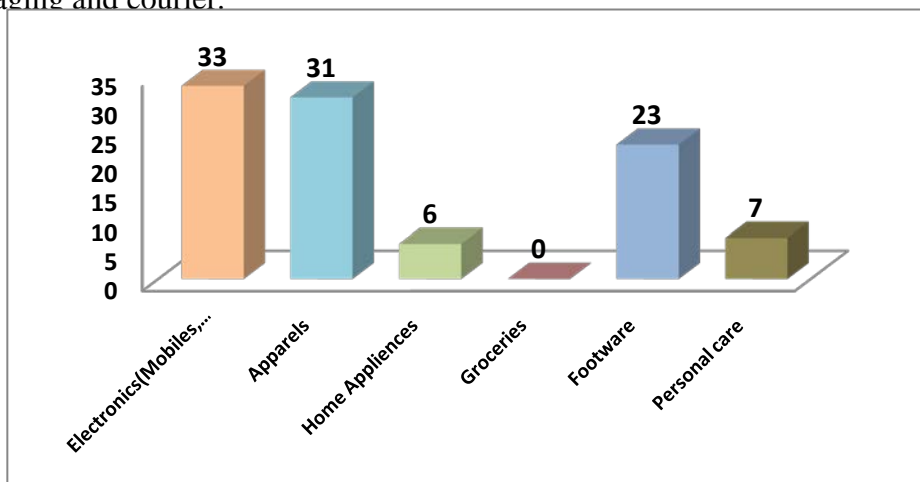
### Opinion about performance e-marketing:

Respondents were asked to rank the products purchased through e-marketing. It was called excellent by 17%, good by 64% and average by 19%. When asked have you ever faced any problem during the purchase of products through e-marketing. 44% said yes and 56% said no. But those who experience problems are very large in share. Majority of people who had problems expresses that it was change in size and colour (33%), 24% said poor quality, 22% said that they have received damaged product and 21% it was delay in delivery. Majority of complaints are due to courier services and also some related to size and colour which can be addressed.



### What have you purchased through e-marketing?

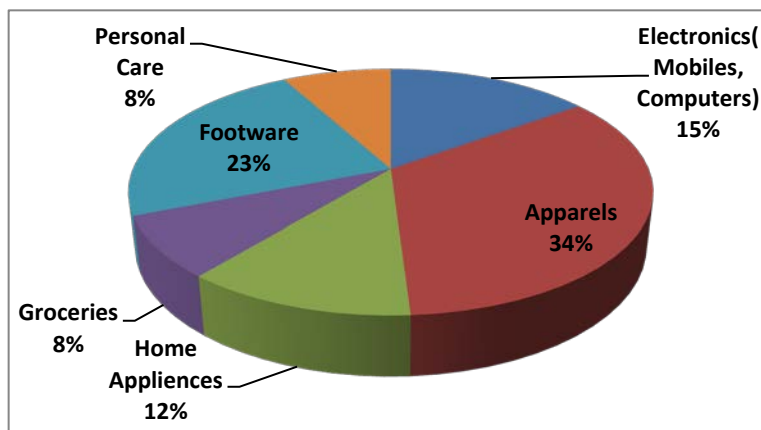
When asked respondents what do you purchase from e-marketing websites the responses were like 33% said electronics including mobile, computer and computer accessories etc. Another popular product is apparels 31%, footwear are also in demand 23% and only 6% home appliances. 7% on personal care items. Zero percent on groceries. Especially the popularity is in electronics products with high importance to computer & accessories and mobiles. Reason is the producers of these products are very professionals in service and packaging and courier.





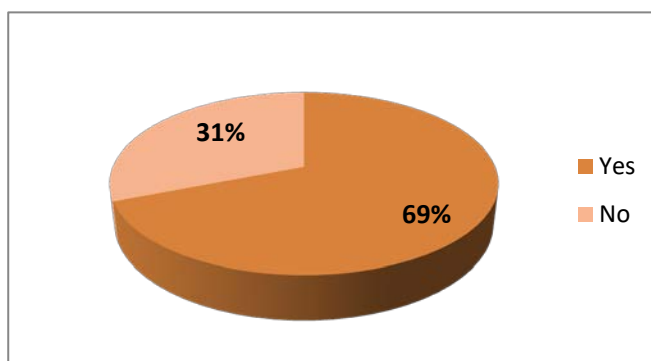
**Which of the product are purchased best through traditional marketing?**

When asked what you would prefer to purchase from traditional markets responses were somewhat interesting. Only 15% selected electronics including mobile and computers. Apparels by 32% footwear 23% and home appliances 12% and personal care and groceries got 8% each preference. Comparison is very clear people prefer electronics item specially computers and mobiles from e-marketing because otherwise also even to retailers it is sent by shipment so as to direct customers. Rest groceries, and personal care people prefer traditional market. Basically it includes food items and cosmetics.



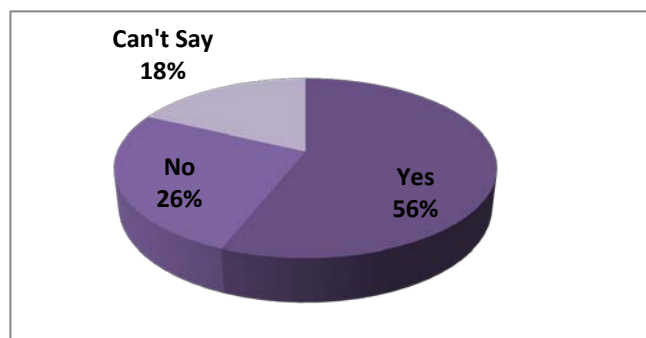
**Reasons for success of traditional marketing:**

When reasons for success of traditional market were asked it was personal relations and credibility including quality product offer, reasonable price and good behavior with customers makes traditional market more effective. 69% agree with this and 31% said no it makes any difference. Another reason supported by respondents was higher purchase or on credit purchase also make traditional market successful.77% respondents were agree with this and only 23% were not agree.



### **Do you think majority of Indians still prefer traditional shopping over on e-shopping?**

Respondents were asked to give their opinion about general customers and their point of view with reference to traditional and e-marketing. 56% said yes in India still traditional market is preferred over e-marketing. 26% said no it otherwise e-marketing is good. 18% were unable to access. This implies majority of Indians still uses traditional marketing because of poverty, non-availability of computer/smart phones internet facilities. No e-banking facilities etc. In country like India where we still have 70% population at low and lowest income group and no computer availability, lack of IT infrastructure, literacy and other issues makes traditional market a dominant market.



**Conclusion:** E-marketing is becoming very popular today in India. The volume of business done through this medium has increased enormously. This study was basically including youngsters and their preference therefore e-marketing got very high acceptance in the study. Though e-marketing has reached to every part of the country today. But it has its constraints to make it very successful availability of computers/Internet smart phones and computers literacy is essential. People expressed that e-marketing offers them quality product, competitive prices variety of products and best offers but still there are customers who believe that traditional marketing is good as it provides physical look of the product, behaviour and credibility of shop keeper also plays an important role in making traditional market successful. The study confirms that e-marketing is a fast growing sector in India today and days to come it will become more effective way to reach to customers.

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## **ROLE OF INNOVATION IN ENTREPRENEURIAL SUSTAINABILITY:A CASE STUDY OF PIZZA HUT**

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### ***INTRODUCTION***

**“Innovation consists of seeing what everybody has seen and thinking what nobody has thought.”**

In the ever changing world, innovation is the only key which can sustain long-run growth of the country. It is important for companies to be innovative in order to stay competitive with their competitors. Accordingly, organizations are engaging themselves in various innovative activities, ranging from manufacturing processes, product improvement, brand building initiatives to customer satisfaction. All activities which are basically involved in the procedure of generating ideas, development of technology marketing and producing new products and the process of manufacturing is called innovation. Today, business environment has become very dynamic where we can easily see the ever-increasing demand of the customers and intense market competition. To meet this, firms are creating new products, new ideas, solutions and services that provide a fundamentally better experience for the consumers. Innovation thus, can help a firm to discover what opportunities exist now, or are likely to appear in the future. Successful businesses not only respond to their current customer or organizational needs, but often look forward to future trends and accordingly develop an idea, product or service that allows them to meet this future demand rapidly and effectively. Innovation always helps an organization to stay ahead of competition as markets, technologies or trends shift.

Innovation is not only about designing a new product or service to sell, but can also focus on existing business processes and practices to improve efficiency, find new customers, minimize wastage of resources and increase profits. Constantly innovating and improving

business practices is also likely to help a firm to attract more and more customers and retain them for sustainable growth of an organization. .

Customers may even be willing to pay more for a well-designed, original and innovative product or service, rather than choosing a cheaper. One of the keys to any successful business is being able to come up with new ideas to keep operations, products and services innovative. The process of bringing those ideas to reality is called innovation. Thinking up new ideas is one of the steps of business process, businesses should emphasize to turn that new idea into an actual product or service so that it will be beneficial for the customer.

### **OBJECTIVES OF THE STUDY**

- The study aims at discussing the innovative strategies adopted by Pizza Hut.
- It also aims at discussing how Pizza Hut has captured Indian market to become one of the global leaders in food chain.

### **RESEARCH METHODOLOGY**

The study is based on secondary data. Relevant data are availed from various sources of information such as Books and Various websites.

### **LIMITATIONS**

One of the major limitations of the study was that it is totally dependent on secondary data that may not be fully authenticated. Also the time utilized for the study was very limited which restricted the scope of the study.

### **ROLE OF INNOVATION IN ENTERPRISE**

Innovation is the main idea in shaping corporate life and helping companies to adopt various strategic options. It also helps to reduce total cost of production; increase income avenues; maintain efficient operating systems; etc. It enables to keep an overall look at the cost concept and to accelerate the profitable top-line revenue growth for an organization. Thus, the term 'innovation' is rightly referred to as changes to products, services, processes or business models. To continue their growth and to reach newer heights, Indian firms need to be familiar with the importance of 'innovation' for maintaining their competitive edge and

fuelling further growth. Innovation may be linked to performance and growth through improvements in efficiency, productivity, quality, competitive positioning, market share, etc.

A core element of entrepreneurship is the ability to develop and make use of business opportunities. Innovation is the process of making new ideas from opportunities and putting them into practice to a great extent. To face competition, companies must have innovations. Innovation is generally considered as the main engine of economic growth in the global economy today. By introducing innovations into practice, it becomes easy for the concerned to obtain products with improved quality characteristics, quality service, new production processes, more efficient and clean (environmental) management system, improved models of business, modern management methods of employment etc. There are many reasons for companies and organizations to innovate, including increasing market share, capture new markets, improve quality of the product, choice of products, replacement of outdated products, reducing environmental impact, etc. Innovation is associated with creativity. Innovation and creativity processes are interrelated, because finding a solution to the problems in the process of innovation requires creativity. The function of the entrepreneur is to reconstruct or to revolutionize the production pattern by exploring an invention or, more generally, a non-experimented method, in order to produce a new good or a new commercialization for goods, organizing a new sector. An innovative firm must move ideas from the concept stage to the evaluation stage, through a new product development process, and then launch a new product or service.

## **TYPES OF INNOVATION**

Following are the different types of innovations used in a business.

- 1) Product Innovation
- 2) Process Innovation
- 3) Marketing Innovation
- 4) Organizational Innovation

- A product innovation is introducing goods or services that are new or significantly improved in terms of their characteristics or intended uses. Product innovations may include important improvements in technical specifications, components and materials, the user-

friendly attitude of other functional characteristics. Product innovations can use new knowledge or technology, or may be based on new uses or combinations of existing knowledge and technologies.

- Process innovation a means to implement a new or significantly improved method of production or a new method of delivery for a product. This includes significant changes in techniques, equipment and or software. The result of process innovation should be significant in terms of the production, product quality or reduce production costs and distribution.
- Marketing innovation means implementing a new marketing method. This includes major changes in product design or packaging, new sales methods, product placement, product promotion or pricing on the policy. Marketing innovations are designed to meet the customer needs, pursue new markets or creating a new position of company products on the market, with the objective of increasing sales of a company.
- Organizational innovation aims at implementing a new way of organizing the company's business practices in employment organization or external company's relations. Such innovations is intended to enhance business performance by cutting down the administrative and transaction costs, improving satisfaction at work (and thus labor productivity) or reducing supply costs.

## **CASE: - INNOVATION: A CREATIVE SYMBOL OF PIZZA HUT**

### **BACKGROUND**

Majority of fast food chains uses two types of establishments: franchisees and company owned outlets The proportion of these two establishments in a fast food chain will have an impact on allocation of authority, power, innovation process and communication. The presence of multinational fast food chains like McDonalds, KFC, Domino's , Pizza Hut, Subway etc. have somewhat catered to the high income segment and therefore started developing a place as upscale fast food restaurants. Most of the customers' today see multinational fast food restaurants as symbols of the wealth, progress and well-ordered openness of Western society and therefore such food restaurants have become trendy attractions in many cities around India and even abroad, particularly among younger people with more varied tastes. Pizza Hut is the biggest international franchise and restaurant chain store in pizza sector. Pizza hut is division of Yum! Brands Inc. Yum! Brands Inc is the largest

restaurant group with 30,000 outlets in 90 countries. It's providing both dine in and take way service. Pizza hut offers different types of menu; various types of pizza, pasta and salad etc to the ultimate customers. Pizza Hut entered India in 1996, and opened its first restaurant in Bangalore. Since then it has captured a dominant and considerable share of the pizza market and has maintained an impressive growth rate of over 40 per cent per annum. Pizza Hut now has 95 outlets across 24 cities in India; and employed nearly 10,000 people by end of 2012.

## **SUCCESS OF PIZZA HUT THROUGH INNOVATIVE PRACTICES**

### **1) Offering Value Food**

When Pizza hut name comes into our mind we think about the yummy! crispy pizza. Food innovation is top of mind and what primarily drives customers through the door. Pizza Hut offers innovative products to its customers on every new month where no other competitors meet the Pizza Hut innovation strategy. Pizza Hut is also known for its innovative products in the market and people expect to have new products from Pizza Hut in the form of its different meals, Pizzas, Desserts and even in the form of Pizza Hut special salads either in eat in or in take away deals. Pizza hut has been constantly innovating new products whether it is the Thin Crust pizza, the Cheese burst, the Double Cheese crunch pizza. Pizza Hut has always followed "single brand positioning" strategy wherein it has positioned only its pizzas. The positioning statement has been found different in different countries but it always stay close around its "PIZZAS". In India, pizza hut's positioning has been "Good times, Great pizzas". Pizza Hut follows the strategy of selling standardized products with modifications. Pizza Hut mainly sells 4 types of pizzas: Pan Pizza, hand-tossed pizza, stuffed crust pizza and Thin N Crispy pizza. Pizza Hut serves these standard style pizzas everywhere in the world but at the same time, it offers its customers to choose different toppings as extra mushrooms or extra capsicum and onions with extra cheese. Secondly it also offers "Value meal combos" which consists of a combination of pizzas, appetizers, beverages etc at lower prices. For example, Pizza hut introduced "Meal for 2" which offers a medium pan/freshizza pizza, garlic bread sticks with 2 glasses of Pepsi. Pizza Hut has been constantly involved in innovating new products. Keeping price into consideration, Pizza hut believes to give "Value for Money" to its customers. Sometimes it maintains the same prices, while at other times reduces the prices and at times it increases prices also. It thus provides maximum value to the customers and enhances the brand value.

## **2) Aggressive marketing and tie-ups with local and popular brands**

Pizza Hut has increased its visibility by launching a well-received TV campaign aimed at the young crowd. Today we see, TV campaign plays a leading role in creating the demand for its products. It has formed partnerships with recognized brands such as Nestle and Pepsi. It also holds regular promotional campaigns targeted at children and uses these alliances to offer packages during these campaigns.

## **3) Approach to Customer**

Pizza Hut always give rewards and benefits to its customers based on their different promotional and packages deals and offers. Buy one get one free is one of the packages, Pizza Hut Tuesday offer, Pizza Hut Monday offer, Pizza Hut family offer and many more packages are available in Pizza Hut. Customers are usually offered rewards on their each purchase where they can get better benefits once they improve the quantities of their orders .On the service front, they constantly keep upgrading themselves to ensure that they deliver hot and tasty pizzas to their customers. Menu variety is widest and they give the most toppings in the market. Pizza Corner follows its baseline “Better Pizza through Quality and Innovation.” In order to satisfy customers, Pizza Hut provides “the best pizzas under one roof”. This is because at Pizza Hut their belief is that every pizza has its own magic, thus they always try to make it a destination product that everybody is looking for. Pizza Hut has maintained their good image in concept of restaurant. Which is, they create a very interesting dine-in where it is suitable for all age group persons to enjoy their meal together. This kind of concept attracted customer to seat and enjoy pizzas at Pizza Hut Restaurant. Pizza Hut also launched certain ad campaigns to counter attack its competitors promotions.

## **4) Attractive promotional strategies**

The advertising or Promotion strategies for Pizza Hut in India are two-fold. Firstly, they are laying emphasis in India by being International brand with an Indian heart. For example, they create pizzas and side dishes by following the Indian cuisines. Pizza Hut ‘communication is reflective of family values and family bonding. Secondly, highlighting the idea that the pizza is a medium that brings people together ensures that this is a brand that helps to connects with Indian consumer.

## **5) World class technology**



Pizza hut has very high quality of technology for online ordering for the great customer service of their customers. Secondly while using the mobile phone, the customer can easily give order by sending the text message to the pizza hut. This text message automatically will go to the nearest local store and they will deliver the pizza very quickly at the customer home. The customer can easily online register with the pizza hut as well. In this way, if we look at it in terms of delivery, Pizza Hut in India is still using the same concept of Home country; it is by using Pizza Hut Delivery services (PHD). This service offers great quality pizzas, pastas, desserts and beverages delivered to a customer's doorstep. PHD is now present in over 40 cities in India. The benefit of doing this online ordering is that it can reduce the mistaken order taken by the staff because customer will choose the menu by their own.

Adoption of such technology helps Pizza hut to increase its customers as well as sale and reduce the cost of staff, customers can order online at any time and day. This technology is very important or boon of Pizza hut. Pizza hut is the first organization to introduce this facility, mobile text ordering, mobile portable card payment machines and online ordering are also very vital for Pizza hut. Because with the help of this technology .By using good technology Pizza hut needs to handle the customer demands.

Even, social media network is more involved than ever before and pizza franchises are taking advantage of this recent trend in their marketing strategies. For example, nearly one half of pizza eaters will search for recommendations on blog sites or Twitter before deciding on their purchase. Additionally, ordering online and through text messaging is a youth-targeted trend that is expected to continue to expand in the future.

## **CONCLUSION**

From the above case, it can be concluded that Pizza Hut has captured not only Indian Market but also the market at global level. The key driver for its growth is its innovative product, innovative process, innovative technology, creative ideas, etc .Customers' favorite or pass time product, flavor, serve and occasion are few such aspects which has created an everlasting impression on the mind and heart of the customer. Pizza Hut in order to fulfill its marketing objective of maximizing customer satisfaction by providing high quality products, has believed in the marketing strategy- "Think Global, Act Local, Be Glocal. "

From the above study it is also found that Pizza Hut has tried to target each and every diverse population segment either on the basis of age (kids, teenage, office goers, senior

citizens) or on basis of lifestyle (singles or couples) or special interest groups (celebrations, parties, festivals). In order to encourage increased and immediate purchases or to induce non buyers to make purchases, it has used technological innovation be in terms of SMS, online order processing, mobile technology, etc. It has created demand for its product by adopting various promotional activities such as providing discounts, attaching coupons, facilitating special offers to college students and even family members to enjoy their meal at location itself. Innovation and creativity are the leading factor for making a Pizza hut a dominant and significant fast food restaurant across the world. Pizza Hut, the world's largest Pizza chain with over 12000 pizza restaurants and delivery outlets worldwide has the vision of becoming the best branded restaurant with the best delivery and franchise network thereby providing the best food and best value to the families. According to Yum! Restaurants International, India is amongst the top five growth markets for Pizza Hut. Pizza Hut is also experiencing double-digit growth in India and hence is confident about expanding its operations in India.

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## **Online Retail Wars: Fads, Trends and Fashion**

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### **Introduction:**

The World Wide Web Browser" being created in 1990 by Tim Berners-Lee, various other developments followed. Online bank, the first of its kind opened in 1994. The rapid growth of e-commerce in India is supported by an increasingly sophisticated ecosystem that speeds consumer products makers' goods to online shoppers. The sector is classified into four major types, based on the parties involved in the transactions – Business-to-business (B2B), business-to-customer (B2C), customer-to-business (C2B) and customer-to-customer (C2C). E-Commerce (B2C, C2C) revenues have been growing at a whopping ~50% year on year with USD 10 billion in 2011. Technopak estimates that e-tailing in India will grow from the current USD 0.6 billion to USD 76 billion by 2021, i.e., more than hundredfold. The key reason for this disruptive growth lies in the fact that the market enabling conditions and ecosystem creation for e-tailing will outpace the same for corporatized brick & mortar retail. This growth will offer many advantages to the Indian economy, besides bringing in immense benefits to consumers. The growing need of consumer in various zones, travelling, jobs, entertainment and changing trends in fashion, has attracted customers to get comfortable ordering online. The companies have played a vital role in building a critical mass of Indian users – and they will continue to evolve. Key competitors in the market are Jabong, Flipkart, Yebhi and Amazon etc.

The Indian e-commerce market was worth 75,000 crore, in 2013, according to a joint report by KPMG and Internet and Mobile Association of India. India has the potential to double its economic contribution via Internet, from 1.6 percent GDP at present to 2.8 and 3.3 percent by

2015 [MCKensy'2012]. Indian E-commerce is most likely to generate employment for 1.45 million people in coming two years. Emergence of the new government and its innovative policies are developing hope to bring FDI in e-commerce for local market players. Marking the biggest consolidation in the e-commerce space in India, this report puts light on India's own Amazon; Flipkart and fashion e-tailer Myntra which jointly exposes their vision to capture more than 50% e-market share by strategic alliance. As Flipkart's annualized sales crossed over 6,100 crore a year ahead of target. It had estimated to reach the billion dollar mark for gross merchandise value by 2015; on the other hand Myntra's revenue was about 1,000 crore in the previous financial year. It aims to double its revenue in this financial year as it expands its seller base and adds products following China's biggest e-retail model Alibaba.com. Myntra has about 100 sellers on board and plans to increase this number to 1,000 by fiscal end. The strategy of Flipkart is to invest around 600 crore in its fashion business in coming years to combat with global rivals like Amazon and eBay Inc. Furthermore it reveals the philosophy behind this giant acquisition and how this will contribute to the progression of Indian Economy.

## **Online Retail Wars**

### Philosophy behind Acquisition of Flipkart and Myntra

Flipkart which started with online bookstore similar to Amazon and now sells products across categories, including fashion and electronics. It now also sells white goods and furniture. It hit the billion-dollar milestone in annual gross merchandise value last month. Subsequently Fashion, which delivers over 35% in operating margin, is among the most contested categories in ecommerce and has seen the emergence of players like Jabong, Fashionara and Limeroad and even web-only brands like Yepme and Zovi. The number is growing every month and on track to grow between 100-150 per cent over next 3-4 years. The overall Lifestyle category in India is \$45 billion, growing at 16% CAGR. The industry will cross \$100 billion in 2015 with somewhere between 5-10% of this being online. Flipkart moved to market place model in feb 2013 where third party merchants sell goods to shoppers through flipkart site. It allows e-commerce companies to scale up faster & save storage & other inventory related cost as the products are held by merchants. For Flipkart, setting up a huge fashion vertical means boosting margins, because fashion has the highest margins-35 to 40 per cent-among all products sold online. Myntra has big plans with its private brands like Anouk, Dress berry and Roadster, which promise margins as high 60 per cent. Myntra will

continue to operate as a separate brand, and its founder Mukesh Bansal will occupy a seat on Flipkart's board, heading all fashion at the new entity. Flipkart will bring in its capabilities in customer service and technology. Both companies will also net customers that have shopped on both portals-about 80 per cent of the country's online shoppers have shopped on either Myntra or Flipkart. However, the companies will not integrate the back end. The two teams will also function separately.

To begin with Flipkart will invest \$100 million in fashion business. On the other hand Myntra's goal is to generate 20,000 crore in gross sales by 2020 for which the site needs more than \$150-200 million fresh funds. Flipkart and Myntra deal will create the first Indian e-tailing powerhouse, and provide a big fillip to India's still nascent but very promising e-commerce industry. Myntra sells products from over 650 brands like Nike, HRX by Hrithik Roshan, Biba and Steve Madden and clocked revenue of about 1000 crore.

Lets discuss the classical case of FLIPCART.COM here.

Flipkart.com, now an e-retailer giant in INDIA was established in 2007, by Sachin Bansal (Sachin) and Binny Bansal (Binny), who were classmates at the Indian Institute of Technology, Delhi, when e-retailing in India was at a nascent stage. The idea of starting an e-retail company emerged while they were working in Amazon, India (Development center). They studied the Indian e-retail market and found that the number of online buyers was on the rise, and that the demand they generated was not being met by the existing e-retail companies. Further, they found that in India, customer service by e-retail companies was poor when compared to that of international e-retail companies like Amazon.com Since its inception Flipkart introduced several innovations and went on to become one of the largest players in the industry. Flipkart made eyebrows rise by announcing its \$1 billion round of funding. Within just 24 hours Amazon trying to take the limelight away from Flipkart, announced that it would invest \$2 billion into its Indian market.

### **The Success Story:**

Flipkart, an Indian e-commerce firm, with its headquarters in Bangalore, Karnataka was founded by Sachin Bansal and Binny Bansal, both being graduates from IIT, in the year 2007. Initiated as a two-member innovative idea to a 4,600-member company, the Flipkart case study is not just about great success and brain-numbing numbers but it's about reinstating

customer experience and eliminating the online shopping inertia. Started from an initial investment of \$8,000, this modest seed of desire grew into a \$100 million e-retailing giant. The creators' passion for online market space manifests itself in the brand, which is synonymous with the most efficient customer service and satisfaction.

## **The Big Billion Day: Success or Failure**

As one of the most prestigious market leader in the ecommerce industry, Flipkart redefined the word 'big' in many ways on 6<sup>th</sup> October 2014. Nothing of this scale was witnessed before where on one side it received a lot of backlashes on social media and on the other side, the company claims of achieving sales target of \$100 million in just 10 hours of the day. How big was really this 'Big Billion Day?'

Mirroring the buzz generated by the 'Black Friday Sale' in the United States, Flipkart worked on the same concept by introducing Big Billion Day sale for its huge customer base in India on 6<sup>th</sup> Oct, Monday. The company did every possible effort to promote this sale on almost all social, print and visual channels. Commercials were created featuring celebrities like Vir Das to promote this big day. Almost all daily Newspapers on Monday were seen with a full page advertisement of this big sale day.

Moreover, a day before the sale, special personalized message was sent to all the subscribers mentioning significance of conducting this sale on the date 6<sup>th</sup> Oct (6-10). As against competitor Flipkart, — "Big Billion Day" — sale ahead of Diwali, Amazon India spread its festive season sale through an entire month. Buyers were offered new deals on each day of the sale, which spread over Navratri, Durga Puja, Dussehra, Karwa Chauth, Dhanteras and Diwali — festivals that Indians consider auspicious for making new purchases. During the month, Amazon India ran three major events including "Mission to Mars" (October 4-6), "Diwali Dhamaka Week" (October 10-16), and "Dhanteras Dhamaka" (October 21).

### **BIG Response**

As a response to the big promotion of the big billion sale, Flipkart received overwhelming response from its customers since 8am. With a range of exciting offers on quality products and that too at disruptive prices, a huge response was expected. All the happy customers made sure that their wishes were reaching the ears of Flipkart. The response was so high that

Flipkart received 3, 00,000 orders in just 6 hours duration. It sold goods worth \$100 million in just 10 hours.

### **BIG Bashing**

Although, the 'Big Billion Day' managed to achieve the record sales, but when it came to establishing close connect with the customers, it ultimately failed. During the day, customers crowded the social media with complaints ranging from inflated prices, non availability of products and also non-confirmation of their orders. To make it worse, Flipkart did not even offer refund or cancellation option. The sale was expected to go throughout the day, but it ended within 7 hours. Overall, the customers were not able to get what they had actually bargained for.

### **What went wrong?**

So what really went wrong on this day that annoyed people to joke and bash. Did Flipkart underestimate the shopping prowess of over 25 million online shoppers in India or was it just a case of bad planning? In reality, this sale was a combination of improper planning and technology. With so much of advertising and hype created around this sale, such huge traffic should have been expected. It was no different from airline sales where the cheapest seats get picked up early, leaving others disappointed. Flipkart should have prepared for the sale long time ago. Instead, it prepared for a war room where people monitored both sales and twitter feeds while also tracking the logistics. However, for Flipkart it was a big day as they not only register a billion hits across devices, but surpassed usage of any other social networking site during the day.

### **Competitors kept an eye and responded to aggressive marketing**



### ***The Epilogue***

There would be few tough competitors in Indian market; the podium belongs to Flipkart, Amazon and Snapdeal. But still the question remains as who would be the Numero uno? The obvious winner of the war would be the Indian consumers, as these announcements amply clear that the price war between the giants would continue for few more years as they would try to capture their market share sparing their profit margins.

### **A Lesson Learnt**

This historic sale was a lesson for both Flipkart and its competitors such as Snapdeal and Amazon. In future, before launching any such kind of sale, better plans will be initiated in order to prevent customers from getting irritated and apathetic. Moreover, despite of all necessary steps, ecommerce companies need to watch out their steps carefully as consumers are fickle minded and would land up a place where they get better deals and services.

However, amidst all the flak, Flipkart did get its share of support. "The fact that they managed to get the entire industry, including offline retailers, chasing after them, the fact that they managed to get the country's online shoppers heading to their website and the fact that they clocked some great revenue numbers on the day means that they succeeded to a large extent. Just as Big Bazaar has created 15th August/26th January as shopping days in the offline world, Flipkart may well have created its own version of Black Friday for India's online shoppers.

### **One Last Move: BIG Apology**



Although in the end Flipkart was still able to manage to win few customers back by their apology letter but the true impact of this could only be learned in longer time as trust once lost on E platforms is really a hard thing to gain back.



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## **A Study on importance of Creativity and Innovation in Entrepreneurship Development**

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### **Introduction**

An entrepreneur is a person who develops a new idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customer needs.

All entrepreneurs are business persons but not all business persons are entrepreneurs. Entrepreneurship is the activity which is being carried out by the Entrepreneur. Generally Entrepreneur is the concerned authority of the business, without their permission, not single changes or decisions are made. In other words, "An Entrepreneur" is an owner or manager of the business enterprise who makes money through risk or initiative. They are responsible for any changes happened in the business or in the organization.

### **Objectives of the study**

- a) To study entrepreneurship and innovation
- b) To study role of the innovative entrepreneur in economy.
- c) To study and present examples of innovative entrepreneurs.

### **Research Methodology**

The research paper is based on descriptive research design. Data has been collected from secondary sources books, journals etc.

### **Findings of the study**

## **The role of innovative entrepreneurship in Indian economy-**

Innovative entrepreneurship impacts the economy at three levels: at the aggregate level, at the consumer level, and at the firm level. The positive effects of innovation percolate through the economy.

At the aggregate level, innovative entrepreneurship, like its replicative cousin, benefits the overall economy by creating new jobs and increasing income, raising the potential for new investments. In fact, new research demonstrates that it is the gazelles - innovative companies that have experienced annual growth rates greater than 20 percent for four or more years - that create the largest number of new jobs.

At the consumer level, the effect of innovation is the added value for consumers - the improved products or services available to them at lower costs.

At the firm level, innovators can out-compete other companies that are not innovators, because of the cost advantages that innovation produces. Furthermore, firms that produce innovative goods and services are also more likely to adopt new innovations.

Steve Jobs was the greatest innovator and entrepreneur, who created game-changing innovations including the Apple II, Macintosh, NeXT, iMac, iBook, iPod, MacBook, OS X, iPhone and the iPad, and made Apple the most valuable company in the world. Steve Jobs was the co-founder, chairman and chief executive officer of Apple Inc.

## **Cultivating innovative entrepreneurship**

Entrepreneurship is doing things that are generally not done in the ordinary course of business. Innovation may be in; introducing a new manufacturing process that has not yet been tested and commercially exploited, introduction of a new product with which the customers are not familiar or introducing a new quality in an existing product, locating a new source of raw material or semi finished product that was not exploited earlier, opening a new market, hitherto unexploited, where the company products were not sold earlier, developing a new combination of means of production. Innovation involves problem solving and an entrepreneur is a problem solver. An entrepreneur does things in a new and a better way. A traditional businessman working in a routine manner is not entrepreneurial.

If innovative entrepreneurship is the key to increasing standards of living, then the question is: how do you cultivate innovation?

Arthur Blakemore, professor and chairman of the W. P. Carey School's economics department, says that minimal regulations, a competitive and economically efficient tax system capable of supporting an appropriately competitive infrastructure, openness to trade and competition, and facilities for R&D are all necessary factors in an innovative economy.

It's not likely that policymakers can directly guide innovation, but they can provide the kind of environment that fosters it". Furthermore, R&D is very important. Clearly all of the most famous clusters of innovation -- Silicon Valley, Route 128 in Boston, the Research Triangle in North Carolina -- they all have universities in proximity producing basic R&D that can ultimately be commercialized.

The famous clusters of innovation have another factor in common: a critical mass of companies involved in innovation. "Silicon Valley became the innovation mecca it is today almost by accident. HP started there in a rented-out garage, and its presence attracted other companies, which attracted others, and so on.

This type of clustering produces is called network externalities. Innovative firms accrue production advantages from their proximity to other innovators. The clustering provides synergy, a knowledge base, a talent base and an efficient means of transferring information.

The presence of large innovating companies is important. If you want to cultivate innovative entrepreneurship, you have to have large innovative companies, because they spawn start-ups. A lot of innovative entrepreneurs get their technical experience working for a large company. Once they come up with the innovative idea, they leave the company to go out on their own.

The presence of a well-funded university involved in R&D is also a critical factor for an innovative economy. A highly trained labor force and a culture of lifelong learning are important factors in the cultivation of innovative entrepreneurship.

In addition to serving as centers for R&D, universities also must do well at educating innovative entrepreneurs. There are two types of education that innovative entrepreneurs need to be successful: on one hand, they need a really solid technical understanding; and on the other hand they need an education that stimulates creativity and imagination."

Innovation involves changing the status quo with respect to customer experiences, product performance, business processes, alliances, and the channels of distribution or the way the product or service is ultimately delivered to consumers. Thus, teaching innovation is not just about teaching students how to develop new goods or services, but how to explore their ideas, and develop their latent potential for innovation.

## **SOME OF THE FAMOUS INNOVATIVE ENTREPRENEURS**

### **BILL GATES**

William Gates the III, the former CEO of Microsoft, for short period of time, had assets worth over 100 billion dollars, making him the world's first centibillionaire. Today his assets are half that but he remains, as he has for the past decade and then some, the world's wealthiest man according to Forbes.

Gates was born on 28 October, 1955 in Seattle, Washington to a successful family and was able to attend a Seattle private school. His mother was a schoolteacher and his father a Seattle attorney. He developed interest in software and began programming at age 13 when the school acquired an ASR-33 teletype terminal from a mother's rummage sale. Because of their exploits of bugs in the school's second computer: a DEC PDP-10, owned by Computer Center Corporation, Gates and a number of other students, including Paul Allen- Microsoft's co-founder, were offered unlimited computer time in exchange for debugging the company's computers. After CCC went out of business, the students were hired by Sciences Inc. to write a payroll program. The students were successful and received royalties on the program.

### **RATAN NAVAL TATA**

Ratan Naval Tata (born 28 December 1937) is the present chairman of Tata sons and therefore, Tata Group. He is also the chairman of major Tata companies such as Tata steel, Tata Motors, Tata Power, TCS, Tata Tea, Tata Chemicals, The Indian Hotel Company and Tata teleservices. Ratan Tata was adopted by Naval Tata and Soonoo Commisariat in the Tata Family a prominent family belonging to the Parsi community. He is the great-grandson of Tata group founder Jamshedji Tata. After his parents separated in 1944, he was brought up by his grandmother Lady Navajbai and did his schooling in Mumbai from Champion School. Later, he enrolled in Cornell University, where he earned a B.S in

architecture with structural engineering in 1962, and has also completed the Advanced Management Program at Harvard business school (Class of 1975).

### **VIJAY MALLYA**

(Born 18 December 1955) is an Indian liquor baron and Rajya Sabha MP. The son of industrialist Vittal Mallya, he is the Chairman of the United Breweries Group and Kingfisher Airlines, which draws its name from United Breweries Group's flagship beer brand, Kingfisher. He also co-owns the Formula One team Force India, the Indian Premier League team Bangalore Royal Challengers, and the I-League team East Bengal FC.

According to Forbes.com, as of March 2011, Mallya is worth US \$1.4 billion. He is ranked 879 in The Forbes World Billionaires Ranking (2011), and 38th in India. He receives substantial press coverage that focuses on his lavish parties, villas, automobiles, Force India, Royal Challengers Bangalore and his yacht, the Indian Empress. Mallya was born into a Konkani Goud Saraswat Brahmin family which originally from the town of Bantawal, near Mangalore in Karnataka. He is the son of Vittal Mallya and Lalitha Ramaiah. He was educated at La Martiniere for Boys School, Calcutta<sup>1</sup> and completed his degree at St. Xavier's college Kolkata.

He later set up business ventures in Dubai, United Arab Emirates. Mallya's first wife was Sameera and they have a son together, named Siddharth Mallya. Sidhartha was educated at Wellington College in Crowthorne followed by Queen Mary's College in the University of London. Later on, Mallya married Rekha with who he has two daughters Laila is engaged with loganathan and Tanya Mallya and one son.

### **JAWED HABIB**

Jawed Habib who was "Entrepreneured" into 220 Jawed Habib Salon and 42 Training Academies not just in India but across Asia, from Malaysia to Nepal and beyond. Last year he launched Hair Express outlets, offering hair cut at just Rs 99 each. Jawed, is a post Graduate in French Literature from JNU, New Delhi. He went to London's Morris School of Hair Dressing and London School of Fashion for a 2 year course in the art and science of hair style and grooming. He is already there in the Limca Book of world Record with Featof 410 nonstop haircuts in a day.

## **KIRAN MAZUMDAR-SHAW**

The lady from India' (Managing Director of Biocon Limited a biotechnology company based in Bangalore (Bangaluru), India. Kiran Mazumdar-Shaw was born on March 23, 1953 (age 58) in Bangalore, India. Kiran Mazumdar-Shaw completed her schooling from the city's Bishop Cotton Girl's High School (1968). She wanted to join medical school but instead took up biology and completed her BSc Zoology Honors course from Mount Carmel College, Bangalore University (1973). She later did her post-graduation in Malting and Brewing from Ballarat College, Melbourne University (1975). She worked as a Trainee Brewer in Carlton and United Breweries, Melbourne and as a Trainee Malster at Barrett Brothers and Burston, Australia. She also worked for some time as a Technical Consultant at Jupiter Breweries Limited, Calcutta and as a Technical Manager at Standard Maltings Corporation, Baroda between 1975 and 1977.

She started Biocon in 1978 and spearheaded its evolution from an industrial enzymes manufacturing company to a fully integrated bio-pharmaceutical company with a well-balanced business portfolio of products and a research focus on diabetes, oncology and auto-immune diseases. She also established two subsidiaries: Syngene (1994) to provide development support services for discovery research and Clinigene (2000) to cater to clinical development services.

Her pioneering work in the sector has earned her several awards, including the prestigious Padma Shri (1989) and the Padma Bhushan (2005) from the government of India. She was recently named among TIME magazine's 100 most influential people in the world. She is also on the Forbes list of the world's 100 most powerful women, and the Financial Times' top 50 women in business list.

## **RAGHAV BAHL**

He is an Indian Businessman best known for his ownership of several television channels, including TV-18 India. He received schooling from St. Xavier's School Delhi and attained a Masters in Business Administration from FMS Delhi. He is responsible for directing most of the work of TV-18 and channels like CNBC-Awaaz, Nickelodeon and colors. Recently he has written a book 'Super Power?' which compares the two developing countries China and India. Raghav "earned" his 2007 Entrepreneur of the year award of Ernst and young. Around 50, he is a first generation Entrepreneur. He started Newtwork-18

as a television software house in the mid nineties. He developed the India Show and The India Business Report for BBC very successfully. He saw hard times for many years but he and his team were able to come through the agni pariksha very well. Now he has in his media house three of the best global properties CNBC, CNN and VIACOM. Raghav was born in IAS family and his grandfather was principal of a government college. He studied at St. Stephen college MBA from DU and went to Columbia for his doctorate on scholarship but decided to come back to do what he loved to do.

## **Conclusion**

With rising population of the world, the world's need and necessities pattern had also evolved through the years. To sustain the ever increasing demand and supply of products, right entrepreneurship skills and innovation are much more needed. Without new business ideas and technology to support it, no consumer demand will be fulfilled completely. Thus, innovation and entrepreneurship is the need of hour and needs to be adopted by one and all business enterprises. Innovation and Entrepreneurship is a good resource for categorizing and identifying sources of innovation. Entrepreneur does an excellent job of organizing the key elements involved in innovation and there is a fair amount of real world examples that help others understand the concepts. Innovation and Entrepreneurship is more about creating a framework for innovation that can be used to compartmentalize current practices. To accurately point out, the least likely sources of innovation are from new knowledge and bright ideas.

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# **Training & Development Practices and Its Effectiveness for Faculty of Engineering Colleges of Nagpur City**

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## **1. Introduction**

Training is expensive. Without training it is more expensive”. This famous quote by Jawaharlal Nehru rightly suggests the importance of training. Today, every organization needs to build and sustain competencies that would provide them with competitive advantage. For this it requires humans having knowledge, skills and right attitude. This is possible with proactive training and development practices.

Training is a process to change employee behavior at work through the application of learning principles. This behavioral change usually has a focus on knowledge, skills and attitudes. It is an attempt to improve current or future employee performance by increasing an employee’s ability to perform through learning.

## **2. Rationale of the Study**

Engineering faculties are updating their knowledge and skill through different training platforms such as Seminar, Conference Short Term Training programs etc. As on date there is hardly any research on the training and development practices and its effectiveness. Hence this study is planned. This study is aimed at measuring the attitude, willingness of the faculty members towards the training programs and their feedback on the training. This research will help these colleges in further improving their training and development practices.

### **2.1 Objectives of research**

- To study the training and development practices followed by engineering colleges
- To study the effectiveness of training and development measures followed.
- To explore the levels of satisfaction of the faculties regarding the training programs.

- To find out the training technique and the method preferred by the faculties.
- To explore the reason for preferring training.
- To identify the future area of improvements.

## **2.2. Hypotheses**

Before the research is started researcher assumes some facts or phenomenon about research object. Even, many times, the research is conducted to check whether the assumed phenomenon holds true or not. This pre-research assumption is called as hypothesis. The process of confirming or rejecting this hypothesis is called as hypothesis testing. In this research also the researcher has set some hypotheses and tested them for their confirmation. The formulated hypotheses of this research are as follows.

1. Faculties of engineering colleges are satisfied with their trainers.
2. Faculties of engineering colleges feel that time allotted for training is sufficient.

## **3. Research Design:**

Questionnaire method was used for data collection. The final version of the questionnaire consists of 15 questions on different aspects. A note was mentioned which describes the purpose of the research project. Though the questionnaire is not divided into sections but first six questions deal with the respondents' demographic profile. Rest of the questions includes the variables pertaining to various dimensions of training and development practices in engineering colleges of Nagpur city.

An obvious prerequisite for properly carried out survey research is that the respondents must understand and interpret the questionnaire in the same way as the researcher. Even if the researcher has a perfect understanding of the content and knows exactly how it should be analysed, the answers can be useless if the respondents interpret the questions in a different manner. To avoid this, senior faculty members were engaged as test persons. These faculty members looked for readability, i.e. how difficult/easy it was to understand the questions. Thereafter the questionnaire was further developed using their opinions.

For this study purposive sampling is used. It is a non-probability sampling in which an experienced individual selects the sample based on his/her judgment about some appropriate characteristics required of the sample members.

Primary Data from the respondents were collected through structured questionnaires that contained all the questions pertaining to the contemporary relevance of the issue and also it

had general information about the respondents. The respondents of the study were from five well known engineering colleges of Nagpur City. For the purpose of secrecy the names of these colleges are not mentioned in the thesis.

The questionnaire and the cover letter were given to the 166 faculty members of different engineering college of Nagpur city. Out of these 112 questionnaires were received back. 18 of these questionnaires were incomplete (or data missing). The respondent were telephoned and the missing data of was collected. At last 100 questionnaires were considered for further analysis.

The data analysis of the questionnaire was made in Microsoft Excel 2010. The Kolmogrov-Smirnov test, named after statisticians A. N. Kolmogrov and N. V. Smirnov, is a simple nonparametric method. The K-S test is measure of a theoretical frequency distribution, as was the chi-square test. It is a more powerful test than the chi-square test, and it is easier to use because it does not require that data be grouped in any way.

#### **4. Research Findings and Discussion**

The major findings of the research are discussed in this section. Majority of the faculties have attended only one training program in a year. This is quite low. The emphasis is more on knowledge based training than skilled based training. Self interest is the most motivating factor for the faculties to undertake training. Data also suggest that the recommendation by the management is less prevalent. Majority of the faculties prefer workshop technique than other techniques. Lecture method is next preferred training method. Industrial visit which is one of the most important methods is the least preferred method.

Majority of the employees are opined that the training programs are not fine tuned to meet their requirements. Very few faculty members believe that training paves way for getting promotions or cash or non monetary benefits. The respondents have rated knowledge as the highest improvements, as a training outcome, followed by confidence and performance. Problem solving skill and job satisfaction are rated low by the respondents in this regard.

Evaluation of training effectiveness is a must. But it is observed that the managements of the engineering college are hardly taking any feedback from their employees. Majority of the faculties are completely confident that their management does not welcome suggestions from them for evaluating the training programs.

Majority of the faculty members feel satisfied about their training faculty. Majority of the respondents are happy with the subject clarity and style & delivery of the trainer. Majority of the faculties feel that the time allotted for training programs is sufficient and they are quite comfortable with that. Majority of the faculties prefer training for gaining depth knowledge and updating latest technology. Majority of the respondents said that their performance don't get recognized after getting trained. This may become a major deterrent for the faculty members to undergo training. Very few faculty members agreed that the training programs help in visualizing their career and in identifying the growth opportunities. Data suggest that respondents are satisfied with training content but dissatisfied with training material provided and also the involvement and the interest shown by the college.

#### 4.1 Hypothesis Testing

**Hypothesis:** Faculties of engineering colleges are satisfied with their trainers.

**H0 :** There is no significant difference (i.e. response pattern is uniformly distributed)

**H1 :** There is significant difference (i.e. response pattern is not uniformly distributed)

Here we assume that if the response pattern is uniform then equal numbers of respondents are satisfied and dissatisfied. For this we apply the **Kolmogrov-Smirnov test**.

#### Kolmogrov-Smirnov Test

The Kolmogrov-Smirnov test, named after statisticians A. N. Kolmogrov and N. V. Smirnov, is a simple nonparametric method. It is a more powerful test than the chi-square test, and it is easier to use because it does not require that data be grouped in any way.

Factors	Observed Values	Observed proportion	Observed Cumulative Proportion F(x)	Null hypothesis proportion	Null hypothesis Cumulative Proportion S(x)	Difference F(x)-S(x)
H. S	34	0.34	0.34	0.25	0.25	0.09

Satisfied	49	0.49	0.83	0.25	0.5	0.33
D.S	14	0.14	0.97	0.25	0.75	0.22
H.D.S	3	0.03	1.00	0.25	1.0	0.00

N=100

Calculated value of D = Max [f(x)-S(x)]

D = 0.33

### Tabulated value

For a sample size greater than 35, the critical value of

$D = 1.36 / \text{SQRT}(N)$  at 5 % level of significance.

$D = 1.36 / \text{SQRT}(100) = 0.136$

The decision rule states that the null hypothesis will be accepted if computed value of D is lesser than critical value of D.

**Result: Computed value of D (0.33) is greater than critical value of D (0.136).**

Hence, H<sub>0</sub> is rejected and H<sub>1</sub> is accepted.

**Conclusion: Response pattern is not uniformly distributed and from the source table it can be inferred that majority of the employees are satisfied with the training faculty.**

**4.2 Hypothesis :** Faculties of engineering colleges feel that time allotted for training is sufficient.

Options	No. of Respondents	Percentage
Yes	76	76

No	24	24
Total	100	100

**Result: From the table it is seen that the majority of employees have opted yes for the question “whether the time allotted for training is sufficient?” It is necessary that the above data should be applied to universe and for that purpose confidence interval is required.**

For confidence interval, the standard error should be calculated

$$SE = \sqrt{(PQ) / N}$$

Where P= % of Yes (76)

Q= % of No (24)

$$SE = \sqrt{[(76*24) / 100]} = 4.27$$

Confidence interval= P +/- (SE\*Z @ 95 %)

$$76 \pm (4.27*1.96)$$

68.78 to 83.22%.

**Conclusion: Thus, the confidence interval lies within 68 to 83% and hence we can accept the hypothesis that the faculty feels that time allotted for training is sufficient.**

## 5. Conclusion

Engineering faculties are themselves part of training industry but it is observed that they are not adequately trained. There is hardly any effort being taken for training and development of these faculty members. Even the effectiveness is not measured. Also there is hardly any motivation for faculty members to upgrade their skills and knowledge, No doubt the qualification upgradation do help them in getting promotions. The researcher strongly feels that this research is small towards enhancing the training and development practices of these colleges.

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## **Suggestions**

- 6.1 Adequate number of training programs should be conducted for the faculty members. These training should consist of skill based training.
- 6.2 Management should conduct regularly training need analysis of the faculty members and based on that it should recommend its faculty for the training.
- 6.3 Monetary and non monetary incentives should be offered to the faculty members for motivating them for the training.
- 6.4 Every time training effectiveness should be measured.
- 6.5 Management should recognize their faculty members for enhancing their skills and knowledge level.
- 6.6 Training programs focusing at career development can be conducted frequently for the benefit of faculty. This helps an employee to understand the motive of his work and enhance him to synchronize his individual objectives with the organizational ones.
- 6.7 Industrial visits can be arranged consistently in a calendar year. This will help the faculty to get exposed to new training practices prevailing in other industries.
- 6.8 Group events such as skit, spot presentations, quiz programmes can be conducted to make the training programme more interesting

## ECONOMY, ETHICS AND RESEARCH ISSUES

**Dr.A.Sathish Babu, M.Com. M.B.A., M.Phil., Ph.D.,**

In the last few decades, the world has been moving in the path of capitalism as the most dominant socio-economic system. Every country is endowed with some natural resources, by exploiting the natural resources, countries are exporting surplus produce to other countries and importing the necessities to satiate the desires of their public. It has been grasped by many countries that no country is self sufficient and has to integrate it self in the International Economy for reaping the benefits and for sustainable growth. Consequently, many a Government is encouraging private participation thereby euphoria is ensured.

Major changes in communications and information technology, rapid development in transportation, world class institutions, agreements among nations, strong commitment to globalization, keeping in view the elated objective of quality have resulted in a significant economic and financial inter connectedness among economies and markets. As a result, “Border less World’ and crony capitalism has emerged. In fact, capital, technology and information do not have nationalities any more. All these flow essentially, freely in and out through out National borders. These developments has drastically metamorphosed business scenario all across the world. Due to the connectivity and understanding between Nations many a sophisticated products and services are at the threshold of consumers. On the political arena, the boundaries between two countries are as clear as ever. But on a competition map, exhibiting the real flow of manpower, technology and finance, those boundaries have to a maximum possible extent disappeared.

**The business of business is business** and due to opening up of our economy with liberalization, privatization and globalization many corporate houses have relinquished their inertia and spread their wings by manufacturing new products and extending services. Taking the current environment into consideration, many multinationals have been incorporating their units in our country. For all these players, India is providing unique opportunities. There is a lot of competition among states in attracting global giants.



Indian consumers are in the unprecedented consumer boom as our markets are flooded with new products. At the same time, the prevailing belief is that individuals and companies pursue their self interests; supply and demand will magically lead to well being of humanity. While it is comforting to think that we can all simply do what is best for our short term economic interests. This type of cut throat competition and creation of wealth is paving path for unscrupulous attitudes and corporate culture is fast changing.

The word “**ETHICS**” aroused from the Greek word “**ETHOS**” which explains the underlying sentiment of beliefs, customs or practices of a group of society. Ethos explains and determines a man’s action rather than his thought or emotion. The conspicuous contour between rotten and real will chisel the character of man and as a result, the illumination shed by ethical lamp is a path maker in the maneuver of righteousness. In the process of transformation from the stage of ignorance to information, man has often defied a predicament whether an exact action is exemplary or nefarious. Ethics suggests the systematic attempt to make sure of individual group, organizational, professional, social and global market experience in such a way as to determine the desirable prioritized ends that are worth pursuing the right rules and obligations that ought to govern human conduct.

The greatest challenge the corporate world today facing is the crisis of confidence and character, mental and moral decay and breakdown of traditional values. In the present world which is primarily torn between a Few “**HAVES**’ and majority of **have-nots**, diversities, self-centered vision, violence, terrorism and consumerism are creating a dreaded scenario.

In the 21<sup>st</sup> century man is viewed as a multi functioning machine and not as a valuable organic being. There is always a tension between man and time as human being wants to make prosperity out of it, resulting in stress, anxiety and breakdown of health.

Computer Information systems and most modern information and communication Technology have so advanced that we cannot wait for any natural process to redeem our corporate managers from the commercialized way of functioning and artificial way of living. Today we give much importance to position, power and wealth and the young generation is tempted to pursue such worldly attractions. Corruption has penetrated so deep in every aspect of our life. According to the transparency International, India is ranked 85<sup>th</sup> in the corruption index scale.

The fast pace of life and madness for money have been badly mistaken for progress and our corporate managers are already in the grip of frenzy for such kind of progress. These young managers are obsessed with such progress and they do not know what to express to others and what they can give to others. In fact, individuals are part of the family, family is a part of society and society is part of the Nation. A healthy economic development is more necessary for a healthy society. But contrary to this phenomenon, there is always a sense of urgency with every body. These managers are tense when they do not do any thing. Impatience is becoming the ruling principle. In the competitive world, men and women want to work even when they are physically exhausted. Indian family system is so unique and always an enigma to rest of the world. However, the strong edifice of

Our family is destroying due to economic systems and nucleus families are emerging in the place of joint families and every body wants to keep himself/herself busy. The young people are of the opinion that it is below the dignity to take the company of men who work slowly and leisurely.

The resultant anxiety has led to an un healthy competition in the contemporary

Business world and leading to crimes and violence in the political world. Technology is a double edged weapon. If it is used properly, Products and prosperity will accrue, and if mis used destruction will take place. The success comes from quality reputation. Respect for people means respect for the mind and capability. Respect the capability of the people. The most important factors for success are patience, a focus on long term rather than short term results reinvestment in people, research and development and an unforgiving commitment to quality. M.K Gandhi said **”Men often become what they believe themselves to be. If I believe I cannot do something. It makes me in capable of doing it. But when I Believe I can, then I acquires the ability to do it, even I did not have it in the beginning”**.

Saint Patanchali in his yoga sutras says **” when you are inspired by some great purpose some extraordinary work, all your thoughts break their bounds, your mind transcends limitations, your consciousness expands in every direction and you will find yourself in a new great and wonderful world. Dormant forces, faculties and talents become alive and you discover yourself to be a greater person by far than you ever dreamt yourself to be “**.

The crown and glory of life is character. Our holy scriptures proclaim “**JNANAMEVA PARAM BALAM**” which means knowledge alone is supreme power. Again “**NAHI JNANENA SADRISM PAVITHRAM IHA VIDYATHE**” which means there is nothing more sacred in this world than knowledge. To day organizations are giving importance to talent management to prove their mettle. The cynosure of this trend is human being. Organizations which want to stand in the market for number of years have to strive hard to bring most modern products and service before the eyes of consumer. In order to achieve this strategy, organizations have to redefine their strategies by giving importance to Research and development. Research means searching for existing facts and new facts.

Today, the entire world is in the grip of recession and some countries like European countries especially Greece is facing actuate recession. India is having the inbuilt capacity to withstand such vicissitudes and every time we are aspiring for higher growth rate and on seeing grass root realities we are revising the growth rate from time to time. As such, we have talented manpower when compared to yester years and according to a survey what we are using is only 5 per brain power. There are only two lasting banquets we can hope to give. One of these is roots, the other wings. The roots symbolize the cultural and spiritual moorings that we must provide the young so that they cultivate inner strength to face the changes of life and are not carried away easily by the winds of worldly storms and temptations. The wings represent the capacity to dream that the sky is the limit for our achievements and the ability to realize our dreams in our own life time.

**Conclusion:** If we maintain values which in the blood of Indians, if we inculcate values in our young generation which is the pillars of our economy, it will not take much time to reach India to higher heights.

## **Role of Industry- Institute Collaboration – A research review**

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### **1. Introduction**

Collaboration between Education and Industry is need of an hour. In Asian context it plays a vital role in social & economic development. There is considerable literature available on the factors facilitating industrial modernization and enterprise development. The key factor stated is human recourse. The institution imparting technical education plays a vital role in developing the human resource.

The National Association of Software and Services Companies (NASSCOM) in its 2011 report have stated that 75% of Indian engineering students are not fit to be employed. One of the major factors behind this deficiency is that the students are not prepared as per the industry requirements. It is always argued that institutes imparting technical education have to collaborate with industries to improve the quality of education especially its practical component. This will assist in preparing students to be industry-ready. Technical institutions and industry which have been operating in separate domains are rapidly moving closer to each other to create synergies. The theoretical strength of the technical institutions and the practical exposure of the industry will be synergized when they join hands. This will be a win-win situation for industry as well as academia. Industry will be getting trained manpower & their recruitment & training cost would be reduced substantially. On other hand academia will get sufficient guidelines to enhance the quality of education & making it result oriented. A productive collaboration between academia and industry is a critical requirement for the development of any country in the knowledge economy.

The constantly changing management paradigms, in response to ever growing complexity of the competitive environment, today, have necessitated these two to come closer. In today's knowledge economy, a result oriented collaboration between technical institutions and

industry is a critical requirement. Lack of industry institute collaboration can potentially give rise to mismatch between demand and supply of quality manpower, which, in turn, can cause disruption in the job market. This research is an enhancement to the earlier research done by the author & presented in reputed platforms of academic excellence. The additions are helpful to enhance quality.

## **2. Objectives of the Study**

- To identify the contemporary practices of Industry-Academic Collaboration

## **3. Research Methodology**

This study is a descriptive research. Existing literature available on industry academia collaboration is reviewed to analyze the role & significance of industry institute collaboration in enhancement of mutual benefits. The research also provides the measures to improve the industry institute interaction for mutual benefit & social benefit. Examples of selected Asian countries have been taken to elaborate the point of discussion. Researchers have used their judgment to analyze the points of discussion.

### **3.1. Problem Statement**

What are the practices followed by Asian Countries for Industry-Academic Collaboration?

## **4. Literature Review & Discussion**

The very aim of this paper is to analyze the factors critical for Synergistic Industry-Academic Collaboration through literature review. The various literatures on industry academia collaboration are reviewed to present the conclusion.

Giselle LaFrance found that the industry academia collaborative experiences can help students, the prospective employees for industry, reach their full potential earlier and to a higher degree. Moreover, collaborative learning helps HR of industry to expand the reach and streamline the operations of the company, identify and shape strong potential hires, and continue to inspire the education, passion, and investment in academic tie-up so vital to the industry. By industry and academia working together to truly understand the student's, each other's, and even their own needs, as Hanson suggests, we have the prosperous opportunity to build a collaborative model and teach students in a style – both in and out of the classroom – that will truly prepare them for the twenty-first century workforce – already a scarier and more competitive place than ever before. “We are facing great challenges today in all industries and in all states,” says Atrion's Cronin. “Together, not only can we generate an

industry-education partnership, but also make a difference in the lives of a lot of young adults as we foster our future workforce. That success is what we are really here for.” What a candidate knows and what they bring to the table are key things for industry. Industry and academia are responsible for making sure the future generations are able to have a respectable seat at that table. The common outcome for all the stakeholders is to get success in the workplace. Giselle LaFrance concludes that although it is certainly critical for companies to find the right candidate, it is equally critical to invest in creating the right talent. Collaboration between industry and academia is critical to that investment and success.

Ambreen Gul & Aftab Ahmad, Pakistan in their research paper “Perspectives of Academia-Industrial Linkage in Pakistan: An Insight Story” presented the analysis of role of government policy, importance of university strengthening & importance of university strengthening. They argued that government should act to initialize the linkage program between industry and universities. National policy for academia-industry linkage is obligatory to strengthen scientific developments. Government of Pakistan needs a national S&T reform policy for developing S&T culture in the country, like China, where policy reform took place in 1985 after which knowledge-based economy flourished there. Technical education institute like universities should be given some form of independent governance to collaborate to private enterprises. Professors in the universities should also be encouraged to promote the academia-industry linkage. Government budget for higher education should be tripled from the existing amount (1.8% GDP) to 6% of its GDP. Pakistan access to higher education is 7.8% as of 2011 figure and it ranks at bottom 6<sup>th</sup> position in its spending on education sector. Funding allocation must be on priority areas of research as per demand of the country and a simultaneous encouragement of industrial sector for additional funding to that project. Approval of the project should be under stringent conditions to initiate the ties of academia and industry.

Various authors argued that growth of academia-industry linkage in Pakistan requires the strong foundations and policy making. Technology transfer policies and patenting rights could bump up the collaboration more effectively. Several measures can be taken as a signed agreement or MOU between partners. Universities can also be empowered by several ways. In the first instance, information sharing by universities and industrial involvement in the form of financial support to the partnering university not only enhances its research capacity but also reduces its dependency on government budgets. It is also observed from their paper that graduate and postgraduate students of the technical institutions should attain professional

training from collaborating industry, in the form of internship, as part of their study program. In turn, the technical courses should also include the courses of industrial concern, such as, entrepreneurship, business and marketing products, special science discipline subjects etc.

Azhar, S., M.A. Hassali, M. Izham, M. Ibrahim, M. Ahmad, I. Masood and A.A. Shafi. from Pakistan argued that the most important mandate for academia-industry linkage policy is to strengthen the industry. Pakistani Industries are facing many problems, which compromise the product price as well as international sale market. Encouragement of industries for knowledge-based product development, innovation strategy based on scientific research and sharing of industrial problems to the academicians for finding appropriate solution. Forcing industries to establish in-house R&D units or university R&D units, where professors and scholars engage in research activities. Industrial strengthening requires consultancy, scientific guidance and its R&D improvement. Besides, collaborating the academic R&D units, in-house R&D centers, not only, strengthen the industrial performance but also can keep update the quality of the product. Academicians and scientist can be hired as consultant to train special people required for industrial R&D centers. It is observed from the literature that major drawback of Pakistan industrial sector is its lack of interest in R&D. Industrialists, usually, avoid spending the extra costs to maintain these centers, limiting the product quality and hence further improvements. On these grounds, awareness of R&D should be realized to industrialists and offer them the services of academicians, in this regard.

Jancy Ayyaswamy, Neeraj Saxena & Antaryami Parida in their research titled “Government mediated program on intensifying industry- academia linkages For human resource development; Experiences of an innovative model from TIFAC” found that It is difficult to convince academic institutions about the concept itself, of co-creating and co-developing an industry-oriented enterprise (CORE) within the institution. Accepting the challenge means vigorous efforts in persuading industry, something that the faculty is not prepared for. They further added that Industries prefer to wait-and-watch before getting into a CORE seriously. This is possibly because the institutions are not so well known and sometimes not well established also. The inadequacy of faculty or its retention especially in technical education due to high salary in industry in these sectors also impacts running of the CORE. In one of their important observation, they found that institutions having CORE have not been able to replicate and create more of CORE like enterprises with industry’s support alone. It appears that attracting industry and developing vibrant linkages with them without government presence is not an easy task for technical institutions in India.

In the research paper “The importance of industry & Academia collaboration in innovation in the pharmaceutical sector” authored by Mike Eaton summarized his expert views stating that the pharmaceutical sector to survive in Europe it needs the support of academia. There is a need for more industrial experience to be available to the academic sector which should be encouraged to find original solutions to serious healthcare problems. Equally, for academia to flourish in Europe it needs the continuation of its science-based industries and a dialogue with industry. Although the example is from European country, it highlights the upcoming issue, i.e. industry & institution are interdependent when it comes to survival.

Tom Wanyama and Venansius Baryamureeba in their paper on “The Role of Academia in Fostering Private Sector Competitiveness in ICT Development” found that it is necessary that the academia and the private sector build strong collaborative relationships. Such relationships should not be limited to industrial training, and research and development, but should also include other important areas, such as curricula development, business proposal writing, improvement of business processes, and continuous training of private sector workers. Since it is wrong to think that single academia-private sector model is beneficial to all units of academic institutions, as well as the private sector, it is essential that each unit of the academic institutions identifies areas where they can build effective academia-private sector relationships. In addition, these units have to identify the endowments they have that can benefit the private sector.

Pankaj Jalote in his research paper “Challenges in Industry-Academia Collaboration” found that one of the core competencies of academic institutions are teaching. A natural collaboration possibility is for the academic faculty and institutes to conduct training in topics of interest for industry. Short courses may be offered by some faculty in some company or some common place to students to make them aware about the industrial practices & procedures. Training sessions should be taken by industrial professionals so that they will also get benefit. There is an increased mutual interest in collaboration in the area of research and research can be considered as the activity of creating new knowledge. Possibility of research collaboration is always high in case of industry. Research is long term investment, which helps a company generate more revenue and profits. Industry in India often looks for “consultants” in academic community – basically experts who can guide them in solving their problems. Industrial experts can spend time with faculty discuss there problems, interact with researchers and Practitioners.



## 5. Examples from Asia

Here, we will analyse the selected examples from Asian countries specially India, China, Thailand, Malaysia, Singapore & Pakistan.

India has emerged as one of the top competitor in global scenario in the fields of IT, science, engineering and biotechnology apart from its agricultural. Improving Industry institute interaction & governmental legislations are the driving force for this emergence. Various authors have argued that India realized the significance of academia and industry soon after its independence and succeeded in developing good industry institute linkage in technical education. It has promoted the establishment of industries & designed policies to develop the Indian industry by blocking the imports of international goods as a market competitor of local made vide its EXIM policies. Indian Institute of Technology (IIT), for instance, the best example to illustrate the phenomenon, has a strong linkage strategy with industry through Industrial Consultancy & Sponsored Research (IC&SR) Centre.

It has been observed in India in last decade that it produces skilled manpower for industry and apply the academic expertise to solve for industrial problems, provides consultancy to industry and, in turn, gets sponsors from the industry for its high-tech research. Council of Scientific and Industrial Research has an outstanding performance in Academia-Industry linkage. Indian Government has established policies & strategies for promoting Academia-Industry linkages in India for its IT, biotechnology, engineering and agriculture sectors. By observing the sartorial growth in India, it is found that India has developed sound base for biotechnology sector by setting up academia-industry linkage in various institutes for biotechnology and IT. With a global market share of 3.6% in 2010, IT service is ever booming Indian technology.

Report published by Brimble and Donor in 2007 argues against the Thailand's academia-industry linkage. Although it is ahead of Bangladesh, Bhutan, Srilanka & Pakistan. There are few areas where Thailand has achieved distinction. Thai's shrimp, sugar, textile, automotive, electronics have earned rankings among World's quality producer, by amalgamation of industries and academia. These sectors are contributing to its export have well established and strong academia-industry linkages. Even in this politically disturbed Thai scenario, The realization of this initiative came up due in time by the lack of functional R&D and academic assistance, a fact to trigger industrialist to communicate and find expert guidance from the universities and for the academicians to excel in their career by pursuing the problem based

solutions of industrial concern. Thai's automotive firms are Asia's largest automotive parts manufacturers and nine out of ten are among world's top ten automotive parts producers. Thailand's textile institute (THTI), similarly, has 66 initiatives in supply chain management, garment, fabric design, dyeing, printing and IT with explicit linkage to universities in term of basic R&D for product development, waste management and good manufacturing practices according to US department of Health. Hard Disk Drives by the Thai's manufacturers expand the example of academia-industry linkages, adding to the success of Thailand's foreign export. It is observed that Seagate is standalone to build effective long term academia-industry linkages in R&D field and successful relationship to academia.

China, on other hand is leading in industry institute interaction. Most of the authors are rating China as a Aisa's superpower. Its accelerated growth in science and technology over the last two decade is not the only effort of academic or the industrial innovations, but the combined setting up of goal oriented progress along with the Government reforms in S&T have devoted much to this accelerated boom in China's economy.

China has empowered its R&D institutes, research funding and academia-industry linkages through profound policy based administration in 1985's S&T reform. As a result China is succeeding not only in Asian markets, but also in global market share. Strong academia-industry linkages exist across China's universities since 1950's as the university-affiliated industries were the driving force for the development of this tie.

Malaysia and Singapore are other examples of Asian successors. These countries have realized the importance of academia-industry interaction and positively implemented them in their niche products like electronics, engineering and petrochemicals. Singapore reached the height of industrial development by the 1990; however, academia-industry collaboration was realized much ahead of 1990. Biotechnology has given top priority in Singapore and many pharmaceutical companies set up manufacturing plants there. The economic growth rate of Singapore is fastest in the world, 17.9% during the first half of 2010. Malaysia's case is much different from Singapore but it is much ahead in term of academia-industry ties than Bangladesh, Nepal, Bhutan, Pakistan, etc.. On the other hand, it is the only Islamic country, contributing 86.5% of total high technology exports, such as microchips and microelectronics, which tells the story.

Kyoto University and Daikin Industries, Ltd. Collaborated on an agreement to implement a university- and company-wide project for fundamental research, the development of new

products and innovation on 21 June 2013 and launched an innovation program. This project enables them to mutually utilize their intellectual resources, facilities, equipment and human resources such as teaching staff, researchers, engineers, and students to achieve the new themes focusing on social values, Build a global technology network, development in technology management methods for innovations.

The below given graph shows the country wise analysis of activities in relation with IIC.

Graph. 1.1 Critical Factors/Activities in Asian countries in relation with Industry Institute collaborations

Critical Factors/Activities	India	China	Thailand	Malaysia	Singapore	Pakistan
Consultancy to Industry	Red	Green	Yellow	Green	Yellow	Red
Consultancy/Guest lectures from Industry	Yellow	Yellow	Green	Yellow	Yellow	Red
Joint R&D	Yellow	Green	Green	Yellow	Green	Red
Academic Projects with Industry	Green	Green	Green	Green	Green	Yellow
Joint Curriculum Development	Yellow	Green	Yellow	Green	Green	Red
Industrial Visits by Academic Inst.	Green	Green	Green	Green	Green	Yellow
Govt. Policies Regarding IIC	Green	Green	Red	Green	Green	Red
Implementation of	Yellow	Green	Red	Yellow	Green	Red

Govt. Policies Regarding IIC	Yellow	Green	Red	Yellow	Green	Red
Involvement of Faculties & Students in IIC	Green	Green	Green	Yellow	Yellow	Yellow

\*Green= Strong Activities    Red= No Activities    Yellow = Moderate activities

Following graph shows IIC at specific country industry wise. It shows that which is the industry where IIC is strong .

Fig. 1.2 IIC at specific country industry wise

Industry/Country	India	China	Thailand	Malaysia	Singapore	Pakistan
FMCG	Green	White	White	White	White	Green
Engineering	Green	Green	White	Green	Green	White
Biotech	Green	White	White	White	White	White
Agriculture	Green	White	White	White	White	Green
Textile	White	White	Green	White	White	White
Automotive	White	Green	Green	White	White	White
Electronics	White	Green	Green	Green	Green	White
Petrochemical	White	White	White	Green	Green	White
IT	Green	Green	Green	White	Green	White

\*Green= Strong Activities    White= Less or No collaborative activities.

## 6. Suggestions

Based on the observations in this literature review, authors would like to come forward with following suggestions.

Technical institutions need to enter into academic association with different Institutions, Industry Sectors, and Consortiums with a view to develop, refine or modify the Curricula etc. as per their specific needs. The technical institutions should have practical approach and focus on the industry needs. It will help them to improve their focus on practical oriented teaching. It can also be done through constant interaction with leading professionals who are a part of the Industry and Academic Advisory Boards which creates a result oriented academic atmosphere and an efficient decision making process based on consultation; and through these it aims to promote an overall development of students for the maximum realization of their potential.

The curriculum should stress on developing not only technical skills but also analytical skills, communication, problem solving and team work abilities. The requirements of industry must be continuously updated through regular industry tracking / feedback. Hence, technical institutions should focus on pedagogy like case studies, industry projects, presentations, research work and role-play relevant to practical education. The objective of all these should be to develop the Personality & enhance the soft skills on which industry lays great emphasis.

Technical students of universities must be involved in this R&D activity which produces skilled graduates, who after completion of the project can move to Industry. Sponsored industrial collaboration is an effective way to strengthen university. In this way, universities can spend more on R&D projects. Setting-up liaison offices within university bridges the gap between academia and industry and can promote academia-industry linkages. An added advantage of this liaison centre is to help to commercialize and market the products made by the universities. Establishment of product specific R&D units within university, containing sophisticated equipment, further boosts up the academic capacity of innovation and product development.

The industry should provide support to academia by offering sessions on contemporary business scenario. Industry can offer student oriented projects which will help students to learn about industries at the same time industry will also know about their future human

resources. Industry should provide research projects to academia where faculties & students can work jointly to come with some meaningful findings.

If academic institutions, imparting technical education, follow the abovementioned suggestions, the expected result is improved quality of academic delivery.

## 7. Conclusion

It is a need of an hour that academia and the industries should construct strong collaborative bonding and interaction. Such bonding should not be limited till Projects and Industrial visits but should also include other important areas, such as curricula development, new project proposal writing, business sense, joint R&D activities and ethical aspects of industry workplace. Industry should make some efforts to support academia through various ways like Entrepreneurship Development Program, Management Development Program, sponsoring R&D activities at institutes which will in turn benefit industry to get skilled manpower & support in solutions of industrial problems. On other hand academic institutions can develop the model of courses in such manner which give wide exposure to the students in the areas which are required by industries. Overall, Synergistic Industry-Academic Collaboration can improve the efficiency and productivity of academia & can also fulfil the needs of industry.

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## **“A step towards winning the market through Talent Management.”**

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Talent is not a rare commodity,  
People are talented in many ways,  
However it is rarely released.  
To make talent happen organizations must  
Give it a strategic and holistic attention.

Globalization is the process that drives both collaboration and competition. As said by Jack Welch (Former Chairman & CEO, General Electric), **“If you don’t have a competitive advantage, don’t compete”**. Thus in the 21<sup>st</sup> century organizations need to have competitive advantage otherwise they will not survive, much less grow and thus they need to evolve from a collection of insular, isolated business units into co – operative, collaborative and synchronized enterprises. In order to survive in this competitive era the role of Human Resources within the corporate structure is changing dramatically over the years. In today’s competitive market place Talent Management is taking a new dimension in understanding the corporate strategic goals and the role talent plays in reaching them. Thus the very first step the organization needs to take is have the right expertise and resources to identify talent needs and decide whether to meet them from within the organization or to draw them from outside.

Talent Management can be defined as “An integrated organizational HR process designed to attract, develop, motivate and retain productive, engaged employees.” Talent management should encompass and focus on all the critical and important positions and people in the organization and attempt to ensure that “Everyone at all levels works to the top of their potential”. The goal of Talent Management is to create a high performance, sustainable organization that meets its strategic and operational goals and objectives. Thus



today, Talent Management can be described as one of the most important and critical functions of HR and business management. Since Talent Management is gaining the importance it is leaving most of the leaders and their companies with questions as, how to attract, manage and develop talent effectively for achieving the goal and the objectives of their companies? Answering these questions is very necessary in order to win the “War of Talent” because the demand for highly skilled people will outstrip supply.

Talent Management is all about managing the demand, supply and flow of talent across the organization through the human capital engine based on organizational strengths, weaknesses, opportunities and threats. However many organizations tend to confuse Talent Management with leadership development and focuses on attracting, developing, engaging and managing only those leaders. Instead company also needs to give emphasis to the individuals, middle and lower level leaders as well as the early career professionals realizing that they also have a high impact on the company’s business results and its future. To foster talent development, leaders need to evaluate their employees’ talent and actively encourage the development of their people through clear, specific and constructive feedback and training mechanism. It is truly said that **“If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it, you almost don’t have to manage them”**. Thus organizations need to have a clear understanding about the factors which motivates and drives the talented people and which helps the organization to become management innovators. Organizations need to concentrate on talent mapping which helps them to identify the strategies to bridge the gaps between current and future talent requirements. In the present day scenario many organizations put all their efforts into only attracting the employees to their company rather than emphasizing on retaining and developing the existing talent. A system for talent management needs to be aligned with the business strategies and implemented in day to day process throughout the company as a whole. It need not be left solely to the Human Resource Department to attract and retain the employees; rather it must be practiced at all the levels of the organization.

The culture of a particular society plays an important role in determining the cultural fit Talent Management practices as there is a direct correlation between company’s success and a work culture that fosters creativity and talent. Ultimately creating a talent rich organization is not a rocket science and does not have to be an expensive endeavor. Thus a culture that

motivates and excites employees so that the talent is continually refreshed and sustained throughout the life of the company should be prioritized as it is difficult to find talent. Creating a talent focused, supportive company culture drives individual to join and stay within an organization which can have a tremendous impact on the bottom line. A talent rich culture that provides opportunities to the employees helps them to move on and gain experiences that improves their skill sets.

However, there are various roadblocks in developing a talent rich culture but it is not impossible to overcome them. As the common barriers for developing a talent friendly culture may be that there need to be a transparency in what development initiatives aim to do and how these programs are put into place with full leadership support. Next, measuring the talent is crucial but is often dismissed. In order to understand the talent that needs to be acquired and show the people that their skills are valued and are invested in their future career development, organization first needs to measure or analyze their current talent.

An easy way to become a talent rich culture can be by -

- **Starting at the top** to gain support and sponsorship from the senior leaders.
- **Engaging employees from day one** and allowing them to quickly gain and understand the organizational culture by communicating them the importance of learning and talent development.
- **Focusing on empowering employees** by encouraging them to try new skills, make decisions and ask questions wherever necessary, without having the fear to be punished. Employees should be given a clear idea about the job task assigned to them and make them understand how that job task will help them to reach their career objectives.
- **Making learning an ongoing process** by creating an environment where employees are stretched developmentally and held accountable for their development “deliverables”.
- **Demonstrating** how important learning is to the organization as well as to the individuals and make the employees understand the value of the opportunities offered to them by the organization.
- **Embedding the talent into the company’s DNA** by assessing the company’s culture before launching any new talent initiatives. In order to maximize talent, organizations should rethink the way they do the business and how to prepare for the future.

However, the core solution is to create a sustainable talent culture having sustained investment and commitment.

Thus, to foster the talent development, leaders need to evaluate employees' talent and actively encourage the development of their people through clear, specific and constructive feedback and training mechanism. Talent plans should not only be emphasized as a critical part of the development journey, rather they should be a part of the fabric of a development - oriented culture. Organizations need to realize that better talent separates high performance organizations from the rest as they bet on people and not on strategies, and critical talent is scarce and about to become scarcer. Organizations should also realize that having the right talent throughout the organization is a critical source of competitive advantage. Moreover support for talent management needs to flow from those at the very top and every manager should be responsible for attracting, developing, exciting and retaining talented people. As well as every manager should explicitly be accountable for the strength of the talent pool he or she builds. Organizations should have a distinctive employee value proposition that attracts and retains talented people and should consider people as their partners and volunteers and try to deliver on their dreams if they want to retain their employees. Every organization requires to shower their top performers with opportunities and recognition. They should develop and nurture mid performers and help the lower performers raise their talent, if not possible then should move them out or aside. Thus it has been rightly said by Jack Welch, that **“My main job was developing talent. I was a gardener providing water and other nourishment to my top 750 people. Of course, I had to pull out some weeds, too”**.

Realizing the current need for surviving in this competitive era many organizations attract and hire the top talents (best and the brightest) and are competing on the basis of their intellectual capital. It is essential to get differentiated among the other organizations in the industry. In today's rapidly changing and increasingly competitive market place, intense focus must be applied to align human capital with corporate strategies and objectives. However, in the present scenario organization needs to think about talent optimization, as it is a step ahead of talent management. Talent Optimization comes from the relationship between individual and organization where both must be super together to maximize the relationship. **“In all aspects of talent strategy, there is a complementary cultural hemisphere that is invisible but of spectacular importance.”** Talent Optimization adds the crucial hemisphere of liberation —unleashed personal involvement and intrinsic motivation—to power the

relationship. This requires a recasting of the HR mission and purpose to one that reflects this new paradigm. Where Talent Management traditionally collects information about employees' competencies and turns that into learning and staffing plans, Talent Optimization takes a holistic view of the individual and makes that data available for them to use themselves, enabling each to do their job better. Understanding what people know, and making sure it gets shared rapidly and successfully, is the vital part of Talent Optimization.

**”Present day talent is tomorrow’s shortage, so begin right now to save the talent for tomorrow”.**

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## **SOCIAL MANAGEMENT**

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### **1.1 Introduction:-**

Educational Institutes focus on developing academic and technical skills that enable learners to find gainful employment. Industry is an integral part of society. The skills which make professional successful in industry can be useful in managing social situations. At the same time the competencies which make one successful in social situations can be used effectively in the professional life. Therefore there is an urgent need to integrate social and professional managerial skills so that we have the citizens who not only functions effectively as Engineers and Managers but these professionals should also play a role as effective members of society.

This paper aims at exploring the various competencies and skills which can be developed as a part of social management. Social Management can be taken up as a regular course, in fact, in any undergraduate or post graduate programme so that educational system produces better socially equipped people to handle social situations and events.

This element involves students in interacting effectively and respectfully with a range of adults and peers. Students learn to negotiate and communicate effectively with others; work in teams, positively contribute to groups and collaboratively make decisions; resolve conflict and reach positive outcomes. Students develop the ability to initiate and manage successful personal relationships, and participate in a range of social and communal activities. Social

management involves building skills associated with leadership, such as mentoring and role modeling. In developing and acting with personal and social capability of students:

- Effectively communicate
- Collaborative Work
- Decision Making
- Negotiate and resolve conflict
- Leadership skills.

## **1.2 Aim :-**

The aim of this paper is to discuss about Social Management as a tool in developing and acting with personal and social capabilities of the students.

## **1.3 Social Management as a Tool In Developing and Acting With Personal and Social Capabilities Of The Students:-**

Social Managers possess specialized leadership and management skills covering all areas of management, social policy, social services, as well as many aspects of law. The Social Management pursues the goal of connecting social objectives with principles of efficiency in management. The aim is to increase the potential and actual career changes of practicing social administrators (government offices related to the social sector, education and health care sector, public or private housing estates, social service organizations, etc.), social workers, kindergarten and school teachers, psychologists, nurses, doctors, even police officers, and all other professionals who are working in the social service sector. This is relating to one of the managerial skills which play an important role in the corporate sector. But here we will try to focus on the skills which are required by the students to enhance their capabilities in social filed. This enhancement of social skills will not only help in the development of their personality but also in various social fields such as elderly homes, care homes, counseling centers, youth centers, re-socialization centers, children's homes, orphanages, kindergartens, primary schools, high schools, universities, educational institutions for social professions, education centers, hospitals, clinics, rehabilitation centers, wellness centers, recreational centers, government offices related to education, health care, housing, social services, social assistance ("welfare benefits"), employment services, social

insurance, social development, crime prevention and policing, welfare and social service related companies.

In this paper we will try to focus on few aspects such as:

1. **Effective Communication:-** Communication connects. It is the ability to communicate, which connects us with the world. This communication connects the students with the outer and inner world. Their ability to communicate effectively is one of the elements that govern almost everything in their life. Scores of researches, studies and surveys conducted in varied areas indicate that effective communication skills are imperative for individual as well as organizational success. By its very nature, communication forms the basis for establishing cooperative and supportive relationships with other fellow members. This skill helps the students to take a better stand in their personal, professional and social life. A survey which was carried out by the University of Pittsburgh's Katz Business School found that communication skills, including written and oral presentations, as well as an ability to work with others are the main factors contributing to success in both professional and personal fronts. According to John Mason Brown,<sup>1</sup> " A good conversationalist is not one who remembers what was said, but says what someone wants to remember." Effective communication skills are fundamental to success in many aspects of life. Socially people with improved communication skills usually enjoy better interpersonal relationships with friends and family.

**\*Learn to Listen:-** Listening is not the same as hearing; learn to listen not only to the words being spoken but how they are being spoken and the non-verbal messages sent with them.

**\*Be aware of others emotions:-** Be sympathetic to other people's misfortunes and congratulate their positive landmarks.

**\*Empathize:-** Stay in tune with your own emotions to help enable you to understand the emotions of others.

**\*Encourage:** Offer words and actions of encouragement, as well as praise, to others. Make other people feel welcome, wanted, valued and appreciated in your communications. If you let others know that they are valued, they are much more likely to give you their best.

**\*Use Humor:** Laughing releases endorphins that can help relieve stress and anxiety; most people like to laugh and will feel drawn to somebody who can make them laugh.

**\*Treat People Equally:** Always aim to communicate on an equal basis and avoid patronizing people. Do not talk about others behind their backs and try not to develop



favourites: by treating people as your equal and also equal to each other you will build trust and respect.

**\*Attempt to Resolve Conflict:** Learn to troubleshoot and resolve problems and conflicts as they arise. Learn how to be an effective mediator and **negotiator**.

**\* Maintain a Positive Attitude and Smile:** Maintain a positive, cheerful attitude to life: when things do not go to plan, stay optimistic and learn from your mistakes.

**\*Minimize Stress:** Stress can however be a major barrier to effective communication; all parties should try to remain calm and focused.

**\* Complain only when Absolutely Necessary:** People will not be drawn to you if you are constantly complaining .If something makes you angry or upset, wait for a few hours and calm down before taking action. If you do complain, do so calmly, try to find some positive aspects to the situation and avoid giving unnecessary criticism.

2. **Collaborative Work :-** Collaboration is an advanced form of an “interagency linkage,” the traits of which include shared vision and goals, well-developed and formalized roles for participants, sharing of power and decision-making, and joint assumption of risks and resources. The collective work of two or more individuals where the work is undertaken with a sense of shared purpose and direction that is attentive, responsive and adaptive to the environment.

*Collaboration at the conceptual level, involves:*

**\*Awareness** – We become part of a working entity with a shared purpose

**\*Motivation** – We drive to gain consensus in problem solving or development

**\*Self-synchronization** – We decide as individuals when things need to happen

**\*Participation** – We participate in collaboration and we expect others to participate

**\*Mediation** – We negotiate and we collaborate together and find a middle point

**\*Reciprocity** – We share and we expect sharing in return through reciprocity

**\*Reflection** – We think and we consider alternatives

**\*Engagement** – We proactively engage rather than wait and see.

*Principles of Collaboration:-*

**1. Participation** – You want to encourage participation from across your organization. This could involve you removing, or at least educating, people that don’t act collaboratively. As the students after completing their degree are expected to take up jobs in various organizations this principle of participation would enable them to work effectively in collaborative environment.

**2. Collective** – In order to translate the concept of collaborative work, it is imperative that the decision making must arise out of collective deliberation and discussion. This type of exercise will facilitate conceptual and intellectual involvement of all the participants. There is every possibility that the decisions that evolve out of collective deliberations would be more loyally adhered to once put into practice. This ensures team and better commitment to organizational goals.

**3. Transparency** – Feedback and trust are essential elements of collaboration. Being transparent with information is crucial if that is to be achieved. Make sure that all debates are held in the open and that the entire group has access to the latest information.

**4. Persistence** – You will need to be persistent in your application of these principles, to ensure that all content is kept within the community and easily accessible to all members.

**5. Emergence** – Remember that the point of mass collaboration is to achieve great results, so ensure you focus on the end goal rather than worrying about how that is achieved. You will need your collaborative community to set their own goals and objectives.

3. **Decision Making:-** The thought process of selecting a logical choice from the available options. When trying to make a good decision, a person must weigh the positive and negative outcomes of each option, and consider all the alternatives. For effective decision making, a person must be able to forecast the outcome of each option as well, and based on all these items, determine which option is the best for that particular situation. Each step in the decision-making process may include social, cognitive and cultural obstacles to successfully negotiating dilemmas. It has been suggested that becoming more aware of these obstacles allows one to better anticipate and overcome them.

**\*Orientation:-** Members meet for the first time and start to get to know each other.

**\*Conflict:-** Once group members become familiar with each other, disputes, little fights and arguments occur. Group members eventually work it out.

**\*Emergence:-** The group begins to clear up vague opinions by talking about them.

**\*Reinforcement:-** Members finally make a decision and provide justification for it.

4. **Negotiate and resolve conflict:-** Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute. In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organization they represent). However, the principles of fairness, seeking mutual benefit and maintaining a

relationship are the keys to a successful outcome. In any negotiation, the following three elements are important and likely to affect the ultimate outcome of the negotiation:

**\*Attitudes:-** All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

**\*Knowledge:-** The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation. In other words, good preparation is essential.

**\*Interpersonal Relation:-** In order to achieve organizational goals creating effective interpersonal relationships is essential. It is to be noted that interpersonal relationship does not mean total environment of harmony which is intolerant of any kind of conflict or clash. But it means better interpersonal communication and interactions among the members of the group so that people become aware of one another's traits, strengths and weaknesses. This awareness enables the team to select appropriate people and assign to them appropriate tasks so that organizational goals are promoted in an effective manner.

**Resolve Conflict :-** The term conflict refers to perceived incompatibilities resulting typically from some form of interference or opposition. Conflict management, then, is the employment of strategies to correct these perceived differences in a positive manner. For many decades, managers had been taught to view conflict as a negative force. However, conflict may actually be either functional or dysfunctional. Whereas dysfunctional conflict is destructive and leads to decreased productivity, functional conflict may actually encourage greater work effort and help task performance. Borisoff and Victor<sup>2</sup> identify five steps in the conflict management process that they call the "five A's" of conflict management: assessment, acknowledgement, attitude, action, and analysis. They assert that these five steps allow for a sustained, ongoing process of problem-solving-oriented conflict management.

**\*Assessment:-** In the assessment step, the parties involved collect appropriate information regarding the problem.

**\*Acknowledgement :-** People try to acknowledge their problem of conflict and identify for betterment.

**\*Attitude :-** The attitude step tries to remove the foundation for pseudo-conflict. Stereotypical assumptions about different, culturally-based behaviors are uncovered.

**\*Action :-** The action step begins to actively implement the chosen conflict-handling mode.

**\*Analysis-** In this last step the participant decides on what they will do, and then summarizes and reviews what they have agreed upon.

Conflict management is an ongoing procedure. It entails continual communication and supervision. "Conflict-handling behavior is not a static procedure; rather it is a process that requires flexibility and constant evaluation to truly be productive and effective in nature.

5. **Leadership Skills :-** The ability to lead effectively is based on a number of key skills. These skills are highly sought by the students as they involve dealing with people outside the educational world. This is a way to motivate, enthuse and build respect. The writers of the paper believe that student leadership development is a cornerstone in supporting the students to become responsible citizens. Student leadership involves cultivating a frame of mind for exploring self, others and community. Leaders develop a skill set to adapt to change, craft creative solutions, and seize opportunities. **Leaders are moved by what they care about to make the world a better place. These leadership qualities will enhance at all levels and spheres of human life.**

**\*Individual Values:-**

1. Consciousness of Self: Being self-aware of the beliefs, values, attitudes, and emotions that motivate you to take action. Being mindful, or aware of your current emotional state, behavior, and perceptual lenses.

2. Congruence: Acting in ways that are consistent with your values and beliefs. This includes thinking, feeling and behaving with consistency, genuineness, authenticity, and honesty toward others.

3. Commitment:- Having significant investment in an idea or person, both in terms of intensity and duration; having the energy to serve the group and its goals. Commitment originates from within, but others can create an environment that supports an individual's passions.

**\*Group Values:-**

1. Common Purpose:- Having shared aims and values. Involving others in building a group's vision and purpose.

2. Controversy with civility:- Recognizing two fundamental realities of any creative effort: 1) that differences in viewpoint are inevitable, and 2) that such differences must be aired openly but with civility.

**\*Community Values:-**

1. Citizenship: - Believing in a process whereby an individual and/or a group become responsibly connected to the community and to society through some activity; Recognizing

that members of communities are not independent but interdependent. Recognizing individuals and groups have responsibility for the welfare of others.

2. Change:- Believing in the importance of making a better world and a better society for oneself and others; Believing that individuals, groups and communities have the ability to work together to make that change.

#### **1.4 CONCLUSION:**

Most of the courses in colleges and Universities intend to develop technical and scientific skills among students. Students are prepared to handle machines and tools in an effective manner. It was perceived that technical orientation in industrialized society would be enough to emerge as successful professional. With the phenomenal increase of service sector during last few decades has forced educational institutes to impart soft skills to the learners so that besides being competent to handle technical challenges they should be equipped to handle and manage human resources in a better manner.

Social management can be viewed a step ahead in this direction. This does not view the development of soft and social skills as a subsidiary in the learning process but it assigns equal place to these competencies with those of technical and managerial skills. At times social orientation is given more importance as the technical and managerial skills can only fetch one a job but it is a social management which to a very great extent determines one's success in it. It is to be understood that capability to transfer one's knowledge and skills into visible and empirical outcomes from the prospective of clients can be accepted as the yardstick of success of social management. Doctors, Lawyers, Teachers, Psychologist, Counselors, Paramedical Persons, Police, Judges, Social Workers, Media personnel, Politicians, Artists, etc. are in direct contact with people. Therefore it is necessary for all these to understand Human nature, develop an effective interpersonal relationship to create the environment of trust and mutual faith so that the interaction including that of the professional one turns out to be mutually beneficial.

#### **1.5 LIMITATIONS:-**

No Research study is free from limitations. Although the authors of this study have put forth a strong case for social management in favor as a strategy for the inclusive development, they are well aware of the fact that it alone would not suffice to do so. In order to bring about comprehensive development there is need for stable and democratic political system. Education must play its role properly to liberate the mind from narrow boundaries. Due to industrialization and corporate world the young minds and the youth of today have become self centered in nature. It will be difficult for the students to understand the long term benefits of this social management. As this paper is theoretical in nature more intensive research has to be carried out to proof the words of the authors.

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## **Innovative Marketing Practices**

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### **Introduction**

Enterprise value represents the entire economic value of a company. More specifically, it is a measure of the theoretical takeover price that an investor would have to pay in order to acquire a particular firm.

Unfortunately, a chronic increase in raw material price is rapidly driving up the cost of production – a threat to the operating margins (and thus, the future profitability) of every

firm. Consequently, wealth managers that want to build enterprise value must grow their revenues at a rate that is faster than the rate by which their costs of production are rising. Doing so, however, requires evolving into a more mature business with strong innovative strategies and practices.

It has become a known and accepted fact that a business can grow when the products or the services are marketed properly. Merely producing the products that is to say focusing only on production will not suffice the purpose. And a business growth strategy starts with market insights. Companies committed to growth should develop systems and processes to ensure an incessant flow of market insights into their business. Besides, with more and more new-fangled businesses opening every day and with both direct and indirect competitors, a business can't just hope that its current customers will remain loyal. Marketing consistently builds the brand. A marketing strategy is both practical and powerful: it's a key to successfully facilitate activities focused on making the organization visible in concrete form as well as on electronically, driving visitors to the company's store and site and converting them to leads and customers. Research shows that a marketing strategy powerfully impacts the capacity of the organization to achieve the business goals. Marketing is a must for any organization. In fact no organization can now survive without a systematic marketing strategy and approach. It involves right from the product design till its distribution, from market research to promoting it the interiors of the market. Marketing also facilitates brand building and increasing brand loyalty. Triumphant marketing is basically about relationship building.

Peter Drucker (1954) took a broader perspective of Marketing when he wrote. *“Marketing is not only much broader than selling; it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of its final result, that is, from the customers' point of view. Concern and a responsibility for marketing must, therefore, permeate all areas of the enterprise”*.

Marketing is all about organizing the underlying economic energy of the organization contributing to the rapid development of business, and finally, making it possible for the economic integration and optimum utilization of the assets, resources and the productive capacity the company possesses. There are plenty evidences that small business failure can result from either a lack of marketing, or poor marketing practice as clearly stated by Bruno and Leidecker, 1988. Organizations which do not focus on marketing are more vulnerable to competitive threat (Carson and McCartan-Quinn, 1995). Marketing practices and processes

not only enables the business to improve the quality of their goods and services but also helps to promote and present them in the market to its customers. Hence, the strong skills of marketing become inevitable for any business whether it is a startup or an aged and reputed organization.

### **Research Methodology**

This study is basically exploratory in nature and the entire study has been made on the basis of secondary sources. Secondary data are collected from various websites and other journals covering the mentioned topic.

### **Objective of the Study**

To analyze the role of Innovative Marketing practices to build enterprise value.

### **Data collection**

The analysis is done on secondary data. The data collected is mainly from websites, research reports and already conducted survey analysis and other journals.

### **Innovative Marketing – *The In-thing***

Innovation is making an idea or concept tangible in the form of a product and service and bringing it out to be a profitable business venture. Marketing now needs to be innovative and should incorporate result –oriented strategies. Innovations are necessary to give newness to the consumer. Innovation is the need of the hour, say marketing experts. Buyer has become assertive and discerning enough. The swiftness with which new technologies are leading to a horde of opportunities and challenges is opening new vistas for marketers. The primary challenge is to keep up with the fast evolving marketing space and technology while the opportunity being the availability of these numerous channels that offer the marketers a chance to pull off an array of creative strategies.

“There are only two real functions of a business: Innovation & Marketing.” –Peter Drucker

An innovative approach is essential to provide solutions to combat the issues pertaining to rapid change in the market, customer expectations and cut throat competition. Unlike



yesteryears, innovation is not strictly restricted to new product development. It has grown 360 degree and includes Marketing Research, Targeting Markets, Product, Promotion, Distribution, Pricing, etc. Innovation influences almost all areas of marketing.

<b>Marketing Area</b>	<b>Effect of Innovation</b>
<b>Marketing Research</b>	Creates new ways to conduct research including more sophisticated methods for monitoring and tracking customer behavior and analyzing data.
<b>Targeting Markets</b>	Allows for extreme target marketing where marketing-to-person is replacing mass marketing. For customer service, technology makes it easier to manage relationships and allows for rapid response to customer's needs.
<b>Product</b>	Creates new digital products/services. Incorporation of innovation into existing product/service enhances value by offering improved quality, features & reliability at a lower price.
<b>Promotion</b>	New techniques allow better matching of promotion to customer activity and individualized promotion. Makes it easier for sellers to offer product suggestions and promotional tie-ins.
<b>Distribution</b>	Creates new channels for distribution and transaction (e.g., electronic commerce) that include making it easier for buyers to place orders. Allows more control over inventory management and closer monitoring of product shipment
<b>Pricing</b>	Enables the use of dynamic pricing methods.

*Sources: KnowThis.com*

The key to survive and progress for any organization in today's competitive era is innovation. Indeed, the need and desire for sustainability is already starting to convert the competitive landscape, which is forcing companies to bring about innovations in their products, technologies, processes, and business models. Through innovative marketing strategies, early movers will build up competencies that adversaries will be hard-pressed to equal. That competitive advantage will stand them in good stead, because marketing innovations will always be an integral part of survival and development of the organization.

Innovative marketing has become the central function of a business practice. A market-orientated innovation discovers what customers want and need now and in the future. The business then designs and produces products to meet up these needs.

Marketers have agreed to the fact that through Marketing Innovation a company can create and transform new knowledge into new products, processes or services that address market needs. As such, Innovative marketing stand the company better off among its rivals. It gives them an advantage over their competitors. Without innovation an organization will not be able to survive for long. Some companies are of the notion that they can survive by merely cost cutting. But the truth is that cost cutting alone will not solve the problem. Market Insight Consultants has conducted empirical research along with national manufacturing competitiveness council and IIM Bangalore and proved that innovation is the source competitiveness of companies as it increases productivity and supply chain competitiveness. Higher sales can be achieved with much lesser efforts. Even the innovative way of promotion and distribution brings about huge change in the sales figure.

### **Internet: an allied ingredient of Innovative strategy**

Now there are no qualms about the fact that Internet has become the most important tool for any organization. Small or big, every organization has understood and accepted the importance and benefits of internet in today's competitive age. Internet has grown leaps and bounds and still is growing faster than all other communication technologies that have preceded it. Due to the global competitiveness of the business an organization needs to have a strong and stable presence on the internet these days. One must accept that this particular promotional tool is most efficient, very cost effective and its reach is remarkable and overwhelming. It is of utmost importance and predominant that every organization has its own website and must spend adequate amount to operate and update it regularly. Just having the website is not sufficient; it needs to be viewer friendly, adequately informative, self explanatory with the latest information available, and should be very interactive in nature. The business world has now resorted to digital marketing that assists the businesses to cross the geographical boundaries and experience a global presence through websites, blogs, cloud computing, e-invoicing, social lending, e-commerce social networking, eNewsletter, eMail Marketing, eCRM reaching out to customers scattered in the different parts of the world and not only successfully satisfying their needs but also delighting them with the company's products and services.

## **Some Innovative Marketing Strategies**

- **Zara – PDA for customer orders**

Zara, the popular Spanish apparel retailer, provides store employees with PDAs so that they can enter custom orders for shoppers who want items that are not at the store. Transmitting the order in real time directly from the sales floor to the manufacturing plants, cuts the time it takes to produce custom orders from 10 days to two days. Providing customized service keeps Zara from losing a sale – or even worse losing a customer. Agility in response and integration within the organization will be the key to future successes. (ref: 2)

- **Coca-Cola Sharing Can**

Coca-Cola has really hit it out of the park recently with their campaigns. They have done an incredible job at connecting with their audience through understanding their motivations and the nostalgic feelings behind craving a can of Coke. Another impressive aspect of recent campaigns is the attention that Coke puts into making each message global. Coke has smartly positioned itself as a brand that connects millions of people across the world.

Recently, Coke has upped their game with how they get people to not only emotionally engage with their brand, but also with each other. They created a vending machine that enabled people in India and Pakistan to communicate. And in Europe Coke is offering customers a chance to customize their own Coke bottles with their names. The most recent iteration is the idea of having a can of Coke that twists apart into two smaller cans so you can share! I immediately resonated with this. I love Coca-Cola, but I often can't finish a full can, so having two small cans that I can share with a loved one is genius. Currently, the cans are only available in limited quantities during a trial through their "Happiness Truck". So that is a bummer, but I have high hopes the concept will make it to the mainstream.

## **Conclusions**

It is highly challenging for a small-time business to transition to a giant global player. Every step of growth and every stage of success demands deeper understanding of the market and creating value. It is important to emphasize that innovation in all spheres of the business activities is a primary area and goes a long way in enterprise value creation. More specifically a business needs to adopt innovative marketing practices and strategies that would categorically generating results. Needless to say, in order to stay at the vanguard marketing

innovation is mandatory; companies must implement best innovative practices that drive effective and efficient execution of them. These practices can be learned by examining the best innovators from all over the world. A market where geographic, cultural, and industry differences abound, the tools and frameworks for innovative marketing should be consistently, doggedly and meticulously designed and implemented. The different innovative marketing practices, strategies, and frameworks improve company's productivity, reducing time to promote their products and services and facilitating timely market, increasing operational efficiencies and thus ensuring success and maintaining growth. The study reveals that sustainable growth comes with marketing innovations with strong market orientation. Business houses at the top frame of innovation have a propensity to lead world markets and promote the international competitiveness of their domestic market.

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## **Enterprise Risk Management-Creates Share Holders Value**

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### **Introduction:**

Enterprise value (EV) is a financial metric representing the entire value of a company after taking into accounts both holders of debts and equity. Enterprise value is calculated as

the company's market capitalization plus debts minus cash. Risk is reality of doing business whether large or small, public or private, domestic or international companies today operate in a risk filled world. In many cases risk is necessary for long term operational success; however failure to control risk effectively can offer lead to just the opposites including damaged reputation, loss of profit, and disruption in productivity or in server cases the end of the entity together. In the current economic downturn risk can emerge both expected and unexpected channels relative to the past. In an organization the management goal is to maximize shareholding wealth toward this end management has been trying to improve the valuation of the loss share holders value creation through enterprise risk management.

### **Research Methodology:**

The study base on secondary data which is collected from the published reports, journals, newspaper and websites etc.

### **Enterprise Risk Management Tools Deliver Share Holder Value:**

ERM has received increased attention over the last decade from corporate directors and officers, perhaps due to the challenging and offer inconsistent execution of business strategy at many organization. In an organization the management goal is maximize shareholders wealth. Towards this end management operational maneuver typically has been trying to improve the valuation of companies share. But in the process managers have to deal with a single most crucial element in corporate management i. e. risk.

Taking the right risks is a necessary part of growing and productivity share holders value. Global business are increasingly focused on the challenge of mapping and managing their risk profits beyond a single dimension understood are complex interactions between many different types of risks. In defining risk profile a company must determine its risk to optimize its returns.

### **Enterprise Risk Management Frame Work:**

ERM is an integrated framework for holistically managing risks to the company's strategic goal. While minimizing its unexpected earning volatility, it also challenges organizations to view risk as an opportunity for creating new value to consistently achieve the right balance between risk and reward, many corporate leaders adopt ERM within their organizations.

ERM is relatively a new trend of risk management and has become a global issue and receiving much attention. Paradigm shift of the ERM approach rises from for important issues namely-

- The increasing of challenges in internet & external factor of risk and disintegrating approach of ERM follow by.
- The occurring of recent corporate scandals and financial collapses then.
- The increasing concern on corporate governance issue and finally.
- The driving motivation to preserve and present shareholder value.

These are various framework among the more widely known and the related ERM. The Institute of Internal Auditors (IIA) defines ERM as a structured, consistent and continuous process across the whole organization for identifying, assessing and deciding in response to and reporting an opportunities and threats that affect the achievements of its objectives. The insurance rating agency A.M. Best defines. ERM as a process by which companies. Systematically identify measure and manage the various types of risk inherent within the operations.

This paper presents a conceptual framework for ERM to theories a model capturing the casual relationship of the risk that strategically associated with firm's business performance and cost of capital. This paper highlights the notion of managing firm's unsystematic risk that leads to the enhancement of share holder value.

It is against this background that this paper x-rays the creation of shareholder through the management risk the risk component has always been a factor in the mix of business design variable.

Enterprise Risk Management is the leading approach to managing and optimizing risks enabling a company to determine how much uncertainty and risk are acceptable to an organization. In adopting an ERM approach companies gain the ability align their risk appetite and tolerance with business strategy by identifying events that could have adverse effects on their organizations and then developing an action plan to manage them.

### **Why is Enterprise Value Important?**

Some times investors particularly those that follow a value philosophy will look for companies that are generating a lot of cash flow in relation to enterprise value. Business that lend to feel into this category are more likely to require little additional re-investment instead the owner can take. The profit out of the business and spend it or put it into other investments.

### **How does ERM Create share value?**

To create share holder value has to take on right risk retain them and manage them within its boundaries. The major risk management here is:

- Build and apply operational flexibility to manage ongoing volatility.
- Build in full risk assessment in the valuation ranking and selection of ne investment projects.
- Identify the strategic risk associated with each strategic alternative and select the strategic with the best risk /reward characteristic.

### **ERM focus on shareholder value integrated process and practical results:**

As ERM is a conscious management process this will require the development of a clear and specific understanding of whether and how current and few activities of ERM can create share holder value. All elements of enterprise risk management one complex and inter connected but not all elements merit the same level of analysis or priority of execution, competent and strong leadership.

The growing amount of financial human and organization resources dedicated to the ERM function and its maturation create the opportunity to expand beyond, its current focus on controls and compliance while the question of how much the ERM function contributes to the creation of share holder value will only increase in importance and urgency.

### **Developing Risk Management Strategy**

Enterprise risk management creates value through its effects on companies at both a 'macro' or companywide level and a 'micro' or business unit level. ERM creates value by enabling senior management to quantity and manage the risk return tradeoff that the entire firm faces by adopting this perspective. In developing a risk profile analysis have to take into consideration. The following steps.

1. Make a list of all potential risks that the firm is exposed to these risks include not only the firm's specific risk, but also the risks that affect the economic environment in which the firms operate.
2. Categorize risks into market risks: Risks related to the firm's financing choices risks that continuously affect the firm's activity and event risks. Risks that have a great impact on the firm's value risks that only affect the activity of the company to a smaller extent.
3. Measure the firm's exposure to the above mentioned risks. Assess how different types of risks impact the earnings or the value of the corporation.
4. Evaluate which are the risks that the firm can cope with better than the competitors can. In the case of these risks that can be viewed as potential opportunities a risk management strategy has to be implemented.

The last step should be crucial in every firm, because higher risks taking leads to higher returns, and can increase the competitive advantage on the market, by creating added value to the owners.

### **Conclusion:**

AS Enterprise Risk Management is a conscious management process. This will require the development of a clear and specific understanding of whether and how current and new activities of ERM. Can create shareholder value. So far as an attempt has been made to address the danger risk in an integrated approach using an ERM, in order to build shareholder value. The concept of risk has occupied a central and other controversial place in the financial theory and practice. We can include that corporate governance can be a key part of good risk taking by increasing the value of the business rather than reducing or increasing risk exposure, followed up by developing a valuable framework that incorporates all the elements of risk management.

Recent economic volatility has given risk management a new focus and eminence. The strongest companies are the ones that are able and willing to adapt who actively integrate risk management as a critical factor at all levels of management process from strategy to success. It is easy to understand how ERM could potentially add value to any organization, At the same time, companies must also realize that implementing such a programme is far from easy and cannot happen overnight if done properly. However for those organizations



that choose to weather this economic storm with the aid of ERM, the benefits of that efforts today will likely remain long their after. ERM is to leading accounting professional firms and consulting firms as well as to other financial services firms.

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## **Standing tall in the world of Red Ocean Strategies.**

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### **Getting started for the battleground: Introduction**

Business has only two functions: marketing and innovation. Stanford's Strategic Marketing Management program brings famous Peter Drucker quote to life, making marketing theory actionable and innovation possible.

A strategy is about how people throughout the organization should make decisions and allocate resources in order accomplish key objectives. A good strategy provides a clear roadmap, consisting of a set of guiding principles or rules, that defines the actions people in the business should take (and not take) and the things they should prioritize (and not prioritize) to achieve desired goals. A business strategy is a set of guiding principles that, when communicated and adopted in the organization, generates a desired pattern of decision making.

"Survival of the fittest" is a phrase that originated in evolutionary theory as a way of describing the mechanism of natural selection. It is more commonly used today in other contexts; to refer to a supposed greater probability that "fit" as opposed to "unfit" individuals will survive some test.

In contrast, the red ocean strategy refers to a saturated market in which there is fierce competition because it is already crowded with companies providing the same type of products and services, leading to price wars which are detrimental to innovation (Boyer & Verma, 2009). Taking Apple's example, recently, it launched the latest version of its smart phone for end users, I Phone 6, 6s, at a time when the market is already saturated with LG, Samsung and other Android phone segments, which is a clear example of a red ocean strategy

Many people (politicians, economists, businessmen) are constantly searching for a way to overcome the crisis and suggest many (often conflicting) solutions and to observe whether

turning from Red Ocean to Blue Ocean can really help an enterprise or an economy to overcome the great depression and create the basis for a healthier competition

When good is not good enough one needs a marketable strategy which is better than the best. So rather than sticking to bitten path and general guidelines it becomes very important to innovate.

As it is said only a strong foundation can build a good strong building. It's time to shake up the very basic foundation of P's of marketing. Creating a new marketing mix strategy will go long way to help an organization stand tall in world of Red Oceans.

### **Research Methodology**

This paper is a conceptually a study based paper constituting a emphasis on strategic approaches of different P's of marketing. The research methodology used is exploratory research were different practical approaches were observed elaborated and explained.

### **Objectives**

- The paper deals with the challenges of finding out the newer ways to combat in the world of red oceans.
- The main objective of the paper is to explore the opportunities of finding out newer ways of formulating new marketing mix P's and gaining upper hand by using new marketing strategies.

### **Hypothesis**

H<sub>0</sub> .Continuous innovation leads to better profitability and more business.

H<sub>01</sub>..Continuous innovation is not needed if you are already successful.

H<sub>1</sub>Using just age old methods doesn't guarantee market leadership.

H<sub>11</sub>Using the same old marketing method gives the edge to the business.

### **Red Ocean P's – The New Arsenal to combat the ever competitive world.**

**Packaging** - Whatever we sell, we need to think about the packaging. If we sell a service, the packaging means the way we and our employees look, our website, and everything else our customers see before the purchase. . And if no one wants to buy our product after seeing it, no one will buy it.

**Pain** - Do potential customers have fears associated to the products? In most cases they do, even if they don't know it, taking example people who buy a car because of fear of accidents, high maintenance costs, pollution, and what the car does to their status. If one doesn't know what they fear, one may easily induce fear instead of using it to as an advantage.

**Pandemic** –One cannot be assured of creating an advertisement, which would certainly go viral. So, create something highly valuable or entertaining so that people will gladly spread it.

**Part** –One needs to answer the question. What part a product will play in the customer's life? If it's an important part, people will spend more time thinking about their options, more the recall value more are the chances of purchase.

**Pass-along value-** Will the product hold its value? One can of course market and sell successfully products that are meant for one time use only. But one needs to take this into account. Resell value is most important in expensive purchases.

**Peers** - When one provides the social proof, one lends the credibility of that person to one product. So, a well-known person providing the recommendation is always better than a “nobody”. But a “nobody” is much better than no social proof at all. It works because people want the certainty that a decision will pay off. If someone has already taken the risk, and proved it to be worth it, there's more certainty.

**Perceptiveness** - Intuitive products, especially technological products, are of a great pleasure to the users. There's nothing more frustrating than to know one can do something with a product, but one just don't know how.

**Personas** – Its one of the core ideas of marketing. Marketing should always be directed to a specific group of people. “Specific” doesn't necessarily mean a small group, but a clearly defined group. Unless one understand what to buy one can't target them with one's marketing.

**Pilot** - People want certainty and there's no better way to get certain about a purchase, than to test the product first. One wouldn't buy a car without test-driving it first.

The larger the purchase the more important it is, but even the smallest purchases are easier when one can put the mind at ease. If, for any reason, one cannot offer a free trial, at least offer a money back guarantee.

**Placebo** - A placebo is a fake medicine, which when given to some patients (without their knowledge) to test the effects of a real drug. If there's no difference between results, the real drug doesn't actually work. One cannot sell a placebo. One might be able to sell it for a while, but sooner or later one may be caught.. Whatever one's sell has to be authentic. The product has to meet the expectations of the buyer.

**Planting** - Exposure to a product, brand, idea, or whatever else, creates familiarity. To plant an idea into the prospects' mind, one needs to reach them through different channels. Whenever one considers using multiple channels for marketing, consider the buyer's personas carefully; so that one can reach the same prospects with all channels.

**Playfulness** - People will generally work harder and more rapidly if they're avoiding something bad, than if they're working to gain something. But if one associate negative emotions towards a product, no one wants to buy it. One has to use all emotions and moods in marketing. They just need to understand how the prospects will understand and associate with the emotions.

**Pleasure** - How will the product make the user's life happier? People strive for happiness and they make decisions based on that. Unless the belief that the product will make them happier in some, way for some reason, no one will buy it.

**Plot** - Marketing is storytelling. Nothing more, nothing less. The story tells what the product is, what it does, how it feels, is it good, what kind of a person uses it, and so on. It's much more than the facts. One tells the story with an intention of marketing the products. If people don't believe the story, they won't buy the product.

**Prediction** -. Before selling anything company must ask itself what change a product can bring in consumer possession value. If there is observable difference than we can safely predict that product will create a buzz.

**Preference** If the potential customers use a competitor's product, they need to convince them to take a risk. People feel safe with a product they've used. They're unlikely to switch to over product without a very convincing reason. One can compare the product to the other one, to showcase the differences as well as the similarities. The similarities can turn our product from unnecessary risk to worth checking out.

**Premeditation** - Nobody can ever guarantee the success of a marketing campaign. But premeditation will make the success much more likely. Before every new campaign one should become the Devil's Advocate. To look closely at all the aspects of the campaign. If there's anything one hasn't considered, do so.

**Priest** - Changing the worldviews of the audience is extremely difficult. It takes too much time and resources for most companies. Instead of changing the beliefs, shape the message in order to fit the belief audience holds.

**Prince** - Like the small girls who dream of a prince who comes to pick them up, all people dream about something. A product that answers a common dream will succeed. The company needs to know the dream it is fulfilling.

**Properties** - Some product properties are always necessary for a customer. If any of these properties are missing, one can't make the sale. Identify what are the most important properties for the target audience are . Then make sure that these properties, or at least the ones that aren't absolutely obvious, are presented in the marketing campaign.

**Prosperousness** - People are very aware of their perceived status. They'll go to great lengths to defend their status. Marketing should make an implied promise of a status increase.

**Purple Cow-** If we have seen a thousand cows, we think they're boring and same.. But if one then sees a purple cow, it's interesting. One needs to get people interested; otherwise no one will buy the product. There are always many ways one can be remarkable. The specialty can be something about the product or marketing campaign.

**Push** - Marketing campaign should always push people into taking action. One can successfully create the desire, but still fail at creating action. Ideally one creates enough push with the other P's of marketing. But some things create push more than anything else.

**Prominence** - People have learnt to avoid paying attention to advertising. Content marketing is becoming more important because of that. Provide useful content as the marketing material, and people will not only pay attention to the "marketing" but even search for it.

**Limitations:**

- The paper was a conceptual paper.
- All the P's of marketing could not be explored due to some constraints.
- There was a limitation regarding time.

**Summing up all that is good because everything has to end sometime or other -**

**Conclusion**

All said & done the marketing battleground is omnipresent the organizational fitness can only be proved by the muscles of better sales & more profit & hence as was predicted by Darwin only the fit and strong will survive others will shed their blood on the battle ground turning it red. All the P's mentioned above will just not enhance the repertoire of the organizations to fight its way out but gives it a cutting edge to survive the battle.

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## **CREATIVITY IN ENTREPRENEURSHIP: AN OVERVIEW**

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### **Introduction –**

Population of the world is increasing at a rate of 30% since 1990 but for India the population growth rate is 40.2% since 1990 [4]. Not only India but whole world is facing problem of unemployment with rise in population. New job opportunities can be provided to the young generation if the old generation retires or if new job opportunities are provided to next generation. In today's competitive world requirements of every person is increasing day by



day. If a person develops a product so that that requirement can be fulfilled, he can be an entrepreneur and he can provide job opportunities also. The entrepreneur can be more successful if the product being delivered by him is unique and there is no competitor in the market. For that the entrepreneur will have to think for being creative. Government also supports setting up of small scale business by providing financial assistantship.

### **Creativity, Innovation and Entrepreneurship**

A creative product or services is defined as novel and valuable. Innovation is the generation of a new product or service to a market. Creativity is the strength behind innovation and it is basically a thinking process associated with imagination, illumination, insight, invention, , inspiration, innovation, and ingenuity [3].

An innovative process is that which replaces the old processes and are more efficient, effective , time saver and less costly.

Entrepreneurship is a systematic process which comprised of creativity and innovation to satisfy needs and opportunities of the target market.

$$\text{Entrepreneurship} = \text{Creativity} + \text{Innovation}$$

Earlier entrepreneurship meant setting up of small business but in the last decade the its meaning has changed a lot. Now a day's an entrepreneur is a person who creates new opportunities and implements them irrelevantly in which they take place. Goal may or may not be clear, even initial conditions are not well known. Both goals and situations become clear as problem is studied and solution is thought of.

### **Creative Entrepreneurship**

Creative entrepreneurship is the practice of setting up a business – or setting oneself up as self-employed - in one of the creative industries. Creative entrepreneurship is different from social or business entrepreneurs as they focus only on innovation or creation and exploitation of creativity. Richard E. Caves the Harvard economist and academic listed seven basic properties that distinguish creative entrepreneur from other:

(1) Demand is uncertain- Demand uncertainty means your business has difficulty accurately projecting customer demand in the future.

- (2) Creative workers - care about their product. Creative employees pioneer new technologies, birth new industries and power economic growth.
- (3) Some creative products require diverse skills- something new and in some way valuable is created.
- (4) Differentiated products - distinguishing a product or service from others, to make it more attractive for a target market.
- (5) Vertically differentiated skills or Industries - refers to a range of economic activities which are concerned with the generation or exploitation of knowledge and information.
- (6) Time is of the essence- Said when something must be done immediately or timely.
- (7) Durable products and durable rents- product that does not quickly wear out

### **Creativity Model**

Campbell, Kendrick, & Samuelson in 1985 (Fig.1) were the first to proposed a model incubation model which explain different components and activities of an incubator for business growth.

The model proposed by Campbell et al. [1] highlighted four areas where the incubators can create value or capital :

- 1) Diagnosis of business needs
- 2) Selection and monitoring of the services
- 3) Investment of capital and
- 4) The access to the working or expert network of the incubator.

The model fails as it not describes the environmental barriers arise during new venture start up.

### **Creative Processes**

A creative process is a result of new ideas appears in mind which goes through seven steps (Fig.2):-

1. Preparation - in this stage ready for creative thinking
2. Investigation - under this stage understand the problem, need and desire.
3. Transformation- in this stage require two types of thinking
  - a) Convergent -the ability to see the connections and similarities among various data and events.

- b) Divergent - the ability to see the differences in data and events.
4. Incubation - in this stage subconscious mind reflect on the data collected.
  5. Illumination - in this stage "Eureka Factor" means innovation generated .
  6. Verification- validate the creative idea is useful or accurate.
  7. Implementation - transform the creative idea into reality.

### **Barriers to Creativity**

Barriers which an individual impose on themselves are -

1. Over-reliance on analytical / logical thinking - excludes imagination, feeling, and intuition.
2. Excessive Stress - the over burden or stressed person finds difficult to think creative.
3. Fear of Failure - if a person has fear of failure can never success in creative thoughts.
4. Blindly following rules - rules and limitation hampers the creative thought.
5. Negative feeling /attitude - always focusing on the negative aspects leads to expand work.
6. Assumptions - making assumption from starting of thinking restrict creative thinking.

Barriers which as a group all face are time management, group conflicts, team work, output by group, leadership etc.

### **Encouraging Workers for Creativity**

Creativity among workers can be enhanced through following ways -

1. Expecting Creativity - means crazy for new ideas or for creative thinking.
2. Taking problems as challenges- never let down the moral in any situation of group.
3. Trained - provide training for generation of new ideas and approaches.
4. Provide adequate finance - providing financial help for producing new product or services.
5. Rewards on success - Reward the group for new generation of ideas.
6. Motivate - motivate groups to perform fairly or to share their idea frankly

7. Encouraging curiosity - encourage each group member individually for participation in creative thinking.

8. Tolerating failure - Leaders should tolerate if group fails to represent new ideas.

9. Developing creative behaviour - develop creative behaviour in each individual of group.

Creativity at an individual level can be enhanced by writing down the new ideas, listening to other peoples, keeping mind free, interacting with children, reading books related to creativity, etc.

### **Techniques Used for Improving the Creating Process**

Brainstorming- A large group of people interacts with each other and think about imaginary ideas.

Mind -mapping - is a visual display of image and from that image identify problem and identify appropriate measures. It enhances ability to see problem from many sides and encourages thinking.

Force field analysis- Evaluation of forces that support and oppose a change is done.

### **Protection of Individual Ideas**

Ideas are protected by patent, trademark, service mark and copy right.

Patent – a grant from the federal government’s Patent and Trademark Office (PTO), to the inventor, giving the exclusive right to use or sell the invention in this country for 20 years from the date of the patent application [5].

Trademark - A Trademark is any distinctive word, phrase, symbol, design, name, logo, slogan or trade dress that a company uses to identify the origin of a product or to distinguish it from other goods in the market. A Service Mark is the same as a trademark, except that it identifies and distinguishes the source of a service rather than a product [6].

Copyright - A copyright is an exclusive right that protects the creators of original works of authorship such as literary, dramatic, musical, and artistic works. This includes motion pictures, software, choreography, books, and recordings [7]

### **Entrepreneurs of India**

Few of the renowned entrepreneurs of India are

**1. Bindeshwar Pathak** founded Sulabh toilet movement. After his education, he worked on a toilet design which converted the waste into fertiliser. He succeeded in 1973, and the project based on a community-employment model was declared a success by the Indian government, UNICEF and WHO.

**2. Anita Ahuja**, founder of Conserve India handbags, started Conserve India as a waste segregation operation. She worked with her brother on converting plastic waste into material for handbags. The company now has a wide range of products including shoes.

**3. Arvind Kejriwal**, founded citizen empowerment NGO Parivartan. He studied in IIT Kharagpur, and worked at Tata Steel and Mother Teresa's Missionaries of Charity. He founded Parivartan to help citizens empower themselves via the Right to Information (RTI) act and participatory citizen forums.

**4. Abhinav Kumar**, CEO, EVOMO Research & Advancement. Evomo's rural utility vehicle costs Rs 1.5 lakh, cheaper than the world's cheapest car. He has managed to keep costs low by using locally sourced material and drawing from global design ideas.

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## Figures

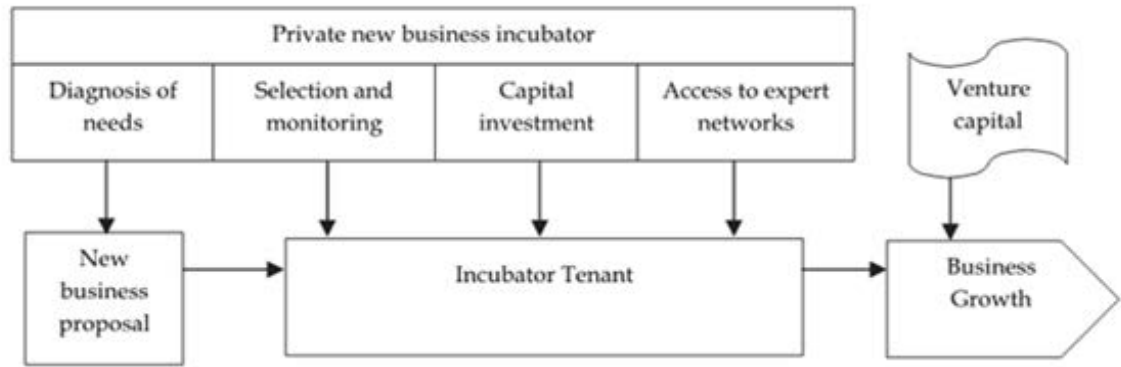


Fig. 1: Campbell et al. [1] Incubation model

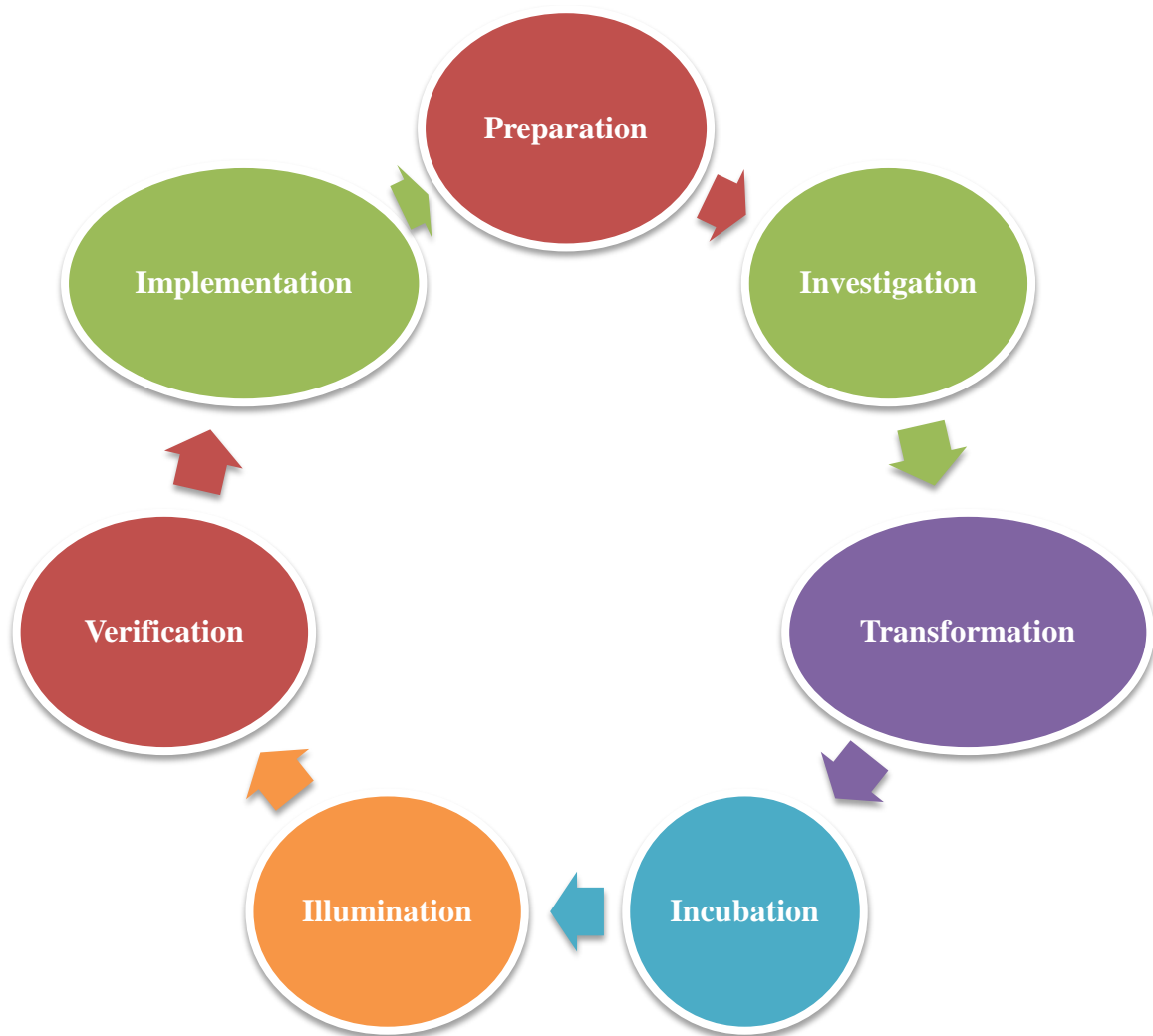


Fig.2: Stages of Creative Process

## **HR ANALYTICS**

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### **Introduction:**

Human resources analytics, also called HR (talent analytics), is the application of sophisticated data mining and Business Analytics (BA) techniques to human resources (HR) data.

The goal of human resources analytics is to provide an organization with insights for effectively managing employees so that business goals can be reached quickly and efficiently. The challenge of human resources analytics is to identify what data should be captured and how to use the data to model and predict capabilities so the organization gets an optimal return on investment (ROI) on its human capital. Although most organizations have enough data to make analytics useful, the data is often created and stored in multiple places in multiple formats. There is no shortage of vendors who offer dedicated human resources analytics software products, but many companies simply create a custom data warehouse for HR data and leverage business intelligence (BI) applications on top. HR analytics provides valuable insight for data analytics in talent acquisition, retention, growth and development and succession planning.

### **Objective of the study:**

1. To add value in increasing the workforce analytics.
2. To enable the companies in looking forward the trends and co-relation between people and performance.
3. HR analytics enables you to make data-driven decisions and gather predictive insights to plan for future needs.
4. To study the HR analytics practices for the development of an organization.
5. To study the issues to talent analytics.

### **Examples are:**

- **Attrition:** using data to predict which employees will leave the organization.
- **Headcount:** how many employees work for the organization.
- **Competencies:** trainable skills.

### **Growth of HR Analytics:**

#### **Increased interest in HR analytics:**

The word is out on HR analytics, and interest -- along with technology -- is growing rapidly. A positive sign of this increased enthusiasm is that in addition to numerous HR analytics vendors, talent management suites are now available with embedded HR analytics. Organizations are also turning their attention to employee engagement with HR analytics, doing away with unreliable surveys and using sentiment analysis to measure engagement in real time.

### **Strategies of HR Analytics:**

#### **HR analytics and company strategy:**

If interest in HR analytics is growing, it's because it has delivered results and strengthened the human resources profile within the organization. For instance, one expert says that CFOs are showing more interest in human resources application suites, with some choosing to unify HR analytics with their financial platforms. This recognition of HR analytics and the benefits it brings to an organization's bottom line is giving human resources an integral role in planning and achieving business objectives, as detailed in this section

Another strategy: aligning HR analytics with business objectives so that the information you're gathering about employees is data that can actually improve productivity, reduce attrition and cut costs. **“HR analytics needs to be about decision support.”**

### **Research Methodology:**



Research Methodology is a way to systematically solve the research problem. The process used to collect information and data for the purpose of making business decisions. Research in this paper is done mainly using various management books and websites.

For this study, the main focus is on the secondary data and not on the primary data. Primary data is not having that much consideration. Hence the main source for this paper is the book and various websites. The research is explained with the help of a **case-study** as an example.

**eBay Inc.** is an American multinational corporation and e-commerce company, providing consumer-to-consumer & business-to-consumer sales services via Internet. The company manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide.

**Brian Fruchey, Analytics Manager - Talent Acquisition at eBay, Inc. He is the person who leads Ebay for Hr Analytics.**



1995–2012



From 2012–present

**Ebay company follows HR Analytics by using this 03 steps, these are as follows:**

- 1. Getting started:** Early adopters of HR analytics share their experiences -- both good and bad with the technology. They not only reveal the first step to HR analytics, but also provide four more for good measure.
- 2. Increased interest in HR analytics:** A positive sign of this increased enthusiasm is that in addition to numerous HR analytics vendors, talent management suites are now available with embedded HR analytics. Organizations are also turning their attention to employee engagement with HR analytics, doing away with unreliable surveys and using sentiment analysis to measure engagement in real time.
- 3. HR analytics and company strategy:** It is seen that if interest in HR analytics is growing, it's because it has delivered results and strengthened the human resources

profile within the organization. For instance, one expert says that CFOs are showing more interest in human resources application suites, with some choosing to unify HR analytics with their financial platforms. This recognition of HR analytics and the benefits it brings to an organization's bottom line is giving human resources an integral role in planning and achieving business objectives, as detailed in this section.

### **Review Of Literature:**

According to **Davenport** (2010) the data provided can be used to analyze and evaluate the employee's talent, to find the right person for the right position, to evaluate the well-being of the employees and calculate the number of employee needed.

As per studied in **Ivey Business Journal**, Hr Analytics is very helpful in organization as workforce analytics involves modeling data (both qualitative and quantitative) to understand the past, present and future drivers of organizational performance Finally, analytics is most successful when applied to an immediate and pressing business problem whose solution is critical to competitive success.

As per the **Sai Om Journal of Commerce and Management**, Hr analytics is a contemporary practice to measure the performance of the employees. The management of talent is only possible by talent analytics and it has made huge pace in today's scenario. Hr analytics boost the motivation and morale of employees.

**Lawler and Mohrman** (2003) to identify the use of metrics as one of our main characteristics that leads to HR being a strategic partner.

**Becker, Huselid and Ulrich** (2001) helped bring these ideas together in the HR scorecard, which highlights how the alignment of HR activities with both corporate strategy and activity improve organizational outcomes.

### **Theoretical Perspectives:**

Human resources are stepping into the spotlight with HR analytics. HR analytics in Human Resource Management is quickly becoming a new area of innovation and focus because of the insights it can provide around workforce management. In years past, one of HR's primary goals was to collect and keep track of employees' personal and professional information, such as payroll, health benefits and performance reviews.

Now, the tide of technology has reached HR's shores and is carrying it into deeper waters where it can analyze data to play a more active role in the organization. HR analytics allows human resources to interpret data, recognize trends or issues, and take proactive steps with different departments to keep the organization running smoothly and profitably.

### **The Highlights to include in HR Analytics:**

- To adopt a strategy where HR can make the connection between statistics and business in effective and efficient decision making.
- To understand the actual analytics for producing reports and why you wait until you have 100% accuracy in results.
- To get key takeaways to improve the HR function, and launch a new analytics program, or shift to a more data driven workforce.

### **PRINCIPLES OF HR ANALYTICS:**

There are some principles which help in making **HR Analytics** Effective:

1. Organizations make investments in people without any data or with the wrong data.
2. Employee engagement is not a business outcome.
3. People and organizations are complex. The linkages between attitudes and outcomes have to be understood within your organization using your data.
4. Once a connection/linkage is made with the data, accountability is unavoidable (and that's a good thing).
5. Big Data/Analytics should be at a minimum predictive and preferably cause-effect.
6. Actual business impact must be shown—making predictions are not enough.

### **Explanations:**

1. **Organizations make investments in people without any data or with the wrong data:** Many organizations believe that their expensive programs (recruiting technology, assessments, training, leadership development, executive coaching, career development, expatriate assignments) are critical for their people development. Unfortunately, very few show an actual business case for making the investment. Does our recruiting technology actually yield better employees?

2. **Employee engagement is not a business outcome:** Many HR leaders put a lot of focus of their investments and initiatives on improving engagement of the workforce. This is not a bad goal, but engagement is not on any financial statements—and there is not one study that proves any financial value of employee engagement. Also, there is not an agreed-upon definition of engagement and front-line managers don't understand it or see the value in it. Companies should link employee attitudes directly to business outcomes that matter to them.
3. **People and organizations are complex: The linkages between attitudes and outcomes have to be understood within your organization using your data.** Studies from other organizations that show the business impact of people practices are a great starting point. But your organization is unique, particularly your culture. What works at Google may not work for your organization. So take the time to connect your people data to your business outcomes.
4. **Once a connection/linkage is made with the data, accountability is unavoidable (and that's a good thing):** If you show that your people initiatives are directly connected to business outcomes, then you, the HR leader should be held accountable for the business outcomes, and not just the compliance rates of your initiatives. Yes, that is a good thing, and the true definition of having a seat-at-the-table.
5. **Big Data/Analytics should be at a minimum predictive and preferably cause-effect:** Correlations do not tell you the whole story and can cause leaders to make the wrong investments. There are numerous studies that show a correlation between employee engagement and shareholder stock price. This problem with this analysis is that maybe the success of the business (stock price) is causing engagement to increase and not the other way around.
6. **Actual business impact must be shown—making predictions are not enough:** Many 'thought leaders' are saying that predictive analytics are the Holy Grail. Not true! They are only predictions. The Holy Grail is following up a year later and showing if the predictions were actually true and how much of an ROI your HR investments actually had on the bottom line. Remember that a lot of experts made predictions about the U.S. Presidential Election, and many of those experts' predictions were wrong.

## Why HR Analytics?

*"What gets measured, gets managed; What gets managed, gets executed"*  
- Peter Drucker

**Measure & Manage**

**Return on Investment**

*"The business demands on HR are increasingly going to be on analysis just because people are so expensive"*  
- David Foster

*"To clearly demonstrate the interaction of business objectives and workforce strategies to determine a full picture of likely outcomes"*

**Linkage of Business Objectives and People Strategies**

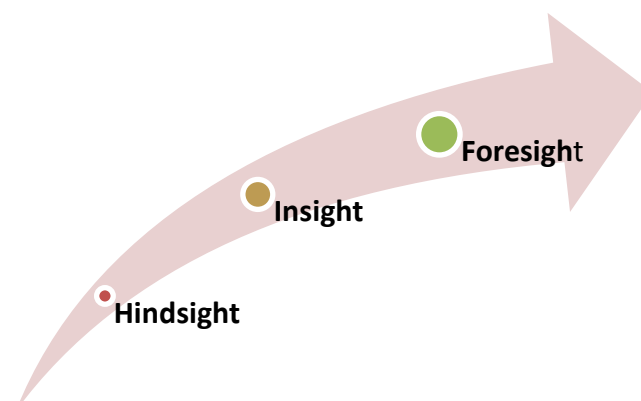
**Performance Improvement**

*"Global organizations with workforce analytics and workforce planning outperform all other organizations by 30% more sales per employee."*

**HR Dashboards - SAP**

- CedarCrestone

### Process of HR Analytics:

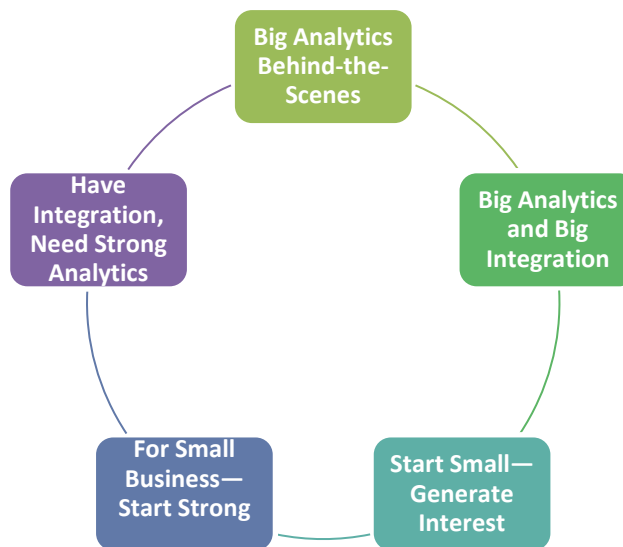


- **Hindsight:** To gather the data by reporting it to the manager.
- **Insight:** To make analysis and monitoring of the data.

- **Foresight:** To develop predictive models for the results.

## **MAKING HR ANALYTICS A REALITY.**

Using analytics in HR to show business impact and predict future performance is the next trend in our profession. Many organizations want to achieve success using this approach, but are unsure how to get there. Unfortunately, HR analytics has gotten off to rough start because it hasn't been well-defined. True analytics that drive the business and show a real return-on-investment is about linking HR data, using cause-effect statistics, to actual business outcomes. These are the 5 Paths of Success for making the path of a manager easy to go. They are as follows:



“That’s one of the most important things HR can do: to produce information and put it in the hands of managers so they can better manage people.”

### **How to measure HR Metrics:**

According to Peter Drucker, “If you can’t measure it, you can’t manage it” and “what gets measured, gets managed; what gets managed, gets executed.”

Human resource metrics, human capital metrics, HR analytics, HR scorecards and HRIS are valuable for talent management. Data mining in HR is contemporary issue and potential and value of the employees is well known by it.



### **Key Success to HR Analytics:**

1. Transparency of business and workforce information.
2. Analytics as a journey, not an end.
3. Develop culture of data – driven decision making.
4. Empower line leaders not just HR.

### **Conclusion:**

Business intelligence can be developed by applying the principles of talent analytics like performance management, reporting, data mining, benchmarking, process mining and event processing etc. Companies make sure the right people are in the right place at the right time by means of HR analytics. Hr analytics assists HR function in the formulation of corporate strategies and also it can be a valuable tool for competitive advantage.

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- <http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCgQFjAA&url=http%3A%2F%2Fsearchfinancialapplications.techtarget.com%2Fdefinition%2Fhuman-resources-analytics&ei=->

## **CONTRIBUTION OF CREATIVITY & INNOVATION IN ENTREPRENEURSHIP FOR ECONOMIC DEVELOPMENT**

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### **INTRODUCTION**

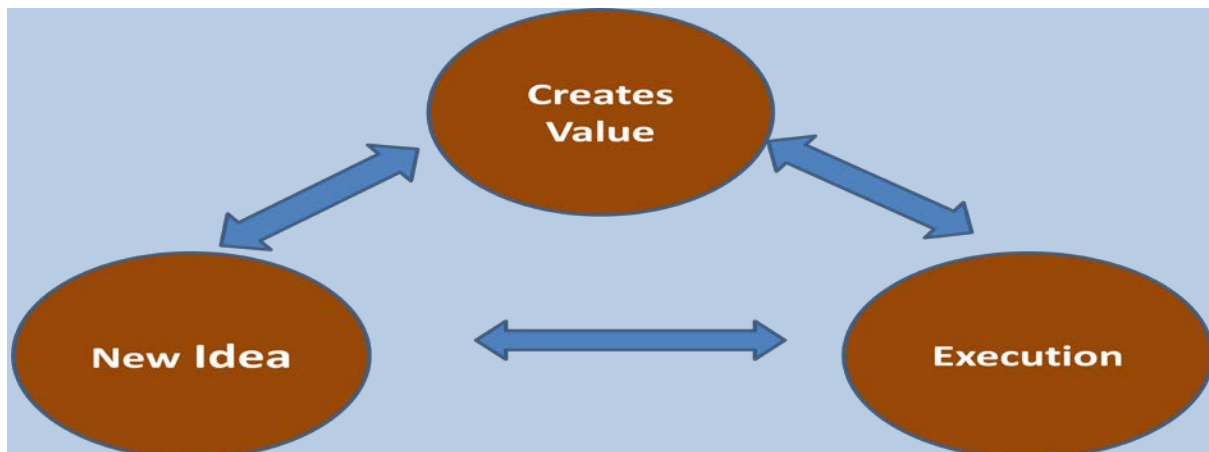
Modern India calls for a significant growth of the industrial and agricultural sectors for its march towards a global power and to successfully meet the social responsibilities such as meaningful employment to all, improving standard of living and poverty mitigation. The role of entrepreneurs in this aspect is highly considerable. Indian entrepreneurs have been actively involved in shaping the destiny of millions by providing them employment in their business enterprises, venturing into untested arena, and introducing innovative business strategies.

In today's rapidly changing competitive environment business it is essential for enterprises to be distinct and meet customer needs with better or never products. To grow and prosper,



most enterprises need to constantly improve their existing products and services through continuously innovating needed changes. Enterprises that rely exclusively on innovation will prosper until their products and services ran out of gases and become obsolete and non-competitive. On the other hand, enterprise that are totally creative will have their new products and services ready to launch, but often too few current products sufficiently up-to-date and competitive to generate the cash needed to fund their creativity.

Entrepreneurship can be viewed as a creative and innovative response to the environment and an ability to recognize, initiate and exploit an economic opportunity. An entrepreneur is an innovator who introduces something new in an economy. Whereas innovation generally refers to the creation of better or more effective products, processes, technologies, or ideas that are accepted by markets, governments and society which creates value by fulfilling the desired needs. On the other hand, Creativity is marked by the ability to create, bring into existence, to invent into a new form, to produce through imaginative skill, to make to bring into existence something new.



From the above, it can be understood that Innovation leads to creation of new ideas which in turn is the available opportunity identified by the entrepreneur looking into the unfulfilled need of the society. An enterprise with the use of all possible available resources fulfils the desired need of its prospective customers considering to create a value for itself in order to possess the competitive edge and sustainable growth.

The importance of innovation in entrepreneurship is key value for the longevity of a business. Entrepreneurs and businesses begin with a need. They understand the unfulfilled need within the community and among themselves that they come up with a solution. They seize the opportunity to innovate to make the lives more comfortable.

Creativity and Innovation are at the heart of the spirit of enterprise. It means striving to perform activities differently or to perform different activities to enable the entrepreneur deliver a unique mix of value. Thus the value of creativity and innovation is to provide a gateway for perceptive entrepreneurship—actively searching for opportunities to do new things, to do existing things in extraordinary ways.

Creativity and Innovation therefore, trigger and propel first-rate entrepreneurship in steering organization activities in whatever new directions are dictated by market conditions and customer preferences, thereby delighting the customers to the benefit of the stakeholders. Innovation also means anticipating the needs of the market, offering additional quality or services, organization efficiently, mastering details, and keeping cost under control.

Creativity and innovation are considered to be inseparable from entrepreneurship, which is in turn obvious in the act of starting up and running an enterprise. Business development can be achieved through growing by size, level of activities and operations conducted, number of people involved, etc but this growth cannot occur until the entrepreneur himself is ready to INNOVATE!

This paper tries to put focus on importance and interrelationship between creativity and innovation to any business enterprise and how it can help in economic development of the country. The study is based on the secondary data collected from various websites, blogs, articles, books etc available publically.

## **LITERATURE REVIEW**

Entrepreneurs implement creative ideas to introduce innovative products or services, or to deliver products or services in a new, more efficient, and hence innovative way. Innovation in New Product Development could include upgrading an existing product or developing a totally new concept to create an original and innovative product (Larsen & Lewis, 2007).

Innovation is the successful development of competitive advantage and as such, it is the key to entrepreneurship. The entrepreneurs are the “dreamers”, who take hands on responsibility for creating innovation. It is the presence of innovation that distinguishes the entrepreneur from others. Innovation, must therefore, increase competitiveness through efforts aimed at the rejuvenation, renewal, and redefinition of organizations, their markets or industries, if business are to be deemed entrepreneurial. (Babu et al., 2013)

Innovation is defined as adding something new to an existing product or process. The key words are adding and existing. The product or process has already been created from scratch and has worked reasonably well. When it is changed so that it works better or fulfils a different need, then there is innovation on what already exists. Innovation is the successful exploitation of new ideas. (Okpara 2007)

Creativity is also an attitude, the ability to accept change and newness, a willingness to play with ideas and possibilities, a flexibility of outlook, the habit of enjoying the good, while looking for ways to improve it. Creativity is also a process. Creative persons work hard and continually to improve ideas and solutions, by making gradual alterations and refinements to their works. (Babu et al., 2013)

According to Lukic (2012) innovation and creativity play an important role in the process of identifying problems, methods of solving them and use of opportunities that companies face every day. The entrepreneur who continuously creates new ideas and innovates will be able to meet the changes and needs of contemporary society.

Porter (1985) argues that, while successful businesses will each employ their own strategy, they achieve complete advantage through acts of innovation. Learning and problem-solving are common activities in many working environments today, but some people believe that true entrepreneurship occurs when individuals ignore the established ways of thinking and acting and seek novel ideas and solutions that can meet customers' needs. (Okpara, 2007)

## **ENTREPRENEURSHIP      CONTRIBUTION      TOWARDS      ECONOMIC DEVELOPMENT**

In the post liberalization scenario, with the new economic policies aimed at eliminating industrial licensing, reducing protection for internal products, allowing foreign direct investment and minimizing government controls and unleashing competition, Indian firms have been exposed to market forces where Innovation has increasingly played a key role in ensuring economic survival and achievement. In the growth of the Indian economy, Innovative Entrepreneurship is emerging as a key driver and contributing towards the development of the economy. Following are some economic factors which gets support from able entrepreneurship:

### **1. Facilitates Overall Development**

Entrepreneurs act as catalytic agent for change which results in chain reaction. Once an enterprise is established, the process of industrialisation is set in motion. This unit will generate demand for various types of units required by it and there will be so many other units which require the output of this unit. This leads to overall development of an area due to increase in demand and setting up of more and more units.

## **2. Induces Backward and Forward Linkages**

Entrepreneurs work in an environment of changing technology and try to maximise profits by innovation. This induces backward and forward linkages which stimulate the process of economic development in the country.

## **3. Promotes Country's Export Trade**

Entrepreneurs earn valuable foreign exchange through increased exports. They produce goods and services in large scale for the purpose earning huge amount of foreign exchange from export. This ensures economic independence and development.

## **4. Improvement in the Standard of Living**

Entrepreneurs adopt latest innovations in the production of wide variety of goods and services in large scale that too at a lower cost. This enables the people to avail better quality goods at lower prices which results in the improvement of their standard of living.

## **5. Increasing GDP and Per Capita Income**

Entrepreneurship can be viewed as a creative and innovative response to the environment and an ability to recognize, initiate and exploit an economic opportunity. Entrepreneurs encourage effective mobilisation of capital and skill, bringing in new products and services and develops markets for growth of the economy. In this way, they help increasing gross national product as well as per capita income of the people in our nation.

## **6. Wealth Creation and Distribution**

Entrepreneurial activities ensure equitable distribution of income and wealth by inculcating the spirit of entrepreneurship amongst people thereby providing them self employment with limited resources. Thus, stimulates impartial redistribution of wealth and income in the interest of the country to more people and geographic areas, thus giving benefit to larger sections of the society.

## **7. Reduces Concentration of Economic Power**

Industrial development normally leads to concentration of economic power in the hands of a few individuals which results in the growth of monopolies. Entrepreneurs contribute towards the development of society by reducing concentration of income and wealth.

## **8. Balanced Regional Development**

Entrepreneurs promote development of industries. Entrepreneurs help to remove regional disparities by industrializing rural and backward areas which lead to a large number of public benefits like road transport, health, education, entertainment, etc. They help to reduce the problems of congestion, slums and population in cities by providing employment and incomes to them.

## **9. Employment Generation**

Entrepreneurs provide instant large-scale employment to the unemployed which is an unending problem of India. Small entrepreneurs provide self employment to artisans, technically qualified persons and professionals which contributes towards the economic development of society.

## **10. Promotes Capital Formation**

Entrepreneurs promote capital formation by mobilizing the idle savings of our citizens. They employ resources for setting up their enterprises. Such types of entrepreneurial activities lead to value addition and creation of wealth, which is very essential for the industrial and economic development of India.

## **CONCLUSION**

With rising population of the world, the world's need and necessities pattern had also evolved through the years. To sustain the ever increasing demand and supply of products, right entrepreneurship skills and innovation are much more needed. Without new business ideas and technology to support it, no consumer demand will be fulfilled completely. Thus, innovation and entrepreneurship is the need of hour and needs to be adopted by one and all business enterprises.

Innovation in entrepreneurship is without doubt a significant factor in fuelling the economy. By embracing innovation to keep up with the pace of change in the dynamic world of business, entrepreneurs are surging steadily forward with a wealth of creative and innovative ideas that transform into competitive products and services, allowing entrepreneurs and their small businesses to garner financial gains that, in turn, help boost the country's economy.

It is essential for an Entrepreneur to see the sources of innovation in changes and, therefore, it is said that changes are something the entrepreneur is 'living with'. So, in order to take advantage of changes, entrepreneur must be creative and innovative.

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## **Medical Tourism in India – Issues and Prospects in Current Changing Market**

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### **Introduction:**

### **History of Medical Tourism:**

The practice of travelling for health and medical reasons has a long history. Even the ancient civilizations recognized the healing effects of mineral thermal springs and sacred temple baths. For example, the Sumerians constructed health complexes around hot springs more than four thousand years ago, which included temples with flowing pools.

Ancient Romans built resorts with thermal health spas, and healing temples thrived during the Greek domain. Ancient Greeks were known for their travels to the sanctuary of the healing god, Asklepios, believed to reveal remedies for different ailments in the dreams. This sanctuary was in fact a small territory in the Saronic Gulf named Epidauria – today considered as the birthplace of medical tourism as we know it.

### **Europe**

It was the Europeans in the sixteenth and seventeenth century that are responsible for the development of a modern pleasure resort concept. Seaside resorts in the United Kingdom (such as Blackpool or Margate) were built due to the belief of the British elite that there are

real curative powers in sea waters and sea air. Very quickly England saw a boom of different spa towns and sanatoriums accommodating those who could afford to make the trip.

Spas and mineral water were used to cure illnesses such as various skin infections, poor digestion and rheumatism. In mainland Europe, Switzerland offered a plethora of towns grown up around mineral springs (St. Moritz, Lausanne, Interlaken and Baden). People also flocked to Austria (Vienna), Hungary (Budapest) and Germany (Baden-Baden and Wiesbaden).

The formation of the railways increased the flow of people to more remote coastal and seaside resorts, providing in turn a unique and escapist environment from urbanization, as well as the opportunity to practice what was viewed as a healthy pleasure of sun-seeking.

### **North America**

The discovery of the New World revealed new destinations for medical travellers from Europe. Dutch and English colonists assembled log cabins alongside mineral springs in the 1600s. During this period, Native Americans in the New World were notably adept in the healing arts.

In the United States and Canada, mineral springs were used for the development of spa tourism, around which the first national parks have been established. The physical morphology of springs can result in distinctive natural landscapes that also helped draw visitors from all corners of the world (e.g. Yellowstone National Park in Wyoming, USA).

In the nineteenth century, wealthy tuberculosis sufferers from Europe often travelled to (and lived) in south-west United States, seeking different climate conditions in order to improve their health. That kind of behaviour arguably predates modern-day lifestyle retirement and second home migration for similar reasons of extending quality of life.

However, travelling with the intention of receiving treatments, such as cosmetic surgery, dental care and other complex procedures is a relatively new phenomenon, having begun only several decades ago throughout the world.

### **Asia**

Asia has a history of medical tourism as well. Japan's affluence of natural mineral springs (also known as onsen) has represented a favourite health retreat for centuries, and



they are also a central feature of Japanese tourism today. These springs are known to have healing powers derived from its mineral content. Different warrior clans also took notice of these springs and used them to heal wounds, alleviate pain and recuperate from their battles.

Yoga and Ayurvedic medicine grew in popularity five thousand years ago in India, wherein constant streams of medical travellers and spiritual students flocked to pursue the benefits of these alternative-healing methods. India procured reputation as the centre of Eastern spiritual, cultural and medicinal progress when Buddhism came along 2500 years later. Today it is one of the most popular destinations for medical tourists.

Health Tourism is defined as going from one country to another country to receive health service with any reason. In another approach, we can consider all the travels to be healthy as Health Tourism. When looked at the main idea of the definition, Health Tourism has been the matter at hand since the existence of mankind. The most valuable thing that mankind has is health. In order to recover health, people wandered land by land and places that give the best health service and doctors were sought out. In this sense, throughout history, Anatolia has been one of the best places of healing all over the world. The most important role for development of medical tourism in specific regions is that more qualified health services, higher technology and more economic service providing in those regions. Also development of transportation and communication and increasing of providing health service has been an important factor triggering the development of this sector. Today the countries mostly providing the health tourism are India, Malaysia, Singapore, Thailand, Jordan and Germany. The most important reason is that these countries paid too much attention on the health tourism sector and they handled this subject as a government policy.

### **Indian Healthcare Industry:**

The Indian healthcare delivery system is categorised into two major components - public and private. The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities.

India's primary competitive advantage lies in its large pool of well-trained medical professionals. Also, India's cost advantage compared to peers in Asia and Western countries is significant - cost of surgery in India is one-tenth of that in the US or Western Europe.

### **Market Size**

According to estimates, the overall Indian health care market today is US\$ 65 billion, of which the hospital supplies and health care equipment segment is believed to be only around US\$ 4.5-5 billion. Health care delivery, which includes hospitals, nursing homes and diagnostics centres, and pharmaceuticals, constitutes 65 per cent of the overall market.

India requires 600,000 to 700,000 additional beds over the next five to six years, which potentially throws an opportunity of more than US\$ 25-30 billion. While the existing hospitals would look at expanding their capabilities, a lot of new properties would also come up.

Overall the number of transactions in the healthcare space is going to grow as companies are seeking growth capital. The average investment size by private equity funds in healthcare chains has increased to US\$ 20-30 million which was around US\$ 5-15 million, said Mr Abhishek P Singh, Associate Director for Healthcare, PricewaterhouseCoopers (PwC).

The Indian medical tourism industry is pegged at US\$ 1 billion per annum, growing at around 18 per cent and is expected to touch US\$ 2 billion by 2015. There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of GDP is rising. Rural India, which accounts for over 70 per cent of the population, is set to emerge as a potential demand source. Only three per cent of specialist physicians cater to rural demand.

### **Objectives of the Paper:**

Objectives of this paper are outlined as follows:

- 1) To understand the Medical Tourism industry in India
- 2) To examine the key drivers of Medical tourism in to India
- 3) To examine the challenges faced by this Industry in India
- 4) To examine the Government role in promoting Medical Tourism in India

### **Analysis:**

Following are the primary factors affecting increase in Medical Tourism Globally:

- Rising healthcare costs, demographic factors, and rising demand for cosmetic and dental surgery (procedures not covered under the insurance ambit in developed countries), together with the availability of quality and cost effective healthcare services in developing countries are main factors driving medical tourism globally.
- The substantial inequity in healthcare availability globally, has led to a situation where people may have to seek treatment options in other countries due to the lack of advanced treatment options domestically.
- While the demand for medical tourism is fuelled by quality and cost considerations relative to domestic treatment options, the choice of destination is incumbent on numerous factors, including credibility of the destination, proximity, and the variety of available healthcare services.
- Increasing healthcare awareness has changed the mindset of many travellers who now look at healthcare holistically, rather than from a curative perspective; this has led to wellness tourism, where travellers opt for some form of rejuvenation or wellness exercise during their travels.
- With countries now treating medical tourism as a truly value adding proposition, not only to their economy but also to patients who travel in or out of the country to avail healthcare/wellness options, medical value travel is becoming an important consideration in the healthcare landscape of many emerging economies.

### **Key Parameters which enables Medical Travel in India**

- 1) The biggest key driver of medical travel in India is the low cost healthcare service
- 2) Technological advancements and highly educated doctors
- 3) The state-of-art technology, specialist doctors, nurses and Para-medical staffs that has been adopted by the big hospitals and diagnostics centres in India.
- 4) High health care standards offered
- 5) No language barrier as English is widely spoken across India. Moreover many hospitals in India hire native translators for patients from African countries so that they can communicate effectively.
- 6) Relaxed visa rules

- 7) Visa on India arrival for patients from specific countries
- 8) Availability of low cost generic medicines
- 9) The long waiting lists in the developed countries,
- 10) The affordable international air fares and favourable exchange rates,
- 11) The Internet; with the development of communications, new companies have emerged who acts as middlemen between international patients and hospital networks, giving patients easy access to information, prices and option.

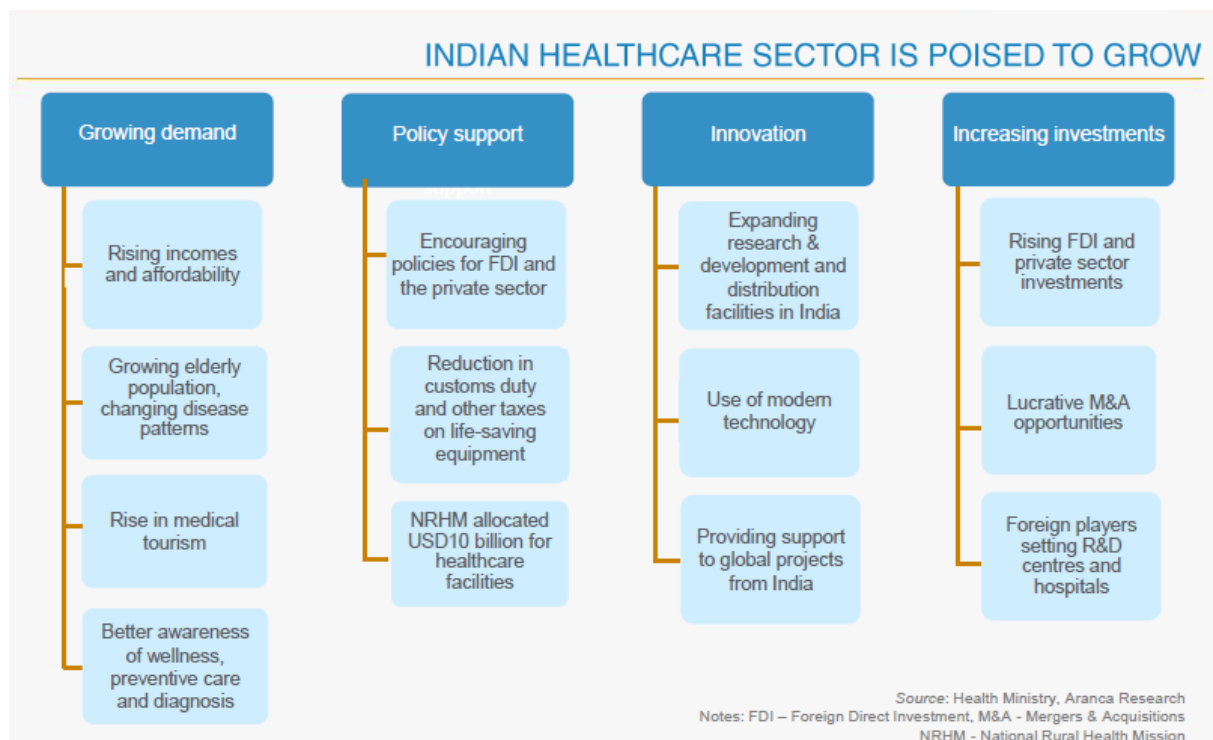
### Cost Effectiveness of Treatments chart

Procedure cost (US\$)	U.S.	Thailand	Singapore	Malaysia	U.A.E.	South Korea	Mexico	Costa Rica	India
Heart bypass	1,30,000	11,000	18,500	9,000	40,900	31,700	27,000	24,100	7,000
Heart valve replacement	1,60,000	10,000	12,500	9,000	50,600	42,000	30,000	30,000	9,500
Hip replacement	43,000	12,000	12,000	10,000	46,000	10,600	13,900	11,400	7,020
Knee replacement	40,000	10,000	13,000	8,000	40,200	11,800	14,900	10,700	9,200

Source: 'Indian Healthcare Services', J.P. Morgan, 12 March 2014, p2; 'Medical Tourism in India: Progress, Opportunities and Challenges', Madras School of Economics, Monograph 26/2013, March 2013, p21.

- A key competitive advantage India has in medical tourism, in comparison to other countries, lies in the cost effectiveness it has to offer to its patients. A person coming to India for his/her medical treatment can have savings anywhere in the range of 30 to 70 per cent. Even if we consider the ticket expenses and accommodation expenses along with the treatment cost, the overall expenditure would be lower than the treatment cost in the U.K. or the U.S. or many other countries.
- Medical visas (M-visa) are generally issued by the Indian government to every medical tourist, for a period of one year. The one year validity of an M-visa can be extended by an additional 12 months in some special cases. Medical cases with heart problems, organ transplants, ophthalmic disorders, and neuro-surgery are given priority. Earlier patients were allowed to visit only three times in a year during this extended time-frame, with a mandatory two-month gap between two entries. However, recent changes in the regulation have now lifted this two month gap restriction, except for seven countries including China, Pakistan, and Bangladesh. The

centre has also allowed granting free medical visas for Maldivian nationals for a period of 90 days. Industry experts point out that the visa application process is highly cumbersome as the patients are asked to report to the Indian embassy personally and furnish bank statements/ medical reports, and are even referred to the embassy doctor for a second opinion. There is no special provision given to tourists who come to India to avail wellness facilities. The existence of multiple ministries in decision and policy making fuels inefficiencies and makes the process of decision making long-drawn and tedious.



Despite the huge potential of Medical Tourism in India, the study also point out the key hindrances in the growth in this sector. These are:

1. Lack of infrastructural facilities like lack of connectivity, lack of coordinating system, poor power supply and poor water supply.
2. Most Indian hospitals are also facing the lack of trust from the foreign patients. The hospitals have observed poor hygiene awareness in medical attendants, unhygienic food handling, and lack of proper hospitality services, heterogeneous pricing of services and no industry standards.

3. The government can play a vital part to upgrade the medical tourism sector. But the industry is facing the following problems which are caused by the governments. They are:

- (a) No regulations,
- (b) Taxation anomalies,
- (c) Bureaucratic roadblocks,
- (d) No works on land reforms,
- (e) Lack of long-term investor friendly policies and

4. On the part of insurance and allied services, the medical tourism industry in India is also facing some key bottlenecks. They are:

- (a) Inadequate insurance cover,
- (b) Insurance frauds and
- (c) Overseas companies refusing reimbursement.

5. The following challenges, due to the infrastructural parts in medical tourism sector in India, are:

- (a) Poor accessibility,
- (b) Lack of capital,
- (c) Lack of concern for sustainability,
- (c) Lack of good language translators, and
- (e) Poor airport facilities.

6. Apart from these, there are some specific issues to promote medical tourism in India. They are:

- (a) Quality accreditations to the Indian hospitals and service providers,
- (b) Training and Development to the Doctors, Nurses and Para medical staffs,
- (c) Lack of customer oriented approach

### **Conclusion:**

The following suggestions lay down the future path for India to achieve leadership position in medical tourism. These suggestions largely draw from the observations from the various research papers referred for this paper.

- 1) The government of India must act as a regulator to institute a uniform grading and accreditation system for hospitals to build consumers' trust. It also acts as a facilitator to

encourage private investment in medical infrastructure and policy-making for improving medical tourism.

2) The government of India can play a significant role in improving the status of medical tourism by removing political instability, terrorism Bureaucratic roadblocks, and Taxation anomalies. Indian Government should launch long term revenue generating projects and investor friendly policies to get benefitted from medical tourism. Government should make provisions to provide Quality accreditations to the Indian health centres, training and development to the Doctors, Nurses and Para medical staffs, and should apply the customer oriented approach to improve the image of Indian hospitals.

3) There is also a need to develop supporting infrastructure such as transport, accommodation, and communication and information channels to facilitate medical tourism. In this research study we tried to find out the positive economic benefits of medical tourism and to focus the role of government, ministry of tourism, pharmaceuticals industries, and private sector to build the image of India as high quality medical tourism destination.

4) Regulations and procedures for registration and approval of foreign investments need to be simplified and made more transparent. Approval criteria should be clear and should be linked to the country's tourism development goals and objectives. These goals and objectives need to be well defined and should specify the role of foreign private investment.

5) Many Indian hospitals are applying for NABH (National Accreditation Board for Hospital) and JCI (Joint Commission International) for its accreditation. As of now there are only 17 JCI and 198 NABH accredited hospitals in India. Industry is ensuring that quality becomes the driving force for all hospitals and healthcare providers.

### **Road Ahead**

India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep.

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## **Analytical Study on Effect of Nutritional Labeling On Consumer Buying Behaviour in Nagpur City, 2015**

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### **1. INTRODUCTION**

Growth in the economy in terms of improved infrastructure, changing lifestyles and increase the consumer demand, the trade of pre-packaged food also increased. <sup>13</sup>With the advancement in technology and communication the access to new food products has increased. With these developments it may happen that the consumers may be misled by labels. This necessitates enlightenment of consumer knowledge on the description of the label in terms of ability to read, understand and make decision whether to buy the product or not. In 2004, WHO (World Health Organization) recommended that the nutrition label was one of the strategies to assist the consumers on making healthier food choices. <sup>14</sup>Nutrition label is intended to inform customers the available choices and to stimulate the consumption and the production of healthy product.

### **NUTRITIONAL LABELING**

Labeling is defined by FFDCA (Federal Food, Drug and Cosmetic Act) as a Written, printed, or graphic matter upon any article or any of its containers or wrappers or accompanying such article.

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<sup>13</sup> Codex Committee on food labeling, 2005, USA.

<sup>14</sup> Baltas, G. (2001). Nutrition label: issues and policies. *European Journal of Marketing*.

Labeling is subset of packaging. Firms need to label their products. it may be a simple tag attached to the product or elaborately designed graphic.

Food labeling might involve listing of ingredients. According to Koe, Nutrition label can be defined as “description used to inform about the nutritional properties of a food, which also help the customer in purchasing nutritious food and consuming nutritionally balance meals.”

#### <sup>15</sup>RULES OF FDA (MAHARASHTRA) FOR NUTRITIONAL LABEL:

1. The Nutrition Facts label may be placed together with the ingredient list and the (name and address of the manufacturer, packer, or distributor) on the PDP.
2. On packages with insufficient area on the PDP and information panel, the Nutrition Facts label may be placed on any alternate panel that can be seen by the consumer. 21 CFR 101.2(b) & (e) & 101.9(i)
3. The nutrition information must be set off in a box. 21 CFR 101.9(d)(1)(I) in tabular display.
4. The Nutrition Facts label is required on most food packages labeled.
5. FDA only requires that the label declare the vitamins A and C, and the minerals calcium and iron. The other enrichment vitamins and minerals must be declared when they are added directly to the packaged food (e.g., enriched bread),
6. The caloric value of a product containing less than 5 calories may be expressed as zero.
7. The shelf life (Use by or Best before)
8. Storage conditions.

## **2. OBJECTIVES OF THE STUDY**

The main objectives of the study are:

- ✓ To study the information consumers generally look for on the product label while purchasing.
- ✓ To determine the factors associated with reading the label on packaged food.
- ✓ To identify the relationship between demographic factors and use of information on food label for purchasing the product.

## **3. HYPOTHESES**

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<sup>15</sup> <http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm064894.htm>

H01: There is no significant relationship between nutrition label information and influence on buying as far as age is concerned.

H11: There is a significant relationship between nutrition label information and influence on buying as far as age is concerned.

H02: There is no significant relationship between nutrition label information and influence on buying as far as gender is concerned.

H12: There is a significant relationship between nutrition label information and influence on buying as far as gender is concerned.

H03: There is no significant relationship between nutrition label information and influence on buying as far as education is concerned.

H13: There is no significant relationship between nutrition label information and influence on buying as far as education is concerned.

#### **4. LITERATURE REVIEW**

- ✓ **Shekar S.K.and Raveendran P.T. (2014)** , in their paper “**An exploration into Indians perception on food products nutritional Labelling**” examined student’s perception towards nutritional labeling in making informed purchase decisions. The findings revealed that perception on nutritional labeling of packed food products did not significantly vary across age and sex of the respondents.
  
- ✓ A study conducted by **Gwanta Samson(2012)** titled “**Awareness of Food labeling and use of information in purchasing pre-packaged food among consumers in Ilala Municipality**” has revealed that awareness and use of pre-packaged food labelling information is low among consumers.
- ✓ **P.H.K.Prathiraja and A.Ariyawardana ,(2003)**,Srilankan Reserachers, in their paper titled, “**Impact of nutritional labeling on Consumer Buying Behaviour**”, concluded that consumers use nutritional labeling as theya re health consciousness and ready to pay additional if they are provided healthy food.
- ✓ **Norhidayah Azman,aiti Zahela Sahak, (2014)**,Malaysian Researchers conducted a preliminary review titled “**Nutritional Label and consumer buying decision**”

suggested that In order for nutritional label to have any effect, consumers must be exposed to them and must be aware of them. The effect will then be mediated by consumer understanding, which in turn will be affected by consumers' nutrition knowledge.

- ✓ **Sandra L.G., Leslie S. and Cindy T.**, Researchers from Tennessee State University in their paper titled, “**Evaluating Nutrition Label :It’s Use and Impact...**” concluded that there is some confusion as to what nutrition label includes and how it is interpreted by the consumers.

## **5. SCOPE OF THE STUDY**

The study was conducted in the city of Nagpur amongst the people who are consumers of pre-packaged food products and the influence of nutrition labels on their buying decision.

## **6. RESEARCH METHODOLOGY**

In accordance with the objectives of the study, a field survey has been used for the data collection method. A set of structured Questionnaire was issued online to a sample of 230 respondents in the Nagpur city region using simple random sampling method. The response received was 84% that is 194 questionnaires were received in complete representing both gender and different age groups. The questionnaire consisted of 13 questions of which 6 questions were related to Demographics and 7 questions related to nutritional labeling. These 7 questions in turn consisted of 10 sub questions related to hypothesis of the study. The respondents were from Nagpur City. The variables related to the motivating factors for reading the label are –Price, Characteristics of food, health consciousness, religious belief , appearance of product and expiry date. Negative factors for difficulty in reading the label were- Language , size of the letters, Technical jargon and hidden information. Non-Parametric Pearsons Chi Square test of analysis was performed to identify the various parameters influence the willingness-to-buy using gender , age and educational background of the respondents as grouping variables. Cross tab analysis has been used to have a multidimensional variable analysis between age, gender, and education type towards factors like price, religious belief, health consciousness, expiry date and appearance of pre-packaged food product. Also efforts have been made to identify the difficulty in reading and

understanding the label due to reasons like letters size on label, technical jargon, language and any hidden information on the label.

## 7. DATA ANALYSIS AND INTERPRETATION

Tabular representation of Motivating factors for reading the nutrition label

	Response	Male	%	Female	%
<b>APPEARANCE</b>	NO	61	60.3%	54	58%
	YES	39	38.6%	39	42%
	Total	101		93	
<b>RELIGIOUS BELIEF</b>	NO	25	24%	28	30%
	YES	76	76%	65	90%
	Total	101		93	
<b>HEALTH CONCIIOUSNESS</b>	NO	41	40%	39	41%
	YES	60	60%	54	59%
	Total	101		93	
<b>CHARACTERISTICS OF FOOD</b>	NO	30	30%	36	39%
	YES	71	70%	57	61%
	Total	101		93	
<b>PRICE</b>	NO	5	5%	3	3%
	YES	96	95%	90	97%
	Total	101		93	

From the above table it is obvious that price factor followed by religious belief and characteristics of food dominate the motivation level for purchasing the food product.

Tabular representation of Factors that affect understanding of content of Label

<b>Difficulty in understanding the label contents</b>				
			EDUCATION TYPE	
			SCIENCE	NON-SCIENCE
SIZE OF LETTER	NO	Count	42	58
	YES	Count	49	45
TECHNICAL JARGON	NO	Count	83	14
	YES	Count	8	89
ANY HIDDEN INFORMATION	NO	Count	40	64
	YES	Count	51	39
LANGUAGE ON LABEL	NO	Count	84	101
	YES	Count	7	2

From the above table it is evident that for the Science background hidden information is a major factor that affects their comprehension while majority of the commerce background respondents found technical jargon was difficult to understand.

**Data analysis for H01: There is no significant relationship between nutrition label information and influence on buying as far as age is concerned.**

**AGE \* INFLUENCES BUYING DECISION Crosstabulation**

		INFLUENCES BUYING DECISION			Total
		NEVER	SOMETIMES	ALWAYS	
AGE	21-30	14	24	30	68
	31-40	5	15	11	31
	41-50	4	12	11	27
	51-60	6	14	16	36
	18-20	3	14	15	32
Total		32	79	83	194

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.446 <sup>a</sup>	8	.903
Likelihood Ratio	3.593	8	.892
N of Valid Cases	194		

The probability of the chi-square test (3.446) is .903 which is greater than the alpha level of significance level 0.05.

**Data analysis for H02: There is no significant relationship between nutrition label information and influence on buying as far as gender is concerned.**

**GENDER \* INFLUENCES BUYING DECISION Crosstabulation**

		INFLUENCES BUYING DECISION			Total
		NEVER	SOMETIMES	ALWAYS	
GENDER	Male	19	32	50	101
	Female	13	47	33	93
Total		32	79	83	194

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.137 <sup>a</sup>	2	.028
Likelihood Ratio	7.174	2	.028
N of Valid Cases	194		

The probability of the chi-square test (7.137) is 0.028 which is less than the alpha level of significance level 0.05.

**Data analysis for H03: There is no significant relationship between nutrition label information and influence on buying as far as education is concerned.**

The probability of the chi-square test (0.392) is 0.822 which is greater than the alpha level of significance level 0.05.

**EDUCATION TYPE \* INFLUENCES BUYING DECISION Crosstabulation**

		INFLUENCES BUYING DECISION			Total
		NEVER	SOMETIMES	ALWAYS	
EDUCATION TYPE	SCIENCE	14	36	41	91
	NON-SCIENCE	18	43	42	103
Total		32	79	83	194

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.672 <sup>a</sup>	4	.796
Likelihood Ratio	1.691	4	.792
N of Valid Cases	194		

The probability of the chi-square test (1.672) is 0.796 which is greater than the alpha level of significance level 0.05.

**8. FINDINGS AND CONCLUSION**

The finding and conclusions of the study are as follows:

1. Majority of the respondents look for the green or the red label on the product prior to buying the product.

2. People with science stream understand the terminology and tend to purchase the product but the people with commerce background find it difficult to understand the technical jargon.
3. The null hypothesis **H01: “There is no significant relationship between nutrition label information and influence on buying as far as age is concerned.”** Is accepted and the alternate hypothesis is rejected.
4. The null hypothesis **H02: “There is no significant relationship between nutrition label information and influence on buying as far as gender is concerned.”** Is rejected and there is effect of gender on the buying decision due to the nutrition label so the alternate Hypothesis **H12: “There is a significant relationship between nutrition label information and influence on buying as far as gender is concerned.”** Is accepted.
5. The null hypothesis **H03: “There is no significant relationship between nutrition label information and influence on buying as far as education is concerned.”** Is accepted which says that whether the people understand the terminology or not it does not influence their buying decision.

#### **9. RECOMMENDATIONS OF THE STUDY**

1. Apart from the calorie contents on the label details about the calorie chart can be provided.
2. More awareness can be spread regarding the other ingredients of the label through ads of the product.

#### **10. LIMITATIONS OF THE STUDY**

- The exact place of purchase was not considered in the study only the situation while purchasing was considered.
- The responses are restricted to the respondents’ opinion.
- The objects of the study was only the consumers of Nagpur city and solid pre-packed foods

#### **11. FUTURE SCOPE OF THE STUDY**

- The study could be extended to liquid foods.
- The geographical area of study can also be widened.
- A comparative analysis can be done between packed food of registered firms and local firms.

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***“Impact of Organizational Information Sharing On Knowledge Management Practices: An Empirical Study Of Manufacturing Industry In Nagpur”***

**Author-Mr. Ritesh Sule**

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**Introduction:**

It is important to give a clear definition of what knowledge is and what it is not, how it is recognizable and so on. A wide body of literature has not always clearly faced the problem.

At the time when businesses were based on mass production, knowledge was not considered an important asset. Machines, time and production capacity were the most important asset for competing. Nowadays, the increasing complexity and rapidity of the pace of change within the society have created the necessity of knowing better customers, continuously update knowledge and competencies, and search for the most effective and efficient way of doing this. Everyone of this aspect is linked with knowledge creation and acquisition, related to work processes, products' components, customer's expectations, emerging technologies and so on.

**Attributes of Knowledge**

Dynamically knowledge has some attributes, such as:

a) Develops through experiences. Knowledge develops over time, through learning experiences such as seminars, workshops, but also referring to what we have already done in the past. An expert is a people that overcome successfully a test thanks to his experience in a certain domain. The experience in doing something help people in doing things quickly and better than other that have not experience with it.

b) Ground truth, means what really works and what doesn't. An example is lessons learned.

c) Complexity, the importance of experience and ground trust in knowledge is one indication of knowledge's ability to deal with complexity. As such, knowing more leads to better decision than knowing less, even if the less seem more definite and clearer. Knowledge is aware of what it doesn't know. It looks like Socrates' statement: 'The more I know the more I'm aware of my ignorance', a humble attitude that makes people ready to deal with the unexpected, unpredicted events that break up certitudes and forecasting. The more one person knows the more is aware of not knowing everything and the lesser is rigid and prone to accept and expect changes or radical transformation.

d) Judgment, knowledge contains judgments of past situations and it is flexible to refine itself for adapting to changing environments.

e) Rules of Thumb and Intuition, that is flexible guides to action developed through trial and error and over the long experience and observation. These are heuristics that contain solution to new problems that resemble problems previously solved by experienced workers. So they don't have to build an answer from scratch every time. Sometimes we arrive to solve problems very quickly by intuition, but intuition is not mystical; it means that we have thoroughly learned the steps that they happen automatically without conscious thought, and therefore at great speed. Karl Weick named it 'compressed experience'.

f) Values and Beliefs, people values and beliefs have an impact on organizational knowledge, such as the history of the company that should influence people's actions and values working within it. People with different values and beliefs see things differently in the same situation. According to Nonaka and Takeuchi (1995) the power of knowledge to organize, select, learn and judge comes from values and beliefs rather than information and logic.

### **Enhancing Knowledge Management**

Three approaches are used to enhance employees' knowledge sharing within organizations:

a) a technology-based approach in which the technology is considered the facilitator of knowledge sharing practices within an organization;

b) an incentive-based approach in which the monetary and non-monetary rewards remote knowledge sharing practices;

c) and an organizational-based approach in which structure, processes, and management style simplify the application of knowledge sharing practices (Hsu, 2006).

There are several good information sharing methods that will better enable the work team to conduct their responsibilities and become more efficient, effective, and self-directed. Such as Bulletin, Stat Sheet, Computer Network & Departmental Meeting.

It has been argued that nurturing a knowledge sharing culture and establishing the right climate for knowledge sharing is a fundamental issue for successful organizational performance that maintains competitive advantage. However, one of the most critical decisions employees usually face is whether or not to share knowledge. This decision is often determined by reflecting on several questions: What to share? And with whom should I share? What are the real benefits for me to share? Do the employees with whom I share going to share their knowledge with me? Does sharing improve my knowledge and skills? Prior research has gone further to determine if there is a significant relationship between knowledge sharing and organizational performance (Du et al., 2007). Similarly, while Hsu (2008) suggests that knowledge sharing practices are considered the facilitating factor for improving organizational performance through human capital, Law and Ngai (2008) acknowledge that even though knowledge sharing may affect organizational performance, it is also important to examine the relationships between knowledge sharing and learning behaviors, business process improvements, and product and service offerings to fully understand the factors that affect organizational performance. Their results revealed that knowledge sharing and learning behaviors are positively related to business process improvement and product and service offerings. In addition, business process improvement and product and service offerings are associated with organizational performance.

### **Research Methodology**

During this research, the researcher used the reports of DCMSME, Nagpur a body of government of India to understand the industrial scenario of the Nagpur city. The reports of MIDC industrial association were used for identifying the industries & companies for the study.

In the present study, the primary data is collected from 15 manufacturing units of the Nagpur city. Where in 30 samples of Manager/Head/decision makers were taken & 50 employees were interviewed based on structured questionnaire.

### **Objectives**

The objectives of the study is given below:-

- To understand the effect of organizational structure on knowledge sharing practices..
- To study the impact of technology/IT as a facilitator of knowledge sharing practices within an organization.
- To examine the relationship between organizational knowledge sharing practices and employees adaptability.

### **Scope & Significance of the research**

This is an in depth study of knowledge management in manufacturing industries in Nagpur. This will help to understand various factors affecting the knowledge management practices in an organization. The study focuses upon establishing the relationship among knowledge sharing practices, information sharing practices of the industry, use of information technology, organizational structure & related terms.

In the study analysis of the collected data has been done. The data is collected from 15 manufacturing units of the Nagpur city. Where in 30 samples of Head/decision makers were taken & 50 employees were observed.

### Hypothesis

Hypothesis of the research are given below:-

H1: Organizational structure has a positive impact on application of knowledge sharing practices within an organization.

H2. There is a positive relationship among organizational knowledge sharing practices, employees' adaptability

H.3. Use of Information Technology has a significant impact on organizational Knowledge Sharing practices.

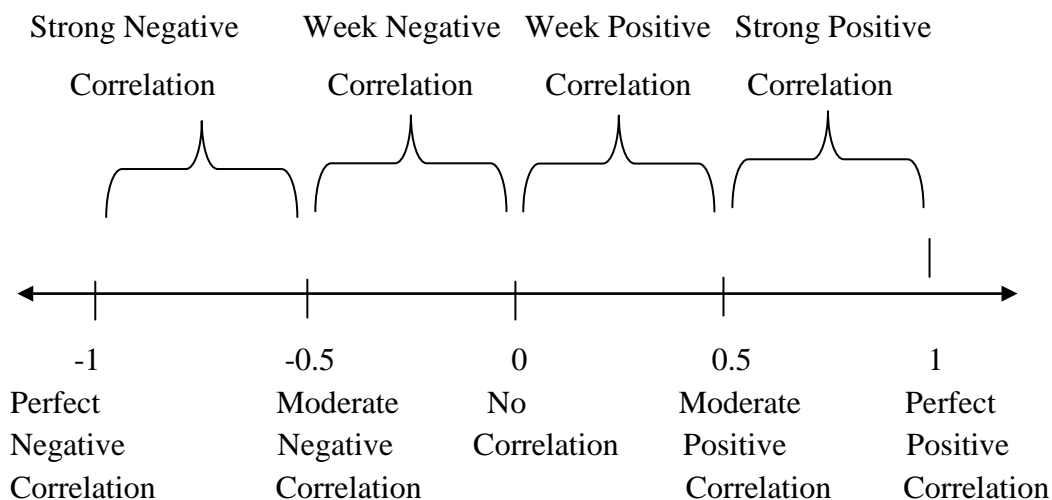
### Statistical Tool

The statistical analysis based on Karl Pearson correlation coefficient is used to determine the impact or dependency or the nature of relationship between the two variables under consideration.

$$r = \frac{cov(x, y)}{\sigma_x \sigma_y}$$

$$r = \frac{\sum(x - \bar{x})(y - \bar{y})}{\sqrt{(x - \bar{x})^2} \sqrt{(y - \bar{y})^2}}$$

Correlation coefficient scale (r) :



## Hypothesis Testing

H1: Organizational structure has a positive impact on application of knowledge sharing practices within an organization –

Using excels sheet application we have:

$$r = 0.7305$$

According to the Correlation coefficient scale there exist a enough strong correlation between the (x) and (y).

**Interpretation:** There is a high degree of positive relationship between organizational knowledge sharing practices & organizational structure. Hence the Hypothesis H<sub>1</sub> can be strongly accepted i.e. the organizational knowledge sharing practices largely depends on organization structure.

**Conclusion:** H1 is accepted and it concludes that the organizational structure, processes has a positive impact on application of knowledge sharing practices within an organization.

H2. There is a positive relationship among organizational knowledge sharing practices and employee's adaptability

Using excel sheet application we have:

$$r = 0.5026$$

According to the Correlation coefficient scale there exist a moderate or say fair correlation between the (x) and (y).

**Interpretation:** There is a Fair positive relationship between organizational knowledge sharing practices & employees' adaptability. Hence the Hypothesis H<sub>2</sub> can be fairly accepted.

**Conclusion:** H<sub>2</sub> is accepted and it concludes that the there is a positive relationship among organizational knowledge sharing practices and employee's adaptability.

H.3. Use of Information Technology has a significant impact on organizational Knowledge Sharing practices.

Using excel sheet application we have:

$$r = 0.7214$$

According to the Correlation coefficient scale there exist a strong positive correlation between the (x) and (y).

**Interpretation:** There is a strong positive relationship between the use of Information Technology and the organizational knowledge sharing practices. Hence the Hypothesis Ho<sub>3.1</sub> can be strong accepted.

**Conclusion:** H<sub>3</sub> is accepted and it has been concluded that the use of Information Technology has a significant impact on organizational Knowledge Sharing practices

## 6. Conclusion

Some of the key conclusions are given below: -

Unlike prior studies, this study explains direct links between knowledge sharing practices, employees' learning commitments, employees' interpersonal adaptability & employees' learning adaptability that presumably improve organizational performance. Thus, this research work will be useful for similar research that examines the antecedents of employees' learning commitments, employees' adaptability, and employees' job satisfaction.

Within the empirical dimension, these research findings showed that there is a significant relationship among knowledge sharing practices, employees' interpersonal adaptability & employees' learning adaptability. Prior research has argued that knowledge management influences people, processes, products, and organizational performance. However, there is little known about how organizational knowledge sharing practices influence on people, such as relationships among Organizational Knowledge Sharing Practices, employees' learning commitments, interpersonal adaptability & employees' learning adaptability.

The data analysis indicates that managers from manufacturing units perceived that their companies make use of organizational knowledge sharing practices. This result is in line with the results of (Hsu, 2008). The managers under study revealed that their organizations do not provide much monetary rewards for employees to increase their willingness to share their knowledge. The result drawn by this study can be interpreted as an educational issue with the manufacturing managers in this study who are not aware of – or do not believe in - the importance of monetary and non-monetary rewards to facilitate higher levels of knowledge sharing within organizations.

On the managerial side, so many practical implications are directly provided and go beyond knowledge sharing practices to influence organization innovativeness. Overall, the data analysis highlights the importance of nurturing knowledge sharing in a manufacturing environment to ensure ongoing learning processes and a high level of adaptability, which in turn increases employee job satisfaction. If improvements in organizational performance are to take place, the interaction between knowledge sharing practices, employees' learning commitments, interpersonal adaptability & employees' learning adaptability should be facilitated.

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