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INSTITUTE OF MANAGEMENT EDUCATION

INTERNATIONAL CONFERENCE ON

# MANAGEMENT SOLUTIONS

FOR SOCIO ECONOMIC CHALLENGES



Friday 3rd & Saturday 4th March 2017.

**Conference Proceedings for International Conference 2017  
held at Tirpude Institute of Management Education, Nagpur**

**Management Solutions for Socio-Economic Challenges**

ISBN: 978-93-5267-373-5

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This e-book is the collection of research papers presented by various authors and research scholars during International Conference held at Tirpude Institute of Management Education, Nagpur on 3rd and 4th March 2017.

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**Edited, designed and published electronically by:**

Director,

Tirpude Institute of Management Education

1, Balasaheb Tirpude Marg, Civil Lines, Nagpur 440001

Published in March 2017

## Foreword

Management activities today cannot be confined merely to the organizational setups. It is not enough to fulfil the entrepreneurial objectives such as profit or wealth maximization and strategically aiming for higher market shares. Since firms take inputs from society in the form of various factors of production such as labour, land and capital, it also becomes sole responsibility of the firms to compensate these externalities by reciprocating and giving back a strong support to the society.

Thus, organizations can no more operate in isolation and make themselves separate from the social and economic challenges around them. Rather it is expected that they take concrete initiatives for social upliftment and economic development of the society, the nation and in turn the world.

The theme “Management Solutions for Socio Economic challenges” was chosen, to explore various such avenues, creative strategies, methods, initiatives from Industry and Academia and also to share various success stories in the socio economical arena on a common platform.

The conference provided this platform for researchers, educators, social entrepreneurs and industry professionals to share their ideas and research with other delegates. The Keynote address by Prof. Joshua Dalrymple, Kaplan University, United States of America, was very thought-provoking and informative. He put forward a comprehensive comparative study between the global and Indian scenario in socio economic context.

The conference witnessed panel discussion of eminent social entrepreneurs and activists from various regions of India. Noted panellists were Mr Amit Kumar, Mr. Abhijit Parage, Ms. Chitra Iyyer, Ms. Vishakha Rao and Prof. Joshua Dalrymple.

Many delegates contributed to the conference with their in-depth research work. Delegates from countries like Kazakhstan, Germany, America, Mexico and Ethiopia contributed in the conference and added a global perspective to the event. Papers from across India from places like Mumbai, Aurangabad, Jabalpur, Nanded, Raipur, Amravati and Kolkata were presented. The two day conference was instrumental in adding new dimension to the management perspectives towards socio economic issues.

Dear Friend,

I feel very glad to place before you the proceedings of 7<sup>th</sup> International Conference held at Tirpude Institute of Management Education on 3<sup>rd</sup> and 4<sup>th</sup> March 2017. Theme of the conference was “Management Solutions for Socio Economic Challenges”. 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.

In my opinion, developing a strong research culture is the need for today’s academia as well the industry. Churning up of various aspects of research and exploring new avenues to approach various issues is the key for excellence and advancement in both the fields. Research work with high quality and originality would be beneficial for the academic development of students, too. Such research platforms and conferences expand the horizon of knowledge introducing the students to altogether new learning experience!

As an editor, I had a challenging task to select the most prominent, genuine and original research papers from the entire gamut of research work contributed by numerous authors from India and abroad. I am quite sure that the finest and deserving research papers are selected and published in these proceedings presented to you.

I am confident that you will find the contents very thoughtful and of immense value and great relevance.

Thanking you,

Dr. Sanjay Kavishwar  
Editor



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MARCH 2017

ISBN: 978-93-5267-373-5

A Study on the HR role in fostering the Corporate Social Responsibility by the  
Corporate World

Dr. Jogendra Pathak<sup>1</sup>

Mr. Cecil Anthony<sup>2</sup>

**Abstract:**

Human Resources of a company play an important role in ensuring that the organization adopts Corporate Social Responsibility Programs including reducing the company's carbon footprint to benefit the planet. In order to encourage and maintain a clear and cohesive workplace, it is critical for the entire workforce of a company to be on a single, multi-functioning HR platform, which allows for distributing a sound Corporate Social Responsibility Plan. Having a global HR solution that offers companies flexibility, ease of use and the right mix of tools is essential to the success of both employees and employers alike, as they manage and maintain work-life balance and thrive in a changing environment that includes taking on social responsibility.

The success of Corporate Social Responsibility Plan is possible with a Human Resource Management that provides the capability to effectively plan, control and manage the desired goals, achieve efficiency and quality, and improve management, administration, employee and society at large. The flexibility of the HR system is critical in tracking and pursuing a sound Corporate Social Responsibility Plan through the optimal utilization of resources. This paper highlights the HR role in fostering the Corporate Social Responsibility Plan of a company and also focuses on the different dimensions of both on the importance of management solutions for socio economic challenges.

**Key words:** Corporate Social Responsibility, Human Resource, Corporate Social Responsibility Plan, Management, Employers

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# A Study on the HR role in fostering the Corporate Social Responsibility by the Corporate World

## 1. Introduction

As Corporate Social Responsibility (CSR) continues to gain grip in management circles, its translation into actual managerial practices and performances remains a challenge for many organizations (Carroll & Shabana 2011). An emerging concern in management research and business practice is how to enhance the understanding of the micro-foundations of CSR (Morgeson et al. 2013). This would enable managers and decision-makers to design CSR initiatives that leverage internal competencies as they seek to contribute more constructively to an improved workplace environment, positive perceptions of the firm and meeting the expectations of internal and external stakeholders (Orlitzky et al. 2011).

Corporate Social Responsibility as the entire range of obligations business has towards society, proposed to four dimensional conceptual model of corporate performance

Figure 1: Four conceptual model of corporate performance

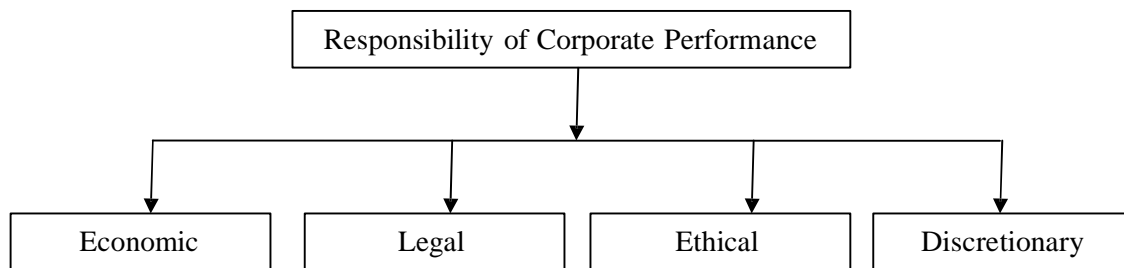
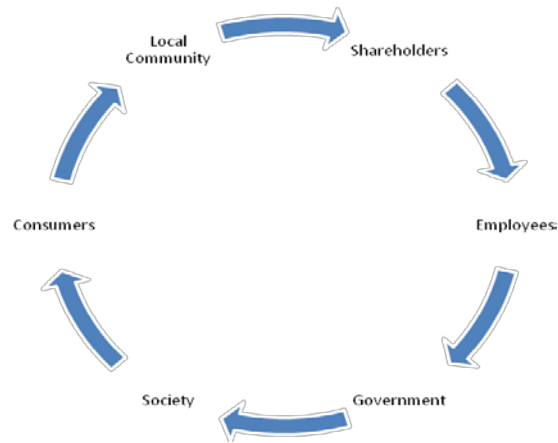


Figure 2: Social Accounts of Corporate towards its different stakeholders

## Management Solutions For Socio Economic Challenges



Human Resource Management (HRM) function can potentially provide both strategic and operational support to CSR; and that a closer integration of the two can produce synergistic outcome values as understood within the context of a co-creation process. Given its commitment to human and organizational development, it is important to interfaces between HRM and CSR that have not been sufficiently and systematically explored (Greenwood 2012).

This paper examines the role of HRM in CSR in the context of a co-creation process. Co-creation is an approach which recognizes the value of the active engagement of multiple functions and stakeholders in creating outcomes that are mutually substantive and enriching (Lee et al. 2012).

### 2. Objectives

- To understand HR role in fostering CSR.
- To identify the role of CSR for the sustainability of the organization.

### 3. Methodology

The study was conducted using the secondary data. It was collected from various books, articles, journals and blogs on CSR and HRM. This paper contributes to both HRM and CSR literatures. In relation to the HRM literature, the paper provides many examples of how the strategic HRM partnering model can be operationalized and put into practice taking the example and application of CSR as a case in point.

#### 4. Review of Literature

Grimand and Vandangeon-Derumez (2010) also indicate that CSR can be perceived as a substantial forced process not only for the company to show its stakeholders how its policies respond to their expectations but also as an exploratory process establishing the foundations of new regulation. In this view, HR departments should maintain a difficult balance between enforcing the necessary conformity regulations and the will to innovate.

Cohen (2010), HR can leverage CSR strategies to deliver greater benefits for the business, for employees, for society, for the environment and ultimately, for HR professionals themselves.

Gupta (2010), equally notes that “the HR function has gradually shifted its focus, from a narrow maintenance reactive role, to a much wider canvas, integrating HR strategy with corporate strategy, empowering employees, restructuring the organization and so on”.

Strandberg (2009) states that “Human Resource managers have the tools and opportunity to leverage employee commitment to, and engagement in, the firm’s CSR strategy”. Successful CSR programs rely on enlightened people management practices.

Lokhandwala (2009), add that the “HR can manage the CSR plan implementation and monitor its adoption proactively, while documenting (and celebrating) its success throughout the company”. In fact, employee involvement is a critical success factor for CSR performance.

Strautmanis (2008), successful implementation of CSR “helps the stakeholders (employees, society as such suppliers, etc) to develop a good impression of the enterprise. This creates a positive long-term image of the enterprise, increases its value and forecasts bigger profits in the future”. The HR professional in his strategic partnership position can then link up with other strategically positioned members of



## Management Solutions For Socio Economic Challenges

the organization to provide direction and control for full implementation of CSR programs.

Merwe and Wocke (2007) added that there is a wealth of terminology in the field such as, Corporate Social Responsibility, Corporate Sustainability and Responsible Business. The different definitional offerings apparently tended to influence scholars in their presentation of CSR analysis as varied in context, content and process, and sometimes went to equate or interchange it with ‘discretionary or philanthropic responsibility’.

Willard (2005), argues that even though business organizations have always responded to “shareholder” demands, they have since the mid 1990s been responding to powerful interest groups, green consumers, activist shareholders, non-governmental organizations and government, making urgent demands for social responsibility. Business organizations are more and more coming under pressure by increased public awareness, different interest groups, legal and governmental concerns and media coverage to behave in a socially responsible and ethical manner

Lockwood, (2004). Stated that globally, HR leaders are developing and implementing incentive and appraisal systems that reflect sustainability as well as hiring personnel that embody these values. For example, research by The Conference Board reveals that 50% of global managers report their companies do, or plan to, include corporate citizenship as a performance evaluation category. Additionally, 68% of respondents cite the link between corporate citizenship and performance appraisal as “increasingly important.”

Igalens and Joras (2002) define CSR as ‘the voluntary integration of the social and ecological concerns of companies in their commercial activities and their relations with all stakeholders. CSR satisfies completely the applicable legal obligations and invest in the Human Resources and the environment. The responsibility so defined is the one that any company has to answer to maintain its quality of organised social entity’.

## A Study on the HR role in fostering the Corporate Social Responsibility by the Corporate World

functions or activities deliberately designed to influence the effectiveness of employees in the organization". The HRM function is essentially concerned with all the activities that contribute to successfully attracting, developing, motivating, and maintaining a high-performing workforce that result in organizational success. This earlier conception of HRM, concerned with providing transactional and administrative support services in the organization has since given way to the emergence of strategic human resource management (SHRM).

Delaney and Huselid (1996) companies must rethink HRM to improve performance and competitive position. These authors emphasise the importance of renewing HRM planning and career programmes. Moreover, HR departments should develop both a more strategic approach for their practices and a strong connection between company strategy and HR policy. By being more business focused, HR departments will be able to create additional value.

### 5. Corporate Social Responsibility

CSR is the social obligation to impact society beyond profit maximization objectives (Jamali & Neville, 2011). To achieve its intended objectives, CSR needs to be approached as a planned responsive approach which is institutionalized within the organization and translated into and aligned with managerial practices including human resource management practices (Painter-Morland 2010).

HRM can potentially provide a promising managerial framework which can support organizational efforts in translating CSR strategies into practical managerial actions and outcomes, especially within the internal organizational environment. HRM's capabilities, expertise and knowledge in executing organizational strategies, participating in change management support and facilitation, enhancing managerial efficiency and responsibility for learning and training and development programs that can potentially help in ensuring the integration of CSR within an organization's culture and fabric.

### 6. Human Resource Factor for CSR

## Management Solutions For Socio Economic Challenges

House is not merely built by a brick and the other material but with the people residing in it, so as every corporation must have human soul in order to build an ideal Institution for its growth. HRM plays a key role in an organization with special reference to CSR, by evolving a dynamic framework to nurture, preserve and promote its most important asset which is human capital. Workplace safety, gender sensitivity, diversity, equity, fairness, grievances redressal etc. must be in a place for a corporation to be called as responsible.

Human resource managers are well positioned to play an instrumental role in helping their organization achieve its goals of becoming a socially and environmentally responsible firm – one which reduces its negative and enhances its positive impacts on society and the environment. Further, human resource (HR) professionals in organizations that perceive successful corporate social responsibility (CSR) as a key driver of their financial performance, can be influential in realizing on that objective. While there is considerable guidance to firms who wish to be the best place to work and for firms who seek to manage their employee relationships in a socially responsible way, there is a dearth of information for the HR manager who sees the importance of embedding their firm's CSR values throughout the organization, who wish to assist the executive team in integrating CSR into the company's planning.

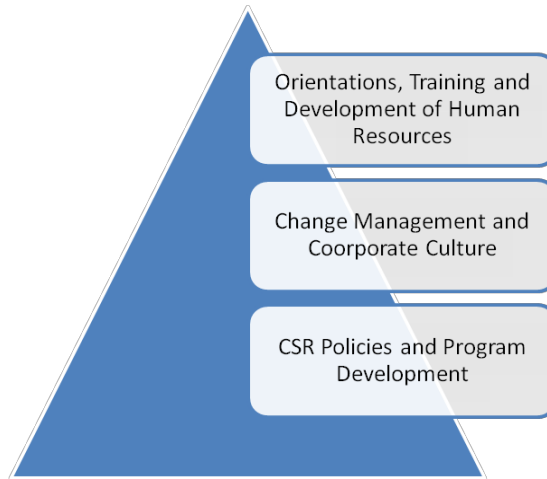
Indeed, HR's mandate to communicate and implement ideas, policies, and cultural and behavioural change in organizations makes it central to fulfilling an organization's objectives to "integrate CSR in all that we do." That said, it is important to understand that employee engagement is not simply the mandate of HR. Indeed people leadership rests with all departmental managers. HR can facilitate the development of processes and systems; however, employee engagement is ultimately a shared responsibility. The more the HR practitioner can understand their leverage with respect to CSR, the greater their ability to pass these insights along to their business partners towards the organization's objectives in integrating CSR throughout their operations and business model.

It is the only function that influences across the entire enterprise for the entire 'lifecycle' of the employees who work there – thus it has considerable influence if handled correctly. HR is poised for this lead role as it is adept at working horizontally and vertically across and within the organization. So, it is important for

A Study on the HR role in fostering the Corporate Social Responsibility by the Corporate World

successful CSR delivery the following HR factors plays a crucial roles:

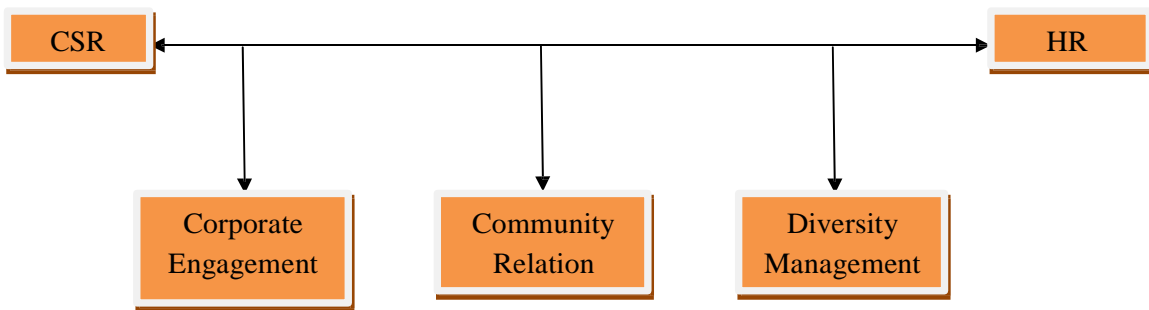
Figure 3: Important HR factors for successful CSR delivery



7. CSR-HR Interfaces

Figure 1 summarizes the three CSR-HR interfaces: employee communication and engagement, diversity management and community relationship. It also depicts that HR can play a crucial mediating role in bridging the gap between CSR objectives and plans, and actual implementation and outcomes at the level of employee engagement, diversity management and community development. It is a real challenge for HR to deal with complexities related to employee management, diversity management and community relationship. However, HR’s leadership and contribution to CSR can help address these complexities and develop creative potential interventions and approaches.

Figure 4- HR-CSR Interfaces



## 8. CSR Implementation and the Role of HRM

Human Resource Management (HRM) is a key asset for companies. According to (Becker et al. 1997 and Chrétien et al., 2005), although HRM has long been considered to support other company functions, it is now perceived as a competitive advantage for firms. Peretti (2008) emphasises how the evolution of HRM practices lead to new terms and emergence of stakeholders. According to Delaney and Huselid (1996) or Schuler and Jackson (1998) companies must rethink HRM to improve performance and competitive position. These authors emphasises the importance of renewing HRM planning and career programmes. Moreover, HR should develop both a more strategic approach for their practices and a strong connection between company strategy and HR policy. According to Dietrich and Pigeyre (2005), HRM must respond to companies' objectives, such as performance, profitability, and competitiveness, and should consider people a key asset of the company. HRM will ensure skill development by training, evaluate performance and attempt to increase motivation using specific commitment practices. Sibaud (2003) distinguishes two dimensions of HRM: - A management dimension that addresses HR function tasks and organisational issues - A resources dimension that takes into account human capital acquisition, development and promotion.

Managing people in an organization is an important activity under HRM. The Special Issue on Contemporary Issues in Business and Economics © Centre for Promoting Ideas, USA in a survey of the top 50 Turkish companies on the HRM dimensions of their CSR policies and practices, Tekin (2005), finds that 45% of the respondents considered the HRM department, as the key co-ordinator unit with respect to CSR initiatives. This means that besides developing and implementing the HRM functions, the department is also responsible for co-ordinating of social activities in the companies. The companies tended to perceive CSR programs as a sort of social activity. The nexus between CSR and HRM is quite obvious. Tekin (2005), in his survey asked respondents to evaluate the HRM functions of recruitment and training, from the CSR perspective. The finding showed that CSR leads to an improved recruitment and the company that shows greater commitment to CSR initiative is more attractive to potential employees.

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A strong relationship was also found between CSR and training functions as a strategic issue. Employees are more likely to respond if training programs incorporate policies, procedures, and system use in the workplace that meet the CSR objectives. New recruits or employees who are trained on CSR policy and projects during the orientation period are likely to perceive the importance of CSR policy and will abide by it.

In a study of two Swedish multinational corporations, Strandberg (2009) finds a strong connection between CSR and human resources in the two organizations. The companies were found to use as:

### Motivate and retain human resource talents

CSR to attract, motivate and retain human resource talents and this in turn improved their competitive positions. In fact, being perceived as an attractive workplace, especially if the company reputation and image is valuable, rare and not easily imitated companies can attract and maintain a high quality workforce to achieve a competitive advantage. Similarly, PR Leap (2007), noted that when CSR is embedded in mainstream business strategy, it becomes a mechanism for unlocking human capital. By helping to enhance corporate reputation and build pride and shared values, CSR contributes to an organization's ability to attract and retain the best people.

### Stakeholders

Greening and Turban (2000) find that job applicant and employee perceptions of a company's CSR determines their attractiveness towards the organizations. CSR as a corporate imperative is essentially a strategic approach for organizations to anticipate and address issues with their interactions with stakeholders and through those interactions, to achieve success in their business endeavors.

### Engagement of the employees

Mees and Bonham (2004) argue that "if employees are not engaged corporate social responsibility becomes an exercise in public relations, the HR has a strategic role to play in the organization's CSR initiatives. For HR to take this leading role it must be made a

## Management Solutions For Socio Economic Challenges

strategic business partner, participating in CSR policy formulation in the corporate boardroom. The role engagement of the employees will therefore bring up, the strategic contribution of HRM in CSR. The HR professional will then be contributing to sustainable practices in the organization and this will enhance organizational success.

### Culture in the Organization

Agrawal (2007), also noted the immense benefit organization derives when the HR professional embeds the CSR values in the corporate culture. The HR policies and strategies which form the framework for culture in the organization help to create awareness among employees, of the need to achieve the corporate goals in the best possible and ethical manner. The HR professional can be engaged to perform many roles in the organization that initiates CSR programmes. Performing these roles brings immense benefits to the organization. The HR can lead and educate organizational members on the value of CSR and provide the action plans on how to strategically and successfully implement the program.

Thus, the HR professional has an important role to play here in terms of developing, monitoring and implementing the triple bottom line activities. Glade (2008) argues that an organization's CSR and sustainability can be most effective with the HR team in the lead. The HR professional has an opportunity to get comprehensive CSR programs rolling that will engage and benefit the entire organization and its stakeholders. Glade (2008), argues further, that it makes sense for HR to lead sustainability initiatives, since recruitment, retention, morale, productivity, recognition and rewards-as well as innovation - are major components of a CSR/business sustainability strategy

### 9. CSR Evaluation and Role of HRM

In an environment where both CSR and HRM are increasingly value-driven and being held accountable for outcomes, it is important to accord systematic attention to the expected outcomes from the integration of the two functions. Assessing potential outcomes also helps complete the learning and improvement process discussed by Waddock et al. (2002) through evaluating not only potential outcomes, but also feeding

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the main highlights of the assessment process into the next phase of the strategic CSR cycle.

Particularly in evaluating and assessing the value of the role of HRM in CSR, we argue that a Resource-Based View (RBV) lens together with principles of co-creation could be useful in this respect. As a concept, the RBV has been introduced and developed to describe how managing organizational resources strategically can generate sustainable competitive advantages for the firm (Barney, 1991). The inception of the RBV approach contributed in turn to supporting the strategic HRM literature and its conceptual development (Colbert 2004, Becker & Huselid 2006, Boxall, & Purcell 2008, Guest 2011).

Case Study of the Companies implementing their CSR activity using HRM

□ COCA-COLA

This case is about Coca-Cola's Corporate Social Responsibility (CSR) initiatives in India. It details the activities taken up by Coca-Cola India's management and employees to contribute to the society and community in which the company operates.

Coca-Cola India being one of the largest beverage companies in India, realized that CSR had to be an integral part of its corporate agenda. According to the company, it was aware of the environmental, social, and economic impact caused by a business of its scale and therefore it had decided to implement a wide range of initiatives to improve the quality of life of its customers, the workforce, and society at large.

□ TATA GROUP

The Tata group has undertaken several CSR projects through the years companies and societies. It note worthy to mention here that there are more than 500 self-help groups currently operating under various poverty alleviation programmes; out of which over 200 are engaged in activities of income generation thorough micro enterprises. The



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group also supports social welfare organizations all over the country. Its healthcare projects include facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS etc.

A programme aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh. It has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand serving over 50,000 people. Pollution control, restoring ecological balance, education, employment generation, vocational training, agriculture etc. are other relevant issues addressed.

### □ INTEL CORPORATION

In the year 2006, Intel Corporation (Intel) the world's semiconductor manufacturer and leading microprocessor launched its corporate social responsibility (CSR) program named the 'World Ahead.' As a part of the 'World Ahead' program, Intel started the Baramati project in India in March 2008. The key objective of the project was to use information and communication technologies (ICTs) in providing sustainable solutions for poor communities. For the project, Intel had partnered with governments of several states in the country, and also with IT service companies, Internet service providers etc. The case highlights the main objectives of the 'World Ahead' program including accessibility, connectivity, content and education. It discusses in detail the social responsibility initiatives taken by Intel using ICTs in Baramati, India, like providing remote diagnostics, school health monitoring, Intel Teach program, etc.

### □ ABN AMRO REAL

ABN AMRO REAL, one of Brazil's top five largest privately owned banks, is among those leading financial institutions to have chosen a distinct pathway by placing corporate social responsibility at the center of all their business activities. Their business model has revolutionized the South American banking industry, demonstrating to others how an organization can be profitable while maintaining an ethical attitude. In 2008 the bank was declared 'the most sustainable bank of the year' by the Financial Times and the International Finance Corporation (IFC) (IFC Press

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Release, 2008). This case study will illustrate how ABN AMRO REAL became successful by placing corporate social responsibility at the center of their business activities and the lessons that can be learned from their management practices.

## 10. Conclusion

Thus, from the above discussion shows that if employees are not engaged then corporate social responsibility will lose its objectives and can hamper the goodwill of an organization. Employees are vital factors in CSR programmes of organizations. Companies are mandated to study their impact on society, thus it is not a matter of a department but it is the way of corporate life which does contribute to the sustainable life of the corporation in alignment with the human resources and the society at large.

The new mandate places the HR professional in a more strategic position to contribute significantly to the success of CSR initiatives of the organization. Susan (2007), argues that “the recent shift by organizational leaders from viewing socially responsible or sustainable business practices as a peripheral issue, related mainly to brand perception and public relations, to a strategic issue, presents a significant leadership opportunity for HR professionals”. CSR has for long remained a top-management driven activity, devoid of effective participation from the employees. As a strategic business partner, and now to be more involved in corporate decision making and policy formulation, the HR professional can own CSR initiatives and drive the programs through policy crafting to successful policy implementation.

Therefore, when both concepts—CSR and HRM—merge, socially responsible HRM practices are established within a company that affect workers primarily in terms of human capital investment (all the capacities, talents, qualifications, and experiences accumulated by an individual that partially determine his capacity to work or to produce for himself or for others), health and safety. The main objective of companies in applying responsible practices is to attract and keep qualified workers within their infrastructures, with specific stakes for HRM.

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It is the need of the hour a CSR policy implementation organization would strive for developing a strong network of business that may create a win-win situation.

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MARCH 2017

ISBN: 978-93-5267-373-5

Digital Marketing in the Challenging Era: An Empirical Study

Dr. Sunanda V. J.<sup>1</sup>

Abstract:

In today's technology driven world, digital marketing has become an avenue where retailers can extend their marketing campaigns to a wider range of consumers. The methods for communicating with customers have undergone a sea change with the emergence of digital marketing tools. It has become an essential tool for companies striving to gain a competitive advantage. Digital marketing refers to use of electronic media by the marketers to promote their products and interact with their customers. Marketers these days often reach out their consumers utilizing digital marketing which includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. This research study examines advantages to a marketer through the use of digital marketing media as an extension of their marketing strategy. Digital marketing is a new phenomenon and has developed within the last decade, and hence the research paper also attempts to define the term digital marketing. The paper carries out empirical research to understand the effectiveness of digital marketing as a marketing tool by studying the online consumer shopping behavior. This study has used primary data and secondary data. The examined sample consists of 200 customers who have been randomly selected to examine the major online shopping activities by the customer for different product segments. Collected data has been analyzed with the help of various statistical tools and techniques.

Keywords: Digital Marketing, multi-channel marketing, social marketing, mobile advertising, brick & mortar retailing.

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## Introduction

Digital Marketing is becoming a hot topic in every business sector. No doubt digital marketing plays a truly important <sup>2</sup>role in any company's multi-channel marketing strategy. It uses the internet and other non-conventional channels to deliver marketing communications to the consumers. Digital marketing is the promotion of products or brands via one or more forms of electronic media and differs from conventional and traditional marketing. Digital marketing involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Digital marketing extends beyond internet marketing including channels that do not require the use of Internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media. These days the businessmen are finding it more convenient and cost effective to promote their products or services and to reach consumers using digital channels. Through digital media, even the consumers are benefitted as they can access information any time and any place where they want. One successful digital media campaign was by Pizza Hut, which created an app that allowed customers to create their own pizza by dragging their chosen toppings onto a graphical pizza base. The iPhone would then determine which of the chain's thousands of locations the customer happened to be nearest. The company advertised the new app online, in print, and on television - even winning a placement in Apple's own iPhone commercial. Within two weeks, the Pizza Hut app was downloaded 100,000 times and within three months iPhone users ordered \$1m worth of pizza. The app now has millions of users across the iPhone, iPad, and Android platforms. (Source: Anindya Ghose, NYU Stern)

Digital marketer's job is not easy but effective and innovative. They begin by monitoring viewers' online activities like which brands are being viewed, how often they are viewed and for how long, sales conversions, what content works and doesn't work, etc. While the Internet is the channel most closely connected with digital marketing, there are still other channels which include wireless text messaging, mobile instant messaging, mobile apps, podcasts, electronic billboards, digital television and radio channels, etc.

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#### Research Methodology:

This study is basically exploratory and descriptive in nature and the entire study has been made on the basis of both primary and secondary sources. The study is based on descriptive research design. Primary data has been collected from 200 customers using a structured questionnaire. The questionnaire has been designed, to know the major online shopping activities of the respondent for various product categories regarding the extent of digital marketing that helps consumers in buying decision making. Secondary data are collected from various news papers, websites, corporate reports, Media Reports, Press releases and other journals covering the mentioned topic.

#### Objective of the Study

The research presented here aims to examine the new digital marketing era and the major benefits reaped by the marketers.

- To study the term digital marketing
- To study major advantages of digital marketing to the marketers
- To examine the major online consumer activities with respect to various product segments

#### Significance of the study

Digital marketing is the new buzz word in the business world. The entire marketing dynamics is changing because of the fact that consumers are now present online as never before. Marketers of today have seen a boom in their businesses and experienced waves of change in their business dynamics, formats and working. This technological explosion has brought marketers closer to their customer like never before. Marketers are able to promote their products through this channel which is faster and cost effective. The study finds the significance of digital marketing through studying the advantages of digital marketing to the marketers in view of the changing styles in the retail operations.

## Data collection

- **Primary Data:** The analysis is done on primary and secondary data. 200 respondents were taken as samples from Nagpur city and were selected by Random Sampling method.  
Screening Question: A set of screening questions was designed to select the relevant person to answer this survey. The structured questionnaire was given only to those respondents who have used digital tools to shop.
- **Secondary Data:** The secondary data collected is mainly from newspaper, websites, corporate annual reports, and research reports and already conducted survey analysis and other journals.

## Advantages of Digital Marketing

The business world is changing from analogue to digital faster than ever. Consumers are becoming more digitally connected and consuming more digital content through smart phones, tablets, laptops, computers, etc. Hence, business organizations are improving and increasing their outreach with digital marketing. The benefits of digital marketing are plentiful. Many businesses are leveraging advantages that traditional marketing strategies couldn't provide them. Businesses are able to make a bigger impact in the way consumers interact with their brands online. Digital marketing gives a wide access of the potential customers and it is the only medium that is able to cross geographic and national boundaries. These digital marketing benefits allow the marketers to evolve their marketing strategies and be innovative and stay competitive.

There are ample advantages of digital marketing some of them are enumerated below:

### 1. Connect to consumers online

Digital marketing can better connect to the consumers. According to NewsCred, 72 percent of marketers think branded content is more effective than advertising in a magazine, and 69 percent say it is superior to direct mail and PR. Marketers have realized that maintaining a dominant online presence is now essential to marketing success.



## 2. Economical

Digital marketing is far much economical as compared to the traditional marketing. An email or social media campaign, for example, costs very cheap as compared to a TV ad or print campaign. Marketers can develop online marketing strategy for very little cost. Digital marketing tools can easily replace costly advertising channels such as billboards, vehicular advertising, movies, yellow pages, television, radio and magazine.

## 3. Tracking customers

One of the most important benefits of digital marketing is the ease with which customer activities can be tracked and monitored. Digital marketing can replace time consuming and expensive customer research. Through digital marketing one can quickly view customer response rates and measure the success of real-time marketing campaigns. Digital marketing helps the marketers to track from the first interaction and throughout the entire buyer's journey of purchasing the product or service. With analytics from digital marketing, marketers are able to track a potential customer's actions, decisions and preferences and thus able to learn deeper about their customer's buying behavior.

## 4. Builds Brand Reputation

With the change and evolution of modern technologies, small and medium businesses are using digital marketing. Businesses are coming up with new digital marketing strategies in an attempt to capture a growing and very lucrative online marketplace. Online visibility enhances the reputation of the company. Being connected to the targeted audience online is the vital difference between a successfully thriving business and a failed one. Digital Marketing tools and techniques provide marketers the best chances for competition, survival and even business growth.

## 5. Connect with mobile customers

This is one more major advantage that the marketers are reaping due to digital marketing. They are now able to catch and connect with their customers who are on go, that is while they are commuting, are out of their home, or at the work places. 82 percent of mobile searchers use their

phones to check on prospective in-store purchases, and 65% look for the most relevant information to their queries.

#### 6. Analyze and adapt easily

Because digital marketing provides real time data, marketers are in a position now to observe and adapt to trends and the actions that their customers are taking. Using digital marketing marketers are able to plan, execute, and adapt their strategies based on true performance data.

#### 7. Become more competitive

Digital marketing is how businesses are working now, and will continue to work in the future. Business is competitive by employing a smart digital marketing strategy. Business that does not adapt to the new era of marketing and communications is in danger of becoming extinct. Every year more and more businesses give up traditional advertising methods and focus on SEO, Google Adwords or Social Media spending huge money on these resources. The market is getting increasingly competitive. Marketers are using Google Alerts tool to monitor their competitors. This tool allows marketers to track their competitors products and marketing strategies.

Extent of consumption of Digital tools and online consumer data

Some of the major findings from the recent Global Connected Commerce report include:

- The most commonly used payment methods among countries in the survey were credit card (53%) and digital payment systems (43%), but cash on delivery is common in developing markets.
- Nearly half of online respondents in the study (49%) say they shop online to get grocery products they can't find in physical stores.
- More than half (57%) of online respondents say they have doubts that e-commerce sites will keep their personal information secure and confidential.
- Six-in-10 online respondents say they'll only shop online for electronics (62%) and mobile products (61%) if it saves them money.
- Internet penetration in India is 30%.

(Source : Nielsen's Global Connected Commerce Report 2015)

(The Nielsen Global Connected Commerce Survey was conducted between August and October 2015 and polled more than 13,000 consumers in 26 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample for all countries except Saudi Arabia and United Arab Emirates includes Internet users who agreed to participate in this survey and has quotas based on age and sex for each country.)

Common Tools of Digital marketing:

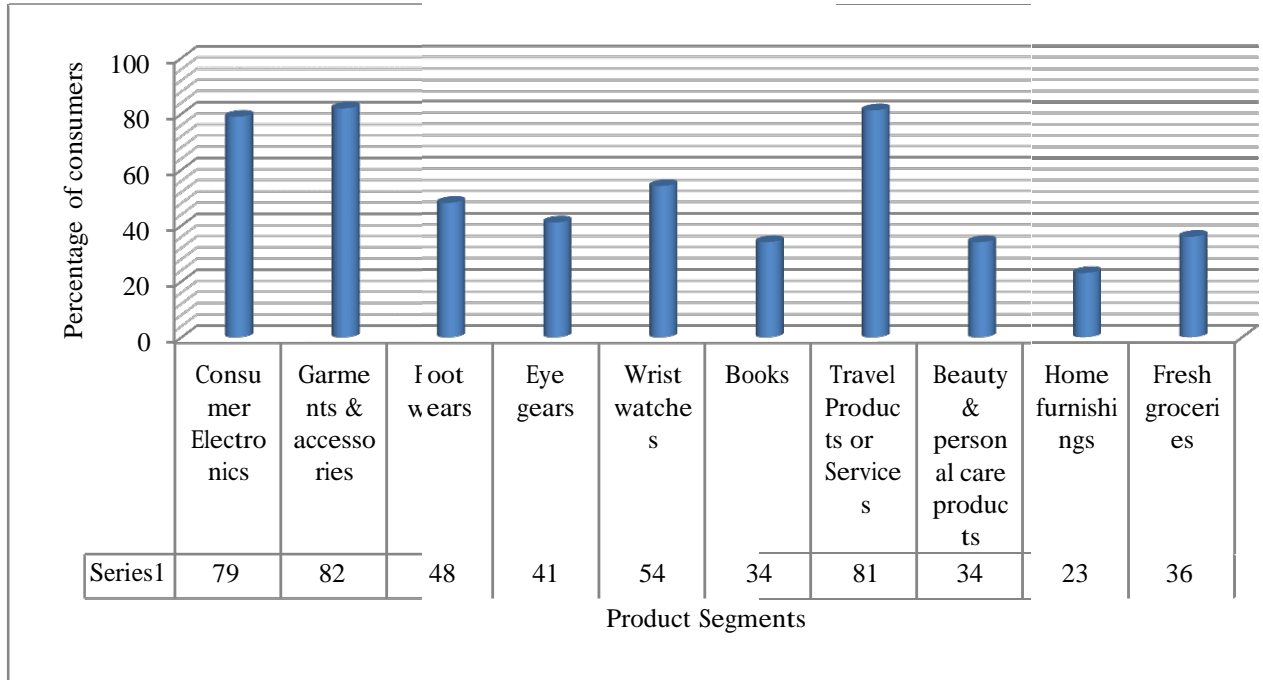
- Display advertising
- Web banner advertising
- Frame ad (traditional banner)
- Pop-ups/pop-unders
- Floating ad
- Expanding ad
- Interstitial ad
- Text ads-(text-based hyperlinks)
- Search Engine Marketing (SEM)
- Search Engine Optimization (SEO)
- Social media marketing
- Mobile Advertising
- Email Advertising

Analysis of Primary data

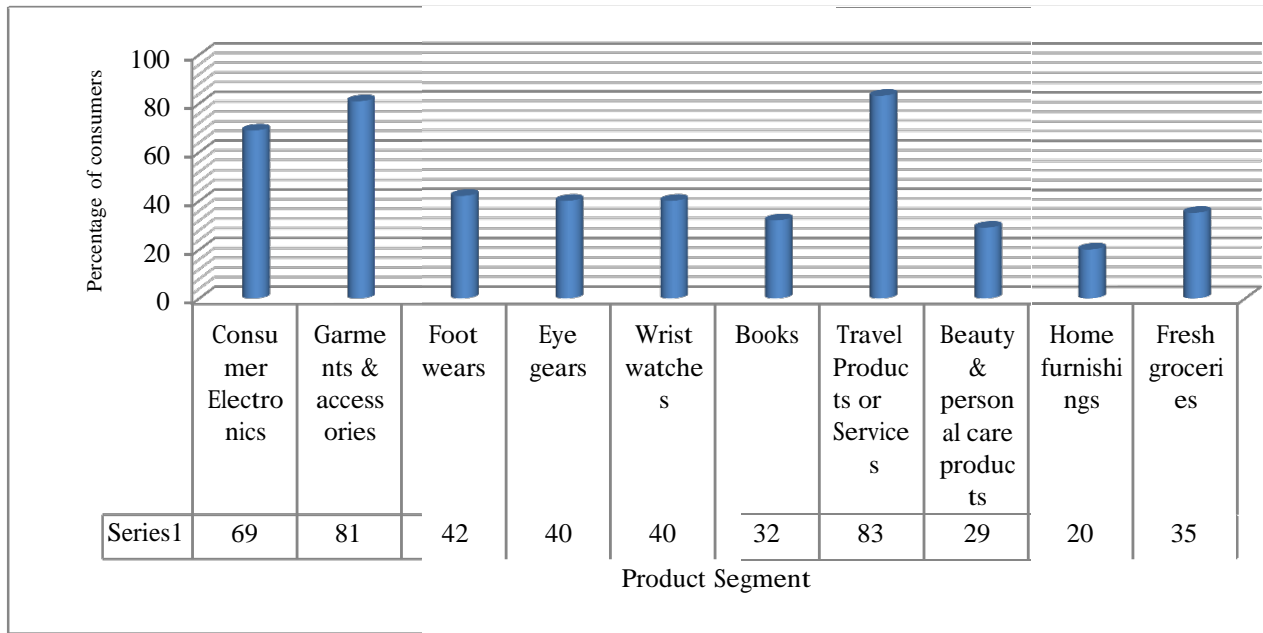
It has been observed that information gathering and deal seeking are the primary online shopping activities by the consumers.

Here are some of the online shopping activities for selected categories shopped or purchased in the past six months.

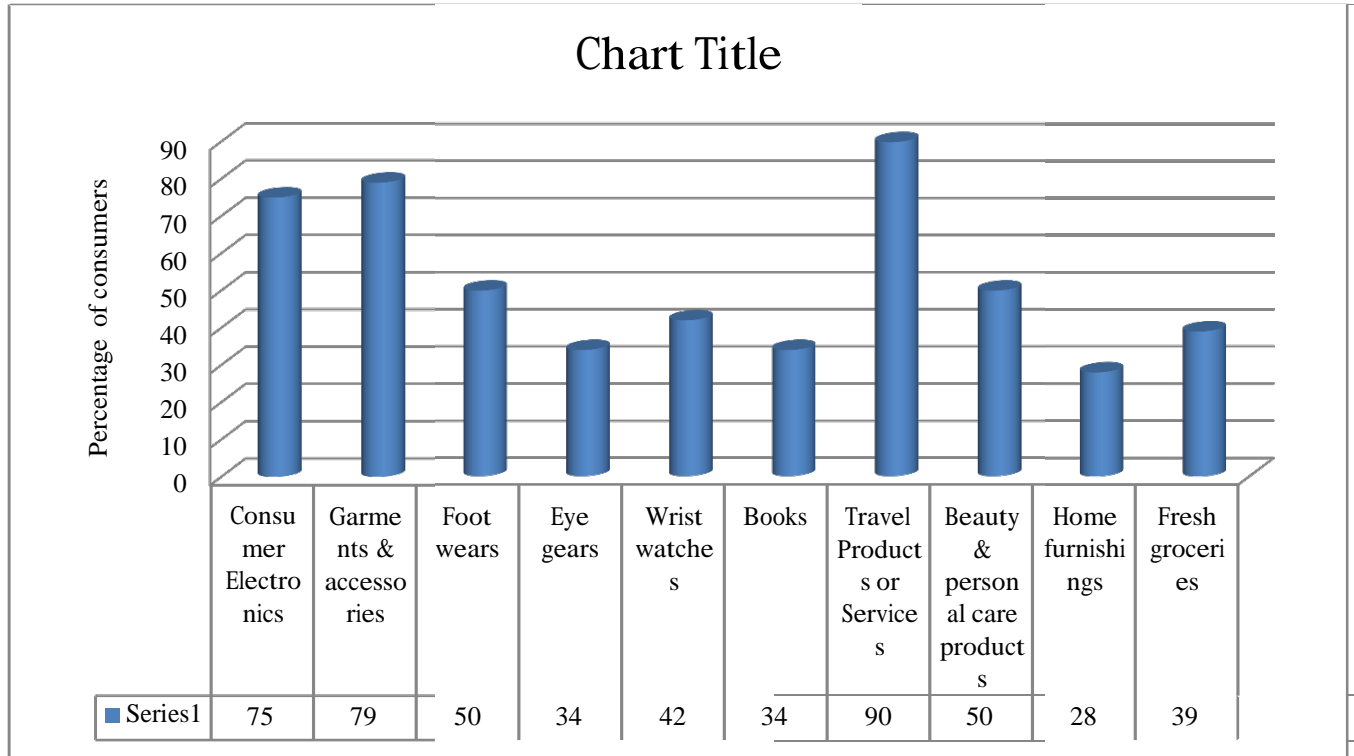
1. Digital shopping action: Looked-up product information



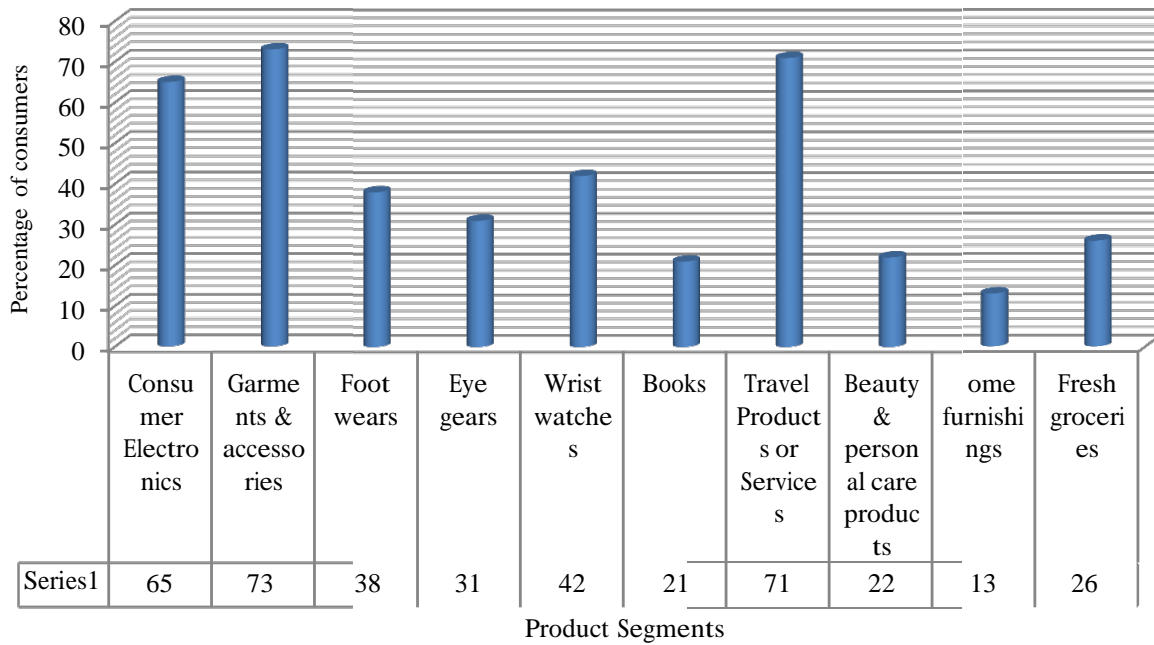
2. Digital shopping action: Clicked an email advertisement to find out more



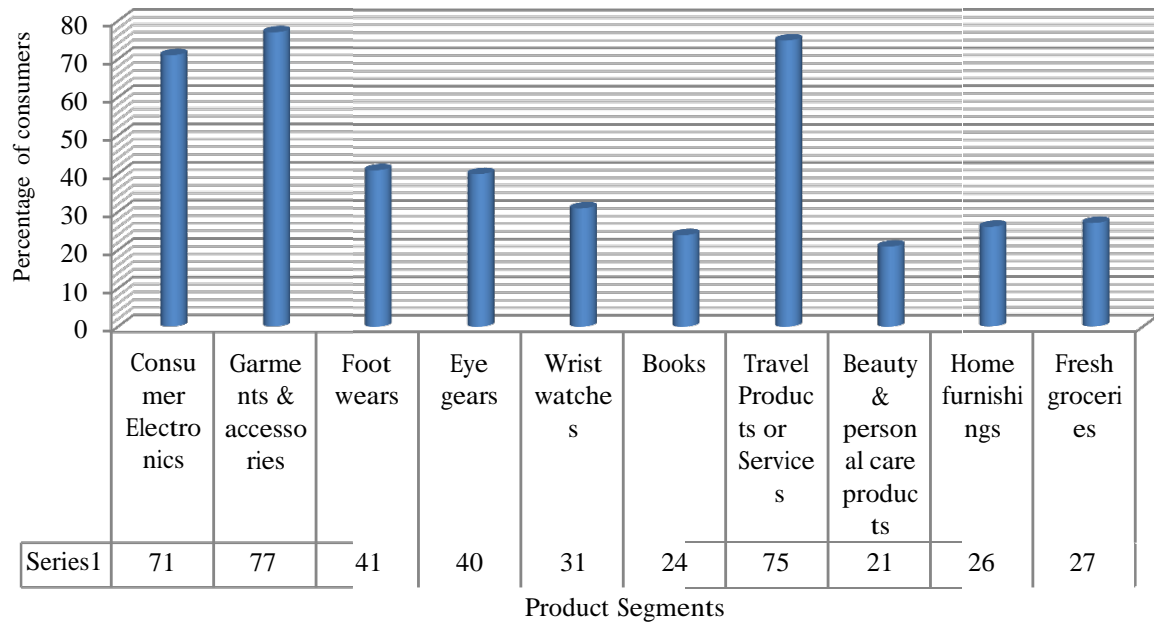
3. Digital shopping action: Checked & compared Prices



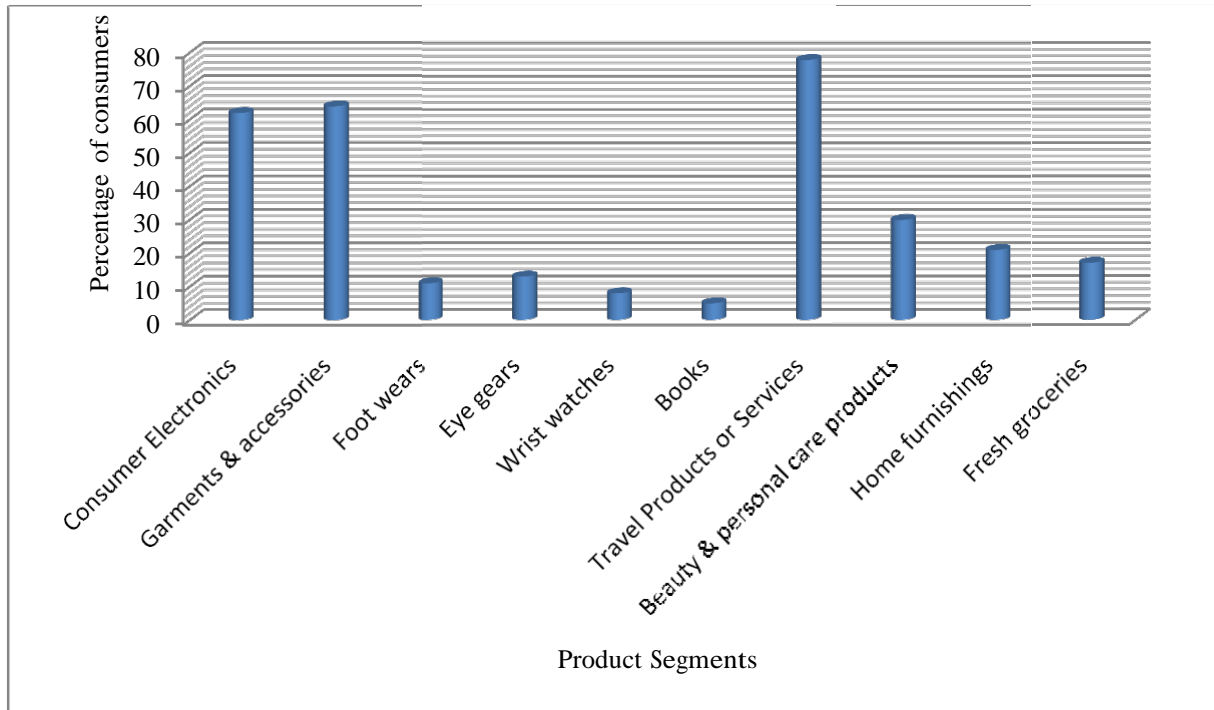
4. Digital shopping action: Searched for Deals/Promotions/Coupons



5. Digital shopping action: Subscribed to product or store emails



6. Digital shopping action: Liked/ Tweeted/ Commented on a product or store on a social media



Challenges

With huge opportunity comes great challenge. For customers shopping experience has become more vital and a key differentiator between numerous brands, e-retailers, business houses, as they are privileged to have more choices at their finger tips. Now the marketers need to have a deeper understanding of the local market in order to optimize the digital revolution. The marketers need to also understand the regional and local consumer perceptions, time zones, delivery infrastructure, supply chain dynamics, technology adoption and use, financial environment and currency systems and regulatory authorities and political landscape. The story doesn't end here, the marketers must ensure that products meet quality standards, prices are set rationally, logistics systems are secure and competent and after-sales service is more than average expectations for fair refunding/exchanging processes.

## Conclusion

Shoppers today have changed tremendously. They no longer simply go to the nearest store to purchase what they need; instead they do a whole lot of research before they select their specific brand. Digital technology has given consumers access to a world of products and international brands previously unavailable. Today's shoppers are adapting themselves to digital touch points along the entire purchase process right from reviewing products online at home to comparing different brands, from commenting on products they like and prefer to purchasing their selected brand. The entire retail ecosystem is fast evolving. The brick and mortar retailing is paving the way for e-tailing. The consumer purchasing habits and purchasing process is becoming digital. In conclusion, research has determined that marketers can increase awareness of their brand by being creative and visible on digital platform which more economical, innovative and fast. Digital marketing gives the marketers a competitive edge in an era when engaging customers on social media sites and other digital platforms and rely heavily on them for their shopping research and decisions.

The marketers are in alignment with the technology adoption and successfully using digital marketing to reach out to their customers and selling out their brands. However with digitalization, there is an urgent need of infrastructure improvements to bring more consumers online with more familiarity and comfort with digital platforms. The continued growth of ecommerce and digital marketing is inevitable and unstoppable. It is a revolution that has and will more change and evolve the entire business world

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Directly

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MARCH 2017

ISBN: 978-93-5267-373-5

A Study On Working Of The Household Assistants And Its Impact On The Employers

(With Special Reference To Jabalpur)

Dr.Uma V.P.Shrivastava<sup>1</sup>

Abstract

With the changes in the work culture and life style of the people in metros, class one town and middle size towns the assistance of the unorganized service sector personnel's have grown intensively. Researches have indicated that, with noticeable increase in the number of workingwoman there has been a corresponding increase in the requirement of domestic servants like house-keepers, baby-sitters, house-maids, washer man / woman, electricians, plumbers etc. This study has been done to understand the working pattern and unpredictable working behaviour of the domestic workers and the parametric satisfactory level of the employers regarding the work of these domestic workers.

The sample included both the employers and the domestic servants. The research methodology used was convenient sampling of the respondents in various localities of the city and: personal interview with a structured open-end questionnaire. The findings included the reasons for the unpredictable behaviour of the respondents and also their perception about their work.

Key Words: Unorganized Service Sector, Household Assistants, Domestic Workers.

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### Introduction:

Bulk of India's workforce is unorganized in nature. The unorganized sector is a critical part of the Indian economy. Prior to understanding the human resource and skill requirements in the unorganized sector, it is required to put in perspective the usage of the terms 'unorganized / informal sector' and 'unorganized / informal employment'.

The unorganized sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers.

Unorganized workers consist of those working in the unorganized enterprises or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment/ social security benefits provided by the employers.

It is critical to note that unorganized / informal employment is characterized by lack of social sector benefits. It is also important to note that though employment might take place in a formal / unorganized sector, the 'nature' of employment could still be "informal / unorganized".

The total employment in the unorganized sector in India is expected to be about 455 million (92%) out of a total workforce of 495 million in 2015. The extent of informal employment is estimated to be at about 93%-95% between 2015 and 2016. As is obvious, this not only indicates the importance of informal sectors but also indicates the importance of informal employment, and the need for skill building therein. The National Commission for Enterprises in the Unorganized Sector (NCEUS) has extensively profiled the unorganized sector and unorganized employment in its report, 'The Challenge of Employment in India – An Informal Economy Perspective' (April, 2010). Human Resource and Skill Requirements of the Unorganized Sector.

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Source: Annual report of Employment review (2010-2015)

Domestic Workers:

Growth Rate in Employment (in percentages over previous year)

Year	Organized	Unorganized	Total
2011	2.25	3.05	5.3
2012	2.26	3.43	5.69
2013	2.26	3.27	5.53
2014	2.11	3.51	5.62
2015	2.09	3.77	5.86
2016	2.43	4.34	6.77

With the changes in the work culture and life style of the people in metros, class one town and middle size towns, the assistance of the unorganized service sector personnel's have grown intensively. Researchers have indicated that, with noticeable increase in the number of workingwoman there has been a corresponding increase in the requirement of baby-sitters, house-maids, washer man / woman, electricians, plumbers etc.

Domestic Workers is an important constituent of employment in the country, especially in the urban areas. Several reasons such as changes in the structure of the Indian Economy, increasing household annual income, increasing urbanization and thus changing lifestyles, and changing demographic profiles of the country can be attributed to this rising demand. This study has been done to understand the domestic workers perception, details and relative behaviour of these agents regarding their work.

Domestic workers have been classified on the basis of their working manner.

Live-in domestic workers

Live-in domestic workers reside at the place of employment. They are engaged in all domestic work ranging from housekeeping, washing clothes, utensils, cooking and as the case maybe baby, children or elderly care. They depend on their employers for basic needs such as food and shelter. Most live-in are woman who have migrated or have been moved from villages to cities in search of employment. They are to large extent children, unmarried and sometimes married young girls, separated or widowed women.

### Part-time/Live-out domestic workers

Part-time/Live-out domestic workers are generally locals or migrants in the city where they are employed. They mostly live in slums and work in different houses of employers to earn their livelihood. They are called part timers/live-outs not because they do only part time work but because they do not stay with the employer and are not generally on call 24 hours a day. They either work all day for one employer or repeatedly perform specific tasks like washing clothes, dishes, or cooking for a number of employers. Part-timers are less dependent on their employers than full timers. They live with their families, thereby in effect, run their homes, as well as those of their employers. However, they are less dependent on their employers for their basic needs and are characterized with a greater degree of independence than the live-ins.

### Literature Reviewed:

Reading material from the earlier works done on the relevant subject supported the study. This included the works done by the references mentioned; research study done by Dr. Gupta R.K. (2012) for his doctorate on this subject and other study material from the University of Jabalpur (R.D.V.V.).

Sahay, R.N. and Dubey, P: “Working Behaviour of the Domestic Workers in the changing career culture”, *Journal of Behavioral Sciences and Applied Economics* 38, 2 (2013); mentions about the changes seen in the basic working behaviour of the domestic workers specially referring to their irresponsible behaviour regarding uninformed offs and casual approach towards answerability towards the allotted work.

Giri, N.K. and Venkatraman, P.S.R: “Domestic Workers and their business operations”, *The Management Review*, 27-256-289. The paper discusses about the reasons of the workers getting into this category of work and their operational efficiencies.

Khan Md.Z.K. (2012) – “Domestic Workers in the Unorganized Sector with special reference to Urban Towns” – *Mekal Management*. The research paper categorically talks about the specific specialization that the workers gain due to working only on one kind of job. They also discuss about the security hazards and the problems created due to lack of awareness and the indifferent attitude people have about hiring domestic workers.

Gupta S.K. and Verma N.K. (2013) – “Growth of Indian Unorganized Service

A study on Working of the Household Assistants and its impact on the Employers  
(with special reference to Jabalpur)

Sector” – Management Peer. Gupta and Verma detail about the reasons and characteristics leading to the growth of this sector. They also focus on the consistent growth the sector has been showing over the decade and the growing need of the domestic workers.

Sakthivel and Joddar (2012) – “Unorganized Sector Workforce in India – Trends, Patterns and Social Security Coverage – Economic Review Journal. The authors have worked majorly on the security aspects related to domestic workers. They have supported with lots of examples and data the fact that the registration of the domestic workers with the authority is a must; as it is related to the security aspect of the entire family and the society as a whole. They also narrate that; the unregistered workers in not of the right streams, can be identified by their operating patterns.

Human Resource and Skill Requirements in the Unorganized Sector Report (2014-15) – NUWSDC.

**PURPOSE OF STUDY:**

The working style of the domestic workers is very typical and almost the same in all the parts in our country. The basic purpose of study has been as follows:

- 1) To understand the working pattern of the domestic workers.
- 2) To understand their unpredictable working behaviour.
- 3) To understand the seriousness of these workers about their work.
- 4) To gauge the factors of loyalty, honesty and hard work etc.

**SAMPLE AND METHODOLOGY:**

As a part of our study, we interacted with employers (67) who employ domestic workers at their own homes and as well as domestic workers (192) themselves to understand various aspects, such as the profile of the persons employed in the segment, issues faced by the employers in terms of skill gaps in domestic workers, benefits received by domestic workers etc. These domestic workers are in the age group from < 20 years to > 50 years but in varying percentages, both males and females, as further mentioned in the study details. The data collected is primary and is supported by the secondary data as required. In sample respondents include both the live-out and live-in domestic workers.

## Management Solutions For Socio Economic Challenges

### UNDERSTANDING OF STUDY:

Domestic Workers in India can be classified as Live-Out domestic workers (those who stay at their own homes and work at multiple households during the day) or Live-in domestic workers (those workers who stay at the homes of their employers and are thus typically employed at a single household).

Domestic workers, especially women domestic workers, are a constantly growing section of workers in the informal sector in urban India. Last two decades has seen a sharp increase in their numbers, especially in contrast to male domestic workers. This is largely related to the increase of women in the urban labour force and the availability of cheap labour. Research has shown that work in the informal sector, including domestic work, provides options for survival for these women.

The profile of domestic workers in research area of Jabalpur specifies that, the majority of the domestic workers are females in the age group of 21 yrs to 30 yrs who are at the most primary passed and having varying work experiences. These workers have various reasons for working and are employed most of the time as a result of the reference given by another worker.

#### General Profile of Domestic Workers

1	Gender	Female	Male			
		81%	19%			
2	Age (in years)	> 20	21 - 30	31 – 40	41 - 50	> 50
		9%	59%	17%	9%	6%
3	Educational Qualification	Primary	Middle	High School	Higher Secondary	
		51%	26%	19%	4%	
4	Work Experience	< 6 months	6 months – 2 yrs	2 - 5 yrs	> 5 yrs	
		16%	23%	29%	32%	
5	Reason of work	Increase disposable income	Family recommendation	Financial support		
		25%	4%	71%		

Source: Primary data from the city of Jabalpur

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Domestic workers can be divided on the basis of the various category of work they undertake. The most popular and varied category in the city includes cook, house keeper, baby sitter, utensil cleaner, washer man, gardener, driver etc.

During the study it has been understood that, in most of the cases the female domestic workers are required to work to help increase the disposable income of the family since the bread earner is not able to meet the requirements. Thus, a major reason is to provide financial assistance to the family. The females resort to domestic work since they are not literate and / or qualified enough to undertake any other kind of skilled work. In some of the cases the reasons are that, due to the incapability of the male in the family to support the family or in cases of the male having moved out leaving the family, the female has to undertake domestic work for survival of herself and her kids. Male domestic workers in 80% of the cases are workers who have been doing a particular job from ancestors time for eg: male cooks, washer men etc. Males are also predominantly preferred for works which demand higher labour, strength and odd working hours for eg: gardener, drivers etc.

In the past one and a half decade, there has been a consistent growth in the number of working ladies. This has lead to the need of domestic workers specially baby sitters, housekeepers, cooks and drivers. The working pattern of the domestic workers largely depends on the monthly earnings that they are receiving. A live out domestic worker earns an average of two thousand per month including the category of utensil cleaner, washer man, gardener, miscellaneous cleaning maid etc. The reason is that these people work for various households and charge majorly on the basis of head count per house, for eg: a washer man would charge an average of one hundred rupees per head per month. Thus his earnings would vary; if he is working in six houses each having an average four members, he would earn about two thousand four hundred rupees per month. Similarly a gardener can work in many houses at the same time on weekly, fortnightly or monthly basis and earn a different amount from every house depending on the type of work and labour involved.

The category of baby sitters, housekeepers, cooks and drivers includes a whole day involvement and therefore these people cannot work in multiple places. This further means that, all the money they need as income has to be generated from one single household whether it is live-out or live-in kind of work, and therefore the remuneration of this category is higher than the live-out multi place workers. These categories earn an average of four thousand rupees per month.



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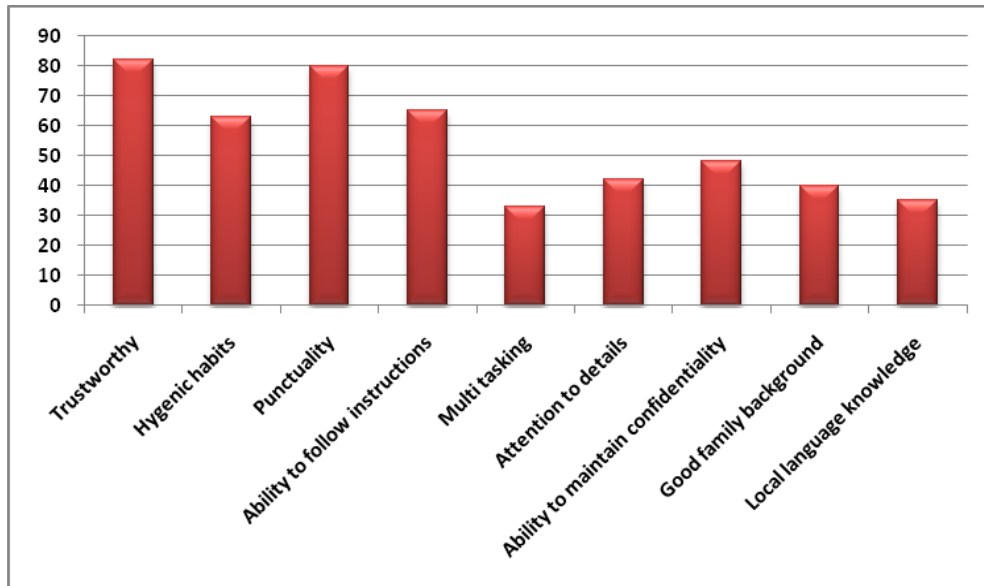
Although these workers in middle size towns do not come under any union or do not follow any legal norms of working, but in metros like Mumbai and Delhi their union does exist and they are governed by the rules and norms.

Another finding during this study which was accepted by the various employers as a major issue during the course of discussion has been that, workers in all the categories have a consistent habit of taking leaves / offs for no major reasons without prior information and intimation. This actually hampers the scheduling of the employers for the whole day and also leads to delay and unplanned working. This kind of leave taking also leads to lots of unanticipated problems and mismanagements for the employers. When discussed about this with the workers a few points were understood about their behaviour and thought process. Firstly, workers have a long chain of relations which are the fall back factor in view of poverty and job uncertainty. Since they need each other's help and support they wish to maintain and sustain the relationships. Thus, they are required to take leaves, when they have to rush help and support to the counterpart or attend functions at their places basically for social networking reasons. Secondly, the workers in majority of cases live in areas which are damp and lack proper water, drainage and light facility. This leads to ill health resulting in leaves. The argument is that, their budget permits only this kind of habitation and a better surrounding than this is not possible. Earlier researches have mentioned that, these kinds of habitation leads to ailments of various kinds and thus there is consistent leave taking by these workers. Another interesting finding has been that, these workers do not lead a life like a middle class citizen who keeps worrying about his future all the time and forgets to live his present. They live and enjoy their lives as it comes and thus on days when they do not wish to go for work or they want to relax or go places for fun they take leave without hesitation. Deduction of salary also does not mean too much sometimes as quoted by one of the worker respondent, "if the salary is deducted we would take up an additional household to work and compensate, there is not dearth of work for people wanting to work" (this was in Hindi).

Another issue of concern during the study has been about the factors of trust, punctuality multi-tasking, hygiene, attentive working, general understanding etc. These factors were major points of concern for the employers because they at times are required leaving the entire house and the dependent members of the family to attend and be taken care of by these workers. Under such a situation, if the worker is

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not trust worthy or punctual etc., it becomes a major problem for the employer. During the study with a view to provide the preference of employers on key characteristics of domestic workers, employers were asked to indicate the key attributes they look for when searching for domestic workers.



Primary information – overlapping percentage

Unorganized service sector is a fast growing aspect of the society. Domestic workers of various types are becoming a choice of every household including houses having both the working and non-working ladies. Domestic workers have a realization that they are a need of the household and thus have their own tantrums. Seriousness in terms of job is low since they know and believe that, they would be able to get a new work very fast if an existing one is lost.

**ASPECT OF CHILD LABOUR:**

It was also seen during the study that, domestic workers indirectly lead to child labour problems also. Many child domestic workers are brought from villages to work in large cities such as Mumbai, Delhi, Lucknow, Chennai, and Hyderabad. Children from impoverished rural families are sent to live in the houses, with the hope that they will be looked after as their ‘own’ children. Some begin their working lives in debt to the employer who had paid an advance to the family member or to the

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recruiter. Middlemen seek out and recruit village girls to work in city houses. Families in the slums of cities send their children to work as domestics.

Some part-time domestic workers bring their children to their jobs so they can help them complete tasks more efficiently and fast along with giving them a working experience. Of the total respondents, in case of 53% respondents, employed in a household, carry their minor kids to the workplace and thus at times, either out of fun or as assistance, use them as work support, which leads to indirect child labour. Earlier research reports mention that, in 63% to 72% cases this child labour comes to full workers category by the age of 14 – 15 yrs, including both male and female child.

### ASPECT OF CRIME:

Another issue which was discussed during the research has been that, the employers look forward to known or acquainted workers through recommendation, due to increase in crime by domestic workers. Since the domestic workers have a thorough access to the people and things in the house, the induction of crime is higher. This has been a matter of serious concern and since the domestic workers fall into the category of unorganized service sector it is at times difficult to trace and find out the details and whereabouts of such workers. The law recommends that, in case of hiring the domestic worker, the household should ensure to inform the local police station about the workers details along with his / her photographs. In most of the cases this is not done which leads to problems and mishaps at times.

### DOMESTIC WORKERS MOVEMENT / UNION:

In the majority of towns in the country there are various NGO's and other organizations working consistently with and for the domestic workers and their benefits. One such organization hails from Mumbai - National Domestic Workers Movement (NDWM). Domestic workers are not yet integrated into the Indian society. The organization believes and works on the following basis:

- 1) By establishing personal contacts, Domestic Workers begin to feel more accepted and treated with dignity.
- 2) Domestic Workers are organized and empowered.
- 3) The Movement is actively involved in lobbying and campaigning for domestic workers' rights and justice as workers.

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- 4) Information sessions are given on various topics and Domestic Workers are supported in their day-to-day problems at their workplace and at home.
- 5) Awareness is created about the risks implied with migrating to bigger cities or foreign countries.
- 6) Through awareness campaigns, advocacy and lobbying push-factors leading to migration are reduced.

Networks with organizations like UNICEF, ILO, YUVA, CCVC, AMC, GAATW, Anti-Slavery International, Human Rights – Asia, Community Centers and Welfare Agencies at both national and international levels is established to work together towards the rights and justice for Domestic Workers.

KEY FINDINGS / RESULTS:

- 1) Domestic workers work only as per their requirement of the present time.
- 2) There is no future planning by these domestic workers.
- 3) They believe more in living a free life without any commitment.
- 4) Only 15% to 18% domestic workers work with the sense of commitment and responsibility and prefer working regularly rather than on adhoc or requirement basis.
- 5) Salary deduction is no solution to create any sense of responsibility.
- 6) Domestic workers have a realization that they are a need of the household and thus have their own tantrums.
- 7) Seriousness in terms of job is low since they know and believe that; one job lost would lead to getting another job, without much hassle.
- 8) The ethical factor is slightly difficult to find in the current trend of domestic workers.
- 9) Finding worker is not very difficult but every city has its own rate chart to be catered to find semi skilled (eg: washer man, utensil cleaner etc) and skilled workers (eg: cook, driver etc.).
- 10) Consistent work life balance by both the employer and the employee would lead to development of ethical factors and sustenance of the worker.

CONCLUSION:

This study has lead to an insight in to the working pattern, seriousness and effectiveness of hiring a domestic worker. The study has been in a middle size town and thus the findings and details found have been of a different nature; whereas the study would lead to different findings and details if conducted in a metro. This is

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because the life style and work culture both differ with the change in the class of town and the SEC residing there.

The author of this paper has conducted the entire study and for any further data or details, the readers can revert to the author. It is expected that the study would be of utility to many more researchers.

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## Women as Social Entrepreneurs: A Case Study of Dr. Zulekha Daud

Prof. Deepmala Gupta<sup>1</sup>

### Abstract:

This paper makes<sup>1</sup> an attempt in understanding the concept, work done, problems and challenges faced by women social entrepreneur Dr. Zulekha Daud.

Globally, societies are riddled with multiple problems and long-standing issues that remain unresolved by the institutions and the government sector. This is where social entrepreneurs step in to challenge, question and rethink concepts and assumptions. They work on the existing infrastructure, plugging the gaps, providing time and innovative solutions to alleviate problems that exist at the grassroots level. In the current scenario, women are equal participants in bringing about a direct impact in the society.

Talking of India, around 350 million Indians still live below the poverty line and struggle to access basic education, healthcare or proper nutrition. These people need better education, healthcare and other basic infrastructure. And this is where women social entrepreneurs are now working to provide innovative, practical and sustainable solutions. India is gradually recognizing that women are not just equal citizens in the society but are vital agents of direct social transformation. This is evident from various government initiatives and new policies taken up by the corporate sector identifying women as agents of sustained socio-economic growth and change.

Indian women social entrepreneurs have come up with innovative ideas which have impacted the lives of thousands of people in terms of their sustainability and scalability.

**Keywords:** Women, Social Entrepreneurs, Medical professional, Challenges

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## Women as Social Entrepreneurs: A Case Study of Dr. Zulekha Daud

### 1. Introduction:

The world over, a growing number of women are starting or running businesses. They have, for long, been proactively contributing towards diverse sectors ranging from education to healthcare, e-learning and e-business, housing and slum development, water and sanitation, violence against women, other issues related to women, children and the elderly, etc. The trend clearly reflects that women have been involved in not only creating jobs for themselves

and their co-founders, but are also employing less trained and fostering the underprivileged women.

Women social entrepreneurs have come up with innovative ideas which have impacted the lives of thousands of people in terms of their sustainability and scalability. One of the renowned social entrepreneur name is Dr. Zulekha Daud.

Dr. Zulekha Daud is the first Indian lady medical professional and entrepreneur in UAE who tirelessly worked for welfare of UAE nationals and expats when healthcare access was very limited in the 1960s. She revolutionized the healthcare scenario and inspired others to follow the suit. After five decades of tireless service, Zulekha Healthcare Group today boasts of super specialty hospitals, medical centres, educational institutes and pharmacy chain UAE and India.

Dr. Zulekha firmly believes in societal development and affirms, “Community services means giving back to the culture and people that surround you. It means supporting the immediate the immediate community on a local scale”. She has been actively associated with many NGO’s and corporate for CSR (Corporate Social Responsibility) drive – notable-being - Diabetes, Cancer, Kidneys and Arthritis awareness in the region.

Dr. Zulekha has founded a vocational training institute in her hometown Nagpur to provide education and skill training for the needy and rural population.

## 2. OBJECTIVES

1. To study the concept and meaning of social Entrepreneurship.
2. To study the concept of women as Social Entrepreneur.
3. To study the career of Dr. Zulekha Daud as Social Entrepreneur.
4. To study the challenges faced by Social Entrepreneur Dr. Zulekha Daud.

## 3. Concept and Meaning of Social Entrepreneurship

Social entrepreneurship is the use of the techniques by startup companies and other entrepreneurs to develop, fund and implement solutions to social, cultural, or environmental issues. This concept may be applied to a variety of organizations with different sizes, aims, and beliefs. For-profit entrepreneurs typically measure performance using business metrics like profit, revenues and increases in stock prices, but social entrepreneurs are either non-profits or blend for-profit goals with generating a positive "return to society" and therefore must use different metrics. Social entrepreneurship typically attempts to further broad social,



cultural, and environmental goals often associated with the voluntary sector in areas such as poverty alleviation, health care and community development.

### 3.1 Definition

Social entrepreneurship generally defined as “Entrepreneurship activity with an embedded social purpose”

There have been numerous attempts at defining Social Entrepreneurship. “Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact s/he has on society.”

There are 3 key components that emerge out of this definition and are more or less common when it comes to the other variations of the definition of Social Entrepreneurship:

- The problem
- A sustainable solution
- Social change

At times, profit-making social enterprises may be established to support the social or cultural goals of the organization but not as an end in it. For example, an organization that aims to provide housing and employment to the homeless may operate a restaurant, both to raise money and to provide employment for the homeless.

Social entrepreneurship is the recognition of a social problem and the use of entrepreneurial principles to organize, create and manage a social venture to achieve a desired social change. Entrepreneurs are innovative, highly-motivated and critical thinkers, and when these attributes are combined with a drive to solve social problems, a social entrepreneur is born. Hence, social entrepreneurship is a concept where business is started and run by an entrepreneur for a social cause. It is very much different from corporate social responsibility (CSR). In CSR, companies along with the main business are engaged in social activities like charity or projects whereas in social entrepreneurship, the venture, whether for-profit or not-for-profit, is entirely based on a social issue.

### 4. Women As Social Entrepreneur

In the current scenario, women are equal participants in bringing about a direct impact in the society. The world over, a growing number of women are starting or running businesses. ... And this is where women social entrepreneurs are now working to provide innovative, practical and sustainable solutions.

The field of entrepreneurship is increasing its theoretical focus on the unique contributions of women entrepreneurs to business and society (de Bruin, Brush, & Welter, 2007). This increased attention is long overdue. Too often, entrepreneurial efforts by women have gone unnoticed, and their contributions have been underappreciated. In part, this is because women's business ventures, particularly those in less developed countries, function more in the informal rather than formal economy. Consequently, a significant portion of women's entrepreneurial efforts fail to garner sufficient media or political attention and are not addressed by academic researchers.

#### 4.1. Role of women social entrepreneurs in national development

The emergence of women entrepreneurs and their assistance to National economy is rather evinced in India the number of women entrepreneurs has steadily grown in latest decades which deserves to be lauded for their increased utilization of up to date expertise, increased investments, finding a niche in the trade goods market, creating a sizeable paid work for other ones and setting the tendency for other women entrepreneurs in the coordinated sector.

#### 4.2. Problems and challenges faced by women social entrepreneurs

Women entrepreneurs face a series of difficulties right from the starting till the enterprise purposes. Being a woman itself poses diverse difficulties to a woman entrepreneur, the difficulty of Indian women pertains to her responsibility towards family, society and work ambience. The custom, customs, social heritage standards, ethics, motherhood at one edge and at the other edge are the subordinates, men and other ones who often consider women, bodily feeble, hard work areas, feeling of insecurity, will not be easy, should "adjust" etc., Women in rural localities have to bear still further. They face strong opposition from men and are advised as mere helpers. The mind-set of humanity in the direction of her and constraints in which she has to reside and work are not very conducive. Alterations habits are not without trials. Entrepreneurial undertakings are always challenging; trials are more critical when societal concerns are engaged in

entrepreneurial conclusion making. Problems disagree from one set of persons to another set, so are the solutions. In fact, communal entrepreneurship is an international occurrence. Round the world, persons are coming across difficulties like -inadequate learning and health schemes, ecological threats, falling believe in political organizations, entrenched poverty, high misdeed rates, and so forward. But in poorer countries, communal entrepreneurs have to reach far more persons with far less money, so they have to be particularly innovative to advance solutions at scale. In the male overridden society, women find it progressively tough to network as well as men do and this impersonates a significant dispute. There are some peculiar problems that the Indian women are approaching across while they jump into entrepreneurship. In addition to the overhead rudimentary difficulties the other problems faced by women entrepreneur's areas follows

### 5. Career of Dr. Zulekha Daud

First female Indian doctor in the Trucial States looks back on a career well spent

Dr. Zulekha was the first female Indian doctor in the Trucial States. She moved here in 1964 from the American Mission Hospital in Kuwait and was followed by her husband, Dr Iqbal, an ophthalmologist.

Before the federation was formed in 1971, medical facilities were rudimentary and many homes had no electricity. She was the first woman in the Kuwait hospital in Dubai. Then they wanted to start small clinics so she agreed to also work in Sharjah. Nobody wanted to work here. There were no proper roads, so she travelled over sand. Picking up the Arabic language during her time in Kuwait was an advantage. She knew their language so she understood them and they understood her. She has delivered about 15,000 babies in the UAE.



Figure 1. Dr. Zulekha Daud

Many people, like the sheikhs, wanted female doctors to come [to their] home so she made house deliveries. She used the experience gained while studying for her medical degree and postgraduate specialization in India.

There were no X-rays or fancy instruments in Sharjah, not even a pregnancy test. She had her stethoscope, some medicines, a syringe and torch in her bag. A delivery was about applying your mind.

## Women as Social Entrepreneurs: A Case Study of Dr. Zulekha Daud

Education was always important for Dr Zulekha's family. Her father, a construction contractor, and mother, a housewife, impressed on her three brothers and sister the need to study.

Her father had not been to school and her mother had an elementary education. But he knew that when people get educated there are so many things they can do.

Today, the Zulekha Healthcare Group includes two multidisciplinary hospitals in Dubai and Sharjah, as well as one diagnostic centre, three UAE medical centers and three pharmacies. Another recent addition is the Alexis Multispecialty Hospital in Nagpur, India

### 5.1. Awards and Recognition

- International Women's Day excellence award on the 11th International Women's Day Excellence Awards in Dubai. (2012)
- Recognized as one of the top gynecologists in the UAE.
- Lifetime Achievement – Healthcare Award (2012)
- Zulekha Daud placed 20th in the [Economic Times](#)' 2013 list of Most powerful Indian in the Gulf.(2013)
- Placed in [Forbes](#) Middle East top 100 Indian leaders in the UAE. (2013).
- Listed as one of the 20 most influential global Indian women. (2015).
- Outstanding Contribution of an Individual to the Middle East Healthcare Industry Award. (2015)
- Ranked 33 in [arabianbusiness.com](#)'s list of 50 richest Indians in the GCC.
- Dubai Quality Award at the 21st Business Excellence Awards Ceremony.

### 5.2. Social services provided by Dr. Zulekha Daud

Due to sincere efforts of the Dr.Zulekha Daud , the students (Commerce, Science and Technology streams) passing out and getting placed in leading organizations, including seven placement in Dubai in 2011 and 6 students in 2016.

Dr. Zulekha firmly believes in the importance of good education. This is evident from her active involvement in several charitable causes and societal works despite her hectic engagements. She established a charitable trust under the name of ZED Vocational and Training Centre in 2004, mainly providing education to the needy segments of society in an unprivileged area of Nagpur. The trust is running a college in a backward area of Nagpur, where there are no educational institutes. The college is providing courses in commerce, science, technology and management. Her mission through ZED is to provide quality

education, all-round development, state-of-art infrastructure, financial assistance to the needy and groom students to industry acceptable standards at nominal cost, especially for girls and



Figure 2. Dr. Zulekha Daud amongst Top Indian Leaders recognized by Forbes Middle East women.

In 2006, ZED kindergarten was established for nursery, KG I and KG II classes. Besides providing computers for computer courses, it imparts education free of cost to poor students.

Taking her brand of care to a place where people are bereft of basic medical amenities, Zulekha Group established Alexis Hospital in Nagpur to meet the medical needs of the local communities. These are just some of the endeavors of Dr. Zulekha who believes in contributing to the society by empowering it with knowledge.

Key projects undertaken by Dr. Zulekha Trust for social and humanitarian causes during the last four years include blood donation camps, contribution of common medicines and surgical accessories, cleanliness drive in slum areas, and supporting an institution dedicated to the well-being of mentally challenged children.

#### 6. Challenges faced by Social Entrepreneur Dr. Zulekha Daud

After a review of extensive literature the author mentions the following challenges faced by social entrepreneur Dr. Zulekha Daud

- Born into an orthodox Muslim family in Nagpur.
- Her father had not been to school and her mother had an elementary education.
- When she started her career in 1964, medical facilities were rudimentary and many homes had no electricity.

## Women as Social Entrepreneurs: A Case Study of Dr. Zulekha Daud

- She made house deliveries. There were no X-rays or fancy instruments in Sharjah, not even a pregnancy test. She had her stethoscope, some medicines, a syringe and torch in her bag.
- She suffered devastating injuries after being knocked down by a car, but her hospital gave her the will to survive.
- She chose the UAE over a lucrative job opening in the UK to help people in the deep need of medical treatment. Then, in the 1960's, the UAE was a vast expanse of desert without any electricity and medical facilities were rudimentary to say the least. But despite all these unfavorable conditions, Dr Zulekha decided to stay on and serve the people

### Conclusion

Glorious promise of anticipation always encourages the determined human spirit. Still young at heart Dr. Zulekha has realized her parent's dream – by setting up an ultra modern hospital in her home town Nagpur under the name Alexis hospital which she dreams to nurture all across India has come. Her secret of success – a true inspiration for all – “Beyond the technology, besides the specialists, there is something more – the magic of a caring touch.” It is that charisma and quality, which makes people fondly call her as 'Mama Zulekha'. The Group has now reached the zenith of excellence in healthcare, thanks largely to Dr. Zulekha's strong ethic of compassion.

Even today Dr. Zulekha wears the same spirit and passion to serve people suffering from various medical problems. Although these days her involvement is largely administrative, the 74-year-old is consumed by her abiding love for work. Having single-handedly elevated service to mankind to a new level, Dr. Zulekha is now synonymous with care and compassion in the UAE. The difficult journey of the country's first lady doctor represents a story of strength and determination, and serves as an inspiration to women and countless others.

It is obviously a difficult task to truncate Dr. Zulekha's profile. But she is arguably the highest woman achiever in the UAE from the Indian community. As the founder of one of the largest private healthcare networks in the Gulf, she continues to be an epitome of what a woman can achieve through sheer grit and determination, and of course, a lot of courage and perseverance.

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MARCH 2017

ISBN: 978-93-5267-373-5

Socio Economic Chalanges Facing By Marketing Management Process

Prof. Munnu .s, Ram<sup>1</sup>

Abstract;

Marketing management process is to increase in business sales. But marketing management process proves to before more effective for those businessmen, who are already worked in market. The merchant financial position is strong, this merchant is very easily capture the market. The person whose family belong to the business class in this step in the support to be business. Therefore does not generate much more new traders, but some time also suffers losses. When the marketing management process should be such that could make profit everyone equally. in this research we will solve all the problem here.

Key words;

study in market & competitor, potentials customer, reasonable expenditure on advertising,

INTRODUCTION;

Marketing management is the organizational discipline which focuses on the practical application of marketing orientation, techniques and methods inside enterprises and organizations and on the management of a firm's marketing resources and activities.

Marketing Management is the processes of planning, organizing directing motivating and coordinating and controlling of various activities of a firm. Marketing is the process of satisfying the needs and wants of the consumers. Management of marketing activities is Marketing Management.

Management Guru Philip Kotler defines marketing as “Marketing Management is the analysis, planning, implementation and control of programmes designed to bring about the desired exchanges with target audiences for the purpose of personal and mutual gain. It relies heavily on adoption and coordination of the product, price, promotion and place for achieving response”: In other words, a business discipline, which is focused on the practical application

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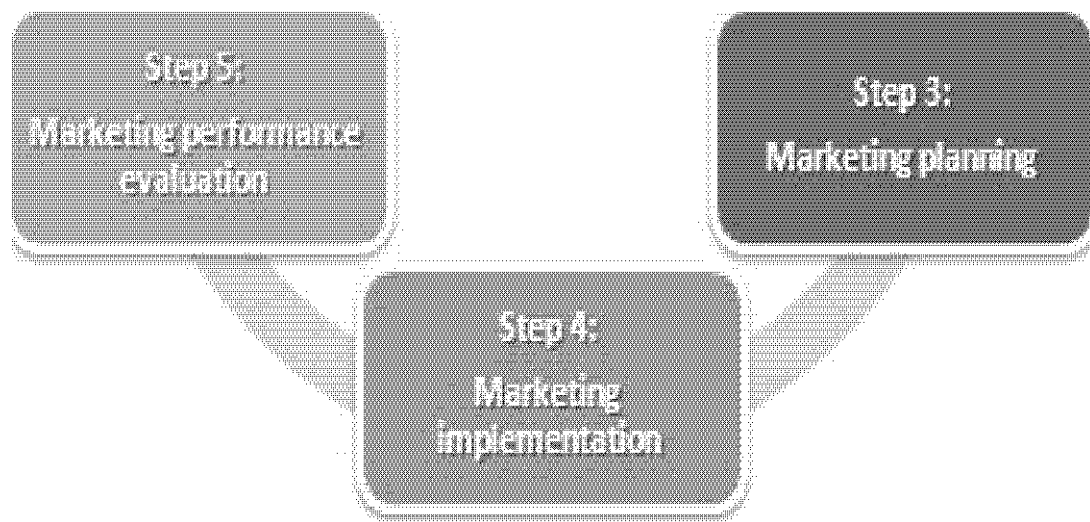
of marketing techniques and the management of a firm's marketing resources and activities, is Marketing Management. Marketing Management focuses upon the psychological and physical factors of Marketing.

The Marketing managers are responsible for influencing the level, timing, and composition of customer demand accepted definition of the term. While the psychological factors focus upon discovering the needs and wants of the consumer and the changing patterns of buying behaviour, habit etc. the physical factors focus upon fulfilling those needs and demand buy better product design, channel of distribution and other functions. "Marketing Management as a branch broad area of management. Marketing management is concerned with direction of purposeful activities towards the attainment of marketing goals." There are three kinds of Goals, 4. Satisfaction of Customers Needs. 5. Increase in sales Volume. 6. Increase in Organizational profits. And even when working face so many difficulty And some other challenges given in the market

With the huge expansion we're seeing in internet marketing, there are numerous roles to fill. A team, though full of many specialties, can often find that they're missing several key people to fill important roles. While they may have a graphic designer, do they have access to a conversion rate optimization analyst? They might have great content writers, but do they have a technical SEO expert to do on site optimization?



## MARKmNG MANAGEMENT PROCESS



EMERSON CONSULTING

## 7 Top Challenges Marketing management process Face Today

### 1) Generating Traffic and Leads

#### Why It's a Challenge

Generating enough traffic and leads was the top marketing challenge, While we ask marketers about their challenges every year, this time we added this answer as a new option - - and we're glad we did.

Clearly, marketers are struggling with producing enough demand for their content. And as the years progress and competition stiffens, this will only become more true. With so many options of platforms for marketers to publish their content and even more ways to promote it, it's hard to know where to focus your efforts.

#### What Can You Do?

When it comes to creating content that produces enough traffic and leads, marketers should ask themselves two questions: Are you truly creating high-quality content -- the type of content people would pay for? And, do you know the type of content your audience actually wants?

Once you know you're creating the type of content your audience wants, the focus shifts to promoting it in a way that makes your audience take notice. More than ever before, people are being flooded with content. Consumers don't have to use a search engine to find answers. Instead, articles fill their news feed or buzz in their pocket via mobile notification.

Needless to say, the content promotion playbook is not the same as it was five years ago. To make sure your traffic and lead numbers continue to rise, check out this

### 2) Providing the ROI of Your Marketing Activities

#### Why It's a Challenge

Measuring the ROI (return on investment) of your marketing activities has remained a top marketing challenge year-over-year. But, it also continues to be a vital way for marketers to understand the effectiveness of each particular marketing campaign, piece of content, etc.

Plus, proving ROI often goes hand-in-hand with making an argument to increase budget: No ROI tracking, no demonstrable ROI. No ROI, no budget.

## Socio Economic Chalanges Facing By Marketing Management Process

But tracking the ROI of every single marketing activity isn't always easy, especially if you don't have two-way communication between your marketing activities and sales reports.

What Can You Do?

When it comes to providing ROI, there's a strong case to be made for dedicating time and resources to establishing links between marketing activities and sales results. This means using both marketing software and a CRM solution , and then tying them together to close the loop between your marketing and sales efforts with a service-level agreement That way, you can directly see how many leads and customers are generated through your marketing activities.

We've found there's no better combination than having an SLA and doing . According to this year's report, inbound organizations with sales are over 5 times as likely to rate their marketing strategy as effective compared to outbound organizations with misaligned marketing and sales teams.

### 3) Securing Enough Budget

Why It's a Challenge

Securing more budget is a pressing challenge for marketing globally. And often, getting more budget is easier said than done -- especially for smaller organizations that aren't working with sizable nor flexible marketing spend.

But the key to securing more money for your team might not be that complex. Here's what you can do.

What Can You Do?

The key to unlocking budget lies in being able to prove the ROI of your marketing efforts. According to our report, organizations that can calculate ROI are 1.6 times as likely to receive higher budgets.

Again, success with inbound marketing also plays a large role in driving higher budgets. Effective strategies obviously produce results, and our data shows those who feel confident in their marketing strategy are over 2 times as likely to get higher budgets for their marketing teams. But remember, inbound marketing is a long game. If you get off to a slow start, you shouldn't back off -- in fact, you might consider doubling down.

### 4) Managing Your Website

#### Why It's a Challenge

Managing a website was the fourth biggest challenge for marketers in 2016. And chances are, your website's performance is high on your list of priorities. It's an asset that works around the clock to draw in visitors, convert them, and help you hit your goals, after all.

Issues with website management includes a variety of different factors, from writing and optimizing the content to designing beautiful webpages. Here are a few things marketers can do to deal with this challenge.

#### What Can You Do?

First, against over 1 million other websites. It also includes a deep analysis on the four most critical elements of website performance and design, from average load time and website security, to mobile friendliness and SEO.

If your primary challenge with managing a website has to do with the skills and resources you have available, you aren't alone. This is especially true for small companies who don't have all the talent in-house required to cover content, optimization, design, and back-end website management.

### 5) Identifying the Right Technologies for Your Needs

#### Why It's a Challenge

Finding the right technologies was the fifth biggest concern for marketers this year. Oftentimes, this is because feedback on technology is scattered. Marketers might turn to colleagues, friends in the industry, and/or analyst reports to figure out which technologies best fit their needs -- only to find that feedback is spread across emails, social media, and so on from people of varied reputability.

When you're looking for a tool, software, or piece of technology to solve a specific marketing problem, where do you go to find it?

#### What Can You Do?

## Socio Economic Chalanges Facing By Marketing Management Process

For those of you looking for a tool, software, or piece of technology to solve a specific marketing problem, we recommend taking a look at a free, interactive, online visualization of the marketing technology landscape that focuses on the business problems marketers are trying to solve, and leads them to specific pieces of marketing technology that aim to solve those problems. We've found it to be a really well visualized map of carefully curated marketing technology resources.

### 6) Targeting Content for an International Audience

#### Why It's a Challenge

Targeting is a key component of all aspects of marketing. To be more effective at targeting, one of the first things any marketer needs do is to determine who it is they should be marketing to. If you're expanding internationally, it can be a big challenge not only to figure out the best ways to market to an international audience, but also to organize and optimize your site for different countries.

#### What Can You Do?

There are some really helpful tips in there that'll help give you some direction on global marketing, including how to identify your top three growth markets, how to explore local trends, and tips on choosing the best localization providers. (For a more in-depth guide, Remember, your website visitors might speak a plethora of different languages and live in totally different time zones. To make your content appealing to a wide audience, you'll need to This means being aware of seasonal references, translating units of measure and monetary

references, and giving translators the tools and permissions to customize and adapt content for a specific audience when they need to.

Finally, be sure you're optimizing your website for international visitors, too. One of the first and most important decisions you'll need to make is (For more tips and resources on global marketing expansion,

### 7) Training Your Team

#### Why It's a Challenge

As companies scale and technologies continue to evolve, training your team will become a greater challenge for marketers. Whether it's training them on the concepts and tools they'll be using every day or making sure they're achieving their full potential, the struggle is real across the board.

To combat this, I'll share some tips I've used during my trainings to make sure the concepts and tool tips stick and have a lasting effect on your team and your marketing.

#### What Can You Do?

To get an overall idea of where your team stands, take a few minutes to assess each of your team members' marketing strengths and weaknesses, levels of expertise, and passion/commitment to your company. Then, objectively rate the priority (or level of importance) of their expertise and their contribution to bottom line objectives (ROI) to date. to help you evaluate your team so you can figure out who needs recognition and who needs coaching.

Next, check out this awesome resource from HubSpot Academy, *The Ultimate Guide to Marketing Training*. It's a guide that'll help you navigate all the marketing training options you have, from quick daily habits to more rigorous, career-launching investments.

You also might consider requiring your team members to rack up some online marketing certification, for example, offers certifications, documentation, and training programs to help people master the basics of inbound marketing. Google also offers training and certifications on analytics with their online

What about new hire training, specifically? We recommend creating a training plan for new team members. Here at HubSpot, each new marketer is given a 100-day plan like this one to lay out specific goals and help new hires demonstrate their effectiveness.

## Socio Economic Chalanges Facing By Marketing Management Process

### 8) Hiring Top Talent

#### Why It's a Challenge

Hiring top talent was the eighth biggest challenge marketers reported experiencing this year. Why? Many companies are shifting more resources to inbound marketing, which means higher and higher demand for top marketing talent. But supply simply isn't keeping up. From sourcing the right candidates to evaluating for the right skills, finding the perfect person could take months ... or more.

What's more, the type of marketing talent companies are looking for is changing, too. of thousands of job postings on Indeed.com, they concluded that employers are seeking marketers with technical and creative skill sets. And the quick rate at which the demand for these jobs are rising has caused a marketing skills gap, "making it difficult to find candidates with the technical, creative, and business proficiencies needed to succeed in digital marketing."

#### What Can You Do?

Employers are looking for marketers with a diverse skill set that includes digital marketing, content marketing, SEO, and social media marketing. To find the best inbound marketer for your team, the first thing you should do is decide what that person needs to be able to achieve for your business.

Ask yourself: What will the new marketer's tasks and duties include? What skills do those tasks and duties require? What goals or challenges will the new marketer face? Use your answers to these questions to write a compelling job description. to help you get started Next, post your jobs where talented inbound marketers will find them. While traditional job sites like Indeed.com, CareerBuilder.com, or LinkedIn will help you cast a wide net, we recommend, which is the only job listing service in the world that's exclusively focused on inbound marketing and sales jobs.

#### OJECTIVE OF STUDY;

- 1] study to the task of marketing to bring in simplicity
- 2] study to control on spending of marketing
- 3] study to observe the amount of profit the marketing



4] study on merchant benefit from the knowledge of the market

Advantages of study;

- Provides a Framework For Decision-Making
- Supports Understanding & Buy-In
- Discharges Board Responsibility
- Discharges Board Responsibility
- Reduced Costs and Higher Revenues
- Higher Efficiency
- Better Visibility
- Compliance, Safety and Security

Finding; marketing management in the process of detection of due to the challenges' we can improve to the marketing management process and can rebuild their plans.

Conclusion; Steam Whistle Brewery makes one really good premium pilsner, to increase their sales they need to continue to expand to provinces that currently do not have Steam Whistle. As well, they need to sponsor events in western Canada to promote their product and increase public awareness about their product

An Impact Of E-Bank Services On Purchasing Behavior Of Nagpur Customer's

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**Abstract:**

The fast advancing global information infrastructure enable the development of electronic commerce at a global level. These developments have created a new type of economy, which many call the 'digital economy'. This fast emerging economy is bringing with it rapidly changing technologies, increasing knowledge intensity in all areas of business, and creating virtual supply chains and new forms of businesses and service delivery channels such as E-banking. A number of studies agree on the importance of customer adoption and full benefits. They also highlight the crucial role of the comprehensive understanding of the factors and their interactions with each other that influence customers in accepting and using E-banking services. Customer acceptance E-banking services is mainly determined by their preferable perception, while choice is strongly influenced by the convenience of transaction. The basic purpose of this research paper is to identify the influences of various factors of E-bank services on the purchasing behavior of customers. The research has been undertaken with an objective to understand the customer purchasing behavior regarding E-bank services. This paper examine the key consumer behavior attribute and relation among them in E-banking perspective. Attempt has been made to study the acceptance rate of E-banking among the Nagpur customers and its impact on their purchase behavior. This research the researcher want to highlight the E Banking services.

Key Words: E-Banking, Purchase, Behavior, digital economy

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a) **Introduction**

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Customers access E-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM). The approach to adopting online banking however is often to merely stay abreast of industry and technology and online banking is becoming a separate business unit driven by technological possibilities.

Traditional banks offer many services to their customers, including accepting customer money deposits, providing various banking services to customers, and making loans to individuals and companies. Compared with traditional channels of offering banking services through physical branches, e-banking uses the Internet to deliver traditional banking services to their customers, such as opening accounts, transferring funds, and electronic bill payment.

E-banking can be offered in two main ways. First, an existing bank with physical offices can also establish an online site and offer e-banking services to its customers in addition to the regular channel. For example, Citibank is a leader in e-banking, offering walk-in, face-to-face banking at its branches throughout many parts of the world as well as e-banking services through the World Wide Web. Citibank customers can access their bank accounts through the Internet, and in addition to the core E-banking services such as account balance inquiry, funds transfer, and electronic bill payment, Citibank also provides premium services including financial calculators, online stock quotes, brokerage services, and insurance

Banking from banks like Citibank complements those banks' physical presence. Generally, E-banking is provided without extra cost to customers. Customers are attracted by the convenience of E-banking through the Internet, and in turn, banks can operate more efficiently when customers perform transactions by themselves rather than going to a branch and dealing with a branch representative. In addition to traditional banks that have both a physical and online presence, there are several e-banks that exist only on the Internet, allowing users to work with a "virtual" bank. E-Bank is such an Internet-only bank. Without physical branches, E-Bank can cut operating costs and can potentially offer higher deposit rates to its customers and waive many fees normally charged by a bank with a large network of physical branches. The challenge for Internet-only banks is to provide quality customer

services without physical offices. One way in which Net Bank is dealing with this issue is via

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an agreement with the MAC ATM Network (automated teller machine network), Net Bank customers can deposit and withdraw funds from their Net Bank accounts through these ATMs, and in addition, customers can also deposit and receive funds through wire transfer.

#### b) Definition

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels.

#### c) Review Of Literature

A review of the literature indicated that past studies dealt with the Internet banking issue from many angles. The majority of past studies focused on exploring factors that affect the adoption or intention to accept Internet banking services. For example, convenience of Internet banking transactions, Internet experience (Awamleh, 2005), Bank's web design and transaction speed (Yoon, 2010), switch cost, offline loyalty and offline trust (Lee, Tsai and Lanting, 2011). Internet banking is also called Online banking, e-payment and e-banking (Ozuru et al, 2010; Singhal and Padhmanbhan, 2008; Beer, 2006; Jun and Cai, 2001; IAMAI, 2006).

E-payment is described as a means whereby banking businesses are transacted through automated processes and electronic devices such as personal computers, telephones, and fax machines, Internet card payments and other electronic channels (Turban et al, 2006; Ozuru et al, 2010). The electronic communications used in Internet banking includes: Internet, e-mail, e-books, data base and mobile phones (Chaffey et al, 2006). Cell phone banking apart from Internet banking is considered the way of the future (Fisher – French, 2007; Masocha et al, 2011).

#### d) Objective of study

- 1) To know the parameters of E-banking services.
- 2) To study the effect of E-banking services on purchase decision of Nagpur city customers.
- 3) To find out problems of E-bank services and suggest a suitable solution for it.

#### e) Hypothesis:

##### Null Hypothesis:

H0: E-Banking Services are inconvenient to the Nagpur City Customers

##### Alternate Hypothesis:

H1: E-Banking Services are more convenient to the Nagpur City Customers

**f) Research Methodology:**

The research design for this study is descriptive. Various E-bankcustomers have been interviewed for the research survey using a structured questionnaire.

**1. Research Instruments:**

The research instrument used was a questionnaire, it comprised of both open ended and close ended question. Personal interview was conducted among the target respondents using the questionnaire, Journals, Books and internet.

**2. Universe of study:**

- Various E-bank customers, Nagpur
- Sampling Design and sample size:

Sampling Technique used for the study was simple random sampling and the sample size was 150 different E-bank customers of Nagpur city

**3. Tools Used for the study:**

Percentage analysis method: Simple percentage method analysis refers to a special kind of ratio with the help of absolute figures. It will be difficult to interpret any meaning from the collected data but when percentage are found out then it becomes easy to find relative difference between two or more attributes

- $\text{Percentage} = \frac{\text{Number of Respondents}}{\text{Total Number of respondents}} \times 100$

**g) Limitations of the study:**

- a) Chances of the respondent's bias are involved in this research
- b) This research limited only for Nagpur city.

**h) Parameters of E-banking**

E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM) The approach to adopting online banking however is often to merely stay abreast of industry and technology and online banking is becoming a separate business unit driven by technological possibilities.

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The user often has minimal place in such an approach as evidenced by non-human centric experiences that flourish. However, the cultural and organizational shift needed by Indian banks to draw old customers into this new banking channel as well as to draw new customers requires a user centric focus. But how much have banks paid attention to the user? How is the overall experience and how do customers perceive their bank as they struggle unaided in the comfort of their homes? How cognizant are banks that customers silently leave after getting frustrated? Do they measure how much revenue they are losing because of a technology focused approach to online banking? How do Indian consumers behave in this dichotomy between technology barrier and convenience?), kiosk, or Touch Tone telephone. While the risks and controls are similar for the various E-banking access channels.

### i) Parameters of customer satisfaction through E-banking

Like other new technologies, E- banking faces with the challenges of customer adoption. Since the success of this service is dependent on its adoption rate, therefore, there is a need for a better understanding of the factors that lead to customer intention to use Internet banking. There is also the need to identify the factors that encourage customers to use Internet banking services, at the same time, identify the factors that impedes the adoption of Internet banking. Many people refuse to accept new technology, although they are aware that by not using information technology innovation such as Internet banking, they can lose a lot of benefits in their personal life

All these models/theories assume that individuals are rational. Thus, individuals always decide to adopt a new technology based on accurate information about the outcome. If the performance of a particular behavior will achieve individual's goal, they will perform this behavior. On the contrary, if the performance of a particular behavior does not achieve individual's goal, the individual will refrain from the performance of such behavior because it does not lead to specific advantages.

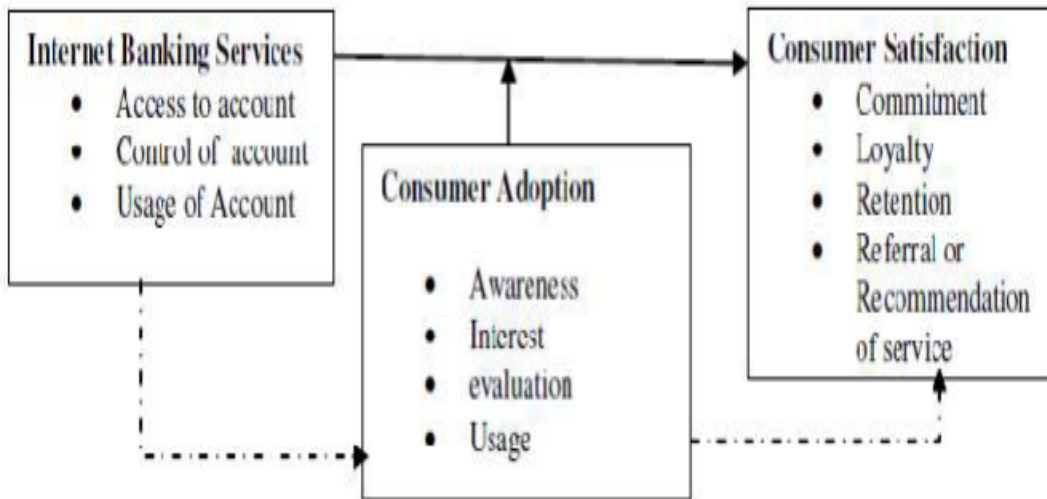


Fig: Parameters of customer satisfaction through E-banking

j) Data Analysis:

S.N.	Parameters	Factors	Frequency	Percent
1	Age of the respondents (in Years)	20-30 Years	63	42.00%
		31-50 Years	75	50.00%
		50& above Years	12	8.00%
		Total	150	100.00%
2	Sex	Male	112	75.00%
		Female	38	25.00%
		Total	150	100.00%
3	Education	Hssc	32	21.00%
		Graduate	65	43.00%
		Post graduate	53	36.00%
		Total	150	100.00%
4	Occupation	Business	80	54.00%
		Service	70	46.00%
		Total	150	100.00%
5		Less than 2 Lakh	36	24.00%
		2-3 Lakh	46	31.00%

## An Impact Of E-Bank Services On Purchasing Behavior Of Nagpur Customer's

	Family income	3-5 Lakh	39	26.00%
		5-10 Lakh	18	12.00%
		Above 10 Lakh	11	7.00%
		Total	150	100.00%

Correlations			
		Overall satisfaction about E Banking Service	Convenience of E Banking
Overall satisfaction about E Banking Service	Pearson Correlation	1	.144
	Sig. (2-tailed)		.039
	N	150	150
Convenience of E Banking	Pearson Correlation	.144	1
	Sig. (2-tailed)	.039	
	N	150	150

### Interpretation:

From the above Pearson's Correlation Table analysis the Sign value = 0.039 < 0.05, Hence, the null hypothesis H<sub>0</sub> is rejected at 5% level of significance and hence the alternate hypothesis is accepted. The alternate hypothesis is, E-Banking Services are more convenient to the Nagpur City Customers

### K) Findings:

- 1) Nagpur City Customers have self-efficiency and technological support with services of E-banking
- 2) Many Peoples are aware about E-banking services due to government support
- 3) Educated and Uneducated people are attracting towards E-banking due to convenience

### L) Suggestion

- Customer service can be better to improve the quality that customer's used to.
- Not all online transactions are immediate. So bank should try to adopt new system for fast online transactions



- According to research finding there is effective relationship between E-banking and bank customer
- Using E-bank is a mandate for the banks to be able to stay alive among intensive banks competition. So the experts and scholars in banking field have to be more kind to this aspect.

## Conclusions

The banking industry has been a leader in the E-business world in recent years. The E-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. In Nagpur also, it has strongly impacted the strategic business considerations for banks by significantly cutting down costs of delivery and transactions. It must be noted, however, that while E-banking provides many benefits to customers and banks, it also aggravates traditional banking risks. One of the benefits that banks experience when using E-banking is increased customer satisfaction. This due to that customers may access their accounts whenever, from anywhere, and they get involved more, this creating relationships with banks. Banks should provide their customers with convenience, meaning offering service through several distribution channels (ATM, Internet, physical branches) and have more functions available online. Other benefits are expanded product offerings and extended geographic reach. With all these benefits banks can obtain success on the financial market. But E-banking is a difficult business and banks face a lot of challenges.

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HRM Role in Enhancing the Labour Performance and Industrial Relation

Prof. Rita Bhautmage (Bhaisare)<sup>1</sup>

Abstract

There has been growing interest in the degree to which human resource systems contribute to organizational effectiveness, yet limited research attention has been paid to the contextual conditions that moderate the efficacy of these practices. Findings indicate that the impact of these human resources systems on productivity is influenced by industry capital intensity, growth, and differentiation. The paper is structured as follows: after a brief discussion of recent developments and themes in the strategic human resource management (SHRM) literature, we provide arguments highlighting the importance of industry relative to HR systems. Following this, we draw on the organization theory, industrial organization economics, and strategic management and SHRM literatures to argue that HPWPs (High Performance Working Practices) may be more valuable in the context of particular industry conditions. We then present and discuss results of an empirical test of these arguments: the study of Human Resource Management and Labour Relations, Labour relation specialist, Relation between Employee and Employers, Industrial relation in an organization.

An organisation cannot build a good team of working professionals without good Human Resources. The human resource management function of an organisation manages the individual aspects of the employment relationship - from employee recruitment and selection to international employment relations, salaries and wages. At one level, HR practice draws on economics, psychology, sociology, anthropology, political studies, and strategic and systems thinking

Keywords

HRM, Labour relations, Industrial relations

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### Introduction

Recent years have witnessed burgeoning interest in the degree to which human resource systems contribute to organizational effectiveness. Success in today's hyper-competitive markets depends less on advantages associated with economies of scale, technology, patents, and access to capital and more on innovation, speed, and adaptability. The latter sources of competitive advantage are largely derived from firms' human resources. Based on these and similar and others strongly advocate greater firm investments in high performance or high involvement human resource practices.

We believe these sentiments to be true in the main; however, we also believe that these investments may be relatively more beneficial in some contexts relative to others. More specifically, as emphasized in the strategic management and industrial organization literatures a firm's industry (or industries) is an important part of the milieu within which organizational policies and practices are framed and executed.

We believe this to also be the case for HR policies and practices. This remains largely speculative, however, because of a lack of empirical research on how industry conditions influence the efficacy of alternative HR practice configurations. This study seeks to fill this important void in the strategic HR literature by examining how IT industry characteristics moderate the value of human capital and, by extension, the importance and value of utilizing high performance work practices (HPWPs) in organizations.

### Human Resource Management and Labour Relations

Human Resource Management is the study of people at work and the activities associated with recruitment and selection, training and development, retention, and occupational health and safety. A key component is Organizational Behaviour, which examines things like leadership, motivation, employee attitudes, and productivity. Labour Relations is the study of how employers and employees work together to create a fair workplace.

### Labour Relations Specialists

When companies reach a certain size, the individual workload for an HR generalist can become overwhelming. If labour relations issues are common in a company's day-to-day operations or common in that company's particular industry, it might make sense to hire a

HRM Role in Enhancing the Labour Performance and Industrial Relation specialist in the field. Labour relations professionals are often human resources personnel with particular training and experience in the areas of unions or unionization. A specialist can provide in-depth knowledge on the topic of labour relations and also free up the HR generalist to focus on other issues.

#### Relation between Employee and Employers

Employee relations refers to the total relationship between an employer (and their representatives) and the employee (and their representatives) in regard to the establishment of conditions of employment. In the past, the term 'industrial relations' has been used to describe this relationship; however, this has largely been replaced by the broader term 'workplace relations'. Although the two areas are similar, industrial relations usually refers to the resolution of conflict between employers and employees, while employee relations is an approach that incorporates all the issues in the employer–employee relationship in the workplace, including recruitment, equal opportunity, training and development, and organisational structure.

#### Industrial relation in an organization

Industrial relations scholars have described three major theoretical perspectives or frameworks that contrast in their understanding and analysis of workplace relations. The three views are generally known as unitarism, pluralist and radical. Each offers a particular perception of workplace relations and will therefore interpret such events as workplace conflict, the role of unions and job regulation differently. The radical perspective is sometimes referred to as the "conflict model", although this is somewhat ambiguous, as pluralism also tends to see conflict as inherent in workplaces. Radical theories are strongly identified with Marxist theories, although they are not limited to these.

#### Pluralist perspective

In pluralism, the organization is perceived as being made up of powerful and divergent sub-groups, each with its own legitimate loyalties and with their own set of objectives and leaders. In particular, the two predominant sub-groups in the pluralist perspective are the management and trade unions.

Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees, conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing and, if managed, could in fact be channelled towards evolution and positive change.

### Unitarist perspective

In unitarism, the organization is perceived as an integrated and harmonious whole with the ideal of "one happy family" in which management and other members of the staff all share a common purpose by emphasizing mutual co-operation. Furthermore, unitarism has a paternalistic approach: it demands loyalty of all employees and is managerial in its emphasis and application.

Consequently, trade unions are deemed as unnecessary since the loyalty between employees and organizations are considered mutually exclusive, and there cannot be two sides of industry. Conflict is perceived destructive and the result of poor management.

### Marxist/Radical perspective

This view of industrial relations looks at the nature of the capitalist society, where there is a fundamental division of interest between capital and labour, and sees workplace relations against this background. This perspective sees inequalities of power and economic wealth as having their roots in the nature of the capitalist economic system. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital. Whilst there may be periods of acquiescence, the Marxist view would be that institutions of joint regulation would enhance rather than limit management's position as they presume the continuation of capitalism rather than challenge it.

### Theoretical Perspectives

#### HRM in Context

Along with Prefer (1994, 1998), a number of authors have argued that recent systemic changes in firms' labour and product/service markets have elevated the importance of human resource issues and practices. Against this backdrop, researchers and practitioners have been exhorted to adopt a more strategic perspective on human resource management. Wright and McMahan define strategic human resource management as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals." Researchers in the HR field have traditionally concentrated on technical innovations in practices, focusing on the effects of selection, training, appraisal and rewards on individual-level outcomes of job satisfaction or performance. Further, these sub-discipline innovations have occurred in relative isolation from one another. SHRM addresses issues at a more

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'macro' level. It is concerned with how organizational characteristics shape HR practices and priorities and how these HR practices contribute to the bottom line.

Reflecting this orientation, recent HR research has taken more of a macro or systems view, examining the impact of 'bundles' of HR practices on organizational outcomes. More recently, research attention has focused on high performance work practices (HPWPs), a term used to denote a system or bundle of management and HR practices designed to elicit employee commitment and involvement such that employees become a source of sustainable competitive advantage. Three preconditions necessary for creating successful employee involvement. First, employees must be given the opportunity and responsibility for organizational change and improvement. Second, employees must be motivated to avail themselves of this opportunity and responsibility. Third, employees must have the knowledge and skills enabling them to contribute to workplace improvement. HPWPs represent a system of mutually reinforcing, overlapping and synergistic HR practices which help to establish these preconditions and employee involvement. Based on conceptual/prescriptive and empirical work, HPWPs would include practices such as rigorous selection procedures, internal merit-based promotions, grievance procedures, and cross-functional teams, high levels of training, information sharing, participatory mechanisms, group-based rewards and skill-based pay.

Recent strategic HR literature has also discussed the importance of achieving a fit between a firm's set of HR practices and contextual features, most notably organizational strategy. The underlying premise is that organizational effectiveness is augmented to the extent that there is an appropriate fit between a firm's approach to its HR systems and its approach to its competitive markets. However, research to date has not fully considered other important contextual conditions which may moderate the efficacy of alternative HR practice configurations. For example, while the strategic management literature emphasizes the role of industry as a critical contextual variable, the role that industry conditions play in defining the value-adding potential of human resource practices has remained unexplored.

### Research Objectives

- To study the reasons, why the industries are fundamentally related to the HRM and labour.
- HRM system play the important role in industry.
- HRM's policies and strategic make a productivity and efficiency.
- To study the institutional factors when choosing the HRM systems and work organization
- To safeguard the interest of labour and management by securing the highest level of mutual understanding.
- To avoid industrial conflict and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress.
- To eliminate or minimize the number of strikes, lockouts by providing reasonable wages, improved living and working conditions
- To study the implications of HRM systems on firm as well as examining some of the known challenges of Industry.
- To study tangible benefits to investing in human resources in a context in which labour is typically considered so cheap and disposable.
- To study the performance Industryof in the context of global market.
- To study challenges from deciding what is appropriate and required to see a performance effect in an industry, to measuring some of its intangible benefits.

### Research Hypothesis

H1: High performance work practices (HRM policies will be positively associated with firm productivity).

H2: Industry capital intensity will moderate the relationship HRM and firm productivity with the relationship being stronger in industries having labour relations

H3: Advanced HRM systems deliver higher production efficiencies.

H4: HRM and work organization influence performance in a tangible and meaningful way, but the effect is moderated by contextual factors.

### Research Hypotheses

Our principal argument is fairly straightforward: since industries and competitive markets

Vary widely in the extent to which they can be characterized by the changes (e.g., dynamic,



Hyper-competitive, etc.) Noted by authors (e.g., Becker et al., 2001; Prefer, 1994; 1998), the Relative need for HR systems which facilitate an employee-based capability for "innovation, Speed, adaptability and low costs" (Becker et al. 1997) will also vary. This is an important point since the extensive use of HPWPs represents an investment of organizational resources. Basic Microeconomics suggests that investments in human capital (employees) are justified to the extent that such investments yield future marginal returns (in the form of increased productivity and economic value) in excess of the marginal cost of such investments. This perspective is consistent with Lepak and Snell's (1999) argument that the appropriateness of different HR configurations (i.e., systems) depends on the value and uniqueness of a firm's human capital, with high performance HR configurations being most appropriate when employees are both very unique and very valuable. Based on their general arguments, more intensive use of HPWPs is justified as a firm's human capital increases in uniqueness and value; fewer investments in HPWPs are warranted when these human capital factors diminish.

As we specify below, industry characteristics affect the value-adding potential of firms' human capital and, by extension, the use of HPWPs. Thus, industry conditions should moderate the effect of HPWPs on firm outcomes. In assessing the influence of HR systems on such outcomes, there are a number of performance measures which might apply, including human resource outcomes (e.g., turnover, absenteeism), organizational outcomes (e.g., productivity) and financial outcomes (e.g., profits, market value) (Dyer & Reeves, 1995). In this paper we specifically focus on productivity as a measure of organizational effectiveness. We adopt this focus for a number of reasons. First, productivity is a crucial

Organizational outcome. At a general level, labour productivity is defined as "total output divided by labour inputs" (Samuelson & Nordhaus, 1989). It indicates the extent to which a firm's human capital is efficiently creating output. While labour productivity may not be the sine qua non for long-term organizational success, it is often a necessary, if not a sufficient, condition. Second, while human resource outcomes such as turnover may ultimately impact firm performance (e.g. Guthrie, 2001), many managers may not view HR outcomes such as turnover to be of great strategic importance (Dyer & Reeves, 1995). Third, because connections between human capital and productivity -- especially labour productivity -- are relatively direct, the face validity for this outcome is also relatively high (Dyer & Reeves, 1995). Fourth, in part because of the a fore mentioned reasons, productivity has been used as a measure of organizational effectiveness in a fairly large body of work in the SHRM literature (e.g., Arthur, 1994; Guthrie, 2001; Ichniowski, Shaw & Prennushi, 1997; Koch & McGrath, 1996; MacDuffie, 1995).

**Industry Capital Intensity.** Capital intensity, an indicator of industry entry barriers, has important implications for industry competitors. Firms in capital-intensive industries are generally committed to a course of action; capital intensity often creates rigidity such that new products or markets cannot be accommodated as fixed costs are high and deviations tend to be expensive (Ghemawat, 1991; Hambrick & Lei, 1985). Firms in these industries tend to focus on leveraging their investments, resulting in a greater concern for cost and efficiency considerations (Hambrick & Schecter, 1983). This results in a reduced range of discretionary options, and increases the reliance upon organizational sub-systems promoting cost-reduction and rationalization (as opposed to innovation and creativity). Further, relative to more capital-intensive industries, human capital in more labour-intensive industries are more central to organizational success.

That is, intangible (human) assets are likely to be more valuable relative to tangible (physical) assets. Moreover, as capital intensity increases, employee discretion will likely be more constrained by the greater levels of automation and task structure found in these industries (Terpstra & Rozell, 1993), creating a “stronger” situation for employees. Thus, firms competing in industries with lower levels of capital intensity should receive a larger “payoff” when utilizing commitment-enhancing HR systems (i.e., HPWPs) relative to control-oriented HR systems.

**Industry Growth.** Arguments can also be made in the context of industry market Growth, an industry characteristic featured prominently in the organizational theory and strategic management literature (e.g., Anderson & Zeithaml, 1984). Demand growth has been associated with greater market opportunity and competitive variation, providing managers and employees with more discretionary opportunities. High growth industries are typically associated with significant market opportunities and competitive variation. They are characterized by decision making in the entrepreneurial mode, with greater opportunities for industry initiatives and decision-making freedom. Hambrick and Finkelstein (1987) suggest that industry growth results.

**Industry Product Differentiation.** Industries also differ in terms of “differentiation”. Product differentiability forms an important basis for industry competition. In relatively undifferentiated industries, firms tend to have relatively similar, commodity-like products and attend primarily to cost and efficiency considerations (Porter, 1980). In relatively

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differentiated industries, competition turns on having products that stand out from competitors on the basis of product features, quality, design, etc. In highly differentiated industries there are typically more avenues for competition and a wider range of feasible competitive actions exist, with means-end linkages being relatively poorly understood. The multitude of ways in which firms can choose to create and maintain competitive advantage leads to firms more often breaking from past practices and norms (Porter, 1980; Sutton, 1991). Thus, on average, firms shift production and organizational processes more frequently to meet changing market and customer preferences.

The increased uncertainty leads to less standardization, creating a work situation that is “Weaker”. These contexts likely magnify the value of utilizing high performance practices such as broadly defined tasks, decentralized decision-making, greater use of teams, cross-utilization, more training, etc. Jobs are more complex and varied, requiring more capable individuals possessing the skills and potential to succeed in more challenging circumstances. In contrast, a control-oriented approach to management, which tends to emphasize narrow, well-defined jobs, centralized decision-making, lower skill demands, little training and less interdependence would be more appropriate in an environment/industry where the basis for competition and, in turn, organizational sub-systems are more stable and predictable.

### Study Hypotheses

Based on the above arguments, we test a number of hypotheses. Our first hypothesis builds on previous work and suggests a direct relationship between high performance work practices and firm productivity.

Hypothesis 1: High performance work practices will be positively associated with firm productivity.

Our next set of hypotheses propose that industry conditions moderate this relationship.

Hypothesis 2(a): Industry capital intensity will moderate the relationship between high performance work practices and firm productivity with the relationship being stronger in industries having lower levels of capital intensity.

Hypothesis 2(b): Industry growth will moderate the relationship between high performance work practices and firm productivity with the relationship being stronger in high growth industries.

Hypothesis 2(c): Industry product differentiation will moderate the relationship between high performance work practices and firm productivity with the relationship being stronger in industries having higher levels of product differentiation.

#### Discussion and Conclusions

This analysis supports arguments and previous findings suggesting that firm Competitiveness can be enhanced by utilizing high- performance work practices;

The primary contribution of this study, however, is to illustrate the potential for contextual conditions to moderate the relationship between HR systems. Two primary perspectives, a universal approach and contingency approach, have been used to model the link between HRM and firm effectiveness. The universal approach posits a direct relationship between "best practice" HRM and firm performance. In contrast, the contingency approach proposes that the effect of HRM on firm performance will depend on a firm's context or environmental exigencies

Our results support the contingency perspective in that the characteristics of a firm's industry were shown to affect the impact of a system of high performance HR practices on firm productivity.

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## Education Related To Gifted In India

Nirupama Pathak<sup>1</sup>**Abstract:**

Exceptional or gifted children may consist of a huge diversified group of children quite different, specific and special the rest of population of the children in a quite multiple way. There are schemes, programs and functioning of the MHRD carried out at central level through its organizations to encouraging and helping the gifted children.

India is a developing country. We need highly intelligent and creative population for all round developing of our country children when properly educated make a rich labor. If a single gifted child ignored we will lose a gifted adult. Education system in India is both conservative and creative. The national system of education is the only instrument that can reach all the people. It is not, however, the magic wand to wave wishes into existence. It is difficult instrument whose effective use requires strength of will, dedicated work and sacrifice. However, it is sure and tried instrument, which has served other countries well in their struggle for development. It can, if given; the will and skill do so in India.

Gifted and talented are two of the more widely used terms to designate individuals who have indicated potential for some outstanding achievement unusual achievement in area of human endeavors. Other terms include "Bright" "Able", "Exceptional", and "Superior", "Rapid learner" "Accelerated and genius. According to Renzulli (1986) gifted behavior occurs in certain people, at certain times, under certain circumstances. Psychologists believed that giftedness (in any domain) is entirely a product of what is referred to as goal-directed hard work or "deliberate practice" (Ericsson Krampe, & Tesch-Romer 1993; Ericsson & Lehman 1996; Howe, Davidson & Sloboda 1998; Howe, Davidson, Moore, & Sloboda, 1995; Sloboda; Davidson & Howe 1994. The concept of giftedness is still debated among researchers in the field of gifted education. While there is no universal definition of giftedness, there are several definitions proposed by

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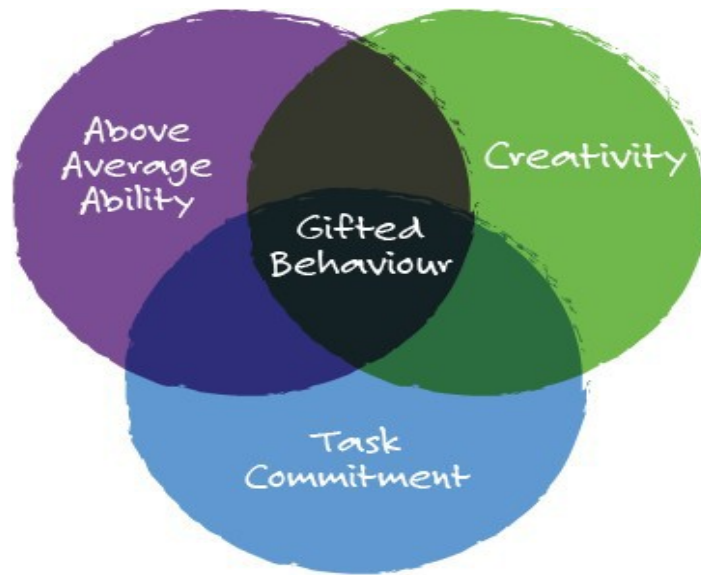
Francoys Gagne, Joseph Sternberg, and Howard Gardner. One of the most popular models of giftedness is Renzulli's Three-Ring Model, which includes:

- a) Well-above average ability: Ability (intelligence) needs to be above average, but, need not be exceptional. Ability is conceptualised in terms of standard deviations in IQ scores.
- b) Creativity: is the ability to associate unlike ideas, think analytically and divergently and propose unusual solutions that are appropriate. Creativity is crucial to achievement in any field: achievement means beyond memorization to using the acquired knowledge to develop a new product or idea.
- c) Task Commitment: is the ability to work hard to acquire knowledge and skills in a particular domain of interest. Renzulli mentions perseverance, resilience, passion with the topic, vision, and sensitivity to human concerns as some behavioral and psychological correlates of task commitment.

While there is no one definition of giftedness, researchers agree on common characteristics of gifted children:

1. Rapid learner
2. Interest in novel, complex, and challenging problems
3. High language ability and advanced vocabulary; an avid reader
4. High energy: may be restless; may be bored by routine tasks
5. Curiosity: asks unusual questions ( 'Why' and 'What If') and performs independent explorations
6. Metacognitive skills/ associative thinking: identifies connections between ideas from different areas; e.g. when learning a concept in class, associates it with a phenomenon she/he has observed in real-life
7. Creativity: generates new formulae to solve math, offer unusual responses to a question
8. Persistence and motivation to excel in area of interest. (Marks/ competition, , may not motivate gifted children.)
9. Ability to grasp advanced concepts
10. Hypothetical thinking, philosophical, and ethical concerns.

A gifted child may show only some of these characteristics. The National Association For Gifted Children (NAGC, U.S.) recognises giftedness in broad areas: academic, general or specific intellectual ability, creativity, leadership, visual/performing arts or music, and psychomotor abilities.



In our current system, emphasis is given on achievement whereas traits like intelligence and creativity are ignored. It is normally accepted notion that intelligence is correlate of achievement, but it is necessarily correlated to creativity or is creativity is correlated to achievement. A balance growth of society needs excellence in all such traits. At present there are considerable funds being expanded on the education of these students through special initiatives. However, there appears to be limited research based literature on mathematically gifted students in readily accessible mathematics education research literature or to guide classroom teachers and teacher educators.

Ministry of human resources development, Government of India, is very much associated with adjustment and education of disabled children through a number of centrally sponsored schemes and provisions.

India has progressed a lot in the field of education and professionals from various fields from our Institutions are doing very well all around the world. There are three major bodies in the educational

Planning committee:

1. National Council of Educational Research and Training (NCERT), Delhi.



2. National Institute of Educational Planning And Administration (NIEPA).
3. University Grants Commission (UGC).

To nurture talents of students in our country :

1. Government of India has launched a scheme called "Navodaya Vidyalaya Scheme" to identify gifted children and give them quality education.
2. National Talent Search Scheme.
3. National Level Examinations conducted by the NCERT, for Mental Ability Test and Scholastic Aptitude Test at state level. (MAT / SAT)

The schemes, programs and functioning of the Ministry of Human Resources Development is carried out at central level through its well established organizational infrastructure & autonomous organizations like NCERT, K.V.S, N.V.S, National Institute of Open School etc.( all associated with school education & literacy) U.G.C., network of regular & open universities, institute of Higher Education including Professional& Technical education etc.

NCERT; National Council of Teacher Education Research & Training is an apex resource organization set up by Government of India. NCERT has a due provision encouraging and helping the gifted children by providing scholarship under the National Talent Schemes (General) & National Talent Programme Scheme (for school dropout). It has also a separate department in the name of Department of Special Education for looking after the educational & adjustment needs of special children.

Navodaya Vidyalaya Samiti; NVS is an autonomous organization functioning under the administrative and financial control of the Ministry of Human Resources Department, Government of India with its head quarters at New Delhi. It was set up to establish and manage co-educational, residential schools. The major objectives of these vidyalayas are to promote and develop talented, bright and gifted children predominantly from rural areas, irrespective of their socio-economic status, who may otherwise be denied good education opportunities.

Jagadis Bose National Science Talent Search (JBNSTS) Kolkata, an autonomous registered institution, established in 1958 is a pioneering institute for identifying and nurturing talented students of India, many of whom are leaders in their fields. Dr Margaret E Patterson of Science Service, Washington, and Consultant, The Ford Foundation, helped set it up. The broad

objectives of JBNSTS are to identify talented students of basic & applied sciences and nurture them through enrichment programs. JBNSTS since 1958 has fulfilled its mission to motivate, identify and nurture talented science students of India, especially West Bengal and the 8 north-eastern States. It has been a fore-runner in the Science Talent Movement in India. Although In India, there are various agencies/departments working in talent search programs in different subjects, there is a need for collaborative and sustained research based practices. With this in mind, an Indo-US Round table discussion on Identification of Giftedness with special focus on science and mathematics was organized by [Prof. Krishna Maitra](#) (University of Delhi), [Dr. Jyoti Sharma](#) (University of Delhi) and [Prof. J.S. Renzulli](#) (University of Connecticut).

National Institute of Open Schooling (NIOS) ; National Institute of Open Schooling formerly known as National Open School was established in November 1989 , as an autonomous organization in pursuance of National Policy on education.,1986 by the Ministry of Human Resources Development, Government of India. Ten states of Gujarat, Madhya Pradesh, Haryana, Himachal Pradesh, Maharashtra, Orissa and Himachal Pradesh have up scaled the inclusive education programme to all the blocks. 6 months certificate course for parents and care providers of children with disabilities like gifted. It has prepared a broad annual schedule of topics and programme to be delivered in video conference o Gyan Darshan T.V. channel and Gyan Vani, F.M.Radio channel for the benefit of the education, rehabilitation and teacher training related to the children with disabilities. U.G.C. with its network of universities and professional bodies encouraging research on the individual and institutional levels in the field of special education for providing needed assistance in the education and adjustment of the children with special needs.

### Conclusion:

In the absence of a national programme of gifted education, India loses an opportunity to tap the talent of these young minds that can contribute to the growth and development of the nation. The country has recognized this and has initiated a national programme in 2010 to develop tools for identification of the gifted children in Science and Mathematics ( 3-15 years). The programme was initiated by the Office of the Principal Scientific Advisor to Government of India: NIAS anchors the programme with two other collaborators- Delhi University and Agastya Foundation. Multiple tools using quantitative and qualitative methods are developed and have been validated. While the research groups work on further validation of the identification

methods, efforts are made for mentoring the gifted children. The task is enormous and more groups need to join this national effort. There are local efforts promoted by Jagdish Bose National Talent Search, Kolkata; Jyana Probhodini in Pune; research in gifted education led by Prof. Krishna Maitra of Delhi University among many others. However there is a need to, expand to create more groups in other parts of the country such that there is a national movement of gifted education.

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## Food Security In India: Challenges &amp; Way Ahead

Prof. Rekha Bora<sup>1</sup>**ABSTRACT**

Sixty – nine years after Independence, and nearly Five decades after the launch of the Green Revolution, India is residence to one third of the world’s hungry people and ranks 75 in the Global Food Security Index 2016. According to the annual report by the Food and Agriculture Organization of the United Nations released on May 2015, India is home to 194.6 million undernourished people, the highest in the world. By this measure, a quarter of the undernourished population in the world resides in India. While India has seen impressive economic growth in recent years, the country still struggles with widespread poverty and hunger.

Food security is a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (Food and Agriculture Organization, FAO, 1996) . Food security is a paramount important and keyword in Food Policy of any country. The food policy in India began to evolve after the Bengal famine in 1943. The Food Policy in India took a significantly turn with the setting up of Food Corporation of India (FCI) in January 14, 1965.

“Ensuring Food Security of Nation” is a tag line of FCI. Food grain management system of Food Corporation of India holds a great responsibility towards the food security in India. 52 years of service of nation has been through by FCI but still it has a long way to go before it cracks food insecurity.

The aim of this research paper is to study food grain management in India & exploring the challenges in the path of food grains management and food security and then developing the solutions. The research methodology will include secondary research. The data collection is done by Literature review, national & International publications and manuals.

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The study is useful to find out the causes of food insecurity in India and developing the solutions which will help to improve the food security and ensure the good nutrition of nation.

Key Words: Foodgrains, Food security, Food Corporation of India, FCI, Management

1. Introduction: Food security implies having physical & economic access to food that is adequate in terms of quantity, quality and safety. Poverty has been stressed to be the root cause of malnutrition leading to poor food security. "Community food security exists when all citizens obtain a safe, personally acceptable, nutritious diet through a sustainable food system that maximizes healthy choices, community self reliance and equal access for everyone." - Public Health Association of British Columbia (PHABC).

Economy of India is classified in three sectors – Agriculture, Industry and Service. India is 2nd largest producer of agriculture product. India accounts for 7.68 percent of total global agricultural output. GDP of Industry sector is \$495.62 billion and world rank is 12. In Services sector, India world rank is 11 and GDP is \$1185.79 billion. Contribution of Agriculture sector in Indian economy is much higher than world's average (6.1%). India food grain production has more than doubled over the decades, but still India is home to one third of the world's hungry people. It clearly suggests that something is still not going in a right direction or we are lacking somewhere. India ranks 75th in the Global Food Security Index Performance of countries based on their 2016 food security score (Table 1.1: Global Food Security Index -2016).

"What can we eat if not GDP?" According to the Global Hunger Index 2014, India ranks 55 out of the world's 120 hungriest countries even behind some of its smaller South Asian counterparts like Nepal (rank 44) and Sri Lanka (39). Despite its self-sufficiency in food availability, and being one of the world's largest grain producers, about 25% of Indians go to bed without food. Describing malnutrition as India's silent emergency, a World Bank report says that the rate of malnutrition cases among Indian children is almost five times more than in China, and twice that in Sub-Saharan Africa. So what are the reasons for India not being able to rise to the challenge of feeding its poor with its own plentiful resources?

2. Food Policy of Government of India: The food policy in India began to evolve after the Bengal famine in 1943. India had been importing rice from Burma which ceased with the outbreak of the 2<sup>nd</sup> world war and fall of Burma in April 1942. There was a drastic famine in Bengal in October 1942. This created an adverse impact on the overall food grain supplies in the



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country. Thus the need was felt for a central body that can control over the food grains. In order to tackle this problem, The Department of Food under the Agriculture Ministry was created in December, 1942. The main objectives of the Department of Food were:

- a. Control over the prices of food grains.
- b. Supply and distribution of food grains.
- c. Procurement & purchase to meet the internal requirements including the army demands

Since then the food grains policy has undergone tremendous changes in regard to procurement, movement, distribution, price policies, price support & stabilization and price control. In 1943 foodgrains policy committee was setup, and based on their recommendations elaborate system of food control & rationing was introduced. In September 1947, The Government of India appointed the second foodgrains policy. The committee made the recommendation to increase in internal production and building a reserve stock of foodgrains.

In pursuance with the recommendation, the rationing was curtailed to reduce imports. After the 1950 foodgrains procurement committee, in order to maintain or increase supply of any essential commodity or for secure their equitable distribution and availability at fair prices and regulate all these, the Essential Commodities Act , 1955 was enacted. The food policy in India took a significant turn with the setting up of Food Corporation of India in 1965 as an autonomous body in Public Sector in order to secure a commanding position in foodgrains trade and act as the main instrument of the national policy for price support operations, procurement, storage, and inter-state movement and distribution operations. The main objective and principles of the corporations are:

- Effective price support operations for safeguarding the interests of the farmers.
- Distribution of foodgrains throughout the country for public distribution system.
- Maintaining satisfactory level of operational and buffer stocks of foodgrains to ensure National Food Security

Ensuring Food Security for citizens of the country is the vision of Food Corporation of India and mission is:

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- Efficient procurement at Minimum Support Price (MSP), storage and distribution of food grains.
- Ensuring availability of food grains and sugar through appropriate policy instrument; including maintenance of buffer stocks of food grains.
- Making food grains accessible at reasonable prices, especially to the weak errand vulnerable sections of the society under PDS.

The turning point of for the Indian agriculture came with the Green Revolution in 1960, which brought about a tremendous growth in the foodgrains production. Since then the country has moved from being an importer of foodgrains to exporter of rice & wheat and so many other agriculture commodities.

3. Food Grain Management in India: The main elements of the Government's food management policy are procurement, storage and movement of foodgrains, public distribution and maintenance of buffer stocks. Food Corporation of India holds a major responsibility of procuring, storing and distributing the foodgrains. Food Corporation of India is having a great responsibility towards the food security of India. Before the inception of FCI, in 1965 the food grain procured was 7.41 lakhs. Now the procurement has gone many folds. Table 1.2: Foodgrains Stock in Central Pool for 2015.

Food Corporation of India operates through 5 Zonal offices (ZO – North, ZO – East, ZO- North East, ZO – West, ZO – South) and 24 Area offices (AO) and several District Office (DO). Food corporation of India. The Food Corporation of India procures Rice and Wheat from farmers through many routes like purchase centers/Mill Levy/Custom Milling and stores them in depots. FCI maintains many types of depots like Food Storage Depots and Buffer Storage Complexes and Private Equity Godowns. The stocks are transported throughout India and issued to the State Government nominees at the rates declared by the Government of India for further distribution under the Public Distribution System (PDS) for the consumption of the ration card holders. (FCI itself does not directly distribute any stock under PDS, and its operations end at the exit of the stock from its depots). The difference between the purchase price and sale price, along with internal costs, are reimbursed by the Union Government in the form of food subsidy. FCI implements the decisions made by the Ministry of Consumer Affairs, Food and Public Distribution and Ministry of Agriculture.

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4. Food Security: Food security is the imperative prerequisite for the economic and social stability of any nation. Ensuring food security involves adequate food production, procurement, storage, distribution and above all capacity, in terms of purchasing power. It therefore entails three basic issues, viz., availability, stability and accessibility. Two identified possible routes for attaining food security are:

- a. Produce the food.
- b. Procure the food through food trade.

That means for food security either we have to produce our own food or purchasing power need to be increased to buy the food through trade. In broader term either there should be an increase in the food production & productivity or else opportunity for better income and employment generation should be made available.

Government role in food security includes promoting the domestic production to meet the demands of the growing population, to providing minimum support prices for procurement and storage of food grains and Operating a Public Distribution System, and maintaining buffer stocks to counteract any pushing up of prices of food grains during periods of shortages. Government has taken numerous steps to achieve the food security. Government notified the National Food Security Act (NFSA) in 2013. This Act provides for coverage of 75% of the rural population and 50% of the urban population for receipt of food grains at subsidized prices. The National Food Security Act, 2013 (NFSA 2013) converts into legal entitlements for existing food security programmes of the Government of India. It includes the Midday Meal Scheme, Integrated Child Development Services scheme and the Public Distribution System. Further, the NFSA 2013 recognizes maternity entitlements. The Midday Meal Scheme and the Integrated Child Development Services Scheme are universal in nature whereas the PDS is about two-thirds of the population (75% in rural areas and 50% in urban areas). Irrespective of all these initiatives India is far behind to achieve the food security. It clearly depicts still gaps are there, which need to be filled. From a net importer of food in 1950s, India has transformed itself in the production of food grains (mainly rice, wheat, coarse cereals and pulses) during the last few decades. From a mere 50 million tons (mt) of annual food grain production in 1950s, India in year (2015-16) has produced a 253 mt of food grains. Not only the production is increasing but the purchasing power is also increasing. If Both production and purchasing power is increasing year by year,

and then what is there which is creating a hindrance to attain the food security? One side the production & purchasing power has increased and other side the population is increased more rapidly, which is one of the major reasons of food insecurity in India. The issues pertaining to population explosion and food security was raised by T.R. Malthus for the first time in 1798. Malthus postulated that population tends to increase by a geometric ratio (1, 2, 4, 8, 16, 32, and 64) but food production grows by arithmetic ratio (1, 2, 3, 4, 5, 6). Although the idea was oversimplistic, it is not completely irrelevant.

Another reason of food insecurity is Food wastage. Food loss is defined as “the decrease in quantity or quality of food” and are the agricultural or fisheries products intended for human consumption that are ultimately not eaten by people or that have incurred a reduction in quality reflected in their nutritional value, economic value or food safety. India wastes Rs 44,000 cr worth food every year, which is almost 18% of total produce. Nearly 30 per cent of the country's fruits and vegetables perish due to lack of cold-storage facilities, while thousands of tons of food-grain rot in ill-equipped warehouses. Between 15 and 20 per cent of cooked food at weddings, parties or restaurants is wasted as well.

India produces around 250 million tonne of foodgrains in a year, but its annual consumption remains far lower at 220 million to 225 million tonne. The country has failed to take advantage of the higher production levels. Only 10 per cent of foods get cold storage facility in India, this factor, accompanied by inappropriate supply chain management, has resulted in India becoming a significant contributor towards food wastage both at pre and post harvest waste in cereals, pulses, fruits and vegetables.

Although the Government has taken steps to rein in food wastage, but given the depth of the problem, they are not up to the mark. The focus must be on food processing technologies that are both advanced and affordable. Additional to this lack of proper implementation of government schemes is also a reason behind food insecurity. Public distribution system (PDS) is an Indian food security system. Established by the Government of India under Ministry of Consumer Affairs, Food, and Public Distribution and are managed jointly by state governments in India, it distributes subsidized food and non-food items to India's poor. This scheme was launched in India on June 1997. Major commodities distributed include staple food grains, such as wheat, rice, sugar, and kerosene, through a network of fair price shops (also known as ration

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shops) established in several states across the country. Food Corporation of India, procures and maintains the PDS. Aaj Tak news channel on 14 October 2013 performed a sting operation on PDS named Operation Black. It shows how the distribution reaches to mills instead of fair price shops. It clearly indicates the diversion of foodgrains meant for public distribution system reaches to various flour mills. The purpose of the schemes gets fail.

The major reasons behind the food insecurity of India are:

Population growth rate

Food wastages (lack of infrastructure)

Poor Implementation of the government schemes

USA, Ireland, Singapore, Australia, Netherlands, and France are the high rankers in the food secure index. The reason of the high food security index is the food waste management through more advanced technology, infrastructure and low growth rate of population.

France has made it illegal for supermarkets to waste food, they need to give the leftover either to NGO's or send it to the farmers for composites. In France, retailers are fined if they throw away unsold food. Same way Italy offers incentives to businesses who donate food to charities, and launches new programs to reduce food waste in schools, hospitals, and other public institutions and also give tax breaks for giving away food, and removes the previous health and safety barriers that had businesses feeling weary about donating imperfect, or expired food.

Harvest and post-harvest losses of India's major agricultural produce is estimated at Rs 92,651 crore (\$13 billion), according to data published by the Ministry of Food Processing Industries on 9 August, 2016. USA invests a lot in technologies to reduce these kinds of losses. Technologies like cold storage near by the farms and markets are very common and well utilized in USA, which not only reduces the losses but maintains the quality as well.

5. Ways to Improve Food Security in India: Nearly 1/3rd of the Indian population suffer from hunger. Considering that we already produce enough food to feed, this should no longer be a problem. But there are a number of factors that get in the way, including rapid increase in population, wastage of food, poor implementation of food policies.

There are certain ways, which will help to improve food security:

- a. Coarse grains (Millets) should get due importance. The urban way of life cuts down the meaning of balanced diet by excluding the coarse grain combination in our daily meal plan. Even though it consists of valuable micro and macro nutrients. Table 1.3 - Nutritive value of coarse grains. Coarse grains are not only highly nutritive but also highly resistant to climate-induced stresses. More focus should be given to promote the coarse grains.
- b. Public Private Partnership (PPP Model) can play an important role in improving food security. “Improving food and nutrition security requires not only more effective and consistent policies and investments, but also the scaling up of inclusive multi-stakeholder partnerships. PPPs may help to end the black marketing of agricultural products, which will help in price stabilization.
- c. Reduce the use of cereals in animal feed and develop alternatives. Border crops can be proved as best alternative. For eg: Sesbania can be used for animal forage as well as for green manuring.
- d. Better logistics & infrastructure technologies (Cold storage) should be used, which will enhance shelf life of the perishable agriculture commodities.
- e. Rapid population growth is nullifying the effect of increase crop production. Awareness should be raise regarding the pressures of increasing population growth and consumption patterns on sustainable ecosystem functioning.
- f. Strict laws should be made against food wastages. Food waste is one of the most prominent reasons behind food insecurity. By diverting food wastes from disposal to composting, conversion, recycling or reuse, waste management cost can also be cut.
- g. Grant should be provided to the NGO’s to arrange the food diverting. It will not only help to reduce the food waste but also cut the cost of disposal. Simple mobile apps should be created for the use of the left out food in functions and marriages.
- h. Use of sustainable & diversified agriculture practices like agro forestry, sericulture, apiculture, pisciculture will help in better utilization of natural resources. It will help in enhancing the per capita production.
- i. More non perishable crops should be come under FCI working. In current situation only Wheat, rice & few pulses (2014-2015) procurement, is under FCI. For price stabilization of other crops also the procurement should be handled by the government agencies.

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- j. There should be proper implementation of the food policies & laws. The meant service should be reach to the beneficiary. Online provision should be made to track the food grain distribution.

Government frame policies, enacts laws, but it is WE, who play critical role in policies success. It is not only the government responsibility to feed the hungry, to improve the food security. Food and nutrition security is everyone's responsibility. At least at personnel level we can reduce the food waste. Food wastage represents a missed opportunity to improve food security and comes at a steep environmental price. Our small efforts may give the huge returns.

5. Conclusion: Above mentioned are the few simple techniques, which can unquestionably help to improve the food security in India. Globalization – who's key feature include international trade liberalization, the opening up of economies in both developed and developing countries and a free flow of capital, labor, information and technology- is a major emerging phenomenon in the area of food security. Over the past few decades, local, regional, and national food systems have increasingly become intertwined in an emerging global food network. This complex web of relations includes the production, harvest, processing, transport, and consumption of food. While this global food network provides new opportunities for improving health and well-being, it also gives rise to new sources of security threats and vulnerabilities. It is imperative that we identify the domestic policy changes required in developing & developed countries to minimize the negative effect and maximize the positive effects of globalization on poor people in developing countries. In a global zing world, new and different groups of people may be vulnerable to food insecurity, but at the same time new and different instruments and opportunities for facilitating food security may become available. The challenge is to proactively guide globalization so as to benefit poor, food insecure people. This therefore necessitates the urgency for well planned and concerted efforts to develop and sustain a reliable food security for country.

## TABLES

Performance of countries based on their 2016 food security score					
Global Ranking	Country	Overall score	Affordability	Availability	Quality & Safety
1st	United States	86.6	85.7	87.4	86.6
2nd	Ireland	84.3	82.4	85.4	85.8
3rd	Singapore	83.9	90.7	79.8	78.3
4th	Australia	82.6	83.5	80.5	86.4
4th	Netherlands	82.6	81.6	82.3	86.1
6th	France	82.5	79.7	82.7	88.7
6th	Germany	82.5	81.7	83.8	81.3
8th	Canada	81.9	81.2	81.6	84.4
8th	United Kingdom	81.9	81.5	82.6	81
10th	Sweden	81.3	81	80.1	85.4
11th	New Zealand	81.1	80.3	81.8	81.3
12th	Norway	81	77.7	82.5	85.1
13th	Switzerland	80.9	80.1	81.7	80.6
14th	Denmark	80	81.3	77.7	83.4
14th	Portugal	80	76.2	79.9	89.7
16th	Austria	79.3	81.9	75.6	82.8
17th	Finland	78.9	79.8	75.4	86
17th	Israel	78.9	77.5	77.7	85.5
19th	Spain	77.7	78.9	73.6	86.2
20th	Qatar	77.5	93.6	63.2	76.7
21st	Belgium	77.4	80.2	72.7	82.9
22nd	Italy	75.9	78.6	70.8	83.3
22nd	Japan	75.9	78.5	71.4	81.8
24th	Chile	74.4	76.5	73.5	71.6
25th	Czech Republic	73.9	77.5	70	75.9
26th	Oman	73.6	74.2	73.2	73
27th	Kuwait	73.5	82.8	64.9	73.7
28th	South Korea	73.3	72.1	71.2	82.2
29th	Poland	72.4	75.6	68.7	74.9



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30th	United Arab Emirates	71.8	85.7	60.3	68.6
31st	Greece	71.5	69.6	67.8	86.3
32nd	Saudi Arabia	71.1	76.5	67.4	68
33rd	Bahrain	70.1	78.9	65	61.9
34th	Hungary	69.3	75.6	61.8	73.8
35th	Malaysia	69	68.4	68.8	71.1
36th	Uruguay	68.4	69.3	68.6	65.6
37th	Argentina	68.3	69.2	65	75.1
37th	Costa Rica	68.3	65.8	70.2	69.5
39th	Mexico	68.1	66.5	67.5	73.9
40th	Slovakia	67.7	73.5	62.6	67.2
41st	Brazil	67.6	70	62.6	75.3
42nd	China	65.5	60.8	67.8	70.7
42nd	Romania	65.5	66.9	60.9	74.4
44th	Panama	64.4	62.9	67.8	58.7
45th	Turkey	63.6	59.8	64.8	69.9
46th	Belarus	63.1	64.3	59.1	70.8
47th	South Africa	62.9	58.6	68.1	59.7
48th	Russia	62.3	68.6	51.6	75.7
49th	Colombia	61	58	63.1	62.7
50th	Bulgaria	60.6	69.6	52.9	59.4
51st	Thailand	59.5	62	58.3	56.8
52nd	Serbia	59.4	63.5	55.4	59.9
53rd	Tunisia	57.9	56.7	57.4	62.2
54th	Botswana	57.8	53.3	64.6	50.1
55th	Peru	57.7	56.4	56.9	63.5
56th	Ecuador	57.5	58.5	56.9	56.6
57th	Azerbaijan	57.1	63.1	56.7	43
57th	Egypt	57.1	46.3	66.9	56.8
57th	Vietnam	57.1	56	60	52.1
60th	Jordan	56.9	57.3	58.4	52.1
60th	Venezuela	56.9	56.1	52.3	71.6
62nd	Morocco	55.5	52.2	58.3	56.4
63rd	Ukraine	55.2	57.2	49.6	65.1

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64th	Dominican Republic	55.1	53.9	56.1	55.2
65th	Sri Lanka	54.8	51.9	60.1	47.4
66th	Algeria	54.3	52.4	57.3	50.6
67th	Paraguay	54.2	57.9	49.2	58.9
68th	Kazakhstan	53.7	64.4	42.5	57.8
69th	El Salvador	53.3	54.9	50.9	56.2
70th	Bolivia	51.6	53.8	50.5	49.1
71st	Indonesia	50.6	50.3	54.1	42
72nd	Uzbekistan	49.8	47.5	53.5	45.3
73rd	Guatemala	49.6	46.4	50.2	55.7
74th	Philippines	49.5	43.5	53.4	54
75th	India	49.4	42	57.1	46.7
75th	Nicaragua	49.4	49.5	48.2	52.4
77th	Honduras	48.2	43.5	50.3	54.4
78th	Ghana	47.8	36	56.5	53.6
78th	Pakistan	47.8	46.3	50.4	44.5
80th	Myanmar	46.5	32.9	56.5	53.1
81st	Uganda	44.2	38.2	48.8	46.3
82nd	Nepal	42.9	36.4	47	47.9
83rd	Kenya	42.7	38.8	46.6	41.8
84th	Cote d'Ivoire	42.3	42	46.8	30.6
85th	Cameroon	41.6	32.9	44.9	54.2
86th	Senegal	41	32.9	48.5	40.8
87th	Rwanda	40.7	29.5	48.1	48.3
88th	Benin	40.2	29.8	50.9	36.8
89th	Cambodia	39.8	41.4	40.5	34.2
90th	Nigeria	39.4	24.2	49.4	49.9
91st	Mali	39.3	25.8	49.9	44.2
92nd	Tajikistan	38.6	37.5	39.1	40.1
93rd	Togo	37.9	33.3	47.4	23.2
94th	Tanzania	36.9	27.8	46.5	33.6

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95th	Bangladesh	36.8	28.9	46.5	29.7
96th	Syria	36.3	32.3	40.8	34.2
97th	Guinea	35	30.2	42.7	25.6
98th	Ethiopia	34.7	22.2	45.9	34.9
98th	Sudan	34.7	29.2	36.1	44.5
100th	Yemen	34	37.7	35	22.2
101st	Angola	33.7	28.4	37.7	35.8
102nd	Zambia	33.3	22.2	45.7	26.6
103rd	Laos	32.7	30.2	35.6	31
104th	Madagascar	31.6	20.5	45.8	20.2
105th	Malawi	31.4	23.3	39.9	28
106th	Burkina Faso	31	20.9	38.6	35.7
107th	Congo (Dem. Rep.)	30.5	24.4	36.5	29.1
108th	Haiti	29.4	25	34.5	26.2
108th	Mozambique	29.4	21.5	41.5	16
110th	Niger	29	18.6	37.3	31.7
111th	Chad	28.6	20.8	33	36.1
112th	Sierra Leone	26.1	26.4	22.9	34.1
113th	Burundi	24	15.2	28.5	33.4

Table 1.1: Global Food Security Index -2016

Commodity	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Rice	117	135	152.00	171	170	165	159	153	139	126	113	99
Wheat	251	220	195.00	172	341	404	387	368	345	325	299	269
Total	368	355	347	343	511	569	546	521	484	451	412	368

Table 1.2: Foodgrains Stock in Central Pool in Lakh Mt- 2015

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Name of food	Energy kcal	Calcium m.g.	Iron m.g.
Bajra	361.00	42.00	8.00
Jowar	349.00	25.00	4.10
Maize	342.00	10.00	2.30
Ragi	328.00	344.00	3.90

Table 1.3: Nutritive value of coarse grains (100 gms of edible portion)

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### Competency Mapping in Multi-National Company

Amit Phillora

Dr Ashish Sharma

Competency Mapping is a process of identifying key competencies for an organization and or a job and incorporating those competencies throughout various process like job evaluation, training, recruitment and selection of organization. It very important to understand the needs of organisation before hiring and training of employee as these processes add cost to the company. It is very important that the job description must be very clear so that the correct candidates can apply and correct candidates can get short listed by the recruiter whereas for training an existing employee it is very important that he/she should have the capability to undergo that training and work in that process in required manner. Competency Mapping is an effective and most used process used by Human Resource Department of almost all Multi-National Companies.

Keyword: Competency Mapping, Job Evaluation, Job Description, Training, Recruitment and Selection.

Competency Mapping in Multinational Companies: A Case Study on Recruitment and Selection

Introduction

Meaning of Competency Mapping:<sup>1</sup>

Competency mapping identifies an individual's strengths and weaknesses. The aim is to enable the person to better understand himself or herself and to point out where career development efforts need to be directed.

Definition<sup>2</sup>

Competencies are definition of skills and behaviours that organizations expect their staff to practice in work. "By RANKIN.(2002).

Underlying characteristics of a person that results in effective a superior performance. By Mansfield (1997).

Competency Mapping in recruitment process requires following things:

1. Job Analysis is a process to identify and determine in detail the particular job duties and requirements and the relative importance of these duties for a given job. Job Analysis is a process where judgements are made about data collected on a job.
2. Job Descriptions highlight the primary responsibilities, requirements, qualifications and challenges of a given job. In short, a job description will tell you what your employer will expect from you, as well as what you can expect from your employer.
  - a. Job Duties.
  - b. Wages/Salary.
  - c. Education.
  - d. Career Path.
  - e. Future.
3. Job Evaluation is the systematic process for assessing the relative worth of jobs within an organization. A comprehensive analysis of each position's tasks, responsibilities, knowledge, and skill requirements is used to assess the value to the employer of the job's content and provide an internal ranking of the jobs.

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<sup>1</sup> <http://economictimes.indiatimes.com/definition/competency-mapping>

<sup>2</sup> Abhinav-International Monthly Refereed Journal Of Research In Management & Technology (Online ISSN

## Competency Mapping in Multi-National Company

### Recruitment and Selection Process:

According to Edwin B. Filippo, “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.” He further elaborates it, terming it both negative and positive<sup>3</sup>.

In the words of Dale Yoder, Recruitment is the process to “discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.”

### Tools used by MNCs for recruitment and selection of candidates:

1. Recruitment Process Outsourcing is a form of business process outsourcing (BPO) where an employer transfers all or part of its recruitment processes to an external service provider.
  - a. An RPO provider can provide its own or may assume the company's staff, technology, methodologies and reporting.
2. Poaching/Raiding:<sup>4</sup> “Buying talent” (rather than developing it) is the latest mantra being followed by the organizations today. Poaching means employing a competent and experienced person already working with another reputed company in the same or different industry; the organization might be a competitor in the industry. A company can attract talent from another firm by offering attractive pay packages and other terms and conditions, better than the current employer of the candidate. But it is seen as an unethical practice and not openly talked about. Indian software and the retail sector are the sectors facing the most severe brunt of poaching today. It has become a challenge for human resource managers to face and tackle poaching, as it weakens the competitive strength of the firm.
3. E-recruitment, also known as online recruitment, is the practice of using technology and in particular Web-based resources for tasks involved with finding, attracting,

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<sup>3</sup> <http://www.yourarticlelibrary.com/recruitment/recruitment-meaning-definition-process-and-factors-influencing-recruitment/25950/>

<sup>108</sup> Abhinav-International Monthly Refereed Journal of Research in Management & Technology (Online ISSN 2320-0073).



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assessing, interviewing and hiring new personnel. Famous Online portals like Monster.com, Timesjob.com, Naukari.com, shine.com etc. are famous Dotcom companies which are engaged into Online Recruitment.

Advantages of e-recruitment are:

- a. Low cost.
- b. No intermediaries
- c. Reduction in time for recruitment
- d. Recruitment of right type of people
- e. Efficiency of recruitment process.

Competency mapping can play a significant role in recruiting the people as it gives a more accurate analysis of the job requirements, the candidate's capability, of the difference between the two, and the development and training needs to bridge the gaps.

### <sup>5</sup>Competency Mapping in Recruitment and Selection

Competency Mapping in an approach which will help an Organization in hiring the candidates in an effective manner. This approach will help in ensuring following things:

1. The organization is clear regarding the competencies and skill sets required by the job;
2. Selection processes encourage a good fit between individuals and their jobs, managers and staff have the required skills and competencies;
3. Individual skills and abilities are matched to the requirements of the job;
4. Evaluation of work demands and staffing are accurate.

### Literature of Review:

Dr Murlidhar Chandrekar and Sunendra Khatod in their research paper:” Competency Mapping: A Strategic tool in Employee Recruitment”, have explained the importance of competency mapping in recruitment process. They have discussed different types of tools used for recruitment and selection process. In their research paper they have explained terms

<sup>109</sup>Abhinav-International Monthly Refereed Journal of Research in Management & Technology (Online ISSN 2320-0073).

## Competency Mapping in Multi-National Company

like competency map and competency profile. They have explained steps required for pre-competency mapping. They tried to explain Competency Assessment, Competency Development. They have also explained the competency mapping process.

K Aswathappa in his book Human Resource and Personnel Management has explained the meaning of Job Analysis and Design. He also tried to explain different models of Recruitment and Selection process.

### Overview of Competency Mapping:

1. **Competency Map.** A competency map is a list of an individual's competencies that represent the factors most critical to success in given jobs, departments, organizations, or industries that are part of the individual's current career plan.
2. **Competency Mapping.** Competency mapping is a process an individual use to identify and describe competencies that are the most critical to success in a work situation or work role
3. **Competency profiling.** It is the process of identifying the knowledge, skills, abilities, attitudes, and judgment required for effective performance in a particular occupation or profession. Competency profiling is business/company.

### Objective of the study:

1. To study and understand the concept of competency mapping.
2. To know the relation between Recruitment and Competency Mapping.

### Research Methodology:

Type of Research: Case Study.

Tools Used: Project Management Software.

Case Study: ABC Company (Fictions Name)

Hiring Requirement for HR Team of ABC Company

Name of Vacancy: Sales Manager.

Number of Vacancies: 5.

Time to Close the Vacancy: 34 Days.

Closure Date: 15<sup>th</sup> March 2017

Skills Required:

1. Graduate or MBA (Marketing)
2. Good Verbal and Written English.
3. 3-4 Years of Sales Experience in Known Company.

Problem Statement: Requirement of 5 Sales Manager in ABC Company in 10 days

Job Description: An MBA Graduate with minimum 5 years of Experience in Sales with good written and verbal English communication.

Role of the Sales Manager.

1. Handling a team of 20-30 Sales Executives and 30 to 40 Sales Agents.
2. Meeting Quarter and Annual Sales Targets.
3. Hiring and Coordinating with Sale Agents.
4. Report Making, Presentation and Sales Analysis for the team.
5. Negotiation Skills.
6. Decision Making Skills.
7. Finance and Budget Making.
8. Travelling.

## Competency Mapping in Multi-National Company

Competencies Required for Sales Manager and Tools which can be used by the Recruiters.

S. No	Role	Competency Required by SM	Tools Used for Measuring Competency
1	Team Handling	<ol style="list-style-type: none"> <li>1. Communication Skills. (Soft Skills).</li> <li>2. Leadership Skills.</li> <li>3. Emotional Intelligence.</li> </ol>	<ol style="list-style-type: none"> <li>1. Communication Scale.</li> <li>2. Leadership Measuring Tools:                             <ol style="list-style-type: none"> <li>a. Myers Briggs Type Indicator (MBTI) Assessment Tool.</li> <li>b. Management by Strength (MBS).</li> <li>c. Team Assessment Tool.</li> </ol> </li> <li>3. Emotional Intelligence Scale</li> </ol>
2	Meeting Quarter and Annual Sales Target	<ol style="list-style-type: none"> <li>1. Logical, Reasoning and Analytical Skills.</li> <li>2. Sales Intelligence.</li> </ol>	<ol style="list-style-type: none"> <li>1. Aptitude Test.</li> <li>2. Emotional Intelligence Scale.</li> </ol>
3	Hiring and coordinating with Sales Agent.	<ol style="list-style-type: none"> <li>1. Coordinating Skills.</li> <li>2. Team Building and Leadership Skill.</li> <li>3. Communication Skills.</li> </ol>	<ol style="list-style-type: none"> <li>1. Fine Motor Skill Test.</li> <li>2. MBIT or MBS Test.</li> <li>3. Communication Scale</li> </ol>
4	Report Making Skills.	Good Knowledge of MS Office tools like MS Word, Excel and PowerPoint.	
5	Negotiation Skills	<ol style="list-style-type: none"> <li>1. Strong Communication Skills.</li> <li>2. Strong Convincing Skills.</li> <li>3. High Patience.</li> </ol>	Communication Scale.
5.	Decision Making Skills	<ol style="list-style-type: none"> <li>1. Emotional Intelligence and Sales Intelligence.</li> <li>2. Leadership Skills.</li> </ol>	EIS MBS and MBIT Test.

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6	Finance and Budget Making	Risk Management.	Aptitude Test.
7	Travelling	Making Traveling Plans.	Aptitude Test and Communication Scale.

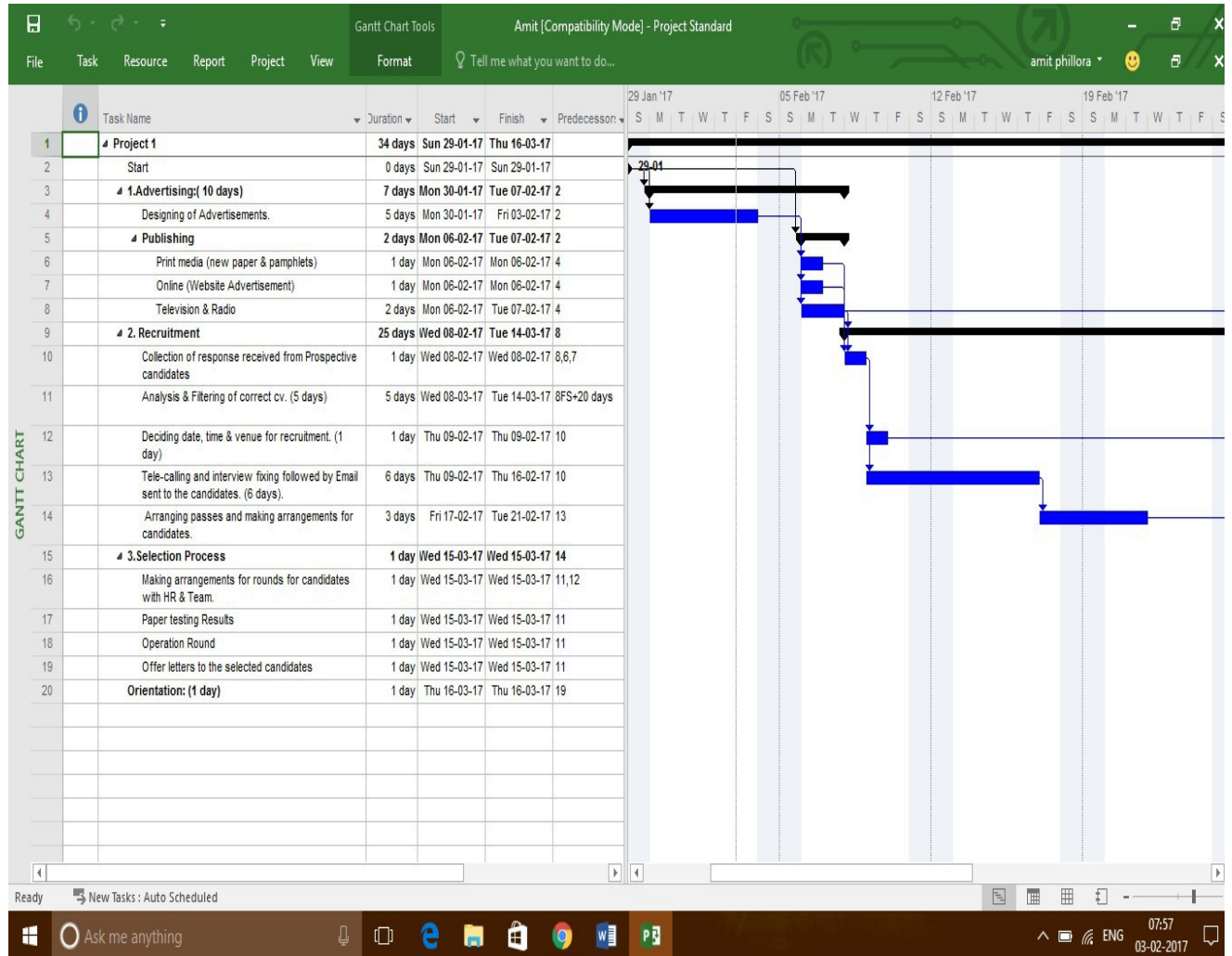
Activities required for Recruitment & Selection of SM of ABC Company.:

1. Advertising:( 10 days)
  - a. Designing of Advertisements. (5 days)
  - b. Publishing (5 days):
    - i. Print media (new paper & pamphlets) (2)
    - ii. Online (Website Advertisement). (1)
    - iii. Television & Radio. (2)
2. Recruitment:(15 days)
  - a. Filtering of correct cv. (5 days)
  - b. Deciding date, time & venue for recruitment. (1 day)
  - c. Tele-calling and interview fixing followed by Email sent to the candidates. (6 days).
  - d. Arranging passes and making arrangements for candidates. (3 days)
3. Selection Process (5 days):
  - a. Making arrangements for rounds for candidates with HR & Team. (1 day).
  - b. Paper testing Results (1 day).
  - c. Operation Round (1 day)
  - d. Offer letters to the selected candidates. (1 day).
  - e. Orientation: (1 day)

Tool Used: Project Management Tool.

## Competency Mapping in Multi-National Company

Activity Chart Designed by using Project Management:



Activities:

- 1) Advertisement will take 9 days. (30<sup>th</sup> Jan 2017 to 7<sup>th</sup>)
- 2) Recruitment process will take 25 days (8<sup>th</sup> Feb 2017 to 14<sup>th</sup> March 2017).
- 3) Selection Process will take 1 day (15<sup>th</sup> March to 15<sup>th</sup> March 2017).
- 4) Orientation Process will take 1 day (16<sup>th</sup> March to 16<sup>th</sup> March 2017).

Conclusion: A Recruitment and Selection Plan with using Competency Mapping and Project Management.

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Financial Literacy and its Effect on Socio Economic Conditions on Residents of  
Nagpur City

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**Abstract**

The Organisation for Economic Co-Operation and Development conceptualizes financial literacy as a combination of awareness, knowledge, skill, attitude, and behavior required to make financial decisions and ultimately achieve individual financial well-being. Financial Literacy is essential to the prosperity and financial well being of individuals.

Financial literacy is having the knowledge, skills and confidence to make responsible financial decisions.

- Knowledge refers to an understanding of personal and broader financial matters
- Skills refer to the ability to apply that financial knowledge in everyday life
- Confidence means having the self-assurance to make important decisions
- Responsible financial decisions refers to the ability of individuals to use the knowledge, skills and confidence they have gained to make choices appropriate to their own circumstances.

Socioeconomic status (SES) is an economic and sociological combined total measure of a person's work experience and of an individual's or family's economic and social position in relation to others, based on income, education, and occupation

Humans are always faced with various problems, one of the prime is financial difficulty. Many people argue that the cause of the problem of financial hardship is low levels of income. Whereas financial difficulties can also arise due to financial illiteracy, as errors in the management of credit and the lack of financial planning.

Financial literacy is an important skill for individuals to acquire. It is observed that increased financial literacy has a positive impact on an individual's personal and professional life. Financial knowledge helps reducing social and psychological pressures, reduces stress,

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illness, financial disputes, abuse of children and conflict among the families. Financial knowledge thus boosts the confidence of a person as he knows that his future is secured. Making responsible and wise financial decisions in turn builds confidence and reduces stress leading to growth of personal and professional life

The purpose of this study is to analyze the effect of financial literacy on socioeconomic status of residents of Nagpur city.

### Introduction:

Financial literacy is the confluence of financial, credit and debt management and the knowledge that is necessary to make financially responsible decisions that are integral to our everyday lives. Financial literacy includes understanding how a checking account works, what using a credit card really means, and how to avoid debt. In sum, financial literacy impacts the daily decisions an average family makes when trying to balance a budget, buy a home, fund their children's education and ensure an income at retirement.

A lack of financial literacy is not a problem only in emerging or developing economies. People in developed or advanced economies also fail to demonstrate a strong grasp of financial principles in order to understand and negotiate the financial landscape, manage financial risks effectively and avoid financial pitfalls. Nations globally, from Korea to Australia, or from Germany to the U.S., are faced with populations who do not understand financial basics.

### Importance

Making thoughtful and informed decisions about your finances is more important than ever. More and more, the burden of making sound financial decisions is coming to rest on the shoulders of the people. Social Security used to be seen as a major source, if not the major source, of retirement income. Now it serves more like a safety net that will provide enough only for survival, not enjoyment.

We are living longer. This means that we must have accumulated more funds before retirement to cover living expenses over a longer time. Otherwise, we could become a burden for our families.

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The financial environment seems like it is changing faster. Bull markets, bear markets, rising interest rates, falling interest rates and the increased number finance-related articles with conflicting views in the press can make creating and following a financial path difficult.

Financial literacy is defined as understanding financial terms and concepts necessary for everyday use in public life. Behavior is an element of financial literacy which is essential and the most important. Positive results in financial literacy is driven by behaviors such as lack of planning in spending and efforts to establish the financial well-being, and by contrast, use of excessive credit can reduce the financial well-being.

So , the need of the hour is to be financially literate so as to sustain the socio economic challenges .

### Literature review:

Williams et al. (1996) have examined the impact of financial concerns on work productivity. This research was conducted using a field study among 1000 employees. The results showed that employees' financial concerns have a negative impact on their productivity. Also, employees attending consulting classes as well as training finance activities had less financial concerns and higher productivity.

Joo and Grable (2004) have conducted a study aimed at determining factors that influence financial satisfaction. The survey results showed that educational level, financial literacy, risk, financial ability, financial activity and financial pressures have a direct impact on financial satisfaction. The results showed that in high levels of knowledge and financial skills, strengthening the financial behaviors leads to higher levels of financial satisfaction and that financial risk tolerance level and financial pressures have a negative relationship with financial satisfaction. In this study the effect of variables: age, sex, race, marital status, having a home, family income and number of dependents on financial satisfaction was not proved.

Cude in 2010 examined effective factors on people's financial literacy. His results showed that higher levels of education, risk appetite, higher age, more work experience, family income, parental occupation and attending in training classes will increase financial literacy.

In this research it is expressed that people with higher financial literacy are more successful in their business and personal lives. Their financial concerns were well lower and they had longer -term savings and investments and triggered a better future with more long-term vision.

Research objective :

The study tries to answer the following questions:

- 1) What is the effect of financial literacy on respondents' socio-economic conditions ?
- 2) What is the relationship between financial literacy and financial wellbeing?
- 3) What is the relationship between demographic characteristics of age, sex, education, marital status and financial literacy?
- 3) What is the relationship between demographic characteristics of age, sex, education, marital status and financial wellbeing?

The answers to the above questions will clear the relationship between demographic characteristics and financial literacy .

Following hypotheses are formulated, based on the questions and objectives of the research:

- H1: There is a positive significant relationship between financial literacy and age. H2: There is a positive significant relationship between financial wellbeing and age. H3: There are significant differences between men and women in financial literacy. H4: There are significant differences between men and women in financial wellbeing. H5: There is a positive relationship between financial literacy and education of persons. H6: There is a positive relationship between financial wellbeing and education of persons. H7: Higher Financial literacy leads to higher economic wellbeing. (Financial literacy has a positive impact on the financial well-being). H8: Higher Financial literacy leads to lower financial concerns. (Financial literacy has a negative impact on the financial concerns). H9: Higher financial well-being leads to lower financial concerns. (Financial literacy has a negative impact on the financial concerns).

## Financial Literacy and its Effect on Socio Economic Conditions on Residents of Nagpur City

### Methodology :

The survey for this study is placed in the area of applicable research depending on its aim, because it focuses on planning to solve a real-world problem and the results can be applied in the real decision-making situations and from the view point of the method of data collection it can be placed in the field of survey and analysis research, because it studies the characteristics of a statistical population and seeks for analyzing and processing data

In this research, society is respondents of Nagpur city. A total of 100 people , selected randomly from different strata of Nagpur city formed the sample for the study.

At the beginning of the questionnaire questions related to personal variables were added. The questions on education level and marital status was designed as option; the options for education level include (1) associated degree, (2) BA, (3) MA and (4) PhD and include (1) single and (2) married for the marital status. Respondents have indicated their age in years-old and gender in a two-item option

### Measuring Financial Literacy

A questionnaire was used in order to measure financial literacy of individuals. This questionnaire has been trying to consider the most important personal finance factors in the measurement of financial literacy. These factors include: general knowledge of finance, savings and loan, investment, insurance and financial decisions, financial opinions and financial training.

A five-option Likert scale was used in the questionnaire so that the score 1 represents the worst and 5 indicates the best situation for an individual upon that question.

### Measuring Financial Wellbeing

The questionnaire designed was also used to measure respondents' financial wellbeing. Few questions were added to understand the financial well being of individuals . For these questions, a ten-option scale was designed and respondents are asked to choose the most appropriate score on their own position so that the lowest score indicates the financial pressure and the highest score is an indicator of financial well-being.

### Measuring Financial Concerns

The questionnaire used in this study also included questions to measure respondents' financial concerns. The questionnaire consisted factors: satisfaction with financial status, debts and saving, enough income, and investment.

The questionnaire included four items: "I am satisfied with my financial status.", "My income is enough to pay my monthly expenses", "I'm not worried about my debt", and "I am satisfied with the amount of money I save for retirement and investment". These four questions were presented in a Likert scale of five options and respondents rate their agreement with the terms with expressions one to five.

### Sources of data :

The sources of primary data were actual figures & facts collected through structured interview, discussion and face to face interaction with various people of different strata of Nagpur City.

The secondary data was collected from various papers, journals, books, internet and other publications.

### Background note on the learning environment :

The learning environment is "Nagpur city". Nagpur is the winter capital and the third largest city of the Indian state of Maharashtra and largest city of central India. It has one of the highest literacy rate of 91.92% among all the urban agglomerations in India and one of the proposed Smart Cities from Maharashtra. It is a major commercial and political centre of the Vidarbha region of Maharashtra.

Nagpur is also called the "Tiger Capital of India" as it connects many tiger reserves in India to the world. It is among the important cities for the information technology sector in Maharashtra. Nagpur is located in the centre of the country with the Zero Mile marker indicating the geographical centre of India.

The researcher randomly interviewed 100 various people of different strata of Nagpur City. The database considered by the researcher was a healthy mix of genders, social and academic backgrounds.

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Discussion Of Results

Data were analyzed using SPSS statistical software.

Results of descriptive statistics are presented in Table 1.

Table 1 : Respondents characteristics

Variable	SD	min
age	11/89	41.05
NO.	NO	Percentage
Gender		
Female	15	14/6
Male	85	85/4
education level		
associated degree	3	2/9
Bachelor of Science	10	9/7
Master of Science	25	27/2
PhD	62	60/2

Pearson correlation test was used in order to check the validity of hypothesis 1 and 2. The results of these tests are given in Table 2.

This table shows that two variables of financial wellbeing and financial literacy is associated with the age of respondents (financial literacy,  $r = 0/534$ ,  $p \leq .01$ ; financial well-being,  $r = 0/541$ ,  $p \leq .01$ ). Since the correlation coefficient is positive for the variables of financial literacy and financial well-being, thus the validity of the first two hypotheses is confirmed with 99% confidence.

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education level	3.01	0.99				
Financial Literacy	134	32.8	0/534**	0/444*	1	
financial wellbeing	58.8	20.5	0/241**	0/223*	0/263*	1
financial concerns	15.3	3.8	0/021	0/173	0/134*	

0/11\* 1

P\*≤0.05; p\*\*≤0.01.

To test the validity of hypotheses 3 and 4, the t test was used for two independent samples.

The results of

these tests are given in Table 3.

Results show that at the confidence level of 95%, assumption of existing differences in financial literacy for men and women is confirmed. Since the average financial literacy scores of men is higher than women, it can be concluded that financial literacy among men is higher than financial literacy among women. Since the mean scores of financial concerns of men are more than women so, men are concerned about financial issues more than women.

Table 3. Independent samples test

Mint	Two groups of males and females				Two groups of single and married			
	df		sign	Min	t	df		sign
	Male	Female				Married	Single	
literacy	152	116	2.05	92	0/021	152	116	
concerns	16	14.6	2.19	92	0/03	16	14.6	.022
Wellbeing	62.6	55.2	0.814	92	.0/418	62.6	55.2	.834

In order to examine whether scores of financial literacy and financial concern are associated with financial

education, the Pearson's correlation test was used. (Hypotheses 5 and 6)

Financial Literacy and its Effect on Socio Economic Conditions on Residents of Nagpur City

In order to determine the level of education of respondents, the interval scale is used. So that score 1, 2, 3 and 4 was considered for the associate degree, BA, MA, and 4, respectively. The correlation test results are shown in Table 2.

This test shows that the level of education is related to financial literacy ( $r = 0/444$ ) and financial well-being ( $r = 0/223$ ) at the 95% confidence level.

Table 4. Result of regression analysis

Hypothesis variable	Depend variable	Independent	Amount
Regression test H7 .04 .0321 .00	Financial wellbeing	Age	1.3
		Education level	2.54
		Financial literacy	.93
Regression test for H8 & 9 .005	Financial concerns	Financial literacy	.618
		Financial wellbeing	.733

In order to check the hypotheses 7, 8, and 9, the regression test was performed. Because correlation analysis results proved the relationship between financial literacy with education and age, age and education were used as a control variable in regression testing. So, in the first step of the regression model these two variables were entered into the model and then the variable financial literacy was entered.

For testing the validity of hypotheses 7, 8 & 9, the financial literacy and financial wellbeing were used as independent variables and financial concern as the dependent variable in the regression analysis. The variables financial literacy and financial well-being were



entered into the model in the first and the second step of the test, respectively and their impact on financial concerns was measured. Results of regression analysis indicated that the hypotheses 7, 8 & 9 are confirmed at the 99% of confidence level.

### Conclusion

The relationship between financial literacy, financial wellbeing and financial concerns were assessed in this study.

Also, the role of demographic characteristics including age, sex, marital status and education level on the score change of financial wellbeing & financial literacy and financial concerns were investigated.

The results revealed several important points.

First, there is a positive relationship between the age and variables of financial wellbeing and financial literacy - Marital status, sex & education level.

Second, a higher level of financial wellbeing is followed by financial literacy.

Third, higher financial literacy leads to less financial concerns.

Finally, higher financial well-being reduces financial concerns.

As in the past that the meaning of financial well-being was happiness or satisfaction with one's or financial position or assets but at the present the individual's perception of material and spiritual aspects of one's financial situation has meant changing, improving people's living standards. Individual's financial management abilities in organizational and personal life is also due to high financial literacy. Financial literacy provides the background of one's successful participation in economic activities through increased savings, correct purchasing decision, proper investing, asset management employing insurance, debt, credit management and enhances the financial well-being. On the other hand, the financial literacy cause reduced financial concerns through improved ability to meet the needs and provide compatibility between financial income and expenses. High financial literacy also makes human assessing their financial position reasonably, understanding economic situation, and being less stressful and worried in financial issues.

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## Opportunities & Challenges in Franchising

Dr.Archana Dadhe  
Gudula

### Abstract

Although franchising is one of the sectors that has shown resilience and continues to grow in this tough economic environment, the sector is not without risk for franchisees and franchisors.

Franchise systems are based on a proven model that can be successfully replicated; these types of businesses are often considered less risky by entrepreneurs. The reality is that no franchise is immune to tough economic conditions levels of success vary depending on the concept, strength of the brand, management and the industry.

Entrepreneurs share many things in common. They're risk takers, they aren't lacking in ideas, and they dream big. They strive to conquer unknown territory via national – even global – expansion and often turn to franchising to do so. However, with new franchise concepts popping up constantly, not all are destined to succeed, and even franchisors – despite their bold fearlessness – aren't always able to overcome the hurdles that come with building a franchise.

For example, fast-food and restaurant franchises are currently outperforming their peers due to the viability of the businesses and increased demand.

There are quite a few challenges that franchise owners should take into consideration during these tough times.

### Introduction

Franchising is a long-term cooperative relationship between two entities a franchisor and one or more franchisees that is based on an agreement in which the franchisor provides a licensed privilege to the franchisee to do business. The franchisor grants the franchisee the right to use a developed concept, including trademarks and brand names, production, service and marketing methods and the entire business operation model, for a fee. The franchisee then provides the time, capital, and desire to utilize the brand and services provided by the franchisor to build a thriving business.

For many companies, franchising is a means of expanding business. For individual entrepreneurs, franchising is a method of opening a business. Franchising is the fastest way to guarantee that entrepreneurs adhere to the high standards required for successful business management.

Franchising may be described as a combination of several small businesses and one large one, constituting an alliance that links the commitment and aspirations of individual entrepreneurs with the extensive resources, power and experience of a major corporation. This alliance gives

rise to a winning formula with high likelihood of success. Throughout the world, franchising is recognized as a relatively secure type of business operation with the following advantages:

- Entrepreneurs run independent businesses but are not entirely alone.
- Companies may expand efficiently without incurring high costs, setting up and maintaining branches without the problems entailed by managing numerous wholly-owned outlets. Franchising increases chain size and strength, guaranteeing operator and employee loyalty to the parent company and its objectives.

Franchising as business concept:

To all of us as consumers, a McDonald's or a KFC or a Cafe Coffee Day for that matter in India, or abroad largely look the same. Yet beneath this layer of similarity reside two entirely different organizations - the invisible company that owns the Brand, and the company that operates the visible outlet- the franchise.

Franchising is a term that defines the business relationship between two organizations where a franchisor, who is the owner of a brand name, product, or system of a business, permits a franchisee to use its brand, product, or business process for a fee. At a conceptual level franchising is a method of marketing and distribution, and organizations use franchising as a method of growth and development.

#### History of Franchising

Franchising is a term that comes from the French language and means 'to be free from servitude'. It was developed as a business method in the United States in 1850s. But there are

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some historians who argue that as a method of licensing, franchising developed much earlier in feudal times when the head of the Roman Catholic Church gave his clergy the right to collect church taxes locally.

Franchising is a low-capital rapid growth market share gaining option. The goal of a franchisor is to provide a consistent product and consumer experience 'indirectly' through a franchisee.

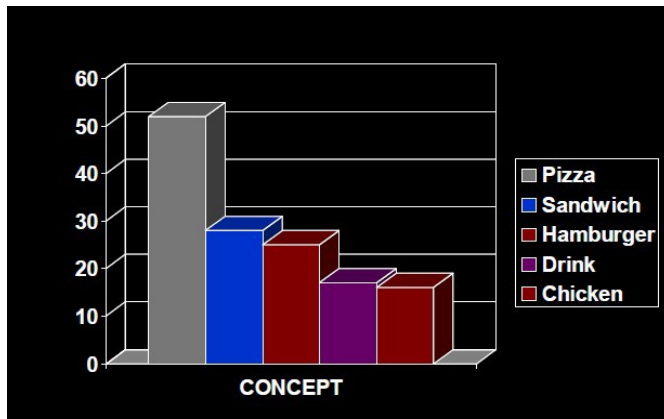
This is achieved through operational processes that are transferred to the franchisee organization, and managing them for performance.

An organization that does franchising is required to develop systems, structures, and processes for inter-organizational collaboration focused upon accountability and control of performance of an 'external' business. Franchisees, view themselves as independent business people, and see their relationship with the franchisor as one between business partners.

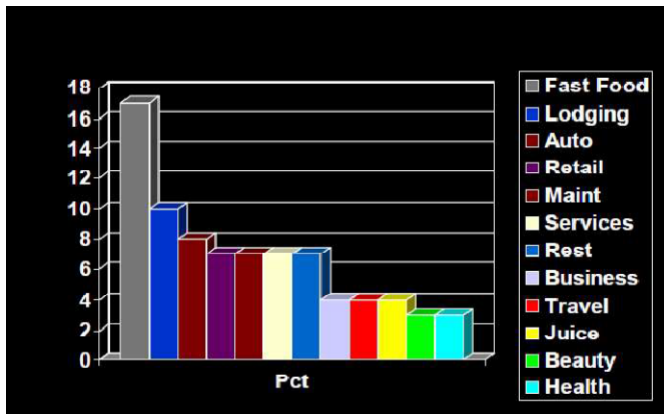
By the very nature of the franchising process, it is a business method more suited to generic services that evolve around a recognized brand, a basic standardized process capable of delivering a consistent product or service through a wide network of operational units.

The importance of franchising as a potential business option can be assessed based upon research in 1997 that estimated that nearly 40% of all retail sales reached consumers through the franchise route. The hospitality industry has traditionally used the franchise route for international growth. The importance of the franchising process is reflected in the retail and hospitality industries where nearly every retailer (in malls) and every major hotel are franchisees of international as well as major national chains. Internationally, Franchising is very well accepted and is entrenched deeply within USA & Western Europe.

Food Sector



Franchising by Sector



Franchising in India

In India, acceptability is growing by the day and it has a fairly conventional industry spread. Approximately 600 franchisors spread across industries like education, retailing, professional services, healthcare etc.

There are close to over 40,000 franchisees, with an annual turnover anywhere between Rs.8000-Rs.10,000 crores from franchising. It is estimated that the total investments made by Franchisees is over Rs.5000 crores and over 300,000 people are directly employed by franchised businesses. (Source: Annual Surveys of the Indian Franchise Sector, conducted by First Franchising).

Opportunities in Franchising in India exist in the following areas like Beauty Salons &

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Supplies, Business Services, Clothing, Computer & Internet, Consultancy, Consumer Services, Education & Training, Entertainment, Financial Services, Florists, Food and Beverages, Health Care & Fitness, Immigration Services, Interiors, Jewellery, Play School & Activity Centre, Retail and Travel. Retail franchising within India, grew initially in the apparel & footwear sectors and has gradually grown to cover a wide variety of sectors including food, consumer durables, jewelry, books, home decor etc. in this type of business model, there are two varieties of Retailers.

The first ones are the manufacturer-retailers - typically Product Distribution Franchises and other ones are the aggregators - typically Business Format Franchises. Substantial action is also happening in non metro locations, thereby spreading organised retailing over a larger footprint

### Objectives

- 1) To study growth of franchising in the economic development.
- 2) To study opportunities in franchising.
- 3) To study challenges in franchising.
- 4) To study distinct advantages over independent business ownership

### Opportunities & Challenges In Franchising

There are quite a few challenges that franchise owners should take into consideration during these tough times.

- Shrinking disposable income – as the cost of living increases due to a number of economic factors, consumers are beginning to spend even less. This is one of the biggest threats facing the franchising industry.
- Increasing competition (market share) – a number of foreign-owned brands such as Starbucks, Burger King and Domino's Pizza have now been incorporated into the local market. While this has a positive economic impact and gives consumer more choice, it significantly increases competition and puts more pressure on the performance of established brands.

The battle for market share is increasing, with businesses constantly finding new ways of satisfying customers who favour value for money and convenience over price and ambiance.

- Rising costs – the current drought, which has had a direct impact on food price inflation, will significantly increase costs for franchises within the fast-food and restaurant sector. With



consumers already struggling due to shrinking disposable income, it will be difficult for franchises to pass on these costs to them.

Furthermore, increasing electricity costs, interest rates, salaries, transport and maintenance costs are putting more strain on the bottom line of franchises.

- Falling staff morale – when business conditions are not great, some franchises can often not afford to hire more staff or bring in temporary staff, leaving employees severely stretched and demotivated. Job security issues are also heightened during this time as some employees may fear losing their jobs.

Motivating staff and constantly updating them on how the business is doing is extremely important since quality customer service goes a long way during this time.

- Bad debts – with interest rates likely to continue increasing throughout the year, franchises may find it difficult to service debt and borrow more money, leading to cash flow constraints.

- Adapting to consumer needs – following a tried and tested model is no longer a guarantee for success in the franchising sector. Convenience and innovation in technology is increasingly becoming important to customers.

Consumers now want the option of ordering meals online and getting them delivered to their homes. Moreover, there is an emerging focus on wellbeing, with consumers opting for healthier food options and preferring to patronise businesses with ethical and sustainable business practices.

As the business landscape continues to evolve, it presents entrepreneurs with a new set of challenges and opportunities. Franchisors and franchisees who stay ahead of industry developments will continue to grow and remain a step ahead of their competitors.

- **Having Sufficient Capital.** Many businesses fail due to under capitalization, and the same is true for new franchises. This is usually a challenge in the first year since the cost of creating the franchise system and the cost of supporting new franchisees usually exceed royalty revenues and franchise fees in the beginning.

Underestimating the amount of capital needed to get the franchise to the point where it's self-sustaining. New franchisors should have enough capital to cover building an infrastructure to support incoming franchisees in sectors including operations, marketing, administrative, and accounting, and to develop a franchise sales program that includes staff and lead generation.

## Opportunities & Challenges in Franchising

- **Building a Solid Infrastructure.** Systems, procedures, and support form the backbone of a franchise, yet these issues are not always at the top of the priority list for new franchisors. “Growing before you have your systems and processes figured out means that you can't provide the support that your franchisees need. A good way to measure your success is the profitability of your corporate operations.

In order to build a solid infrastructure, new franchisors should conduct an analysis of the systems, processes, procedures, and support they currently have and what they will require to support franchisees. In addition, “franchisors will likely need to add operational support and training staff, technology, marketing, and administrative support to their internal team.

- **Bringing the Right Franchisees on Board.** The long-term success of your franchise will depend largely on the quality of your franchisees. The challenge is finding the right people with the right qualifications. “Many emerging franchisors award franchises to friends and family in their early stages in an effort to grow the business. While this may work in some cases, in most cases your friends and family are not the most qualified franchisees.

Finding the right franchisees often becomes a money issue. “Today, finding qualified candidates who are interested and willing to invest in becoming a franchisee is more difficult than ever before.

- **Building Solid Relationships.** Finding the right franchisees is just the first step. Next, you have to invest time to nurture a positive relationship with them. The franchisor needs to recognize that the relationship they build with their franchisees is the key to their long-term success. If the franchisor just keeps in mind that they need to treat franchisees as they would want to be treated and always do the right thing by them, they will reap happy, successful franchisees. Franchisors that are only in it to make money will end up with unhappy franchisees. Without the franchisees' validation, it is tough to add new franchisees.
- **Bringing the Right Staff on Board.** Awarding franchises to the right people is critical, but so is hiring the right people. As an emerging franchisor, it is likely that franchisees will interact with every person in your company at some level. Your employees need to reflect the brand and represent the company's core values. ‘Hire slow, fire fast’ are words to live by.”
- **Understanding Your Role as Franchisor.** In order to be a successful franchisor, you need to understand your role. “Running a business is a different role than running a franchise. A business owner is focused on the performance of the business, staffing, and expense control. The franchisor is focused on adding, training, and supporting franchisees. Making the shift

from business owner to franchisor is often a critical step for the success of the franchise business.

- Finding the Right Time. So much in life is about timing and it's no different with a franchise. While it is important to nail down the processes and systems, it is also important to recognize that you will have to continue to adapt the system to meet the changing market. Your system should always be looking for ways to improve; thus, it is never 'done.' If you wait until things are perfect to grow, you may end up missing the market opportunity.

### Opportunities of franchising

There are franchise investments in almost every industry, from restaurants to fitness clubs. Franchising has become one of the fastest and most lucrative routes to being successfully self-employed.

Some specific benefits of franchising include the following:

#### 1. Capital

The most common barrier to expansion faced by today's small businesses is lack of access to capital. Franchising, as an alternative form of capital acquisition, offers some advantages. The primary reason most entrepreneurs turn to franchising is that it allows them to expand without the risk of debt or the cost of equity.

#### 2. Motivated Management

Another stumbling block facing many entrepreneurs wanting to expand is finding and retaining good unit managers. And hired managers are only employees who may or may not have a genuine commitment to their jobs, which makes supervising their work from a distance a challenge.

But franchising allows the business owner to overcome these problems by substituting an owner for the manager. No one is more motivated than someone who is materially invested in the success of the operation.

Long-term commitment, Better-quality management, improved operational quality,

And Innovation these are the few benefits.

## Opportunities & Challenges in Franchising

### 3. Speed of Growth

For some entrepreneurs, franchising may be the only way to ensure that they capture a market leadership position before competitors encroach on their space, because the franchisee performs most of these tasks. Franchising not only allows the franchisor financial leverage, but also allows it to leverage human resources as well. Franchising allows companies to compete with much larger businesses so they can saturate markets before these companies can respond.

### 4. Staffing Leverage

Franchising allows franchisors to function effectively with a much leaner organization. Since franchisees will assume many of the responsibilities otherwise shouldered by the corporate home office, franchisors can leverage these efforts to reduce overall staffing.

### 5. Ease of Supervision

From a managerial point of view, franchising provides other advantages as well. For one, the franchisor is not responsible for the day-to-day management of the individual franchise units. At a micro level, this means that if a shift leader or crew member calls in sick in the middle of the night, they're calling your franchisee -- not you -- to let them know. And it's the franchisee's responsibility to find a replacement or cover their shift. And if they choose to pay salaries that aren't in line with the marketplace, employ their friends and relatives, or spend money on unnecessary or frivolous purchases, it won't impact you or your financial returns. By eliminating these responsibilities, franchising allows you to direct your efforts toward improving the big picture.

### 6. Increased Profitability

Since franchisors can depend on their franchisees to undertake site selection, lease negotiation, local marketing, hiring, training, accounting, payroll, and other human resources functions, the franchisor's organization is typically much leaner. So the net result is that a franchise organization can be more profitable.

### 7. Improved Valuations

The combination of faster growth, increased profitability, and increased organizational leverage helps account for the fact that franchisors are often valued at a higher multiple than other businesses.

### 8. Penetration of Secondary and Tertiary Markets

The ability of franchisees to improve unit-level financial performance has some weighty implications. A typical franchisee will not only be able to generate higher revenues than a manager in a similar location but will also keep a closer eye on expenses.

As a franchisor, this can give you the flexibility to consider markets in which corporate returns might be marginal.

### 9. Reduced Risk

By its very nature, franchising also reduces risk for the franchisor. Unless you choose to structure it differently (and few do), the franchisee has all the responsibility for the investment in the franchise operation, paying for any build-out, purchasing any inventory, hiring any employees, and taking responsibility for any working capital needed to establish the business.

The franchisee is also the one who executes leases for equipment, autos, and the physical location, and has the liability for what happens within the unit itself.

## INTERNATIONAL EXPANSION: OPPORTUNITIES OUTWEIGH CHALLENGES

Challenges Franchisors Face When Going Global

1. Expanding outside your home country efficiently and cost-effectively: Without a plan and priorities you can find yourself spending lots of money with little results.
2. Defining the benefits, risks, opportunities and challenges: What are the specific benefits for your franchise? What are the resources needed for your franchise that you have or have to add and when? What will this effort take away from your growth?
3. Defining the time and cost it will take to succeed outside your home country: That all important financial models that show your investment and expected return over time.
4. Protecting your brand and intellectual property: An up-front investment in trademarks is essential to maintain your brand value.
5. The added cost of training and support across many times zones: Budget for this up front and include it in your initial master franchise fee.
6. Deciding where to take your franchise to get the best return on your investment.
7. Picking the right master franchisees: The most difficult and time-consuming task of all in

## Opportunities & Challenges in Franchising

the global development of your franchise and the task most often not done properly. Take your time to find, evaluate and conduct due diligence on master-franchise candidates.

8. How will your franchise go global? Master franchising to one company per country? Area or province franchising larger countries such as China, Germany and the United Kingdom? Direct franchising which means more up-front investment on your part but more control and more profits long term. Maybe your franchise will use more than one of these market-entry structures. Take time to evaluate what each development method means to your franchise in terms of up-front investment and long-term return.

9. While in the past U.S. franchises were the only ones going global, in recent years we have seen a flood of Australian, European and Latin American franchisors also entering world markets. Now there is competition with these companies in many countries, including the United States.

### Conclusion :

Franchising is considered by many to be the major catalyst as a growth vehicle in the future world economy.

An association with a well-established brand, reputation and product or service, other attributes should be sought after when assessing prospective franchise businesses. These include robust support across the entire operation of the business; assistance with site selection, lease negotiation, project management for store construction, assistance with store designs, equipment procurement, launch marketing program, management training and experienced field support; marketing support, advertising and merchandising assistance, buying power and access to a proven business model and a network of franchisee peers to draw support from.

While the opportunities are apparent, starting a business can be daunting without the right planning and support in place. One of the most common mistakes franchise prospects overlook is the alignment of individual needs compared to what the franchise business model delivers and underestimating the investment required in setting up a business and the working capital required to operate the business on a day to day basis,

Particularly in the first 12-18 months of establishing a new franchise business. A successful franchise prospect will be open to working within the framework of an established business

model. This can bring less autonomy in some business decisions, and a set of guidelines that a franchisor puts in place for the franchisee to follow.

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Study of Role conflict & role ambiguity- A literature Review

Miss Kanchan Tolani<sup>1</sup>

**Abstract:**

Role stress is a commonly studied work stress at the individual level, largely owing to that roles are integral to work-related functions of employees. Role stress may occur if expected and perceived roles differ.

Role stress is generally viewed as detrimental to individual and organizational outcomes. Owing to that role ambiguity and role conflict are the two main components of role stress. This study is a part of PhD work of the researcher. In this study the researcher has tried to concept of Role conflict & role ambiguity with the help of literature review.

**Keywords:** Role stress, role conflict, role ambiguity

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## Role Conflict & Role Ambiguity

Role stress is a commonly studied work stress at the individual level, largely owing to that roles are integral to work-related functions of employees. Role stress may occur if expected and perceived roles differ. In recent decades, many organizations have switched their focus to organizational change, flexibility, and employee empowerment. However, the growing emphasis on organizational change, flexible work arrangements, employee empowerment, and autonomous working conditions has led to constantly changing job specifications and role uncertainty. Moreover, losing stable job boundaries subsequently increases the potential for role stress. Role stress is generally viewed as detrimental to individual and organizational outcomes, such as increases in perceived job tension, job dissatisfaction, employee turnover, and employee burnout, diminished organizational commitment and performance.

Owing to that role ambiguity and role conflict are the two main components of role stress.

Now days, a teacher has to perform not just the role of teaching but he/she has to perform numerous other roles. Teaching has many expectations and requirements that are not only determined by the teachers themselves but by the colleges, state government, and even other teachers.

Educational researchers have long been concerned with role stress among teachers.

Specifically, teaching has been characterized as an occupation where many role demands are present. As Sutton (1984) pointed out, role demands may become stressful for a teacher when organizational members' expectations about the teacher's behavior are unclear (role ambiguity), when they are excessive (role overload), or when meeting one set of expectations make meeting other expectations more difficult (role conflict). For example, teachers experiencing role conflict have reported that they are responsible for maintaining discipline but do not have the authority for doing so'

In addition, heavy workloads and time pressures in teaching are well-documented

Thus, understanding how role ambiguity and role conflict affects teacher's self-efficacy is important in today's context.

### 1.1 Role Stress

Role ambiguity, as well as role conflict can create dysfunctional role stress in a manager.

These may occur on account of:

- Role holder and the relevant others in her role network, defining her role in different ways.
- Lack of role clarity, including role holder's clarity about role expectations.
- Role expectations from different members of her role network being in conflict.
- The extent to which the organization's induction orientation of the manage has resulted in successfully and appropriately socializing the manage in the organization

People cope with role stress in a variety of ways. Some may experience varied degrees of anxiety, dissatisfaction or disenchantment with their jobs, while others may make suitable adjustments to overcome the stress.

The concept of role stress was introduced by Kahn, et al. (1964) who identified three role stressors (i.e., role conflict, role ambiguity and role overload). In this framework, role conflicts included inter sender conflict, intra sender conflict; inter role conflict, and person role conflict.

Every role stressor arises from a specific kind of problem encountered by the role occupant during the course of his/her role performance. Identification of prominent role stressor at the organizational level is useful for identifying the most important problems to be solved for the organization and offers excellent opportunities for enhancing organizational performance and effectiveness.

## 1.2 Role Ambiguity

Role Ambiguity, according to Gordon, implies that a role holder is not adequately clear about the organizational expectations from her task role.

An example is a new employee who has not received any, or adequate induction orientation to her new job activities and responsibilities, or to her new organization. Another example is a manager who does not know what activities the organization rewards or punishes. Does the organization value conformity more than creativity or productivity? Or does it work the other way round?

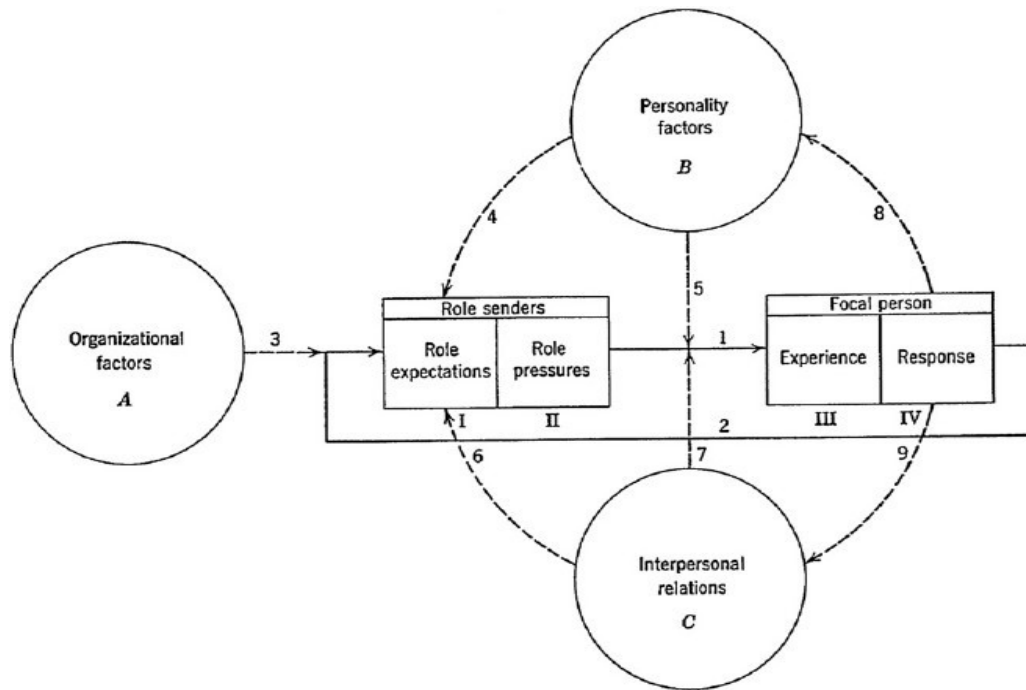
Role ambiguity has been described by Kahn, Wolfe, Quinn, Snoek, and Rosenthal (1964) as the single or multiple roles that confront the role incumbent, which may not be clearly articulated (communicated) in terms of behaviors (the role activities or tasks/priorities) or performance levels (the criteria that the role incumbent will be judged by).

Consequences of role ambiguity may include tension, job dissatisfaction, and turnover. Kahn et al. (1964) were the first to extensively develop these elements of role ambiguity within an organizational context. Research indicates that role ambiguity is positively correlated with both anxiety and propensity to leave (the role) and negatively correlated with several factors such as organizational commitment, employee involvement, and job satisfaction.

Role ambiguity is also defined as the occurrence of insufficient information pertaining to powers, authority and duties to perform one's role (Kahn, Wolfe, Snoek & Rosenthal, 1964). Perhaps one of the famous definitions of role ambiguity after the work of Kahn et al. (1964) was given by Rizzo, House and Lirtzman (1970). When an employee is not equipped with good understanding about his (her) responsibilities and having little knowledge if what is expected pertaining to his (her) job performance, one is said to experience role ambiguity (Rizzo et al., 1970).

Further Rizzo et al. (1970) explained role clarity occurs when an employee are clear with behavioral expectations which assist in giving the necessary knowledge of what is considered as acceptable behavior.

Role Model



According to Banton (1965), a “role” can be defined as a set of norms or expectations applied to the incumbent of a particular position by the role incumbent and the various other role players (role senders) with whom the incumbent must deal to fulfill the obligations of their position. The role episode model was introduced by Kahn, et al. in the classic study *Organizational Stress* (1964). It shows the interactions between the role senders and role incumbent (focal person) including the feedback loop from the incumbent back to the role senders and from the role senders back to the incumbent. The feedback loop is the portion of the role episode model, which potentially provides the greatest opportunity for role clarification and role negotiation and is perhaps the most ignored element. Kahn et al. (1964) further clarify the role model by stating that to adequately perform his or her role, a person must know (a) what the expectations of the role

set are (e.g., the rights, duties, and responsibilities), (b) what activities will fulfill the role responsibilities (means-end knowledge), and (c) what the consequences of role performance are to self, others, and the organization.

### Multidimensional Aspects of Role Ambiguity

The multidimensional approaches to the study of role ambiguity began with Bedeian and Armenakis (1981) and have continued with Sawyer (1992) and Singh, Verbeke, and Rhoads (1996). Based on their findings and the foundation provided by these works there are four widely accepted dimensions to role ambiguity, which may be experienced by the role incumbents, and are based on the role incumbents' perspective.

The dimensions include:

- 1) Goal/Expectation/Responsibility Ambiguity - What is expected? What should I be doing?
- 2) Process Ambiguity - How to get things done? The ways of achieving organizational objectives.
- 3) Priority Ambiguity - When things should be done and in what order.
- 4) Behavior Ambiguity - How am I expected to act in various situations? What behaviors will lead to the needed or desired outcomes?

Related to the multi-dimensional nature of role ambiguity, most studies have focused on showing an association between role ambiguity and detrimental outcomes, but most have not been asking the role incumbents multidimensional questions or how they cope with role ambiguity. Some of them might be:

- Do you ever ask yourself what should I do next?
- What do you do when you experience ambiguity?
- Do you initiate communication during ambiguity?

## Role Senders

What about the role senders? Why haven't the role senders been more thoroughly evaluated?

Kahn, et al. (1964) conducted substantial interviews with role senders to determine their perceptions of the focal person (role incumbent). They investigated the following areas:

- Description of job duties and activities of the focal person
- Role sender's relationship to the focal person
- Attempts to influence the focal person
- Normative behaviors to which the focal person should adhere
- Preferred style of performance for the focal person
- Demographic and personal data about the role sender.

Other questions that remain for role senders: What do the role senders consider to be their responsibility in the matter of role ambiguity? Do they perceive problems in communication or in the role incumbent's behavior? Again, the role episode is a continual cycle of interactions between the role senders and role incumbents (focal person), yet most of the studies have focused on the incumbents.

One has to wonder, for starters, why the study of role ambiguity is so intriguing. The reason is that if employees do not know what is expected of them, they may be working on the wrong things (Van Sell, et al. 1981). What could be more important for the organization, and the individual, than making sure that they are working on the right thing?

### 1.3 Role Conflict

Role conflict occurs when there are incompatible demands placed upon an employee such that compliance with both would be difficult. We experience role conflict when we find ourselves pulled in various directions as we try to respond to the many statuses we hold. Role conflict can be something that can be for either a short period of time, or a long period of time, and it can also be connected to situational experiences.

Role conflicts can be of two types: Intra & Inter Role conflict.

Role conflict was defined as the extent to which a person experienced pressures within one role that were incompatible with pressures within another role.

Role conflict could arise from several different sources. For example, it was possible that requirements for different roles might compete for a person's limited time resources or it could occur due to various strains associated with multiple roles.

There are two basic reasons for role conflicts:

- The role is misunderstood. Either - a person is not properly shown the duties and responsibilities of the role, or people view the role but choose to interpret it differently
- Society changes, so the role changes as well constant change and rapid progress have contributed to a generation gap - differences in values and perspectives which lead to communication difficulties.

According to role theory, role conflict results from two or more sets of incompatible demands involving work-related issues.

In accordance with Rizzo et al. (1970), this study defined role conflict as “the dimensions of congruency- incongruency or compatibility-incompatibility in the requirements of the role, where congruency or compatibility is judged relative to a set of standards or conditions which impinge upon role performance”. For example, an employee who must play two or more roles simultaneously may find that the demands of the roles are incompatible.

### Forms of role conflict

- **Work/family conflict:** It occurs when an individual has to juggle both work and family commitments. An example is a mother who is also the vice president of a company. She may need to work long hours at the office and feel distressed and conflicted about whether she is putting enough time into her work to achieve the best results and whether or not she is also spending enough time with her.
- **Personality role conflict** it occurs when parts of an individual's personality are in conflict with other parts of the individual's personality. An individual may be conflicted between the part of her personality that values being a successful business person and the part of her personality that values the role of being a mother. This is also referred to as individual personality characteristic conflict. Business owners often experience this type of conflict. Since they do not have set number of hours to work like an employee at a job, they may work many more hours to achieve their goals of business success.
- **Interpersonal relations role conflict:** For example, someone who is a school teacher may think that his kids and wife expect him to spend after-work hours with them, but he may also need to grade his student's homework after hours and deal with student, parent and school issues. He therefore experiences role conflict as he is unable to satisfy the expectation of these different roles.
- **Intrapersonal conflict:** In this, a person in a certain role believes that others have many different expectations for him regarding that single role.
- **Intra-role conflict:** When conflicting demands are within a single area of life. An example is when a student has lots of homework to complete from different teachers



and they cannot all be completed at the same time. This is an intra-role conflict because the conflicts are from the same domain of life – student work.

- Inter-role conflict: It can occur across various areas of life. An example of inter-role conflict is when a firefighter hears that there is a disaster in the area where his family lives. The firefighter has to decide if he should help his family first to fulfill his obligation as husband and father, or to help others first to fulfill his obligation as a firefighter.

#### Conclusion:

The study suggests that both role conflict & role ambiguity are detrimental to individual and organizational outcomes. This study will help the policy makers of the colleges to understand the concept of role ambiguity and role conflict and will also make them aware about its negative impact on self-efficacy and other factors.

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A Study of Difficulties Faced by Educational Institutions in Imparting Quality Financial  
Literacy

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**Abstract :**

Financial literacy is a core life skill for participating in modern society. Children are growing up in an increasingly complex world where they will eventually need to take charge of their own financial future. As young adults they will need to know how to budget and make wise financial choices for everyday living, for example, choosing mobile phone and utility contracts. They will need to manage risks, avoid taking on unmanageable debt, and plan for their old age and health care.

Financial products and services vary widely and are becoming more complicated making the choices more difficult. Adding to this complexity are economic and technological developments which have brought greater global connectedness and massive changes in communication and financial transactions.

Poor financial decisions can have a long-lasting impact on individuals, their families and society. Low levels of financial literacy have also been associated with a lower standard of living, decreased psychological and physical well-being and greater reliance on government support. Financial education can make a difference. It can empower and equip young people with the knowledge, skills and confidence to take charge of their lives and build a more secure future for themselves and their families.

One of the reasons the rich get richer, the poor get poorer and the middle class struggles is because the subject of money is taught at home, not at school.

In line with the above statement, an increasing number of educational institutions are recognizing the importance of financial literacy, and have included financial education in school curriculum. There are however significant barriers to overcome like lack of political will, lack of resources and materials, overcrowded curriculum and insufficient expertise.

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There is no single recipe for success, but educational institutions that overcome these hurdles and includes financial education into the school curriculum in an on-going manner holds the key to make our future generations financially literate

### Executive Summary

In an online survey conducted by All-Party Parliamentary Group Inquiry, September 2014, it was found that in schools across Asia the existing provision of personal finance education is ad hoc, with only 45% of teachers reporting that they have ever taught the subject. Unless more children and young people learn about personal finance, there is a real risk that we will be left behind.

Two-thirds of people in India feel too confused to make the right choices about their money and more than a third say they don't have the right skills to properly manage their cash.

Young people today grow up in an increasingly complex financial world requiring them to make difficult decisions for the future, often without the necessary level of financial literacy. Credit cards, phone contracts, and tuition fees all require young people to start making choices at a young age. These decisions only become more complex with age and as such the educational institutions has a duty to equip the young people properly through education to make informed financial decisions.

Researchers believe that financial education is a long term solution to the national problem of irresponsible borrowing and personal insolvency. Furthermore, teaching young students about budgeting and personal finance will help equip the workforce with the necessary skills to succeed in business and drive forward the country's economic growth .

Educational institutions face significant barriers to teaching financial literacy to its students like pressures on curriculum time, no statutory mandate and lack of awareness of suitable resources. In addition, there is currently little teacher training in finance education and therefore limited subject knowledge and confidence. Accordingly, initial teacher training and Continuing Professional Development would provide a good opportunity for teachers to develop the confidence and skills to teach the subject.

It is important that primary teachers are fully equipped to teach basic maths and money skills in order to lay the foundation for secondary education. In secondary schools personal finance education should be provided on a cross- curricular basis grounded in both mathematics and Personal , Social ,Health and Economic education.

As financial literacy relates to different subjects, it requires coordination and support in each school in the form of a 'champion', preferably a member of the Senior Leadership Team.

## A Study of Difficulties Faced by Educational Institutions in Imparting Quality Financial Literacy

Access to high quality resources and training, sourced by the school's 'champion', would make the teaching of financial education sustainable.

Importance of financial literacy in education institutions:

Academic research conducted by OECD points to four reasons why we should launch financial literacy efforts in educational institutions:

- 1) The first reason stems from the fact that financial illiteracy is widespread. That means young people with poor financial knowledge are unlikely to learn from their parents, other adults, or peers. Only a small fraction of students currently have access to adults and peers who are financially literate.
- 2) The second reason to include financial literacy in school has to do with equality. A failure to understand financial concepts is especially prevalent among certain demographics in the population. Data from survey show that male students from college and having educated family background disproportionately account for the small percentage of students who are financially literate. This is a distinction that persists over the life cycle. Women and individuals with low educational opportunities continue to display very poor levels of financial literacy—much lower than their counterparts—at middle age, before retirement, and into retirement.
- 3) Another reason to focus on financial literacy in school is that it is a necessary skill for navigating today's complex world. This is so evident that the Organisation for Economic Co-operation and Development (OECD) in year 2012 added financial literacy to the topics like mathematics, science, etc.
- 4) The fourth reason why high school is a powerful place to teach financial knowledge is a simple one: Young people need to understand how to make wise financial decisions before—not after—they are faced with life-changing decisions. Most notable among those decisions is whether or not to invest in higher education. Education beyond high school has a tremendous effect on future financial security

Literature review:

A survey carried out amongst Minnesota students on financial literacy revealed that over 70% of the students were not confident enough on their capacity and ability to make informed financial decisions about higher education and other personal (MetLife, 2010). Moreover, the study further noted that about 64% of students were worried about getting a reliable source to offer financial advice to propel them towards being able to realize their financial and educational goals (MetLife, 2010). The study concluded that through that this process of acquiring new skills and knowledge in regard to finances, individuals are not only able to make smarter and more informed decisions but also increase their personal confidence on the ability to manage their finances which is a recipe to financial literacy associated with financial decision (MetLife, 2010).

The use of financial tools to assist students and individuals to maximizes their resources and thus increase the money at their disposal enables them to realize their financial goals. It is assumed that those students who thoroughly understand and benefit from programs associated with financial literacy attach a higher value on them (Office of Personnel Management, 2005; Storms, 1999).

Budgeting as a tool of financial management is capped on financial literacy. One cannot understand how a budget works without them having basic financial literacy skills and this goes along to include recording keeping. Therefore, budgeting and record keeping in one way or another depends on financial literacy.

According to the works of Kidwell & Turrisi (2004) budgeting is seen as being able to change spending patterns of individuals through the successful regulation of finances. Consequently, needless spending is restricted and budget maintenance is met with a favorable attitude. It was noted that 45.6 percent of students with better financial knowledge keep detailed financial records, compared with only 29 percent of the students with inferior financial knowledge. This came as a result of a research conducted by Chen and Volpe (1998), in which they pointed out that groups who are more knowledgeable regulate their spending patterns and decisions by keeping detailed financial records.

Budgeting and record keeping are thus driven by financial literacy and therefore important for individuals to possess these skills through the uptake of financial literacy education.

## A Study of Difficulties Faced by Educational Institutions in Imparting Quality Financial Literacy

### Research Objective :

The research objective was to study the difficulties faced by educational institutions in providing financial literacy to its students and also to find out the ways through which these challenges can be reduced.

### Methodology :

The researcher has used a case based approach towards this study. The researcher has tried to understand the importance of financial education in the school curriculum and to know the significant difficulties faced by the educational institutions in providing quality financial education to its students. The researcher did the case based study on class 11 and class 12 students of Commerce stream.

### Sources Of Data :

The sources of primary data were actual figures from the administration office, academic performance of the students & class observation.

The secondary data was collected from various papers, journals, books, internet and other publications .

### Background Note On The Learning Environment :

The learning environment or the Institution is, “MKH Sancheti Public School & Junior College”, Nagpur. The institution is offering education right from Pre Nursery to Junior College and is affiliated to Maharashtra State Board. The Junior College is offering Commerce and Science Streams under Maharashtra State Board of Secondary & Higher Secondary Education. The institute runs on permanent no grant basis i.e Private institution. The school had a total strength of 130 students / learners in 2010 and now in 2016-17 session has a strength of 1800+ learners .

“Commerce Lab” - An Initiative Taken By Mkh Sancheti Public School & Junior  
College

Financial education is a key aspect of life and managing money is a vital life skill. At schools and colleges students learn about major things that affect your life in a fair amount of detail. However, financial education is only briefly touched upon in most schools and colleges. People should be taught how to avoid getting into debt. Children are exposed to money issues early in their lives, but many young people leave educational institutions unprepared to deal with the financial challenges of living independently. As a result, they risk getting into unmanageable debt or experiencing poor psychological health.

When it comes to money matters, many parents are not equipped to be the best educators. To overcome the disadvantages many children face, it is essential to teach finance education in schools.

In relation to above ,an initiative was taken by MKH Sancheti Public School & Junior College for the up gradation of the financial literacy of its Junior College Commerce stream students .In 2010, MKH Sancheti started with a new subject for its Junior College commerce stream students – ‘Commerce Lab’ which is still an ongoing subject even in 2016-17 session. ‘Commerce Lab’ was offered as a co-curricular activity cum subject to the students .

‘Commerce Lab’ provided a unique opportunity for the Junior College Commerce students to get a first hand “feel” of the professional world. The course structure was specially designed keeping in mind the practical challenges to be faced by a Commerce professional. Students were asked to write cheques, prepare a budget for themselves, fill up bank opening and other bank related forms, understand about share market , DEMAT accounts, PAN cards, Income Tax , Form 16 , TDS etc .

‘Commerce Lab’ curriculum also included visit to operating branches of banks & NBFCs, visit to manufacturing units , visit to stock broker institutions etc. to give practical knowledge to the students .

There were however significant barriers and difficulties faced by MKH Sancheti Public School & Junior College during the implementation of Commerce Lab and to provide quality financial education to its students .

## A Study of Difficulties Faced by Educational Institutions in Imparting Quality Financial Literacy

Some of the difficulties faced by MKH Sancheti Public School & Junior College are as discussed below:

- Overcrowded curriculum & Time Constraints – Since Commerce Lab was given as a co-curricular subject and it did not had any place in the curriculum prescribed by the State Board, so it received secondary importance by the teachers as well as students as the pressure to complete the academic curriculum on time was given prior importance and it took away the actual time of teaching commerce lab.
- Lack of in house trained teachers and technology –The management of MKH Sancheti Public School & Junior College faced a big problem in finding in –house teacher who was trained and capable enough to provide financial literacy to the young students efficiently. The institution also conducted interviews to find and appoint such teachers, but a number of times they failed as the interviewers were not ready to accept the challenge of teaching a new subject .
- Lack of resources and material for imparting financial education – Since Commerce Lab was a co-curricular activity and subject provided by MKH Sancheti and was not a part of State Board curriculum, there was lack of study material to be referred by the teachers and students . Teachers taking Commerce Lab has no prescribed syllabus as which topic to be taken in 11<sup>th</sup> class and which in class 12.
- Financial Constraints – Commerce Lab curriculum plan included organizing field visits & trips to various banks , manufacturing units, industries etc which involved a lot of expenses like bus fare, entry tickets etc . In addition to this eminent guest lectures were also organized in which experts from various fields were invited to take



seminars and workshops for the students, which also became financial burden for the institution.

- Culture and Beliefs - This proved to be a major hurdle when it came to individual participation of students in financial literacy programs as students came from different cultural and economic backgrounds and they already had their own family or cultural borne ideas about finance. Some students were even stubborn for not accepting what was been taught in the class.
- Lesson plan preparation – It was observed that number of times the teacher taking Commerce Lab entered the classroom unplanned. She / he was not ready with any lesson plan for the day and this resulted in making the class monotonous and unfruitful. This negligence of teachers towards not planning a proper daily lesson plan for Commerce lab was due to a back stage given to financial literacy programmes in the curriculum.
- Seriousness towards the subject – Since Commerce Lab was given as a co – curricular activity and was a graded subject and not a state board prescribed subject , so there was lack of seriousness towards this subject from the side of teachers , students as well as the parents.
- No assessment / feedback – Commerce Lab outcomes were not assessed in terms of marks and at regular intervals due to lack of time , so proper need identification could not be done by the teachers in term of financial skills required by the students.

## A Study of Difficulties Faced by Educational Institutions in Imparting Quality Financial Literacy

### Conclusion

It is evident from the above case study that in 2010, MKH Sancheti Public School & Junior College started a new initiative 'Commerce Lab' for providing financial education to its junior college students. MKH started it as a new co-curricular activity cum subject and faced a lot of difficulties for 2 years i.e till 2012 as there was no expertise and seriousness for this subject. However the challenges were overcome by 2013 and till date Commerce Lab is a great success in providing financial education to the students of MKH Sancheti Public School & Junior College. Introduction of Commerce lab has also shown positive impact on the admissions to the institution.

Some of the steps taken by MKH Sancheti to overcome the challenges and difficulties faced while imparting financial education are discussed as under :

- A well designed curriculum for Commerce Lab was prepared separately for class 11 and class 12.
- Manuals and booklets containing different forms and written material were also prepared for the students.
- A designated Commerce lab coordinator was appointed to ensure proper delivery of designed curriculum and to help ensure appropriate training is put in place for staff.
- For assessing whether students understood what was taught, exams of Commerce Lab were taken along with other academic subjects.
- Volunteers from financial institutions and other industry experts were also invited to help teach Commerce Lab.
- Parents were also educated about the importance of Commerce Lab at the time of admission only, so that they can also accept the importance of providing financial education to their ward and thus extra amount can be added to the academic fee for Commerce Lab activities which will lessen the burden of conducting commerce lab curriculum from the school management.

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MARCH 2017

ISBN: 978-93-5267-373-5

Contribution of E-Governance in Socio Economical Development of India

Track and Theme: General Theme (E-Governance & Socio Economical Development)

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#### Abstract

E-governance in India is a focused area recently. Number of success stories has already been publicized. While the implementations are praiseworthy, they are effort-centered rather than being result-centric. Objective of this paper is to provide an analysis of socio economic development in India through e-governance projects. An ex-tensive literature survey is presented on the various aspects of the socio economic development in India. This literature survey discusses about the need of e-governance to development of socio economic environment in India. In addition, it discusses about the existing social, economical, tradition, approaches, methodologies, technologies, factors and current e-governance in India. Further, literature on e-governance implementation in India is presented. Further to this analysis some of the successful changes of socio-Economic environment of India. This paper specifically addresses those e-government initiatives that show direct impact on the citizens and in which the citizens derive benefit through direct transactions with the governmental services.

Keywords – E-Governance, Socio Economical development.

## I. Introduction

To improve the quality of life we need development so we can say the economic planning is just a process to initialize the development. It may be the development economically or politically. So in this paper we are considering the socio economic development, for the economic development the Economic planning is needed. Economic planning may be an instrument that leads to the uniform regional development because one of the main objectives of the developmental program is the progressive reduction in the regional disparities in place of development. In our country, various five year plans [43] are already executed for the socio-economic development in various fields like green revolution in the field of agriculture and also shows progress in the industrial area. Due to this five year plan status of the living standards in India become stronger than whatever the condition earlier. In general the development defines the state of improvement. The improvement is based on the field of which we are talking about like social, political, biological, science and technology, language and literature. In the field of socio-economic the improvement defines the development of the people's lifestyles [31]. Improvement can be done through education, daily incomes, skills development and employment. This process of economic and social development based on cultural and environmental factors. Therefore, Socio-economic development is the process of social and economically the development of a society and the growth or development is measured with the concepts such as gross domestic product (GDP), life expectancy, literacy rate and the levels of employment. To understand socio-economic development each of them should understand separately.

A study commissioned by DFID [22] examined of firm-level impact of ICT in the developing countries, but similar types of studies have not undertaken for the public sector. A report by the United Nations in (2003) laments the fact that documented researches on the socio-economic impact of e-government development are virtually non-existent. Multilateral organizations like the World Bank funded approximately seven billion dollars invested to the ICT as part of their lending programs and grant assistance to the various clients of various countries. A World Bank report noted that the largest yet the least monitored investments are IT components of projects in different sectors, highlighting the relevance of systematic assessment of the impact of these applications [29].

### Social development

It is a process of the transformation of social institutions in such a manner [41] that the capacity of the society would fulfill the requirements of its aspirations. This development implies in the qualitative transformation in the way of the society so that the society can shape itself and do their activities, through more progressive attitudes, behavior by the population and adoption of more effective process or advanced technology.

### Economic development

It is the process of economic wealth development of the countries or regions for the well-being of their inhabitants [41]. Economic development leads to the growth in terms of economic standards. The term "economic growth" is the increase in the number of specific components such as national income, GDP, or per capita income. It is the process to improve the economic, political, and social well-being of the nation or the people of the nation.

## Objectives

The main objective of e-governance [34] [35] is to simplify make the things easy for the government, citizens and businesses. So that the ICT is designed or it is used to connect all parties, support processes and their activities. Alternate objectives of e-governance are to make government administration as much as transparent, speedy and accountable. Also while addressing the expectations or needs of the society through efficient [13] public services and effective interaction between the customer, businesses and government. The old model of information technology (IT) was to automate the internal workings or processing of data of the government. On the basis of the information Technology model a new model is designed for e-governance i.e. information and communication technologies (ICTs) which support and transforms the external processing of the governance by processing its data. E governance based on the features of computer network [42].

- To establish connection within the government by permitting them to join their thinking.
- To establish connection of government with NGOs or individuals to strengthening the accountability.
- To establish connection of government with business/citizens for transforming service delivery.
- To establish connection within itself and between different NGOs for supportive learning and concerted action.
- To establish connection within government itself and between the communities to build social and economical development.
- By using different blocks on the basis of optimum combinations the level of socio economic development is estimated.
- The level of association between agricultural development and infrastructural facility of different blocks.
- To evaluate the regional imbalances in the development and to divide the blocks into different stages of development such as high level, high middle level, lower middle level and low level.
- To estimate the potential target of various indicators of blocks and to suggest the strategy for improving their level of development.
- To study the impact of agricultural development, infrastructural facilities and literacy status on the overall socio-economic development.

## II. Literature Survey

With the development of ICT, the government takes e-governance as an opportunity to execute its work in modernizes way [33]. Due to this e-governance, it has impacted both the service provider i.e. government and the citizen. The tools and technologies are used by the e-governance such internet, World Wide Web (WWW), servers, browsers etc. This impact results in the internal processes which have been reengineered, delivery mechanisms are streamlined and standardized, new techniques are adopted for the data privacy and security. The information, communication and technology optimize

internal and external relationship through internet (as in [26]). An important part of the ICT is internet which is being a powerful tool provides potential to improve its servicing of the citizens [16]. However,

### Management Solutions For Socio Economic Challenges

ICT tools and strategies are used to get an appropriate (as in [3], [4], [16]) result. Since, it reduced the problems which are obtained by manual calculation of the human being. Due to less coordination between the peoples, which ICT tools make easy, but improper monitoring are the major challenges for the governments adopting e-governance [1]. ICT improves the skills and motivate the users that encourage in their research work and to configure system and hardware to the correct specification such as servers and network etc [9]. To measure progress for e-government initiatives and to establish a road map to achieve the desired levels of constituency service, the Gartner Research [5] study titled “Gartner’s Four Phases of e-government Model” classifies e-government into four distinct phases such as presence, interaction, transaction and transformation.

#### Electronic governance or e-governance

It is a part of information and communication technology (ICT) to deliver services to government such as exchange of information, transactions of communication [15], integration of systems like stand alone and provides the services between government to their customer (G2C), government to business (G2B), government to government (G2G). The e-governance avails the services to the citizens in easiest, efficient and in transparent way. In e governance mostly three groups are distinguished that fits in e governance concepts are the government, citizens and businesses groups. There are four general models are available [15] i.e. government-to-citizens, government-to-employees, government-to-government and government-to-business. Many of the research work have been done in this e-governance based socio-economic system.

### III. Information Communication And Technology (Ict)

The information technology (IT) is isolated from the mainstream. A new model called information systems (IS) based on the communication between the three sections which was explained earlier is the heart of reform [41]. The information and communication Technology plays two important roles: A centralized role - as e-governance becomes crucial since it connects all the fields effectively for which it is developed and it becomes more information-intensive, ICTs become an essential part governance initiatives. ICTs are also recognized as a key lever and no longer isolated on the sidelines [31] [34]. Another is integrated role for ICTs: e-governance uses ICTs as its servants to the master’s of the good governance. ICTs never seen to be an end in themselves and that is always seen with wider system 'package'. Overall, TO get good governance ICT-enabled route is the only way. In future it might be prefer to think of 'i-governance' since it integrates governance i.e. it integrates both processing and communication technologies; and it also integrates people, processes, information, and technology in the service of achieving governance objectives.

Contribution of E-Governance in Socio Economical Development of India  
Track and Theme: General Theme (E-Governance & Socio Economical Development)

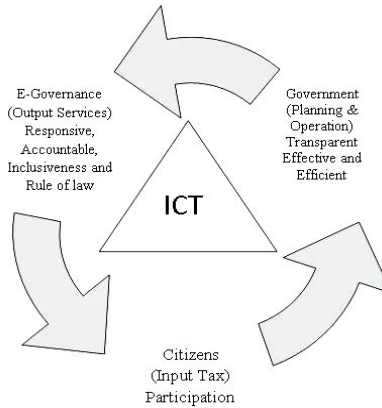


Figure 1: Conceptual model of e-Governance

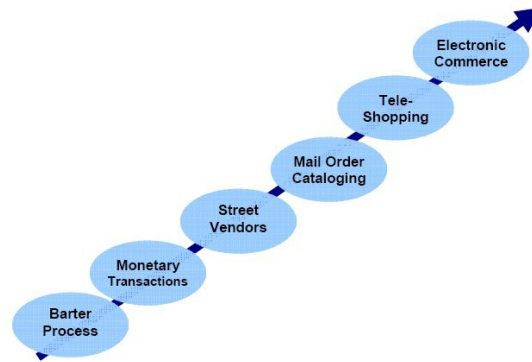


Figure 2: Evolution of the E-commerce system

1) Analysis of Social and Economic Impact [34]

- Social Impacts
  - Increased Transparency and Reduced Corruption
  - Increasing Efficiency and Effectiveness of Service Delivery.
  - Combating Corruption through E-government
  - Empowerment of Rural Communities
- Economic Impacts
  - Cost Reduction in Service Delivery
  - Control of Government Expenditure
  - Growth of tax Revenue



## 2) Challenges for e-Governance in India

From the study of the previous work [13], it can generalize that these are the challenges [39] associated with all the approach which has been developed earlier. The challenges are as follows [34] [44]:

### o Environmental and Social Challenges

- Different Language
- Low Literacy
- Low IT Literacy
- User friendliness of government websites
- Services are not accessible easily
- Confidence on technologies provided by government
- Struggle to Change
- Population Lack of integrated services
- Lack of awareness in people

### o Economical Challenges

- Cost
- Applications must be transferrable from one platform to another
- Maintenance of electronic devices
- Low per Capita income
- Limited financial resources

### o Technical challenges

- Interoperability
- Scale of application
- Multimodal Interaction
- Privacy and Security
- Tried and tested technologies
- Geographical problems
- Local language

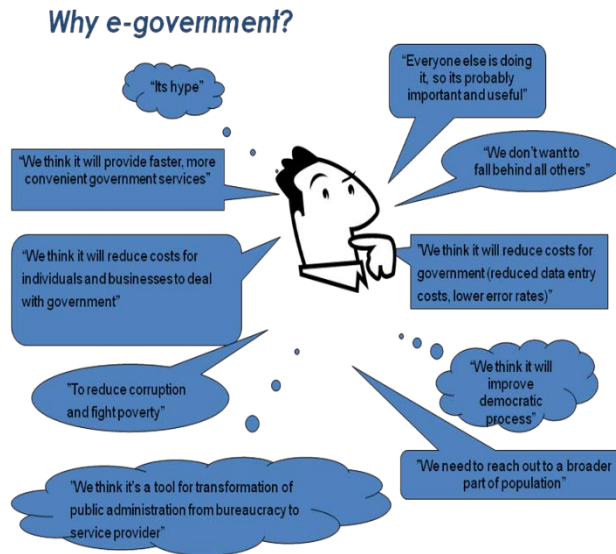


Figure 3: Why E-Governance

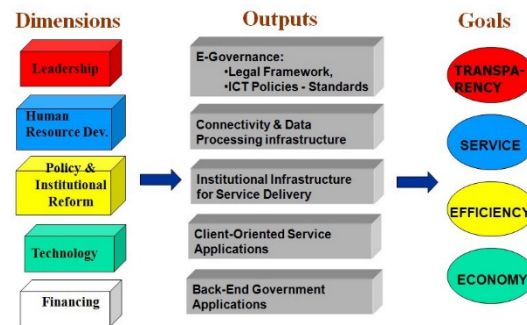


Figure 4: Conceptual Framework for E-Government Strategy

3) Components used in E-commerce

a. Stakeholder

- Government
- Citizen
- Industry

b. Organizational Structure

For better execution of e-governance system the teams need to be created with authority and responsibility or guiding the e-government projects (as in [6] [27]). Inter-departmental competition or bureaucracy should be reduced to facilitate smooth transactions for the citizens, and efficient and effective [15] transactions between the departments [26], [2], OECD E-government Task Force; [19], [10].

c. Project Management

The e-government can only be success if plenty number of projects would be available with adequate project management skills and project managers [20]. Project management skills also include the ability to of guide who can guide the projects under specific time and resource constraints. In addition to it, the project managers should be able to communicate with his/her employees about the needs and significance of e-government projects. For the smooth run of the e-governance each of the team and person need to be aware of the new technology.

d. Process Streamlining

The manager of ICT should always interact with e-government project managers to streamline the process by keeping the track of latest technological constraints and feasibility, and also the environmental constraints and feasibility [28], [6]. This Process can also be streamlined so that it can provide “single point access” (or “one-stop access”) to the users, by integrating. Streamline plays important role in the better development of the e-governance.

4) E-Governance to benefit the citizens

Following are the advantages of E-Governance [19]

1. Speed – Technology is fully responsible to makes the communication between the system speedier. The development such as Internet, Phones, and Cell Phones plays major role by reducing the time taken in normal communication.
2. Cost Reduction – Most of the Government expenditure as it was before e-governance is appropriated towards the cost of stationary. Paper-based communication is costly since it needs lots of stationary, printers, computers, etc. which are always shows heavy expenditure. Due to the Internet and Phones the communication becomes cheaper which saves valuable money for the Government.
3. Transparency – Use of ICT makes governing transparent. All the information of the Government now a day is be made available on the internet. The citizens can get the information whenever they want. But not all the information is uploaded on the internet so; this is not possible to access each information of the Government. Current governing process is trying to upload all the information over internet so that every citizen can access it. Since, information are concealed and to access information ICT make the information available online eliminating all the possibilities of concealing of information.

Status of e-Governance in India

At very low cost the services through E-commerce is provided to the citizen of India.

Few E-Governance stories are:

## Contribution of E-Governance in Socio Economical Development of India

### Track and Theme: General Theme (E-Governance & Socio Economical Development)

Bhoomi – State government of Karnataka starts the Automation of Land Records [9] in which the computerized Record of Rights Tenancy & Crops (RTC) is provided on the basis of it farmer can obtain bank loans, settle land disputes etc.

CARD –Computer-Aided Administration of Registration Department (CARD) based registration projects are started [4] which impact on 10 million citizens over a period of 3 years. This project completed registration of 2.8 million titles with the title searches made in 1.4 million cases. This system brings transparency in valuation of property and also the document management system. The saving of 70 million estimated of man-hours of citizen time valued at US\$ 35 mil (investment in CARD - US\$ 6million).

Gyandoot: State Government of Madhya Pradesh established an intranet system in Tribal District of Dhar [7]. Through e-governance services such as online registration of applications, e-mail facility in the rural area, auction site of village etc. Additional services include Information on Mandi (farm products market) rates, online caste & income certificates and also the rural market (Gaon ka Bazaar). This project wins Stockholm challenge IT Award 2000.

Vahan & Sarathi: State Government of Tamil Nadu initialize the process of Vehicle registration, permit driving license project [24]. Software is developed by National Informatics Centre (NIC) for the use at Regional Transport Offices to monitor the activities using Computers. All the transactions related to Vehicles deals with vahan and Driving License related issues come under sarathi. Vahan is used to issue Registration Certificate, Fitness certificate and Permits. Sarathi is used to issue a Learner's License, Permanent Driving License and Conductor License to the applicants. Pilot based system is implemented in RTO Chennai (North). Further same system is implemented in all RTOs of Tamil Nadu. This Systems have been implemented in 71 offices.

#### IV. Conclusion

The Information communication and Technology is growing very fast, Indian government making lots of efforts to provide services to the citizens of India through e-Governance. Although, government spending lots of money on e-Governance projects but this projects are not very much successful in India. This is due to unawareness of information communication and Technology in between the peoples, local language of a particular area, privacy of personal data of the people are the major challenges which leads to the unsuccessful implementation of e-Governance in India. Government already takes actions to make the people aware of e- Governance activities. So that people may get more advantage of this type of activities and e-Governance projects can be implemented successfully. The participation of people plays a vital role in the implementation of e-Governance in India. The Ministry of Communication and Information Technology (MCIT) has a mission to develop, deploy and use ICT to improve the livelihood of Indian and optimize its contribution for the development of the country. Towards this end, the communication wing has undertaken a number of e -Government initiatives to improve the internal efficiencies within the government organizations and to improve the access to government services for

the general public. Ministry of ICT takes initiatives to provide a strategic direction for e-Government implementation in the country. In this context, the e-Government strategy for India has been designed, with a focus on facilitating effective delivery of government services to customers or all the citizens. In spite of the factors present in India such as poor infrastructure, language dominance, poverty, illiteracy has number of award winning e-governance projects.

#### V. Acknowledgement

Expression of giving thanks are just a part of those feeling which are too large for words, but shall remain as memories of wonderful people with whom I have got the pleasure of working during the completion of this work. I am grateful to “Dhanwate National College, Nagpur” which helped me to complete my work by giving encouraging environment. I would like to express my deep and sincere gratitude to my supervisor, “Assistant Professor” “Dr.Rajesh Timane”. His wide knowledge and his logical way of thinking have been of great value for me. His/her understanding, encouraging and personal guidance have provided a good basis for the present work.

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Track and Theme: General Theme (E-Governance & Socio Economical Development)

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A role of social networking sites and digital marketing in increasing the brand of domestic product over the global market. With special reference of Patanjali Aurvedic pvt. ltd in Nagpur city.

Prof. Ashish R. Ingale<sup>1</sup>

### Abstract

This paper presents the development of digital market in India knowing the consumer attraction towards the digital market where market is sum where & reach up-to consumer. Now a days internet function give lots off flexibility to the consumer that access the internet from various kind of devices like mobile tablet, computer and laptop, consumer has better choice to purchase a goods anywhere and time. on second side consumer has power to choice the product from various option like web sides etc. digital marketing is a double sided weapon where company is directly highlight their product feature throughout digital marketing and web side. Now days this generation use wast use of social media like face-book, twitter, Instagram etc. it's directly effect on consumer purchasing ability so with the help of social media and other digital marketing function like email and SMS, SMO, SEO, PPC. Company targeted the consumer audience throughout marketing. This criterion is help to boost the local product over global market.

**Keywords:** current scenario of digital marketing in India. Type of social networking web sides and their role, patanjali ayurvedic product.

### 1.1 Introduction:

Marketing is wast concept to attract and delivered the product feature to the consumer in internet age marketing function adopt many technological changes where marking is digitalised this concept is effective tools which help to attract the consumer. Website and technological concept are changing the criteria of marketing which increasing selling factor and increase the brand value. Websites like facebook, instagram twitter linkedln, google-plus etc. are powerful medium where marketing function is directly delivered to the audiences and

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on another site android Google play-store is also give the platform thought-out application (apps) for marketing, selling, promotional activity and feedback.

### 1.2 Current scenario of digital marketing in India:

In India the web is now established as a mass market media channel for the wealthy. Email has become a mass market media channel for office workers and professional classes. Mobile

(for SMS) is a mass market media channel across many demographics, but while mobile use is very high, mobile devices and the web will not properly converge until late 2010. The main changes in internet access have happened in the last five years (after 2010)

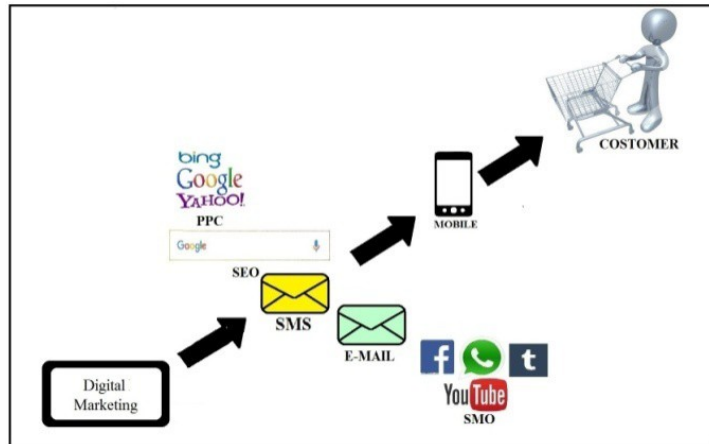


Image1- Digital Marketing concept

and the internet has become an

essential part of office life and as well as daily life, and plays a key role in many homes. The number of people with access continues to rise, but so too does the time they spend online. Broadband access is growing fast, but the number of home connections lags behind comparable markets; however although the number of connections is low, a large number of people in high-end demographics have access. Significant infrastructure problems remain, creating a high cost for access compared to average wage rates.

The massive Indian market is changing fast. Internet access is mainstreaming among professionals and the use of mobile is increasing. The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online in India every year, and the digital tools and sites they use play an ever-growing role in their lives. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touch point's mirror where the consumer is spending their time.

In FMCG market patanjali has a growing company to capture the market on the base of "Swadeshi" company tag. In Indian market there are already well established FMCG Company with high returns of output like Hindustan Uni-liver, ITC, britania, Dabar, Nirma etc. It is very hard to survive a particular company without a perfect marketing strategy that's why company adopt a digital function in marketing criteria for enhance the product in market in short time.

A role of social networking sites and digital marketing in increasing the brand of domestic product over the global market. With special reference of patanjali ayurvedic pvt. Ltd in nagpur city.

### 1.3 Short review of patanjali Patanjali ayurvedic Limited:

Patanjali ayurvedic Limited is an Indian FMCG company. Manufacturing units and headquarters are located in the industrial area of Haridwar while the registered office is located at Delhi. The company manufactures mineral and herbal products. It has also manufacturing units in Nepal under the trademark Nepal Gramudhyog and imports majority of herbs in India from Himalayas of Nepal. According to CLSA and HSBC Patanjali is the fastest growing FMCG Company in India. It is valued at ₹3,000 crore (US\$450 million) and some predict revenues of ₹5,000 crore (US\$740 million) for the fiscal 2015–16. Ramdev baba has stated in his interview with CNN-News18 that profit from Patanjali Products goes to charity. Baba Ramdev established the Patanjali Ayurved Limited in 2006 along with Acharya Balkrishna with the objective of establishing science of Ayurveda in accordance and coordinating with the latest technology and ancient wisdom.

Year	Revenues (In crore Rs.)
2009-10	163
2010-11	317
2011-12	446
2012-13	80
2013-14	1,200
2014-15	2,006
2015-16	5,000
2016-17	12,000
2017-18	15000 (expecting)

\*Data are consider from patanjali/wikipedia

Future Group which has tied up with Patanjali sells about ₹30 crore (US\$4.5 million) worth of Patanjali products every month. Patanjali Ayurved produces products in the categories of personal care and food. The company manufactures 444 products including 45 types of cosmetic products and 30 types of food products. According to Patanjali, all the products manufactured by Patanjali are made from Ayurveda and natural components Patanjali products are cheaper (yet good) than alternatives in the market due to lesser production and

marketing costs. Patanjali has also launched beauty and baby products. Patanjali ayurvedic manufacturing division has over 300 medicines for treating a range of ailments and body conditions, from common cold to chronic paralysis.

Patanjali launched instant noodles on 15 November 2015, and got any approval for manufacturing instant “Aata Noodles.”

World’s largest e-commerce portal, Amazon has decided to sell India’s fastest growing FMCG Company, Patanjali in international markets. As per reports coming in, Amazon has planned to sell Patanjali’s products across 9 countries which include US, UK and Japan Canada etc commanding 300 million customers. The intensions are pretty clear: Amazon wants to utilize the growing popularity of a brand, which will kill two birds with one stone. On one hand, Amazon will target those customers who are keen on trying out an Indian brand, which has proved them-selves. And on the other hand, Amazon India would get automatically associated with a brand name which a dedicated set of consumers trust and follow.

Patanjali has already entered Azerbaijan which has 90% Muslim population, he said claiming that a top industrialist there has shown interest in his products. Ramdev said Patanjali will also venture into garments area and a “swadeshi” jeans' will be launched by end of the year or early next year.

#### 1.4 Digital Marketing strategy adopted by Patanjali Company:

Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium. The way in which digital marketing has developed since the 1990s and 2000s has changed the way brands and businesses utilize technology and digital marketing for their marketing. Digital marketing campaigns are becoming more prevalent as well as efficient, as digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of going to physical shops.

Digital marketing techniques such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing and e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books etc. In fact, this extends to non-Internet channels that provide digital media, such as mobile phones (SMS and MMS)

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Patanjali ayurvedic company also analysis the need of market where marketing function become digitalised that time company name a meaningful strategy to enter a global market some of the following example that company is trying to capture more and more consumer with increasing better services.

#### 1.4.1 Creating website and own domain for cashless transaction:

A attractive a powerful website is backbone of every company which is use to broadcast the product detail, feature and information to the customer it is also help for retrieve the feedback from consumers patanjali organisation having own powerful website which display the company details, product details and also this website contain the transactional function throughout the database. This website contain own domain for giving a facility to open a user account along with password where consumer database is saved.

#### 1.4.2 Creating facebook/instagram/page, Twitter account.

In Indian society as well as in market after 2010 android user ratio is increase by 76% this generation are widely use internet function specially those website which connect the people anywhere and anytime. People discuss the feedback ,comment and share the likely topics as per their choices so patanjali ayurvedic company is also focus those audience which frequently use social website like facebook, instagram and twiter where this organisation create the display page , containing organisation history product details product marketing, contact number. And business issue for effective marketing.

#### 1.4.3 Creating a virtual shop on Google play store.

Now a day on digital marketing age every organisation wants to earn more and more consumer in short time that why company are ready to reach up-to consumer that's why in subject of android application offer by Google domain, patanjali launch a patanjali application which install in android application devices. This application creates a virtual shop for the product. Consumer is easily scroll and choose the various kind of product and order a product, application also give the facility for various payment facility with help of internet banking function.

#### 1.4.4 Creating audio visual advertise marketing over television & internet.

Audio visual advertising is most important element in marketing function which is so helpful to attract the consumer this advertise contain the description about product feature sum time comparison with same range of product .patanjali organisation create the advertise over the television with lead role of Ramdeobaba which describe the importance of “swadeshi” goods this advertise is randomly run over the television and internet which cause more impact on consumer mind. (youtube and other websites along with pop-ups advertise)

#### 1.4.5 Search engine optimization (SEO)

SEO function is adopted by many companies. This SEO function can help to display all the related information which user wants to search by single click. Many domains provide this facility. Patanjali Ayurvedic Company is offer a user to search the information over the internet.

#### 1.4.6 PPC marketing concept

“PPC stand for “Pay-per-Click” a model of internet a model of internet marketing in which advertiser pay a fee each time one of their add is clicked. It’s essentially, its way of buying visit to your site, rather than attempting to “earn”, those visit organically. Search engine advertising is one of the most popular firms of PPC.”

#### 1.4.7 SMO Marketing concept

SMO stands for “Social media optimisation” it is a part of our internet marketing services aims at the targeted audiences. Now a day social media web site give a facility to connect the people anywhere beside that SMO concept are spread the advertise which give publicity to business.

#### 1.4.8 Electronic display board (electronic outdoor marketing)

Electronic display board are old but effective concept which broadcast the product and organisational advertise for the consumer. Generally this electronic board are situated in mall plaza, square and crowded area where in single effort doing effective marketing of product.

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### 1.5 Objective of study.

When a define the digital marketing objective company always focus the predefine objective which is beneficial for company expanding function in global market company always think about setting goal and increase key performance following are the objective that consider to establish a global market with the help of digital marketing.

- To study about increasing brand awareness in domestic market as well as global market with the help of digital marketing & social media channels
- To study about the digital medium and digitalised function used in Patanjali ayurvedic company business in subject of effective marketing.
- To study about effective marketing strategy thought out digital marketing to targeted maximum customer in short time.

### 1.6 Research methodology

Research methodology the present study is an empirical research based on survey method. Primary data were collected directly from the respondents by using Questionnaire. The researcher has made the convenient random sampling of 200 Respondents (Nagpur city) in this report.

#### 1.6.1 Research Hypothesis:

(A) Null Hypothesis:

H0) Nagpur people are not aware about digital marketing.

(B) Alternate Hypothesis:

H1) Nagpur people are aware about digital marketing.

### 1.8 Result & Discussion

Description	Contain	Sample size	Response	Percentage
Gender	Male	200	159	79.5 %

## Management Solutions For Socio Economic Challenges

	Female	200	41	20.5 %
Digital Marketing	Internet (facebook ,twitter,instagram Google, Bing etc)	200	149	74.5 %
	Television	200	35	17.5 %
	Other resources(Print media & other advertising)	200	16	8 %

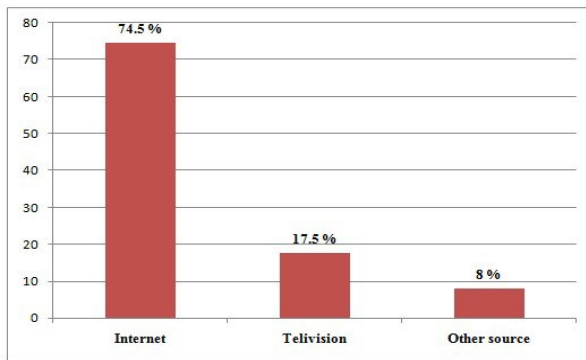


Figure 1

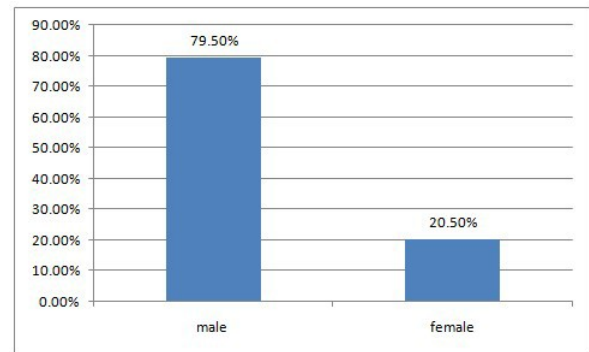


Figure 2

### 1.9 Findings:

Data are taken on the base of respondent .percentage will be calculated as per likely choices.

- 1) On the base of table generally male customer is more active about purchasing.
- 2) On table review internet option got more weighted in respect of digital marketing.

### 2.0: Conclusion

In Indian FMCG market patanjali ayurvedic company is a new company. Where already well establish FMCG Company are present. This company are doing aggressive marketing for cover as much as area for gain the customer. Company also create market chain for providing better services to the consumer but in second side in digital age company analysis that sum where domestic marketing is not enough for achieving the goal. That's why Patanjali ayurvedic companies has adopted a technological changes in their market environment. Now a day's social networking sites play a vital role for marketing. Organisations are create web

A role of social networking sites and digital marketing in increasing the brand of domestic product over the global market. With special reference of patanjali aurvedic pvt. Ltd in nagpur city.

pages over the facebook, twitter and other social networking site to promote the product to the consumer. In this survey Internet function got higher percentage about marketing function. This generation use wast use of internet thought the mobile device so that's its strongly impact on effective marketing function.

## 2.1: Suggestions

2.1.1 Only one Amazon portal are take a initiative the patanjali product on international market but international market there are also many more option like OzTAM, MKT group ,RNG research and other flexible compony can also endorse a product in well manner.

2.1.2 Proper setting a distributed channels like dealer, marketing people are needed international market because on the basis of this medium product will be highlighted.

2.1.3 In subject of Quality patanjali Ayurvedic compony are maintain some quality standard in specific product which selling margin is high but its strong suggestion is that to maintain the quality function in all product which gives stability in international market.

2.1.4 Now this age in International market people get the importance of Yoga & Aurvedic product. It is golden opportunity to boost the domestic product in international market so it Suggestions that increase the digital marketing channels for set a global brand.

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Impact of Training & Development Programmes for School Teachers on Development  
of Society

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Dr. Pradip D Ghorpade<sup>2</sup>

Abstract

Socially, politically and economically the world is changing at a dramatic rate. Hence, it is certainly not possible to foresee any slowing in the pace over the next decade. As the world has changed, so has the school, and so has what we mean by teaching and by learning. The teacher-student relationship is far more complex and demanding than ever before. The implication of this more diversified role for the teacher is what impelled a new view of the process of teacher training & development. Thus, teacher training is seen as a continuous process, beginning with a phase of initial training and continuing throughout the teacher's professional life throughout regular and sustained periods of in-service training. Maintaining the view that a teacher must remain a learner during the scope of her service is mandatory.

Trained teachers of any institution have the potential to bring changes within educational systems that shape the knowledge and skills of future generations. Trained teachers serve as key change agents in transforming education and society. A teacher plays a major role in shaping and building the career of the students thereby they not only give a name and reputation to the institution but also are in the process of making responsible citizens of the future.

During the formative years of a child, the teacher is also likely to be a good source of inspiration to them. This is why children who have good teachers tend to develop a lot of trust in authority, and also find it easier to learn. Teachers are encouraged to foster a love for learning in their students. Teachers act as the advisers to parents as well. For instance, if a particular child is having problems with learning due to difficulties at home, the teacher can act as the mediator to try and bring this to the attention of the parent. If it turns out that external help has to be sought, they could also consult other parties such as child protection services. In this way, the teachers serve as guardians of the child's interests. Teachers are very important in any society, and should be hailed as such.

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## Introduction

“Training & Development is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge.”

Training refers to the process of imparting specific skills. An employee undergoing training is presumed to have had some formal education. No training program is complete without an element of education. Hence we can say that Training is offered to operatives.

Development means those learning opportunities designed to help employees to grow. Development is not primarily skills oriented. Instead it provides the general knowledge and attitudes, which will be helpful to employees. Efforts towards development often depend on personal drive and ambition.

### Importance & Need of Training and Development in an Organisation

Training is very important for organizational development and success. Training can be defined as the acquisition of knowledge and competencies as a result of learning that relate to specific useful competencies. It is fruitful for the employers as well as the employees in an organization. If an employee is trained well, he will become more efficient and productive. Training is also needed to maintain, upgrade and update skills throughout the working life. In an organization, once the selection of employees is done, training them for the specific tasks they have been assigned is of great importance. In fact, training is an important activity in many organizations.

Training is important as

- Training is job related and need based.
- Training develops knowledge, skill and attitude for handling jobs most efficiently.
- Training bridges the gap between the current level of employee KSA (Knowledge, Skill, Attitudes) and the required level of KSA to handle the job efficiently.

## Impact of Training & Development Programmes for School Teachers on Development of Society

### Literature Review :

Rohan Singh Faculty of Management Studies, Siksha O Anusandhan University Bhubaneswar, India and Madhumita Mohanty Head of the Dept, MHRM IISWBM Kolkata, India in their research paper Impact of Training Practices on Employee Productivity published in Inter science Management Review (IMR) ISSN: 2231-1513 Volume-2, Issue-2, 2012 . The paper studies the effects of training on employee productivity. This paper provides a review of the current evidence of such a relationship and offers suggestions for further investigation. An extensive review of the literature in terms of research findings from studies that have been trying to measure and understand the impact that individual HR practices like training have on employee productivity across various sectors. The focal point of our review is on training practices and employee productivity and their relationship. In conclusion, we can say that taken as a whole, the research findings are varied. Some studies have found a positive association, some negative and some no association whatsoever. The paper concludes with directions for future research by applying different level of analysis on exploring the impact of training practices on employee productivity. Our comparison and analysis suggest that there definitely exist a relation between these two but the impact and effect of training practices on employee productivity varies for different industry.

### Research Objective

The research objective was to study the impact of training & development programmes for school teachers on development of society. The researcher has tried to find the impact of the training programme on the development of students , teachers ,institution and the society.

The researcher has also tried to find out the success of implementation of Training & Development programmes.

### Methodology :

The researcher has used a case based approach towards this study. The researcher has tried to understand the impact of training on the teachers, students ,institution and the society by typifying the teachers according to the grades they teach - Kindergarten( Pre Nursery to KG-II) , Primary ( Classes 1 to 7) ,Secondary ( Classes 8 to 10) & Higher Secondary( Class 11<sup>th</sup> & 12<sup>th</sup> ) .

Sources of data :

The sources of primary data were actual figures from the administration office, academic performance of the students and behaviour of the students through observation of the teachers .

The secondary data was collected from various papers, journals, books, internet and other publications

Background note on the learning environment :

The learning environment or the Institution is, “MKH Sancheti Public School & Junior College”, Nagpur. The institution is offering education right from Pre Nursery to Junior College and is affiliated to Maharashtra State Board. The institute runs on permanent no grant basis i.e Private institution. The school had a total strength of 130 students / learners in 2010 and now in 2016-17 session it has a strength of 1800+ learners .

Training & Development Programs- An Initiative Taken By Mkh Sancheti Public School & Junior College

Training and development is a vital and necessary activity in all schools. The role of a teacher in society is both significant and valuable. It has far-reaching influence on the society he lives in and no other personality can have an influence more profound than that of a teacher. Students are deeply affected by the teacher's love and affection, character, competence and moral commitment.

An initiative was taken by the institution for the up gradation of the teachers to recognize the beliefs, values and attitudes that a teacher inculcates in the students thereby in the society.

In 2010, the institution was taken over by a new management and it started with rigorous training & development programmes for its staff which is still an ongoing process even in 2017. There were separate training sessions for various grades. The training sessions focused on language , mathematics , creativity , soft skills, activities, knowledge and understanding of the different subjects along with personal behaviour , social and emotional development.

## Impact of Training & Development Programmes for School Teachers on Development of Society

### Impact of the training on teachers :

The researcher observed that most of the teachers enhanced their teaching skills by learning the new techniques provided in the training programmes. The inter personal and intra personal skills learnt through training programs were useful in handling their own emotions. The teachers were found to be much more stable and so they were able to take decisions effectively.

Teachers became more confident in handling the classroom as many of their problems related to classroom practices were satisfied during the training sessions. The researcher observed that the teachers realised that they are an integral part of the development of the society.

### Impact of the training on students :

Teachers need to actively participate not only in academic activities but also in the social activities in a positive way and know the art of teaching with a deep insight into child psychology. A teacher who has undergone training will always deal with the students in a just manner not losing any self control. She knows to respect her students, their feelings, ego and tries to understand and resolve their difficulties with grace. This responsible gesture from the teacher makes the student feel important and a valuable member of the school, home and the society . He develops a sense of belongingness and is able to empathise with the society.

### Impact of training of teachers on the society:

Teachers play an extraordinary part in the lives of children for the formative years of their development and the importance of teachers is something that cannot be understated. Teachers are the people who educate the youth of society who in turn become the leaders of the next generation of people. Teachers are the people who are teaching children and imparting knowledge upon them in their most impressionable years. What children learn from their teachers at a young age will most likely stay with them in some facet for the rest of their lives. Teachers involve themselves in moulding their students into responsible citizens of their country.

### At Sancheti School :

The researcher observed that at MKH Sancheti the teachers ensured that the children are taught to high standards with respect to all aspects of school life and teaching quality with training provided wherever necessary. The management of the school took care that the

training imparted to the teachers was not only based on academics but great care was taken to have sessions on behavioural fluctuations and ways to handle behavioural issues of students.

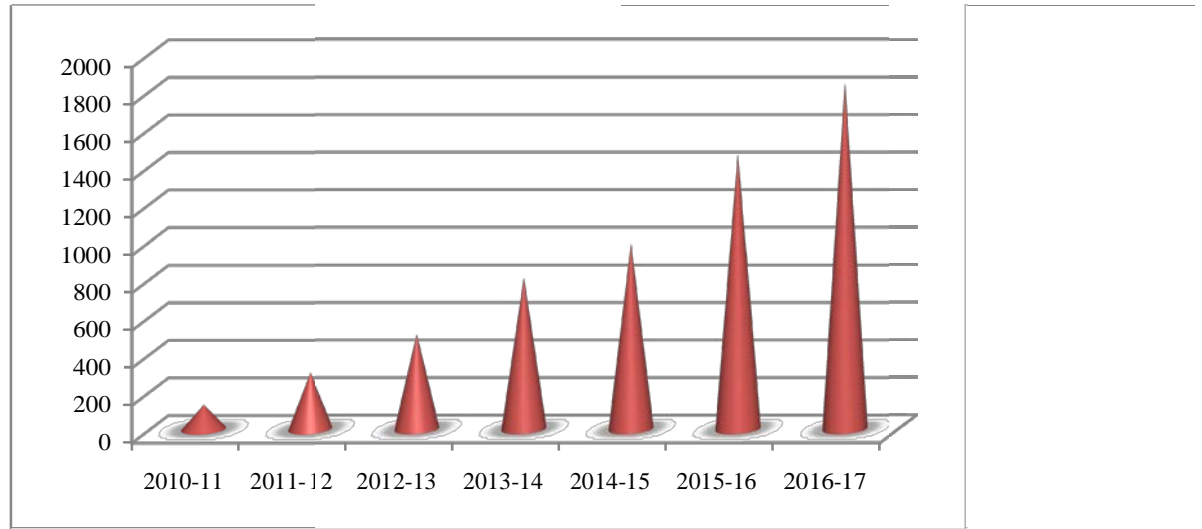
Special emphasis was also given to students with special needs (ADHD, Autism , Slow learners , LDs). Question banks were also provided to such students who faced learning difficulties so as to boost their self esteem and morale which in turn also gave a ray of hope to the discouraged parents. The school also has a special educator for supporting and guiding the teachers. Teachers at Sancheti cater to the needs of each and every child as they are get enough training in all aspects.

The researcher observed that the teachers developed their skills only when the management willingly invested time, money and other resources to ensure the development of its teachers, students and school as a school is a “miniature world” where one receives training for life and learns lessons of caring, sharing, sacrifice, discipline , self control , face competition , defeat , failure and rejoice at victory and triumph.

Thus the researcher observed that the training sessions helped in narrowing the gap between the teachers and the student which resulted in the overall development of the miniature word –“school” . The researcher also noticed that the management took interest in upgrading the skills of the teachers. The researcher also observed that trained teachers transformed the lives of the students which is evident from the increase in number of students as well as the pass out students who are well placed ,contributing their share to the society .

Session	Strength (Students )
2010-11	130
2011-12	302
2012-13	505
2013-14	805
2014-15	986
2015-16	1465
2016-17	1842

## Impact of Training & Development Programmes for School Teachers on Development of Society



INCREASE IN STRENGTH OF STUDENTS OVER THE YEARS

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MARCH 2017

ISBN: 978-93-5267-373-5

An Analytical Study on the Problems Encountered By Private Schools of Nagpur In  
Maintaining Quality Education - with Respect to Training & Development  
Programmes

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Dr. Pradip D Ghorpade<sup>2</sup>

Abstract

The ability to connect and interact with students has become increasingly challenging for today's teachers who have to often overcome a large generation gap in order for their students to empathize with them. Not only do they have to instruct their pupils about concepts identified years after their own education, but they also have to keep abreast with the latest technologies and lifestyle changes. With this continuous altering and competitive situation, it has become important to provide teachers with the necessary training to become more effective in imparting knowledge

Training and development describes the formal, ongoing efforts that are made within organizations to improve the performance of their employees through a variety of educational training programs.

More and more schools of all sizes have embraced "continual learning" and other aspects of training and development as a means of promoting employee growth and acquiring a highly skilled working team . In fact, the quality of employees and the continual improvement of their skills and productivity through training, are now widely recognized as vital factors in ensuring the long-term success and profitability of private schools. "Create a corporate culture that supports continual learning," counseled Charlene Marmer Solomon in Workforce. "Employees today must have access to continual training of all types just to keep up". If you don't actively stride against the momentum of skills deficiency, you lose ground. If your workers stand still, your firm will lose the competency race."

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But practically , the challenges like staff retention , time constraints , training expenditure , mentality of teachers towards training , language problem ,etc are some of the major obstacles in maintaining quality education faced by any private school .

### Introduction

Training is a program that helps employees learn specific knowledge or skills to improve performance in their current roles. Development is more expansive and focuses on employee's growth and future performance, rather than on immediate job role. Good training and development programs help you keep the right people and grow profit. As the battle for top talent becomes more competitive, employee training and development programs are more important than ever. Hiring top talent takes time and money, and how you engage and develop that talent impacts retention and business growth. According to China Gorman, CEO at Great Places to Work, "As companies grow and the war for talent intensifies, it is increasingly important that training and development programs are not only competitive, but are supporting the organization on its defined strategic path." And it's not just about retention. Employee training and development programs directly impact your bottom line.

Great teachers help create great students. In fact, research shows that an inspiring and informed teacher is the most important school-related factor influencing student achievement, so it is critical to pay close attention to how we train and support both new and experienced educators. The best teacher-preparation programs emphasize subject-matter mastery and provide many opportunities for student teachers to spend time in real classrooms under the supervision of an experienced mentor. Just as professionals in medicine, architecture, and law have opportunities to learn through examining case studies, learning best practices, and participating in internships, exemplary teacher-preparation programs allow teacher candidates the time to apply their learning of theory in the context of teaching in a real classroom.

Many colleges and universities are revamping their education schools to include an emphasis on content knowledge, increased use of educational technologies, creation of professional-development schools, and innovative training programs aimed at career switchers and students who prefer to earn a degree online.

It has become mandatory to provide teachers with necessary skills through training programmes. With the growing importance of specialization across the world, the need for

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better-trained teachers is now being also felt beyond both national and cultural boundaries, making the well-trained teacher an invaluable product in a highly competitive world.

Literature review :

The fundamental issues regarding human resources' lack of capabilities and intellectual abilities are said to be grounded in their levels of education and technical training (Low, 1998). It has been reported that organisations are faced with a challenge in acquiring high calibre human resources with adequate levels of education (O'Connell, 1999; Streumer et al, 1999). For instance, Silver (1991) reported that studies have shown that employees in British firms are seen to have low levels of educational and training qualifications compared to their competitor nations. Following this lead, if Britain, a developed country, is seen to have this problem, it is likely to be even more evident in developing countries. On this note, the International Labour Organisation has reported that more than half of the workforce in manufacturing firms, particularly in the South East Asia Region, only possess educational qualifications at primary level or lower (ILO, 1997). The arguments arise that as well as possessing the required skills for the job and being knowledgeable and trainable, human resources should also be required to possess at least a college or university qualification (Low, 1998; Chermack et al, 2003). However, the generalisation of this standard of education to all levels of employees is unclear and requires further empirical evidence. Nevertheless, it is agreed that an undergraduate degree provides the essential 'intellectual human capital' on which to build future learning and also a knowledge-workforce (ILO, 1997; Harrison & Kessels, 2004).

Research objective :

The research objective was to study the problems encountered by private schools of Nagpur in organizing training programmes and maintaining institutional quality thereof and also to find out the ways through which the problems can be reduced.

Methodology :

To meet the objective of the study, a descriptive research has been carried out. The data was collected from both primary as well as secondary sources. The former was collected through

structured interview during personal discussion and face to face interaction with various principals of private schools of Nagpur City. A total of 20 principals, selected randomly from Nagpur formed the sample for the study.

#### Sources Of Data:

The sources of primary data were actual figures & facts collected through structured interview, discussion and face to face interaction with the principals.

The secondary data was collected from various papers, journals, books, internet and other publications.

#### Background Note On The Learning Environment :

Nagpur is a tier II city with an approximate population of 26,05,400 people. Nagpur is fast growing as an education hub for all nearby towns and cities. Nagpur boasts of many private schools of national repute, affiliated to State board , CBSE & ICSE boards . Students from all surrounding areas flock to Nagpur for good & quality education.

The researcher randomly interviewed 30 principals of private schools of Nagpur on the parameters of problems like staff training & retention , time constraints , training expenditure & language problem .The database considered by the researcher was a healthy mix of social and academic backgrounds.

The collected data was tabulated and analyzed using Microsoft Excel spreadsheet with appropriate coding.

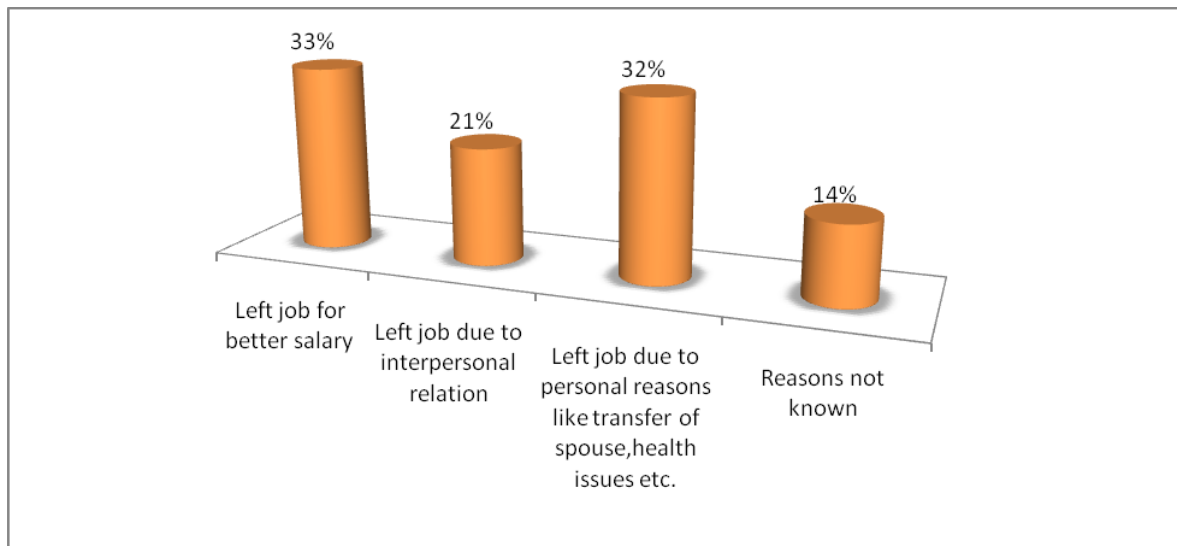
#### Findings And Discussions

##### Staff Training and Retention- problems

A growing population of students, a trend toward smaller class sizes, and the accelerating pace of teachers leaving the job for a better salary, interpersonal relationship with colleagues or due to personal reasons means the school will be struggling to find enough competent teachers to instruct the next generation of students.

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Out of the sample size of 30, 33% respondents said that the teachers left the present school in search of a better salary, 21 % said that teachers left due to some interpersonal relations with colleagues, 32 % due to personal reasons like transfer of spouse , health issues etc while 14% had no idea about it.



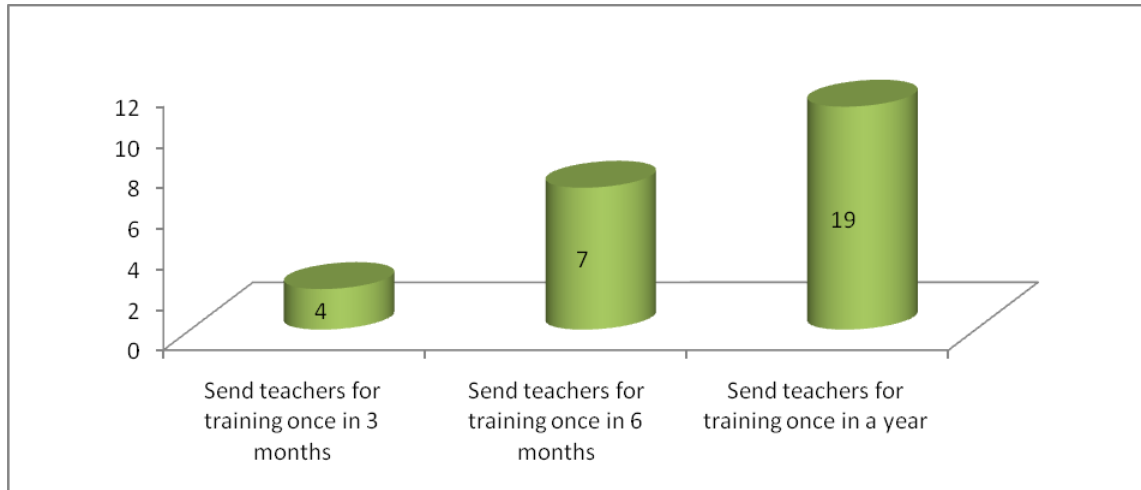
**FIGURE 1: STAFF TRAINING AND RETENTION- PROBLEMS**

Time constraints

Another potential problem with training is that the school may not have enough time to do so at regular intervals. Many a times even the trainers devote a stipulated time to train teachers and it could result in the teachers not knowing everything they need to know to be successful.

Out of sample size of 30, 4 respondents revealed that they send teachers for training at regular intervals i.e once in every 3 months whereas 19 admitted that they send teachers for

training once in a year and 7 said that they do it once in 6 months .

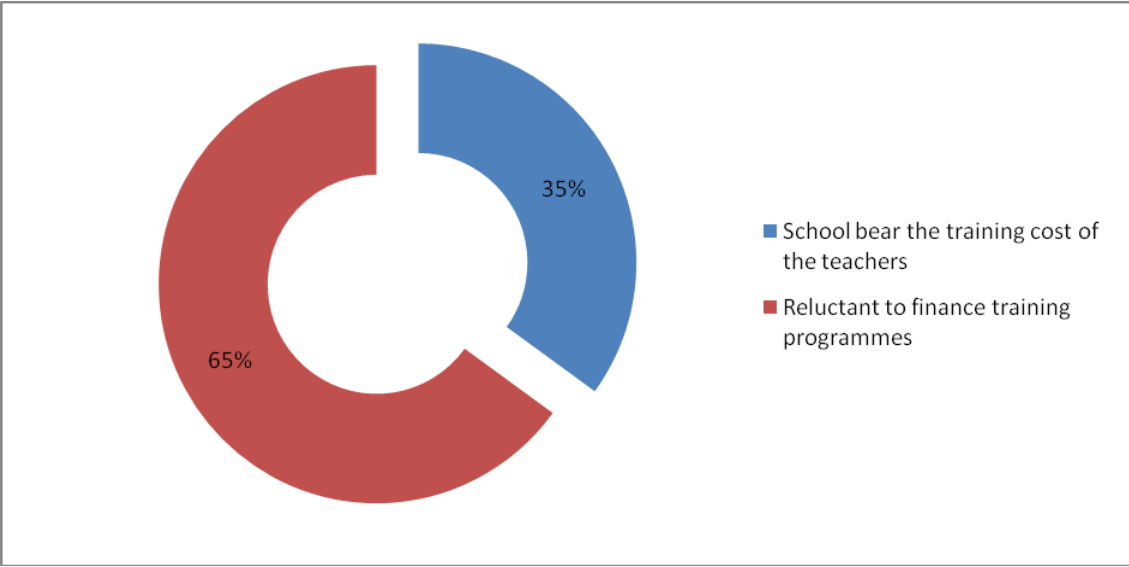


**FIGURE 2: TIME CONSTRAINTS**

### Training Expenditure

It refers to allocation of money to conduct training and development process. Some of the institutions never plan to conduct such activity and also the challenges they face in training and development programme, is to make the management agree to the training initiatives as it becomes a financial burden to the school.

It is also evident from figure 3 that majority of the schools (65 %) were reluctant to finance training programmes and only 35 % schools took an initiative to bear the training cost of the teachers.



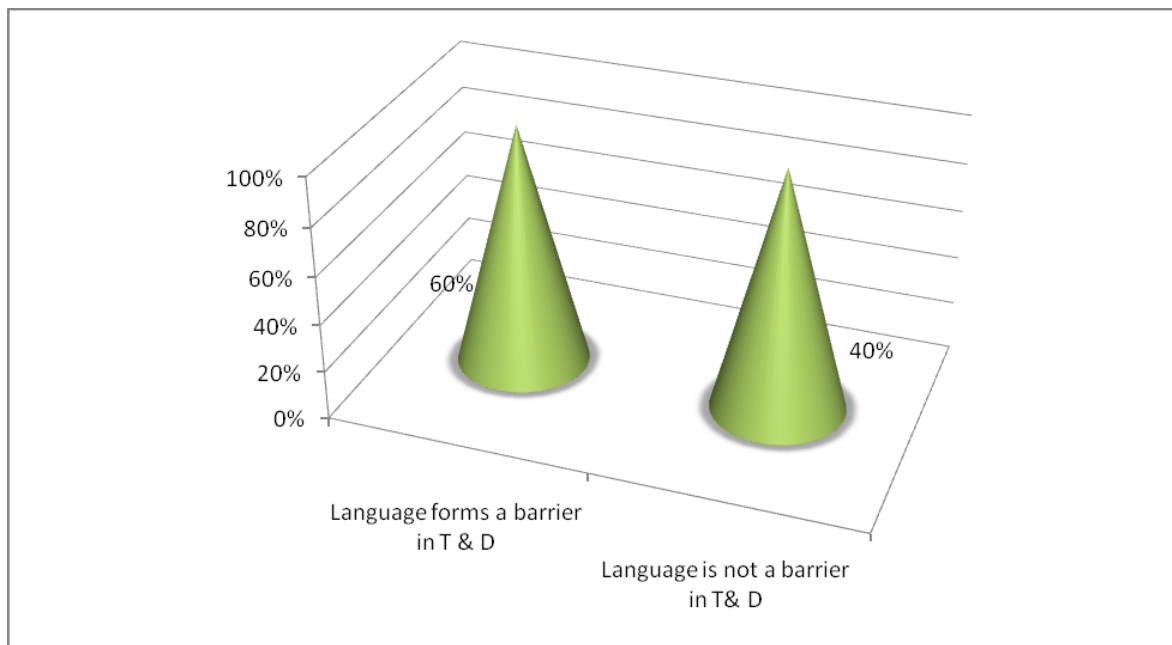
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**FIGURE 3: TRAINING EXPENDITURE**

Language problem

Language comprises of both spoken and unspoken means of communication. Communication is a two way process and any training program will only be successful when the trainer and the trainee is able to understand each other. The best of the best training programs will fail if the trainer is not well versed in communicating trainees' language or vice versa .

Among all the 30 respondents, 60 % admitted and agreed to the above difficulty faced by trainees during the training & development programmes .



**FIGURE 4: LANGUAGE PROBLEM**

Conclusion:

In general, the study shows the different problems encountered by private schools in maintaining the institutional quality with respect to training & development programmes. The

core challenges are staff training & retention, time constraints , training expenditure & language problem in private schools and this suggests that schools viewed Training & Development programmes as a secondary function and perhaps considered it as being of lesser importance. This implication could lead to an increase in ambiguity and failure in effectively managing institutional quality as a whole.

Furthermore, the lack of commitment towards training can be seen throughout institutions, from top management to all the employees. The top management is sometimes found to be uncooperative towards training programmes due to financial expenses involved. This suggests that schools may have embedded negative attitude towards training.

The above challenges can be minimized if training programmes are planned well in advance keeping the availability of teachers in mind. The school should also allocate a fixed amount for organizing and conducting training programmes and simultaneously the school should select an effective trainer who is able to communicate effectively as per the understanding level of the trainees.

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## Effectiveness of Content Marketing as a Marketing Tool: Case-Study of Philips Air Fryer

Shikha Khare <sup>1</sup>

### Abstract

Earlier, marketing was done by traditional methods of distributing flyers, newspaper advertisements, direct mailers to name a few. In today's digital era, online marketing and social media promotion is being widely used to reach out to the target audience. Today the consumers are literate, tech-savvy and are well aware of what should be expected from their service providers. Content marketing is latest marketing tool being widely used by Companies to engage with their target audience. It is the process of creating high-quality, valuable content to attract, inform, and engage an audience and at the same time, also promoting its brand. It is a long term strategic tool to finally earn profit. The objective of content marketing is to win the target audience by gaining their trust and by properly informing them about the product. Companies are either hiring professionals or outsourcing it to marketing firms. Content can be expressed through some medium, as speech, writing or any of various arts. Blogs are therefore gaining importance and considered more genuine and are referred by consumers during their process of taking decisions regarding a purchase of particular product or service.

Keywords: Content marketing, effectiveness

### 1. Introduction

Indian brands are rising to this ever-on digital age and connecting to their target audience in smarter ways by blending the trending news of the day with quick, witty content

Brands are finding it increasingly tougher to reach out to their consumers on social networks, with the growing number of social feeds one has to keep up with in these times. Yet, the only way out for them is to keep going with the content strategy designed specifically for their various social media properties.

A team of brand strategists, artists and copywriters, who together try to weave an engaging consumer, connect communication, day after day. Be it for the regular days of the week or weekend specials along with occasions like Friendship Day, Diwali, or Mother's Day, brands

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are always ready with their witty, creative or emotion-laden visuals/gifs/videos. In fact, a few never miss out even on National Burger Day or International Sushi Eating Day!

Content marketing is the marketing and business process for creating and distributing valuable and compelling content to attract, acquire, and engage a clearly defined and understood target audience-with the objective of driving profitable customer action. The framework of content marketing has four stages, first, create and manage, Second is to optimize, aggregate and curate, third is to converse and listen and then to measure and learn.

Any marketing that involves the creation and sharing of media and publishing content in order to acquire and retain customers is defined as Content Marketing. What traditional advertising did with headlines and creative copy, marketers are striving to do in this ever-on social media age, leveraging the ever-growing variety of mediums for the ever-on consumer. But, what actually comprises a distinctive content marketing strategy.

Likes, shares, favourites give way to even stronger responses like subscribing to your channel or your e-newsletter. Consumers cannot ignore your business if your content shouts out loud to them and makes sense from the clutter. It is a laborious task but it can be a richly rewarding experience for businesses that invest in it.

Your business is nothing if it's not credible. When you publish content, do so with the goal of always making sure the content helps to establish you as the go-to person for information related to your business.

### 2. Objectives

- To understand the concept and scope of content marketing
- To get an insight of how content marketing was used by Philips Air Fryer
- To study the impact of Philips Air Fryer's content marketing strategy on society.

### 3. Research methodology

The study is based on secondary data. Relevant data has been collected from various sources of information such as Research Papers, Reports, Books, and Websites etc.

### 4. Limitations

The study is undertaken by the use of secondary data collected from various sources which may have some lacunae.

### 5. About Philips & Philips Air fryer

Philips, a Dutch based technology company was founded in 1891 in Eindhoven, Netherlands by Gerard Philips and his father Frederik Philips. Frederik was a banker and he himself

financed the purchase and setup of an empty factory in Eindhoven, where the company started its first production of carbon-filament lamps and other electro- technical products in 1892.

It has more than 1, 05,365 employees across more than 60 countries. It is one of the largest electronic companies in the world and is headquartered in Amsterdam, Netherlands. Philips is divided into three main categories Philips Consumer Lifestyle (i.e., Philips Consumer Electronics and Philips Domestic Appliances and Personal Care), Philips Healthcare (i.e., Philips Medical Systems) and Philips Lighting.

The slogan of the company is “Innovation and you” because innovation and a people centric approach has always been their core purpose. The company believes in creating new generation technologies.

Philips Air fryer was launched in 2012 is a home appliance technology that cooks by circulating hot air around the food. It is an innovative product by Philips which cooks food with 80% less oil without compromising the taste of food. Philips Air fryer is easy to use, clean and creates less smell than fryers.

It uses less oil than conventional fryer and it can fry several foods like Samosa, potato chips, fries, chicken, fish or Pastries. It is a technology for new generation who believes in living and eating healthy. It decreases the risks of certain health related disease like hypertension, diabetes, obesity, cardiovascular disease, etc .

When Philips had introduced its innovative kitchen appliance named Air Fryer in 2012, little did the consumer know about its health benefits or its usage. The product allowed one to cook chicken wings, French fries, aloo tikkis and other deep fried foods with 80% less oil, but was faced with a low awareness level among cooking enthusiasts. Also, content on the internet especially YouTube focused only on international recipes that can be cooked with the Air fryer. The lack of Indian recipes with the Air fryer hindered its growth in India.

The brand with its digital agency Ogilvy One cooked up [an influencer led awareness campaign](#) to tackle relevant content, in tandem with paid media. Instead of launching and creating its own YouTube cookery channel from scratch, Philips leveraged and roped in India’s biggest YouTube influencer (in the cookery domain) named Sanjay Thumma. Thumma ran a cookery channel on YouTube titled Vah Chef with more than 330K subscribers then. Here, content marketing played a significant role from battling low product awareness to creating an interested consumer set from the digitally equipped, health conscious, urban consumer.

## Effectiveness of Content Marketing as a Marketing Tool: Case-Study of Philips Air Fryer

### 6. Marketing objectives

It is Indian Palette to eat oily and junk food. In 2012, when Philips launched Air fryer in Indian market they thought it will be the talk of the town as the wave of eating healthy food was there. Philips Air fryer was a promising product which provides healthy and taste of oily food without oil. They thought it would be a great hit in the market but that wasn't the scenario.

Philips realized that creating awareness about the product would not increase the sale of their product. There were some issues needed to address which were bugging the customers and hindering them to take any decision. These are the following issues to be addressed:

- The cost of the product was deterring the customers. They had in their mind that the product makes only 2-3 dishes and for making 2-3 dishes who will pay Rs. 14,000.
- For customers it was hard to believe that Airfryer cooks food with 80% less oil. For them it is a promise not to be believed.
- How food cooked in less than 80% or no oil could be tasty? Because for Indians oil is the source of tasty food.
- To address the issue and to increase the sale of their product it was required to increase the engagement and interest level among the audience and for that digital media is the best platform. The followings were their objective to complete their respective target:
  - To increase the engagement and search visibility of Philips Airfryer on Google Page as well as from 5<sup>th</sup> page to 1<sup>st</sup> page on YouTube.
  - To associate the Air fryer with the range of regular food.
  - To increase the sale of the product.

### 7. Marketing Campaign

The digital platform has changed the behavior of people the way they communicate, engage search online. Nowadays, people rely on online platform like Google and YouTube. To increase the engagement Philips started online cookery show with renowned celebrity chefs and used their followership for the promotion of their product Philips Airfryer.

Philips came up with the new online show 'Philips Super Chef' and for the show they signed up one of the most popular online celebrity Chef Sanjay Thumma. He has more than 3.5 lakh subscribers on his YouTube channel Vah Chef.

Chef Sanjay Thumma has to drive the show featuring healthy recipes cooked in Philips Air fryer for 60 episodes on his channel. The episodes and contents were than shared by Sanjay Thumma and Philips Home Living on their properties like Facebook, Blogs, and Twitter.

Philips used the content very wisely by creating interactive activities like Q&A posts, contents and chat sessions on Facebook page.

They have also built a micro site named FriedYetLight.com to create awareness about the product and how to use it. To increase the visibility and showcase they have also uploaded all the Philips Super Chef videos on the site.

#### 8. Findings

The campaign was a huge success. The average monthly search for Philips Air fryer keyword on Google was increased with 1292%. It grew from 1,300 to 18,100. The content also dominates the first page of YouTube. The fan base on Facebook Page of Philips Home Living was also increased with 10% i.e., increased from 1, 85,448 to 2,04,461.

The organic reach of the page was increased from 1,000 to 78,000 users due to the contents shared on the Facebook page. The show 'Philips Super Chef' garnered more than 7.72 views for 60 regular recipes. The overall sale of product Philips Air fryer also increased with more than 266%.

#### 9. Conclusion

Digital media is a huge platform to grab the attention of the targeted audience only if it is used correctly. Philips Air fryer has used it wisely whether it is targeting audience through video, creating interactive contents on Face book, uploading videos and product related contents on micro site or answering the questions of the audience through chats. They have used it all to leverage the product recognition and to create awareness about it.

From Google search engine keywords to YouTube search results they have used everything properly to target their audience. The whole campaign doesn't only increase their sale but also helped them to connect with their audience and to address their queries. They not only created buzz on social media platform but also helped their audience to understand their product.

The heart of engagement is 'turning on' a mind.... This is a subtle, subconscious process in which consumers begin to combine the ad's messages with their own associations, symbols and metaphors to make the brand more personally relevant."

On the social front, content marketing of Philips Air fryer helped to create awareness on how Indians can enjoy healthy food which is also tasty and cooked in less oil in Philips Air Fryer and get rid of health problems related to obesity.

## Effectiveness of Content Marketing as a Marketing Tool: Case-Study of Philips Air Fryer

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## Currency Demonetization – Short Term Pains and Long Term Gains

Dr. K. Sukumaran<sup>1</sup>

### Abstract

Demonetization of currency is a bold step that countries resort to as currency reform to achieve specific objectives. The objectives are generally country specific and such measures are carried out very rarely. India has resorted to demonetization of its currency - Indian Rupee on 8<sup>th</sup> November 2016. The currency of 500 and 1000 Indian Rupee notes was demonetized through withdrawing them from circulation and making those notes as no more a legal tender.

The demonetization move has created ripples in various sectors of the economy. Govt of India has declared the objective of the move to curb black money in circulation, but the move has caused short term pains while gains for the economy is long term.

This paper looks into the various aspects of the demonetization experience in India duly documenting the effects on various sectors.

The scope of the paper is highlighted as a sensitizing tool to realize the gravity of the situation when bold move like demonetization makes ripple effects on the economy. The methodology used is literature review and scanning the comments of opinion leaders.

Keywords: Demonetization, Currency reform, Black money, Indian rupee etc.

### 1. Introduction

Government of India has announced demonetization of Indian currency of Rs 500 and Rs 1000 denomination invalid from the midnight of November 8, 2016. These two high value notes account for nearly one-fourth of all the notes in circulation and in value terms account for over 86 per cent amounting to Rs 14.6 trillion. Since the government is replacing the old Rs 500 notes with newer ones and doing away with Rs 1000 notes, it would be more appropriate to call the move as re-monetization. The move came through a notification under section 26 (2) of the Reserve Bank of India (RBI) Act. The notification issued on November

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8, 2016 says, “it has been found that fake currency notes of the specified bank notes have been largely in circulation... high denomination notes used to store un-accounted wealth and fake notes used for financing subversive activities such as drug trafficking and terrorism are to be curtailed”.

Demonetization as a measure to combat black money has been tested by countries in the world. In 1969, USA had demonetized \$500, \$1000, and \$10000 notes to curb corruption. In 1982, Ghana banned their 50 cedis note to combat tax evasion which led people investing in physical assets making the move a failure. In 1984, Nigeria, under the government of Muhammadu Buhari introduced new currency and banned old notes. But the debt ridden and inflation hit Nigerian economy collapsed. In 1987, Myanmar’s military invalidated around 80 per cent of value of money to curb black market. The move led to economic disruption resulting in many deaths in the country. In 1991, Mikhail Gorbachov demonetized 500 and 100 ruble notes from circulation, the move ultimately led to collapse of Soviet Union. In 1993, Zaire, under the dictator SeseSeko decided to withdraw currency from the system which was not well received by people leading to his ouster in 1997. In 1996, Australia became the first country to have a full series of circulating polymer bank notes after replacing all paper based notes. This was made mainly to curb widespread counterfeiting. In 2010, North Korea went for a demonetization which led to serious disaster for the people.

In India, in 1946, hundred rupee currency notes were demonetized by Govt of India. That time only Rs 9 crores worth of hundred rupee currency notes were immobilized out of Rs 143 crores in circulation. In 1978, Govt of India withdrew from circulation currency notes of denomination of Rs 1000, Rs 5000 and Rs 10000. This move has immobilized Rs 20 crores worth of notes as against Rs 180 crores in circulation.

Peter Sands (2016) substantiates the role of high denomination currencies in tax evasion, financial crime, drug trafficking, smuggling, terrorist financing, corruption etc. Further, high denomination notes do not play a significant role in activity, whereas low denomination notes continue to play a significant role in legitimate economic activity even in most advanced economies owing to the transactional convenience they provide.

### 2. Objectives of Demonetization

The Govt of India has declared that the objectives of the demonetization of currency are to curb black money, to do away with fake currency notes in circulation and to end terror financing. “A parallel shadow economy corrodes and eats into the vitals of the country’s

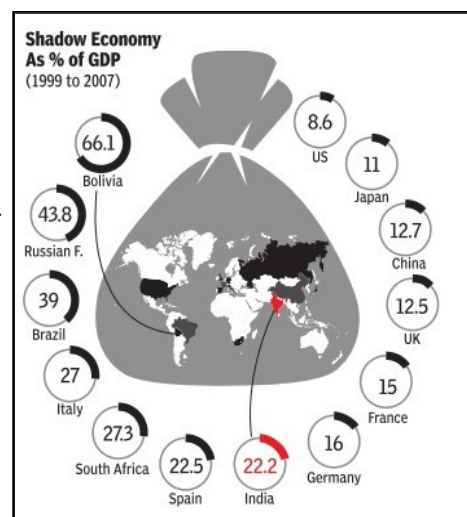
economy, fuels inflation and deprive to govt of its legitimate revenues”. The demonetization move is aimed at controlling corruption, terror financing and fake currency circulation. The steps would yield results over medium to long term through improved ease in doing business and lower corruption.

The announcement of the government related to demonetization of currency runs as follows.

- Withdrawing Rs 500 and Rs 1000 denomination currency from circulation and they are no more legal tender
- ATM withdrawals is restricted to Rs 2,000 per day and withdrawals from bank accounts limited to Rs 20,000 a week. The same increased to Rs4,500 per day per card and later on increased to Rs 10,000 per day. These enhanced withdrawal limits are within the cap of Rs 24,000 per week.
- Public can visit the bank branches and post offices and exchange the banned currencies on production of valid identity cards between 10<sup>th</sup> November and 30<sup>th</sup> December 2016. Thereafter the banned notes can be exchanged at the offices of Reserve Bank of India till March 31, 2017
- The demonetized currency notes will remain valid for transactions like booking air tickets, railway and government bus journeys and hospitals till midnight of Nov 11 and 12.

### 3. Black money situation in India

Black money or unaccounted income is quite prevalent in all economies, only the incidence changes from country to country. The parallel economy started to operate during Second World War when countries had to experience shortages in essential items. The growth of black money in any country is to be checked and arrested as it creates injuries to the common an apart from losing the government tax revenue. The growth of back money accentuates the inequalities in income and wealth. Black money originates from two sources – first it originates from illegitimate source of income received through bribes and kickbacks, and second originated from legitimate and legal source of income, but concealed from tax authorities.



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Illegitimate sources comprise of bribe, smuggling, black marketing, selling house at a high price, but showing it at a low price etc.

In India, the extent of black money is quite significant. The black income in India has been steadily growing since 1953-54 and since 1983-84, the extent has been coming down. Various committees/experts have estimated the extent of black money in India. Kaldor Committee (1953-54), Wanchoo Committee (1965-66,) Rangnekar Committee (1969-70) and Chopra Committee (1976-77) estimated the quantum of black money in India at 6.00 per cent, 4.40 per cent, 8.40 per cent and 10.50 per cent respectively. It was Shri Malcom Adiseshiah in 1975-76 in his report, estimated the black money in circulation at whopping 40.0 per cent of GDP. Poonam Gupta in 1978-79 also reported the figure at 48.80 per cent of GDP. In 1983-84, National Institute of Public Finance & Policy (NIPFP) estimated the quantum of black money in India at 18.21 per cent. The World Bank has estimated the size of black income in India at 22.20 per cent of GDP between 1999-2007. This compares to a high 66.10 per cent in Bolivia and 8.60 per cent in US. India stands somewhere in the middle in the countries studied by World Bank.

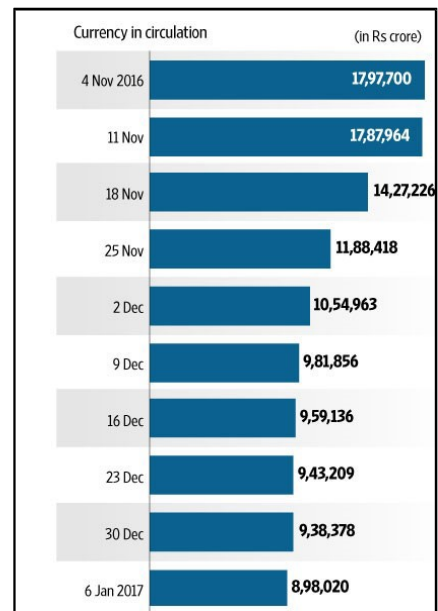
The effect of demonetization on various sectors of the economy is summarized. These include effects on economic growth, black money, cashless environment, e-commerce, microfinance, unorganized sector, real estate, stock market, exchange rate, unorganized sector etc.

### 4. Demonetisation– Short term Pains

On economic growth, various estimates indicate that the demonetization move would make a negative impact. In India, only half of the population uses banking system for monetary transactions, demonetization has hit trade and consumption hard. With people scrambling for cash to pay for goods and services, the move is likely to take a big toll on the country's growth and output. Consumption makes up for around 56 per cent of India's GDP, hence a drop in spending will put down growth. The step would lead to behavioral changes in household savings and their consumption pattern. The withdrawal of old currency notes has put pressure on agriculture markets – farmers are having problems in selling their produce, and this has the potential to lead to price increase. The unorganized small and medium enterprises sector works on the basis of cash as access to credit is still a problem to this segment. The service sector is one that is impacted with greater intensity as the decline in business level is irreversible. Restaurants, transport operators and trade in particular are witnessing lower levels of activity.

India's growth estimates for the year 2016-17, released recently by International Monetary Fund indicate that there is slowdown in growth by one percent. India's GDP is expected to grow by 6.6 per cent only, thus losing the status of the fastest growing country in the world. The IMF's World Economic Outlook Update released in January 2017 says, the slowdown in growth is "primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative". Reserve Bank of India, while announcing the monetary policy review in December 2016, lowered its GDP growth estimates for the year 2016-17 to 7.1 per cent from 7.6 per cent estimated earlier. World Bank has revised its estimate from 7.6 per cent to 7.00 per cent. Asian Development Bank has brought it down to 7.00 per cent from 7.40 per cent. Fitch Ratings revised its growth estimates for India to 6.90 per cent from its earlier estimate of 7.40 per cent. The Economic Survey 2016-17 presented in Parliament on 31<sup>st</sup> January 2017 has projected a lower growth for India till 2018. The survey projected growth rate at 6.50 – 6.75 per cent for 2016-17 and in the range of 6.75 – 7.50 per cent in 2017-18.

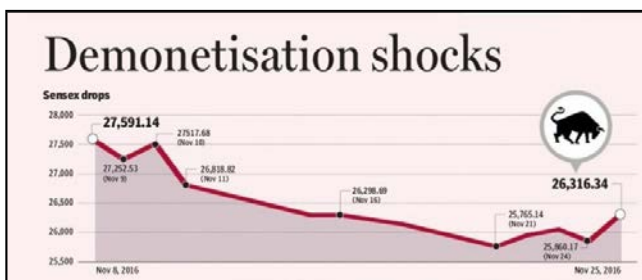
The general public continued to suffer from the currency shortage as ATMs and bank branches witness long queue. Those engaged in the informal sector continued to suffer severely as they had to sacrifice their wage employment as delays were experienced in getting the cash withdrawal. The ATMs were cash less and even if cash is available, it was in 2000 currency denominations. The general public lost faith in the banking system as their own hard earned money deposited in the system was unable to withdraw and utilize to their convenience. Mr. Jean Dreze, noted Development Economist said the demonetization will



take an awful toll on the underprivileged, especially wage labourers and its impact might be worse and last longer than expected. Currency in circulation contracted almost half. As per the estimate released by Centre for Monitoring Indian Economy (CMIE), the currency in circulation was Rs 17.97 lakh crores on 4<sup>th</sup> November 2016, the same came down to Rs 8.98 lakh crores on 6<sup>th</sup> January 2017. The extent of currency shortage in the hands of the public can be demonstrated with this figure.

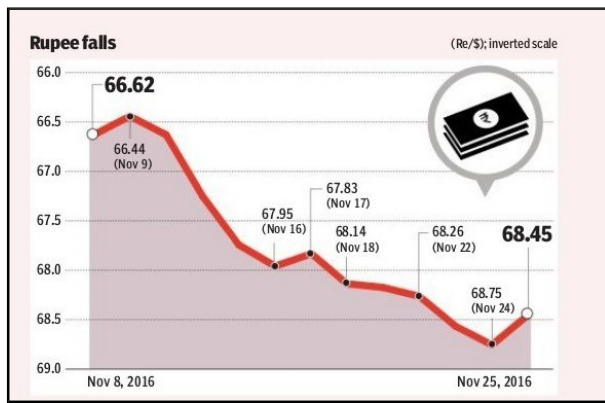
## Currency Demonetization – Short Term Pains and Long Term Gains

The micro, small and medium enterprises in the country are the worst hit due to demonetization move. Due to greater reliance on cash, sales of MSMEs in smaller towns are expected to be impacted more than that of those in metro and large cities. The overall revenue growth estimates for 2016-17 which was expected at 15%-20% before demonetization is now estimated at 6%-8%, CRISIL said in its study report. On the unorganized sector, the farm economy, fisheries, retail trade, transport sector, small scale industries etc. suffered a lot due to the demonetization move. Over half a million workers employed in the ready made garment units in and around Tirupur, the knit wear capital of India have not been paid wages, following the demonetization move. Another two hundred thousands workers employed in spinning and weaving mills have also got impacted. The silk city of India, Surat lose its sheen as the city's power loom sector has already clocked losses amounting to Rs 800 crores (\$118 million). The informal sector in rural and urban India (proprietary and partnership enterprises employing less than 10 workers) accounting for 45 per cent of GDP and 80 per cent of total employment has been badly hurt by the withdrawal of 86% of value of currency in circulation.



The demonetization measure affected the various segments of the stock market differently. Since real estate is driven by the black economy, this was the sector that was probably the worst hit of all the sectors. The Nifty Realty index crashed

after the day of the demonetization move and subsequently corrected. It is still down almost 16% during the one month period from 8<sup>th</sup> Nov. The consumer durable sector is primarily driven by cash and hence has also been hit hard. It is down by almost 11.7% during the one month period since the demonetization announcement. The Banking sector took an immediate hit the day after the announcement but recovered on Nov 10<sup>th</sup>. But, it has been subsequently correcting as it is still grappling with trying to replenish the cash in the economy. However, this is one sector which is expected to benefit in the long term because a lot of the black money will be deposited in bank accounts. The IT sector has been largely unaffected by the demonetization as it is export oriented and hence relatively better positioned to handle shocks in the Indian economy. Moreover, it is probably also largely a cashless sector and hence also not affected due to the cash being taken out of the economy.



On Rupee Exchange Rate, Indian Rupee has become weaker by 2.43% against US Dollar (\$) from 66.62 as on Nov 8, 2016 to 68.45 INR per unit US Dollar on Nov 25, 2016. Rupee has become weaker against some popular currencies like British Pound, Canadian Dollar and Singapore Dollar too. But also became

stronger than Euro, Australian Dollar, Swiss Franc, and Japanese Yen. Indian rupee (INR) became weaker than currencies of other south Asian nations - Pakistani Rupee, Sri Lankan Rupee, Bangladeshi Taka and Nepalese Rupee.

Microfinance companies which work in grass roots and handle cash more than any other institutions are in complete quandary as MFIs told customers to defer all repayments temporarily. Demonetization has upset the collection and disbursement cycles of most microfinance institutions in the country. Companies also stopped loan disbursement in physical cash, creating gaps in borrower's daily cash credit requirements.

The overall lending by commercial banks witnessed a 30 per cent drop across all categories in the first two months of demonetisation, says, CIBIL, the credit information bureau. Gold loans of NBFC and banks witnessed a significant decline and there was close to a 60 per cent drop in consumer durables loans during November and December 2016. The demand for two wheeler loans fell 40 per cent, housing loans 27 per cent, personal loans 25 per cent and auto loans 16 per cent.

The Business Confidence Survey Report released by FICCI on 31<sup>st</sup> January 2017 reveals that the overall business confidence index slipped to a four quarter low of 58.2 vis-à-vis 67.3 in the last round. The fall in value was largely on account of the weakness that has gripped the country on account of demonetization.

The Centre for Monitoring Indian Economy (CMIE), a think tank has estimated the cost of withdrawing high denomination currency notes at Rs 1.28 lakh crores during the 50 days window till Dec 30, 2016. Of this total cost, the largest share Rs 61,500 crores (48 per cent) goes to industry due to the liquidity crisis that has hit the supply chain of goods and services. A sum of Rs 16,800 crores (13 per cent) is estimated towards printing of new currency notes and transporting them to banks/ATMs, Rs 35,140 crores (27 per cent) towards the overhead cost of banks, Rs 15,000 crores (12 per cent) as forgone wages of people. The social cost of demonetization has been analysed by Shri Madan Sabnavis and the direct costs



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include potential loss of GDP, cost of printing new notes, calibrating cost of ATMs, cost of overheads at bank branches, transportation cost of currency to ATMs, transportation cost of old notes to centralized bank location and to RBI etc. The indirect costs are cost of households spent at ATMs and branches, overtime wages paid to bank staff, opportunity cost of deployment of funds flowing to the banks, cost of NPAs due to downturn in economic activity etc. The analysis arrived at the direct costs and indirect costs at around Rs1.30 lakh crores.

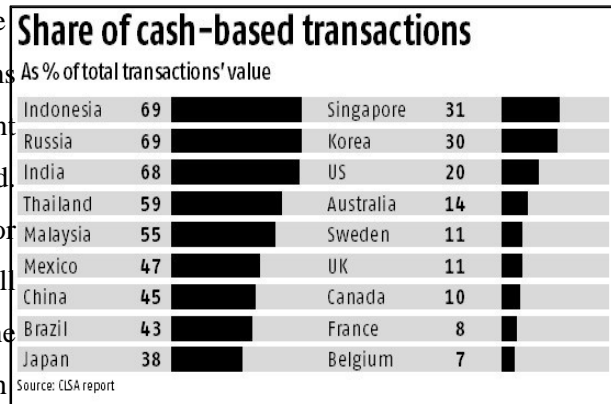
Notwithstanding the pains caused by the move to make the old Rs 500 and Rs 1000 currency notes invalid, there are immediate benefits in terms of taxing the black money, putting a break to tax evasion, and encouraging savers to put money in the financial system.

### 5. Demonetisation– Long term Gains

The most important outcome of the demonetization measure is to move towards cash less society.

Digital payments in India, currently, constitute only around 5 per cent of all consumer transactions. The decision is expected to benefit the country's start-ups operating mobile wallets and payment platforms. The digital payment platform like Paytm, PayU, Freecharge, Mobiwk, among others registered a huge spike in adoption from new users. Paytm which typically sees an average of Rs 1.5 crores business added hourly to its wallets witnessed users topping up Rs 15 crores every hour. The

mobile commerce and payment firms registered a traffic increase of 435 per cent since demonetization move is effected. Currently the cash on delivery accounts for over 60 per cent of transactions. This will go down, customers preferring on-line payments. There would be a surge in cash



less transactions as smart phone addicted Indians are expected to embrace digital and mobile money like never before. The demonetization move will be one of the key drivers in the growth of mobile wallets, online payments and ecommerce business.

On December 31, 2016, Prime Minister has launched the Bharat Interface for Money (BHIM) which is an initiative to enable cashless payments through mobile phone. One can send money to or receive money through a mobile number or payment address. BHIM accepts a maximum of Rs 10,000 per transaction and Rs 20,000 limit within 24 hours.

Micro, Small and Medium Enterprises (MSME) are moving towards cheque and e-payments in a big way, following the demonetization move, according to a nationwide survey done by the rating agency CRISIL involving more than 1100 MSMEs. Currently microfinance institutions are resorting to cash transactions in disbursement of small loans to clients. Post demonetization, this situation is slowly changing, moving to banking mode.

India witnessed one of the largest financial inclusion programs through opening Jan Dhan Yojana (JDY) account wherein each household is made access to savings bank account of commercial banks. Most of these savings bank accounts are zero balance accounts. Post demonetization move, these accounts witnessed receiving money. Deposits in Jan Dhan accounts have more than doubled to Rs 87,000 crores in 45 days post demonetization. Between Nov 10 – Dec 23, the total deposits in Jan Dhan accounts reported Rs 41,23 crores in 48 lakh accounts. It is obvious that these accounts, integral to the Modi govt's plan for financial inclusion and direct benefit transfers are being rampantly misused. However, it is expected that more and more savings bank account would be opened by those who are beyond the reach of bank branches, leading to more inclusive banking systems.

Demonetization has triggered the fundamental behavioural change – moving towards using digital transactions. Govt of India has implemented the JAM (Jan Dhan, Aadhar, and Mobile) strategy to reach out to the unbanked population. The 266.84 million Jan Dhan Savings Bank accounts are accompanied with RuPay cards, the total number of debit cards in the country being 700 million. Ninety percent of these cards are only used to withdraw money from ATMs. With ATMs running dry, users are opening up to various transactions.

Real estate sector is likely to move towards improved transparency. The move is expected to push down property prices, including land prices, as investors will not be able to deploy their cash in real estate. Experts estimate a 30 per cent correction in prices. The middle class and salaried segment are happy as the move, along with the implementation of Real Estate Act will cleanse the sector. The housing sector is going to witness a new surge as public sector banks have started reducing the interest rate on housing loans. Bank of Baroda lowered its interest rate on home loans by 70 basis points to touch the lowest in the industry, 8.35 per cent. Bank of India has reduced the home loan interest rate to 8.65 per cent for women and to 8.70 per cent for general public.

Under-reporting of taxes is seen as a major hurdle in expanding govt revenues. The demonetization move is expected to create a situation where all transactions are reported and taxes are paid. The tax revenue is expected increase which would be a bonanza for the government to pursue developmental activities.



## Currency Demonetization – Short Term Pains and Long Term Gains

Fake currency notes have been a major concern for India. As many as 250 of every one million bank notes in circulation are fake, the Indian Statistical Institute said in a recent study. The currency notes of face value of about Rs 70 crores (\$10 million) being unfused into the system every year. The fake currency notes of 1000 denomination constitutes more than 50 per cent of all fake currency. The move will help choke the flow of high value bank notes militant groups use to fund their attacks against the country.

### 6. Conclusion

Demonetization only affects black money, not black wealth. It is a fact that much of the black wealth sits in gold, real estate or investment offshore. Estimates show that cash is around 5 to 6 per cent of black wealth. So about 1 to 1.5 per cent of GDP is held in black money. If the government nets half of it through the demonetization scheme, it is 0.5 – 0.7 per cent of GDP. The move leaves bulk of the black wealth untouched. Govt of India has introduced high value Rs 2000 new currency note. In USA, the highest denomination is \$100 and in Euro €500. But Indian govt demonetizes old 500 and 1000 rupee notes and brings them in new avatar and goes a step ahead to print even bigger 2000 rupee note. Such a measure will benefit those who wanted to resort to keeping black money.

In the short term, GDP will be down for at least a 1-2 quarters before recovering. A lot of black money will be converted to white and be deposited into the banks. The income tax department has identified 18 lakh people whose cash deposits in their savings bank deposits after demonetization do not match their tax payment profiles. As much as 4.17 lakh crores of suspicious amount are deposited in these accounts. These people will have to answer queries about the source of income. There are one crore accounts where cash deposits after demonetization exceeded Rs 2 lakhs, of which 18 lakh accounts do not match their source of income.

In the longer term, reducing of black money economy in the future should bring more people in the tax net. Lower taxes and lower interest rate will benefit the economy. This surgical strike on black money is not sufficient and several other reforms like tax reforms, real estate reforms etc. need to be undertaken to curb black money generation in the future.

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Security Concern of Women Working Late Night in Information  
Technology Enabled Services (ITES) in India

Dr. Bhavana Khapekar<sup>1</sup>

Abstract

Over the past three decades, workplace has become a much more diverse environment. With women representing nearly 1/3<sup>rd</sup> of the total workforce in India, personal security has become central to their physical, intellectual, emotional, economic and spiritual well-being. Gender equality must become a lived reality which ensures that women are safe at the workplace, by creating an atmosphere conducive to increased participation of women, positively encouraging and supporting them. The World Bank has stated that the only surest way to lift India out of poverty is to educate and enhance the status of women. Women's health and skill are important for any family as they also contribute to the income of the family. And hence steps are being taken to uplift her position, health, education and ability. However, for creating gender equality through empowerment, safety and well-being of women is also crucial and fundamental. It is for the employer to create a positive atmosphere at the workplace where a woman is encouraged to come to work, secure in the knowledge that she will be treated with dignity, respect and will be protected from harassment. This paper focuses on the safety aspects of Women especially who are working in ITeS (BPO) Sector.

Key Words: Diverse Environment, Personal Security, Gender Equality, ITeS.

1. Introduction

The Indian ITES and BPO sector has seen a phenomenal growth in the recent past. There has also been a rapid growth in the number of females being employed in these sectors. Ever since India has achieved its independence, there have never been so many opportunities galore for women in any sector of the Indian economy as much as the ITES and BPO sector. Meeting a longstanding demand for gender parity in the workforce, the Government of India approved an amendment in the Factories Act to allow women employees to work night shifts. The amendment, allowing women to work between 10 pm and 6 am, is expected to benefit

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those working in Special Economic Zones (SEZs), textiles, garments, handicrafts, leather and IT sector (especially call centers).

## 2. Objectives

1. To study various problems of Women working in ITeS Sector.
2. To study the role of women in socio economic growth of country.
3. To study the various measures to ensure the safety of women at work place.

## 3. Research Methodology

The study is based on secondary data. Relevant data are availed from various sources of information such as Research Papers, Books, Bank websites etc.

## 4. Limitations of The Study

The study is undertaken by the use of secondary data collected by other sources which may not be fully reliable.

## 5. Role of Women in Socio Economic Growth of Country

Social and economic scenario of India has undergone a huge change, and so has the status of women. The women of today have made significant contributions in several fields. They have broken the prejudice that women are a homemaker and that they cannot compete with men. Along with being homemakers, women have also become great achievers in the outside world. Women have made their presence felt in all fields be it Business, Education, Fashion, Entertainment, Finance, Information Technology. Earlier it was said that if a woman is working she is just fit to do administrative or lower management jobs. But women have proved them wrong and they have been successful leaders and mentors. The sharp mind and sympathetic nature of women has helped them achieve success in the business world. They successfully overcome any challenge posed their way. Some examples of women who have made notable contribution to the economy are Kiran Mazumdar Shaw - the founder and head of Biocon, one of the leading organizations in the field of Biotechnology in India. Naina Lal Kidwai the Deputy Chief Executive Officer (CEO) of The Hongkong and Shanghai Banking Corporation Limited, India (HSBC), Chandra Kochar is the MD of ICICI banks India. These women have created history in the business world of India not only because of their personal achievement, but also because of their initiative to boost India's corporate performance. These are the example of women who had the opportunity and the education to

become successful, but there another side to this also. Though women have made successful contributions in the business world, the bias against them still exists they still have to work double hard for their performances to get noticed in the society. People are still prejudiced to give women important roles in business.

Women of rural India in spite of not having proper facilities and education still engage themselves various actives such as agriculture handicrafts, weaving etc and gain additional income. The agriculture and handicrafts also contribute to the national economy. Women have been contributing to all field of society in some way or the other whether it is urban or rural, women play an active part toward contributing to the social economic growth of the country. Women despite the lack of education and facing many problems have been engaging in various domestic and community services. The contribution of women has always been omnipresent. In every field they have made notable contributions towards the growth of the Indian economy. The active participation of women has led to the betterment of the Indian society.

#### 6. Challenges Faced by Women in ITeS Sector (Especially Call Centers)

Some common work challenges experienced by Women working in a call center environment are:

- Most employers are skeptical about the ideas and communication skills of women hence, most females do not get a job that goes with their talents and experience.
- Females are subjected to constant discrimination in their offices. Often, the roles involving leadership qualities, quick decision making abilities and team management skills, are not handed over to a woman.
- Safe transportation is a major setback for girls, irrespective of small or big cities.
- Irregular availability of work, zero job security, low salaries and varying working hours are general problems experienced by girls working in metropolitan cities.
- Sexual harassment by colleagues and senior staff is a blatant issue nowadays. Numerous cases involving sex scandals, physical abuse and forced rapes are highlighted by media on regular basis. These cases are commonly encountered by the staff working in night shifts.
- The average literacy rate of Indian women is quite low in comparison to the average literacy rate of Indian men. Low-level of education hampers their growth opportunities. Further, due to lack of self confidence and fluent communication skills, most females find it difficult to express their standpoint in the corporate sector.

## Security Concern of Women Working Late Night in Information Technology Enabled Services (ITES) in India

- Female employees are handicapped by their own family members and associates. Lack of motivation from the loved ones, hinders their progress.

### 7. Ensuring Safety of Women at Workplace

The telecom revolution & the Internet have opened up new job opportunities for women in ITeS sector (e.g. Software companies and BPOs recruit women as easily as men). The Govt. of India and various state governments have starting taking the ITeS industry very seriously. NASSCOM has done a wonderful job in working with the Government to formulate new policies which are in favor of the ITeS industry. To promote India as a major destination for the ITES sector, the government is also considering a proposal to set up an "India Brand Marketing" fund. The fund will be utilised to promote the country as a preferred destination for the ITES sector. The government is also planning to create infrastructure for the ITES sector in various parts of the country. The government is trying not to limit the growth of ITeS only to big cities. Bodies like Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce (FICCI), Associated Chambers of Commerce and Industry of India are taking initiatives along with universities to include ITeS in the curriculum. Though many of the organizations have emphasized on gender diversity bias, there is still a need for more number of affirmative policies for empowering women in BPO sector.

Here are the conditions that the companies need to follow for ensuring safety of women:

- Provide transport facilities from the residence to workplace and back, free of cost and with adequate security.
- Employment of women employees in night shift shall be on rotation basis. Post adequate number of security guards during night shift.
- Provide sufficient rest rooms, latrines and washing facilities with water supply separately for women employees so as to secure privacy.
- The establishment should bear the cost of crèche facility obtained by women employees from voluntary or other organisations.
- The Company should obtain bio-data of each driver. The Company must conduct pre-employment screening of the antecedents of all drivers employed on their own. While hiring drivers through outsourcing, the company should ensure that the collection of bio-data and pre-employment screening of the antecedents of the drivers is carried out by the service providers.

- The Schedule of route of the pickup and drop is to be decided by the supervisory office of the company only. In case of an urgent need, change of drivers/ routes/ shifts shall be allowed only with the prior knowledge of supervisory officers/ employees.
- The telephone number, particularly mobile phone numbers and address of the women employees should not be disclosed to unauthorised persons.
- Careful selection of routes shall be made in such a way that ordinarily no women employees shall be picked up first and dropped last.
- The company should provide security guards at work place and for night shift vehicles when women employees are being picked up first or dropped last.
- The designation supervisors of the company/ service providers may randomly check the vehicles on various routes as far as possible.
- Company must have a control room/ travel desk for monitoring vehicle movements.

## 8. Conclusion

There was a time when women would have to fight for their right to employment. Fortunately, today this fact stands as our past. Unfortunately, our present isn't any better either. The deplorable figures of crime against women in our country confirm the challenging and insecure lives women live even today. For those who work in corporate environments, there is some measure of protection, while others who work in areas such as education, entertainment, retail, or in the unorganised sector often have to fend for themselves. One simple measure that companies could employ is to employ female security guards as well in offices, especially in the area around washrooms and create a basic pantry inside the office premises, so that employees do not need to go out for dinner when working late. We know that this isn't really a treatment for the disease of crime against women, but it would at least keep the symptom of attack at bay. There is no doubt about the fact that many organisations try their best in keeping their female employees safe. Nonetheless, the responsibility they shoulder is so big that corporate measures alone won't suffice. What is really required is a commitment from our state and city governments to invest in public spaces, and a better understanding from architects and builders too on how work places can be built in a manner more conducive to safety.

## Security Concern of Women Working Late Night in Information Technology Enabled Services (ITES) in India

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**Consumer Behaviour towards Mobile Marketing - Do Female Consumer Prefer Buying On Click or On Touch-Garment Products**

Dr. Madhuri S. Datalkar <sup>1</sup>

**Abstract**

Mobile Marketing has been considered as a very vital tool of marketing for companies. Many large companies are resorting to this technique because; mobile is a device which enables advertisers to directly communicate with the customer cutting through the clutter. Many aspects influences customers' behavior towards online marketing and a study of them will help advertisers to target and reach them suitably. One of the main important aspects while marketing is gender-differences and in this study we have considered female customers' attitude and approach towards M-marketing. For this a total of 200 valid responses were received from different age group women in Nagpur and a conclusion were drawn after analyzing the data.

Keywords: M-Marketing, Bluetooth, QR codes, Credibility.

**1. Introduction**

Organizations, nowadays, are working in a constantly changing environment with high competition. They are continuously trying to expand their market. New technologies have helped to reach target audiences. Mobile Marketing is a new and very fast trending Marketing media. It enables advertisers to directly communicate with potential customers in a fast speed and regardless the geographical location. Mobile Marketing enables the "anytime-to-anyplace" communication possible. Through the introduction of data services, SMS, MMS, online shopping websites, 3G, 4G services etc., the mobile phone is rapidly becoming a popular instrument in commercial marketing.

According to latest data released, the number of mobile users in India in 2016 has crossed 1 billion. Nearly 35% of India's total populations are being exposed to Internet as per data collected in 2016.

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This statistics clearly show the use of mobile and internet use is growing in a very faster speed. The high penetration rate of mobile devices among consumers provides an opportunity for companies to use this medium of transmitting advertising messages. Hence it becomes a vital part for the organizations to study the mobile marketing, consumer behavior towards mobile marketing and its advantages and limitations.

It is rightly said that the success or failure of any advertising is based on the attitude of customers who view it. The changing attitude of Indian Consumers with respect to new technology advertising and marketing methods is very complex and hence their study involves various tools and techniques.

In this study we are covering women consumer behavior and their attitude towards mobile marketing for garment segment.

### 2. Review of Literature

Leppaniemi, M. & Karjaluoto, H. (2005) in their study submitted in *Int. Journal of Mobile Communications*, 3(3), 197-213, pointed out that the terms like mobile advertising, wireless marketing, wireless advertising and mobile marketing were used interchangeably.

Bauer, H., Barnes, S., Reichardt, T. & Neumann M.M (2005) in their study in *Journal of Electronic Commerce Research*, 6(3), 181-192 [13] carter, E (2008) outlined the main characteristics of mobile ad strategies are personalization, localization, uniqueness, ubiquity, interactivity, high retention rate, high reach, high response rate and low cost.

Haghirian, Madlberger and Tanuskova (2005) observed that “mobile technologies have the potential to create new markets, alter the competitive landscape of business, and change existing societal and market structures.”

Hopkins and Turner (2012) observed that “the key for successful marketing application is customer value: if the application is not compelling, useful and easy to adapt, it will quickly be forgotten or totally ignored.

### 3. Factors Contributing to Growth of M-Marketing

Digital mobility and connectivity grow more important every day. Mobility is indispensable in the digital age, and our media devices are portals through which we connect with everyone and everything. We know consumers keep their mobile devices nearby, check them frequently, and occasionally use multiple devices at once. As per a study, Computer-based

traffic to e-commerce sites traditionally peaked between Monday and Friday and trailed off during weekend, on the other hand Mobile traffic had opposite trend since shoppers use their mobile phones mostly in weekends. According to a recent report by research firm Forrester, nearly half the \$12 billion in yearly online sales in India takes place through mobile phones.

What has lead to increase in mobile marketing by marketers and consumers may be some of the below.

**Surge in Sale Of Smartphone:** Life on the go has encouraged the use of smartphones. This has increased in the number of users in mobile and consequently exposed them to mobile marketing.

**Ease in Handling:** Mobile as against any other digital tools is very handy and ease in carrying and operating. This feature of mobile devices has led to increase in purchase of mobile and ultimately increased the access of consumers to mobile ads.

**High Exposure Rate:** In general it has been observed that a SMS is read within 3 mins of delivery than any e-mails. Hence, mobile is viewed as fastest means of communication.

**An App for Everything:** In today's world everything has an app. For eg. Banking, hotelling, travelling, shopping, etc. everything has an app of its own. The advertisers tempt the consumers with various offers and discounts for purchase through apps, hence the ultimate consumers opt this choice.

**Social Media on Rise:** With increasing social media sites like Facebook, LinkedIn, etc., the number of transactions made online has been increasing.

**Online Shopping is The Latest Craze:** Despite the penetration rate in India is less as compared to US and Europe, yet it is growing at an enormous speed. One of the important reasons for growth in online shopping is that, three-quarters of India's population is below 35. Among women 35-44 are heavy users and in men 25-34.

#### 4. New Trends In Mobile Marketing

As correctly said by Heraclitus, a Greek philosopher, "change is the only constant in life", so does change in technology. Trends in mobile marketing are very trending. The following are the various new trends noticed in mobile marketing:

- Departmental and Retail stores joining hands with online stores.
- Customized shopping for different market segments.
- Easy Cashless payment options.

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## 5. Objectives

- To study the concept of Mobile Marketing and their types.
- Consumers Behaviour towards Mobile Marketing.
- Female consumers' approach to M-Marketing.
- Limitations of purchasing online.

## 6. Research Methodology

Research methodology for this study consists of data collected through primary data and secondary data.

### Primary Data Collected:

- Questionnaire consisting of 10 items, circulated among 50 women in Nagpur (selected area) of ages 18-29 (referred to as: Group 1) and 30-45 (referred to as: Group 2).
- Distributing the survey tool (questionnaire) via electronic media (e-mail, whatsapp) and in person.

The collected data have been entered to excel file and conclusion and analysis have been drawn as per the responses.

### Secondary Data Collected:

- This includes review of literature regarding studies made on the same topic from various countries.
- Websites, Books and Thesis.

## 7. Limitations

- The study is taken by the use of secondary data collected from various sources which may have some discrepancy.
- Due to limitation on the length of paper Researcher was unable to develop a detailed insight into the topic.
- Regarding data collection procedure, some respondents may not have fully grasped the concept, which might have jeopardized the quality of information collected.

## 8. Garment Industry In India

The textile industry continues to be the second-largest employment generating sector in India. India is first in global jute production and second in global textile manufacturing and silk and

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cotton production. The Garment Industry employs about 40 million workers and 60 million indirectly. Textile industry contributes to 14% to Industrial Production and 4% to GDP. India's overall textile exports during FY 2015-16 stood at US \$ 40 billion. The apparel industry is concentrated in mainly eight clusters: Tirupur, Ludhiana, Bengaluru, Delhi/Noida/Gurgaon, Mumbai, Kolkata, Jaipur and Indore. India's textile industry is comprised of two segments, namely handloom, handicrafts, sericulture, powerlooms in the unorganized sector and spinning, apparel, garmenting in the organized sector. The textile industry has a significant presence in the Indian economy as well as in the international textile economy. The Government of India has also included various schemes to enhance the textile industry. Some schemes are increasing the budgetary support to USD 4.25 billion (earlier 4.18 billion) in 12<sup>th</sup> Five Year Plan, 100% FDI in Indian textile sector, etc. Some of the top companies who play a key role in ever growing textile industry are:

- Welspun India Ltd.
- Vardhman Group
- Alok Industries Ltd.
- Raymond Ltd.
- Arvind Mills Ltd.
- Bombay Dyeing & Manufacturing Co. Ltd.
- Garden Silk Mills Ltd.

### 9. Concept Of Mobile Marketing

According to marketing professor Andreas Kaplan, mobile marketing is, "Any marketing activity conducted through a ubiquitous network using a personal mobile device". Mobile Marketing is a multi-channel, digital marketing strategy aimed at reaching a target audience on their Smartphone's, tablets, and/or other mobile devices, via websites, email, SMS and MMS, social media, and apps.

It might sound funny but true, Forrester reports that consumer pick/hold in hand their mobile phone 150 to 200 times a day. Hence businesses and marketers have to change the way they communicate their messages with their customers. There was a time when advertisements in mobile were treated as a very risky choice but today because of many reasons like heavy drop in mobile prices, consumers knowledge towards technology, dicer in handling paper currency, etc. have forced corporate to consider m-commerce (trading via mobile) as an imperative approach.

Marketers can indulge in mobile marketing by any of the following ways according to their preference:

**SMS (Short Message Service):** Advertisers can send SMS's also known as "texting" relevant marketing messages.

**MMS (Multi-Media Message Services):** It includes messages having rich media elements like images, video and audio.

**Mobile Applications:** It is a very fast growing service provided by companies. Giving advertisements inside the application design is in trend.

**Bluetooth Wireless Proximity Based Marketing:** It works like local TV advertising on cable or network channels where a customer in a particular location will be served custom ads for that area.

**Location-Based Marketing:** It delivers multi-media directly to the user of a mobile device dependent upon their location via GPS technology.

**QR codes (Quick Response barcodes):** It allows customers to quickly learn about a business, by visiting a mobile version of their business page on a mobile phone that is enabled to scan the bar code.

**Pay per Call Mobile (click-to-call):** It is a user friendly mobile ad asking the user to make a phone call and view the advertisement.

**Voice Marketing:** It is a computer generated call to the customer on the mobile.

**Mobile Banner Ads:** It is just like banner ads for desktops but smaller in size to fit on a mobile screen and run on the mobile content network.

**Online websites:** It involves making an own website and displaying all products and services to the customers.

Since technology keeps on changing with time, so does the technology equipments. Hence we cannot say that companies will resort to any one of the above mobile marketing method or combinations of more than one, or maybe new methods will be launched in coming years.

The customers are the ultimate

#### 10. Customer's Attitude To M-Marketing

The attitude towards mobile- marketing is the consumer's propensity to react positively or negatively to specific mobile advertising. Though demographic variables like age, gender,

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occupation, etc. influences buying attitude, but in general the attitude of men and women towards online & mobile marketing are same.

There are many studies and findings showing the attitudes of consumers towards online marketing but the one developed by Brackett and Carr (2001) is interesting and worth analyzing. In his model he gave the following antecedents to determine consumer attitude towards mobile marketing:

**Entertainment:** Entertainment in advertising may be defined as an amusing and pleasant experience through the use of media. The pleasure one feels from advertisements plays the most important role in consumer's overall attitude towards advertisement.

**Informativeness:** Informativeness in e-commerce is the degree of practical and supportive information offered by web providers, which affects positively to customers' attitude towards advertising.

**Irritation:** Irritation in advertising is an advertisement that generates annoyance, discontent and brief intolerance. It has a negative impact on the attitude towards advertisement.

**Credibility:** Credibility is consumers' confidence in the honesty and plausibility of the advertisement. There is a positive relationship between credibility and consumer's perceived value of advertisement.

There may be many other factors which influences attitude of consumers towards mobile advertisements but the basic and main factors are outlined above.

### 11. Women Consumer's Approach In M-Marketing

In the last few decades, the world we live have changed dramatically. Women have gained greater financial independence and responsibility. Market segmentation is very much changing because of more number of women being graduated than men and they have taken over the role of the primary breadwinner of the family. "According to a study conducted at the University of Wisconsin, women notice and recall 70% more details in their environments than men do." This is very important for marketers as they can target women consumer sector according to their attitudes. This gender differences affects marketing and marketing techniques.

Marketers should understand the basic factors which vary according to gender in influencing purchase decisions. The distinctive differences between male and female online shoppers can be enumerated as follows:

- i. Men on Mission, Women on journey: In context of shopping, the different brain structure leads men to be more mission and task-oriented, while women more likely to be discovery-oriented.
- ii. Men's motive utilitarian, women's motive hedonic: Men look for utility in shopping whereas, women shop with emotional aspect.
- iii. Men loyal to brand, Women loyal to good service: As per different theories, men are more inclined to brand that worked for them while women for good service. Hence, marketers should use tools to build personal relationship with female customers.
- iv. Women perceive high level of risk in online shopping: Different studies shows that women in general identify a risk in online shopping; hence marketers should design their plan accordingly keeping this factor in mind.

In a country like India, which is highly populated and where the sex ratio is approx. 944 females for 1000 males (2016), it is very important to make different plan and strategies to target female customers.

But again the age factor also affects the buying decisions. Even each people are unique and although there may be gender-specific tendencies, they all should be treated as unique individuals.

## 12. Does Female Consumer Sector Prefer Buying on Click (Mobile) or By Feel?

As per various studies and findings:

- India has around 100 million women smart phone users out of which 40% shop online.
- 70% online transactions happen through a smart phone device & 30% through computer/tab.
- 53% women in metro cities prefer shopping online as compared to 47% 2 & 3 tier cities.
- On an average women shop in the following product categories:
  1. 35% clothes
  2. 26% fashion jewelry
  3. 19% fashion accessories
  4. 8% shoes
  5. 12% home décor.
- 6. The statistics above clearly indicates that Women in online and mobile marketing are increasing in a very fast speed and their preference for mobile marketing is mainly for clothing apparel.



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For our study we conducted a survey tool among 2 age groups 18-30 and 31-50 and in a particular area-Nagpur.

### 13. Limitations Of M-Marketing

Though mobile marketing has covered a lot of users into this world but it has its own limitations or disadvantages:

- Security: Online privacy has to be checked regularly to prevent hacking.
- Creative: The creativity in different mobile devices calls for creativity in advertisement on mobile.
- Navigation: The small screen size of mobile phones creates navigation problem for the user. Hence, many ads may get unnoticed.
- To summarize, the limitations in using mobile phone for mobile advertising doesn't affect mobile marketing since many consumers are still going for purchases on click.

### 14. General Findings From Our Survey

A total of 15 elements seeking responses on issues like preference for m-marketing, choice of marketing, amount expended for online clothing, time spent on browsing websites, irritation of ads, etc. were circulated among the mentioned age groups in specified area and following findings were drawn:

1. 70% Women in Group 1 prefer mobile marketing while 60% in Group 2 prefer.
2. More than 80% of age Group 1 consumer resort for App-Based purchasing. 40% of Group 2 consumer resort to Telecalling. The reason may be the Group 2 age prefers personalized details and communication.
3. In Age Group 1, 75% women spend more than 3-4 hours on mobile marketing while only 22% of Group 2 age spends this much time.
4. The amount of money spent by women is very varying since it varies according to season, income, brand choice, etc. But on an average the amount spent on purchase via mobile is more in age Group 2 than age Group 1.
5. 45% of age Group 1 woman respondents purchasing decisions gets negatively affected by irritation of ads and 36% of age Group 2 gets negative influence from irritation of ads.

### 15. Conclusion

The everyday technology we use has not just mobilized, but merged into a single device we carry with us at all the times: the mobile phone. Companies can generate positive or negative

response from the customers, as studies implicate that consumers are willing to participate in mobile marketing, but without proper mobile marketing strategies, the companies fail to deliver the expected user experience. In our study, we covered only women consumer in m-marketing and for clothing apparel. Our study relies on this variable and to draw an overall conclusion based on limited variable is very difficult. But a general conclusion can be drawn from our study. Women as a consumer in mobile marketing are increasing day by day. They prefer m-marketing because of many advantages in it like convenience, time utility, etc. But we cannot ignore the consumers who do not feel an ease in mobile shopping. This discomfort may be because of age, income, risk in buying online, lack of knowledge in mobile technology, etc.

But overall, the trend is changing and more and more female populations are being exposed to mobile technology and uses. Women also prefer purchase on click (digital) as against purchase on touch (physical) because of which the marketers have to develop their selling through mobile devices according to the attitudes and behavior of female consumers.

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## Development of Entrepreneurship in ZMG: Growth Startups and Precursor of Innovation and Economic Development

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### Abstract

The aim of this research is to analyze from the perspective of the theory of entrepreneurship, which are the characteristics of a "Start-up" and how is considered a new type of company within the economic context due to its specific characteristics. Based on a literature review, it is identified the historical context of entrepreneurship until reach the specific context of the conditions of MAG to generate the creation and development of Startups, evaluating the variables that are important to consider given assessments of other ecosystems of successful entrepreneurship. Also considering those, which are optimal conditions that trigger entrepreneurship and creating Startups based on technology and innovation? Concluding that Mexico from their national policies and the state of Jalisco from state development plan has resulted in the GMA has created the conditions to promote the entrepreneurial ecosystem; however, there are key indicators that slow detonation and growth of start-ups based on technology and innovation.

Keywords: Start-ups, entrepreneurship, Mexican entrepreneurship

### 1. Introduction

Entrepreneurship is an activity that has developed over hundreds of years. However, the treatment study of entrepreneurship has had different approaches over time and has sometimes been confused and mixed definitions. Entrepreneurship awarded the creation of new businesses. However, how such a concept has several implications across different studies and related disciplines, sometimes often confused with theories of administration and management.

Over the years and due to the dynamism of markets, globalization and other external factors is that the characteristics of the firms have modified and adapted. It is no exception in the stage of starting a business. For them is that new models have emerged some models of companies because of its specific features is that do not fall into the traditional categories of

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the firm. Therefore, the study of these is very vague. However, in recent years these enterprises, which later will call as start-ups is starting to become more important in the economic and business context. It is likely to start and consider them as the birth of a new type of firm. Perhaps it is ambitious, granting this category to these new emerging firms. However, the international context starts showing that the start-ups are a model of companies that begin to take a strong role in the global context.

Following this new trend in business dynamics that also involves issues such as technological development, innovation, scalability, internationalization among other transcendental concepts, it is necessary to understand the position assumed by the country and the region to this phenomenon. This in order to avoid business and economic backwardness, which sometimes translate into knowledge and intellectual backwardness and detonate in slowing economic development.

### 2. Background of the problem

Entrepreneurship is an activity that has taken place for hundreds of years. However, the treatment study of entrepreneurship has had different approaches over time and has sometimes been confused and mixed definitions. In the text, the authors Griesa & Naude cite David Hart entrepreneurship defined as the process if begin, and continue the expansion of new businesses (Hart, 2003, p 5). Because of this, entrepreneurship credited as the creation of new businesses. However, as such the concept of entrepreneurship has several implications across different studies and related disciplines.

One could understand the theoretical historical development of entrepreneurship as follows, based on the theoretical review in the book "Entrepreneurship in Theory and History". The history of entrepreneurship dates back to 300 years ago, according Pepelasis (2005) which shows a summary of the main theoretical contributions of entrepreneurship and its historical development since the beginning of the term venture. Casis (2005) summarizes the contribution of Richard Cantillon as follows: The entrepreneur is the specialist in risk taking. The entrepreneur assumes the risks caused by price fluctuations in consumer markets. Unlike employees who receive a 'safe' salary in the short run, the entrepreneurs are willing to take the risk of economic transactions (Pepelasē & Cassis 2005).

Moreover, according to Pepelasē & Cassis (2005) the author Frank Knigth redefined the contribution of Cantillon, distinguishing between the concept of risk and uncertainty. By

separating these two concepts, assume that the risk can be "insured" and by blunted, however, the uncertainty is no assured.

Given that, the risk refers to the relative frequency based on experience of a phenomenon. Uncertainty refers to the unique events and that the probability of occurrence is under an assumption. On the other hand, it claims that the gain or business profits are the reward for assuming uninsurable risks and uncertainty, is the reward of the pure entrepreneur. With the freedom of entry into the industry, profits in one industry may exceed profits in other industry in the long term, only if the uncertainties are greater in the most profitable industry, in other words, if demands on entrepreneurship are higher in that industry (Pepelasē & Cassis 2005).

Years later Joseph Schumpeter (1934), Austrian economist awarded the most basic notions of entrepreneurship who gives a heroic vision of entrepreneurs. He tells that entrepreneur generates dynamism, after creating new industries, which makes it a precursor of structural changes in the economy. Among the characteristics of the entrepreneur, Schumpeter mentions that innovates through new or existing elements, so, it can be understood that is not pure inventive and sometimes turn to adapting existing inventions. Also he mentions that the entrepreneur is not the owner of capital, since in most cases are funded by external entities, which is another characteristic of entrepreneurs, the constant search for resources, but they are the ones who make the crucial decision to take the risk.

Schumpeter (1934) developed his work *Theory of Economic Development*; in this theory rejected two great courses. The first is that economic change develops exogenously, and the second is that business activity is a response to exogenous forces. In refuting these assumptions, he built endogenous growth theory. In this theory, he defines the entrepreneur as the precursor source of all dynamic change in the economy. Schumpeter attributed the adjective "creative rebels" to entrepreneurs. They are responsible for generating the necessary imbalance generated by the dynamism of the economic system; therefore, they play a key role in economic development, breaking with routine processes and systems through innovations and value creation.

Israel Kirzner (1973) cited by Pepelasē & Cassis, (2005), another Austrian economist, entrepreneurs are largely precursors of economic activity since for them one of the main motivators is the pursuit of high economic performance. For Kirzner they seek for their benefit in buying low and selling high. Another characteristic attributable to entrepreneurs is that they possess the quality of a clearer judgment to improvise decisions when faced with a discrepancy. Coining to Kirzner that through their studies embedded in the Stream of Neo-Austrian School is emerging concepts such as the "entrepreneurial spirit; which already

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formally defined as alertness to profit opportunities. Under this assumption of constant alert to opportunities, the entrepreneur is a balancing force between the opportunities and the economic environment.

Finally, according to Mark Casson (1990) entrepreneurs are very important figures in the capitalist economy and society. They are decision makers in complex cases appealed to his trial, for example, when resources are scarce or there is a situation of uncertainty.

After detailed explanation of the historical development of entrepreneurship, it is understandable that it is possible to undertake it within traditional structures of the firm. However, the emergence of dynamic conditions and global demands are emerging new structures outside the canons of traditional firms.

### 3. Conditions to generate an entrepreneurial ecosystem

Sustainable entrepreneurial ecosystem is defined how interconnected groups and networks of actors in a community are committed to the development and creation of new companies (Cohen, 2006). This is a very general definition for it to achieve to be more specific, is that a detailed list of these networks and specific groups that must exist in order to affirm that the conditions is given to generate venture in a city. Then the author Cohen (2006) presents a list of the seven main elements of the necessary conditions to generate venture.

- a. Informal networks
- b. Formal networks
- c. Universities
- d. Government
- e. Professionals and support services.
- f. Capital services
- g. Reserve and talent generation

Given the specific characteristics of a start-up and the context of the ecosystem of entrepreneurship, both in Mexico and in the Metropolitan Area of Guadalajara (MAG), it needs to define whether there are appropriate conditions to encourage the creation of start-ups and the variables of the entrepreneurial ecosystem models in which to take action.

### 4. Research question

Are there adequate conditions for generating start-ups for the ZMG?

### 5. Justification

It is Important to assess the context of entrepreneurship in the local area, since many

adjectives are being Attributed to Jalisco as the "Mexican Silicon Valley" or "JaliscoCapital of innovation" Doing this analysis will allow to understand this situation.

The analysis on this matter is justified in few studies on the dynamics of start-ups in Mexico and much less to specific ecosystems like the MAG. There are some agencies and studies already evaluating entrepreneurship in various dimensions from the current conditions of the country to promote entrepreneurship to more specific indicators related to innovation and technology, but without taking into account the specific context that require start-ups.

Moreover, to study the dynamics of Startups as a new business structure is as important as this phenomenon is showing up increasingly and is emerging more strongly. There are hubs, innovation, and entrepreneurship ecosystems, which created the atmosphere and the conditions for growth start-up, such as the city of Victoria in Canada, Silicon Valley in California and Tel Aviv in Israel.

Given the specific characteristics of a start-up and context of the ecosystem of entrepreneurship, both in Mexico and in the MAG, it is a need to define whether there are appropriate conditions to encourage the creation of start-ups and what are the variables if the entrepreneurial ecosystem models in which action is taken.

## 6. Conceptual- theoretical framework

### A. Entrepreneurship

The process of initiating and continuing the expansion of new Businesses (Hart, 2003, p.5) to entrepreneurship is credited the creation of new businesses. However, such a concept has diverse implications across the distinct studies and related disciplines.

### B. Startups

A start-up is a technology-based business, high growth potential and a high degree of scalability. Startups research has focused on analyzing how new companies have the ability to develop new products and services and reach a large number of customers in a shorter period (Rasmussen, E. S., & Tanev, S, 2015). About the growth of start-ups isreaching more customers in a shorter period known as scalability, which can be one of the main features of a start-up.

According to Steve Blank, a startup is a temporary organization in search of a business model scalable and replicable (Blank, 2010). Temporal refers to having a lifetime to stop being start- up and become a consolidated, or fail and evolve to another detected business opportunity. The word search refers to the market in which it is

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involved, unlike traditional businesses operating in mature markets, start-ups seeking new business models in order to create, modify or have existing markets (Blank 2010).

### C. Characteristics of startups

A scalable start-up usually requires a population of over 100 million people. If your country does not have that, the start-up needs to be born world (Blank, 2010). Trimi and Berbegal-Mirabent (2012) have discussed new trends in the design of the business model, focusing on open innovation, customer development, agile development, and methodologies "lean". That conclusion they reach is that the design of business models based on innovation should seek quick iterations and the adoption of a philosophy of trial and error to validate the assumptions of the business model and the specific characteristics of goods or services.

According to Stavnsager and Tanev (2015) the authors make a comparison between startups and global firms must be born yet we only we will focus on the features that the authors listed about start-ups.

- 1) Type of company: Start-up technology.
- 2) Market: New market niches.
- 3) Marketing strategy product: Model cycle technology adoption / cross into new market niches.
- 4) Product development: New product development / prototyping / testing / Dynamic Development.
- 5) Business model: dynamic model / pop business.
- 6) Focus entrepreneurship: entrepreneurship directed hypothetically.
- 7) Outlook key attributes of business: Ex ante.

### D. Importance of startups

According to the Mexican Institute for Competitiveness, the dynamics of startups has come to challenge much of the theoretical structures have on the theories of the firm, business management and economic behavior. For example, some technology startups in less than 5 years have achieved greater value assessed to all listed companies belonging to a conglomerate. Given to this dynamism has made that capital investment in technology issues have a growing five times greater than the rest of the economy.



E. Innovation in Mexico.

According to the World Intellectual Property Organization (WIPO), Mexico improved 16 places in the Global Innovation Index 2013 over the previous year. In 2012, it was in the 79th position and managed to move to position 63. This puts it in a position slightly above the average of the 142 countries assessed. However, its position remains less competitive than other Latin American countries like Costa Rica (39), Argentina (56) and Colombia (60)

There is another report issued by the World Economic Forum, Global Technology Report 2014 puts Mexico at the site 79 of 148 countries surveyed, down 16 positions from the previous year. Although the report can recognize similar to those highlighted by WIPO strengths, it indicates that the innovation ecosystem in Mexico needs to be strengthened and, in general, Mexican companies have a low capacity to innovate, resulting in low economic impacts and population which focuses heavily on low-productivity activities, and few jobs that are considered knowledge-intensive (Gallegos, 2015).

1) Quantitative investment analysis innovation

According to the World Intellectual Property Organization (WIPO) investment in research and development, according to the World Bank, in 2012, Mexico spent the equivalent of 0.37 Per cent of GDP, while Russia, for example, spent 1.0 Per cent, Brazil 1.1 Per cent, China 1.4 Per cent and South Korea 3.2Per cent.

One of the policies of the federal government has decided to attack with the aim of gradually increasing investment category at least the equivalent of 1 Per cent of GDP. International experience shows that the most successful entrepreneurship based on innovation, cases are those articulated under models "triple helix": that is, innovation does not arise in isolation, but thrives on networks that bring together entrepreneurs, research centers and support from government agencies.

In Mexico, by 2010 according to the SEP used in the report of the World Intellectual Property Organization (WIPO), 25 Per cent of Mexican companies that conducted research and development, it was in connection with a research center. According to this report, a key incentive is to have a robust and effective system of protection of intellectual property rights, and intangible to be a tool for entrepreneurs.

According to WIPO, Mexico local produce 0.7 patents per 10,000 inhabitants. Brazil produces twice, Russia 20 times and China 40 times. In the Federal District 36.3 patent applications filed per million inhabitants in 2012. In Oaxaca there were only two. Similarly, the Federal District has 14.9 researchers per 10,000 inhabitants, while Oaxaca

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has only one. In the innovation landscape in Mexico, there are cases of innovative regional clusters of remarkable success. The generation of new clusters of entrepreneurship and innovation requires an integrated strategy that responds to local vocations (Gallegos, 2015).

### F. Mexico and entrepreneurship

#### 1. Public policies in Mexico

In matters of importance to the government in entrepreneurship theory, for the promotion of appropriate conditions for the development of fruitful economic activities and enterprise creation conditions, an issue tops the public agenda and is evident in the country's development Plan. As a general goal, the National Development Plan 2013- 2018 locates the entrepreneurship and innovation within the national goal of "Achieving a prosperous Mexico" leads to the strategy "To develop the strategic sectors of the country" and a specific action line is "to encourage entrepreneurs and strengthen micro, small and medium enterprises.

About to encourage entrepreneurs and strengthen micro, small and medium enterprises, the following specific action lines are as follows:

- a) Support the successful integration of micro, small and medium enterprises to the value chains of more dynamic strategic sectors, with more potential for growth and job creation, in agreement with the state governments of the country.
- b) To promote entrepreneurship through the creation of an educational environment, finance, legal protection and adequate competition.
- c) Design and implement an information system, monitoring, evaluation and dissemination of the impact of entrepreneurs and micro, small and medium enterprises.
- d) Promote intensive programs to develop skills in information and communications technology, and innovation to promote the creation of high added value of micro, small and medium enterprises ecosystems.
- e) Improving technical advisory services to build an entrepreneurial culture.
- f) Facilitate access to financing and capital to entrepreneurs and micro, small and medium enterprises.
- g) Create entrepreneurial vocation from an early age to increase the critical mass of entrepreneurs.

- h) Support the business escalation of micro, small and medium-sized Mexican companies.
- i) Increase the participation of micro, small and medium enterprises in production chains, as well as its export capacity.
- j) To promote social projects, green entrepreneurs and high impact.
- k) To promote the creation of jobs through the development of entrepreneurial projects.
- l) Encourage the creation and sustainability of formal small businesses.

Within these 12 lines of strategic action, it can highlight specific actions such as the creation of the National Fund of the entrepreneur. A fund aims to encourage national, regional and sectoral economic growth by fostering productivity and innovation in micro, small and medium enterprises in strategic sectors. That promotes the orderly strengthening, planned and systematic entrepreneurship and business development throughout the national territory and the consolidation of an innovative, dynamic and competitive economy.

#### G. Entrepreneur ecosystem assessments

In order to evaluate the factors influencing entrepreneurial activity and entrepreneurial activity related to innovation and technology are taken two tests that are performed in these contexts in particular. Firstly, the GEM (Global Entrepreneur Monitor) Analyzes environmental conditions to undertake and IMCO (Mexican Institute for Competitiveness) analyzes the environmental conditions to undertake but from a more specific vision of entrepreneurship in areas of technology, and innovation.

Table 1. Entrepreneur Ecosystem Assessment (GEM) and Entrepreneurship, Innovation and Technology Ecosystem Assessment (IMCO).

Entrepreneur Ecosystem Assessment (GEM)	Entrepreneurship, Innovation and Technology Ecosystem Assessment (IMCO)
GEM: Global Entrepreneur Monitor	IMCO: Mexican Institute of Competitiveness
1. Finance	1. Innovation
2. Government Policies: Entrepreneurship as a priority and support for business.	2. Environment for doing business
3. Governmental programs	3. Support infrastructure

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4. Education and entrepreneurial training	4. Human capital
5. Technology transfer	5. Financing
6. Commercial infrastructure	6. Demand profile
7. Internal market: Dynamics	7. Industrial integration
8. Physical infrastructure	8. Entrepreneurial culture
9. Social and cultural norms	9. Governmental policies

Source: Global Entrepreneur Monitor 2014 and Mexican Institute of Competitiveness

Knowing the context of entrepreneurship is evaluated it is valuable because it allows to limit what are the determining variables. However, more importantly is to evaluate and assign a weighting to understand in clear and quantitative terms. Where does it meet? What is doing well? In addition, what can be improved?

Table 2. Entrepreneur Ecosystem Assessment GEM and Entrepreneurship and Innovation and Technology Ecosystem Assessment IMCO

Entrepreneur Ecosystem Assessment GEM Mexico 2014	
GEM: Global Entrepreneur Monitor	
1. Finance	As for funding by 2014 the outlook is bleak, the element with the worst result indicates that there is not enough equity of entrepreneurs in Mexico to finance new and growing businesses.
2. Government Policies: entrepreneurship as a priority and support	Compared to 2013, the year 2014 assesses negatively in all factors, concluding that the general perception is that support for new and growing businesses is not a priority the policy of the federal government.
3. Governmental programs	There is a perception that science parks and incubators provide effective support for new and growing companies.
4. Education and entrepreneurial training	There is not a good perception of entrepreneurial education offering, but has improved compared to 2010.
5. Technology transference	Technology transference perceives that science and technology developed in Mexico allow the creation of technology-based companies in the global level.
7. Commercial infrastructure	In 2014, there was a negative perception in commercial and professional infrastructure, which leads to lack of adequate for the development of entrepreneurial ecosystem conditions.
8. Internal market: dynamics	Perceives that new and growing companies cannot easily enter new markets, or assume the cost of entry this implies.
9. Physical infrastructure:	Although there are generally positive assessments regarding physical infrastructure, the results is lower in comparison to 2013.
10. Social and cultural norms	Norms presented a decrease in earnings during 2014. The worst evaluated element was no stimulation to taking entrepreneurial risk.

Source: IMCO (Instituto Mexicana de la Competitividad)

Results of that evaluation by IMCO (Table 3) in terms of technological entrepreneurship and innovation in terms of a comparison sheds alarming results that might make look like a laggard country. A recent study found that only teachers and students at Stanford University have created 40,000 companies and generated 5.4 million jobs since 1930. These businesses generated an added value of 2.7 trillion dollars that is more than the size of the Mexican economy. According to the Financial Report Stanford University 1995, the federal government accounted for 40 Per cent of funding for the institution in the field (Gallegos, 2015).

Table 3. Entrepreneurship Ecosystem Assessment and Innovation and Technology. IMCO.  
IMCO: IMCO: Mexican Institute of Competitiveness

Factor	Evaluation
1. Innovation	This is the most backward factor according to IMCO. This is due to low investment in research and development compared with other countries. In Mexico 30 Per cent of investment in R & D comes from the private sector, in other countries like South Korea, this represents 80 Per cent. In addition, there is a perception that there are no institutional links between academia and industry; therefore, companies do not resort to the academy for innovation.
Environment for doing business	This is the third worst evaluated factor and it is not surprising as it coincides with other studies indicating the high cost and difficulty in performing procedures in Mexico, including paying taxes. The gap for the growth of corruption is huge and therefore perceives as a constraint to doing business in Mexico.
3. Support infrastructure	10 years ago, pushes the creation of incubators in Mexico resulting in nearly 500 institutions throughout the country by 2012, its results have not been the expected. Only one in seven incubators has some type of a tracking system of their companies. This explains why 70 Per cent of entrepreneurs who have obtained financing on the market do not come from any incubator.
4. Human capital	The main problems have to do with the lack of English proficiency. Because of the one-dimensional model of undergraduate education in Mexico, systems engineers, even though they have a technical soundness lack business elements. Similarly, business students lack the technical skills to carry out an ICT business.
5. Financing	Financing is considered one of the laggard's factors. In Mexico invests 0.06 Per cent of GDP in that market while in Colombia and Chile twice reversed in relative terms. On the other hand, the credit market companies are limited. In 2010, the percentage of credit to companies accounted for 21 Per cent of GDP while the Latin American average was 36 Per cent .5 As a result; entrepreneurs tend to finance their projects with family and personal funds. Mexican businesspersons prefer to invest in traditional sectors, new markets, which have inhibited the creation of angel investors.

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6. Demand profile	This factor refers to the ability of a country to adopt and promote the use of technological developments. Its relevance is because those small businesses are the fastest growing permanently using ICTs to interact with their customers, according to a recent study by BCG. However, e-commerce in Brazil is three times that of Mexico in relation to GDP due to the higher cost of internet access and low quality service, low penetration of banking services, and low confidence in electronic commerce. This factor refers to the ability of a country to adopt and promote the use of technological developments.
7. Industry integration	ICT industry integrated under 3 main associations and 38 clusters in 28 states; this not necessarily reflects in new businesses. According to the survey conducted by IMCO, only 23 Per cent of ICT entrepreneurs belong to a business association and 28 Per cent to a cluster. Private partnership mechanisms are expensive for entrepreneurs for fees and even if they could afford, do not find their interests represented.
8. Entrepreneurial culture	According to an academic study (Ardagna & Lusardi 2008), this factor is one of the best that explains the likelihood of undertaking in a country. If individuals are confident in their entrepreneurial skills and knowledge, they have 8.5Per cent more likely to start a business. In addition, those who are not afraid of failure have a 10Per cent greater likelihood to undertake. Finally, knowing an entrepreneur increases the likelihood of undertaking by 3Per cent. In Mexico, this culture is not consolidated. In the survey conducted by Monitor Group (Deloitte) the percentage of individuals who consider starting a business as a good alternative is 58Per cent, while in Brazil it is 80Per cent.
9. Governmental policies	This factor is in better shape. The work of public policy in creating support funds achieving that doubling in six years recognizes, creating the first seed capital funds in the country. Itlink public universities with entrepreneurial projects through meetings between entrepreneurs and industry.

### 7. Jalisco in entrepreneurship

Table 4. Objectives and Strategies of National Development Plan 2013-2016 Jalisco

Sectorial objective	
OD8O1	Expand and improve the supply of financing on appropriate terms for productive projects.
OD8O1E1	Strengthen specialized funds guarantees
OD8O1E2	Encourage financial institutions and bodies of state financial support to generate operating rules and guarantees according to the possibilities of MSMEs
OD8O1E3	Promote a state system of financing that consolidate and coordinate programs appropriate to the type and size of companies.
OD8O1E4	Enhance competition in lending to entrepreneurs to reduce interest rates

OD801E5	Boosting the financing companies of international migrants return
OD802	Sectorial objective: Strengthen the capacities of MSMEs operation
OD802E2	Strengthen educational programs and higher education in corporate financial education
OD802E3	Improve systems incubation, acceleration and entrepreneurship of universities and business organizations that promote, support and follow up on formal businesses with high added value and innovation
OD802E5	Generate incentives in coordination with the federal government and municipal governments to install new formal businesses seize the economic vocation and regional potential.
OD802E6	Strengthen the network of actors that make up the system entrepreneurs.
OD802E7	Generate comprehensive programs that allow potentiate the initiatives of entrepreneurs and creating high-impact companies.
OD802E8	Generate comprehensive programs that help expand niche markets MSMEs

Source: (General Secretariat of Government of the State of Jalisco, 2013).

#### A. Conclusions state enterprise development plan

This National Development Plan proposes as a priority objective foster a business climate that facilitates access to financing and encouraging the creation, innovation and expansion of companies, but with a special emphasis on the consolidation of MSMEs.

To assess the impact of entrepreneurship in the case of Jalisco four indicators are relevant: the number of registered companies, their operating capacity, retention of businesses and financing volume: Using this summary, are analyzed the challenges of these four indicators.

One of the main areas of opportunity to boost funding and entrepreneurship is within the structure of the State System of Entrepreneurship. In Jalisco there are 45 Incubators registered with the INADEM, there Jalisco Enterprise Development Fund (FOJAL) supports entrepreneurs through training and / or accompaniment

#### 8. Jalisco in innovation

Jalisco faces several problems with competitiveness and economic growth. In 2012 Jalisco was located at position 13 Competitiveness Index nationwide calculates the Mexican Institute for Competitiveness (IMCO).

Table 5. Objectives and Strategies of National Development Plan 2013-2016 Jalisco

DEVELOPMENT OBJECTIVE: To promote technological development, scientific



research and innovation through the articulation of sectors those contribute to the formation of human

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capital with high levels of expertise.

OD13O1: **SECTORIAL OBJECTIVE:** Create conditions for strategic links between academic and economic sectors.

OD13O1E1	Encourage the formation of high level human capital
OD13O1E2	Develop a dual model of higher education to strengthen the link between universities and industries and to encourage innovation and entrepreneurship with the vision to produce value added.
OD13O1E3	Develop marketing networks technology to the productive sector
OD13O1E4	Encourage the creation of a network of information and technology transfer to give added value to all productive sectors of identity.
OD13O1E5	Seek or venture capital fund for scientific and technological projects, academy-industry
OD13O1E6	Increase investment in innovation, science and technology as a percentage of state GDP, to form in the next few years an investment at least equal to the national average investment.
OD13O1E7	Motivate through a program the interest of industry research
OD13O1E8	Harnessing local research groups recognized in different areas to create specific poles of scientific development (e.g. biotechnology)
OD13O1E9	Promote a triple helix model linking the academy, industry and government to the generation of scientific development and innovation.

OD13O2: **SECTOR OBJECTIVE:** To promote innovation and entrepreneurship for scientific and technological development.

OD13O2E1	Create specialized technology platforms to support high-tech entrepreneurs that allow incubation, integration into clusters. Accelerating and innovation (i.e digital creative city and centers of innovation and business acceleration)
OD13O2E2	Promote the development of the information society and knowledge through a statewide system of Entrepreneurship and a state innovation system, including sectoral strategic information.

Source: (General Secretariat of Government of the State of Jalisco, 2013).

### A. Conclusions of the State Development Plan Innovation and Technology

Scientific research, technology development and innovation are three important elements, as has been demonstrated in various latitudes that these components of development



have a direct impact on business competitiveness index. According to the ranking of Science, Technology Mexico and Innovation in 2011, conducted by the Scientific and Technological Consultative Forum (FCCyT), Jalisco is located in fourth place nationally in terms of quantity

and quality of resources in Science, Technology and Innovation (CTI). Only surpassed by the Federal District, Nuevo Leon and Morelos (General Secretariat of Government of the State of Jalisco, 2013).

However, this position not reflects an impact to increase business competitiveness of the state, because, on the level of business competitiveness, Jalisco ranks in tenth position by 2012. Some of the causes of why the state Jalisco is located in this position are that there is poor linkage between academia and industry for the generation of research and technological development. As it has been reviewing over the text in a nutshell, companies do not go to universities to generate innovation (General Secretariat of Government of the State of Jalisco, 2013).

According to the State Development Plan of Jalisco 2013- 2033, the results of the position of Jalisco also due to a low level of enrollment in undergraduate and graduate programs are related to the development of science and technology. In Jalisco, only 28.4Per cent of undergraduate enrollment is located in engineering and technology programs, while nationally the proportion is 33.4Per cent.

Another of the limitations that exist in the state for generating innovation, science and technology, is the number of researchers who are in state so that researchers who are attached to the SNI (National Research System) are taken into account. By 2011, in Jalisco, for every 10 thousand members of the EAP (Economically Active Population), there are 2.8 researchers from the SNI, with respect to this stated, Jalisco is located at number 12 in the country. (General Secretariat of Government of the State of Jalisco, 2013).

One of the main constraints to generate own business innovation is that this must be done by each and investment of own funds according to indicators of companies investing in innovation. Eighty sevenPer cent of its total investment comes from own resources, although in the case of microenterprises this proportion rises to 92Per cent. In addition, the nature of investment banking in Mexico and the likelihood that funding granted for innovation issues is very low. Regarding public funds are equivalent to only 2Per cent and international funds less

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than 1Per cent. (General Secretariat of Government of the State of Jalisco, 2013)

In conclusion, the State Development Plan summarizes these two problems: First, there are no adequate financing mechanisms for high-tech entrepreneurs. In addition, there are no real mechanisms to support specialized entrepreneurs in high-tech incubators. It is also remarkable the digital divide that prevents the exploitation and use of Information Technology and Communication (ICT) for development of the state. Smaller and more companies to survive problems tend to use less resources and take advantage of ICT (General Secretariat of Government of the State of Jalisco, 2013)

### 9. Research method

In this research, it is used the qualitative method based on literature review of studies in Mexico and investigations in other countries. Also, there are analyzed statistics presented by national and international institutional bodies and public and private bodies are used in order to explain and describe the phenomenon that is the object of study.

### 10. Analysis of results

If it should be analyzed the conditions of the state of Jalisco that promote entrepreneurship and innovation, and with them the generation start-ups, it can be concluded that are aligned to the policies that both the federal government and the state government has ruled in their plans development. However, results in innovation and entrepreneurship in the state mostly have negative results.

As reviewed from the national sphere the two main constraints to which start-ups face, are the lack of availability of capital and financial instruments and low incentives that have to invest in research and development. Companies are still struggling to resolve operational and financial issues leaving aside the daily budgets and resources for this type of activities that add value.

Finally, it should be emphasized that both the IMCO report as on the findings of State Development Plan, although it is established clearly as a strategic line, collaboration between industry, academia and government is called the triple helix and it is already a proven to encourage high-value activities in a city model. There are alarming figures in which it shows that companies do not resort to universities, educational centers and research to generate innovation, which is a bit absurd in terms of policies judged as the creation of a Ministry of Innovation, Science and Technology.

## 11. Conclusions and recommendations

There are two main reasons why it is important to study the evolution and development of Startups in the MAG. The first is because there is evidence that the creation of startups based on technology and innovation has a positive impact on the economic development of the region. The second reason is that it is important to analyze the nature of what we might call a new type of firm and that for various reasons are unable to fit into conventional corporate structures and it is that is increasing the detailed study of the characteristics, dynamics and structure of startups.

Concluding that Mexico from its national policies and the State of Jalisco from State Development Plan, has tried to promote in the MAG conditions to promote the entrepreneurial ecosystem. However, there are key indicators that slow detonation and growth of startups based on technology and innovation.

Although public policies at the State and Federal level institutions create and allocate resources to encourage entrepreneurial activity, this can grow in terms of traditional business and of little value. However, to encourage start-ups and businesses based on technology and innovation, it is necessary that public policies not only focus on increasing Numeralia of companies created or loans granted. To increase the value should pay attention to specific indicators, greater reach and more intellectual, long-term nature.

The problem of creating value is not resolved with a high volume of micro-credits or incentives for micro and small businesses. However, there must be public policy incentives to the creation of intellectual capital, to prevent leakage of knowledge and generation of instruments for more solid financing and not only seek short-term returns.

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## Moral Education is a Part of Curriculum

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### Abstract

Moral education, then, refers to helping children acquire those virtues or moral habits that will help them individually live good lives and at the same time become productive, contributing members of their communities. In this view, moral education should contribute not only to the students as individuals, but also to the social cohesion of a community. The word moral comes from a Latin root (mos, moris) and means the code or customs of a people, the social glue that defines how individuals should live together. When most persons talk about a school curriculum, they think about math, science, social studies, and language courses. Seldom do hear or read about moral values as being part of the curriculum. The problem is that the neglect of teaching moral values in schools is hurting our students and causing problems in society. If a person has never learned any moral values, how is she or he able to discern the difference between right and wrong? That is basically the essence of moral values education.

### 1. Why Moral Values for Students?

As parents and educators, we should all advocate the teaching of moral values in our schools for the following reasons:

- i. **Preparing Our Children For Future Roles In Society:** Knowledge gained in school is only one goal of education. The primary goals of education should be enabling students to gain knowledge and moral values. Our children will need both in preparing themselves to be good parents and citizens in society.
- ii. **Many Parents Aren't Teaching Moral Values:** If all parents were teaching their children moral values in the home, it would not be necessary for the schools to do this work, The sad fact is that a lot of kids are not learning from their parents the difference between right and wrong. This is because most mothers and fathers in their busy work days spend only a few hours with their children. In many families there is only one parent and no other role models for kids to follow.

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- iii. **There is Too Much Violence and Dishonesty in Society:** Every day student is exposed to violence, dishonesty, and other social problems in the media and the real world. How many times have we heard about school shootings? What about other times when students are caught cheating on exams? Then, too, we read about bullying in school and fights between gangs. If moral values were taught in schools, we would have fewer of these problems.
  - iv. **To Counter Bad Influences in Society:** Unfortunately, many of the role models of young people are setting bad examples. These bad examples range from sexual promiscuity, degrading of women, advocacy of violence, and the condoning of dishonesty in order to succeed.
  - v. **Moral Values Will Stick with You for Life:** It's amazing the amount of math and science knowledge I have forgotten since my school days. I haven't, however, forgotten moral value lessons learned in school. One of these moral lessons was learned while I was a varsity football player. Our team had just lost a tough game, because the referee had ruled we were stopped inches away from scoring a touchdown. When our school principal had heard many of my teammates complaining about how the officiating had caused us to lose the game, he came on the team bus after the game and said that in life the referee never beats you.
2. **Top Seven Moral Values:-**would serve society well if the following seven moral values for students were taught in schools:
- i. **Unconditional Love and Kindness:** - In most cases, if you love someone, he or she will love you back in return. This, however, is not the real meaning of love. Love should be unconditional. With more love in the world, kindness will follow and replace cruelty.
  - ii. **Honesty:** - Students must be taught that dishonesty and cheating is wrong, and will get you nowhere in the future. As a student, one is only hurting himself or herself by cheating, because this action will eventually catch up to you in the end with bad consequences.
  - iii. **Hard Work:** - When I was young, I learned that success was one percent inspiration and 99 percent perspiration. Nowadays, so many students want to cheat and cut corners in their studies because they are lazy and don't place any value on hard word. This thinking must change.

- iv. **Respect for Others:** - Unfortunately, in our highly competitive dog eat dog society, many people will trod on others to get ahead in life. Respect for others should include respecting different religions, races, sexes, ideas, and life styles.
- v. **Co-operation:-** To achieve a common goal, it is necessary for all people to work together. If this is not done, a few people may profit, but the end result for everyone will be a failure. I still believe in the motto, "united we stand and divided we fall."
- vi. **Compassion:-**Compassion is defined as being sensitive to the needs of people. If there were more compassion in the world, there would be less homeless, hunger, wars, and unhappiness.
- vii. **Forgiveness:** - Jesus Christ taught us to forgive our enemies or people who hurt us. Anger in most cases is caused by unwillingness to forgive. There would be less violence and fighting in school if students could learn this moral virtue. I taught in school more than ten years, and learning moral values was built into all of our lessons. Actually, ten percent of the students' grades was based on how well they practiced moral values inside and outside the classroom. This would be an excellent policy for other schools to adopt.

#### Moral Education at College and Higher Stage of Education

The student makes preparations to enter practical life while studying in colleges or universities and as such the curriculum of moral education should be wide at this stage. A man with good character is imbued with the spirit of humanity and rises above national, social, communal, sectarian, casteism other such considerations in order to serve the mankind .The entire world is his home and all persons living anywhere in the world are members of his family .The student has to rise above all considerations and only then he can grasp the essence of all religions and learn the real human religion .Teacher occupies the most important place in moral education and he succeeds only when he himself sets example of moral conduct before his students.

It is true that textbook and syllabus fulfill the needs of moral values but when a teacher wants to teach moral values he needs some other things also .Sometimes he uses moral saying, moral stories and different type's cultural activities are very useful to manipulate and to teach the moral education lesson.

How a teacher can use cultural activities to teach the moral values? Actually in many countries there are many festivals, days and occasions for any special event. When schools organize these festivals they have great and innovative opportunities to impart

## Moral Education is a Part of Curriculum

various lessons. Children assembly (In Hindi Bal Sabha) is a great example for this. It is a very famous and well known cultural activity for schools where each student find an opportunity to express himself.

In several school level festivals there is a freedom for teachers to choose desired planning for any activity .Teaching moral education is not a particular topic but it can be teach under various programs and activities .Teachers can use different plays and such activities to demonstrate various moral education lessons. Cultural activities can play a great role in this. Beside cultural activities there are many interesting activities for providing moral education lesson like daily prayer where teacher arrange a daily activity “The quote of the day” where students say nice thoughts.

### 3. Advantages of Moral Education:

What the advantages of good moral values in education are? Why moral education should be taught in the schools? Why the school teachers have to teach moral lessons to the students? Actually man is a social animal and he have to leave and react within the society. He has to learn different social habits like helping the people, gentleness, respect the elder, teachers and so many. These good habits make him a good social creature and he known as a good person for others. When a student attains these qualities he becomes a responsible and good students and he is able to behave gently within the society when he learn these qualities.

### 4. Conclusions

One purpose of moral education is to help children make virtuous-honest, responsible, and compassionate. Another is to make matured students informed and reflective about important and controversial issues both purposes embedded in a yet larger project-making sense of life. On most accounts, morality isn't intellectually free-floating, a matter of personal choices and subjective values. Moralities are embedded in traditional, in conceptions of what it means to be human, in worldviews.

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## Financial Control and Regulations in Insurance Sector in India

Prof. Indu Puran Mamtani<sup>1</sup>

### Abstract

Insurance Regulatory and Development Authority (IRDA) exercise the supervisory control of insurance companies and their powers flow from Insurance Act 1938 as well as from IRDA Act 1999 states:

"Subject to the provisions of this Act and any other law for the time being in force, the authority shall have the duty to regulate, promote and ensure orderly growth of insurance business and reinsurance business."

The emerging markets were of great interest not only to the insurance companies, but also to the insurance regulators. The regulators have been constantly studying the trends and issue different guidelines for the protection of policyholders, market discipline and other issues like as investment management and reinsurance operation etc. Moreover, in the business of insurance the public stake is very high as the maximum amount of deposits belongs to them in composition to owners of the insurance companies. Therefore accountability of insurance companies to public is much higher.

The insurance industry has now become liberalized and globalised with an exemplary shift in its application. But, still in the current liberalized economy, where free trade is openly advocated the insurance business in India is being regulated at various stages. Most of these regulations are directed towards the operation of the insurers such as the registration of insurance companies, management structure and governance models, the class of insurance business undertaken by the insurers, financial matters, product designs, calculations and fixing of premiums, marketing of insurance products and insurer's obligation towards the government, customers and other stakeholders are regulated by the existing law.

Therefore, a rational and logical balance between regulation and freedom need to be achieved, and the insurer should be carefully supervised only from outside giving them an opportunity to utilize their resources effectively.

**Keywords:** Supervisory, Governance, Innovative, Intermediaries, Reinsurance

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## 1. Introduction

Insurance is seen' as "an essential characteristic of economic development of a country." It promotes financial stability and reduces anxiety. It acts as a lubricant for trade and commerce, mobilizes nation's savings, enables risks to be managed more efficiently, helps the insured to reduce losses and finally facilitates different allocations of a country's capital. The essence of insurance as we have seen, is to act as a risk transfer mechanism and provide financial compensation for loss. Insurance does not remove the risk, but it does endeavor to provide financial protection against the consequences. If this is the case then the risk which is to be insured must result in a loss measurable in financial terms. The insurance industry is highly developed and its operations affect a country's economy in several ways:

- A risk transfer mechanism;
- Loss prevention and reduction;
- Major institutional investment
- Major employer
- Contribution to invisible earnings and balance of trade.

Insurance companies represent such financial institutions as are concerned with pooling saving of the people and investing them in productive outlets. They pool savings through premiums by providing life cover protection against fortuitous events. They are in fact contractual savings agencies, which receive without, fail a steady inflow of regular funds in the form of premiums or regular contributions to pension funds. The savings so pooled are essentially invested in government and semi-government securities, corporate securities and in socio-economic productive schemes. As custodians of the policyholder's savings, the responsibility of the insurance companies to the public is very heavy. Broadly speaking, there are two categories of Insurance companies to the public is very heavy. Broadly speaking, there are two categories of Insurance Companies, viz., Life Insurance Companies and General Insurance Companies. Life Insurance Companies provide life insurance protection to the masses at a reasonable cost. They garner savings of policyholders by promising them and/or their beneficiaries a large sum either in later life or upon death and deploy their resources in long-term productive channels. The major part of insurance business is life insurance, the operations of which depend on the laws of mortality. Life Insurance

Companies play a vital role in pooling of the personal savings of millions of individuals. They are relatively better placed in doing so because they are the only institutions which besides creating huge savings, provide protection to the family against any misfortune.

The general insurance policies of the GIC are not similar to those of the LIC. They do not represent financial claims like the life insurance policies. The thrust of general insurance business is on pooling of risks arising from uncertain occurrences.

## 2. Development of Insurance Regulation in India

Insurance in India is listed in the Constitution of India in the Seventh Schedule as a Union List subject, meaning it can only be legislated by the Central government. The history of insurance dates back to 1818, when Oriental Life Insurance Company was started. In 1870, Bombay Mutual Life Assurance Society became the first Indian insurer. In the year 1912, the Life Insurance Companies Act and the Provident Fund Act was passed to regulate the insurance business. This was the first statutory measure to regulate life insurance business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers. The Government of India issued an Ordinance on 19 January 1956 nationalizing the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The Life Insurance Corporation (LIC) absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies-245 Indian and foreign insurers in all. In 1972 the parliament passed General Insurance Business (Nationalization) Act, and consequently, General Insurance business was nationalized with effect from 1 January 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on 1 January 1973. In 1993, the Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector. Following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry. The IRDA was incorporated as a statutory body

## Financial Control and Regulations in Insurance Sector in India

in April, 2000. The key objectives of the IRDA include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market. The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders' interests.

The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector. Before that, the industry consisted of only two state insurers: Life Insurers (Life Insurance Corporation of India, LIC) and General Insurers (General Insurance Corporation of India, GIC). GIC had four subsidiary companies. With effect from December 2000, these subsidiaries have been de-linked from the parent company and were set up as independent insurance companies: Oriental Insurance Company Limited, New India Assurance Company Limited, National Insurance Company Limited and United Insurance Company Limited.

In India, insurance companies are not permitted to have foreign holdings of more than 26%. But now the private sector insurance companies are demanding a hike in the sectoral FDI cap as they need capital from their foreign partners to expand their business. This bill seeks to raise the limit to 49% and allow the entry of foreign reinsurers. It also provides for permanent registration of insurance companies. As per the insurance law (Amendment) Bill 2008, an insurer cannot challenge a life insurance policy after a period of 5 years. Apart from this it provides for appeals against the decisions of IRDA to lie with the Securities Appellate Tribunal set up under SEBI Act, 1992.<sup>22</sup> The Bill introduced in Rajya Sabha in 2008 is still pending, however, to pursue reforms; the cabinet had already approved the proposal to raise FDI cap to 49%. This capital starved industry after 7-year wait got Parliamentary permission to bring in more foreign capital for growth and expansion.

The IRDA recommended certain amendments in the 53 year old Life Insurance Corporation Act, 1956 to bring this Act in consonance with the Insurance Act, 1938 and to gear the state giant to deal with the competition from private players. The Bill seeks to raise the capital base of LIC from 5 crore to 100 crore besides capping the sovereign guarantee provided by government and reducing the amount of surplus from any investment made by LIC to be available for policyholders.<sup>24</sup> The Act will bring LIC at par with private insurers-both in life and non-life segment. The bill has already been passed by Lok Sabha.

A brief review of reports of such committees / commissions / groups and the important changes in the history of insurance regulation are as under:

3. A Brief Review of Insurance Regulations in the 20th Century

Year	Significant Regulatory Event
1912	The Indian Life Insurance Company Act
1928	Indian Insurance Companies Act
1938	The Insurance Act: Comprehensive Act to regulate insurance business in India
1956	Nationalization of life insurance business in India with a monopoly awarded to the Life Insurance Corporation of India
1972	Nationalization of general insurance business in India with the formation of a holding company General Insurance Corporation
1993	Setting up of Malhotra Committee
1994	Recommendations of Malhotra Committee published
1995	Setting up of Mukherjee Committee
1996	Setting up of (interim) Insurance Regulatory Authority (IRA) Recommendations of the IRA
1997	Mukherjee Committee Report submitted but not made public
1997	The Government gives greater autonomy to Life Insurance Corporation, General Insurance Corporation and its subsidiaries with regard to the restructuring of boards and flexibility in investment norms aimed at channelling funds to the infrastructure sector
1998	The cabinet decides to allow 40% foreign equity to private insurance companies – 26% to foreign companies and 14% to non resident Indians and foreign institutional investors.
1999	The Standing Committee headed by Murali Deora decides that foreign equity in private insurance should be limited to 26%. The IRA bill is renamed as the Insurance Regulatory and Development Authority Bill.
1999	Cabinet clears Insurance Regulatory and Development Authority Bill

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2000	President gives assent to the Insurance Regulatory and Development Authority Bill
2000	Monitor Group Report
2000	Report of the Advisory Group on Insurance Regulation Part I
2001	Report of the Advisory Group on Insurance Regulation Part II
2004	Law commission report on the Revision of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999
2005	Report of the KPN Committee on provisions of the Insurance Act, 1938.
2008	The Insurance Laws (Amendment) Bill, 2008.
2009	The Life Insurance Corporation Amendment Bill, 2009

#### 4. The Rationale and Scope of Insurance Regulation

For ensuring good governance within the companies and maintaining credibility of general public, IRDA Act 1999 have so far issued 21 regulations covering all aspects of insurance business. In almost all countries of the world insurance has been a highly regulated industry. In Third World countries like India the industry was nationalized and, until recently, was a part of the state sector. The rationale for such regulatory interventions has been two fold:

- Firstly, to ensure the objective of policyholders' protection This was sought to be achieved through stringent regulation and direct regulatory control and supervision exercised by the regulatory and supervisory authority.
- Secondly, in developing countries, state intervention was felt necessary in order to prevent malpractices as well as direct financial surplus available with households in 'socially desirable' channels of investment. The insurance sector in India has thus been a major contributor to a number of long term investment programs in infrastructure and other areas. In many countries including India, the insurance regulatory framework has been governed by norms laid down in the following areas:
  - i. Conditions for entry into the life and non life insurance market, including minimum capital requirements. Another norm is with regard to the extent of capital partnership a foreign company can bring in. In India, even after the sector was opened up, a foreign company has to enter a joint venture with an Indian company and the maximum share of equity a foreign partner can have is 26% of total equity capital.

- ii. Norms governing the ambit of operations of insurers, strictly separating them from other kinds of financial intermediation like banks (specialization).
- iii. Stipulations regarding pricing and pricing norms. For example the general insurance industry was for long governed by tariff rate set by the Tariff Advisory Committee. Similarly guidelines being laid about the rate of mortality, interest and expenses etc. to be assumed for arriving at the premium for life insurance policies;
- iv. Norms regarding the investment of funds. For example of Insurance Act, 1938 originally and as amended by the IRDA Act clearly stipulates how the life insurance fund and the general insurance fund are to be kept invested. Much of the investment is required to be placed in government securities and socially approved investments.
- v. Norms with regard to the institutional framework for marketing and distributional systems. These may include disclosure requirements (what should be disclosed during sale of the policies), credit rating requirement, agency legislation which spells out the minimum qualifications and conditions for licensing of agents and brokers; norms with regard to servicing operations etc.
- vi. Exchange control regulation and other controls exercised on operations across national borders. For example, Indian insurance companies are not permitted to issue policies in foreign currency or make claim payments in foreign currency except under certain strict conditions and then, with the permission of the Reserve Bank of India.
- vii. Solvency norms and capital adequacy norms. Insurance companies are required to maintain certain amount of their surplus (excess of assets over liabilities) in the form of solvency margins. They are also required to keep certain amount of capital as a margin.
- viii. Norms regarding reporting and disclosure to the insurance regulatory authorities. For example, insurance companies are required to submit actuarial and accounting returns to the regulatory authorities in prescribed formats.

These regulatory requirements help to ensure smooth running of insurance companies and standardize insurance operations. They also help to reinforce policyholders trust and faith in the insurance industry. We must note that in the early stages of opening up of the industry, regulation plays a major role in bringing the needed stability and credibility to the industry.



## Financial Control and Regulations in Insurance Sector in India

### 5. Insurance Regulatory Regime And Insurers

The main regulations that regulate the insurance business in India are the Insurance Act, 1937, the Life Insurance Act, 1956, the General Insurance Business (Nationalization) Act, 1971, the Marine Insurance Act, 1963, and the Motor vehicles Act, 1988. The Indian Contract Act, 1872 and companies law governs most of the aspects of insurance contract. Additionally, the Foreign Exchange Management Act, 2000, Income Tax Act, 1971, Indian Stamp Act and the Hindu and Indian Succession Act also govern some aspects involved in insurance. Apart from these regulations IRDA has emerged as the most powerful regulator the IRDA Act, 1999 and the twenty plus regulations made by the IRDA regulate the insurance business and the insurers. Besides them, other regulators such as the Central Government, Registrars of Companies, and Securities Exchange Board of India (SEBI) also regulate the insurance business and insurers.

### 6. Conclusion

The insurance business in India went through various sets of regulations in the pre and post-independence period. Prior to independence, insurance business was fragmented and a number of insurers, both local and international, were operating in limited market segments without much regulation. After independence, to meet the objectives of socialistic pattern of the society and to take the concept of insurance to every nook and corner of the country, insurance business was nationalized in two phases – first, the life insurance business in the year 1956 and second, the general insurance business in the year 1972. Thereafter, the insurance business went into the hands of the public sector. Later in 1990's, with economic liberalization sweeping across the globe, there was a shift in the government's approach towards insurance industry and it was opened to private players and an independent authority, the Insurance Regulatory and Development Authority was established under the provisions of the IRDA Act, 1999. In every phase the regulation of insurance business changed in accordance with the government policy and approach to the society.

The insurance industry has now become liberalized and globalised with an exemplary shift in its application. Its rapid expansion warrants a regulatory regime that checks insurance transactions in the interests of bonafide stakeholders such as insurance service providers, service users, society and the government without taking away the liberty of insurers. The government and its agents need to follow the policy of minimum interference in the business giving the insurers enough freedom to plan and execute their business for the benefit of people and the enterprise.

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## E-Jalseva the Mission of Maharashtra Water Resource Department

Prof. Ashutosh S. Kawde<sup>1</sup>  
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### Abstract

Almost all government in the world now a days are implement E-government for the purpose cost reducing , service improving time saving and increasing effectiveness and efficiency in all sectors of the governments.

Today's government has full faith in E-governance and widespread network of E-Governance across the world E-governance projects named as "E-Jalseva". E-jalseva is the online delivery of the information by MWRD to public servant or government employee of water resource department, farmers, people of ruler and urban area businesses and other government agencies.

PMO to prepare vision 2020. The project E-jalseva earlier was started as a component of MWSIP and named as Integrated Computerized Information System.

The 34 modules (refer annexure one) from eight functional area covering all measure activities of department will lead less paper working. The modules like assets management litigation management parliamentary questions training account etc. are helpful for other departments as well as government orders for construction and management of water.

This paper will discuss the mission E-jalseva to the work of improve water resource department and its impact on government and society.

The paper finds that the project E-jalseva under the E-governance can add tremendous dynamism reforming administration and can change the mode of interaction among employee of MWRD, central and state, citizen etc. E-Jalseva is used to transform WRD into modern resound of harness technology and services driven department through better collaboration and effectiveness.

**Keywords:** - E-governance, E-Jalseva, MWRD, PMO, ICIS/ICT.

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## 1.1 Introduction

Today's government has full faith in E-governance and widespread network of E-governance across the world almost all governance in the world .Now a days are implement E-government for the purpose cost reducing, services improving and increasing effectiveness and efficiency in all sectors of the government.

E-governance projects named as E-jalseva, E-jalseva is online delivery of the information by MWRD to public servant all government employee of water resource department, farmers, people of ruler & urban area, businesses and other government agencies. Water is included in the state list of 7<sup>th</sup> schedule of the constitution of India accept interstate rivers and river valleys. The water resource department (formally known as irrigation department) has glorious history of irrigation and water management over last 150 years. The MWRD come in to existence in 1867 as a separate organization under public works department during British Era. The state of Maharashtra came in to existence in the year 1960. After bifurcation of old Bombay state in to Maharashtra and Gujarat. In the year 1960 the public work department was divided into irrigation department and building and communication department on 26 October 2004, Irrigation department is rename as water resource department resembling the importance of water scare resource.

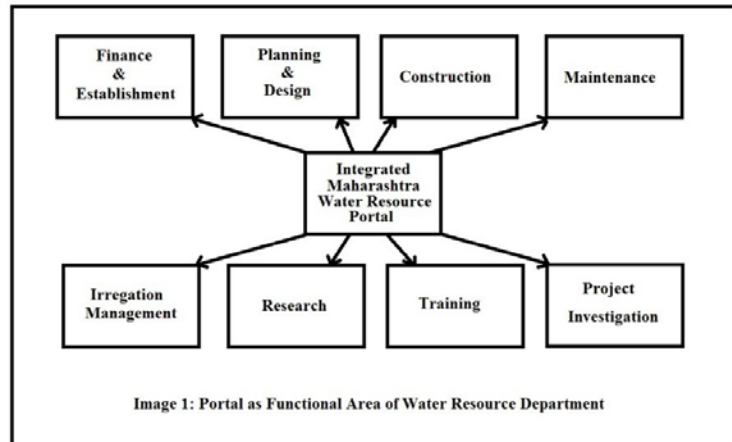
The water resource department is interested with survey, investigation, design construction maintenance and management of water resources and hydropower projects in the river basis of the state. It also under take command area development water drainage schemes, research activities, training, dam safety, quality control, hydrology data collection and analysis, kharbhumi schemes extra. Till 2012 department constructed 3332 water resource project and their by created water storage capacity of 54000 MCUM and irrigation potential of 48.61 lakh ha across state.

The Maharashtra water resource department is managing precious resource for the state of Maharashtra and department has created huge infrastructural projects .MWRD is implementing innovative E-Governance project named as E-jalseva earlier project was started as component of MWSIP and named as Integrated Computerized Information System. The 34 modules( refer annexure 1) from 8 functional area covering all measure activities of the department will lead to less paper working E-jalseva project will insure integrated, real time one point source of all water related information of state as a whole. Further using BI Tools optimum utilization of resources and informed decision making is also possible.

world bank chief secretary of government of Maharashtra have appreciated effort taken for the project. this project is a first initiative of is kind in the country and department

### 1.2 Project Management office

Under the E-governance, The project E-Jalseva the mission of Maharashtra Resource Department successfully done by PMO with the help of Information Communication Technology. For a smooth roll out and successful implementation of E-Jalseva, a dedicated project Management Office (PMO) has been established at Pune under Superintending Engineer, Koyna Design Circle in July 2012.



The PMO, comprising of about 9 officers having departmental

domain knowledge and 3 technical experts. It Aims to ensure Sustained performance and improvements to the E- Jalseva application in the future.PMO provides technical advisory and hand holding support to the field officers during and after the roll out of the system.

An integral part of any E-Governance Project, Change Management (CM) has been an instrumental tool for driving the acceptance of the project among the WRD Employee. Focusing primarily on training and Communication Strategies and their implementation, the PMO has carried out numerous awareness workshops and training to drive the project. To train the application, a Master Trainer (MT)/Trainer of Trainers (ToT) approach has been adopted.

As of now about 15000 plus man days of training have been imparted by the PMO. 800 plus Master Trainers have been trained so far.

Under Project Management activities, all 34 modules went live in a phased manner. Initially, a total of 42 pilot projects were entered in the system across six administrative divisions in Maharashtra. Network connectivity for the project is being provided by BSNL through VPN over broadband.

Till date around 3700 plus irrigation projects have been entered in the module M8 of the system which is the master data ad provides inputs to all the other modules. For Non Irrigation (NI) assessment data, related to NI customers and farmers, the master data has also been entered in module M19 of the system and 6356 customers for Non Irrigation are created

## E-Jalseva the Mission of Maharashtra Water Resource Department

and validated. Also more than 1003190 farmer's data on various projects is entered. Online submission of Monthly accounts from module M24 of the system to Accountant General, Nagpur through web service has already been achieved successfully since January 2014

Around 150 GB data of textual data is present in the system. In addition another 50 GB of data in form of attachments has been input by the departmental.

### 1.3 Objectives :-

- To study the problems issues and challenges
- To examine the benefits & status
- It also discuss the key challenges of WRD

### 1.4 Problem issues & Challenges

- 1) All processes users simple & efficient when originally designed. But processes became complex & inefficient with passage of time Due to -
  - Addition of sub- processes to handle exceptions
  - Changes in environment and
  - Increase in customer expectations
  - Increase in volumes
  - Changes in structure of department due to formation of corporations
- 2) Duplication & disintegrated approach of data capturing leading to conflicting information at various forums
- 3) Time availability of information at various levels.
- 4) MWRD is support to socio-economic development of the state but without water is not possible to promote agriculture and industries.
- 5) MWRD has to big challenge to provide equal access to water at reasonable costat farthest reach to every citizen and for environment protection.
- 6) Electricity has basic need like food, cloth & shelter.
- 7) The human resource and their job specifications needs to be analyzed.
- 8) To optimize water use and introduce design concepts it is necessary to encourage sustainable research and development in the department
- 9) Encouraged to human resource of department for effective functioning for MWRD which needs careful evaluation to have work-life balance.
- 10) The development of information and communication technology and communication technology has enabled improved quality of services at reasonable cost to the masses within little time. Therefore maximum utilisation of potential of information and

communication technology through e-governance project is important for the department.

#### 1.5 Benefits & status

- 1) To improve efficiency of administration.
- 2) To exercise better financial & budgetary control.
- 3) To facilitate a collaborative working culture.
- 4) Better work flow management.
- 5) Better water resource management with real time data availability and demand.
- 6) To capture data where it is generated & dissemination of data electronically wherever & whenever required.
- 7) It encourages maximum data use efficiency in domestic industrial and irrigation sector.
- 8) It promote to appropriate demand and supply side solution for mitigation water need of stakeholders.
- 9) It review of planned and existing water planning, crop pattern and take appropriate measure.
- 10) It improves water use efficiency by 20% by 2020.

#### 1.6 Key challenges in water sector

Water can be a matter of life and death, depending on how it occurs and how it is managed. If is managed properly, it can act as instrument for economics and social survival. Water ensures food security, feeds livestock, maintains organic life and fulfills domestic and industrial needs. Besides the engineering and scientific angle, the present water situation has political, legal, environmental, social, economic and even religious connotations. The increasing gap between demand and availability of water is becoming a crucial issue which dividend people in to 'haves' and 'have not' in every nation. Further to add pressure apart from geographical demarcation water management and optimum utilization of this essential scarce and valuable commodity , our ecosystem will experience water crisis in future due to increasing water demand verses decreasing per capita water availability. The climate change is expected to worsen the situation. As an attempt to resolve the water scarcity issue and minimize temporal and spatial variation it is necessary to propose either storing of river waters in reservoirs behind large dam to transfer water transfer from the season of abundance to that of scarcity, or long –distance water transfer from 'surplus' areas to water short areas which constitutes supply side solution. On the other hand, there is demand side solution, i.e.

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to optimize demand by efficient water management in this era, it is necessary to concentrate on supply as well as demand side solution.

### 1.7 Achievements

E-jalseva is ambition e-governance initiative of Maharashtra water resources department which was conceptualized as management information system and later on it was re-designed and comprehensive integrated e-governance project covering 726 office of department. Employees, citizen, farmers water user associations, industries, contractors, project affected person, other government department, media etc. are the major stakeholder of the department. Although e-jalseva is design so as to fulfill major requirement of these stakeholders, at this stage of implementation, biggest beneficiary of the system is employees

Currently, E-jalseva is at transaction stage where electronic delivery of some process is achieved and road map is prepared and being implemented in a phased manner in order to progress to transformation stage, where there will be joined up service and all transaction will be carried out through system only.

Following are the tangible observed benefits after use of E-jalseva

1. Centralized unified database: - E-jalseva helped to create central database which updated by the owner of data and validated by superior office and thus instantaneously data is made available for decision making.
2. Saving in time, effort and cost: - Approximately 15 day to 2 month were required to gather the data from field office to Mantralaya. E-jalseva acts as speedy route for communication between various levels of authority including vertical and horizontal data movement.
3. Record management and documentation: - Huge amount of information is generated while constructing and managing water resources project, which if not capture get vanished. E-jalseva provided platform from one stop solution for all record and documentation.
4. Empowerment of employee:- The system helped many employees to acquire knowledge about ICT and some of them become expert in computer and started solving problems faced by after proper training the idea worked successfully. This helped in getting in depth understanding of system of the employee as well as cost is saved as outsourcing is avoided.
5. Laptop, desktops, printers, LAN, network connectivity etc.:- This function are provided as a part of E-jalseva empowered infrastructure facilities in the office of



MWRD. Some offices were remotely located were not connected with broadband internet connection are now connected to world of internet.

6. Master trainers: - this concept was efficiently implemented for inculcating training to the employees. The human resource capacity of MWRD is approximately 50,000 it is not possible to train all employees in short span of 2 year. Therefore concept of train the trainer is adopted and selected officers were trained to acquire certain level of understanding of E-Jalseva and they conducted training session in their officer at filed level. They also acted as help desk for many employees.
7. Capacity building: - Till data about 15,000 plus man days training is provided the department. Training workshops, discussion forum etc were organized as and when required and on regular basis. Nearly 800mater trainer along with change management dividend of PMO office worked hard to empower employees of MWRD.

As already mentioned, current version of E-jalseva is focused on its employees (G2E) I. in coming time, it is then impact assessment on this stakeholder will be studied.

#### 1.8 Conclusion & recommendation

Now a day the good governance requires full transparency and predictability of the administrative management information.

The Water sector is dominated by the government and more than technical issue. There is need to forum (s) / platform(s) for water professionals, academic/ research institutions professionals to good practices concerns and evolves solutions to the problems..More and more engineers / irrigation managers and bureaucrats need to be exposed to the latest technology and best water management practices in other states and countries

The information and communication technologies have facilitated the design of solution to deliver government services successful ICT project E-jalseva by PMO involved in the design process all stakeholders such as government officials, farmers, engineers, business person citizen etc. To build positive relationship & active interaction among employee of WRD. The all round discussed above have resulted in improvement in performance of man Maharashtra water resources department under the project E-jalseva

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The Impact of Institutional Performance on Members' Satisfaction:  
The Case of Jantekel Dairy Marketing Cooperatives Union Ltd in  
Gondar, Ethiopia

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Abstract

When people carry out their economic activities individually, benefits dissipate and costs accumulate. The economic impact becomes insignificant and results in costs over run. Acting together, say, in bringing dairy produce collectively, members can develop bargaining power, enjoy the benefits of a larger business and can access information, which has important impact in the process of marketing. But, these would be effective if members will involve on economic & Democratic participation, considering ethical issues in procurement and investment decision, investment in community, participation members and employees in training & education. In reality, cooperatives are subject to the same economic forces, legal restrictions that other businesses face. It is essential to check whether they are on the right truck or not so this study was under taken for the impact of institutional performance on members' satisfaction; JDMCU as a case study Gondar, Ethiopia .Primary data were collected from 175 members of the union. The study result shows that the union has started collecting raw milk from members and processed, packaging and produced pasteurized milk (Fasil milk), butter and cheese adding these provide services, training, marketing, artificial insemination, animal feed and loan to members. But as the study respondents, the independent variables which were not well performed by members was affected the dependent variables (satisfactions) confirmed with neutral and the satisfaction level was low. The institution which was not functioning well and a solemn attention in terms of measures such as awareness creation, either radical maintenance or changing by new ones, promotion activity, membership drive, widening up the exertion place, replacing the board of directors with better education level and a business plan with a sound strategic plan which would improve the performance level for member's satisfaction.

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# The Impact of Institutional Performance on Members' Satisfaction: The Case of Jantekel Dairy Marketing Cooperatives Union Ltd in Gondar, Ethiopia

Key words: JDMCU, Cooperatives unions, Economic involvement, Democratic involvement, Members' satisfaction.

## 1. Introduction

Agriculture is the basis of Ethiopia's economy and is the most important economic sector in terms of generation of foreign currency. The sector is the primary sources of livelihood for more than 85 % of Ethiopian rural households who practice subsistence crop and livestock production. The current Ethiopian agricultural policy, which advocates ADLI, has led the Ministry of Agriculture to spearhead the intensification of activities in support of agricultural development (MoARD, 2007). Livestock is the source of income, which can be used by rural population to meet basic needs and purchase agricultural inputs. Livestock comes second to coffee in foreign exchange earnings in Ethiopia. Its contribution can equally well be expressed at household level by its role in enhancing income, food security and social status.

Like other sectors of the economy, the dairy sector in Ethiopia has passed through three phases or turning points, following the economic and political policy in the country. In the most recent phase, characterized by the transition towards market-oriented economy, the dairy sector appears to be moving towards a takeoff stage. Liberalized markets and private sector investment and promotion of smallholder dairy are the main features of this phase. In this regard, Kaddar (1975) cited in Barker (1989) claims that only a few farmers understand the necessity of producing to meet the market and of finding a market for their produce. His solution to this dilemma is to encourage the growth of cooperatives to undertake the marketing responsibilities. This suggests that most farmers are basically, production oriented, and may experience very little application of marketing principles in their business management.

Fresh milk marketing is channeled through both formal and informal outlets, with informal markets supplying some 85% of total fresh milk in the Addis Ababa area (Staal 1995). The major formal outlets are dominated by a government enterprise called the Dairy Development Enterprise (DDE), which has established numerous collection centers that buy milk at a uniform government controlled price that requires no minimum delivery. In 1992-93, the DDE supplied 12% of total fresh milk sales in Addis Ababa (Staal 1995). The DDE is

concerned primarily with liquid milk marketing, although it does make some cheese and yoghurt in its Addis Ababa processing facilities.

In Ethiopia, fresh milk sales by smallholder farmers are important only when they are close to formal milk marketing facilities such as government enterprises or milk groups. Results from a sample of farmers in northern Shewa in 1986 estimated that 96% of the marketable milk was sold to the DDE (Debrah and Berhanu Anteneh 1991). The other principal outlets for milk are 'milk groups,' which are milk marketing co-operatives recently established by the Ethiopian Ministry of Agriculture's Smallholder Dairy Development Project (SDDP) with the support of the Finnish International Development Association. The milk groups buy milk from both members and nonmembers, process it and sell the derivative products to traders and local consumers.

In Amhara region there are, 2 dairy marketing cooperative unions of which one is found in north Gondar (Gondar city) established and has got legal entity in 2007, comprises 8 primary cooperatives found in 6 administrative district's namely, Gondar city, Chilga, Denbya, Wogera, G/zuria and Lay armachiho. The name of primary dairy marketing cooperatives Abebechserewa, Enserabehibert, Tadeladebabo, Alemgent, Mareseg, Edeget beriberit Arbaba and Mserte the name of the union is Jantekel dairy marketing cooperatives (Ltd) and the product is also known as Fasil pasteurized milk. The main aims of the union was to provide the services related to the dairy activities i.e., the reduction of the cost of procurement, processing, and marketing of dairy products, credit, extension and training services to the members. (NGCPO, 2014 To create good performing secondary cooperatives (union), it is essential to assess the performance of the already existing ones and draw practical lessons on the critical operational problems and constraints. To accomplish such an important task, empirical investigations have paramount importance in areas of institutional cooperatives performance and level of member's satisfaction. Performance evaluation must combine various types of analysis that would provide the basis to analyze the functioning of the system, explain efficiencies, and assess the potential for and means of improving economic efficiency or other objectives. For achieving economic efficiency, a cooperative must plan, organize, motivate and control its operation (Knapp, 2000).

As any other enterprises do, cooperatives need to also periodically control and evaluate their marketing activities. There are basically four types of marketing controls, namely annual-plan control, profitability control, efficiency control, and strategic control. However, in spite of a serious need to monitor and control marketing activities, many companies including cooperatives have inadequate control procedures (Kotler, 2003). This study therefore, aims at

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assessing the impact of institutional performance on members' satisfaction in the case of Jantekel dairy marketing cooperatives union

## 2. Objectives of the Study

- i. To assess the performance of Jantekel dairy marketing cooperatives unions
- ii. To identify the satisfaction level of cooperative members
- iii. To identify the relationship between performance of the cooperative and the satisfaction of its members.
- iv. To identify the determinants of member's satisfaction.
- v. To forward important recommendations in order to address problems that observed survey results.

## 3. Literature Review

“A cooperative is a jointly owned and democratically controlled enterprise” (G.K.Sharma, 1997). This phrase emphasizes that ownership is distributed among members on democratic basis. These two characteristics of ownership are particularly important in differentiating cooperatives from other kinds of organizations, such as capital-controlled firms. Each cooperative is also an “enterprise” in the sense that it is an organized entity, normally functioning in the market place; it must strive to serve its members efficiently and effectively.

According to the United Nations (2009) cooperatives subscribe to the following principles; voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community. The Ethiopian Cooperative Law (2013) also stresses the fact that cooperatives should aim to promote the interest of members in accordance with principles of mutual responsibility and self-help, democracy, equity and equal rights to its assets and practice honesty, openness and common interests of members.

As common in other African countries (e.g., Kenya and Uganda), dairy products in Ethiopia are channeled to consumers through both formal and informal dairy marketing systems (Mohammed et.al. 2007). Until 1991, the formal market of cold chain, pasteurized milk was exclusively dominated by the DDE (Dairy development Enterprises) which supplied 12percent of the total fresh milk in the Addis Ababa area (Holloway et al. 2000). The DDE remains the only government enterprise involved in processing and marketing dairy products.

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### □ Dairy cooperative's performance indicators

To measure how well a co-operative is performing, because all co-operatives are owned by their members, the easiest answer is 'ask their members'. PLCs may focus on shareholder value and the interests of external investors, but co-operatives try to deliver 'member value'. But, even in the smallest co-operative business, and unquestionably in the larger, it helps to have numbers to inform and support the views of members. Over recent years, Co-operatives UK has developed a practical framework for measuring co-operative performance based on a set of common indicators and benchmarks based on shared data. These indicators are of two kinds – financial indicators (including a number focused on retail society financial performance) and non-financial indicators, covering issues that members and key stakeholders too, may value in terms of co-operative, social and environmental performance. In both cases, the health warning applies that these represent a very select basket of indicators. There are co-operatives in every sector of the economy and the cooperative performance indicators are neither comprehensive nor always relevant to every enterprise. But it helps to start somewhere and, as with all good indicators, they throw up questions as well as answers as to what is under the surface. This is the guide to the non-financial indicators recommended for co-operatives.

According to UK, Co-operative Performance Indicators, (Non-financial), Satisfaction of members will be dependent on the following factors of independent variables;

#### a) Member economic involvement

This indicator provides a measure of the extent to which members are engaging with their co-operatives on an economic level.

#### b) Member democratic participation

This indicator provides a way of demonstrating quantitatively and qualitatively how that is being done, in the context of individual members.

#### c) Participation of employees and members in the training and education.

Measuring employee and member participation in training and education will provide an indication of how much an organization values these key stakeholders and how it provides opportunities for them to contribute to the success of their organization.

- d) Consideration of ethical issues in procurement and investment decisions

This indicator will help demonstrate how co-operatives are striving to carry out their activities in an ethical manner.

- e) Investment in community and co-operative initiatives

This indicator also shows how co-operatives support other co-operatives by investing time and/or money in them, as a way of promoting and supporting the co-operative movement, helping meet the needs of local communities, and promoting social inclusion.

- Members satisfaction in cooperatives

Because the cooperative (as agent), is created to serve its members (as principal) and operate for their benefit (James and Sykuta 2005; Ortmann and King 2007), from the perspective of agency theory, members will be satisfied with their cooperative when the cooperative is perceived to act in their interests. The most obvious reason why farmers join cooperatives is to satisfy their economic goals. However, in addition to this goal, some members may also seek to satisfy social goals through their cooperative membership (Hansen et al. 2007). Economic objectives are related, among other things, to obtaining higher prices for the products, or receiving high quality services (Ortmann and King 2007). Social goals may include the desire to interact with other members and develop personal relationships (Hansen et al. 2007).

Given that members may play several roles in their relationship with the cooperative, and therefore have different interests or goals (Nilsson 2006), another generally accepted definition of satisfaction in business relationships provided by Anderson and Narus (1984) may be relevant: “A member’s satisfaction with the cooperative is a positive affective state resulting from the appraisal of all aspects of the relationship with the cooperative”.

There is scanty literature on dairy cooperative performance and members satisfaction, of which, the dairy farmer’s satisfaction with dairy cooperatives societies o, Nishi1, A.et.al. (2011) studies and conclude that, providing the service adequately with monetary dividend and enhancing market potential with fair price. And active participation of members in their coops leaders to member’s satisfaction, in lain with this Boopathiraj (2005), a study on member’s satisfaction of milk producer’s cooperatives societies in bhavanitaluk conclude that, The satisfaction of the members could be increased by making arrangement for the members to visit different leading and successful co-operative societies.

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## 4. Methodology

The cross-sectional descriptive and casual designs were found to be appropriate employed to analyze the respondent's data. Gondar is one of the three metropolitan cities in Amhara National Regional State, which is selected purposively for the study, because for those primary dairy marketing cooperatives serve as umbrella □Jantekel dairy marketing cooperative union□ is also found here.

The population of the study was undertaken in Jantekel dairy marketing cooperatives union which was established with eight affinitive members of primary dairy marketing cooperatives with total members of 321 and the sample size determined was 175. Stratified random sampling method applied to avoid heterogeneity of the population, Kothari (2004, p.62) and the members would be stratified into two groups based on their rural woredas and city administration residence i.e. lay aremachoho ,wogera, Gondar zuria, chilega districts' and Gondar city administration .

The survey was taken using pre-tested close ended questioner interview schedule on ten members of the cooperative was undertaken in both Gondar city and rural districts areas. The type of data was both primary and secondary data were collected to analyze the proposed research topic. For primary data the sources of the data were close and open ended questioner interview from members of Jantekel dairy cooperatives union, and from secondary data the sources were published and unpublished, materials from JDMCU, and others government and nongovernmental organization. The information entails dairy producers' socio-economic profiles, Co-operative Performance Indicators,(Non-financial),independent variables & the dependent variables; Satisfaction.

## 5. Results and Discussion

Table: 1 Members' economic involvement

Description		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Average mean
Purchas additional share from your cooperatives	Frequency	42	82	2	25	24	2.47	
	Percent	24	46.9	1.1	14.3	13.7		
The institution participates you in selling milk	Frequency	5	39	1	70	60	3.81	
	Percent	2.9	22.3	6	40	34.3		
Trade conduct	Frequency	26	56	7	45	41	3.11	



## Management Solutions For Socio Economic Challenges

participations is regular	Percent	14.9	32	4	25.7	23.4		
The institution participates you in buying animal feed	Frequency	6	30	3	88	48	3.81	2.86
	Percent	3.4	17.1	1.7	50.3	27.4		
purchasing Additional share in your cooperative will increase capital & getting service satisfactorily	Frequency	13	1	13	77	71	4.1	
	Percent	7.4	0.6	7.4	44	40.6		
The cooperative have a capacity to lend loan to the members	Frequency	54	65	45	8	3	2.09	
	Percent	30.9	37.1	25.7	4.6	1.7		
You and your partner repay the loan to your cooperative in time	Frequency	45	49	40	38	3	2.47	
	Percent	25.7	28	22.9	21.7	1.7		
The loan was performed out of target Results not repaying in time.	Frequency	38	36	73	23	5	2.55	
	Percent	21.7	20.6	41.7	13.1	2.9		
Lack of money is reason not repay loan in time.	Frequency	43	6	94	32	0	2.66	
	Percent	24.6	3.4	53.7	18.3	0		
The reason not repay the loan in time is nobody request.	Frequency	42	25	87	21	0	2.5	
	Percent	24	14.3	49.7	12	0		
Have the attitude either the borrower or the loaner will die is reason not repay in time.	Frequency	43	29	75	25	3	2.52	
	Percent	24.6	16.6	42.9	14.3	1.7		
Training , Market and other technological Information is offered by JDMCU/PDMC	Frequency	40	46	11	47	31	2.9	
	Percent	22.9	26.3	6.3	26.9	17.7		
Artificial insemination service offered by JDMCU/PDMC	Frequency	8	19	32	49	67	3.85	
	Percent	4.6	10.9	18.3	28	38.3		
Lack of capital by JDMCU/PDMC is reason for insufficient service to members	Frequency	35	24	49	59	8	2.89	
	Percent	20	13.7	28	33.7	4.6		

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Description		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Average mean
The cause for in sufficient service is no technical support given by stakeholders	Frequency	39	16	66	52	2	2.18	
	Percent	22.3	9.1	37.7	29.7	1.1		
For insufficient service, not detail know how about JDMCU	Frequency	43	13	95	19	5	2.6	
	Percent	24.6	7.4	54.3	10.9	2.9		
The price of milk set in buying and selling process is fair	Frequency	8	40	10	65	52	3.61	
	Percent	4.6	22.9	5.7	37.1	29.7		
The demand of Fasil pasteurized milk increase by the costumers	Frequency	42	20	28	61	24	3.03	
	Percent	24	11.4	16	34.9	13.7		
The profit of financial amount satisfactory by JDMCU	Frequency	49	72	16	23	15	2.33	
	Percent	28	41.1	9.1	13.1	8.6		
JDMCU processed the raw milk with full capacity	Frequency	35	66	36	12	26	2.59	
	Percent	20	37.7	20.6	6.9	14.9		
Processing machine problem is the reason not processed with full capacity.	Frequency	44	1	16	94	24	3.35	
	Percent	22.9	0.6	9.1	53.7	13.7		
The reason not processed with full capacity is Low supply of milk from members	Frequency	62	28	26	35	24	2.61	
	Percent	35.4	16	14.9	20	13.7		
JDMCU give fully service to members	Frequency	48	54	38	31	4	2.37	
	Percent	27.4	30.9	21.7	17.7	2.3		
Your cooperative union pay the dividend to affinitive members	Frequency	51	60	17	43	4	2.37	
	Percent	29.1	34.3	9.7	24.6	2.3		
Technical or other valuable assistance offered from the concerned	Frequency	50	53	42	24	6	2.53	
	Percent	28.6	30.3	24	13.7	3.4		
The performance	Frequency	52	49	12	41	21	2.6	

evaluation at all level , self evaluation and other form of evaluation formulated and implemented in jdmcu	Percent	29.7	28	6.9	23.4	12		
JDMCU lead by a sound short. Long and strategic plan to accomplish the objective	Frequency	33	62	16	34	30	2.81	
	Percent	18.9	35.4	9.1	19.4	17.1		

As shown from the above table members economic involvement of the respondents 2.86 in mean average neutral which implies, members participation economically were or were not participated in their institution.

Table: 2 Members' Democratic Participation

Description		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean	Average mean
You are participating Regularly in general assembly and voting process	Frequency	42	8	0	85	40	3.42	3.35
	Percent	24	4.6	0	48.6	22.9		
You are participating in special De.	Frequency	46	27	5	54	43	4.23	
	Percent	26.3	15.4	2.9	30.9	24.6		
During voting process will an influence by facilitator	Frequency	59	55	0	36	25	2.50	
	Percent	33.7	31.4	0	20.6	14.3		
In voting process one man one vote rule respected	Frequency	22	16	6	72	59	3.74	
	Percent	12.6	9.1	3.4	41.1	33.7		
Members are owners and controllers their cooperatives	Frequency	37	47	17	51	23	2.86	
	Percent	21.1	26.9	9.7	29.1	13.1		

In this regard, of the total respondents in average mean 3.35 were neutral which implies that, they did not understand to participate democratically within their institution.

Table: 3 Participation of Employees and Members in Training and Education

Description		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Average mean
Members of JDMC have gotten training	Frequency	43	30	0	85	17	3.02	
	Percent	24.6	17.1	0	48.6	9.7		
Employee of JDMC have got training	Frequency	43	37	2	73	20	2.94	
	Percent	24.6	21.1	1.1	41.7	11.4		
The training amount of day was enough	Frequency	42	42	26	47	18	2.75	
	Percent	24	24	14.9	26.9	10.3		

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The training was taken in appropriate time	Frequency	42	17	27	61	26	3.07	2.760
	Percent	24	9.7	16.6	34.9	14.9		
Conducting the training effectiveness evaluation	Frequency	47	44	48	23	13	2.49	
	Percent	26.9	25.1	27.4	13.1	7.4		
Members have gotten training and motivation by JDMCU	Frequency	60	60	7	39	9	2.30	
	Percent	34.3	34.3	4	22.3	5.1		

Of the total respondents regarding to the participation of employees and members in education and training they were not understood what had been done as per they answered in average mean 2.76.

Table: 4 Consideration of Ethical issues in Procurement and Investment Decisions.

Description		Strongly disagree	Disagre	Neutral	Agre	Strongl y Agree	Mean	Averag emeane
The quality of milk selling to your cooperative is kept	Frequency	29	71	9	25	41	4.22	3.40
	Percent	16.6	40.6	5.1	14.3	23.4		
The money you get for the supplying milk from your cooperatives is in time	Frequency	11	18	12	63	71	3.94	
	Percent	6.3	10.3	6.9	36	40.6		
The procurement and sales of goods will be in the rules and regulation of union	Frequency	16	19	29	53	58	3.67	
	Percent	9.1	10.9	16.6	30.3	33.1		
Casher of JDMCU show deficit money during auditing	Frequency	34	10	18	77	36	3.41	
	Percent	19.4	5.7	10.3	44	20.6		
JDMCU auditing its account from starting establishment	Frequency	44	75	25	20	11	2.31	
	Percent	25.1	42.9	14.3	11.4	6.3		
Members know openly the duties & and responsibilities of committees.	Frequency	39	46	20	40	30	2.86	
	Percent	22.3	26.3	11.4	22.9	17.1		

Regarding to this concept, as institution consideration of ethical issue would be so vital for developing trust among members, trust is bases for strengthening of the institution of the survey result, the average mean i e 3.40 were neutral.

Table: 5 Investment in Community and Co-operative Initiatives

Description		Strongly disagree	Disagree	Neutral	Agre	Strongly Agree	Mean	Averag mean
Your cooperative	Frequency	41	71	9	25	29	2.60	

participate in charity program	Percent	23.4	40.6	5.1	14.3	16.6		3.14
Your cooperative employees and members share experience to non members	Frequency	9	8	12	71	75	2.86	
	Percent	5.1	4.6	6.9	40.6	42.9		
Your cooperatives sponsor to the activity of social and/or developmental activity	Frequency	38	66	14	22	35	2.71	
	Percent	21.7	33.7	8	12.6	20		

As of other variables, also in this, JDMCU, whether participate or not in investment within the community members did not want to answer, as of the respondents the average mean 3.14 were neutral.

Table: 6 Overall satisfaction

Description		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Average Mean
Your cooperative performance is satisfactory	Frequency	38	68	10	38	21	2.66	2.82
	Percent	21.7	38.9	5.7	21.7	12		
You have got a satisfactory result from JDMCU	Frequency	38	68	10	38	21	2.63	
	Percent	21.7	38.9	5.7	21.7	12		
JDMCU attain their goal	Frequency	5	81	20	19	50	3.16	
	Percent	2.9	46.3	11.4	10.9	28.6		

Source: Own survey data, 2014.

To summarize the overall satisfaction of members as per the respondents result showed, average mean (2.82) members were low satisfied.

## 6. Recommendations

To use the opportunity of dairy producers, and members of JDMCU, the concerned government and nongovernmental organization should play their roll in strengthening the institution, as livestock is the source of income, which can be used by rural population to meet basic needs and purchase agricultural inputs, Via-effective marketing.

Training and education principle, could be properly address through cooperative extension for members of JDMCU, in doing this, awareness of members on performance indicators' (members economic involvement, democratic participation, considering ethical issue, participation in community work) will be enhanced, results, dependency will make light of, seek change through collective work and develop a sentiment or common sense together we

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are better. New entrants become increase with capital; sense of owner ship will develop, and satisfaction would be attained.

JDMCU milk processing machinery due too old enough not processed with full capacity, addition that its maintenance cost reached about 17, 000 Ethiopian birr per year plays a role for the loss of capital and cannot afford the members supplying product in processing. Thus, it should be changed by new ones. Or radical maintenance could be taken.

Structural adjustment could be performed, on board of directors (replacing by better educated members) and for employee recruitment. The minimum required for manager of JDMCU, was first degree with two years experience but without a direct managerial experiences it could be amended in a direct experience with a first degree statues, lastly amendment of the bay law members those who were not supply regularly the raw milk will continue as a member for a longer time (6 month) this longer time should minimize (2 month) to make active participant on marketing.

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A Study on Perception of Younger Generation towards Movie Channels  
at Kolkata

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**Abstract**

‘Movie watching’ is one of the leisure activities for the people in India. It has become an integral part of their daily life and contributes a lot for their entertainment and relaxation. Hollywood Entertainment Industry caters number Indian movie watchers, particularly younger generation by providing a seemingly endless supply of theatrical films and television shows. Presently, India is not an exception to the world-wide releases of Hollywood blockbusters. Watching Hollywood cinema by Indian people is quite natural issue, as hundreds of movies are being imported from USA every year. Even at present time, Hollywood’s business is adequately expanded to the rural masses through the concept of dubbing into regional languages.

This study has a focus on identification of media habit as far as different movie channels are concerned. This study also emphasizes the understanding of the perception of younger generation towards Hollywood movie channel along with other types of movie channel at Kolkata. An association between the perception of movie watchers and different types of movie channels as per the time slot of TV programme has been measured to reflect the mental attachment of younger generation of Kolkata with movie channels, particularly the Hollywood movie channels. A multi dimensional scaling technique is applied to find out the positioning of different Hollywood movie channels along with other movie channels in the mind of younger generation at Kolkata by drawing a perceptual map.

**Keywords:** Media Habit, Perception, Positioning and Perceptual map

**1. Introduction**

In 1959, the concept of Television (TV) was introduced in India as an educational project supported by the United Nations, Educational Scientific and Cultural Organization (UNESCO) and the Ford Foundation (Rani, 2013). Initially, TV was used as an educational tool and mouthpiece of the central government and ruling party. Gradually, a lot of changes take place in the scenario of telecasting media in India (Singhal and

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Rogers, 2001). In early years, Indian television was run by All India Radio (AIR). During 1970s Indian television was separated from AIR and the concept of 'Dooradarshan' emerged as only channel through which entertainment programme viz. film, dance, sports and others were telecasted (Page and Crawley, 2001). During 1991, government of India introduced economic and social reform by which private and foreign broadcasters were allowed to enter the Indian market. Foreign channels viz. CNN, Star TV etc. and domestic channels such as Zee TV and Sun TV started satellite broadcasts. Government of India gradually adopted liberalization in the sector of electronic media and opened up the sector for cable television where the channels viz. MTV, STAR Plus, Star Movies, BBC and Prime Sports became available (Rani, 2013).

After globalization and liberalization of economy, a phenomenal change takes place in the Television Industry in India (Devdas and Ravi, 2013). In India television became an industry where number of domestic and foreign investors invests for entertainment products (Singh, 2008). As a result, it shows very high growth in entertainment sector with the growth of number of TV channels (Barathi, 2011, Sinha, 2013). Presently, Indian audiences become habituated in watching English channels (Rao and Rav, 2015). There is a trend among educated Indian to prefer English channels viz. CNN, BBC etc. (Mohana Krishnan, 2014). Indian viewers are also to be exposed to the Hollywood movies in TV channels which has exceeded the physical border and become Indian citizen by tapping the Indian market in various possible ways (Thussu, 2014).

### 2. Literature Review

Cultural Impact of Television on Indian Audience:

Television influences audiences in shaping thought processes and attitudinal pattern (Sinha, 2013). Devdas and Ravi(2013), in their study, found that The role of Television influences social uprising, education, politics, family system education and marriage. The television sets public agenda and act as opinion leader in the process of social change. During the end of 1990s younger and educated Indian audience became inclined towards different private national and international TV channels viz. Zee, Sony, Star etc. which has lot of impact on young adults. They are stimulated by the imaginary world of television (Devdas and Ravi, 2013). Moreover, the younger generation is influenced by the western culture due to the heavy viewing of foreign television programmes (Vijayalakshmi, 2005).

Impact of Hollywood Movie Channels amongst Indian Audience:

Hollywood film has a great influence on the mind of Indian viewers since 1940s. During 1990s, with globalization and economic liberalization, the influence of Western culture and Hollywood films on Indian society has been increased (Natarajan, 2014). There is a huge growth in the number of audience for Hollywood films in India (Lorenzen, 2008). Indian customers or viewers are so influenced by Hollywood movie that Indian movie industry has to adopt certain changes in their film following Hollywood movies (Rampal, 2005). This act of Indian Industry has been termed as Hollywoodization by the author Kuldip R.Rampal(2005) in his article. Hollywood movie channels have also become popular among Indian audiences (Weitbrecht, 2011).

It has been observed from the literature review that television has an enormous impact on Indian viewers. Another important issue which has been observed in literature review is that a section of Indian viewers or customers of channels are also influenced by Hollywood movies which are now available in television channels in India. In this paper, these two issues viz. impact of Hollywood films and television channels on the perception of Indian viewers or customers have been considered as the area of study.

### 3. Objectives of the Study

- i. To determine the positioning of movie channels in the viewers' mind or customers' mind
- ii. To determine the association between perceptions of viewers or customers, time spent for watching movie by customers and different movie channels
- iii. To estimate the chance of association between perceptions of viewers or customers, time spent for watching movie by customers and different movie channels

### 4. Research Methodology

An exploratory research has been conducted based on literature review to explore the variables or factors related to the perception of younger generation towards different movie channels. The exploratory research is followed by a conclusive research considering the primary data collection on the basis of questionnaire survey. The pattern of the questionnaire was mainly divided into three parts including general information of respondents viz. name, age, gender, education and other personal details, information related to movie channel that the respondents generally watch viz. time spent for movie channels, Movie channels they generally watch etc. and their ratings for movie channels. The questionnaire also contains few questions related to perception of the respondents

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about movie channel. Twenty six statements have been framed to describe the viewers' perception about movie channels. These statements are

1. First English movie channel I tuned to
2. The channel has the most attractive look and feel
3. The channel is modern in its outlook
4. the channel is made for people with high status
5. The channel is meant for the youth
6. The channel has the best movie collection
7. The channel is cool
8. The channel gives world class movie viewing experience
9. Magic of Hollywood
10. This channel creates a lot of buzz on the social media
11. Show good movies at time convenient to me
12. I spent maximum time on this channel for watching English movies
13. Show movies which I want to see again and again
14. The channel shows the most number of movie premieres
15. The channel has the best picture quality
16. The channel has the best sound quality
17. I can rely on this channel to provide good entertainment for me
18. Show movies which can be seen with entire family
19. The channel shows the most popular movie i.e. movie everybody watches
20. The channel satisfies all my movie needs
21. I will miss this channel if it goes off air
22. Feel emotionally connected to it
23. This channel has a lot of ad breaks
24. This channel has very long ad breaks
25. This channel shows a lot of repeat movies

The region which has been considered for the study is Kolkata Municipality Corporation. The fifty five respondents of age group 22 to 40 from upper and upper middle class family with higher education have been considered for the study.

### 5. Data Analysis

As per the objective of the study, a three attribute association test has been conducted to relate the perception, movie channels and time spent on movie channels considering chi-square values and values of contingency coefficient. In addition, a perceptual map has been

drawn on the basis of multi dimensional scaling technique to understand which channel is the most preferred and which is least preferred.

### 6. Result

The questionnaire survey has yielded responses of fifty five movie watchers for ten movie channels viz. HBO, HBO Hitz, Movies Now, Movies Now2, Romedy Now, Sony Pix, Star Movies, Star Movies Action, WB and Zee Studio. Every movie channel amongst those ten mentioned above occupies distinct and valued place in the mind of movie watchers or customers. Considering how the respondents rate those movie channels based on multi-dimensions, a perceptual map has been drawn. The Figure – 1 given below shows the perceptual map where the position of different movie channels is determined. The same figure also helps understand how two different channels are close to each other as per the perception of customers.

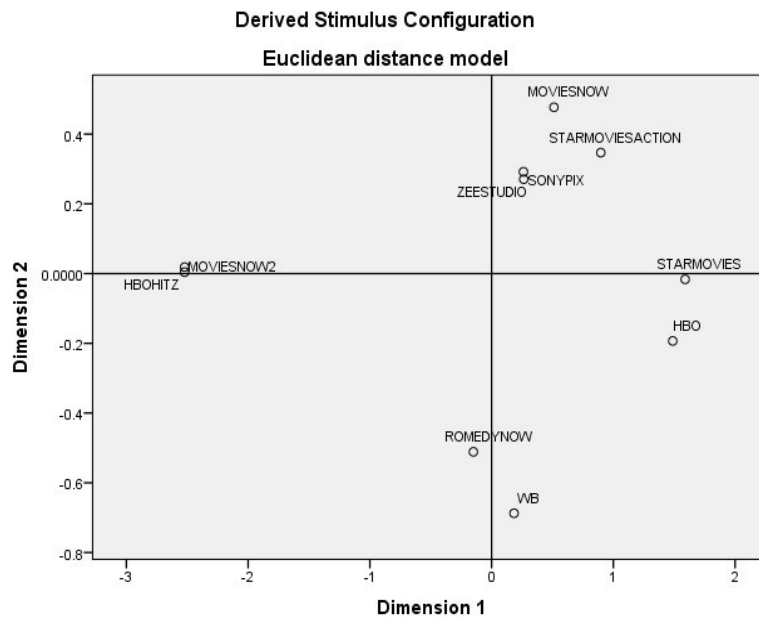


Figure – 1: A Perceptual Map of Movie Channels

As per the above figure, Movies Now is the most preferred channel amongst the audience at Kolkata whereas WB is the least preferred channel. Star Movie Action has occupied the second position in the mind of audience. The position of Sony Pix and Zee studio is so close to each other that both can be considered as third preference of customer at Kolkata. Similarly, Movies Now 2 and HBO Hitz are two closely related channels that have occupied fourth position in the mind of the customers. The fifth and sixth positions are occupied by HBO and Romedy Now.

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In the next phase of the study, association between movie channels, time spent by customers in movie channels and their perception explained by 26 statements mentioned in Research Methodology section has been determined. The result of chi-square test is presented in Table1.

Table - 1: Chi-Square Tests between movie channels, Time spent in movie channel by audience and perception of audience				
Time spent for watching movies by customers		Value	df	Asymp. Sig. (2-sided)
1.5-2 hours	Pearson Chi-Square	480.398 <sup>b</sup>	192	.000
	Likelihood Ratio	288.211	192	.000
	Linear-by-Linear Association	9.741	1	.002
2-2.5 hours	Pearson Chi-Square	878.162 <sup>c</sup>	192	.000
	Likelihood Ratio	581.649	192	.000
	Linear-by-Linear Association	2.775	1	.096
2.5-3 hours	Pearson Chi-Square	650.703 <sup>d</sup>	200	.000
	Likelihood Ratio	375.680	200	.000
	Linear-by-Linear Association	6.850	1	.009
3 hours or more	Pearson Chi-Square	85.000 <sup>e</sup>	80	.330
	Likelihood Ratio	40.803	80	1.000
	Linear-by-Linear Association	1.055	1	.304
Total	Pearson Chi-Square	1730.657 <sup>a</sup>	200	.000
	Likelihood Ratio	1089.548	200	.000
	Linear-by-Linear Association	15.076	1	.000

The questionnaire survey helps generate the data on time spent for watching movie. There are four categories 1) 1.5 – 2 hours, 2) 2 – 2.5hours, 3) 2.5 – 3 hours and 4) 3 hours and more. The result of Table – 1 shows that for first three categories, the P value is lower than 0.05 except the last one. Therefore it can be stated that, apart from last category, all the other three categories explaining time spent for watching movie by customers has significant association with movie channels and perception of audience.

Table – 2 shows the value of contingency coefficient corresponding to different categories of ‘Time spent for watching movie by customers’. This measure helps understand the degree of association between the three attributes viz. movie channels, time spent for watching movie by customers and their perception.

Table -2 : Symmetric Measures				
Time spent for watching movies by customers			Value	Approx. Sig.
1.5-2 hours	Nominal by Nominal	Contingency Coefficient	.847	.000
2-2.5 hours	Nominal by Nominal	Contingency Coefficient	.803	.000
2.5-3 hours	Nominal by Nominal	Contingency Coefficient	.832	.000
3 hours or more	Nominal by Nominal	Contingency Coefficient	.913	.330
Total	Nominal by Nominal	Contingency Coefficient	.799	.000

Table – 2 shows vary high value of contingency coefficient for every categories of ‘Time spent for watching movie by customers’. Like Table – 1 , Table – 2 also shows the P value less than 0.05 for the first three categories and P value greater than 0.05 for the last category. The last category of ‘time spent for watching movie by customers’ is not associated with movie channels. Therefore, the last category of time spent has not been considered in the next table (Table – 3) where chance of association has been estimated between three attributes.

Table – 3 shows the chance of association among perception of customers, time spent for watching movie by customers and different movie channels. Categories of ‘Time spent for watching movie by customers’ is considered in row. Each such row has been divided into twenty six sub rows explaining perception of customers or viewers. Different movie channels are considered column wise. In these categories of movie channels nine channels are considered based on the available responses. All the percentage figures in percentage corresponding to each column, row and sub row represent the chance of association between row, sub row and column elements. The highest figure representing chance of association indicates the trend of customer’s perception towards a movie channel while they spend certain period of time for watching movie in a particular channel.

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Table - 3 : Estimated Association among Perception of Viewers towards Movie Channels, Time spent for Watching Movies By Customers and Different Movie Channels											
Time spent for watching movies in a week	Perception of Viewers towards movie channels	Movie Channels								Total	
		HBO	MOVIES NOW	MOVIES NOW 2	ROMEDY NOW	SONY PIX	STAR MOVIES	STAR MOVIES ACTION	WB		ZEE STUDIO
1.5-2 hours	First English movie channel I tuned to	5.6%	9.1%				8.1%				5.8%
	The channel has the most attractive look and feel	11.3%					4.8%				5.8%
	The channel is modern in its outlook	14.1%					1.6%				5.8%
	The channel is made for people with high status	11.3%							100%		5.8%
	The channel is meant for the youth						9.7%	71.4%			5.8%
	The channel has the best movie collection	7.0%	9.1%				3.2%				4.7%
	The channel is cool	2.8%					11.3%				4.7%
	The channel gives world class movie viewing experience	2.8%					1.6%				1.6%
	Magic of Hollywood	5.6%									2.1%

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This channel creates a lot of buzz on the social media		4.5%								.5%
Show good movies at time convenient to me	5.6%	9.1%				8.1%				5.8%
I spent maximum time on this channel for watching English movies	5.6%	9.1%				8.1%				5.8%
Show movies which i want to see again and again	1.4%	4.5%				3.2%				2.1%
The channel shows the most number of movie premieres	1.4%									.5%
The channel has the best picture quality	2.8%									1.1%
The channel has the best sound quality	2.8%									1.1%
I can rely on this channel to provide good entertainment for me	5.6%	4.5%				9.7%				5.8%
Show movies which can be seen with entire family		9.1%				4.8%				2.6%



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	The channel shows the most popular movie i.e. movie everybody watches	1.4%					1.6%				1.1%
	The channel satisfies all my movie needs	5.6%	9.1%				8.1%				5.8%
	I will miss this channel if it goes off air	5.6%	9.1%				8.1%				5.8%
	This channel has a lot of commercial breaks		9.1%			44.4%	1.6%	14.3%		40.0%	5.3%
	This channel has very long commercial breaks		9.1%			44.4%	1.6%	14.3%		40.0%	5.3%
	This channel shows a lot of repeat movies	1.4%	4.5%			11.1%	4.8%			20.0%	3.7%
	I do not know much about this channel			100%	100%						5.8%
2-2.5 hours	First English movie channel I tuned to	5.6%	2.5%		4.3%		6.3%	7.7%	5.9%		5.2%
	The channel has the most attractive look and feel	8.5%	2.5%		4.3%		4.9%		5.9%		5.2%
	The channel is modern in its outlook	8.5%			4.3%		5.6%	2.6%			5.2%
	the channel is made for people with high status	7.9%			4.3%				47.1%		4.8%

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The channel is meant for the youth	1.1%			13.0%		9.0%	17.9%			5.2%
The channel has the best movie collection	6.2%					7.6%	7.7%			5.2%
The channel is cool	2.3%	2.5%		4.3%	7.1%	6.3%	5.1%		5.9%	3.9%
The channel gives world class movie viewing experience	2.8%					2.1%				1.7%
Magic of Hollywood	4.5%			4.3%						1.9%
This channel creates a lot of buzz on the social media				4.3%						.2%
Show good movies at time convenient to me	5.1%	2.5%				5.6%	7.7%	5.9%	17.6%	5.2%
I spent maximum time on this channel for watching English movies	5.6%	2.5%		4.3%	7.1%	4.9%	5.1%	5.9%	11.8%	5.2%
Show movies which i want to see again and again	4.0%					5.6%	7.7%		5.9%	3.9%
The channel shows the most number of movie premieres	4.5%					2.1%				2.3%
The channel has the best picture quality	5.1%					0.7%				2.1%

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	The channel has the best sound quality	5.1%					0.7%				2.1%
	I can rely on this channel to provide good entertainment for me	4.5%	2.5%		8.7%		4.9%	10.3%	5.9%	11.8%	5.2%
	Show movies which can be seen with entire family	1.1%	5.0%				11.1%			5.9%	4.3%
	The channel shows the most popular movie i.e. movie everybody watches	6.2%				7.1%	4.2%	2.6%			3.9%
	The channel satisfies all my movie needs	5.6%	2.5%				5.6%	7.7%	5.9%	5.9%	5.0%
	I will miss this channel if it goes off air	5.1%	2.5%		8.7%		4.9%	7.7%	5.9%	11.8%	5.2%
	This channel has a lot of commercial breaks	0.6%	35.0%			42.9%		2.6%		11.8%	5.0%
	This channel has very long commercial breaks		35.0%			35.7%		2.6%		11.8%	4.5%
	This channel shows a lot of repeat movies		5.0%				8.3%	5.1%			3.3%
	I do not know much about this channel			100%	34.8%				11.8%		4.8%
2.5-3 hours	First English movie channel I tuned to	5.3%					7.5%	6.3%			5.2%

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The channel has the most attractive look and feel	8.0%					5.6%				5.2%
The channel is modern in its outlook	8.0%					5.6%				5.2%
The channel is made for people with high status	8.8%							71.4%		5.2%
The channel is meant for the youth	.9%				15.4%	8.4%	12.5%			4.8%
The channel has the best movie collection	7.1%					5.6%	6.3%			5.2%
The channel is cool	2.7%					6.5%				3.5%
The channel gives world class movie viewing experience	2.7%							14.3%		1.4%
Magic of Hollywood	3.5%					0.9%		14.3%		2.1%
This channel creates a lot of buzz on the social media	1.8%					0.9%			8.3%	1.4%
Show good movies at time convenient to me	3.5%					7.5%	6.3%			4.5%
I spent maximum time on this channel for watching English movies	5.3%					7.5%	6.3%			5.2%

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Show movies which i want to see again and again	4.4%					5.6%				3.8%
The channel shows the most number of movie premieres	1.8%					2.8%				1.7%
The channel has the best picture quality	7.1%					1.9%				3.5%
The channel has the best sound quality	7.1%					1.9%				3.5%
I can rely on this channel to provide good entertainment for me	4.4%					8.4%	6.3%			5.2%
Show movies which can be seen with entire family	1.8%					3.7%	6.3%		8.3%	2.8%
The channel shows the most popular movie i.e. movie everybody watches	5.3%					2.8%	6.3%			3.5%
The channel satisfies all my movie needs	5.3%					7.5%	6.3%			5.2%
I will miss this channel if it goes off air	5.3%					6.5%	6.3%			4.8%
Feel emotionally connected to it					7.7%					0.3%

This channel has a lot of commercial breaks		42.9%			38.5%	0.9%	12.5%		33.3%	5.2%
This channel has very long commercial breaks		42.9%			30.8%	0.9%	12.5%		33.3%	4.8%
This channel shows a lot of repeat movies		14.3%			7.7%	0.9%	6.3%		16.7%	2.1%
I do not know much about this channel			100%	100%						4.8%

As per the result presented in Table – 3, the highest chance is there that the channel HBO will be perceived as ‘The channel is modern in outlook’ by those customers who spend 1.5 to 2 hours in a week for watching movie in any TV channel. The highest chance is there that the channel HBO is perceived as ‘The channel is modern in outlook’ and ‘The channel has the most attractive look and feel’ by the customers who watch movie channels for 2 to 2.5 hours in a week. There is highest chance that the customers who watch movie channel for 2.5 to 3 hours in a week perceive the same channel, HBO as “the channel is made for people with high status”.

There is the highest chance that customers who spend 1.5 to 2 hours in week with movie channel perceive the channel called Movies Now as “First English movie channel I tuned to”, “The channel has the best movie collection”, “It shows good movies at time convenient to me”, “I spent maximum time on this channel for watching English movies”, “Show movies which can be seen with entire family”, “The channel satisfies all my movie needs”, “I will miss this channel if it goes off air” and “The channel has a lot of commercial break and long commercial break”. There is highest chance that the channel, Movies Now is perceived as “The channel has a lot of commercial break and long commercial break” by customers who spend either 2 to 2.5 hours and 2.5 to 3 hours per week for watching movie in TV channels.

For the channel, Movies Now2, the highest chance is there the channel is perceived as “I don’t know much about the channel” by the customers who spend 1.5 to 2 hours, 2 to 2.5 hours and 2.5 to 3 hours in a week for watching movie in TV channels.

Similarly, the highest chance is there that the channel Romedy Now is also perceived as “I don’t know much about the channel” for all the three categories of customer who watch movie channels 1.5 to 2 hours, 2 to 2.5 hours and 2.5 to 3 hours per week.

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There is the highest chance that the channel called Sony Pix is perceived as “The channel has a lot of commercial break” by customers who spend 1.5 to 2.5 hours, 2 to 2.5 hours and 2.5 to 3 hours for watching movie in TV channel per week.

The highest chance is there that the channel Star Movies is perceived as “The channel is very cool” by the customers who spend 1.5 to 2 hours for watching movies in a week. Customers who spend 2 to 2.5 hours with movie channel per week has the perception i.e. “It shows movies which can be seen with entire family” for the same channel. Customers who watch movie channels for 2.5 to 3 hours perceive the channel, Star Movie as “I can rely on this channel to provide good entertainment for me”.

The channel Star Movies Action is perceived as “The channel is meant for youth” by the customers who watch movies for 1.5 to 2 hours, 2 to 2.5 hours and 2.5 to 3 hours in a week. However, the customers who watch movie for 2.5 to 3 hours also perceive the channel as “The channel has a lot of commercial break and long commercial break”.

The channel WB is perceived as “The channel is made for people with high status” by all three categories of customers who watch movie channels for 1.5 to 2 hours, 2 to 2.5 hours and 2.5 to 3 hours.

Zee Studio is perceived as “The channel has a lot of commercial break and long commercial break” by two categories of customers who watch movie channel for 1.5 to 2 hours and 2.5 to 3 hours in a week. However, the same channel is perceived as “Show good movies at time convenient to me” by the customers who spend 2 to 2.5 hours with movie channels in a week.

### 7. Conclusion

This study has two parts. The first part of the study deals with the positioning of different movie channels in the mind customers. In the perceptual map the channel Movies Now comes at top of the mind of any customers. Some channels occupy very close position in the mind of customers viz. Sony Pix and Zee Studio. From this result one can interpret that Sony Pix is a close competitor of Zee Studio as per the perception of customers. Another two channels, Movies Now2 and HBO Hitz are also closely positioned in the mind of customers, but both have some negative impact on the mind of customers as both are located at negative side of horizontal axis of the perceptual map.

The second part of the study includes categorization of customers based on how much time they spend for watching movie in movie channels in a week, different perception of customers towards movie channels and different movie channels. The result indicates that the customers who watch movie for 1.5 to 2 hours are very much positive towards the channel Movies Now and also satisfied with that channel, though another two categories of customers

who spend more time with movie channels have negative perception as the channel shows lot of advertisements for prolonged period of time. Star Movie are also perceived positively by all three categories of customers whereas Zee Studio is perceived positively by second categories of customers who watch movie channels for 2 to 2.5 hours in a week. The same channel is negatively perceived by other two categories of customer for their number of commercial breaks for prolonged time. All the three categories of customer perceive the channel Romyd Now, Movies Now2 negatively. They also want to keep the channel WB aside from their choice as they perceive it as the channel for the people of high status.

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## Exploring Business Opportunities for Youth With Reference to Latest Trends in Entrepreneurship

Dr. Mrs. Madhuri S. Deshpande<sup>1</sup>

“Entrepreneurship and business creation are ... a growing alternative for young people whose age group often faces a labour market with double digit unemployment rates. Traditional career paths and opportunities are disappearing rapidly. A growing number of young people are taking up challenge of starting their own business and much is being learned about how the odds for success can be improved through various types of assistance and through the creation of a supportive environment”.- Juan Somavia

### Abstract

Youth unemployment is one of the major challenges facing most of the countries in the world. Consequently there is a pressing need to focus on the efforts for employment creation on young generation.

Entrepreneurship is a win-win strategy for the society since it leads to self-employment as well as creation of jobs. It offers economic independence to youth and improves their living standards while contributing to welfare of the community, and also to economic as well as national development.

In the words of Maria Victoria Heikel, “entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. While concepts such as innovation and risk taking in particular are usually associated with entrepreneurship, they are not necessary to define the term”. This definition suits youth entrepreneurship. They get engaged in different types of activities which may involve innovation or may not; entrepreneurial activities pursued by youth may require risk taking or may not. Youth entrepreneurs may be necessity driven, opportunity driven or they may be growth oriented. They be chance entrepreneurs, need entrepreneurs, choice entrepreneurs or force entrepreneurs based on their basic motivation for entry into entrepreneurial venture.

Youth entrepreneurs are different from adult entrepreneurs regarding their motivations, practices, approaches etc. International Labor Office enlists factors influencing youth entrepreneurship as social/cultural attitude towards youth entrepreneurship, entrepreneurship

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education, access to finance/start-up financing, administrative and regulatory framework, business assistance and support.

### 1. Intrapreneurship

Corporate managers need to be entrepreneurial in their approach. Entrepreneurial mindset and attitude is required not only in the start-up phase of business enterprises. They are required for established enterprises also for developing competitive strategies and for ensuring survival and sustained growth.

Intrapreneurship is the practice of entrepreneurship within an existing enterprise. It refers to entrepreneurial activities that are supported by necessary infrastructure, knowledge base and adequate resources. The term intrapreneurship speaks about entrepreneurial behavior within medium and large organizations. It is simply entrepreneurship within an existing business. It is concerned with innovation, initiative, proactiveness, and new business venturing. It can be considered as an internal corporate venture. It offers an opportunity for corporate managers to take initiative and try new ideas. Intrapreneurship attracts entrepreneurial talent by offering opportunities for personal growth, freedom, autonomy. Intrapreneurial culture allows executives to operate as entrepreneurs within organizational boundaries.

Young generation may wish to seek entrepreneurial environment to work. They may not be interested in creating their own ventures. Intrapreneur is an organizational employee. He/she contributes to success of business. He/she has a desire of personal achievement, independence, career advancement, power etc. He/she enjoys his/her work. He/she is ready to put extra efforts, time as well as energy as and when needed. He/she does not fully bear the risk of his/her business. Instead he/she is a moderate risk taker. He/she is not required to raise funds.

### 2. Women And Entrepreneurship

Women's participation in the economic progress and consequently in national development is crucial from the view of human resource development. It contributes to a balanced and accelerated economic growth. To raise status of women in home and also in society, there is a need of empowerment. This can be achieved through self-employment and through entrepreneurship.

Woman entrepreneur is the one who deviates from her traditional and sole role of Nurser, Carer and Rearer; one who goes beyond set role is a woman entrepreneur. She is self-employed and she creates employment opportunities for others. She is actively involved in initiating, organizing, and managing her enterprise and she gets attractive returns of these activities.

Women entrepreneurship is an effective approach towards economic empowerment of women. She finds self-employment and creates employment for others in the society. She becomes economically independent which improves her social status. Flexible working hours and convenient business location enables her to give justice to domestic duties while meeting enterprise demands and business needs. However, the journey involves challenges like low self-esteem, gender discrimination in the male dominated society.

Some women entrepreneurs are highly educated and professionally qualified. They are efficient and dynamic. They take initiative and they are interested in growth, expansion and diversification. There are some women entrepreneurs who may not be educated but they are equipped with some skills which are required for small enterprises. Some women entrepreneurs work specially for women from economically backward segment of the society. Affluent women entrepreneurs hail from rich business families. Innovative women entrepreneurs deal with business to challenge conventional assumptions about social position of women. Radicals-proprietors are the women who are active in economic and political ventures that strongly promote female issues. Conventionals are the women who do not necessarily present resentment about limited career opportunities in previous jobs. Domesticics are the women who see their business as secondary to their domestic role. Mompreneur is a female who is actively engaged in online business. She gives adequate justice to her role as a mother. She works at home or at some family-friendly office space. She does her work when her children do not require much attention. Chance entrepreneurs come across opportunities which they grab readily. They venture into business without any preparation. Forced entrepreneurs are compelled by circumstances and consequent responsibilities falling on them to take over existing business. Created entrepreneurs are properly identified, motivated, encouraged and developed through training such as entrepreneurship development programmes.

### 3. Service Sector And Entrepreneurship

Anyone and everyone can become a service entrepreneur. Anyone can venture into service business irrespective of age, education, gender, business experience, financial

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background. He/she may work from home. There is no need to invest substantial amount of financial/non-financial resources. Various skills and knowledge possessed by a person open several opportunities for service entrepreneurship. Creative minds work on new ideas, new products, new services, new businesses, new enterprises etc. Sometimes new business opportunities emerge from creative ideas, desires, interests, hobbies, expertise, market demand, previous experience and association and the like. The motive may be money making, need recognition, demand, problem solving and so on.

Most of the advanced economies of the world are dominated by services. A number of factors contribute to increasing importance of service sector in the economy. High birth rate stimulates demand for childcare centres, educational institutions etc. Increased life expectancy leads to increased demand for services like health care, nursing homes, old age homes, health clubs, leisure, tourism etc. Urbanization creates need for development of infrastructure and support services. Large enterprises necessitate special services like market research, advertising agencies, consultancy firms etc. Growing consumer affluence, consumerism stimulates demand for travel, recreation, and entertainment facilities, resorts, leisure services, laundry, interior decoration, plumbing, electrical repairs, adult education and the like. Increasing proportion of working women creates need for babysitting, day care centres, creches, nurseries, household domestic help etc. Globalization, consequent cultural exchange and communication networks, growing consumer sophistication, more leisure time, wide availability of new products and gadgets, availability of credit facilities and credit cards, greater concern for ecology and scarcity of resources, complexity of life etc change lifestyle of the society and arouse services like fitness and recreational services, repair and maintenance of hi-tech products like air conditioners, computers, laptops, cars etc. and also of garden etc, specialized services such as income tax, legal affairs, marriage counseling, event management, wedding planning, employment services, consultancy. Technological developments, digitization created new services such as software services, data processing, maintenance and support services, data warehousing, data mining etc. Many services such as travel, banking, financial services, insurance, education etc have drastically changed their nature of work due to emergence of internet, world wide web etc.

There are tremendous opportunities to choose from for being a successful service provider. Services keep expanding in nature, range, sophistication and complexity.

#### 4. Rural Entrepreneurship

Rural entrepreneurs carry out entrepreneurial activities in rural areas by initiating industrial and business enterprises. Rural entrepreneurship aims at stimulating rural economic activities which include development of non-farm economic activities.

Rural industry or village industries are generally classified into the following categories: Agro-based industries involve direct sale or processing of agro based products such as dairy and dairy products, vegetable processing, fruit processing, such as fruit juices or pulps, pickles, jiggery, processing of oil seeds, sugar industries, spices, cleaning and grading of grains, cereals, pulses etc. Forest based industries include products manufactured from processing raw material from forests such as wooden products, bamboo products, beedi making, coir industry, honey making etc. Textile industry include cotton ginning and pressing, knitting, dyeing, spinning and bleaching, sericulture etc. Handicrafts include making of wooden or bamboo handicrafts that are local to that area, old-fashioned decorative products, toys etc. Engineering and services include agricultural tools, tractors and pump sets, repairs etc. Farm entrepreneur's primary occupation and main source of livelihood is farming. Artisan entrepreneurs possess skills acquired through family traditions and/or through training. Merchant and trader entrepreneurs are engaged in retail business such as products for household or agricultural inputs. Tribal entrepreneurs are seen in forests, hilly terrains and deal with the resources available in the regions.

With innovative approach, energetic youth create ample opportunities in agriculture sector both on and off-farm i.e. agripreneurship. With application of new technologies, climate smart approaches and the like, youth entrepreneurs could increase its productivity by modernizing agriculture and making it more sustainable.

#### 5. Social Entrepreneurship

“Only if business learns how to convert the major social challenges facing developed societies today into novel and profitable business opportunities, can we hope to surmount these challenges in the future” – Peter Drucker

Social entrepreneurship is the simultaneous pursuit of economic, social and environmental goals by enterprising ventures. The outcome of social entrepreneurship is creation of social values. The concept is broad and vast in orientation. Social enterprises are different than traditional non-profit or charitable institutions. Sociopreneurs adopt innovative approaches to address social problems and to pursue financial sustainability.

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Social entrepreneurs bring about social change and address social needs. They promote social values and not economic values and strive for social development on a priority basis. They utilize the profit generated through the ventures for social programmes which benefit the entire society. They are motivated to contribute for social betterment. They do social good. They are builders of a better world. Sociopreneurs are characterized by the drive to innovate and risk bearing attitude.

Ecopreneurship represents triple drivers – environmental, social and economic. Ecological entrepreneurs exhibit environmental and social concern. Traditional entrepreneur may see opportunities beyond resource limitations and identify business prospects missed by others; it is the ecopreneur who assess the potential and availability of resources through an environmental commitment and vision that pursues an eco-friendly initiative. Ecopreneurs work on various ideas like green technology, green and social marketing, organic farming, socially responsible business, environmental justice, sustainability etc.

There are different motives for being an environpreneur. Innovative opportunists are motivated by innovative approach. The visionary champion adopts a transformative, sustainability orientation. The ethical maverick environpreneur is typically characterized by a sustainability orientation and soft structural influences. Ad hoc entrepreneur i.e. accidental green entrepreneur is motivated by money and not by values.

Econpreneurs can be classified on the basis of two criteria: their desire to change the world and improve the quality of environment and life; and their desire to make money and grow as a business venture

Sustainable entrepreneurs contribute to sustainable development. They perform business activities and orient business in a sustainable manner. Sustainable development is the balance between environmental, social and economic development. It deals with 3Ps i.e. people, planet and profit. People component of enterprise is treated with care and dignity. Planet refers to the impact of enterprise on natural resources. Profit refers to not just financial returns of the enterprise but also to the allocation of financial returns between investments and distribution of the gains.

### 6. Renewable Energy Sector

The need of the hour is to have an easy access to affordable and reliable energy and also clean cooking facilities. The renewable energy sector embodies huge potential to create

employment and enterprise opportunities for youth in terms of biofuel, biomass, hydropower, solar energy, tidal power, wave power, wind power etc. On the basis of creativity, innovation, technology and inherent energy of the youth; tremendous opportunities are open in the renewable energy sector such as wind, solar, hydropower, geothermal, and also biomass which includes wood and wood waste, municipal solid waste, landfill gas and biogas, ethanol, biodiesel. Wind, solar and hydroelectricity are seen as emerging renewable sources of energy. Renewable energy displaces conventional fuels in electricity generation, hot water/space heating, transportation and rural (off-grid) energy services. Renewable energy systems are rapidly becoming more efficient and cheaper. Their share of total energy consumption is increasing.

#### 7. Technopreneurship

Technopreneurship means extension of entrepreneurial activity in line with usage of technology. It is creating new knowledge, products, services, markets, business models, raw materials, and the like and destroying the old. They create new products, new services and new businesses using hi-tech ways to keep us knowledgeable, amused and linked every day. Technopreneurs develop improved quality goods, services by application of innovation and craftsmanship.

Two types of IT related businesses viz. products and services: products which include hardware and software; services which include applications and e-commerce.

#### 8. E-Commerce And Information Technology

e-commerce can be defined from numerous perspectives-communications: distribution of information, goods, facilities, or expenditure over computer networks or other electronic means and medium; trade: distribution of means to purchase and sell products, services and information for internet and other online facilities; business processes: running business procedures or processes automatically through an electronic network, replacing business processes with information transmitted quickly; service; a way or a method for governments, business, and management to cut and curtail costs while purifying quality of service and speed of service of consumers.

Entrepreneurs/netpreneurs bring out innovations through internet and launch their online businesses. IT provides various communication devices for being in touch with any of the stakeholders 24x7. Technologies like electronic data interchange (EDI), e-payment



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system, e-banking etc offer various conveniences. E-linkages facilitate creation of alliances, partnerships with customers, competitors, suppliers, bankers, transporters etc.

Young generation may choose to be paper entrepreneur and deal with buying and selling of shares, and companies. They mastermind takeovers, mergers and carry on business operations on a global level. Their offices are independent of any national economy or government.

Edupreneurs i.e. academic entrepreneurs introduce a significant and remarkable change regarding teaching/learning methodology, style, presentation etc.

Co-preneur is an entrepreneurial couple which work together as co-owners of their business.

### 9. Conclusion

Young entrepreneurs are found in different types of entrepreneurial activities. They are engaged in economic entrepreneurship for wealth generation and profitability. Along with economic entrepreneurship, youth entrepreneurs are associated with intrapreneurship, social entrepreneurship, technopreneurship, rural entrepreneurship, service entrepreneurship, women entrepreneurship, webpreneurship/onlinepreneurship/netpreneurship, agripreneurship, co-operative entrepreneurship and the like. They may be part-time entrepreneurs. They may prefer to indulge in home-based businesses with the help of internet and World Wide Web to operate e-businesses. They may deal with hi-tech companies, family businesses or service enterprises.

## Social Entrepreneurship

Dr. Usha Daigavane <sup>1</sup>

### Abstract

Despite the growing attention to social entrepreneurship as a scholarly field of research, it is still in a stage of infancy. Research in the past two decades has been primarily dedicated to establishing a conceptual foundation, which has resulted in a considerable stream of conceptual papers. Empirical articles have gradually appeared since the turn of the century. This paper presents a key finding of an exploratory empirical study on social entrepreneurship and takes it as a starting point to further discuss and investigate linkages between the field of social entrepreneurship and new institutional theory. This study also finds that there are a significant number of social entrepreneurship ventures who pursue their single overarching organizational mission by using a multiple organizational form. These social entrepreneurship organizations simultaneously use both a non-profit and a for-profit organizational arm in order to achieve their mission. This paper also gauge the current state of empirical research by reviewing 31 empirical research studies on social entrepreneurship, classifying them along four dimensions and summarizing research findings for each of these dimensions. To serve this purpose in a meaningful fashion requires discriminating between different perspectives on social entrepreneurship. Hence, a conceptual overview with four different schools of thought is presented. This paper also discusses the meaning of social entrepreneurship and difference between Traditional / Business Entrepreneurship & Social entrepreneurship. It explains role and importance of social entrepreneurship and qualities of social entrepreneurs and discusses the successful examples of social entrepreneurs. This paper also highlights the challenges faced by social entrepreneurs and surveys the social entrepreneurs to understand the challenges faced.

Keywords: Social Entrepreneurship, Role, Social Enterprise, Future Research, social entrepreneurs, third sector, entrepreneurialism.

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# Social Entrepreneurship

## 1. Introduction

The terms social entrepreneur and social entrepreneurship were used first in the literature on social change in the 1960s and 1970s. The terms came into widespread use in the 1980s and 1990s, promoted by Bill Drayton the founder of Ashoka: Innovators for the Public, and others such as Charles Leadbeater. A social entrepreneur identifies practical solutions to social problems by combining innovation, resourcefulness and opportunity. Committed to producing social value, these entrepreneurs identify new processes, services and products, or unique ways of combining proven practice with innovation to address complex social problems. This paper presents a key finding of an exploratory empirical study on social entrepreneurship and takes it as a starting point to further discuss and investigate linkages between the field of social entrepreneurship and new institutional theory.

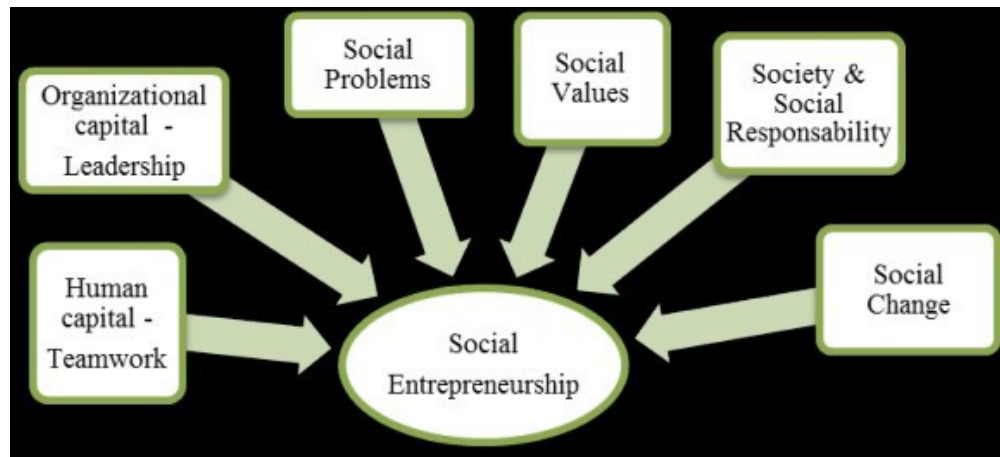
Social entrepreneurship aims at creating social change through entrepreneurial (innovative) means with the objective to reduce or alleviate social grievances such as poverty or disintegration of minorities. The empirical phenomenon, our research directs attention to is that there are a significant number of social entrepreneurship ventures who pursue their single overarching organizational mission by using a multiple organizational form. These social entrepreneurship organizations simultaneously use both a non-profit and a for-profit organizational arm in order to achieve their mission. In light of this finding, it holds that this paper will also be of great interest to organization study scholars. Despite first conceptual works on organizational forms in the social entrepreneurship context, so far, to the knowledge of the authors, there has been no empirical or conceptual work on a non-profit for-profit organizational mix. Therefore, the purpose of this paper is to discuss potential explanations by using institutional theory, particularly institutional logic, organizational forms and institutional entrepreneurship with the aim to develop a research framework for further investigation.

## 2. Literature Overview on Social Entrepreneurship

This section will give a brief overview of the literature on social entrepreneurship paying particular attention to the stage of research as well as on current research streams. In academic time, social entrepreneurship is still in its infancy and as such still very phenomena-driven or in other words in a pre-paradigmatic state. Consequently, many authors are focusing on the challenge of defining social entrepreneurship, thereby emphasizing both the need and difficulty of getting hold of the field and its scope. Moreover, as a result of the debate on definitions, certain schools of thought are starting to emerge. This paper will follow

School. Building upon a more general notion in entrepreneurship research, paper focuses on the Social Enterprise School which is based on a specific organizational form. Yet, pre-defining social entrepreneurship in terms of a specific organizational form does not permit to look at the phenomenon of non-profit/for-profit organizational mixes. This paper therefore, define social entrepreneurship as the entrepreneurial process of tackling social grievances by reducing or alleviating their causes.

In addition to focusing on defining the scope of social entrepreneurship, current social entrepreneurship research is mirroring general entrepreneurship literature by emphasizing the role of the social entrepreneur as an individual.



### 3. Objectives

This research is an attempt-

1. To study the concept and meaning of social entrepreneurship.
2. To study the role and importance of social entrepreneurship.
3. To study the difference between business entrepreneurship and social entrepreneurship.
4. To study the challenges faced by social entrepreneurship.
5. To survey the social entrepreneurs to understand the challenges faced by them.
6. To understand the relevance and quality of the social entrepreneurship academic programs from the points of view of the stated mission/objectives of programs; students/graduates; and the social enterprises seeking employees.
7. To analyze the range of activities undertaken by the graduates of the program.
8. To understand the gap between competencies prescribed by the social entrepreneurs and the actual competencies taught in the courses.
9. To analyze the views of actual and potential employers about preparedness of graduates.

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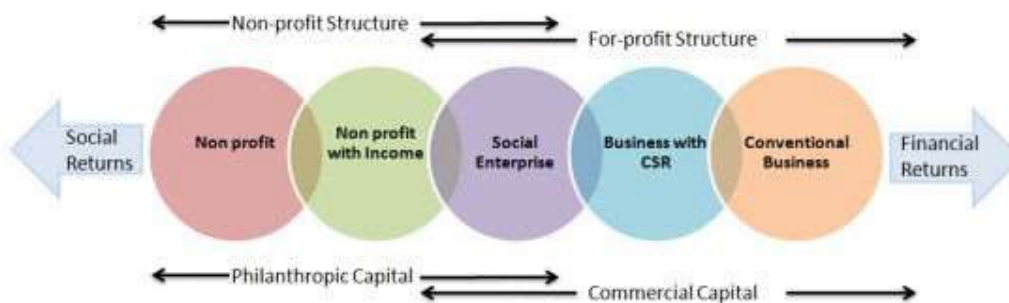
### 4. Research Methodology

This section will present the main points of the methodology of our conducted exploratory study. It will, first, outline the research design. Following, author describe the research sample and the method of data collection analysis. The first step focused on collecting a comprehensive set of social entrepreneurship research papers. Following a precedent set by Short and colleagues, author searched four databases using four key phrases for peer-reviewed scholarly articles without restrictions on publications dates. The search phrases were: “social entrepreneurship”, “social entrepreneur”, “social venture”, and “social enterprise.” The search yielded 248 papers between 1991 and 2010 from a variety of disciplines, including entrepreneurship, management, marketing economics, education, finance, law, political science, sociology, and others. Even though, exploratory studies can be done both qualitatively and quantitatively, author decided to do a qualitative interview study. By allowing social entrepreneurs to answer openly, we were able to identify topics worth of further investigation which otherwise might have been lost.

As outlined in the previous section, the field of social entrepreneurship is still very much uncharted. As of now, there is no widely accepted theory or emerging set of accepted theories of social entrepreneurship. As stated before, to come up with valid findings these journals were then searched for articles with keywords “social entrepreneur”, “social enterprise”, “social venture” or “social business”. 2005 seems to mark a census, as most SE literature before appears to be based on success stories developed and narrated in an anecdotal way.

Literature after 2005 started to include a much broader variety of approaches several theoretical contributions and also more critical voices. Thus, to provide a theory based on the recent past and concurrently enabling future steps while keeping the sample size manageable, the author chose to start with the years 2005 for their sampling. Finally, to differentiate “extraordinary research” from “normal science” in entrepreneurship the author chose to compare articles to Kuhn’s demands that authors doing extraordinary research:

- Find difficulty in relating their work to existing published research studies in the field.
- Demonstrate a heightened awareness of methodology and reflexivity that extends far beyond that typically exhibited in the Functionalist paradigm papers that dominate top journals.



Source: Community Development Investment Review 5.2 (2009)

## 5. Social Entrepreneurship

Social entrepreneurship creates innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for sustainable social transformations. Social entrepreneurship is a professional, innovative, and sustainable approach to systemic change that resolves social market failures and grasps opportunities. It also involves the expression of Weerawardena, entrepreneurially virtuous behavior to achieve the social mission and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, proactiveness and risk-taking.

## 6. Social Entrepreneurs

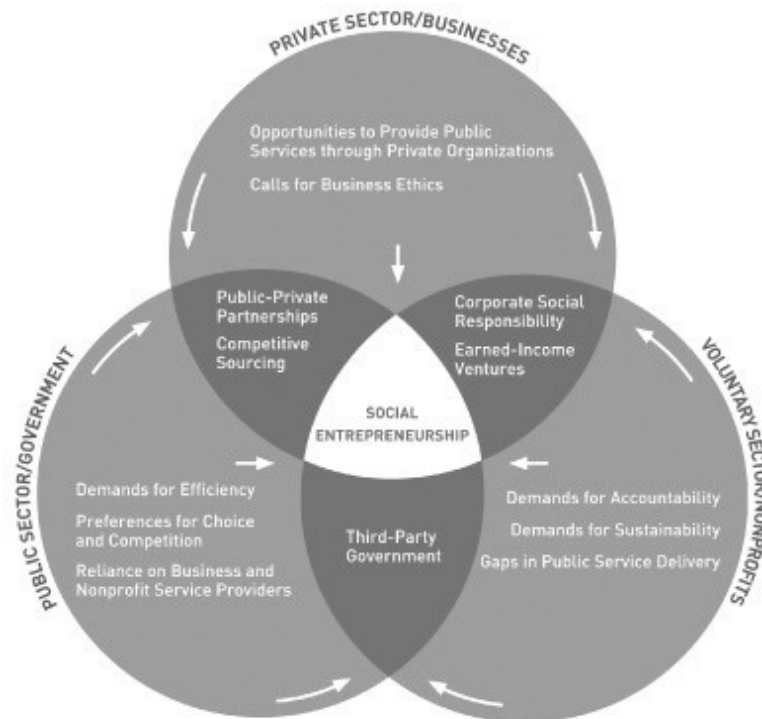
Social entrepreneurs are people with new ideas to address major problems who are relentless in the pursuit of their visions, people who simply will not take “no” for an answer, who will not give up until they have spread their ideas as far as they possibly can. Social entrepreneurs are not-for-profit executives who pay increasing attention to market forces without losing sight of their underlying missions, to somehow balance moral imperatives and the profit motives – and that balancing act is the heart and soul of the movement. Social entrepreneurs also play the role of change agents in the social sector, by:

- Adopting a mission to create and sustain social value (not just private value)
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

# Social Entrepreneurship

## 7. Social Enterprise

Social enterprises are private organizations dedicated to solving social problems, serving the disadvantaged, and providing socially important goods that were not, in their judgment, adequately provided by public agencies or private markets. These organizations have pursued goals that could not be measured simply by profit generation, market penetration, or voter support. It is a business that trade for a social purpose. They combine innovation, entrepreneurship and social purpose and seek to be financially sustainable by generating revenue from trading.



## 8. Social Entrepreneurs: Traits and Limitations

Some of the traits attached to social entrepreneurs are starting to be well documented. Some studies suggest that social entrepreneurs are younger, possibly due to a higher risk propensity related to lower levels of family responsibilities. It is important to consider the effect of age as there may also be potential links with the type of social enterprise being set up: younger social entrepreneurs may work on transformational actions while older social entrepreneurs may tend to focus more on charitable organizations. It might also be alternative forms of organizations that are adopted by younger social entrepreneurs.

Research into the potential importance of social capital among social entrepreneurs shows some evidence that personal/family history of (social) entrepreneurship may have a positive influence on the creation of social ventures, but overall remains inconclusive.

There are fundamental differences between ‘mainstream’ entrepreneurs and social entrepreneurs. Many have worked on reconciling the two definitions and concludes that the differences can be eliminated by adopting the following: (social) entrepreneurship is the process of “recognizing and pursuing opportunities with regard to the alienable and inalienable resources currently controlled with a view to value creation”. This definition, while providing a platform for renegotiating theoretical differences between entrepreneurs and social entrepreneurs is still proving to be a very polarized stringent definition. This problem is in part resolved by adopting an alternative viewpoint where the ‘ideal’ social entrepreneur should not necessarily fulfill all criteria in the above definition fully, but that there are different degrees of fulfillment for each and that a social entrepreneur does not necessarily need to meet all of them.

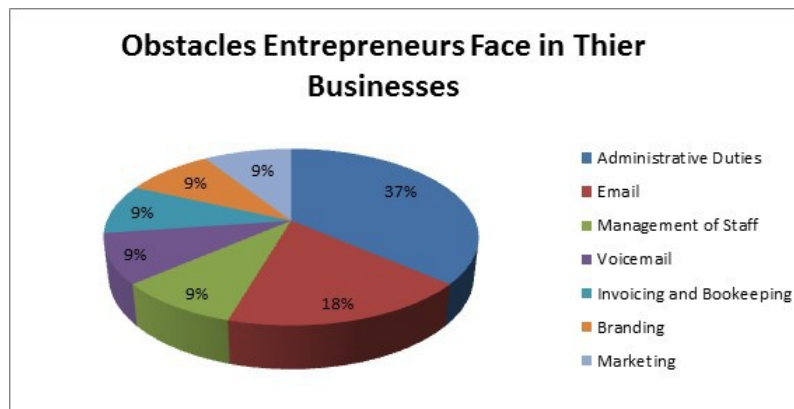
If there are many commonalities between mainstream and social entrepreneurs, academic discourse bestows social entrepreneurs with extra, special, traits which underline the importance of their commitment and dedication to social aims. Not only are social entrepreneurs largely described as different in the literature, they are also often described as extraordinary individuals.

## 9. Challenges Of Social Entrepreneurship

Social entrepreneurs have been around for many years, but the explosion in global connectivity and intense competition for philanthropic funds seems to have propelled the sector into a more central position in the business world. The essential difference between social enterprises and traditional businesses is that the mission is central to the business of a social enterprise, and income generation takes an important, but secondary, supportive role. The social entrepreneur seeks to implement innovative and creative ideas to solve large-scale social problems in a sustainable way.



## Social Entrepreneurship



A social enterprise faces the same issues that any traditional business faces in its growth and operations. But social entrepreneurs also face unique challenges in delivering the social value, social returns or social impact of the enterprise in addition to commercial value. Some of the challenges faced by social entrepreneurs are:

- Limited access to finance (high-risk profile)
- Business skills: focus on creating impact and less on talking the business language
- Scalability: impact on a specific group or city and little attention being paid to scaling the social enterprise
- Need for support networks and infrastructure providing suitable business development services
- Lack of uniform regulations (recognized and regulated differently across countries)

Behind every social entrepreneur there is a team doing some serious heavy lifting to implement the entrepreneur's vision. To solve tough social problems, we need collective action that can be sustained by communities (and supported by governments) over the long haul. Too often aspiring (and usually young) social entrepreneurs assume they need to start their own organization vs. partner with an existing one. This results in the need to raise unrestricted revenue to build infrastructure – bookkeeping/accounting, program evaluation, information systems, etc.

Many social entrepreneurial ideas are largely untested. It's great that these ideas represent new approaches to tackling social problems, but promotion of these ideas tends to be far out in advance of sufficient evidence that they merit promotion as “the next big thing”. A strong bias exists in favor of commercial approaches to addressing social problems. It's great to exploit market opportunities to make innovations more financially sustainable and/or create new economic opportunities for the poor, but often public or private subsidies are needed to catalyze change. It's hard to imagine any social entrepreneur who would say that social and economic justice and human rights are unimportant.

## 10. Conclusion

From this paper, we can conclude that social entrepreneurship has emerged to a greater extent and is well appreciated. The bottom of the pyramid is getting benefitted due to social entrepreneurship. The social entrepreneur needs to be innovative, socially aware and ready to take risk. In the developing world, the Millennium Development Goals (MDG) might provide a valid operationalization of social needs. The MDG refer to the most pressing social problems to be addressed in the immediate future. In the developed world, opportunities for social entrepreneurs might arise, for example, from gaps in the social welfare system. More empirical studies are needed to map the opportunity space for social entrepreneurs and to examine whether and how the nature of social opportunities affects the entrepreneurial process. Research on social entrepreneurship has grown rapidly in recent years. Given its importance for society and today's economy, the subject has received considerable attention in different streams of research.

Research on social entrepreneurs remains largely dependent on the assumption that a common set of characteristics inherent to social entrepreneurs exists. In effect, this has led to attempts to produce a universal definition of the social entrepreneur. This approach, which replicates the development of research on entrepreneurs is problematic in the context of female social entrepreneurs since it relies on individual characteristics and may ignore the collective nature of entrepreneurship and may not address the real diversity of social entrepreneurs.

This individualistic positioning translates into the discussion on motivations and obstacles. Indeed, this area of research remains highly centered on previous research on entrepreneurs, and merely adds in extra elements, often ignoring the contribution of the intersection of these two concepts. It is the lack of attention given to the interaction between these two concepts, coupled with a lack of questioning of their stereotypical underpinning, that constitute one of the major drawbacks of this field of research.

Research undertaken on social entrepreneurs has often consisted of examining them in contrast with mainstream entrepreneurs. There is a lurking danger in any comparative stance in that it can easily position one party as the 'deviant other', often implying an inferior position.

It is important to depart from these discourses, as "discourse and perspectives about, and for, the nature of entrepreneurialism are fundamental to both theory (how we think about, conceptualize and define terms) and practice (what capabilities and behaviors we believe apply to people whom we refer to as entrepreneurs) and moreover, to how the terms are used in a wider socio-political arena to serve particular ends. To finally answer the question on

## Social Entrepreneurship

extraordinary research, the author saw the following paradigmatic approach frequently in highly influential SE literature. This approach actually however transcends the paradigmatic boundaries, and may as such be further examined whether it can be used as a signpost in SE research:

- Ontology: A constructivist view with some realism
- Epistemology: Hermeneutics and Structuralism
- Methodology: Interpretive Structuralism, Focus on the analysis of cases in terms of agency and structure
- Social action: Voluntarism with structural constraints.

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## Drifting Towards Digitalisation- Facebook a Tool to Engage Customers

Prof. Rajlaxmi Bhosale<sup>1</sup>

### Abstract

This paper seeks to demonstrate the importance of digital marketing in today's era. It also implies the role of Facebook "likes and shares" in the increase of sales of a company. It also seeks to provide better understanding as to why companies should use social media as an Key performance indicator. Digitalisation is the next big thing that is here to stay in marketing. This tool has been one of the best tools to reach to the right customer at the right time and in a span of just a click.

Practical implications – This paper helps to understand the importance of digital marketing, its various ways and means that help in growing the customer engagement and increase in sales through the use of social media.

Keywords: digital marketing, Social media, types of online media, Facebook- likes and shares, key performance indicators

### 1. Introduction

Digitalisation of organizations and practices of digital marketing has opened a whole new world of opportunities to consumers and corporations by revolutionizing business practices and social relationships. It is observed that people spend more time social than any other online activity which gives a cutting edge to the companies who are socially active on the web2.0. The use of the word "digital marketing" for the first time in 1990s and its evolution as of today has seen a tremendous amount of growth. It has evolved and become more sophisticated as an effective tool to create relationship with the customers that has depth and relevance. The "share" and "like" options on facebook allow the content to reach a mammoth of customers in a very economical rate. It also gives an edge over the others as the like is authenticated either by one of your friends or your relative, which markets itself as none other source could.

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## Drifting Towards Digitalisation- Facebook a Tool to Engage Customers

With the birth of Google and its options like AdSense and AdWords added to the marketing potential of any company. The story of success in reaching the desired customers enhanced with the entry of the social networking sites like Facebook, twitter, Instagram, Snapchat and others. These social media are computer mediated tools that allow people or companies to create, share or exchange information, career interests, ideas, pictures, videos, in virtual communities and network. The use of these sites is observed to grow at an alarming rate and the usage of these sites is tremendous, which is acting positively for the companies who are utilizing them as tools and reaching the desired customers by investing a larger chunk of their budget in them. The companies have already made sure to be on all the social networking sites not just to improve their customer base but also to have a great conversion rate in a cost effective manner. It also comes with equally enormous amount of risk as the any misinterpretation of the company/product would also disperse in a similar manner and spoil the reputation of the company. It is found that those who were Facebook page fans made 131 percent more visits to the online store than did Facebook users who did not Like the brand. And, fans made a whopping 639 percent more visits to the online store than did non-Facebook users, finally on becoming fans, they visited the company website 30 percent more than before. (Alchemy social, <https://www.americanexpress.com/us/small-business/openforum/articles/do-facebook-likes-translate-to-actual-sales/>).

### 2. Literature Review

Social media is defined as “a group of internet-based applications that build on the ideological and technical foundations of Web 2.0, and that allow the creation and exchange of user generated content” (Kaplan and Haenlein, 2010, p. 61). Social media includes a multitude of sources of online information that are created, circulated and used by consumers to educate one another about products, services, and brands available in the marketplace (Murugesan, 2007). Current examples of social media platforms include social networking sites like Facebook, photo sharing sites like Flickr, video sharing sites like YouTube, business networking sites like LinkedIn, micro blogging sites like Twitter, and numerous others. Social media sites are inexpensive and, more often than not, completely free to use.

An important effect of the Web 2.0-mediated customer empowerment is a visible shift in consumer attitudes. Some of the symptoms are the surfacing of new customer needs, the emerging new value perceptions and the change of consumer search tactics and buying behaviour. The shift in customer needs is reflected in the growing demand for online services, particularly in the Web 2.0 domain, where consumers can not only interact with marketers but also access peer communities. The fast expansion of the ‘ blogosphere ’ and other online

platforms where people can post and exchange personal ideas, videos, pictures and tags but also participate in virtual worlds or games has by now created its own dynamics: it occurs without any form of marketing effort from the part of the application providers. The value attributed to these applications is not based on the classic customer value approach but rather on some feeling of achievement through personal gratification. As to the consumer behaviour this is increasingly influenced by peer opinions and the collective intelligence (Surowiecki, 2005).

### 3. Objectives

1. To understand the concept and importance of digitalisation in marketing.
2. To understand the customer driven activities that keep them engaged with the company.
3. Effect of like and shares on the sales of the company
4. To understand the expenditure of companies towards digital marketing

### 4. Research Problem

With the paradigm shift towards digitalization of organizations, one needs to understand its importance and its applications towards improving the sales and consumer behavior.

### 5. Research Methodology

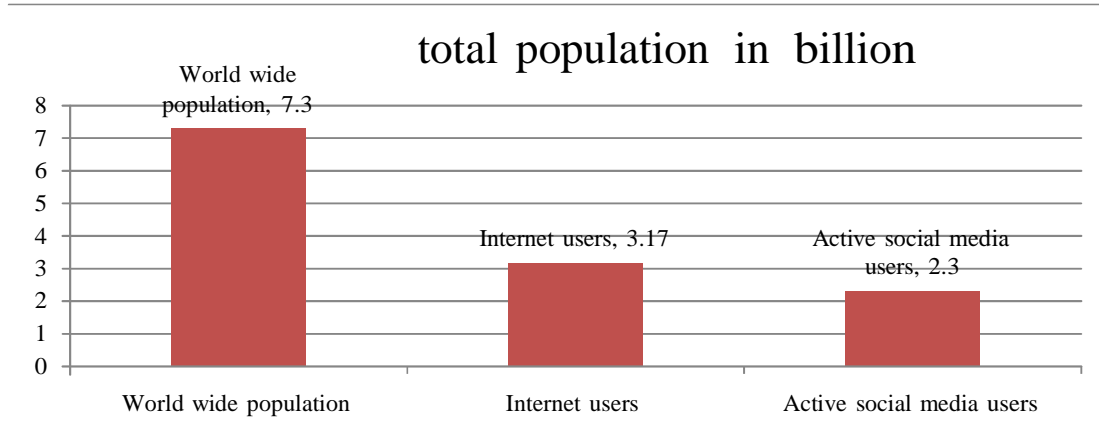
The study is based on secondary data collected from internet and various research papers. Hence, it is exploratory in nature.

### 6. Digital Marketing Concept and its Importance

Digital marketing, according to Kotler and Armstrong, is a form of direct marketing which links consumer with sellers electronically using interactive technologies like emails, websites, online forums and newsgroups, interactive television, mobile communications etc. According to Bains, "Digital marketing that facilitates many to many communications due to its high level of connectivity and is usually executed to promote products or services in a timely, relevant, personal and cost effect manner. Digital marketing environment is the environment for promotion of products or brands via one or more forms of electronic media, which helps the companies to analyse their marketing campaigns and understand what is working and what isn't in real time. Digital marketers monitor things like what is being viewed, how often and how long, sales conversations, what content works and what doesn't work. Digital presence is the result of creative ideas, the better idea the better is the reach. Similarly, E-

## Drifting Towards Digitalisation- Facebook a Tool to Engage Customers

commerce has become more than just selling products online, rather it is successfully utilizing the online value chain in order to develop, research, market, sell, deliver, service and drive revenue for products and services. Digital platform through customer engagement has become a “cough syrup ingredient” to effectively influence buying decision. To depict the reality of digital marketing chiefly two dynamics are to addressed (i) Understanding the expansive amount of digital data to enact business intelligent strategies and (ii) utilizing social media as an inclusive component to all marketing initiatives as the population using it is also in larger chunk.



### 7. Customer Driven Activities to Engage the Customer Behaviour

Digital marketing is all about interactions with the customer and keeping them informed about your new products and services. This has lead to the new changes in the customer behaviour;

1. Device shift-from PCs to mobile/touch devices
  2. Communication shift –from voice to data and video
  3. Social shift-from growth to monetisation.
  4. Content shift-from bundles to fragmented
  5. Video shift- from programmed to user-driven.
- Device shift-from PCs to mobile/touch devices: Out of the total millenials 21% are no longer using the desktops to browse the internet, which keeps them connected all the time to the internet. This in turn creates a business opportunity to use location based marketing techniques to approach the customers like sending promotional messages to the customer when enters the shop.
  - Communication shift –from voice to data and video: The use of social networking sites has doubled with the change in the customer lifestyle. Due to this, the customers are using more data centric activities like streaming music, browsing web etc. Hence,

while engaging in marketing activities the marketers should be more creative by using short and interesting video advertising and using interactive media for advertising.

- Social shift-from growth to monetisation: Building genuine online relationships are very important and useful in present context of consumer behaviour. This in turn shall help to monetise.

#### 8. Types of Online Media

There are various types of online media which help the companies reach the prospects

- Display Advertising: Use of web banners or banner ads used in third party websites or blogs to drive traffic to a corporate website. They usually are animated interactive media with audio and video that captures the cookie and browser history to determine the location and interest of the browsers.
- Affiliate Marketing: These are call to action (CTA) measurable campaign where the advertisers place a campaign with a potentially large number of publishers, who are paid media fees only when the advertiser receives web traffic.
- Social Networking Advertising: These are display advertising found on social networking sites such as Facebook.
- Search engine optimization (SEO): By studying what people search for by typing the keywords SEO affects the visibility of a webpage in search engine's unpaid results referred to as organic results.
- Search engine marketing: A form of marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs) Advertisers paid each time the user clicks on their listing and is redirected to their websites.
- Mobile advertising: More personalized form of advertisement in the form of text messages on the cell phone is a cost effective way for the brands to deliver target advertisements across mobile on daily basis.



# Drifting Towards Digitalisation- Facebook a Tool to Engage Customers

## 9. Importance of Digital Marketing for Companies

It is observed that digital marketing is a more feasible option than traditional media as it allows them to have a fairly good reach to the prospects and target customers with a small budget, and prove their marketing strategy. A survey that aimed at marketing professionals in the startup ecosystem, received 129 responses; 63% of responses came from marketing and digital marketing practitioners and CMOs, while 27% came from founders/co-founders. The following study is based on the questions asked to them. 80% of Indian marketers believe that integrated campaigns (email, social, and mobile) can result in moderate-to-significant

increases in conversion rates. And for 58% of marketers, customer acquisition is the primary focus area for this year. (Digital India 2016, a report by Octane Research,)

The Figure 1 shows that 45% of the respondents use their mobile to while accessing the internet, which in turn also says that the customers are just a click away from the digital presence of the company websites. Among those surveyed, 45% said that >51% of their traffic comes from said that >51% of their traffic comes from the web. About 10% said their online traffic wasequally split between mobile and web.

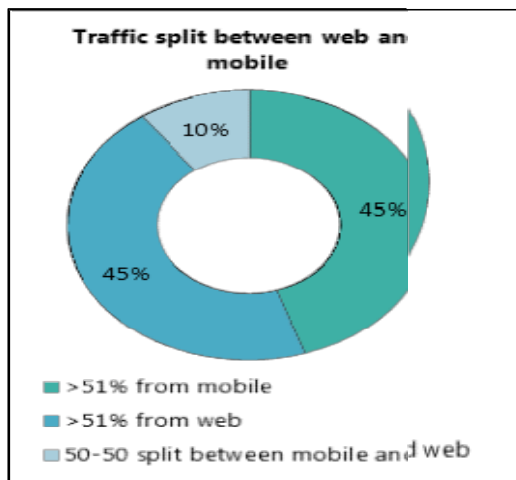


Figure 1 Source : Kstart digital marketing survey report, June 2016

With increasing mobile and internet penetration and the rise of a tech-savvy generation of

consumers, digital media is seen as a potent tool to disseminate information and engage a target audience. Both the new ventures and the very old big shots in the industry are ready to execute digital marketing campaigns with greater intensity. 10 % were ready to invest 100% of their marketing budget on digital marketing activity and 24% were ready to provide 24% on digital marketing.

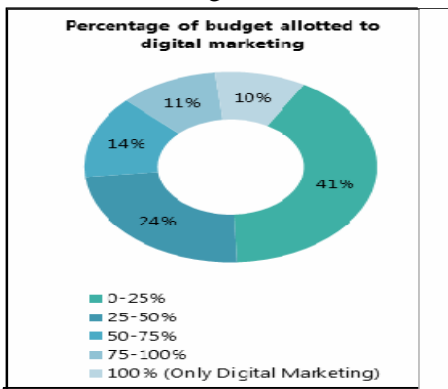


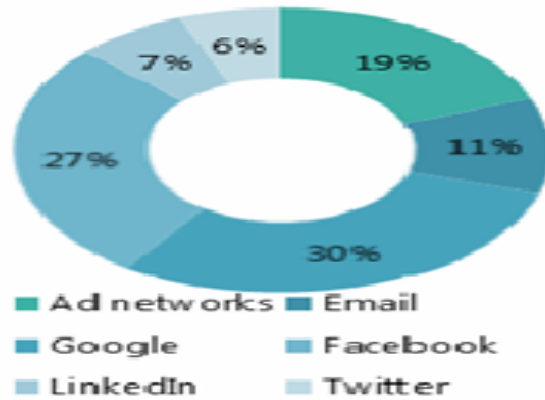
Figure 2 Source : Kstart digital marketing survey report, June 2016

## Solutions For Socio Economics Challenges

survey report, june 2016

The Figure 3 shows that 30% of respondents ranked Google as their top spend on digital marketing, closely

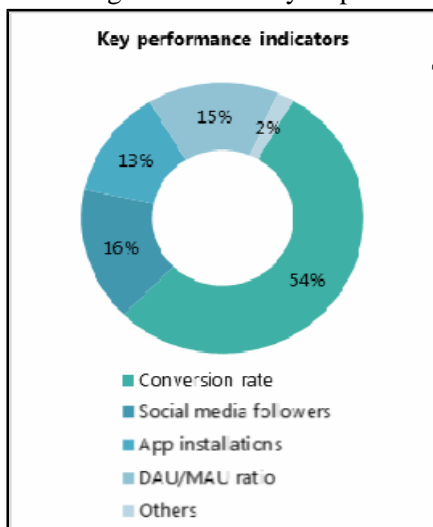
followed by Facebook (27%), with ad networks a



distant third (19%). surveying 2,000 top marketers, which found that 31% planned to spend more than 30% of their budgets on Google ads because it still gives the best return on investment (ROI) compared to other platforms. Source: RBC capital report 2016

### Digital marketing performance indicators

There are various key performance indicators (KPIs) that are used to measure the success of digital marketing campaigns They could be named as the search engine rankings , conversion rates, opt-in registrations and cost of customer acquisition, brand engagement, influencer response, sales. These KPIs are useful to understand the worth of the digital marketing strategies used to capture the customers and know its effectiveness. It also ensures that the company's investment isn't going down the drain. Tracking of the right KPIs is very important as it help in making changes at the right time.



The Figure 4 shows that for 54% of respondents, 'conversion rate' was the top KPI in consideration. The number of visitors to the website who action the conversion they require – ranging from buying a product to signing up for their programme – was heralded as the single-most important KPI. This was followed by social media followers, daily active users/monthly active users (DAU/MAU) ratio (15%). Only 13% rated app installations as the most important KPI

Figure 4 Source : Kstart digital marketing survey report, june 2016

## Drifting Towards Digitalisation- Facebook a Tool to Engage Customers

### 10. Social Media Business Statistics

- Internet users 3.17 billion users as of 2015 1 billion active social
- Retail brands with two or more social media channels 91%
- Social media users have risen by 176 million by last year
- 1 million social media users are added every day.
- It earned an estimated \$8.3 billion from advertising in 2015
- 38 % of the organizations plan to spend to more than 20% of their total budget on social media channels in 2015 up from 13% a year ago.

### 11. Facebook “Likes” and “Shares”

The “like” and “share” options provided by facebook play an important role in reaching the customers, giving a “butterfly effect”. When the consumer shares his likes with another consumer the reach goes beyond the target market which in turn paves the ways for new channels to generate leads and sales. These click to action of facebook help not just to increase sales but also to build relationships with the customers. These may not always result in the sale but may result in long term loyalty due to addressing the customer needs. They tend to become a captive audience of potential customers. Likes on your Facebook page posts increase fans’ desire to buy and increase the percentage of potential customers who actually buy. Study says that media plans that included Facebook generated 24% more new sales than those that didn’t (Aggregate Knowledge) According to data from Razorfish, Econsultancy.com, and Social Media Today, 34.66% of Facebook fans will consider the brand when they’re in the market for one of the brand’s products or services. And 33.92% of fans recommend the brand to their friends. It is also observed that facebook users are four times more likely to visit the online stores of the company than those who are not facebook users. 58% of people like a page because they’re customers, so 42% of likes are from noncustomers who are interested in information and offers from the brand. 51% of fans say they’re more likely to buy from a company after becoming its fan (Constant Contact report 2016) .Facebook like and share may infer that they are strong long term sales drivers as they have high carryover effects, whereas visits to company facebook page are strong short-term drivers. The likes and contributions on the facebook page create positive synergy effects.

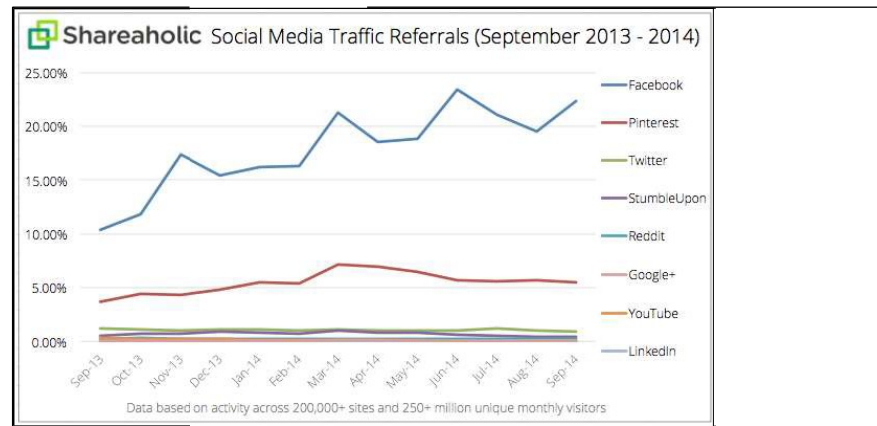


Figure 5 Source: <https://contently.com/strategist/2014/12/02/this-chart-reveals-just-how-important-facebook-really-is-for-content-marketers/>

## 12. Finding and Recommendations

- In a population of 7.3 billion worldwide , 3.17 billion are internet users out of which 2.3 billion are social media users who have the strength to give their opinion and influence the other on buying a certain product by their “likes and shares” on facebook. Digital marketers monitor things like what is being viewed, how often and how long, sales conversations, what content works and what doesn’t work. Digital presence is the result of creative ideas, the better idea the better is the reach. Similarly, E-commerce has become more than just selling products online, rather it is successfully utilizing the online value chain in order to develop, research, market, sell, deliver, service and drive revenue for products and services.
- Digital marketing is all about interactions with the customer and keeping them informed about your new products and services. Display Advertising, Affiliate Marketing, Social Networking Advertising, Search engine marketing, Search engine optimization are a few tools for customer driven activities that keep them engaged with the company.
- It is found that those who were Facebook page fans made 131 percent more visits to the online store and, fans made a whopping 639 percent more visits to the online store than did non-Facebook users, finally on becoming fans, they visited the company website 30 percent more than before. Media plans that included Facebook generated 24% more new sales than those that didn’t. 58% of people like a page because they’re customers, so 42% of likes are from noncustomers who are interested in information and offers from the brand. 51% of fans say they’re more likely to buy from a company after becoming its fan.

## Drifting Towards Digitalisation- Facebook a Tool to Engage Customers

- 10 % of new and old big shots in the industry were ready to invest 100% of their marketing budget on digital marketing activity and 24% were ready to provide 24% on digital marketing.

### 13. Conclusion

You may love it or hate it but the recent success of digitalisation demonstrates the advantage of online branding in terms of audience .Consumers are willing to spend more time with a brand online and companies are also willing to spend a whooping amount of their marketing budget in online activities. Likes on your Facebook page posts increase fans' desire to buy and increase the percentage of potential customers who actually buy. Hence, Social media is playing a vital role in the progress of engaging the customers and improving the customer base.

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1.

## A Comparative Analysis of Customers Preference between Flipkart and Amazon with Special Reference to Books and Electronic Goods

Prof Reshma Pais<sup>1</sup>  
rof Sneha Kanade

### Abstract

Anything that customer's purchase affects environment by means of delivery, whether they have the product shipped at home or drive to a brick and mortar store. In earlier days people used to go to different shops before purchasing as they didn't have a great deal of easy access to information on products. Due to development of world wide web it has now become easy to access the products available worldwide without wasting time, money and other resources apart from helping environment. Centre for energy and climate solution suggests that we can protect land and save energy by shopping online. The use of the Internet in our everyday lives has increased each year, this research aims at finding the preference towards online shopping among the consumers especially compared to electronic goods and books between two online shopping website. The research paper has attempted to compare customer preferences for two of the most popular products online i.e. books and electronic gadgets.

Keywords: Amazon, Flipkart, Online shopping, books, electronic gadgets

### 1. Introduction

The concept of e commerce is downloading at a fairly rapid pace in the psyche of the Indian consumers. In the metros, shortage of time is a big driver for online shopping .On the other hand accessibility to variety of products makes customers from smaller towns and cities opt for the online route. Major retailers face challenges in stocking their adequately. Often, customers are unable to purchase item of their choices, thus prompting them to resort to e-retailers

The main reason behind online shopping are to provide the customers with all the facilities through which he or she can fulfill his desire of buying. The online shopping web application

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## A Comparative Analysis of Customers Preference between Flipkart and Amazon with Special Reference to Books and Electronic Goods

is intended to provide complete solutions for vendors as well as customers through a single get way using the internet as the sole medium. It will enable vendors to set up online shops, customers to browse through the shop and purchase them online without having to visit the shop physically

An online shop evokes the physical analogy of buying products or services at a bricks and mortar retailer or shopping center the process is called business to consumers (B2C).

E-Commerce draws on a technologies such as mobile commerce, electronic fund transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange(EDI), inventory management system, and automated data collection system. Modern electronic system typically uses World Wide Web for at least one part of the transaction life cycle, although it may use other technology such as e-mail.

### 2. Review of Literature

Abhijit Mitra. (2013), "E-Commerce in India-A Review", International Journal of Marketing, Financial Services & Management Research, concluded that The E-Commerce has broken the geographical limitations and it is a revolution.E-commerce will improve tremendously in next five years in India.

D.K.Gangeshwar. (2013)," E-Commerce or Internet Marketing: A Business Review from Indian Context", International Journal of u- and e- Service, Science and Technology, concluded that E-commerce has a very bright future in India although security, privacy and dependency on technology are some of the drawbacks of E-commerce but still there is a bright future to E-commerce.

Martin Dodge. (1999),"Finding the source of Amazon.com: examining the hype of the earth's biggest book store", Center for Advanced Spatial Analysis, concluded that Amazon.com has been one of the most promising E-commerce companies and has grown rapidly by providing quality service.

Upasana Kanchan et.al (Aug 2015) have found that negative correlation exists between securityand online purchase decision. People with high concern for passwords, personal information and financial transaction are less likely to perform online transactions.



### 3. Research Design and Methodology

#### i. Statement of The Problem

The Preferences for online retailing among consumers may vary from product to product most of the consumers prefer online retailing for Air ticketing, booking tickets in theatres compared to purchasing of clothes where they feel that personal touch & feel regarding the product is compulsory, person to person , their experiences gained while shopping online , etc So, this research aims at understanding the preference of online shopping over different age groups a who are already users of the Internet and of consumers who are interested to adopt online shopping. The use of the Internet in our everyday lives has increased each year, this research aims at finding the preference towards online shopping the among the consumers especially compared to electronic goods and books between two online shopping website.

#### ii. Objectives of the Study

- a) To compare the customer preference towards Flipkart and Amazon with special reference to books and electronic goods.
- b) To analysis the customer preference across various categories in electronic goods.
- c) To evaluate customers preference across various categories in books
- d) To understand the factors affecting customers preference towards electronic goods and books.
- e) To suggest measures to gain customer preference for successful operation on e-tailing.

#### iii. Type of Research

The study undertaken is descriptive in nature.

#### iv. Population

Population for the study are customers of Flipkart and Amazon

#### v. Sample size

Sample size would be limited to 105 respondents.

#### vi. Sample Frame

The sample frame is taken from customers of Flipkart and Amazon in Bangalore

#### vii. Sampling Unit

For the study respondents will be customers of Amazon and Flipkart.

#### viii. Type of Sampling

Sampling is mainly based on the probability sampling methods.

#### ix. Tools of Data Collection

Primary data: The primary data will be collected by using structured questionnaire as well as personal interview method.

## A Comparative Analysis of Customers Preference between Flipkart and Amazon with Special Reference to Books and Electronic Goods

Secondary data: For this study the secondary data will be obtained from various websites and journals.

### 4. Data Analysis

Table showing the reason for preferring particular sites for purchasing electronic goods

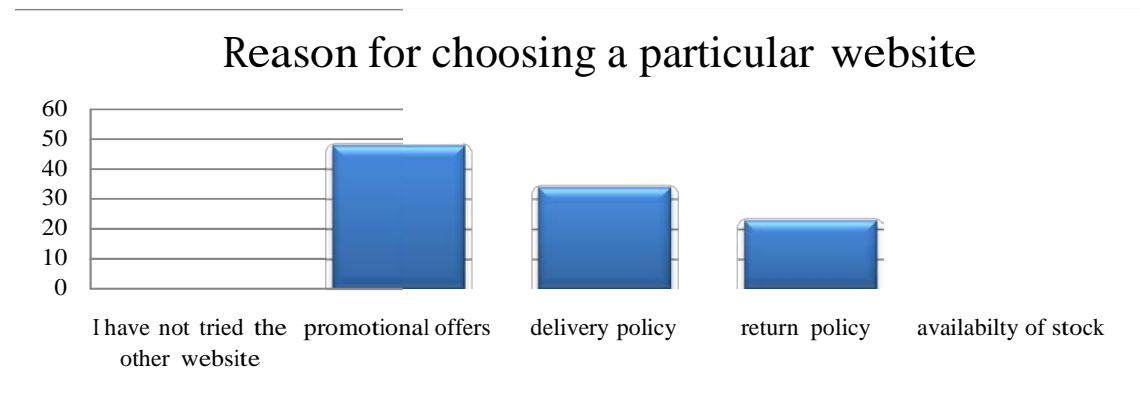
SLNO	RESPONSES	NO OF RESPONDENTS	PERCENTAGE OF RESPONSES
1	Promotional offers	48	46%
2	Delivery policy	34	32%
3	Return policy	23	22%
4	Availability of stock	0	0
Total		105	100%

Source: Field survey

### Analysis

The above table, shows that respondents who prefer particular website for shopping of electronic goods. 48 of the respondents prefer because of promotional offers, 34 of the respondents prefer because of delivery policy and 23 of the respondents prefer for return policy.

Graph showing the reason for preferring particular sites for purchasing electronic goods



### Interpretation

From the above graph we can see that majority of respondents prefer particular website because of promotional and delivery options.

Table showing the sites respondents prefer to shop online electronic goods

SLNO	RESPONSES	NO OF RESPONDENTS	PERCENTAGE OF RESPONSES
1	Flipkart	51	49%
2	Amazon	54	51%
Total		105	100%

Source: Field survey  
Analysis

The Table shows that respondents who shop online. 51% respondents buy electronic goods online through Amazon and 49% respondents buy electronic good through Flipkart.

Graph showing the websites that respondents shop online electronics goods



**Interpretation**

From the above graph we can see majority of the respondents prefer Amazon for electronic goods

Table showing books that customer buy through online

SN	RESPONSES	NO OF RESPONDENTS	PERCENTAGE OF RESPONSES
1	Academic and Professional	80	77%
2	Entrance exam books	1	1%
3	Literature and Fiction	1	1%
4	Children	12	11%
5	Comics and graphic novels	7	7%
6	Self help	0	0
7	Business and Management	0	0
8	Biography and autobiographies	4	3%
9	History and politics	0	0
Total		105	100.00%

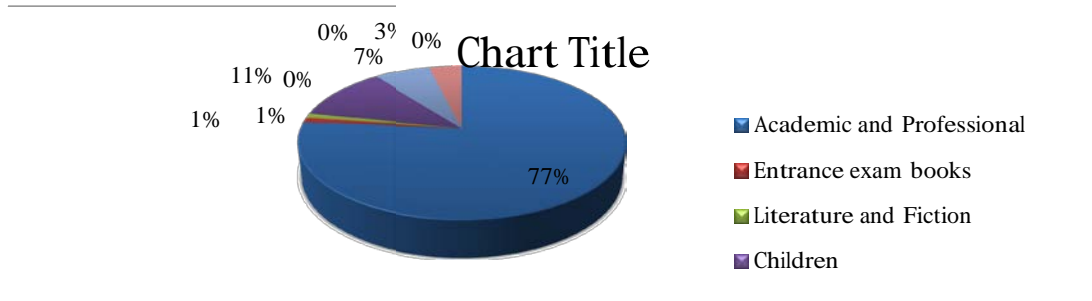
# A Comparative Analysis of Customers Preference between Flipkart and Amazon with Special Reference to Books and Electronic Goods

Source: Field study

Analysis:

The Table shows that customers who buy different kinds of books through online. Out of 105 respondents 80 respondents buy academic and professional books, 12 respondents buy children books, 7 respondents buy comics and novels and 4 respondents buy biography and autobiography.

Graph showing the books that they shop on online



## Interpretation

From the above graph we can note that the majority of respondents shop for academic and professional books.

Table showing the reason for preferring particular sites for purchasing books online

SN	RESPONSES	NO OF RESPONDENTS	PERCENTAGE OF RESPONSES
1	Flipkart	32	30%
2	Amazon	73	70%
Total		105	100%

Source: Field survey

Analysis: The above table shows that customers who prefer different websites to buy books through online. Out of 105 respondents 32 respondents prefer Flipkart to buy books and 73 respondents prefer Amazon to buy books.

## 5. Summary of Findings, Conclusions and Suggestions

Online shopping plays a very pre dominant position in the mind of customers as well as the effort made by online shopping websites in market positioning of brand and the perception of competing brands and products. It is the main the objective of online shopping sites to occupy clear, unique and advantageous position in the customer's mind towards online shopping website

- The respondents are having the experience 0 to 5 years of experience
- The majority of respondents shop for books through online
- The majority of respondents shop for academic and professional books.
- Majority of respondents prefer Amazon to buy books.
- Majority of respondents prefer the particular website because of the promotional offers and delivery options
- The majority of respondents do not have grievance related to online shopping for books
- The respondents do not have any grievance related to online shopping of books.
- Majority of the respondents shop for electronic goods
- Most the respondents buy mobile phone frequently
- Most of the respondents buy frequently mobile accessories
- Majority of the respondents buy frequently computer accessories.
- Majority of the respondents buy personal appliances sometimes.
- Majority of respondents prefer particular website because of promotional and delivery options
- Majority of respondents don't have any grievance related to online shopping for goods

#### 6. Suggestions

Most of the online companies are competing with other companies in order to retain a good online customers basket. The online retailer companies follow the above mentioned suggestions.

- a) Online stores namely Flipkart and Amazon should ensure complete security of payment gateway.
- b) The companies should reveal a standard return policy and should educate the customers about it before the purchase.
- c) The online stores should ensure that they provide a sample reading for customers to decide whether they want to buy certain book or not.
- d) While delivering the product the guarantee or warranty documents should be handed over of electronic goods. A prior checking for the same is advisable.
- e) A good promotional strategy so that the customer can prefer the particular website for shopping.
- f) One of the most important suggestion is to ensure that the availability of the stock should be more so that customers can shop for goods easily.

## A Comparative Analysis of Customers Preference between Flipkart and Amazon with Special Reference to Books and Electronic Goods

g) The another most important suggestion is to have good discount offers so that customers can get variety of goods.

h)The one of the most important suggestion while shopping for online websites is to make sure that when customers are buying through debit card or online banking, the companies should make sure that frauds are not going through debit card or online banking.

### 7. Conclusions

The online companies mostly prefer a good quality of services and delivery options with cash on delivery, online payment so that the companies can increase online customers .And also customers can get different categories of product with discount offers and good delivery options so that the customers of online shopping may increase by word of mouth and get a loyal customers.

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1.

## A Study on Social- Economic Impact of Gold Loan in Nagpur City

Yachna Ramesh Gharde <sup>1</sup>

### Abstract

This paper is to study a social-economic impact of Gold Loan in Nagpur city and its financial inclusions among the clientele of Manappuram Finance Ltd and other institutions. During this study, the researcher tries to find the various incentives that encourage people to invest in general, and also the level of awareness and the general attitude of consumers towards gold as an investment. It also studies the consumer behaviour of how people choose to buy gold, when they do and the various reasons for it. Gifting of gold on favourable occasions is also a common tradition in the country. The rising demand, people also buying gold as the value of gold assets is growing continuously. On this solid base, the gold loan business has tremendous potential to grow even further as currently it is determined that less than 2% of the total gold stock is used for pledging/ obtaining gold loans.

Keywords: Gold loan, PEST Analysis

### 1. Introduction

Gold has a difficult part in showcasing Indian customs and traditions. Women richly clad in gold jewellery is a familiar sight in Indian tradition and is a sign of prosperity and well-being in society. Also, in a rich social heritage packed with celebrations and happiness, gold jewellery was always esteemed and in-demand. Gifting of gold on auspicious events is also a common culture in the country. The organised gold loan market has grown tremendously over the last two years with significant growth reported by some of the specialised NBFCs. However, recent ordinances introduced by the Reserve Bank of India have slowed down the growth of NBFCs and the organised gold loan market as a whole. At the same time, the new regulations have made the operations more transparent and customer-friendly (especially in

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the case of NBFCs) and give a platform to banks (both public and private) and NBFCs to get their share in the coming years.

Regionally, the highest share in gold financing is in Southern India followed by North, West and East in that order. As the organised gold loan market originated from the southern region, there is a high dominance of South-based players in the business. Today, these players are concentrating on other regions to maintain the growth momentum. In the coming years, the organised gold loan market is predicted to grow at a CAGR of about 25.5% during FY2012-2015.

People will shift to gold loans to fulfill their short-term needs, particularly in the urban India. As by our survey, most of the people are utilising gold loan for various purposes besides the usual tendency to use them in the financial crisis. The perception of people towards gold investment has been changing, and this will help the organised gold loan the industry to grow in the coming years.

The Gold Loan Market in India is the largest market in the world apparently due to the large huge demand of gold by Indians. Every year India imports almost 900 tonnes of gold for consumption, and it has the largest gold stock of 22000 tonnes that is privately held by domestic households and temples. The low-income groups in India are the major customers of the gold loan. The centuries-old practice of lending money against the security of gold has been continuing in India in an unorganised manner. Farmers and peasants buy gold throughout the months of success and stock it in the form of jewellery and ornaments and then pledge it to the local money lender or pawn brokers during tough times to meet their financial obligations. This peculiar appearance in India has given growth to the gold loan business.

Spanning over 130 pages and 102 shows, the Gold Loan Business in India 2016-2020 report provides an in-depth evaluation of the Gold Loan Sector from 2016 till 2020. The report has registered company profiles containing their place in gold loan market value chain, financial review analysis, and product and service wise business strategy, SWOT analysis and marketing plans for key players namely Muthoot Finance Limited, Manappuram Finance Limited and MuthootFincorp Limited, India Infoline Finance Limited, and State Bank of India, Indian Overseas Bank, HDFC Bank.

### 1.1 Indian Society and Gold



As earlier noted, gold has traditionally been among the significant liquid assets and is an accepted universal currency. It has traditionally been utilised by individuals in the form of Jewellery, particularly in India where it is considered auspicious. Gold is presumed to be a haven in times of economic change, a fact illustrated by a 30% increase in the utility of gold over the past year.

India is one of the largest markets for gold, accounting for approximately 10% of the total World gold stock as of 2010. Rural India accounts For 65% of this gold stock. Although gold prices have grown at more than 19% CAGR from 2002 to 2010, gold stock in India has grown at 22% CAGR through the same period to 18,000 tonnes (Rs. 32,000 billion). The demand for gold has followed a regional the trend with southern India considering for 40% of annual demand, supported by the West (25%), north (20-25%) and East (10-15%).

Indian typically had an attachment with gold which is usually in the form of Jewellery, coins or bars. Thus, gold owned by Indian families is rarely liquidated unless in extreme financial need — consequently, the monetary value of Gold investment is rarely realised. But, pledging gold ornaments and other gold assets to localbrokers and money Shylock to avail loans has been accepted in the Indian society for many Decades, particularly in rural areas. However, over the past decade, the organised sector – banks and NBFCs – have taken the lead. The urban populaceis also beginning to realise the potential valuethat can be realised through gold loans, which has led to a rapid increase in the gold loan market in India.

### 1.2 Political Impact on Gold Loan

Gold is one of the most important financial instruments in India. Banks, NBFCs and unorganised lenders are actively engaged in providing loan against gold value. Gold has played a great role by giving liquidity for an idle asset kept in the lockers. RBI wants interest rates and increase rates on gold loans to come down, especially for NBFCs considering concentration risk and risk of fall in gold prices. Furthermore, RBI's directive that a bank credit to NBFCs for giving loans against gold jewellery will not be treated as exposure to agriculture sector would hinder companies to raise easy funds for gold financing. Some keys points from RBI's latest guidelines for NBFCs include transparency in the interest rates, due diligence in understanding the repayments capacity of the borrower, awareness of his existing debts, explicit loan agreement, etc.

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## 1.3 Economical Impact on Gold Loan

The economic analysis focuses on the direct economic impacts: none of the indirect, induced or wider economic impacts that might arise is analysed systematically. The key metrics are GVA – which measures the economic contribution of those entities involved in the gold value chain and reflects their present to the economies in which they operate – and employment. GVA is used because it measures the value of the project in a way which lends itself to close comparison with Gross Domestic Product, which is used worldwide to scale economies' economic output. Its use in this report does, however, suffer from practical limitations. Not all the data required to measure the economic impact are readily available from secondary sources. The resulting gaps are filled by making views by linking and extrapolating from available datasets. The fiscal analysis focuses on the revenues received by governments from those taxes and other fiscal measures which are peculiar to the extraction and use of gold rather than those which apply to all or most businesses regardless of their sector (e.g. corporation tax). This is largely because of the practical difficulties of assessing the scale of all these taxes on a consistent basis. This means that the estimated tax payments presented later in this report are likely to understate significantly the total fiscal contribution of gold mining companies.

Whenever people need money, they come and take the loan. Gold deposit is just the easiest method for making a loan because it is the easiest form of making a loan. It gives a loan in 15 minutes time that is what gold loans are intended for. It is not that everything is connected only to the gold price and if gold prices do well yes, gold rates are high, then gold businesses will fare better, no, not that certainly is not correct, particularly when there is demand. Today, if the economy is picking up there is more demand coming for financial results, and people need finance and for that gold loans will be applied as gold will be used as collateral to take this that is what we are seeing. So you asked about our forecasts, we expect this year also to get around 10% plus increase in the AUM as well as in the profits. That is what we would think the current year 2016-2017.

## 1.4 Social Impact on Gold Loan

India has a vital portion of the young population, and the strength lies in its youth who are familiarising themselves to the world beyond their borders. In urban areas, the majority of the population is working which is positive from the perspective of economic growth.

Due to changing the perception of the consumers, they are opting for more gold financing either for filling their short-term financial needs or purchasing more gold.

However, the size of the Indian middle class is expected to increase from 55 Million in 2005 to 256 Million in 2015 and 557 Million in 2025, during which it will represent 39% of the population. Total consumption by middle and high-income groups is projected to increase by 14 times from INR 4 Trillion to INR 56 Trillion over a 20-year period from 2005 to 2025. This will also help to increase the organised gold loan market in the country in future.

### 1.5 Technological Impact on Gold Loan

Innovation in IT can perform the role of a differentiator and promote business transformation. As public sector banks have the largest share in the organised gold loan market, still the increase rate is slow due to lack of automation system in the approval process for the gold loan.

However, some banks have already bought assaying machines to disburse gold loans in 15 minutes. This will help in making the growth in the gold loan business of public sector banks.

Technology has the potential to perform a central role in building a new transformational business model. Information technology improvement in banks will create a competitive business model by reducing approval time, increasing capabilities, enhancing the customer experience and generating new revenue streams.

## 2. RESEARCH METHODOLOGY

### 2.1 Objectives of The Study

- i. To study the social and economic influence of gold loan customer in Nagpur city
- ii. To study the role of in formal sector and sector of the gold loan

### 2.2 Research Design

The research design is a master plan defining the method and procedure for collection and analysing needed information. The research design in this paper is descriptive. Descriptive research includes surveys and fact-finding inquiries of different kinds. For this study, descriptive research design is used where the data is collected through the questionnaire.

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### 2.3 Scope of The Study

The present study has been restricted to the period from Jan 2016 to Jan 2017 in Nagpur; the town has been taken as a representative unit of a customer of the gold loan. A survey of 150 customers had taken further classification are as follows:-

Category		Number
Sex	Male	92
	Female	58
	Total	150
Type of Household	Owned	43
	Rented	79
	Govt quarters	28
	Total	150
education	SSC	42
	HSC	52
	Degree	30
	PG	26
	Total	150
Occupation	Business	62
	Small enterprise	44
	Govt employees	32
	Ret govt employees	12
	Total	150
Marital status	single	64
	married	62
	Separated	24
	Total	150
Bank account	Yes	120
	No	30
	Total	150
Number of household (members)	1-2	32
	3-5	40
	6-8	60
	Above 8	18
	Total	150

### 3. Findings

- Gold loan reduced poverty.
- Gold loan help to reduced vulnerability among the poor.
- Extend appropriate financial services to underserved areas or to persons.
- Support micro and small enterprises at the time of crises
- Gold loan also Contribute to gender equity
- Help bring marginal group into mainstream society

### 4. Conclusion and Recommendations

1. Gold loans are relevant and appropriate to the requirements of needy poor and middle income class borrowers. It has the potential to be an effective tool for financial inclusion. Gold loans are an easily available product that helps in meeting many immediate financial needs. In other words, financial inclusion by expanding gold loans in the rural areas will prove a cost effective way to bring the rural masses into the economic mainstream of the country.
2. Gold loan has become one of India's fastest growing businesses. The entry of organized sector in recent years; especially the entry of new players like NBFC's into the field of gold loan has made the business much attractive and it has attained a worldwide attention now. With a view to compare the status and progress of financial inclusion imparted by the gold loan operations of Manappuram, a Financial Inclusion Index (FII) has been constructed. A comparison of the indices of financial inclusion developed with weight and without weight shows that the former can provide a better picture of the situation highlighting the case of the low income and below middle income categories.
3. A remarkable aspect of the NBFC, namely Manappuram Finance is their wider coverage of the low income compared to other income categories. Accordingly, the higher value of the weighted Financial Inclusion Indices highlights the quality of intermediation operations carried out by them.
4. Human development is a process of enlarging people's choices. In principle, these choices can be endless and change over time. But at all levels of community, the three basic ones are for people to lead a long and healthy life, to gain knowledge and to have a way to resources needed for a decent standard of living.

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5. Today, about one-third of Manappuram's gold loan customers belong to the farming and small business communities (traders, shopkeepers and the self-employed), who use gold loans for productive purposes because it's seen as a hassle-free source of working capital to meet the needs of day-to-day business.
  6. They also use gold loans for unusual needs, like building up stock during a busy season. It is also our observation that even when borrowers have access to regular credit limits from banks, gold loans continue to be favoured for its flexibility and hassle-free experience.
5. Recommendations
1. NBFCs have been playing a very important role both from the macroeconomic perspective and the structure of the Indian financial system.
  2. NBFCs are the perfect or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise
  3. In recent years, the fact that gold loans are increasingly finding favour with microentrepreneurs (the small business owner, the trader and shopkeeper, the self-employed etc.) has been well documented in the media. If financial inclusion is reckoned as inclusion in the wealth creation process, gold loans have a key role to play.
  4. Rather than pledge their precious gold, they have preferred to go for unsecured loans from local moneylenders, paying higher rates of interest in the bargain.
  5. As widely noted in the media response, the cap on LTV reduces the usefulness of gold as a financial asset that can be used in times of need. In fact, it hurts the poor who are now forced to borrow from the unorganised sector on more adverse terms.
  6. The coming years will be very important for NBFC's and only those who will be able to face the difficulty and prove themselves by being the test of time will survive in the long run.

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## Strategic Human Resource Management: A Case Study of Reliance Group of Industries

Dr. Sarika .R. Lohana <sup>1</sup>

### Abstract

Management of a private or public industry entirely depends on the managerial skills and administrative skills. In modern times, use of computer has facilitated and its used has proved to be extremely benefited through time saving devices, apparatus or equipment in an adequate manner. Therefore, light has been thrown on how these vast industries manage on a very big level personnel management. Hence, a very skilled administrative staff becomes indefensible as various factors are responsible to obtain positive operative functionalism. This paper covers overall strategies adopted by Reliance Group of Industries.

Keywords: managerial skills, administrative skills

### 1. Overview of Personnel Management of Reliance Group of Industries

Management of an industry private or public entirely depends on the managerial skills and administrative skills of that company. In modern times, use of computer has facilitated and its used has proved to be extremely benefited through time saving devices, apparatus or equipment in an adequate manner. Therefore, light has been thrown on how these vast industries manage on a very big level personnel management.

Hence, a very skilled administrative staff becomes indefensible as various factors are responsible to obtain positive operative functionalism. As has been pointed out by an expert authority on personnel management like Edwin B. Flippo who describes as “Management is the planning, organizing, directing and controlling, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished”. Numbers of employees are increased occasionally depends on seasonal opportunities. It has shown constant growth in the number of employees through fresh intake; where ever this industry didn't need the employees it reduces the number of the employees by the way of separation.

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Reliance Company being the largest one in the matter of production and manufacturing, it is not surprising that the company have thousands of workers in its control. At present, the number of employees in all types are 25,000 approximately worker / employees at its disposal covering all variety of workers skilled, unskilled and administrative.

It seems that, the company looks after perfect management in handling employees. It does have well worked out planning looking after every types of working efficiency on the part of workers. Further, it observes that in order to avoid uncertainty set back the company traced out a well designed plan of working scenario in advance.

### 2. Review Of Literature

Lado Augustine A. and Wilson Mary C (1994) in their study dubbed 'Human Resource Systems and Sustained Competitive Advantage': A Competency-Based Perspective, explored within a system's perspective, the organizational competencies that might be sources of sustained competitive advantage. In addition, they discussed how HR systems facilitated the development and utilization of organizational competencies and how HR systems could destroy those competencies or inhibit their exploitation. The aim was also to examine the extent to which HR managers and professionals could enable or constrain the strategic decision-making process by providing or withholding critical information concerning people-related business issues.

Florkowski (2006) in his study, 'The diffusion of human-resource information technology innovations in US and non-US firms', evaluated the diffusion of eight information technologies that are transforming HR service-delivery in North America and Europe. Such information technologies include HR functional applications, integrated HR suits, IVR1 systems, HR intranets, employee and manager self-service applications, HR extranets, and HR portals.

Kirstie S. Ball, (2001) Presents the results of a survey of the use of human resource information systems (HRIS) in smaller organizations, conducted in 1998. The survey enquires as to the nature of information stored electronically in three core areas: personnel, training and recruitment as well as the type of information analysis being undertaken. Significant relationships were found between the total number of people employed by the organization, and certain aspects of its information storage and manipulation. Smaller organizations were also found to be less likely to use HRIS, and HRIS was also used less frequently in training and recruitment. No Sectorial differences were found. Similar to the results of IES/IPD surveys, and some academic work, it was found that HRIS are still being used to administrative ends rather than analytical ones.

Johnseok Bae and John J. Lawler (2000) “Organizational and HRM strategies in Korea: Impact on firm performance in an emerging economy,” To examine the effects of organizational strategic variables, such as management values regarding human resource management and the sources of competitive advantage, a model is developed and tested with data from 138 firms in Korea. The workers studied were nonmanagers. Firms with high scores on valuing HRM and people as a source of competitive advantage were more likely to have high-involvement HRM strategies. These variables also had positive effects of firm performance. In addition, firms with high-involvement HRM strategies had better performance

### 3. Company Analysis

It focus that the company watched skillfully the factor cost efficiency because hiring of employee need economic expenditure if the calculation go wrong, then also company may suffer its productivity. Therefore on the basis its long matured experience in the past these industries has proved very efficient in this matter, also calculating proper intake of the employees and has never faced any great set back so far. This is not an ordinary event on the contrary; it also shows deep studies of the past experience of the company. This is due to professional mindset of the industrialist and capacity to visualized future role of the country. This has help the company to stand firm and much stabilized even when other industrialist in India where facing uncertainty an odds in the days and global up hills.

It is observed that Personnel Management at Reliance Company is basically to align the long term business objectives and vision with the optimum utilization of the human resources. The key reason of the success of the Reliance Company lies in the perfection and efficiency to produce quality products. It is the net result of collection of intellectual whose brains are behind the surprising success of this Company in addition to the cost least apparatus, equipments, machine which has been installed keeping in view the competitive market and the customers’ psychology. The whole situation provide conducive atmosphere for the full-fledged intellectual and professional growth of the person who have been engaged in the all folds of the said Company.

It seems that the main reason is that this Company has kept in mind the mindset of global market mould. The Company is proved to be very specific in looking after and caring for the overall development of its works at whatever level with a specific focus on the intellectual sight of the high position holders. This tart has rarely been found in other industries. The company has made its name in sign that, the workers are able to promote themselves on the basis of facilities available to them.

## Strategic Human Resource Management: A Case Study of Reliance Group of Industries

Further to manage most efficient and effective practice of human resource management includes all the levels of employees are required. The same is observed in the Reliance Group of Industries as functions of human resource management are very vital and sophisticated of the main function are discussed below:

1. Growing budget that makes personnel resources as the greatest single expenditure.
2. The consequence of improper and ineffective personnel management practice.
3. The vast potential for using the personnel resources to enhance productivity, improve quality, super innovation, focus on costs and to satisfy customer.
4. The integration of personnel resources in to the mainstream functions in the organization.

This is only in order to sustain in the competitive world and organization inevitably is totally depend upon optimum performance of the employees which the main key factor area of Reliance Company in terms of human resource management which to reflects in molding them in the right or required direction on the line of vision and mission of the Industries.

In relation to the effective human resource practices, definitely is more challenging task for managing workers and personnel internally. The success of Reliance ranked at the top most in all the business among the private sector players in India as well as abroad. It is not only on the bases of the quality of production but also derived effective management of their people.

The growth of the Reliance Group of Industries and their people is comprehensively linked and so the industries have started focusing on the development of people in order to facilitate the organization to grow.

During the study it is highlighted that the Reliance Company has well established management system for its personnel management of the company is indeed a dept and sympathetic process. The relationship between management and employees are more prudential. The personnel policy of the company is quite adapted to principle of the human resource policy. In respect if providing training, better environment at work place, security with opportunities and incentive etc. these are the crucial features of Reliance Company. In short, a form of coordination is found within the employees to achieve the excellence.

It is clear that Reliance Group of Industries, under their management have a tradition of forming committees with view to consulting problems of various dimensions related to the functional operation of the industries, the problems of the workers in various areas etc. Board of Directors of Reliance Group of Industries is segmented as the head of committees virtually for the development of the employees.

It is observed that Reliance Group of Industries leads certain personnel activities to corporate level and complex level. Under the corporate level-Human Resource policy, Manpower Planning, Recruitment, Training and Development, Movement & growth of personnel, Corporate Industrial relations , Wage Negotiations , Human Resource Interventions and Allied Administration Responsibilities. At Complex level covers Establishing Matters, Non- Managerial Recruitment, Movement & growth of Personnel, Plant Industries Relations, and Contract Labor regulations, Employees Welfare, Legal & Disciplinary Matters, Plant level Training and Other Administration Matters.

The past scenario has put many examples in the history on sustain issues of the industries. The reasons were exact environment scanning of the specific sector is very important issue. It observes that, the effective manpower planning and control are of the key factor behind sustaining any company.

#### 4. Strategic Human Resource Management Adopted at Reliance Company

The Human Resource departments of Reliance Group of Industries are handling the mundane activities as employees hiring, training and compensating. The Human resource manager at Reliance Industries has integrated role in handling human resource, the result of which is operational effectiveness of organizational activities. Human resource plan and strategic are get through linked in the Reliance Company achieve the vision and mission of the Industries.

The strategy formulation is preceded by the environment scanning of the human resource. Such activities are takes place to identify threats and opportunities prevailing in the external environment. As human resource management works in the supply of competitive intelligence that is useful for the strategy formulation. To sustain the employees in Reliance Company or in any other company is very difficult task. Details regarding advanced incentive plans used by the competitors, opinion survey, data from the existing employees and information about pending legislature like labor laws or mandatory health insurance are analyzed by the Company frequently was highlighted during the study.

The strength and weakness of the Reliance Group of Industries human resource is determining effects in the variability of the Company's strategy which is exclusively based on the external environment scanning. Company is able to build its new strategy around a competitive advantage stemming from its human resource.

The human resource transformation is a competent and willing workforce to the operations department which executes the strategies. The human resource management trained the workforce in the key area such as.

## Strategic Human Resource Management: A Case Study of Reliance Group of Industries

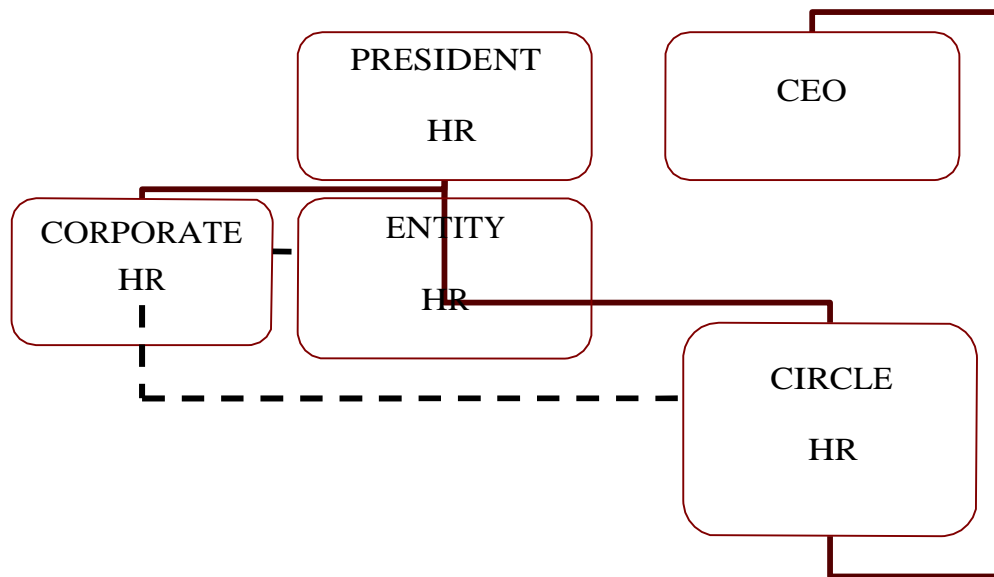
- Encouragement of proactive rather than reactive behavior at workplace, which helps in the accomplishment to the vision of the industries in the long term. The reactive status may lead the Company tends to lose sight of the long-term direction.
- Generally the Reliance Group of Industries communicates to all the employees about the objectives of the industries becoming a leader in its chosen area. The goal has been speared down the line.
  - The Company managers often depend on their personnel views and experienced to solve the problem and take effective decisions. They are expertise in making decisions to lead the success on the grounds of only environment analysis order which the Company operates. Here the manager contributes their efforts in critical thinking process of the optimum utilization of human resource with correlation to productivity and waste control measures and attempts also.
- In Reliance Group of Industries for the productivity as a human resource based strategy have a competitive look. Many of the human resource functions are contributed towards productivity pay, appraisal system; training, selection and job analysis etc.
- It observes that the quality and services assurance is totally depending on the human resource. Strategies are the outcome of the same for which the Reliance Group of Industries is committed to its customers and sustaining themselves through “Brand Loyalty”. The result of maintaining the required quality and services level, the Company take initiative in providing excellence training to their employees so that quality standard could be maintained.

The above all strategies human resources management of Company is only because of their competent personnel, better –than adequate competent capabilities and effectives internal organization. As building a capable organization is obviously always a top priority in the strategy executives which is possible because of highly qualified board of Directors and policy makers with the strategy vision and capabilities. It is true that Reliance Group of Industries has recorded its attention in the Best quality management of their production because of their highly qualified and competent human resource and further to manage them excellent recognized chief of the industries.

It seems that to obtain result oriented targets in concrete terms, the Company has formulated hierarchy functional counters which has proves most effective in achieving the scheduled goals. The following structure will display the most effective administration wings for which the company has chosen the following format through which a very systematic and smooth functioning is possible is laid down in the chart.1.1

Chart-1.1

Structure of Human Resource at Reliance Group of Industries



The system of the Human Resource Structure includes Corporate human resources is the functioning head is responsible for the human resource policy making which is a basic activity of the industry. The activity is supported by implementation, if suggestion provided by HEWITT consultancy, through which executive of the strategic planning for the human resource management is taken place.

The entity human resource is the body parallel to corporate human resource for designing the rules and regulations in internal part such as executive of policies and practices. Further the same is providing for recruitment of circle human resource.

In respect of Circle human resource, it is the operational teams under human resource system as a actual process of human resource includes recruitment, appraisal, training, and payroll, exit full and final settlement.

#### 5. Human Resource Management Functions at Reliance Company

Chief source of any activity is man power therefore the selection of capable and talented persons at the initial stage is very essential the company is very meticulous about making such selection of the talented personnel.

Specifically, these talents being are found within those who have been recruited in the company. They are further developed and well nourished by providing them necessary training by the experts through seminars, conference, on the job training, presentations etc.

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various sources are utilized by way of their exposure to debate discussion, conferences and seminars at Reliance. The potentials of these personal are motivated and it is seen that the scheduled target is to be achieved. The specialty of this company is that, it never hesitates in investing adequate finance to obtain talented staff by way of which selectivity play a positive role in this respect.

It is concluded that the performances of every employee are measured with its productivity that are the outcome of their efforts which are recognized. Therefore performance appraisal system on yearly basis with the help of balanced scored card at company is able to measures the training of personnel. Apart from providing the domain knowledge to the employees, the company also focuses on career planning which are totally based on the interest of the employees and his / her objectives in relation to their career planning. The whole exercise is monitor under the supervision of human resources management to undergo the operational efficiency of the individual employees and align the same in accomplishing the short term and long term objectives of Reliance Group of Industries.

### 6. Recruitment Process at Reliance Company

Recruitment is the backbone of any company where the productivity and profit making is concern, this is absolutely related with manpower. In recruitment process, there are two types of skilled and unskilled employees. Apart from efficiency on the part of the employees they should be loyal, participative; if they lack these conditions the work suffers greatly due to hindering the progress of productivity.

It is consider that Reliance is perfect in screening while appointing new recruitment because the company is aware about bad result of inefficient personnel in the matters of administrative staff, which is the backbone of this company. Selection of only those candidates is done, who are not only capable but also very competent persons. It includes the best engineers from technical side, best highly skilled administrator. The company is acutely aware of this process. Those are covered in the following steps.

1. Reliance Group of Industries has developed annual operating plan (AOP). This is an initial planning activity which taken place every year to identify the personnel required at personnel level and entity level in the company.
2. To facilitate the requirement of the human resources at Reliance Group of Industries two types of sources are arranged i.e. internal as well as external. After receiving the copies of resumes from the sources, the resumes of candidates are forwarded to



the specific department heads where the vacancy arises. Interviews are fixed as per the suggestion of human resource in accordance with the need and required conditions to fulfill the posts. While doing this the preceding examples followed in terms of selection criteria.

3. At the time of interview with human resource head, the human resource executives negotiate with the CTC i.e. Cost to Company with the candidate. The approval is sent to the corporate recruitment cell. Then it is forwarded to management for SAP application code number which is the employee's reference for the further processing. It required about 10-15 days for completion.

#### 6.1 Types of Recruitment Sources Avail by Reliance Company

Reliance Group of Industries avail both internal and external sources of recruitment. After identifying the need and available sources for the recruitment selection is made on the base of company's suitability.

##### 6.1.1 Internal Sources

1. In the event of a vacant position in Reliance company suitable candidate are first searched internally within the organization. This is based upon in-house talents, which could be redeployed. Advertisement for internal vacant position is done though sending emails to all Reliance Group of Industries employees across all the locations. Employees of Reliance company, who have completed more than 12 months of continuous services only these employees are eligible for the post. Internal candidates are considered in accordance with their abilities and potential. The process is coordinated by central recruitment cell at Reliance Group of Industries corporate office.
2. In Reliance Company employees can refer candidates with whom he/she have worked in his/her previous employment. Employees can check available vacancies on internet and can submit the resume of prospective candidates who are fit the job profile.
3. Re-hiring of an employee is done at Reliance Company with a view to take trained manpower back in the company. Re-Hiring is done as per the policy issued by central recruitment cell at Reliance Company corporate office.

##### 6.1.2 External sources

1. The modern technique of recruitment is also adopted by the Reliance Group of Industries. Placement focuses on the professionals hiring, the youngsters with update knowledge and further to minimize the time taken in receiving and sorting of



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applicants. The Company consults with placement consultancy to identify the limited number of potential candidates. The Company tresses out the consultants having national presence this sourcing option is only considered by the company when there is scarcity for candidate with requisite experience and skills.

2. They make use of the all ultra modern methods like using computer channels email and telephonic. This help in searching of the most suitable candidates as and when the need raises the company displays it requirement through such channels and gathers candidates resuming and response followed by personal interview. During the interview suitable candidates are only taken up after a deep scrutinizes and screening as a result many more complication in selecting of personnel. This company is much enriched at this level. This aspect is very crucial and significant for the very healthy and administrative of all wings in the company's and maintaining its prolonged efficiency.
3. Reliance Group of Industries goes for campus recruitment every year for technical department management level recruitment; it goes for campus recruitment as per requirements.

Filling up positions for Management Trainees, following process is followed by the Reliance Group of Industries.

- Human resource representative of Reliance Company gives description about job to all candidates.
- Written test i.e. (MAT) Mental Ability Test is taken for those candidate who has got aggregate 60% in all semesters.
- Group Discussion (GD) is conducted for those candidates who had successfully pass MAT.
- At last Personal Interview is conducted for those candidates who had passed out GD and personnel interview is taken by the respective department head and human resource head.
- For management Trainee candidates having educational qualification in MBA and GET position includes candidate having educational qualification is B.E. (Electronics and Computers).

### 6.2 Interview Process at Reliance Company

Interview is the oral assessment of the candidate for employment. This is the most essential step in the selection process. In this step, the interviewer check out the information obtained about the candidate through various means for the job requirements

and the proper information is to be obtained through his own observation during the interview. Some of them are mentioned below:-

1. To size up the candidate personally.
2. To ask questions those are not covered in tests.
3. To make judgments on candidate enthusiasm and intelligence.
4. To assess subjective aspects of the candidate, facial expressions by interviewer at all levels mental and physical function knowledge in which they suppose to be taken. Suitable candidates are taken. The company is very partial in these aspects keeping in view the personal interview with the level of which unsuitable candidates do not choose to be taken up in the company. By this the company avoids great risk of incompetent candidate.

### 6.3 Mode of interviews conducted at Reliance Company

At Reliance Group of Industries personnel interviews are taken to have a formal micro level conversation conducted to evaluate the candidates and their abilities, the members are appointed for the personnel interview from the domain department to rate the candidate's personality, his/ her likes and dislikes, his/ her conversational ability, his/ her personal mind and above all the potential possessed by the candidate.

1. If in case the candidate is not able to attend the interview at the location fixed, video conference is arranged to go face to face interview as the candidate applied from the other states. This shows how Reliance Group of Industries has liberalized in its recruitment process to hire the qualified staff.
2. In case of the cities/towns where video conference is not possible to conduct, the telephonic interviews method of recruitment is done. These ultra modern channels are used as an alternative to the personnel interview to provide wider coverage and to see that suitable candidates are covered from all over the states. This is a unique forum or opportunity provided by the company. It has two fold benefits A. Eligible candidates get suitable chances of being in the job. B. The company is also in benefit by selecting competent candidate for its effective functioning.
3. As company focus on larger hiring, the youngsters GETS and MAT at manager level. For the GET interview is taken by functional head and human resource head at campus. For MAT 2-3 function heads and final round with head of the human resource department and circle CEO is conducted.

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## 7. Criteria for Selection Process

The recruitment process of Reliance Company is very vast process and very sophisticated as the discussion of selection will be reflecting its image in accomplishing the forthcoming opportunities of the industries. Selection process of the candidates for different positions, technical, non - technical, clerk and administration shows admirable dealings and standards of reliance Group of Industries, So far as the few criteria are pointed below.

- Merit is the sole criteria for selection as meritum and excellence are two side of single coin.
- Attitude plays a crucial weight age in the analysis of the functional competence of the candidate.
- Panel interviewers comprising of functional head and head of the human resource department.
- For the post of officer cadre GET and MAT involves written tests for entrance.
- Verification of documentation is an integral part and mandatory for the reemployment at Reliance Group of Industries.
- For all positions, pre-requisite medical fitness test is applicable. A job offer is contingent upon the candidate being declared fit after medical test.
- At Reliance Group of Industries equal opportunity to every applicant is given and do not discriminate on the basis of race, community, religion, or gender.

### 7.1 Reference Check

After the scrutinizing activity of Personal Interview selected candidates reference check is done at Reliance Group of Industries. This is the process that human resource system does before finalizing the candidate through a referee in contact whose names are referred by the applicant at time of selection. The human resource system perhaps checks and in context of gaining additional information about the applicant. As a whole the industries cross check the information provided by the applicants in their applications and further to know their weakness and strength.

## 8. Orientation Program at Reliance Company

Induction program is the initial process where a new employee is provided all the related information about his/ her needs to functional departments and make them comfortable and efficient in their operational activities. At Reliance Group of Industries, orientation program carried out to provide general information about daily routine work of

employees. In detail explaining organization's history, founding fathers, objectives, operation cycle and as well as the new employees job contributes to the organization needs as the employees is going to be the part of the Reliance company.

Hence, The Human resource department structures an appropriate induction program to orient the new employees to various businesses and services of Reliance Company. It runs successfully for two days. It helps the employees to get integrated in the new environment and provides an overview of the organization as a whole. Further, it provides an opportunity to the new entrant to get through with the original values and ethics as well as the style of functioning of Reliance Group of Industries.

Special initiatives is taken for the new recruit to accelerate training program with the new dimension called "Dronacharya Scheme" at Reliance Group of Industries in the year 2006-07. This initiative was first launch at Jamnagar. It includes a Dronacharya who is a senior personnel leads the training program takes charge of 2-3 youngster each known as the Arjunas. This scheme of the Company is conducted at all the locations of the Company.

The new employees get knowledge about the vision and mission of Reliance Group of Industries. It is an integrated program which provides inputs to the new employees in respect of understanding the organization and business model of Reliance Company and its networking in all the industries. Virtually the fundamental inputs about the Reliance Company is represented through a presentation by senior most person and company's strategic objectives , organization structure , process, system and business units are highlighted in that presentation.

## 9. Training Program at Reliance Company

Reliance Group of Industries believes that continuous learning, constant training done by the employee is very necessary not only for self enrichment but also for ensuring retention of the best talent. Through this, the Company provides employee a sustainable platform for growth in the business environment incorporated in the early setup of the Company. Number of training programs had been devised to develop a cross- functional skill of the employees. The objective behind this is the vision to provide an opportunity to develop the employee excellence and effectiveness with an all-round development of the talented and enthusiastic employee. The Reliance Group of Industries has a holistic view about the training program on continuous basis. It is done with a view of providing to the employee not only suitable opportunities, vision and a positive view about the company in whatever capacity may be.

### a. Internal training Programme

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Training is a crucial activity in enhancing the efficiency, productivity and performance of all employees at Reliance Company. It creates the environment of the unique skill set with a platform to learn, grow and excel of expertise in operation. So Reliance Group of Industries provides such trainings time to time. It undertakes grooming of the new employees in both personal as well as professional capabilities. To build up the competency in finance and accounts in-house training program is facilitated to make them capable to take up higher responsibilities in the same stream.

### b. External Training Program

Reliance Group of Industries is associated with IIM- Bangalore and IIT Mumbai to train their professional and technical education of its employees. About on an average 250 engineers are trained by IIM-Bangalore every year in a tailor-made management Course known as Management Programme for Reliance Engineers. At IIT- Mumbai Bachelor science graduates and diploma holder employees are trained Engineering course under the certified Reliance Engineering course program in collaboration with International Management institutions for its senior management. To positive ethos and believe of Reliance Group of Industries on their employees makes them to comment on slogan “the people of Reliance” who make “the difference” that is the spirit within the chemistry of Reliance Company and their people. As the platform is build by the Company to encourage their employees for the optimum his/ her full potential by availing of the opportunities that exist across multiple functional discipline at different locations. Due to this the employees efficiency and human capital of company is consistent and reinforce with the competitive edge of market.

### 10. Human Resource Development at Reliance Group of Industries

It highlights that Reliance Group of Industries for getting the exponential growth the key reasons undoubtedly is because of its people. Industries provide the right environment and nurturing according to the need of organization and their self development, where this “ordinary ” people surprise the company as they deliver “Extra- ordinary” results. The above is indeed having been the cornerstone of Reliance responding success in the history of their industries. While looking to the harness, the limitless potential and capability of the human mind, spirit and energy, the company constantly endeavor to provide a platform for individual opportunities, manufacturing sites and other services in multiple locations.

Reliance Company in association with the Indian institute of Management, Bangalore created a customized management course for its Engineers named as “Management program for Reliance Engineers (MPRE). This is a design to provide managerial insight to engineers, keeping in the view. The program also covers “Manufacturing excellence” and “techno-commercial skills” which is very vital need of any industry to sustain themselves in any market conditions. The methodology cover through case studies, projects and supplementary sessions specially taken by Reliance’s executives. The program has a very dynamic look in existence as multiple assignments are allotted and facilitate them to get groomed as future leaders which are a part of the individual based career plan. The program is designed in such a specific manner in relation to match the attitude of the person with the requirement of the organization.

### 11. Performance Appraisal System at Reliance Group of Industries

The specialty of this company is that, it takes care to judge the human potentials among the candidates and it taps these potentials combine with the talents which are in hidden forms. This company endeavor seriously to bring these potentials to the surface level and convert these potentials into capabilities and abilities to perform.

This is done by the company with a specific program of proper appreciation through appraisal. This is done with rich standard by way of inviting and in consultation with international consultants, so that very balanced and boosting appraisal through proper appreciation is done. This provides the employees senses of dignity and awareness of merits by promising youngsters. This encourages them to be more involved in the whole process of work culture this aspect of the company is in it’s the classical example of uniqueness.

### 12. Work Environment at Reliance Group of Industries

At Reliance Group of Industries their policy is to improve worker’s profile and to achieve the creativity at workplace where every employee can reach to their full potential. The industries provide the work environment to provide them freedom to explore themselves fully and in every respect support of their business. Therefore Industries encourage them to balance work and personal responsibility is fixed where every employee gives birth to conflict.

Reliance Group of Industries is a high perform, organization in itself with personnel care and concern of their people, the employee' are empowered to perform and make

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accordingly for results to experiment practically speed, Quality, Technology and innovation is key factors in relation to the development of employee's self help and guidance.

It seems that Reliance Company is nurturing a learning organization environment at all Industries to bridge the continuous success in all the functional departments and operations. The corporate ethos lies in the commitment of the industries to their stakeholders, customers, employees and vendors.

### 13. Human Resource Management System at Reliance Group of Industries

In the year 2000, Human Resource Management system was implemented to support the task of human resource and personnel administration. This system, designed and developed in-house, is an efficient, online, user-friendly system, which provides an effective interface between human resource management and it's employees spread over the diversified location. The system is built around a central comprehensive database of all employees which is linked with the attendance system, payroll system and administrative system (housing, travelling and transportation) and which consists of the human resource department which is carried at recruitment process, transfer/ deputation, separations and final settlement of the employee.

### 14. SAP-Human Resource at Reliance Group of Industries

The Reliance Group of Industries is on the move to e-enable all human resource functions and the employee interface through online they are at present adopting enterprises resource planning software SAP across all location and business. Though SAP effective service, can be provided to the employees, as it is a good mode of communication system. In Reliance Company human resource is upgrading its extensive web-enabled services into an internet enabled employee portal which helps the employee from anywhere in the world to access human resource and payroll information through internet. For example :- applying for and sanctioning leave, information on policies and procedure, entering expense claim, updating their own database etc. it is the modern technology of keeping the employee updated and connect with the company through internet process. This shows that company is very conscious about the facilities provided to the personnel in the company.

### 15. Deputation and Transfer Procedure Adopted at Reliance Group of Industries

As a part of the organizational change every employee in the organization, come across with the up and downs of the designation level according to the requirement of the

organization. Some few are deputation, transfer, Resignation, termination, expiry of training / contract which needs to make separate decision in respect of continuation of the services identified the organization. At Reliance Group of Industries all above steps were identified through a personal discussion with human resource management at the corporate office.

Due to business and policy requirements, the employees of the Reliance Company are posted at other locations and after the continuation in the service, the employee's primary allocation is deputed. The Reliance Group of Industries, if post the employee's at other location from the base location beyond 29 days, then the employee is termed as employee's deputation and further procedure and deputation allowance as considered as per policy of company.

In case the employee is posted beyond 3 months from the bases location. Then it term as the employee's transfer. The transfer is done on the permanent basis i.e. from one circle to another circle and from one location to another location. Departmental head takes initiatives of the request for transfer of the employee where recommendation by the human resource representative is approved.

Human resource policies for the resignation process for the existing employees, i.e. employees voluntarily living the services of company either for professional or personnel reasons. Employee has to serve written resignation including relieving date to the departmental head and get it's approved by circle head. If the employee is confirm, it should be submitted before 3 months and for employee on probation base are required to provide 15 days notice in advance, which is as per the human resource policy norms.

If in case the employees are absent for more than 8 days without leave application, beyond the period of leave originally granted, it is consider as voluntarily terminated. The process is called as abandonment where, if employee returns within 8 days than he/she has to give explanation to the Management regarding such absence.

Rarely the employee of Reliance are terminated from their designation in case the employee is unable to give undesirable outcome to the company and absence to violates the company's policy is terminated from company, so far as Reliance Group of Industries people at reliance very conscious about the human resource policy and take major step to sustainable them in the company. At all levels, this company takes maximum care to see employees' welfare.

Employee's absence service or abandonment for a period of 8 days is taken back of that services continued after obtaining his/her proper satisfactory explanation. This is very pin pointed shows how this company follows rules and regulations based on principle of



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human resource but also it is more careful to follow the rules and regulation on the consideration of human value as well.

Similar to the other organization Reliance Company also provide financial obligations at the time of full and final settlement of the employee at the leaving the organization. Such as outstanding advance/ loans, undertakings given to the company, cost of mobile as per company policy opting for company's lease car etc. the full and final amount is paid to the employee after recovering all advances / outstanding dues.

Even in financial matters like extending loans/ advances recovery and settlement .This Company has never shown any harsh treatment to the employees this is the testimony that what the company said of the welfare of its employees.

### 16. Health and Safety Measures at Reliance Group of Industries

The top management of RIL devotes considerable time recourses and efforts to recourse on safety as its valuation is in core, which is invested in its employees and makes stronger its safety management system.

The result of which safety of all persons and the pursuit to achieve world class level of operational excellence in safety is the major focus area of the company .This has pursuit of excellence toward sustainable development to go beyond compliance and become world class in ever Management arena. In this context, Reliance Industries has strengthened its management framework with defined structure, roles and responsibilities, group standards audit and training.

### 17. Health Safety Environment at Manufacturing Division

Reliance Group of Industries has created state of the art occupation health care center (OHC) at all manufacturing locations and their major offices. The functioning of the OHC besides emergency medical services, the OHCs also offers preventive and curative health services to its employees. Their OHCs are well equipped with highly qualitative diagnostic and therapeutic equipments and are served by qualified occupational health specialist. Reliance Industries has a provision for all its employees, irrespective of the nature of their work on location; they have to undergo regular periodic medical examination whenever condition is arises.

The Reliance Industries occupational health departments are also in the forefront to prevent the employees from the lifestyle communicable decrease such as malaria,

tuberculosis and HIV AIDS through a series of regular health awareness sessions, daily health tips and personnel counseling.

Reliance Industries limited has also provided full – fledged modern hospital for its other major employees, townships at Vadodara, Nagothane and patalganga. One of the innovative methods of health risk prevention programme is run at all the manufacturing location which is title change Agents for Safety, Health and workplace environment (CASHe) programme. The programme focuses on workplace improvements to promote healthy workplaces and to minimize health and safety risk.

#### 18. Reliance Safety Operation Process

Reliance safety operation process (ReSOP) is program at Reliance Industries which focuses on the behavior safety aspects of all personnel. The safety program has further strengthened by implementing world-class standard that minimizes expectation of safety critical activities. Under this programme Reliance Group of Industries focuses on Key Areas “Process Safety Management” (PSM) this has made the industries to reach the excellence with strategic partnership with DUPONT safety Research which is unique reason in itself. To implement the safety proves and to built capabilities within the industries developed in-house experts in various facts of PSM One of the same is “Process Hazard Analysis” at various plants to reduce the process safety risks to monitor the process of safety performance of company’s manufacturing divisions many verify metrics have been implemented. The other Key areas of PSM are incident investigation, contractor safety management, management of change and auditing are the major focus of the industry for the strengthening the management process. To reduce safety risks and prevent injuries in the short term by identifying and supplementary the safety issues are covered under immediate attention through “Project Health Care” system.

#### 19. Environmental Initiatives Taken at Reliance Group of Industries

Reliance Group of Industries has wide range of integrated in its environment performance in the overall industries. Special and independent audit protocol is executed in the Reliance Group of Industries for the effective performance of the environment standard. In relation to the above Reliance group of Industries gives top priority to the maintenance and performance improvement of all pollution control facilities, like efficient treatment plants (ETP) and air emission facilities. A state-of-art water treatment plant of 18,000 ms/day capacity is installed for the domestic water supply to township and refinery at Jamnagar.

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Further in the production cycle a trail for their re-utilization of polyethylene Terephthalate (PET) waste into polyester Fiber fill (PFF) is recycling plant which successfully carried about at Hoshiarpur Division. Vermi-compost of waste is being carried out at manufacturing division locations at Vadodara, Hazira and Naroda which are significant improvement in re-use of energy context of waste by eco- friendly fuel briquette and biogas. To reduce water dependence from natural source, rainwater harvesting is being practiced at most of manufacturing Divisions of Reliance.

It is observed that Environmental audit is very special tool of Reliance Company which is used at all its functional areas to securitize the operational efficiency. In the same context the company has more than 95 trained lead Auditors for ISO14001:2004. They are appointed to perform internal environmental audits at regularity intervals and excluding it the third party environmental audits are also conducted through statutory audit by state pollution central Board (SPCB) the manufacturing division located at Nagothane, Hoshiarpur and Silvassa are audit by accreditation agencies and environment audit by British Safety council UK.

During the through discussion with the officials of Reliance Group of Industries. It was studied that the company treat employee as the most valuable client for them. The employees were perfectly aware about the company vision and further aware about their role and contribution for the same.

The company provided opportunity to learn, develop grow and contributes at their workplace. The employee at Reliance Group of Industries have mentoring relationship with their superiors which shows an emotional ties with the organization .It reflects the moral of the employees towards the organization and ultimately this research increasing productivity.

The Human Resource philosophy works in such a way as net to do different things, but to do things differently. This has been identify the Reliance Group of Industries customize retention practiced to encourage employees to stay loyal to the organization. Hence, It is concluded that effective recruitment play a very importance in the company and retaining talented employees have taken it to greater heights.

During the detail research of Personnel management of Reliance it was observed that the company has more than satisfactory. The total atmosphere, culture and system of the company are as unique as it also ascertains the achievements to hire good loyal employees and also sustaining them for the longer period of time.

Based on the research study, it is found that the top management of the Reliance Company plans an integrated Human Resource Development system. A mechanism reward for good work is the major concern of Reliance. This has nurture and nourishes the employee

to take their full shape and spread widely. It is clearly found that the top management has taken necessary steps for making the climate conducive for the employees, especially for the managers at different level.

During the study it is highlighted that the company Human Resource Development instruments includes rewards, improved training methods, genuine promotion decision, excellent performance appraisal system, health and safety initiative and environmental issues.

## 20. Conclusions

It is observed that Personnel Management at Reliance Company is basically to align the long term business objectives and vision with the optimum utilization of the human resources. The key reason of the success of the Reliance Company lies in the perfection and efficiency to produce quality products. It is the net result of collection of intellectual whose brains are behind the surprising success of this Company in addition to the cost least apparatus, equipments, machine which has been installed keeping in view the competitive market and the customers' psychology. The whole situation provide conducive atmosphere for the full-fledged intellectual and professional growth of the person who have been engaged in the all folds of the said Company.

During the study it is highlighted that the Reliance Company has well established management system for its personnel management of the company is indeed a dept and sympathetic process. The relationship between management and employees are more prudential. The personnel policy of the company is quite adapted to principle of the human resource policy. In respect if providing training, better environment at work place, security with opportunities and incentive etc. these are the crucial features of Reliance Company. In short, a form of coordination is found within the employees to achieve the excellence.

The Reliance Group of Industries has a holistic view about the training program on continuous basis. It is done with a view of providing to the employee not only suitable opportunities, vision and a positive view about the company in whatever capacity may be.

## 21. Suggestions

It is suggested that Reliance Company should adopt more methods and techniques to emphasis the HR functions such as exist interview, Re-engineering, suggestion schemes, MBO, Stress management and code of Ethics, etc.

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1.

## Transition to Digital Economy: Effects of Cashless Movement on Retailers

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### Abstract

With the move towards digitization pushed forward by demonetization decision on 8th November 2016, the whole Indian economy has gone topsy-turvy, being a cash heavy economy with cash transactions of about 98% in volume, 68% in value and a cash to GDP ratio of 12% it is bound to face hurdles to make itself a cashless society. The logistics involved are enormous. This move has winners like Internet and mobile wallets, payment gateways etc, who have barged in the market with blaring profits and at the other side losers like small retailers and vendors who have suffered a whole in the pocket with drop in sales due to currency crunch and are trying to adopt digital payment modes to maintain their profits. The paper highlights the effects of digitization in wake of demonetization on retailers. The markets have witnessed a shift to modern retail that is supermarkets and online stores, where digital payment options are available. Digitization needs a well developed infrastructure, awareness, education and training. Whether small businesses and retailers are equipped for this burgeoning pressure to become digitized and what cost and how much time span will be required for this transition needs to be analyzed.

Keywords: Digitization, Digital economy, Demonetization, Retailers, Cashless movement.

### 1. Introduction

#### a. Digitalization

Digitization and digitalization are two different words, which are explained in the following manner. Digitization is the process of converting information into a digital format. Digitalization is using digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business. With the motto of "power to empower" and objective of connecting rural areas with high-speed Internet networks and improving digital literacy, digital India campaign is

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a step towards development , growth and a cashless society. For digitalization to take place Indian government is also developing various schemes and incentives for domestic companies to create public private partnerships to provide infrastructure and facilities. In the same line government has also asked Indian mobile companies like Lava ,Karbonn , Micromax and Intex to manufacture affordable and cheap smart phones below Rs 2000 to promote digital transactions.

### b. Digital Economy

It is a dream project of India and all initiatives of digital India start up India stand up India, e government service portals are in line with it. India is trying to imbibe digitization into its whole structure to make itself a digitalized nation and economy.

### c. Demonetization

Demonetization is the act of retirement of old unit of currency and replacement with a new currency unit. Fairly a new word ringing bells in the Indian common man's eardrums, it has become a sensation .After its television debut with introduction by our honorable prime minister Narendra Modi, the meaning for Indians has been scrapping of Rs 500 and Rs1000 notes and revoking their legal tender status. These high denomination notes have now value equivalent to zero. the agenda of this move as declared by the prime minister was curbing black money, bring in the unaccounted income, bringing everyone from small to the big fish under tax net, increase the tax base so that tax burden on honest taxpayers is brought down, eliminate the fake currency generated by illegal foreign presses used for the malign practice of terror funding, stop hawala trade and ultimately to reduce the cash dependency of the Indian economy which is the root cause for corruption facilitation. demonetization is set to diminish the parallel shadow economy of India constituted by black money which is estimated to be 26 percent of its GDP in a report by McKinsey & Company in 2013.By bringing these reserves into the banking system and putting a limit on the withdrawal, the government has also strengthened the banking system which was suffering NPA's and losses from long time .It is a bold move and a first in such a large scale in history of India and as propagated by the government it's a short term pain for a long term gain.

### d. Retailers

For the purpose of this study the term retailers entail small businesses with capital investment up to Rs 2 lakhs . like Fast food hawkers, Vegetables and fruit vendors,Small

kirana stores , Daily needs corner and Beauty parlors on which likely impact of demonetization is more and shift to cashless mode is more cumbersome due to their given nature of small capital investment nature, lack of literacy and prevalent lack of awareness campaigns by the government for digitization to reach such nitty gritty small retailers.

e. Cashless Economy/ Movement

Like Gandhiji's dandi march was a movement for liberation of India from british rule, similarly cashless movement is a move towards cashless economy by PM Narendra Modi to free Indian economy from the shackles of black money and corruption. As defined by civils daily cashless economy is a situation where there is very little flow of cash in the society and thus much of the purchases are done by the electronic media. These media can be debit cards, electronic fund transfer, mobile payments and internet banking etc .A cashless economy is a reflection of a corruption and red tapism free economy where every transaction can be accounted for. Only when a country undergoes digitalization can it become a cashless economy. Though it mirrors an utopian idea, it is coming near to becoming a reality with countries reaching high percentages of cashless transactions like Singapore (61%), Netherlands (60%), France (59%) and Sweden (59%). In India's case the road is long as 98% of its transactions in volume are in cash and 68% of its transactions in value are in cash as per a report by PwC in 2015. But there is a silver lining to every cloud, according to a report by BCG and Google, non-cash transactions will exceed cash transactions by 2023 in India as a result of smart phone explosion and increasing access to internet. The various recent government initiatives like BHIM (Bharat Interface for Money), UPI (United payment interface) BY NPCI (National Payments Corporation of India) and private sector market entries of payment wallets like PayTM, Freecharge for this transformation also look promising .The conversion into a cashless economy for India will be a herculean task taking into consideration, the Indian sentiment and craze for cash, high population, low literacy rates and major demographic dividend of rural population where infrastructure required for such transition is weak.

2. Objectives

- i. To study the concept of digital economy and cashless movement.
- ii. To find out the effect of digitization / cashless transactions on retailers business.
- iii. To study the impact of this transition on profitability of retail business.
- iv. To know the extent of shift in payment modes by retailers

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- v. To analyse the difficulties and hassles faced by the retailers in shifting to cashless modes of payment

### 3. Research Methodology

To study the effects of cashless movement on retail business the researchers have following segments of retail business sector that is: Fast food hawkers, Vegetables and fruit vendors, Small kirana stores, daily needs corner and Beauty parlour. Total 100 numbers of respondents have been selected for this survey. To collect the primary data a small schedule containing approximately 15 questions is designed and data is collected from the respondents of western Nagpur. For the purpose of this researchers have applied have applied random sampling method.

### 4. Limitations

1. The study is limited to the area of western Nagpur.
2. The sample size is limited to 100 respondents.
3. The literacy level of respondents may not be high resulting into unawareness about government policies and agendas.
4. There may be bias in responses.

### 5. Review of Literature

1. C Rangarajan (2016), Former RBI Governor speaking on the long-term impact of the demonetisation measures that the government has initiated, said the retail sector will be hurt if the process of demonetisation continues for a long time. He said, "It will affect the retail trade as most of the transactions are done using cash... At least, the temporary disruption that has been caused in the economy by withdrawing these notes should come to an end as quickly as possible. The temporary disruption should be minimised. They (government) should really rush in the money so that people in general are not affected."
2. Tax Research Team National Institute of Public Finance and Policy ,New Delhi (2016) in its research paper on " Demonetisation: Impact on the Economy" states that impact of the shock in the medium term is a function of how much of the currency will be replaced at the end of the replacement process and the extent to which currency in circulation is extinguished. If some cash balances were mediating in legitimate economic activity and this currency is extinguished there would be a contraction of economic activity in the economy and that is a cost that needs to be factored in while assessing the impact of the demonetisation on the economy and its agents.

3. Pankaj Renjhen (2016) an expert from [indiaretailing.com](http://indiaretailing.com) believes that the Government's recent demonetization move has definitely impacted the India retail industry in the short term due to lack of liquidity in the economy. The use of plastic money and transactions through online payments will continue to release the money into the retail market. As Indian retail segment generates a lot of cash transactions, there might be reduction in the sales over the next one or two quarters. However, the impact is felt more by the small traders and the unorganized retailing segment, rather than the organized retailers. Importantly, the fact that retailers will encourage alternate digital payment solutions will help the marketplace become more transparent and structured. The long-term growth scenario of Indian retail continues to be resilient and growth-oriented.
4. Abhishek Mitra (2016) creator of Tickto Blog, The transition for big retailers to adopt the digital path is not going to take much. The problem lies with the small retailers. But, we also have been surprised at the keen adoption of digital payment by a handful of local fast-food vendors in almost every city in the country. Small traders and vendors have been affected the most as they are facing a huge slump in sale. Many of these small retailers are not equipped enough to make provisions of digital payments for their customers, and for this reason are having to go through a lot of hardships. Small traders are being ignored by the customers as they don't have the provision of accepting debit/credit card or digital payments.
5. P.V.C.Okoye, Raymond Ezejiow (2013) in their paper "An Appraisal of Cashless Economy Policy in Development of Nigerian Economy" in Research Journal of Finance and Accounting. The study indicates that majority of Nigerians are already aware of the policy and majority agree that the policy will help fight against corruption/money laundering and reduce the risk of carrying cash. Major problems envisaged to hamper the implementation of the policy are cyber fraud and illiteracy.

#### 6. Analysis and Interpretation

From the data collected through the schedule it is found that 100% of the respondents (base allocated that is 100) replied that they have bank accounts and ATM cards also. They said that the present scenario compels them to flow with digitization to grow and survive in the competition plus it's a basic necessity in today's world where not having a bank account is an exception.

Table No. 1

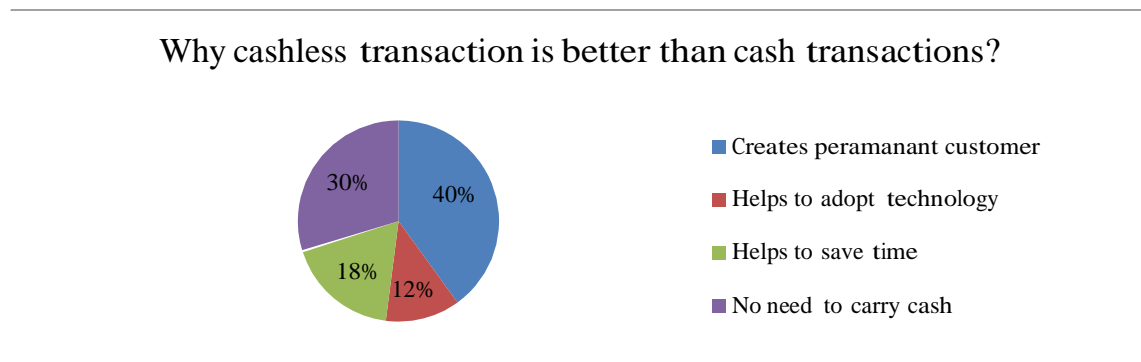
## Bank Accounts and Digitization Awareness

Question	Yes		No		Total
	Number of respondents	%	Number of respondents	%	
Do you have a bank account?	100	100%	0	0%	100(100%)
Do you know about digitization or cashless movement?	68	68%	32	32%	100(100%)

(Source: Primary data)

As shown in table 1, a question was asked to know the awareness about digitization and cashless movement among the retailers in which 68% of the respondents said that they are aware of cashless transactions, while 32% responded that it is not in their knowledge.

Figure No.1

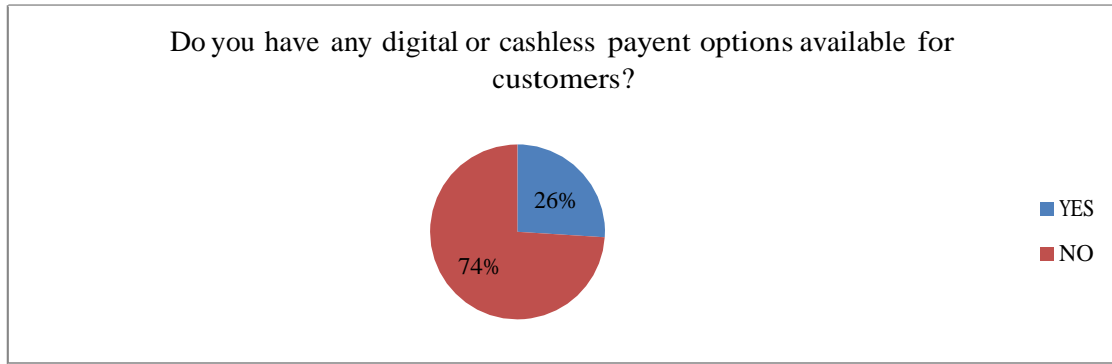


(Source: Primary data)

From figure 1 it is inferred that 40% of the respondents feel cashless transactions creates permanent customer, the reasons underlying may be that digital transactions require safety of credentials so customers do not want to shift their merchants again and again. 12% of them think it helps people to adopt technology as by force they have to learn basics to transact in digital mode. 18% of them think it helps in saving time as they don't have to stand in long queues in banks to withdraw cash and 30% of them think it removes the need to carry cash and saves them from the risk of theft involved in carrying huge amounts.



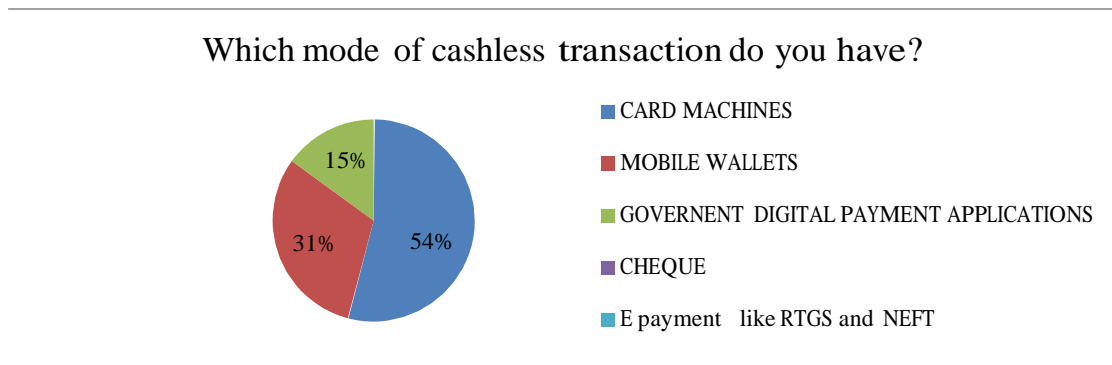
Figure No. 2



(Source: Primary data)

From figure 2 it is inferred that 26% of respondent retailers have cashless payment options available for customers whereas 74% do not provide any such options. It is to be noted that these retailers fall in category of low capital investment, the reasons for not providing customers such options are analyzed further.

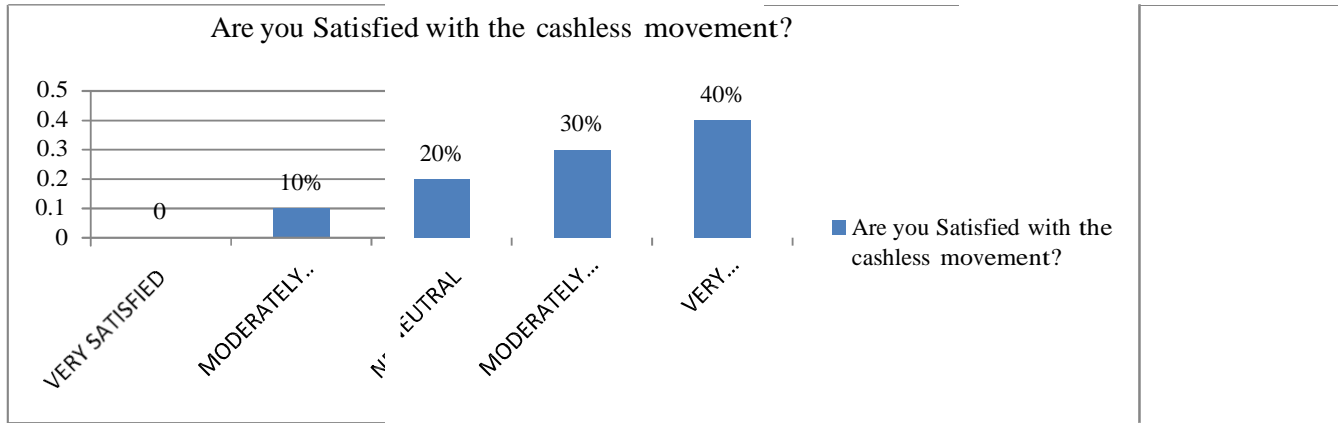
Figure No. 3



(Source: Primary data)

From figure 3 it is found that 54% of the respondents, who provide cashless payment, give the option of card swiping machines for debit and credit card. 31% provide options of mobile wallets like PayTM and Freecharge and 15% provide options of government backed applications like UPI or BHIM. Along with retailers mentioned that they trust card swiping machines more than mobile wallets as the instances of failure are less as compared to various technical glitches present in payment through wallets. Also maximum customers have debit or credit cards, only limited tech savvy young people were comfortable with wallets. Among wallets PayTM has best services in the market due to its herculean efforts to reach each and every small niche market retailer. Government initiatives like UPI and BHIM are present but at a very small scale due to lack of awareness among consumers. The various aggressive advertisement campaigns by PayTM have surely yielded here.

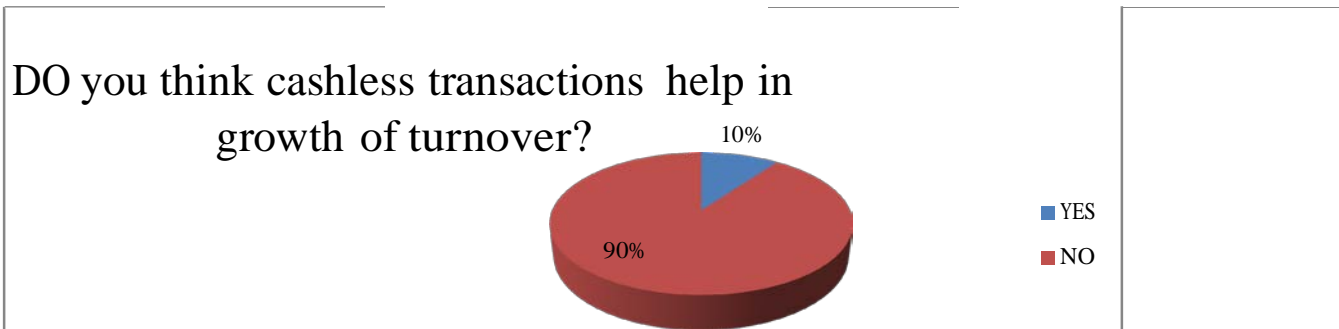
Figure No. 4



(Source: Primary data)

From figure 4 it can be inferred that the market sentiment for cashless movement is not very positive as maximum of them 40% are very dissatisfied with the move this accounts to various reasons analyzed in the next segment. 30% are moderately dissatisfied, 20% are neutral and only 10% are moderately satisfied.

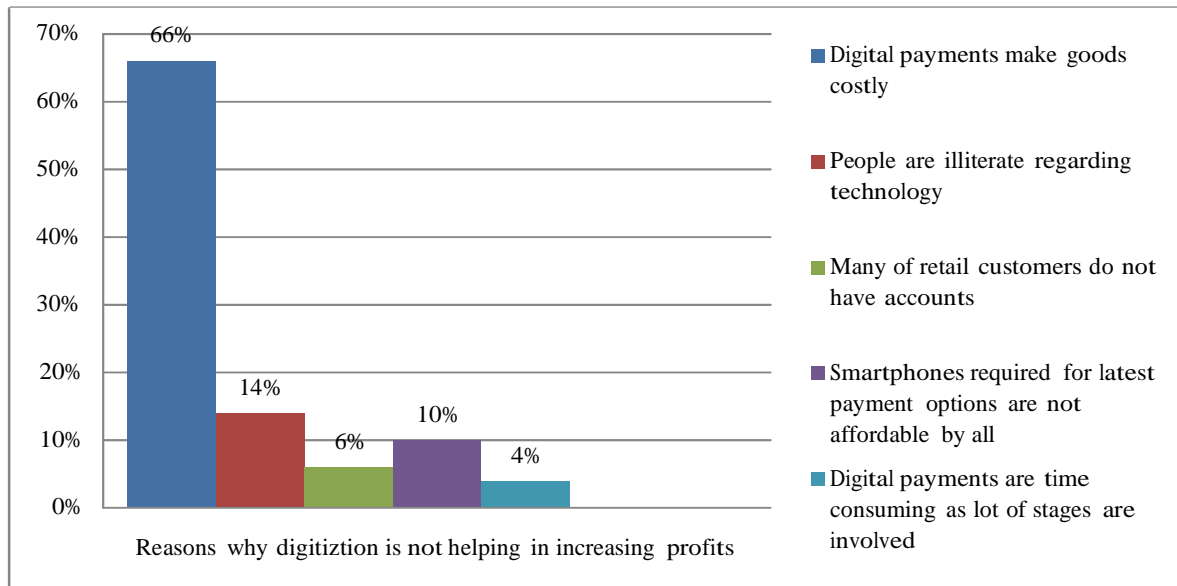
Figure No. 5



(Source: Primary data)

As shown in figure 5, 90% of the majority is opposed to the idea that cashless transactions help in growth of turnover, only 10% are in support of the idea as it helps in saving time, energy and cost and 90% of those who oppose give its credit to the following reasons depicted in figure 6.

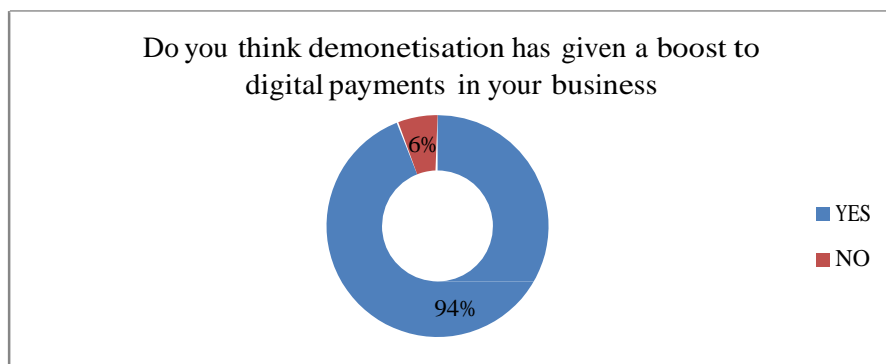
Figure No. 6



(Source: Primary data)

Figure 6 shows the various reasons why digitization is not helping in increasing profits, it can be inferred that the main reason for resisting cashless movement given by all retailers was the cut in their profits which they had to pay to banks providing card machines or mobile wallets giving facilities. 66% of respondents said that these transaction charges are high due to various taxes and service charges levied on them. In 21<sup>st</sup> century just being able to read and write is not suffice, people need to be digitally literate and know how to handle electronic gadgets, 14% of the respondents replied that this is the reason why they are lagging behind in digitization. 6% of the respondents replied that many customers do not have bank accounts, these may be belonging to labor class, daily wage workers or people below poverty line who do not have any quantifiable amount of money to deposit in banks neither they feel the need for a bank account. 10% of the respondents reported that smart phones required for digital transactions are costly and not affordable by all. Government's efforts for domestic production of low cost smart phones may give relief in this aspect. 4% of the respondents said that the digital payments are time consuming as lot of stages in payment are involved, the current platforms need various customer information like account number, IFSC code, OTP, password etc which makes the procedure cumbersome. UPI is one stop solution for all of these problems but its presence in the market is not strong.

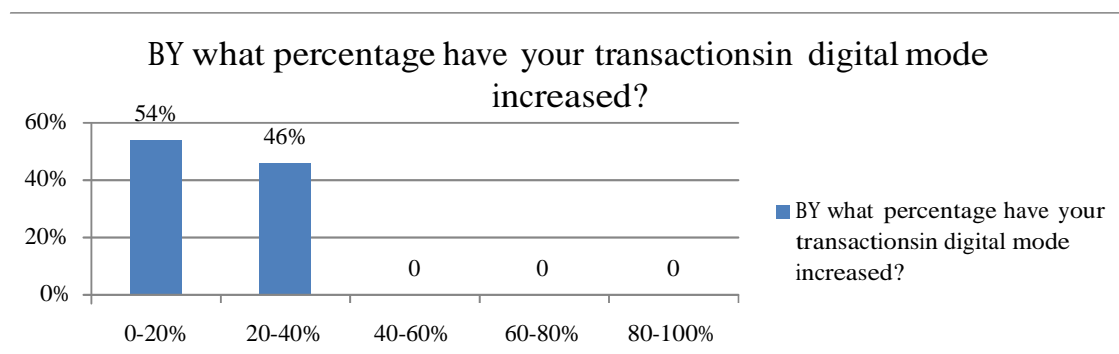
Figure No. 7



(Source: Primary data)

As shown in figure 7, 94% of the respondents who have provided cashless payment options to their customers believe that demonetization has given a push to digitization and cashless movement as due to cash crunch people were forced to make payments digitally and learn to adapt new technology which they avoided and feared for various reasons. Only 6% believe that demonetization has not contributed in this aspect which is a meager figure.

Figure No. 8



(Source: Primary data)

Figure 8 shows that the respondents who reported increase in cashless transactions after demonetization said that among them 54% experienced 0 to 20% increase in cashless transactions as part of their sale and 46% of them experienced 20 to 40% increase in cashless transactions as part of their sale.

## 7. Recommendations

On the basis of study two main problems analysed were digital payments makes a cut in profit of retailers and the other major barrier is illiteracy regarding technology.

- i. Majority of Indian population still resides in villages where even though people are attaining literacy they are lacking behind the urban India in digital literacy. Even in urban area the lower strata of society like labour class is not tech savvy. Age also plays a vital role, young people

are more adaptable to digital changes in the economy. The government should run digital literacy programs or workshops for technologically illiterate people by tying up with various centre and state run entities.

- ii. Retailers have to eventually accept digitization but they need to be given motive which is not there in current scenario. A mechanism has to be built by which their loss of profit can be dealt. Government digital payment platforms are good but they lack presence in the market, government needs some serious efforts to promote them.
- iii. Government app BHIM can solve and tackle both problems as it has thumbprint scanning option which allows illiterate people also to transfer money and currently there are no transaction charges so even retailers will be relieved but government is lacking in its implementation, like PayTM has worked up its way on grass root level similarly government needs to do the same.

## 8. Conclusions

On the basis of the primary data overall finding is that:-

- i. Retailers are generally aware of digitalization and cashless movement and a major push has been given in cashless transactions movement through demonetization as retailers have reported up to 40% increase in cashless transactions.
- ii. As we can see from the study only 1/4<sup>th</sup>(approx) of the respondents have provided cashless transaction modes to their customers,90% of them don't think it helps in increase of turnover and generally they are more inclined towards cash payments because their profit is not shared by mobile wallet companies or card machine providing banks.
- iii. There are various apps available in the market for cashless payments like Oxygen, Freecharge, PayTM, UPI, BHIM etc among them PayTM is leading in customer acquisition in digital payments. Retailers are tying up to start their PayTM accounts because of compulsion to go digital due to lack of liquidity and psychological pressure by the government. Retailers think it is imperative to go digital but fear loss of profit as they have to pay charges for providing such service to the customers. The burden of these charges are born by retailers and not passed to customers to retain them.

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## E-Kranti: A Management Solution for Socio-Economic Challenges

Dr. Prashant Bhagat <sup>1</sup>

### Abstract

Government of India gives highest priority to the Digital India programme that is an umbrella programme for transforming India into a digitally empowered society and knowledge economy. The pillars 4 and 5 of the Digital India programme, namely ‘e-Governance: Reforming Government through Technology’ and ‘e-Kranti - Electronic Delivery of Services’ respectively are directly linked to the e-Kranti: National e-Governance Plan (NeGP) 2.0. The implementation of e-Kranti is vital for Digital India and for the delivery of e-governance, easy governance and good governance in the country. The objective of this paper is to provide a detailed information about E-Kranti ,its principle and its achievement in India and its contribution to economic growth since the beginning of the initiative “Digital India”:

Keywords: e-kranti ,digital India, development, economic growth, e-governance,.

### 1. Introduction

e-Kranti is an important pillar of the Digital India Programme and the programme has been envisaged by the Department of Electronics and Information Technology (DeitY).Government of India gives highest priority to the Digital India programme that is an umbrella programme for transforming India into a digitally empowered society and knowledge economy. The pillars 4 and 5 of the Digital India programme, namely ‘e-Governance: Reforming Government through Technology’ and ‘e-Kranti - Electronic Delivery of Services’ respectively are directly linked to the e-Kranti: National e-Governance Plan (NeGP) 2.0. The implementation of e-Kranti is vital for Digital India and for the delivery of e-governance, easy governance and good governance in the country.

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## E-Kranti: A Management Solution for Socio-Economic Challenges

The main objective of e-Kranti is to accelerate e-governance across India and achieve its vision to: "Ensure government-wide transformation by delivering all government services electronically to citizens via integrated, interoperable systems through multiple modes."

Using e-governance to transform governance, the mission of e-Kranti is to: "Make all government services accessible to the public in their locality via Common Service Delivery outlets; ensure efficiency, transparency and reliability in such services at affordable costs; and realise the basic needs of common people."

For effective management of the e-Kranti, the programme management structure proposed for Digital India programme consisting of a Monitoring Committee on Digital India headed by the Prime Minister, a Digital India Advisory Group chaired by the Minister of Communications and IT and an Apex Committee chaired by the Cabinet Secretary would be used. The structure would have the needed secretarial/ monitoring/ technical support and appropriate decentralization of power and responsibility to ensure effective execution of the various projects/ components by the implementing departments/ teams.

For implementation of the e-Kranti, various Central Ministries/ Departments and State Governments would be involved. Considering the multiplicity of agencies involved and the need for overall aggregation and integration at the national level, it is considered appropriate to implement e-Kranti as a programme, with well defined role & responsibilities of each agency involved, and to create an appropriate programme management structure.

### 2. Objectives Of The Study

- To study one of the important pillars of Digital India programme: e-Kranti for the delivery of e-governance, easy governance and good governance in the country.
- To study various e-Kranti projects.
- To Study various Principles of e-Kranti.
- To study 44 Mission Mode Projects under e-Kranti.
- To understand the use of technology implemented under various sector.
- To provide possible findings.

### 3. Research Methodology

The study is based on secondary data. The required data has been collected from various sources i.e. research papers, various reports on travel and tourism sector in India, Publications from Ministry Of Commerce, Govt. Of India that are available on internet.



#### 4. E-Kranti Principles for Solving Managerial Challenges

•Transformation and not Translation: - This principle emphasizes that , the programs must not merely translate itself from document or Pen and Paper service to Digital service, it must transform itself, so that the end-user(Public) could get hassle free access to government services.

•Integrated Services and not Individual Services:- More often than not ,we have come across issues where various departments of Governments work in silos and there is rarely any co-ordination among them, instead the coordination part rests upon the individual who wants certain services. This give the space for corruption and bribery is paid to move a file from one department to another. But this principle is trying to change that by integrating the departments, making file movement digital, hence coordination part rests upon the departments and not on the beneficiary.

- Government Process Re-engineering:-Elimination of Non-Value-Adds, process optimization, Standardization, Automation and Self service
- Cloud by Default:-Government Cloud as default cloud for services and no requirement of separate infrastructure set up for any service. Government cloud service known as – Meghraj
- Mobile First: - Making services available via Mobile phones
- Use of Mandating Standards and Protocols
- Application of Language Localization
- Standardising Security and Electronic Data Preservation

#### 5. Mission Mode Projects Under E-Kranti

There are 44 Mission Mode Projects under e-Kranti, which are at various stages of implementation. They are as follows:

##### Providing Services

1. Road Transport
2. Central Excise
3. National ID
4. Pension
5. Banking
6. Passport
7. Visa
8. Income Tax
9. MCA21

## E-Kranti: A Management Solution for Socio-Economic Challenges

10. Insurance
11. India Portal
12. CSC
13. Gateway
14. FI
15. EDI

### Providing Service Partially

1. EmplExch
2. PDS
3. Treasuries
4. e-District
5. Agriculture
6. Municipalities
7. Comrl Tax
8. Land Records
9. e-Office
10. e-courts
11. e-Proc
12. e-Biz

### Under Implementation

1. Gram Pts
2. Police
3. e-posts

### Design and Development

1. Education
2. Health
3. NGIS
4. CAPF
5. eBhasha

At Scoping Stage

1. NMEICT
2. Urban Governance'
3. Social Benefit
4. RAHI
5. e-Sansad
6. e-Vidhan
7. Agriculture 2.0
8. Rural Development
9. W&C Development

6. Use of Technology for Socio Economic Development

Technology for Education – e-Education- All schools will be connected with broadband. Free WiFi will be provided in all secondary and higher secondary schools (coverage would be around 250,000 schools). A programme on digital literacy would be taken up at the national level. Massive Online Open Courses (MOOCs) shall be developed and leveraged for e-Education.

Technology for Health – e-Healthcare- e-Healthcare would cover online medical consultation, online medical records, online medicine supply, pan-India exchange for patient information, etc. Pilots shall be undertaken in 2015 and full coverage would be provided in 3 years.

Technology for Farmers- This would facilitate farmers to get real time price information, online ordering of inputs and online cash, loan, and relief payment with mobile banking.

Technology for Security- Mobile based emergency services and disaster related services would be provided to citizens on real time basis so as to take precautionary measures well in time and minimize loss of lives and properties.

Technology for Financial Inclusion- Financial inclusion shall be strengthened using mobile banking, Micro-ATM program and CSCs/ Post Offices.

Technology for Justice- Interoperable Criminal Justice System shall be strengthened by leveraging several related applications, i.e. e-Courts, e-Police, e-Jails and e-Prosecution.

Technology for Planning- National GIS Mission Mode Project would be implemented to facilitate GIS based decision making for project planning, conceptualization, design and development.

Technology for Cyber Security- National Cyber Security Co-ordination Centre would be set up to ensure safe and secure cyber-space within the country.

### 7. Various E-Kranti Projects

#### 7.1 Shram Suvidha Portal

The Ministry of Labour & Employment has developed a unified Web Portal 'ShramSuvidha', catering to four major organisations under its aegis: Office of Chief Labour Commissioner (Central); Directorate General of Mines Safety; Employees' Provident Fund Organization; and Employees' State Insurance Corporation.

The portal's four main features are:

1. Unique Labour Identification Number (LIN) allotted to Units facilitating online registration.
2. Filing of self-certified, simplified Single Online Return by industry. Units will only file a single consolidated Online Return, instead of separate Returns. Amendments to 10 Rules already undertaken.
3. Transparent Labour Inspection Scheme via computerized system as per risk-based criteria and uploading of Inspection Reports within 72 hours by Labour Inspectors.

#### 7.2. Transparent Central Labour Inspection Scheme for Random Inspection of Units

- (a) Computerized list of inspections to be generated randomly as per risk-based objective criteria.
- (b) Serious matters to be covered under mandatory inspection list.
- (c) Complaints-based inspections to be determined centrally after examination of data and evidence.
- (d) Mandatory uploading of Inspection Reports within 72 hours.
- (e) Since the Labour Inspection Scheme's launch, 21,552 inspections generated as on 01 January 2015; of these, 18,149 are already uploaded.
- (f) Ten States have indicated interest in joining 'ShramSuvidha'.

#### 7.3. Efficient Health and Insurance (ESIC)

As a social security organization under the Ministry of Labour & Employment, the Employees' State Insurance Corporation provides comprehensive medical care and cash benefits in contingencies such as Sickness, Maternity Leave, Disablement, death due to on-duty injury and loss of jobs of beneficiaries from the organized sector working class falling in the lower wage bracket.

- Project 'Panchdeep': To digitize internal and external processes and ensure efficiency in operations, especially services to Employers and Insured Persons, ESIC has launched its IT Project 'Panchdeep'.
- Pehchan Card: On registration, the Insured Person's (IP) photograph is clicked and fingerprints of the IP and family members are scanned. Two sets of Pehchan Card

(one for the IP, another for family members) are provided for fast and convenient delivery of services.

- Employer Portal under 'Panchdeep': The Employer Portal permits all transactions online without visiting any ESIC Office, saving time and preventing the drudgery of routine paperwork. Employer-Employee Registrations are done online. The portal enables employers to file monthly contributions, generate Temporary Identity Cards and create monthly contribution challans online.
- IP Portal under 'Panchdeep': Through the IP Portal, Insured Persons can check contributions paid/payable by employers, family details, entitlement to various benefits and status of claims.
- e-Biz Platform: Under the Ministry of Labour & Employment, ESIC is the first entity to integrate its services (Registration of Employers via e-Biz portal of the Department of Industrial Policy and Promotion or DIPP) to promote ease of business and curb transaction costs.

## 8. Findings

- e-Kranti aims to ensure a government wide transformation by delivering all services electronically to the citizens through integrated and interoperable systems via multiple modes while ensuring efficiency, transparency and reliability of such services at affordable costs,” he said during Question Hour. In e-Kranti, 44 Mission Mode Projects (MMP) – 13 central, 17 state and 14 integrated MMPs – are being implemented. Under the 25 operational MMPs 222 services are being provided. More than 192 e-transactions have been reported since January 1, 2016. Avg> 39 Cr. e-transactions in January, 2015.
- Under e-Kranti, the government of India has made concerted effort to make offline government services to be also delivered through online mode, ensuring that all citizens would have access to them, thereby improving the quality of basic governance on an unprecedented scale.
- India over decades built the strengthen in IT sector and it is high time that the Government of India utilizes it to deliver the services. In this regard the e-Kranti is an welcome step.
- However , the major concern is the state of our education and dismal literacy rate which hampers the adoption of technology by masses. More so, IT is a sophisticated platform where many a time even the literate ones unable to transact properly. That

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means, majority of Indians does not have “digital literacy” , hence there is a social resistance to adopt this services.

- In the absence of digital literacy , many take the help of so called “Middle Man” to get the job done.This in turn , hampers the whole idea of e-governance, because one of its primary focus is self-service and eliminate middle man . Instead, it gave rise to a different kind of middle man altogether in India.
- Frauds are rampant and innocents are getting caught in the trap.
- Hence, it is high time , literacy and digital literacy should be separated.
- The good part is , digital literacy only demands few protocols to be followed and once it is communicated and demonstrated properly , it may serve the purpose.
- Another revolutionizing idea is the localization of language, thus letting people transact with their own language. This gives fillip to the e-Kranti altogether.
- Thought , there may be an initial hesitance for adoption of technology , however with time, this will vanish.
- The next trouble is the Infrastructure part.Digital infrastructure is a costly affair and requires huge investment.
- The call cost of India may be then lowest, but the data charges are one of the highest.Often one hears the consumer complain on awful data services.Network should search the phone and connect , instead People are searching for networks (sometime on the roof and sometime on the mountain)

Hence, e-Kranti to succeed, the digital infrastructure should be accessible and affordable, else we will be left will high-end applications but no end-users.

### 9. Conclusion

On the conclusion, though, digital infrastructure is a competitive market and given the market capitalization and presence of healthy competition , right push and policies can troubleshoot these problems , there by making e-Kranti a grand success.

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## Corporate Social Responsibility Initiatives of Indian Companies

Dr. Vandana Kawadkar <sup>1</sup>

### Abstract

Corporate Social Responsibility (CSR) is becoming an increasingly important activity to businesses nationally and internationally. It ensures the success of a business by the inclusion of social and environmental consideration into a company's operation as positive contribution to society. But the challenge for development professional and business community is to identify CSR priorities and the areas of interventions which are meaningful in the context of rural development sector. Therefore, there is a need to study and understand how corporate enterprises are using CSR initiatives and the impacts of CSR actions on socio-economic development of India.

India has a long rich history of close business involvement in social causes for national development. In India, CSR is known from ancient time as social duty or charity, which through different ages is changing its nature in broader aspect, now generally known as CSR.

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India's freedom movement, and embedded in the idea of trusteeship. As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects.

The ideology of CSR in the 1950s was primarily based on an assumption of the obligation of business to society. In initial years there was little documentation of social responsibility initiatives in India. Since then there is a growing realization towards contribution to society. It has also been found that to a growing degree companies that pay genuine attention to the principles of socially responsible behavior are also favored by the public and preferred for

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## Corporate Social Responsibility Initiatives of Indian Companies

their goods and services. This has given rise to the concept of CSR. Therefore, there is a need to study and understand how corporate enterprises are using CSR initiatives and what is the impact of CSR actions on socio-economic development of people in rural areas?

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

### 1. Definition of CSR

The European Commission's defines CSR as "the responsibility of enterprises for their impacts on society". To completely meet their social responsibility, enterprises "should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders"

Council for Sustainable Development defined CSR as "the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large."

Gray, Owen & Maunders in 1987 defined CSR as "the process of communicating the social and environmental effects of organisation economic actions to particular interest groups within society and to society at large."

From the above definitions, it is clear that

- The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses.
- CSR needs to address the well-being of all stakeholders and not just the company's shareholders.
- Philanthropic activities are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits.

Most of the business houses and corporate have been taking up social welfare activities from time to time. The short term, charity-based welfare interventions are being replaced by long-

term, empowerment based Corporate Social Responsibility (CSR). CSR is being considered as an imperative for carrying on business in the society rather than as a charity. While CSR is relevant for business in all societies, it is particularly significant for developing countries like India, where limited resources for meeting the ever growing aspirations and diversity of a pluralistic society, make the process of sustainable development more challenging. The companies have initiated for CSR, taking into consideration the concept of firms sacrificing profits in the social interest within the environmental realm.

a. Infosys

Narayan murthy chairman and chief mentor of Infosys has always been on the forefront of philanthropic activities as a part of CSR. Mr. Narayan murthy firmly underlines the significance of CSR: “for benefit of globalization and technology to reach the poor, the private sector, philanthropic institutes and individuals should cooperate and establish partnership with government institutions. This would lift millions of our people out of the poverty, provide them with opportunities and make them participate in the process and progress of globalization”.

b. Indian Oil Corporation

Indian Oil Corporation is also been forefront in case of national emergencies. Few of the initiative is providing petrol/diesel station dealerships and LPG distributorships to beneficiaries from among Scheduled Castes, Scheduled Tribes, physically handicapped, ex-servicemen, war widows, etc. and also kisan seva Kendra. In case of environment it has favored for green fuel. It is the firm resolve of Indian Oil people to move beyond business, touch every heart and fuel a billion dreams.

Following are the schemes followed by Indian Oil

1. Environmental sustenance: IOC provides many options in alternative fuels such as ethanol-blended petrol, bio diesel, and hydrogen and hydrogen-CNG mixture.
2. Health-care: Indian Oil has a concerted social responsibility program to partner communities in health, family welfare, education, environment protection, providing potable water, sanitation, and empowerment of women and other marginalized groups.
3. Natural Emergency Assistance: Indian Oil has been in the forefront in times of national emergencies. Employees of IOC have rallied to help victims of natural calamities, maintaining uninterrupted supply of petroleum products and contributing to relief and rehabilitation measures in cash and kind.
4. Community Development: Allotment of petrol/ diesel station dealerships and LPG distributorships to beneficiaries from among scheduled castes, scheduled tribes, physically handicapped, ex-servicemen, war widows, etc.

## Corporate Social Responsibility Initiatives of Indian Companies

5. Pro-farmer Initiatives: Kisan seva Kendras are small-format retail outlets to reach quality products and services to people in the rural areas.
6. National Heritage: Indian Oil has also set up the Indian Oil Foundation (IOF) as a non-profit trust to protect, preserve and promote national heritage monuments.
7. Cultural Initiatives: The corporation also supports a variety of endeavors in arts, culture, music and dance, apart from organizing programmes on its own under the banners of Indian Oil Art Exhibition, Indian Oil Sangeet Sabha and Indian Oil Kavi Sammelan.
8. Global Stand: Indian Oil is also committed to the Global Compact Program of the United Nations and endeavors to abide by the 10 principles of the program.

### c. Tata Steel

Tata Steel is the only Indian company to have pledged to translate the Global Compact principles on human rights, labor and environment into practice and was conferred the Global Business Coalition Award for Business Excellence in the Community for HIV /AIDS. Over the years, the nature of the company's involvement with the community has undergone a change. It has moved away from charity and dependence to empowerment and partnership. The many facets of Tata Steel's efforts are medical and health services in the rural and semi-urban areas, sports, women's health and education, water harvesting and tribal development, relief and rehabilitation and income generation, among others.

### d. Mahindra & Mahindra

The K C Mahindra Education Trust was established in 1953 by late Mr. K C Mahindra with an objective to promote education. Its vision is to transform the lives of people in India through education, financial assistance and recognition to them, across age groups and across income strata. The K. C. Mahindra Education Trust undertakes number of education initiatives, which make a difference to the lives of deserving students.

### e. Dabur

SUNDESH Sustainable Development Society (SUNDESH) is sworn to the mission of ensuring overall socio-economic development of the rural and urban poor on a sustainable basis, through different participatory. It aims to reach out to the weaker and more vulnerable sections such as women and children, illiterate and unemployed of the society. Over the years, it has contributed to many worthy causes, addressing children's literacy, improving healthcare services, skill development, and environment, to name a few.

### f. Reliance Industries Limited

They have launched a countrywide initiative known as "Project Drishti", to restore the eye sights of visually challenged Indians from the economically weaker sections of the society.

This project, started by one of India's corporate giants has brightened up the lives of over 5000 people so far.

g. ITC

ITC's One Paisa Campaign Being a large tobacco corporation is no easy task from corporate responsibility viewpoint. How can a company that produces cigarettes for a living actually fulfill its social and profit responsibilities and look good at the same time? Well, ITC (Indian Tobacco Corporation), the largest tobacco company in India has managed to create an altered image for itself by promoting its social activities through its many faucets of income. For example, through its proprietary notebook and college equipment brand name, Classmate, it collects one paisa from every sale to donate to NGOs and feed hungry, below poverty, children in India. Every item sold under its clothing brand name and any other outlet shall have a certain percentage given back through plantation of trees or feeding hungry stomachs.

h. IBM India

There initiatives are shaped by the IBM global initiatives. There is no one group within the company that looks after CSR. There are several groups within IBM that address different segments of the community IBM works with. For example in IBM, India the Community Relations team focuses on primary education and in deploying technology to improve the quality of life of the disadvantaged section of the community. Similarly, there are groups that address the issues of diversity, environmental citizenship and university relations. For the Indian company whatever the CSR activities are happening are centered on education, rural upliftment and helping the physically challenged. Some of the CSR initiatives the major IT companies have undertaken are:

- Education for all,
- Community development,
- Volunteering anyone.

i. Aditya Birla Group

Its CSR projects are carried out under the aegis of the "Aditya Birla Centre for Community Initiatives and Rural Development", led by Mrs. Rajashree Birla. The Centre provides the strategic direction, and the thrust areas for their work ensuring performance management as well.

Company's focus is on the all-round development of the communities around its plants located mostly in distant rural areas and tribal belts. Company's partners in development are government bodies, district authorities, village panchayats and the end beneficiaries the villagers. The one of its unique initiatives is to develop model

## Corporate Social Responsibility Initiatives of Indian Companies

villages. Making of a model village entails ensuring self-reliance in all aspects viz., education, health care and family welfare, infrastructure, agriculture and watershed management, and working towards sustainable livelihood patterns. The focus areas are healthcare, education, sustainable livelihood, infrastructure and espousing social causes.

### 2. Conclusion

Today, CSR in India has gone beyond merely charity and donations, and is approached in a more organized fashion. It has become an integral part of the corporate strategy. Indian companies are realizing that without socio-economic development of the local communities, there can be no stability and sustainability for doing business so as to compete with the global market. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them.

It can be concluded that in today's informative world where information are readily available to general public CSR has been an important part of any organization to be successful. Organization in present world cannot be successful without taking into account the social responsibility. CSR has been a vital component for any organization to have perpetual success and to create brand. CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. This is one of the key drivers of CSR programs. Another reason fuelling this rapid adoption of CSR is the state of the Indian society. Though India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. are still ubiquitous and the government has limited resources to tackle these challenges. This scenario has opened up several areas for businesses to contribute towards social development.

A wide range of CSR initiatives ranging from income generation activities for livelihood, health check-up camps, mobile health services, education, adult literacy, agricultural development, provision of drinking water, management and development of natural resources, infrastructure facilities being carried out by these companies.

Government can encourage economic players to consider ethical, social and environmental criteria. Government should play the role of motivator, enabler, facilitator rather than director of corporate social responsibility. Annual report on Corporate Social Responsibility should be prepared to highlight the company's commitment for sustainable community development. Social audit should be conducted by an external agency to assess the CSR performance of the Company.

Every company needs to emphasize on CSR activities to strengthen their market position, improve goodwill and thereby profitability and last but not the least to give back something positive to the society and environment.

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## Digital Marketing for Socio Economic Development of India

Prof. Mihir C. Shah<sup>1</sup>

### Abstract

We're over a month through 2017 now, and the year has been an eventful one in the marketing and advertising community. With the pace of technological development being what it is, it's unlikely that the momentum of new online marketing strategies will die down anytime soon, if at all. If you're like me and most other online marketers, you're excited to be in the game, there are countless new opportunities to reimagine your brand and connect with your customers in different ways, but it's also a bit intimidating to keep up with the pace of change.

The objective of this paper is to keep up with the pace of change in the digital world and for that I've compiled this list of few online marketing trends which contribute to socio economic development of the country and there's still plenty of year left to take advantage of them.

Keywords: e-market ,digital India, marketing, trends,

### 1. Introduction

We're over a month through 2017 now, and the year has been an eventful one in the marketing and advertising community. With the pace of technological development being what it is, it's unlikely that the momentum of new online marketing strategies will die down anytime soon, if at all. If you're like me and most other online marketers, you're excited to be in the game, there are countless new opportunities to reimagine your brand and connect with your customers in different ways, but it's also a bit intimidating to keep up with the pace of change.

The objective of this paper is to keep up with the pace of change in the digital world and for that I've compiled this list of few online marketing trends settling into the thick of 2017 for socio economic development of India and there's still plenty of year left to take advantage of them.

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## 2. Objectives of the Study

- To study recent trends in digital marketing for socio economic development of India.
- To study various digital marketing trends.
- To provide possible findings.

## 3. Research Methodology

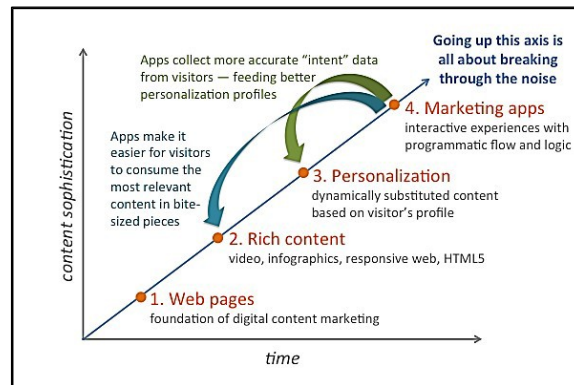
The study is based on secondary data. The required data has been collected from various sources i.e. research papers, various reports on travel and tourism sector in India, Publications from Ministry Of Commerce, Govt. Of India that are available on internet.

## 4. Digital Marketing Trends For Socio Economic Development

### 4.1 Content marketing trends:

Content marketing has been in the top 3 for the last 3 years we have run this post, so we focus a lot on how to create an integrated content marketing strategy through advice in our content marketing toolkit. Our research with HubSpot, illustrated in the Competing on Content infographic, shows that more businesses are now using a strategic approach (40%), so this is a trend we can expect to see continuing in 2017. We can also expect that there will be more focus on Measuring Content Marketing ROI as the cost and competition within content marketing increases. At a practical level, Martech Guru Scott Brinker has talked about the 4th Wave of Content Marketing and I'm seeing more and more examples of interactive marketing apps - like our capability graders and also personalisation tools recommending content. Read his article, introducing it, a great read and you can check out the ion Interactive examples of interactive content marketing.





4.2. Big Data:

As defined in our question, Big Data marketing applications include market and customer insight and predictive analytics. The 3Vs of Big Data show why this is a key trend selected by many, who have experienced the increase in volume, real-time data and data formats in their business and want to exploit the value to increase sales through personalisation on websites and through email marketing through predictive analytics - a topic we have covered many times on our blog. It's also closely tied into machine learning where Big Data is mined to identify propensity to convert given different customer characteristics and behaviour.

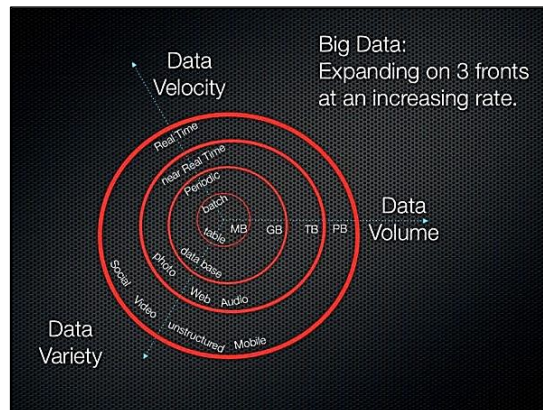
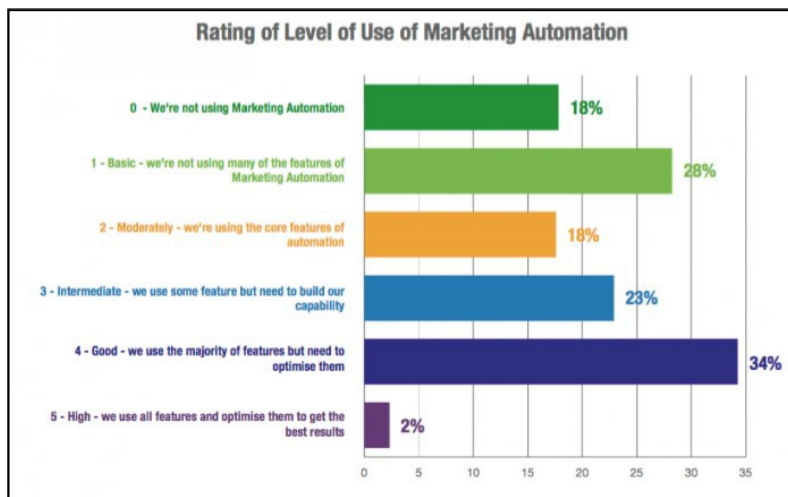


Image original source from DiyaSoubra in a Data Science blog - The 3Vs that define Big Data

4.3. Marketing Automation (including CRM, behavioural email marketing and web personalisation)

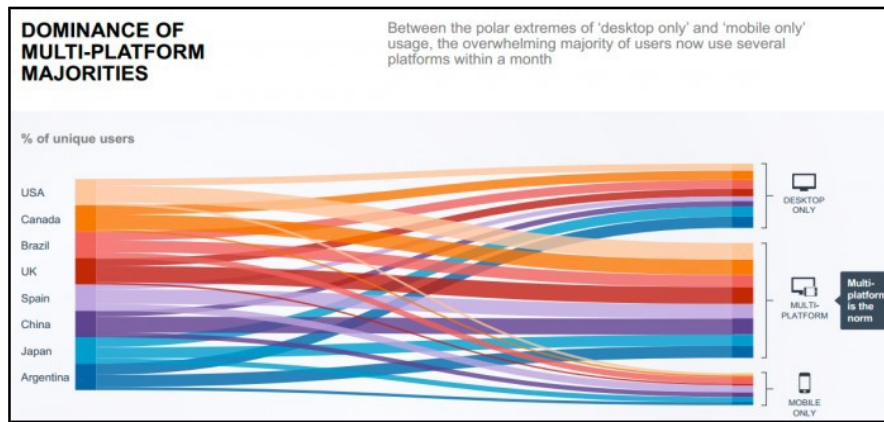
Like content marketing, marketing automation has been in the top 3 for the last 5 years we have asked this question. Many businesses still have potential for improving their automation as our research on the State of Marketing Automation shows.



#### 4.4. Mobile marketing (Mobile advertising, site development and apps)

Mobile was in the top 3 three years ago, but as more companies have adopted mobile responsive web design and email templates they have seen less need to focus on it, or at least there are fewer opportunities for growth. However, research shows that retail conversion rates are significantly lower on smartphone, so there is work to be done for many businesses to optimise conversion on mobile, although they will likely always stay lower than desktop.

Mobile also has a large impact on search marketing as Google vigorously follows its mobile first mantra. To me, it's a somewhat misleading mantra, since the reality is that many web users are still using desktop, laptop and tablet devices and there is a danger with mobile responsive designs that conversion on higher resolution screens may fall if mobile optimised. Instead, leading companies are looking at adaptive mobile design approaches which have the benefit of serving more relevant, contextual content and CTAs for users and reducing load times. 'Mobile first' is also misleading if we look at the overall customer journey since often different devices may be involved at different points. So a better vision for mobile strategy is treating it as part of a multiplatform or multichannel strategy. As this data from comScore highlighted in our mobile marketing statistics research shows, the multiplatform ribbons for all countries are much broader than users who are mobile only or desktop only.



#### 4.5. Social media marketing:

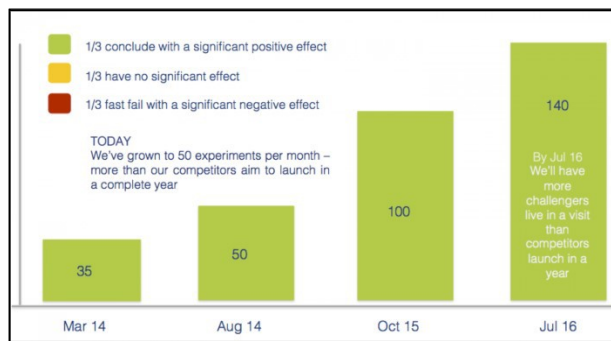
When I meet marketers at events and training I find there is still huge interest in social media, thanks to its reach and options to engage audiences and encourage advocacy or 'social media amplification' to give it the full treatment.

Our [social media research statistics summary](#) shows continued growth in social media usage overall, but with reduced popularity of some social networks in some countries. For example Twitter and Facebook are in decline or plateauing in many western markets while Snapchat, Instagram and Pinterest are still growing in usage.

Trends in social media marketing are often controlled by the efforts of the social networks to monetise and this has seen Facebook and Instagram, in particular make changes such that businesses now need to 'pay to play' to get the reach needed to have an impact. They have continued to innovate in their targeting and remarketing options. Jason DeMeyers has these interesting views on [social media trends for 2017](#).

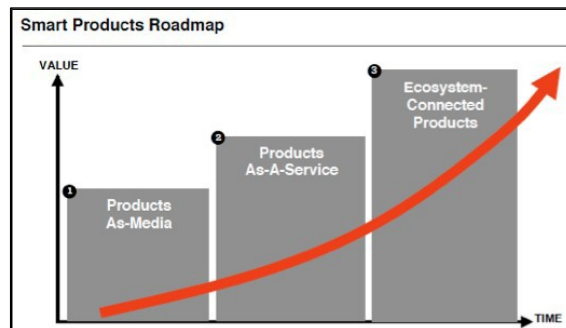
#### 4.6. Conversion rate optimization (CRO):

This is the technique I selected a year ago as the way Smart Insights would see the most growth from in the year ahead. It's higher in popularity than previous years, but I still wonder whether many businesses are missing out on a more data-driven approach to increase leads and sales from their websites.



## 4.7. Internet of Things (IoT) marketing applications

IoT is one of the most important marketing technology applications of the last 2-3 years, but it is of most relevance to devices makers and retailers, so it is relatively high-up in this ranking of priorities. There are expected to be 75 billion connected devices by 2020, meaning there will be ten times as many devices able to talk to one another as there will be people on the planet! The implications are huge and far ranging. All this sharing of data will transform the way we live our lives. Our article covering opportunities and examples of marketing applications of the Internet of Things has this useful summary of alternative applications:



## 4.8. Search Engine Optimisation:

Mobile marketing SEO techniques will be particularly important in 2017 with Google's recent announcements about the mobile index and AMP. We have seen huge increases in AMP smartphone traffic since September 2016 when Google rolled AMPs out beyond Google News. AMPs are targeted at publishers, but should be considered by businesses with an active blog too in my opinion.

## 4.9. Wearables:

Wearables are one of the hottest consumer consumable commodities (e.g. Apple Watch, activity trackers, augmented reality)

4.10. Paid search marketing:

Google AdWords is the most important form of Pay Per Click and here Google has been pursuing their 'Mobile-first' strategy by building out these features.

4.11. Online PR (including influencer outreach)

Online PR today is inextricably linked with Content marketing, SEO and Social media, or it should be. But this doesn't get a top rating since the others are important.

4.12. Communities

These are branded niche or vertical communities.

4.13. Display advertising

This includes banners on publishers, ad networks social media including retargeting and programmatic.

4.14. Partnerships including affiliate and co-marketing

A neglected aspect of digital marketing, perhaps unsurprisingly unsexy.

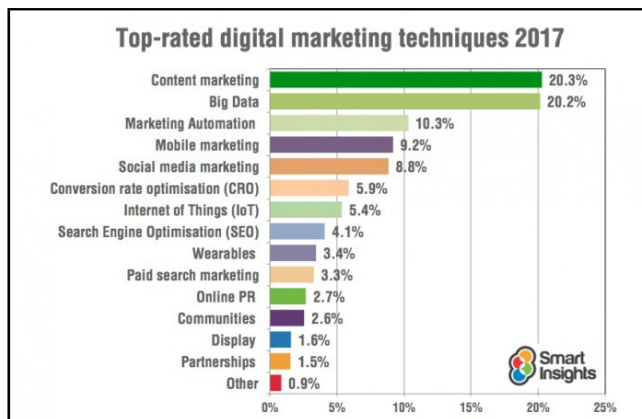
4.15 Other trends

This is an interesting category since readers can tell us what we're missing. Suggestions here include:

- Account Based Marketing (ABM) - relevant for B2B marketers targeting large accounts we have a new guide in our B2B toolkit on this early in the new year.
- Digital OOH (Out-of-home) - A surprising one for the number one technique
- Employee advocacy and feedback - interesting to see the internal marketing perspective - again surprising to see as the main growth point
- Machine Learning - as mentioned at the top of the article

5. Findings

According to Smart Insights readers their opinion on the most important trendsFor 2017 was:



## 6. Conclusion

These online marketing trends are all opportunities, in one form or another. Some are new technologies you can use to better reach your audience, while others are strategic approaches that are particularly powerful in the modern era. I highly recommend you consider integrating these online marketing strategies into the fold of your own campaigns; not all of them will be relevant to your brand, and not all of them will end up being effective, but they're all worth considering for your broader campaign..

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1.

## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

Mrs. Nikita Dholakia<sup>1</sup>

### Abstract

Human Resource Management is undergoing a major transformation in today's organizations. In any kind of business, human resources are the most powerful sources. How to attract outstanding personnel, how to make use of employee's knowledge, abilities, skills and potentials in order to help achieve the organizations objective are the questions that every company should take into consideration. Competency mapping is a very essential part of Human Resource Management (HRM), it is a path for the management to know about their employees, it is a way to help employees to make best use of their own abilities and skills, and it is a method to assist employees to become more professional at what they do. A combination of knowledge, skills, attitude and personality of an individual as applied to a role or a job in the context of the present and future environment that accounts for sustained success within the framework of organizational values. Sometimes competencies are also defined as "cluster of successful Behaviors." This paper focuses on competency mapping process and examines how competency mapping enhances the manufacturing industries effectiveness at Hariom Plastics, Nagpur.

Keywords: Competency, Competency Mapping

### 1. Introduction

Human Resource is the most vital asset in any organization. Hence they need to be properly shaped, maintained and enhanced. All the functions and activities which are related to the human aspects come under the purview of human resource management. A combination of knowledge, skills, attitude and personality of an individual as applied to a role or job in the context of the present and future environment that accounts for sustained success within the framework of organizational values.

In any kind of business, human resource are the most powerful sources. How to attract outstanding personnel, how to make full use of employee's knowledge, abilities, skill and potentials in order to help achieve the organizational objectives are the questions that every company should take into consideration.



## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

Competency mapping is a very essential part of Human Resource Management (HRM), it is a path for the management to know about their employees, it is a way to help employees to make best use of their own abilities and skills, and it is a method to assist employees to become more professional at what they do.

Sometimes competencies are also defined as “Cluster of successful behaviors.”

Competency mapping is a process of identification of competencies required to successfully perform a particular job or role or a set of tasks at a given period of time. It consists of breaking the given job into constituent tasks and identifying the competencies needed to perform the job successfully. It is a way of assessing in strengths and weaknesses of the employees or organization. It's about identifying a person's job skills and strengths in areas like teamwork, leadership, and decision-making.

For building strong working relationship within the organization, competency of the people has to be continuously monitored and enhanced in congruence with the business plan. There are various competencies including initiative taking, strategic thinking, relationship building, teamwork, cooperation & collaboration, communication, strategic thinking problem solving & decision making etc. competencies vary from job to job, department to department. For different departments and different jobs, these competencies have separate weight age. Accordingly, competency mapping rates the employee's skills and help them to improve the competence which is important for their career development. In views of the recent development of liberalization and globalization, every organization has to achieve excellence to become global. Competency development will play a pivotal role in this regard.

### a. What are Competencies?

Competencies are the characteristics of an employee that lead to the demonstration of skills and abilities, which result in effective performance within an occupational area.

A cluster of related knowledge skills and abilities that affects a major part of one's job that correlates with the performance on the job, that can be measured against well accepted standards and that can be improved via Training and Development.

An underlying characteristic of a person result in effective and/or superior performance on the job.

In other words, competencies are characteristics that outstanding performances do more often in more situations with better results, then average performers.

Five types of competency characteristics

- i. Motives: The things a person consistently thinks about or wants that cause action.
- ii. Traits: physical characteristics and consistent response to situation or information.



- iii. Self-concept: A person's attitude, values or self-image.
- iv. Knowledge: Information a person has in specific content areas.
- v. Skills: The ability to perform a certain physical or mental task.

Considering the significance of competency mapping in an organization, the research paper has been undertaken with reference to HARIOM PLASTICS which is one of the plastic manufacturing industries based at Nagpur.

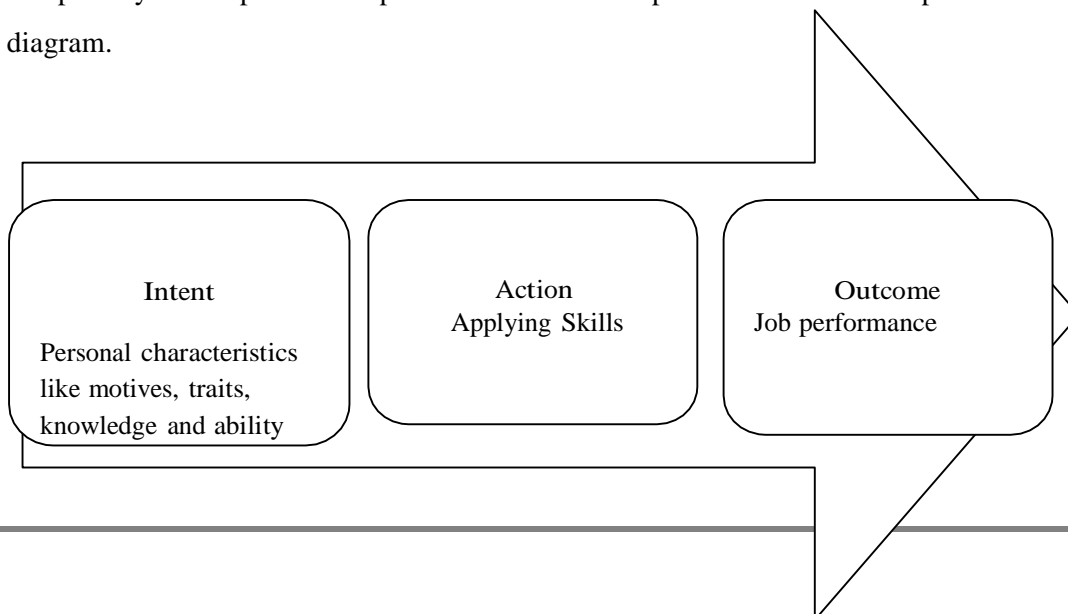
Hari om Manufacturing Industries, a Nagpur based company was established in the year 1990 and has 300 employees working in the industries. Industry reflects a dedication to serve which has been a trade mark since having been founded as a family business. Since then they have taken rapid strides (long decisive step) to become one of the major manufactures of polythene and polymer compounds.

Industry manufactures all kinds of plain bags and LDPE sheets, specializing in the manufacture of Garbage Bags on Roll with Star sealing ad attached tie-tapes for easy disposal. It also manufactures many kinds of polythene and polypropylene bags used in various applications like packaging readymade garments, shopping bags, carry bags, plain bags, etc.

#### b. Competency Mapping at Hariom Plastics

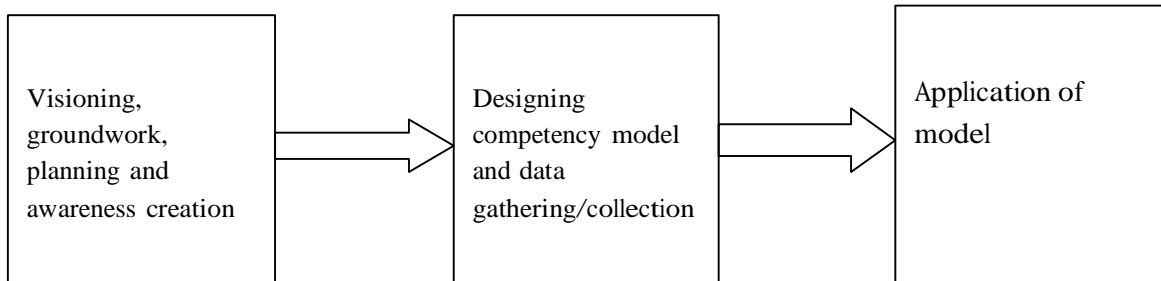
Every organization that wants to achieve its goals in terms of productivity, quality, profitability, stability and growth and increase organizational Effectiveness, it must pay attention to the enhancement of competencies of is human resources in a systematic and planned manner.

Human resource department is responsible for the development of the employee's competencies, motivation and effectiveness in a systematic and planned manner. The competency development is a process which can be presented with the help of following diagram.



## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

The competency in Hariom plastics industries is the underlying characteristics of a person which enables them to deliver superior performances in a given job, role or situation. The various components of competence assessment of the jobs have been explained with the help of following diagram.



### A. Visioning, groundwork, planning and awareness creation.

For the purpose of competency mapping of the employees, all the employees of the company were explained the objectives of competency mapping in their departments separately under the supervision of the departmental heads. The attributes, skills and knowledge variables were studied and selected in consultation with the heads of departments in HR department.

### B. Designing competency model and data gathering.

### C. Application of model

## 2. Literature Review

Chankaya in his book “Arthashastra” has explained competency mapping models as early as 3000 years ago. But in the present time McClelland [1973] pioneered competency movement. In his study, he has presented data to show the traditional achievements and intelligence scores may not be able to predict job success and it is only the exact competency required to perform a given job effectively and measuring them using the variety of tests, one can be sure about his profile.

(Farah 2009) has discussed about the performance of companies depends mostly on the quality of their human resource. For obvious economics and business reasons, organizations have always been concerned about the competence of its people. This paper seeks to deliver deeper into the concept of competency, tracing its history and its role in the present context. It explains how the concept has constantly evolved over the years, its applications in human resource management, and development in the present scenario. It also aims to study its

future prospects in the light of other emerging areas like talent management. This paper proceeds with the examples of companies, which have successfully integrated.

(Kodwani, Amitabh Deo 2009) has focused on the performance is the mantra of today's business organization. People with right abilities are able to perform better. Competencies are the set of such skills and abilities (technical as well as behavioral) which are required for desired level of performance. Right competencies are the key to superior performance. These days most of the business organizations are dealing with a problem of competency mapping, which is basically attaching of capacity of an individual that leads to behavior and the organizational/job requirement.

(Rice 2006) the author reflects on the leadership development among healthcare executives in the U.S. According to the author, competency-based leadership development does not just drift, however it is intentionally focuses on clear career aspirations. Meanwhile, he stressed that disciplined approach to career growth will enhance the organization's performance. Along with these growths is career planning for the health leaders that would set as innovative strategies for development, the author believes.

Yuvraj (2011) has explained the job competencies required to work in a manufacturing industry, professionals for knowledge, ability and attitude. Gap analysis was also made to a limited extent.

Katz (1994) in his study on competency mapping grouped competencies under three categories including Technical, Managerial and Human Behavioral.

### 3. Objectives of the Study

The study has been undertaken with the following objectives in mind.

- i. To study the job roles and job description of the respondents at Hariom Plastics
- ii. To study the level of leadership competence as required by their future expected roles.
- iii. To study the gaps in actual and desired competencies.

### 4. Scope of the Study

Hariom plastic manufacturing industry is located in Nagpur, and scope of study is limited to plant.

### 5. Significance of the Study

The study is of great significance to the employees and the organization as it provides an insight to the individual to ascertain the competencies he possesses, the potential he has in him and the perception of the superiors and other members about his abilities. The organization on the other hand is likely to be benefited from this study as it will be able to

## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

analyze the training needs, the gaps in actual and desired skills, future perspective for development in an individual. It will also help the company to improve its overall efficiently and effectively.

### 6. Limitation of the Study

As the study is limited to the plant only as stated above, result cannot be generalized. Further, the result cannot be compared with any other company or industry because of the variations in HR policies, work culture and employee competencies.

### 7. Research Methodology

Primary data has been used for the study. However, at appropriate places, secondary data has also been used. The data on employee competency has been collected from the industry records, personal interaction with the employees, their superiors, peers and employees of other departments.

For this purpose, the various parameters of attributes, skills and knowledge were framed in accordance with HR policies, job roles and KRAs which were approved by the HODs and the HR department.

For the purpose of data collection, 32 employees were selected on random basis.

#### a. SAMPLING PLAN

Universe of the sample: 300

Sample: Approximately 10% i.e. 32 respondents at different levels of management

Sampling type: Random

#### b. DATA COLLECTION

To assess employee competencies, the data was collected. Following steps were taken for this purpose.

- i. Job Description was finalized in consultation with the HRD Department.
- ii. The job description of the employees was finalized after the following process was undertaken.
  - a. The employee approved the job description
  - b. The HODs approved the information in the job description to avoid exaggerations
  - c. To avoid biasness, review of the HR Department was obtained.
- iii. The assessment of the employees on three aspects was taken up
  - a. Attributes
  - b. Skills

- c. Knowledge
- iv. Various parameters on all the above three variables were selected. These parameters were further elaborated by adding factors of each parameter in more clarity and precision.
- v. The parameters have been derived from the Key Result Areas (KRA) included in the Performance Appraisal System of Hari Om Plastics Industries.
- vi. The score on all three variables viz. attributes, skills and knowledge were averaged to find the final score. Assessment was made on the basis of five point scale in personal interaction with each of the employees. The final score was used to analyze the ranking of each employee on 5 point scale.

In order to study the competency development skills among the Hari Om Plastic Industry, following steps were undertaken

- Job description
- Score on attributes, skills and knowledge of the employee
- Assessment of overall competency of the employees
- Evaluation of overall skills of the employees to know the level of managerial competence in them.

a. Job Description

Job Description explains the job roles, responsibilities, knowledge and skills of the employees. Job description in Hari Om Plastic Industry has been prepared after having interaction with the employees, HODs and Peers. It is not possible to present the Job Description of all the employees here.

b. Scores on attributes, skills and knowledge of the employees

The competency mapping of an employee is the sum total of three variables- Attribution, skills and knowledge. Various competencies have been analyzed on the basis of behavioral indicators (result oriented, performance focus, trustworthiness, quality orientation, ability to learn, problem solving and decision making, team work, relationship management, etc). These indicators have been used as parameters to assign scores on particular variables. The scores were assigned to the respondents on the basis of evaluation conducted with personal interaction with them. The authenticity of the data was cross checked by interacting with the subordinates, the peers, superiors and cross functional department. The opinion of the HODs was taken up separately on each parameter for each employee working in their departments to

## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

match the observed result with the ratings of HODs. Re consultation were made with the employees and HOD where there was larger gap and necessary corrections were made. However, the analysis has been made on the basis of observed results.

- Attributes: Attributes include performance Focus, entrepreneurial drive, customer responsiveness, trustworthiness, quality orientation, people development and concern for safety and management.
- Skills: It includes specialized work knowledge, analytical skills, ability to plan & execute, team work & cooperation, ability to learn, problem solving and decision making, interpersonal communication skills, relationship management and initiative taking.
- Knowledge: The parameters of knowledge included latest update & regulatory guidelines, in depth knowledge of instruments/equipments, depth knowledge of validation aspects, good documentation practice, knowledge of system, knowledge of technical skills, knowledge of tolerance & specific limits, in depth knowledge of all types of validations, knowledge of production process.

### c. Assessment of overall competency of the employees

As discussed earlier, the competency is sum total of Attributes, skills and knowledge i.e. Competency = Attributes + Skills + knowledge.

Further, the scores have been averaged and the ranking have been assigned as per the following table.

Table 1

Sr. No.	Scores	Ranking	Level of Competency
1	>2.5	Very High	Level 1
2	2.5-2	High	Level 2
3	2-1.5	Moderate	Level 3
4	1.5-1	Low	Level 4
5	<1	Very Low	Level 5

On the basis of total average score, the level of competency of each respondent has been ascertained and designed as under:

### Level of Competency

- Level 5: Average/limited- does not demonstrate the competency on the job or may have had limited opportunity or understanding to demonstrate the competency.

- Level 4: Basic- the competency minimally with basic understanding for the job.
- Level 3: Medium- consistency in performing the job.
- Level 2: High- High level of specialization in performing the job.
- Level 1: Very High- Exceptionally high level with in depth understanding.

As indicated earlier, various parameters have been used for studying the variables of skills, attributes and knowledge. For the purpose of interpretation of these variables, the total score of all the parameters of a variable were summed up and average score was derived by dividing the total score with the number of parameters. The level of skill for each variable was ranked on the basis of the above mentioned table.

### 8. Interpretation and Analysis

The following section has been divided into four parts of interpretation & Analysis

- i) Interpretation of Attributes
- ii) Interpretation of Skills
- iii) Interpretation of Knowledge
- iv) Level of competency

#### I) Interpretation of Attributes

Table 2: Interpretation of Attributes

Sr. no.	Parameters	Total Score	No. of Parameters	Average score	Level
1	Performance focus	11	5	2.2	High
2	Entrepreneurial Drive	12.5	6	2.08	High
3	Trustworthiness	8	5	1.6	Moderate
4	Quality Orientation	10	6	1.67	High
5	Customer Responsiveness	14.5	6	2.41	High
6	People Development	12	6	2	High
7	Concern for safety	8	5	1.6	Moderate
	Total Average Scores			13.56	

As presented in the above table, from the interpretation of the attributes, we can see that respondents has shown High level of competence on performance focus, entrepreneurial drive, customer responsiveness and people development. Rest all has moderate level.

## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

### II) Interpretation of Skills

Table 3: Interpretation of Skills

Sr. No.	Parameters	Total Score	No. of Parameters	Average Score	Level of Score
1	Specialized work knowledge	13.5	6	2.25	High
2	Analytical Skills	9.5	5	1.9	Moderate
3	Ability to plan & execute	18.5	9	2.05	High
4	Team work & cooperation	10	5	2	High
5	Ability to learn	11.5	6	1.91	Moderate
6	Problem solving & Decision making	12	7	1.71	Moderate
7	Communication skills	17.5	7	2.5	Very High
8	Relationship Management	12.5	6	2.08	High
9	Initiative Taking	8	5	1.6	Moderate
	Total Average Score			18.25	

With the help of table, we can state that respondent has High level of specialized work knowledge, ability to plan & execute, team work & cooperation, and relationship management. Respondent also possesses very high level of communication skills and rest all are moderate level of skills.

### III) Interpretation of Knowledge

Table 4: Interpretation of Knowledge

Sr. No.	Indicators/parameters	Observed	Level
1	Latest update & regulatory guidelines	2	High
2	In depth knowledge of instruments/equipment	2	High
3	Depth knowledge of validation aspects	2.5	Very High
4	Good documentation practice	2	High
5	Knowledge of system	2	High
6	Knowledge of technical skills	2	High
7	Knowledge of production process	2	High



8	In depth knowledge of all types of validations	2	High
9	Knowledge of tolerance & specific limits	1	Low
	Total Average Score	17.5	

The result show that, the respondent has High level of knowledge on almost all the parameters except knowledge of tolerance & specific limits in which respondents has low level.

#### IV) Level of Competency

To determine the level of competency the cumulative average score of each component of competency i.e. Attributes, Skills and Knowledge have been divided by the numbers of Variables of each of them.

Table 5: Competency score

Sr. No.	Competency	Cumulative Average score	No. of Variables	Average score
1	Attributes	13.56	7	1.94
2	Skills	18.25	9	2.03
3	Knowledge	17.5	9	1.94
	Combined average	49.31	25	1.97

The table shows that the respondents possess Moderate level of competence in Attributes & Knowledge. However, High level of competence has been observed in the skills of the respondent.

The average score of the three components was further averaged to determine single score or combined score, which falls under level 3 i.e. moderate level of consistency in performing the job.

#### Gap Analysis

Gap analysis has been made in order to understand the difference between Actual and Desired/standard score on the variables of each component of Attributes, Skills & Knowledge. The standard scores are determined by the company taking into consideration the job roles, responsibilities, behavior, skills, knowledge and desired performance.

##### i) Attributes

It was observed that respondents is fairly good on the parameters of performance focus, entrepreneurial drive, quality orientation and people development as his total score is greater than the standard score but they made lesser contribution on parameters of trustworthiness and concern for safety. On one variable i.e. customer responsiveness, his score matches with the standard score, his overall performance on all the variables taken together has been found to be positive.

## Competency Mapping of the Employees for Plastic Manufacturing Industries Hariom Plastics Based at Nagpur

### ii) Skills

Skills of respondents with total and standard scores depicts that the respondent has scored more than or equal to the standard score on all the variables. Appears to have skills more than the requirement of the job.

### iii) Knowledge

The total score of the parameters of knowledge component as compared with the standard score indicate a slightly negative gap in the actual knowledge of respondent.

## 9. Conclusion And Suggestions

### Conclusions

Skills development by competency mapping is one of the most accurate means in identifying the job and behavioral competencies of an individual in an industry. Competency mapping is not only for permanent employees in an industry but also for contract workers or for those who are seeking employment to emphasize the specific skills which would make them valuable to a potential employer.

Competencies are a set of Attributes, Skills and Knowledge required performing a job effectively and efficiently. A competency is something that describes what has to be done, not how.

### Suggestions

On the basis of the study, the management should try to identify the deficiency in skills of these employees, needs of training and arrangement of appropriate training programmes for them. It will help the Hari Om plastic industry to increase its overall productivity.

Competency mapping should be done every six months. It will help in improving the employee competencies in the industry and also in the growth of the organization.

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## Food Security in India: Challenges & Way Ahead

Mrs. Rekha Bora<sup>1</sup>

### Abstract

Sixty – nine years after Independence, and nearly Five decades after the launch of the Green Revolution, India is residence to one third of the world’s hungry people and ranks 75 in the Global Food Security Index 2016. According to the annual report by the Food and Agriculture Organization of the United Nations released on May 2015, India is home to 194.6 million undernourished people, the highest in the world. By this measure, a quarter of the undernourished population in the world resides in India. While India has seen impressive economic growth in recent years, the country still struggles with widespread poverty and hunger.

Food security is a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (Food and Agriculture Organization, FAO, 1996) . Food security is a paramount important and keyword in Food Policy of any country. The food policy in India began to evolve after the Bengal famine in 1943. The Food Policy in India took a significantly turn with the setting up of Food Corporation of India (FCI) in January 14, 1965.

“Ensuring Food Security of Nation” is a tag line of FCI. Food grain management system of Food Corporation of India holds a great responsibility towards the food security in India. 52 years of service of nation has been through by FCI but still it has a long way to go before it cracks food insecurity.

The aim of this research paper is to study food grain management in India & exploring the challenges in the path of food grains management and food security and then developing the solutions. The research methodology will include secondary research. The data collection is done by Literature review, national & International publications and manuals.

The study is useful to find out the causes of food insecurity in India and developing the solutions which will help to improve the food security and ensure the good nutrition of nation.

**Keywords:** Foodgrains, Food security, Food Corporation of India, FCI, Management

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<sup>1</sup> Research Scholar

# Food Security in India: Challenges & Way Ahead

## 1. Introduction

Food security implies having physical & economic access to food that is adequate in terms of quantity, quality and safety. Poverty has been stressed to be the root cause of malnutrition leading to poor food security. "Community food security exists when all citizens obtain a safe, personally acceptable, nutritious diet through a sustainable food system that maximizes healthy choices, community self reliance and equal access for everyone." - Public Health Association of British Columbia (PHABC).

Economy of India is classified in three sectors – Agriculture, Industry and Service. India is 2nd largest producer of agriculture product. India accounts for 7.68 percent of total global agricultural output. GDP of Industry sector is \$495.62 billion and world rank is 12. In Services sector, India world rank is 11 and GDP is \$1185.79 billion. Contribution of Agriculture sector in Indian economy is much higher than world's average (6.1%). India food grain production has more than doubled over the decades, but still India is home to one third of the world's hungry people. It clearly suggests that something is still not going in a right direction or we are lacking somewhere. India ranks 75th in the Global Food Security Index Performance of countries based on their 2016 food security score (Table 1.1: Global Food Security Index -2016).

"What can we eat if not GDP?" According to the Global Hunger Index 2014, India ranks 55 out of the world's 120 hungriest countries even behind some of its smaller South Asian counterparts like Nepal (rank 44) and Sri Lanka (39). Despite its self-sufficiency in food availability, and being one of the world's largest grain producers, about 25% of Indians go to bed without food. Describing malnutrition as India's silent emergency, a World Bank report says that the rate of malnutrition cases among Indian children is almost five times more than in China, and twice that in Sub-Saharan Africa. So what are the reasons for India not being able to rise to the challenge of feeding its poor with its own plentiful resources?

## 2. Food Policy of Government of India

The food policy in India began to evolve after the Bengal famine in 1943. India had been importing rice from Burma which ceased with the outbreak of the 2<sup>nd</sup> world war and fall of Burma in April 1942. There was a drastic famine in Bengal in October 1942. This created an adverse impact on the overall food grain supplies in the country. Thus the need was felt for a central body that can control over the food grains. In order to tackle this problem, The

Department of Food under the Agriculture Ministry was created in December, 1942. The main objectives of the Department of Food were:

- a. Control over the prices of food grains.
- b. Supply and distribution of food grains.
- c. Procurement & purchase to meet the internal requirements including the army demands

Since then the food grains policy has undergone tremendous changes in regard to procurement, movement, distribution, price policies, price support & stabilization and price control. In 1943 food grains policy committee was setup, and based on their recommendations elaborate system of food control & rationing was introduced. In September 1947, The Government of India appointed the second food grains policy. The committee made the recommendation to increase in internal production and building a reserve stock of food grains.

In pursuance with the recommendation, the rationing was curtailed to reduce imports. After the 1950 food grains procurement committee, in order to maintain or increase supply of any essential commodity or for secure their equitable distribution and availability at fair prices and regulate all these, the Essential Commodities Act , 1955 was enacted. The food policy in India took a significant turn with the setting up of Food Corporation of India in 1965 as an autonomous body in Public Sector in order to secure a commanding position in food grains trade and act as the main instrument of the national policy for price support operations, procurement, storage, and inter-state movement and distribution operations. The main objective and principles of the corporations are:

- Effective price support operations for safeguarding the interests of the farmers.
- Distribution of food grains throughout the country for public distribution system.
- Maintaining satisfactory level of operational and buffer stocks of food grains to ensure National Food Security

Ensuring Food Security for citizens of the country is the vision of Food Corporation of India and mission is:

- Efficient procurement at Minimum Support Price (MSP), storage and distribution of food grains.
- Ensuring availability of food grains and sugar through appropriate policy instrument; including maintenance of buffer stocks of food grains.
- Making food grains accessible at reasonable prices, especially to the weak errand vulnerable sections of the society under PDS.

The turning point of for the Indian agriculture came with the Green Revolution in 1960, which brought about a tremendous growth in the food grains production. Since then the

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country has moved from being an importer of foodgrains to exporter of rice & wheat and so many other agriculture commodities.

### 3. Food Grain Management in India

The main elements of the Government's food management policy are procurement, storage and movement of foodgrains, public distribution and maintenance of buffer stocks. Food Corporation of India holds a major responsibility of procuring, storing and distributing the foodgrains. Food Corporation of India is having a great responsibility towards the food security of India. Before the inception of FCI, in 1965 the food grain procured was 7.41 lakhs. Now the procurement has gone many folds. Table 1.2: Foodgrains Stock in Central Pool for 2015.

Food Corporation of India operates through 5 Zonal offices (ZO – North, ZO – East, ZO-North East, ZO – West, ZO – South) and 24 Area offices (AO) and several District Office (DO). Food corporation of India. The Food Corporation of India procures Rice and Wheat from farmers through many routes like purchase centers/Mill Levy/Custom Milling and stores them in depots. FCI maintains many types of depots like Food Storage Depots and Buffer Storage Complexes and Private Equity Godowns. The stocks are transported throughout India and issued to the State Government nominees at the rates declared by the Government of India for further distribution under the Public Distribution System (PDS) for the consumption of the ration card holders. (FCI itself does not directly distribute any stock under PDS, and its operations end at the exit of the stock from its depots). The difference between the purchase price and sale price, along with internal costs, are reimbursed by the Union Government in the form of food subsidy. FCI implements the decisions made by the Ministry of Consumer Affairs, Food and Public Distribution and Ministry of Agriculture.

### 4. Food Security

Food security is the imperative prerequisite for the economic and social stability of any nation. Ensuring food security involves adequate food production, procurement, storage, distribution and above all capacity, in terms of purchasing power. It therefore entails three basic issues, viz., availability, stability and accessibility. Two identified possible routes for attaining food security are:

- a. Produce the food.
- b. Procure the food through food trade.

That means for food security either we have to produce our own food or purchasing power need to be increased to buy the food through trade. In broader term either there should be an

increase in the food production & productivity or else opportunity for better income and employment generation should be made available.

Government role in food security includes promoting the domestic production to meet the demands of the growing population, to providing minimum support prices for procurement and storage of food grains and Operating a Public Distribution System, and maintaining buffer stocks to counteract any pushing up of prices of food grains during periods of shortages. Government has taken numerous steps to achieve the food security. Government notified the National Food Security Act (NFSA) in 2013. This Act provides for coverage of 75% of the rural population and 50% of the urban population for receipt of food grains at subsidized prices. The National Food Security Act, 2013 (NFSA 2013) converts into legal entitlements for existing food security programmes of the Government of India. It includes the Midday Meal Scheme, Integrated Child Development Services scheme and the Public Distribution System. Further, the NFSA 2013 recognizes maternity entitlements. The Midday Meal Scheme and the Integrated Child Development Services Scheme are universal in nature whereas the PDS is about two-thirds of the population (75% in rural areas and 50% in urban areas). Irrespective of all these initiatives India is far behind to achieve the food security. It clearly depicts still gaps are there, which need to be filled. From a net importer of food in 1950s, India has transformed itself in the production of food grains (mainly rice, wheat, coarse cereals and pulses) during the last few decades. From a mere 50 million tons (mt) of annual food grain production in 1950s, India in year (2015-16) has produced a 253 mt of food grains. Not only the production is increasing but the purchasing power is also increasing. If Both production and purchasing power is increasing year by year, and then what is there which is creating a hindrance to attain the food security? One side the production & purchasing power has increased and other side the population is increased more rapidly, which is one of the major reasons of food insecurity in India. The issues pertaining to population explosion and food security was raised by T.R. Malthus for the first time in 1798. Malthus postulated that population tends to increase by a geometric ratio (1, 2, 4, 8, 16, 32, and 64) but food production grows by arithmetic ratio (1, 2, 3, 4, 5, 6). Although the idea was over-simplistic, it is not completely irrelevant.

Another reason of food insecurity is Food wastage. Food loss is defined as “the decrease in quantity or quality of food” and are the agricultural or fisheries products intended for human consumption that are ultimately not eaten by people or that have incurred a reduction in quality reflected in their nutritional value, economic value or food safety. India wastes Rs 44,000 cr worth food every year, which is almost 18% of total produce. Nearly 30 per cent of the country's fruits and vegetables perish due to lack of cold-storage facilities, while



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thousands of tons of food-grain rot in ill-equipped warehouses. Between 15 and 20 per cent of cooked food at weddings, parties or restaurants is wasted as well.

India produces around 250 million tonne of foodgrains in a year, but its annual consumption remains far lower at 220 million to 225 million tonne. The country has failed to take advantage of the higher production levels. Only 10 per cent of foods get cold storage facility in India, this factor, accompanied by inappropriate supply chain management, has resulted in India becoming a significant contributor towards food wastage both at pre and post harvest waste in cereals, pulses, fruits and vegetables.

Although the Government has taken steps to rein in food wastage, but given the depth of the problem, they are not up to the mark. The focus must be on food processing technologies that are both advanced and affordable. Additional to this lack of proper implementation of government schemes is also a reason behind food insecurity. Public distribution system (PDS) is an Indian food security system. Established by the Government of India under Ministry of Consumer Affairs, Food, and Public Distribution and are managed jointly by state governments in India, it distributes subsidized food and non-food items to India's poor. This scheme was launched in India on June 1997. Major commodities distributed include staple food grains, such as wheat, rice, sugar, and kerosene, through a network of fair price shops (also known as ration shops) established in several states across the country. Food Corporation of India, procures and maintains the PDS. Aaj Tak news channel on 14 October 2013 performed a sting operation on PDS named Operation Black. It shows how the distribution reaches to mills instead of fair price shops. It clearly indicates the diversion of foodgrains meant for public distribution system reaches to various flour mills. The purpose of the schemes gets fail.

The major reasons behind the food insecurity of India are:

- Population growth rate
- Food wastages (lack of infrastructure)
- Poor Implementation of the government schemes

USA, Ireland, Singapore, Australia, Netherlands, and France are the high rankers in the food secure index. The reason of the high food security index is the food waste management through more advanced technology, infrastructure and low growth rate of population.

France has made it illegal for supermarkets to waste food, they need to give the leftover either to NGO's or send it to the farmers for composites. In France, retailers are fined if they throw away unsold food. Same way Italy offers incentives to businesses who donate food to charities, and launches new programs to reduce food waste in schools, hospitals, and other public institutions and also give tax breaks for giving away food, and removes the previous

health and safety barriers that had businesses feeling weary about donating imperfect, or expired food.

Harvest and post-harvest losses of India's major agricultural produce is estimated at Rs 92,651 crore (\$13 billion), according to data published by the Ministry of Food Processing Industries on 9 August, 2016. USA invests a lot in technologies to reduce these kinds of losses. Technologies like cold storage near by the farms and markets are very common and well utilized in USA, which not only reduces the losses but maintains the quality as well.

#### 5. Ways to Improve Food Security in India

Nearly 1/3rd of the Indian population suffer from hunger. Considering that we already produce enough food to feed, this should no longer be a problem. But there are a number of factors that get in the way, including rapid increase in population, wastage of food, poor implementation of food policies.

There are certain ways, which will help to improve food security:

- a. Coarse grains (Millets) should get due importance. The urban way of life cuts down the meaning of balanced diet by excluding the coarse grain combination in our daily meal plan. Even though it consists of valuable micro and macro nutrients. Table 1.3 - Nutritive value of coarse grains. Coarse grains are not only highly nutritive but also highly resistant to climate-induced stresses. More focus should be given to promote the coarse grains.
- b. Public Private Partnership (PPP Model) can play an important role in improving food security. "Improving food and nutrition security requires not only more effective and consistent policies and investments, but also the scaling up of inclusive multi-stakeholder partnerships. PPPs may help to end the black marketing of agricultural products, which will help in price stabilization.
- c. Reduce the use of cereals in animal feed and develop alternatives. Border crops can be proved as best alternative. For eg: Sesbania can be used for animal forage as well as for green manuring.
- d. Better logistics & infrastructure technologies (Cold storage) should be used, which will enhance shelf life of the perishable agriculture commodities.
- e. Rapid population growth is nullifying the effect of increase crop production. Awareness should be raise regarding the pressures of increasing population growth and consumption patterns on sustainable ecosystem functioning.

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- f. Strict laws should be made against food wastages. Food waste is one of the most prominent reasons behind food insecurity. By diverting food wastes from disposal to composting, conversion, recycling or reuse, waste management cost can also be cut.
- g. Grant should be provided to the NGO's to arrange the food diverting. It will not only help to reduce the food waste but also cut the cost of disposal. Simple mobile apps should be created for the use of the left out food in functions and marriages.
- h. Use of sustainable & diversified agriculture practices like agro forestry, sericulture, apiculture, pisciculture will help in better utilization of natural resources. It will help in enhancing the per capita production.
- i. More non perishable crops should be come under FCI working. In current situation only Wheat, rice & few pulses (2014-2015) procurement, is under FCI. For price stabilization of other crops also the procurement should be handled by the government agencies.
- j. There should be proper implementation of the food policies & laws. The meant service should be reach to the beneficiary. Online provision should be made to track the food grain distribution.

Government frame policies, enacts laws, but it is WE, who play critical role in policies success. It is not only the government responsibility to feed the hungry, to improve the food security. Food and nutrition security is everyone's responsibility. At least at personnel level we can reduce the food waste. Food wastage represents a missed opportunity to improve food security and comes at a steep environmental price. Our small efforts may give the huge returns.

### 6. Conclusion

Above mentioned are the few simple techniques, which can unquestionably help to improve the food security in India. Globalization – who's key feature include international trade liberalization, the opening up of economies in both developed and developing countries and a free flow of capital, labor, information and technology- is a major emerging phenomenon in the area of food security. Over the past few decades, local, regional, and national food systems have increasingly become intertwined in an emerging global food network. This complex web of relations includes the production, harvest, processing, transport, and consumption of food. While this global food network provides new opportunities for improving health and well-being, it also gives rise to new sources of security threats and vulnerabilities. It is imperative that we identify the domestic policy changes required in developing & developed countries to minimize the negative effect and

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maximize the positive effect of globalization on poor people in developing countries . In a globalizing world, new and different groups of people may be vulnerable to food insecurity, but at the same time new and different instruments and opportunities for facilitating food security may become available. The challenge is to proactively guide globalization so as to benefit poor, food insecure people. This therefore necessitates the urgency for well planned and concerted efforts to develop and sustain a reliable food security for country.

TABLES

Performance of countries based on their 2016 food security score					
Global Ranking	Country	Overall score	Affordability	Availability	Quality & Safety
1st	United States	86.6	85.7	87.4	86.6
2nd	Ireland	84.3	82.4	85.4	85.8
3rd	Singapore	83.9	90.7	79.8	78.3
4th	Australia	82.6	83.5	80.5	86.4
4th	Netherlands	82.6	81.6	82.3	86.1
6th	France	82.5	79.7	82.7	88.7
6th	Germany	82.5	81.7	83.8	81.3
8th	Canada	81.9	81.2	81.6	84.4
8th	United Kingdom	81.9	81.5	82.6	81
10th	Sweden	81.3	81	80.1	85.4
11th	New Zealand	81.1	80.3	81.8	81.3
12th	Norway	81	77.7	82.5	85.1
13th	Switzerland	80.9	80.1	81.7	80.6
14th	Denmark	80	81.3	77.7	83.4
14th	Portugal	80	76.2	79.9	89.7
16th	Austria	79.3	81.9	75.6	82.8
17th	Finland	78.9	79.8	75.4	86
17th	Israel	78.9	77.5	77.7	85.5
19th	Spain	77.7	78.9	73.6	86.2
20th	Qatar	77.5	93.6	63.2	76.7
21st	Belgium	77.4	80.2	72.7	82.9
22nd	Italy	75.9	78.6	70.8	83.3
22nd	Japan	75.9	78.5	71.4	81.8

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24th	Chile	74.4	76.5	73.5	71.6
25th	Czech Republic	73.9	77.5	70	75.9
26th	Oman	73.6	74.2	73.2	73
27th	Kuwait	73.5	82.8	64.9	73.7
28th	South Korea	73.3	72.1	71.2	82.2
29th	Poland	72.4	75.6	68.7	74.9
30th	United Arab Emirates	71.8	85.7	60.3	68.6
31st	Greece	71.5	69.6	67.8	86.3
32nd	Saudi Arabia	71.1	76.5	67.4	68
33rd	Bahrain	70.1	78.9	65	61.9
34th	Hungary	69.3	75.6	61.8	73.8
35th	Malaysia	69	68.4	68.8	71.1
36th	Uruguay	68.4	69.3	68.6	65.6
37th	Argentina	68.3	69.2	65	75.1
37th	Costa Rica	68.3	65.8	70.2	69.5
39th	Mexico	68.1	66.5	67.5	73.9
40th	Slovakia	67.7	73.5	62.6	67.2
41st	Brazil	67.6	70	62.6	75.3
42nd	China	65.5	60.8	67.8	70.7
42nd	Romania	65.5	66.9	60.9	74.4
44th	Panama	64.4	62.9	67.8	58.7
45th	Turkey	63.6	59.8	64.8	69.9
46th	Belarus	63.1	64.3	59.1	70.8
47th	South Africa	62.9	58.6	68.1	59.7
48th	Russia	62.3	68.6	51.6	75.7
49th	Colombia	61	58	63.1	62.7
50th	Bulgaria	60.6	69.6	52.9	59.4
51st	Thailand	59.5	62	58.3	56.8
52nd	Serbia	59.4	63.5	55.4	59.9
53rd	Tunisia	57.9	56.7	57.4	62.2
54th	Botswana	57.8	53.3	64.6	50.1

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55th	Peru	57.7	56.4	56.9	63.5
56th	Ecuador	57.5	58.5	56.9	56.6
57th	Azerbaijan	57.1	63.1	56.7	43
57th	Egypt	57.1	46.3	66.9	56.8
57th	Vietnam	57.1	56	60	52.1
60th	Jordan	56.9	57.3	58.4	52.1
60th	Venezuela	56.9	56.1	52.3	71.6
62nd	Morocco	55.5	52.2	58.3	56.4
63rd	Ukraine	55.2	57.2	49.6	65.1
64th	Dominican Republic	55.1	53.9	56.1	55.2
65th	Sri Lanka	54.8	51.9	60.1	47.4
66th	Algeria	54.3	52.4	57.3	50.6
67th	Paraguay	54.2	57.9	49.2	58.9
68th	Kazakhstan	53.7	64.4	42.5	57.8
69th	El Salvador	53.3	54.9	50.9	56.2
70th	Bolivia	51.6	53.8	50.5	49.1
71st	Indonesia	50.6	50.3	54.1	42
72nd	Uzbekistan	49.8	47.5	53.5	45.3
73rd	Guatemala	49.6	46.4	50.2	55.7
74th	Philippines	49.5	43.5	53.4	54
75th	India	49.4	42	57.1	46.7
75th	Nicaragua	49.4	49.5	48.2	52.4
77th	Honduras	48.2	43.5	50.3	54.4
78th	Ghana	47.8	36	56.5	53.6
78th	Pakistan	47.8	46.3	50.4	44.5
80th	Myanmar	46.5	32.9	56.5	53.1
81st	Uganda	44.2	38.2	48.8	46.3
82nd	Nepal	42.9	36.4	47	47.9
83rd	Kenya	42.7	38.8	46.6	41.8
84th	Cote d'Ivoire	42.3	42	46.8	30.6

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85th	Cameroon	41.6	32.9	44.9	54.2
86th	Senegal	41	32.9	48.5	40.8
87th	Rwanda	40.7	29.5	48.1	48.3
88th	Benin	40.2	29.8	50.9	36.8
89th	Cambodia	39.8	41.4	40.5	34.2
90th	Nigeria	39.4	24.2	49.4	49.9
91st	Mali	39.3	25.8	49.9	44.2
92nd	Tajikistan	38.6	37.5	39.1	40.1
93rd	Togo	37.9	33.3	47.4	23.2
94th	Tanzania	36.9	27.8	46.5	33.6
95th	Bangladesh	36.8	28.9	46.5	29.7
96th	Syria	36.3	32.3	40.8	34.2
97th	Guinea	35	30.2	42.7	25.6
98th	Ethiopia	34.7	22.2	45.9	34.9
98th	Sudan	34.7	29.2	36.1	44.5
100th	Yemen	34	37.7	35	22.2
101st	Angola	33.7	28.4	37.7	35.8
102nd	Zambia	33.3	22.2	45.7	26.6
103rd	Laos	32.7	30.2	35.6	31
104th	Madagascar	31.6	20.5	45.8	20.2
105th	Malawi	31.4	23.3	39.9	28
106th	Burkina Faso	31	20.9	38.6	35.7
107th	Congo (Dem. Rep.)	30.5	24.4	36.5	29.1
108th	Haiti	29.4	25	34.5	26.2
108th	Mozambique	29.4	21.5	41.5	16
110th	Niger	29	18.6	37.3	31.7
111th	Chad	28.6	20.8	33	36.1
112th	Sierra Leone	26.1	26.4	22.9	34.1
113th	Burundi	24	15.2	28.5	33.4

Table 1.1: Global Food Security Index -2016

Commodity	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Rice	117	135	152.00	171	170	165	159	153	139	126	113	99
Wheat	251	220	195.00	172	341	404	387	368	345	325	299	269
Total	368	355	347	343	511	569	546	521	484	451	412	368

Table 1.2: Food grains Stock in Central Pool in Lakh Mt– 2015

Name of food	Energy kcal	Calcium m.g.	Iron m.g.
Bajra	361.00	42.00	8.00
Jowar	349.00	25.00	4.10
Maize	342.00	10.00	2.30
Ragi	328.00	344.00	3.90

Table 1.3: Nutritive value of coarse grains (100 gms of edible portion)

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## Management Solutions for Socio- Economic Challenges

Mrs. Rutuja Patel<sup>1</sup>

### Abstract

India is a rapidly changing country. The acceptability of the products and services is growing day by day and it has a fairly conventional industry spread. The country is witnessing an unprecedented consumption boom with a population of over 300 million middle income Indians with high disposable income. This group continues to fuel the consumption demand of India. Thus, with this thriving consumption population coupled with sustained economic growth, India is an exciting destination for Franchisers. Franchising is a marketing method in which the owner of a product or service, known as “Franchisor”, offers the right to operate and manage his product or services to others, the “Franchisee”, in return for a fee or Royalty. It works as a network of interdependent business relationships that allows a number of people to share a brand, a successful method of doing a business and a proven marketing and distribution system.

Franchising has changed many aspects of common man’s life as it offers an opportunity for entrepreneurs and ordinary people to own a business. Globally also, franchising is expanding in many different directions and it is creating an entrepreneur universe that is bigger than anything the originators of franchising ever imagined. It is creating new life forms, new partnerships, relationships, job creations and economic growth of the country. As franchising, has created these opportunities, it has to face some challenges also. Thus, here in this study our focus will be on international franchising, with the opportunities and challenges (socio-economic challenges) faced by the franchisor & franchisee and their solutions according to different countries in which they operate.

Keywords: Franchising, Opportunities, Challenges, Socio- Economic Development

### 1. Introduction

India is figured as one of the world’s biggest commercial destinations. Fringed to the boom of the IT industry and industrial expansion, franchising has advanced as one of the strongest business models that guarantees to procure rich profits. The franchising industry in India has

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witnessed progression from a debatable format to an acceptable approach for business growth with all the major global companies emerging to grow by the route of franchising. According to analytical reports, the Indian franchise industry is currently estimated at \$24 billion with an expectation to reach \$35 billion by 2020. India is the second-fastest evolving economy in the world with a growth of 75% in consumer spending over the last four years. Among such evolution, the franchising industry will certainly propound new and better opportunities to innumerable brands in 2017. With an expectation to quadruple in volume in the next five years, the Indian franchise industry will contribute approximately 4% to India's gross domestic product in 2017. By monitoring the rising trend of franchising in India, several cultures, languages and socio-economic brands are eyeing India as their target market. Retail, health and wellness, food and beverages, education and customer services are some of the key industries that possess high potential for successful franchise opportunities in India. The individual growth and the promise of these categories are driving the development of the franchise industry. Presently there are more than 3,000 franchise brands in India and around 1,000 global brands every year are contemplating entry plans for Indian territories.

Franchising is a term that comes from the French language and means 'to be free from servitude'. It was developed by a business method in U.S. in 1950. But there are some historians who agree that as a method of licensing, franchising developed much earlier in feudal times when the head of the Roman catholic church gave his clergy, the right to collect church taxes locally. Franchising is a low capital rapid growth market share gaining option.

Every business is involved with some kind of risk. The Franchisor and the Franchisee also has to face some challenges to be successful in their business. Thus, the study will focus on the Socio- economic challenges faced by the Franchisor in successfully establishing its business in a particular region and the solutions to face those challenges. We will also study the future prospective of Franchise Industry in India.

### 2. Purpose of the Study and Sources of Data

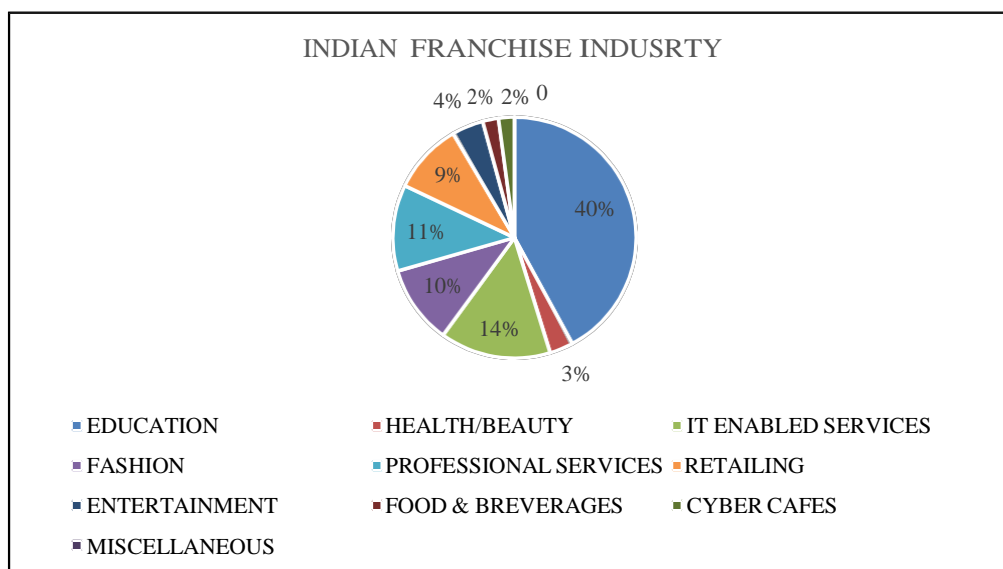
The purpose of the study is to study the Franchise Industry of India in detail with the opportunities, challenges and the solutions to overcome those challenges. As it was discussed earlier that franchising is a marketing strategy to grow one's business in his own country and in the other parts of the world, franchising is a good option for the growth and development of one's Business. It is always beneficial because through franchising new products and services are made available for the public, it creates employment opportunities for the local people, brings revenue and FDI in that local area or a country. The study will also focus on

the efforts taken by the Franchisors in order to face different challenges in a country like India and the possible remedies to solve those challenges.

The present study is based on secondary data. The relevant secondary data was collected through comprehensive review of existing literature i.e. books, journals, reports and internet.

### 3. Franchising In India

The Indian franchise industry offers excellent opportunities for new brands to enter the Indian market. The Indian franchise operations have started expanding beyond the metropolitan centers to rural India. The top prospects for franchising include; food, education, retail, beauty salons, business services, apparel, travel and tourism.



#### Key Suppliers

Several foreign companies with strong brand names have established a presence in India through franchising. Some international companies that operate through franchise include: Hertz, Avis, Radisson, KFC, Mc. Donald’s, Pizza Hut, Dominos, Subway, Baskin Robbins, Coca-Cola etc. Similarly, Indian companies with strong brand recognition are also using the franchising route to expand business volume. Such as, Kuoni, Raj Travels for travel and tourism. Euro Kids, Kidzee for preschool, Café Coffee Day, Sankalp for food and beverages and Apollo hospitals for healthcare, Oberoi Hotels in Hospitality.

### 4. Franchising Opportunities in India

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- In the last two decades, India has witnessed a sea change in its foreign investment policy resulting in it being one of the most preferred investment destinations. With growing globalisation and liberalisation, brand awareness has been created in the Indian masses and today India is the one of the biggest and fastest emerging markets for various businesses across the world.
- Being geographically vast and culturally diverse, India offers the most favorable franchising environment with a huge consumer market. Franchising in this respect has managed to pick up as a successful business module for local companies in India.
- According to FAI-KPMG franchising report estimates, the franchising industry is expected to quadruple between 2012 and 2017. There is scope for Franchising industry to contribute almost 4% of India GDP in 2017, growing from a current estimated contribution of 1.4 percent of GDP. This is also expected to create job opportunities for an additional 11 million people by 2017.
- Franchising contributes to the economic growth of a nation in multiple ways such as job creation, access to necessary goods and services and expansion of a country's tax base, sale of real estate and ultimately giving scope to other industries such as construction, furniture, agriculture, logistics etc. It also brings FDI and revenues through franchise fees, royalties and product sales.

### 4.1 Education

- India holds an important place in the global education industry. The country has more than 1.4 million schools with over 227 million students enrolled and more than 36,000 higher education institutes. Education sector dominates when it comes to franchising services. There are only few global education franchises operating in India but the local franchises are many operating in almost every city providing education in almost every field.
- Various government initiatives are being adopted to boost the growth of distance education market, besides focusing on new education techniques, such as e-learning and M-learning.
- Education sector has been a host of reforms and improved financial outlays in recent years that could possibly transform the country into knowledge heaven. With Human Resources increasingly gaining significance in the overall development of the country, development of education infrastructure is expected to remain the key focus in the current decade.
- The sector is considered as a fertile area to invest because India is expected to have surplus 97 million people in the working age group by 2020.

### 4.2 Retail

- The retail scene in India is currently undergoing a “sea change” with the emergence of scores of modern retailing malls, stores and multiplexes all over the country instead of the earlier dominance of millions of mom-and-pop stores and retail is the fastest-growing sector of the Indian economy. This change is clear and visible not only in the large metropolitan cities such as Mumbai, Delhi, Chennai, Kolkata, Bangalore and Hyderabad, but is fast invading the many tier one and tier two cities, including Chandigarh, Pune, Ahmedabad, Kanpur and many others as well. Rural markets are also emerging as a huge opportunity for the retail franchisors.
- With increasing purchasing power and changing lifestyles, particularly of the growing middle class of more than 250 million people, there is an increasing demand for and acceptance of modern and convenience products and services leading to the entry of many new brands and products in all categories.

### 4.3 Food And Beverage

- Fast Food outlets ought to be well-positioned to profit from surging demand for convenient, clean and affordable meals in India. The market for Western-style fast-food is still relatively small, but growing rapidly as a young population increasingly grabs meals on the go, or celebrates special occasions by dining out. So, there is an increasing demand for fast food industry. Also, due to double income families, now a day’s people like to spend their weekends out by dining out with their families and friends. Even coffee houses have scope to open up kiosks in school, colleges and IT industries, which is seen in many of the metro cities.

### 4.4 SKILLED MANPOWER

- Another important factor that is promoting the growth of franchising is the huge entrepreneurial energy and skills that are available in the country and this is generated and supported by the demographics wherein more than 50 percent of the population is less than 25 years in age and more demanding for improvement in the quality of their lives. There is a huge base of skilled and unskilled labor available which can be fully utilized.
- The size and geography of India is ideally-suited for business through the franchising model, particularly in the services sector of the economy. Combining people with local market knowledge can be an enormous help in dealing and meeting the market needs of the diverse population.

- India is growing at approximately 8% per year, the second fastest growing economy in the world. This rapidly growing economy has led to a population of over 300-350 million middle-income Indians with high disposable incomes. This group continues to fuel the consumption demand in India. The many factors that contribute to increasing consumption include the emergence of a young urban elite population with increasing disposable income, changing lifestyles, mounting aspirations, penetration of satellite TV, increasing appetite for western goods, international exposure, options for quality retail space, and greater product choice and availability.
- As India has the highest young population, franchising could be the best option for these budding entrepreneurs.
- Franchising leverage the existing technology, know-how and intellectual property of the industry as well.

#### 5. Challenges Faced by the Franchisors and Franchisee

Franchising is considered as the best strategy to expand one's business over the world. But expanding one's business is involved with some or the other type of risk. There are number of barriers which you have to face when you expand your business in our own country or the other country such as legal, political, cultural, social and economic barrier. Foreign franchisors must consider these factors before implementing a franchise program in India.

##### 5.1 Socio-Cultural

- Before you enter into any country for business purposes you have to first examine and take into consideration its socio-cultural characteristics such as customs, traditions, lifestyles and values, education, language, law and politics, religion, social organizations, technology and material culture and attitudes.
- An early Western arrival into India's competitive food market, McDonald's worked for years on socio-economic aspects to overcome the fundamental problems. Its core product offering beef burgers is considered taboo for India's Hindu-majority population. For this it has to face opposition from various political parties also. Thus they removed the beef burgers from their menu in India and finally found a recipe to appeal to Indian palates through Mc Aloo Tikki, as Aloo ( Potato) is most favored by the children's and young population of India, with ample chicken and vegetarian offerings. Though Mc. Donald has established itself in the Indian Fast Food Industry, still it has to face the competition from other Fast Food Franchises such as Dominos, Pizza Hut, Subway, KFC etc. Also, majority of the Indian population prefer the roadside joints of panipuri, wada-pav and pavbhaji which is major competitors to these foreign franchises.

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- Barista Lavazza, Starbucks are the global coffee houses operating in Indian Metro and Tier I cities. They have to face the competition from Café Coffee Day which is the local coffee house chain operating in almost all the Metros, Tier I and Tier II cities of India. Still the concept of coffee houses is not yet common among the middle-class Indians but well adopted by the high-class youths.
- The Indian population is very diverse and complex as nation is split between different communities, religions (e.g. Hinduism, Buddhism, Sikhism, Islam, Jainism and Christianity), beliefs and value systems. All these factors play a significant role in nations' preference for food and dining in general.

### 5.2 Economic

- The average annual income of majority of the Indian population is low. Thus, the franchisors have to consider this factor and accordingly price its products.
- At a time when our country is seeing a political unrest over the issue of land acquisition bill, the franchising industry continues to face real estate challenges. Not just the soaring prices are making it tough for them to expand their operations in India but also the norms and lengthy procedures are proving to be a roadblock in the success of the industry. Securing quality space is one of the biggest challenge, international brands face in India. The rentals are high for the location that can tap a good clientele.
- Financing for franchises is a problem area as many financial institutions do not recognize soft expenses as a part of project cost.

### 5.3 Legal

- There is no single franchising in Indian framework within which you can operate. Your business could be subject to a wide-range of laws, regulations, tax systems and compliances which you might have to adhere to while doing the business. Your franchisee could get away with almost anything as legal rulings take a very long time and at times it is very frustrating to even think of going through the process. The legal system is very slow, and can often be further delayed, if you really want to prolong the case.
- Many franchisors in India find it difficult to find the right kind of match to lead their brand in their respective areas. Many issues come up during the business partnership process. Finding the right partner to represent your brand in tier-II and III markets is a big challenge. People want to associate with the brand but do not understand the brand values which they have to adhere to or replicate once they become a partner.

#### 5.4 Skilled Labour

- Though India has the second largest population in the world but it lacks skilled people, which is the need of the hour. Be it beauty, fitness, F&B and or any other industry, people with basic education of the concerned category are less and a high attrition rate adds to the woes of the industry.

#### 5.5 Product

- Product customization is also another challenge for the franchisors across sectors. In order to tailor the product according to customer needs is the key to success. Relevance is of utmost importance for the franchisors to thrive in the industry they are in. A slight change in the design or format of the product can make you stand exclusive in the industry. Ex- Subway bakes its own range of fresh breads which no one else does in the same category.

#### 5.6 Education

- Though India has plenty of Institutes who provide education services, the quality of education is not uniform in all the Institutes. Many of the institute lack the basic infrastructure facility. The education is information based rather than knowledge based. Also, the cost of primary and higher education is high and not uniform in the franchises. Also, the education franchises had to constantly adjust and make changes due to the constant reforms made by the government in education sector.

#### 5.7 Retail

- India is one of the fastest growing retail market in the world, placed as world's 5<sup>th</sup> largest global destination in the retail space. Though Indian retail industry has enough potential, a number of challenges loom over the sector. It is because of the quality of HR and inability of domestic manufacturers to meet international standards.
- The Indian retail sector is dominated by the unorganized sector which constitute 94% of the retail industry. To create a place in such a dominant sector it is a challenging task. The financial infrastructure of the nation, high cost of commercial real estate has been major lacuna for the development of the sector. Also, the Indian middle class is still reluctant to purchase from the supermarkets. They still prefer to buy from the grocery store near their house. Similar was the case observed with retailing of lifestyle products.
- Retail differentiation, merchandising mix, supply chain and the competition from the suppliers are the other problems before the retail industry. In addition, the trucking and



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the transportation system is inadequate. The concept of container truck and automated warehousing is yet to take the roots in India.

### 6. Management Solutions to Solve Socio-Economic Challenges

Every business format follow the modern marketing concept of identifying and satisfying its customer needs. But apart from satisfying the customer needs, financial and economic factors are vital in any business. If your business doesn't produce financial returns commensurable with the required investment, you have no business proposition. Without a proven financial model, no company should even consider franchising. The importance of social factors in franchising are often underestimated, but they are fundamental elements of franchise success. Social factors include community involvement, company culture, your company's leadership and franchisee support.

Thus, to face these challenges organizations have to find solutions in order to make their franchising unit successful. They have to come up with such products and services which satisfies the need of the local people. To achieve this the franchisors and the franchisee have to do thorough research of the area of their operation. They have to take into consideration the Social, psychological, behavioral and economic aspects of the locality. Thus, following are some of the solutions management has found out to solve the above challenges.

- As we saw in the case of Mc. Donald's, they studied the taste and preference of the local people of India, and came up with the products of their choice such as Mc. Aloo Tikki, which is most preferred product of Mc. Donald in every outlet.
- Similar was the case with Dominos where it cleverly reimagined everything about itself, right down to its flour to nail the balance between serving local tastes and retaining a patina of western culture. In India, burger, pizza was considered as snacks. But the company changed the mindset of the people and promoted their products as full meal. Its dough and toppings have plenty in common with Indian roti and subji. They also came up with the budget products where a pizza cost only Rs. 35 which is affordable by the middle-class Indians. Everywhere, whether it is Mc. Donald's, Dominos, Pizza Hut or KFC, the prices of the products are such that which is easily affordable by the middle-income people.
- The Indian population is very diverse and complex. To honor the cultural differences between religions, the franchisors categorized the cooking tools as well as employees in vegetarian and non-vegetarian category.
- In order to capitalize on the highly price sensitive economy, the franchisors formulated a suitable pricing strategy that can facilitate the high volume of consumers, targeting

mainly the lower and middle class as the majority of the Indian population falls into this category.

- In order to train the unskilled labor force, extensive training is given to the employees and the labor. Many of the organisations also provided numerous opportunities of overseas training to those displaying potential. Recently government has taken massive initiatives to skill the youth of the country through flagship program called skill India.
- The education and training sector in India has witnessed some major investments and developments in the recent past. Some of them are training and development firm NIIT has partnered with U.S. based Edx to offer online courses from leading international University.
- For world class education services, availability of English speaking teachers with proper training, democratic governance and a strong legal and intellectual protection framework is the need of the hour and initiatives are being taken by the institutes and government as well. Government of India has taken several steps to improve education sector by opening IITs, IIMs and AIIMs in new locations.
- There are very few global players in Indian retail industry. Indian organized retail sector is dominated by the local franchisors. Big Bazaar of the future group dominates the Indian organized retail sector. It has changed the mindset of the middle and the lower middle class Indians of buying the goods from the supermarket instead of grocery store. It offers everything under one roof with the product choices, ambience and attractive discounts and offers to its customers.
- Also, the coffee houses have changed the concept of having the coffee. It has promoted themselves as a place to hang out with friends with a cup of coffee, place to conduct formal and informal meetings etc. Thus, Barista added play games such as chess, scrabble, reading books, music, message boards to differentiate itself and attract the youths.

## 7. Conclusion

Franchises are now fairly a common gateway of entering into the world of business and are in so much practice that there are several franchises operating within a limited area. There are opportunities for all the types of investors especially for small entrepreneurs. Currently the franchising industry is contributing 1.4% to GDP which is expected to grow to 4% in 2017.

Despite of the continuous efforts of the government and the franchisors, there are many such issues in franchising which are unsolved and need attention. Such as the legal process of

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getting the franchisee, tax system, different laws of different states, understanding the social and cultural aspects of the diverse Indian population and providing products and services accordingly etc. Despite of these challenges, India still has a great potential for franchising as it has ample skilled and unskilled human resources, educated middle class and lower middle class who are willing to spend on the luxury items, growing preference of branded products, increased standard of living, global exposure, use of international brands etc. Also, franchising helps in Economic development of the country, Job creation, infrastructure development and thus helps in improving standard of living of the people. Thus, opening up of any new franchise store is always a welcome step in India.

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## Nature and Scope of “Right to Development” With Reference to Tribal in Mordern Corporate Era

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### Abstract

Right to development is the third generation human right which is problematic in scope and concept. Right to development was first time recognized as human rights through Vienna convention. Development and Globalization is very vulnerable for tribal community. The corporate world has utilized this right to development in a convenience way. On one hand we saw technology and multinational companies is making enormous profit and gave us smart cities, green city, cashless economy etc. And on other hand corporate development came into the heart of forest due to which tribal are affected. Thus in first section researcher will showcase conceptual analysis of right to development. This section will display the troublesome concept of right to development and its dual nature. Next section will focus on the utilization of development particularly by corporate world. Subsequent section will clarify how the development of a upper class hinders the development of a lower class ie tribal group. This section will also try to make clear justification that the tribal collective rights got envisaged in the various legislations is fruitful for them or not.

Keywords: Rights, Human Rights, third generation right, multinational company, group rights, individual rights, forest, convention, legislation.

### 1. Introduction

There are 370 million of indigenous population reside in approximately in 90 countries. Many indigenous group live in such adverse eco-system as artic and tundra, the tropical rain forests, the boreal forests, riverine and coastal zones, mountains and semi-arid and rangelands, they are now direct victims of industrialization and development process. Indeed it can be said that consequences of development strategies is more destructive for environment and has a direct impact on the indigenous people human rights that depends on the environment. The swelling awareness of the unique human right problems of indigenous group gained attention in the global tide. UN took the initiative to define the indigenous people; special credit goes to ILO

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who defines the term indigenous envisaged under I.L.O. Convention no.169 under Article 1(b) that indigenous people as: People in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization of the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions. It was in the year 1986 the wave of globalization emerged, this gave birth to the Declaration on Right to Development. There is a controversy, whether right to development is for state to utilize or it is for the citizens. Today we are witnessing the development of corporate world, but the marginalized sections are left undeveloped. This paper search for what is the lacuna behind under development of the tribal, and will see how India developed her own Economy in the world.

### 2. Indigenous Peoples’ Right to Development

Most of former colonies have now been free from the prolong oppression of colonialism in a peaceful and dignified manner. These former colonies have now emerged as independent states, but for indigenous people prolong colonial structure has not yet been abolished. There are nearly 370 million of indigenous population reside in approximately in 90 countries<sup>i</sup>. Many indigenous group live in such adverse eco-system as artic and tundra, the tropical rain forests, the boreal forests, riverine and coastal zones, mountains and semi-arid and rangelands, they are now direct victims of industrialization and development process. Indeed it can be said that consequences of development strategies is more destructive for environment and has a direct impact on the indigenous human rights that depends on the environment<sup>ii</sup>.

The swelling awareness of the unique human right problems of indigenous group gained attention in the global tide. Unique characteristics of indigenous group are the knowledge they carry in various fields i.e. knowledge of ecology, zoology, botany, medicine and pharmacology<sup>iii</sup>. They have holistic value system which makes their economic activity, development, social organization, culture and philosophy interlinked and inseparable. In India indigenous population is called as tribal or scheduled tribe. The scheduled tribe is noted in states/UTs are 30 and number of individual ethnic group notified as scheduled tribe is 705. As per 2011 census tribal population in India is 10.43 crore, constituting 8.6% of the total population out of this 89.97% of them live in rural areas and 10.03% in urban areas<sup>iv</sup>. India nowhere define the scheduled tribe specifically; there isa general definition which is given in

Article 366(25) of the Constitution of India, refers to Scheduled Tribes as those communities,

who are Scheduled Tribes in accordance with Article 342 of the constitution. This article says that only those communities who have been declared as such by the President through an initial public notification or through a subsequent amending Act of Parliament will be considered to be Scheduled Tribes. The precedent provision shows the absence of their unique characteristics shows heedlessness attitude of India to define the scheduled tribe. UN took the initiative to define the indigenous people; special credit goes to ILO who defines the term indigenous given in I.L.O. Convention no.169 under Article 1(b) that indigenous people as<sup>v</sup>:

People in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Martinez Cobo defines 'indigenous people' with special mention of cultural distinctiveness and historical continuity to understand the concept of indigenous people<sup>vi</sup>. Generally speaking the term indigenous refers to those whose fore-bears existed on their territories at the time when alien invaders from other parts of the territory arrived there, overpowered the natives and imposed on them colonial or other forms of subjugation. Today they live secluded life due to their particular social, economic and cultural customs rather than the country of which they are part. The history shows that there was the invasion on their ancestral territories, the contamination and destruction of their habitats, the vandalization of their sacred places and sites and the wide spread ethnocide due to development of the Corporate in the world. Indian tribal are not left untouched, the wide speared development of the industries shackled the Human rights of tribal, important human right amongst the galaxy of rights, provided under UDHR, is right to development. Development of tribal is affected due to neo-liberalism policy adopted by the countries. Parallel role in making Neoliberal Policy played by the World Trade Organization which indirectly affected the tribal development in India.

### 3. Development of A Corporate: A Curse to Tribal in India

India had a disastrous history when it comes to business world, since independence Indian Government followed the path of Fabian society and centralize planning which had a fragile effect on the Indian economy. The then prime minister of India Jawaharlal Nehru showed more credence towards Public sector, for him public sector was temple. His government believed it is the public company that can swell our economy. India decided to follow five year industrial planning, were first industrial policy of 1948 was full-fledged based on

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development industries. From 1950-80 Nehru-Mahalanobis model were prepared to reflect in industrial policy the socialistic pattern which is envisaged in the Constitution of India in the Directive Principles of State Policy. In DPSP Article 39(b) imposed duties on the States that ownership and control of resources be so distributed as to serve the common good. State shows the harsh attitude towards tribal by providing land and free hand to public sector to extract natural resources. Tribal should not put at the stake to distribute the natural resources. In State of Tamil Nadu v. Abu Kavur Bhai 1984 and others word “Distribution” under Article 39(b) should be interpreted broadly and could not be limited to one method alone. There are so many instances which show the center and the state made life of tribal disastrous and fragile economy by controlling natural resources. The attitude of the state government in India can be seen through the variety of cases decided by the apex court of India<sup>vii</sup>.

In Banwasi Seva Ashram vs State of U.P.<sup>viii</sup>. On the basis of a letter received from Banwasi Seva Ashram operating in the Mirzapur District this writ petition under Art. 32 were registered. Grievance was made on several scores in that letter but ultimately the question that required detailed consideration was relating to the claim of the Adivasis living within Dudhi and Robertganj Tehsils in the District of Mirzapur in Uttar Pradesh to land and related rights. The State Government declared a part of these jungle lands in the two Tehsils as reserved forest as provided under S. 20, Forest Act, 1927, and in regard to the other areas notification under S. 4 of the Act was made and proceedings for final declaration of those areas also as reserved forests were undertaken. Supreme Court favoured the Super Thermal Plant of NTPC Ltd in location that extended to a forest area. In this case the apex court said indisputably forests are a much wanted national asset. On account of the depletion there of ecology has been disturbed: climate has undergone a major change and rains have become scanty. These have long term adverse effects on national economy as also on the living process. At the same time we cannot lose sight of the fact that for industrial growth and also for provision of improved living facilities there is great demand in this country for energy such as electricity. The Court also said that the concept of sustainable development demanded that the ousters be rehabilitated after examining their rights. While endorsing the project the Court gave equal importance to this question and issued various orders for the determination of the rights. In the second Banwasi Seva Ashram the apex Court imposed more responsibilities on the NTPC to find out alternative plots, render resettlement and subsistence allowance, give free transportation, reserve jobs and provide facilities of roads, water supply, health care and electricity. In 1970 Chipko Movement large number of tribal women participated to protect the trees. They resisted the affluent contractors and the industrialist in their act of plundering the forest. The action of the state to utilize the resources at large to



swell the economy made the tribal to adopt the anti-colonist approach toward their own government. This shows Pre 1991 industrial policies mainly focused on the development of industrialization rather than development of citizens and welfare of society like education, good health, and employment. They had the blinker development policies only for public sector unit and not for citizens. In this era tribal faced a lot due to Land Acquisition Act 1894 and Forest Act of 1927 which took their land for development purpose. 1991 industrial policies brought sea changes in the business world like foreign investment, international competition, dissolution of license raj and liberalizing the rules and laws for the development of the corporate. This policy gave much importance to the private sector business. Till 1991 Indian government showed more trust on the public sector rather than private sector. Public sector strategy was unsuccessful to give boost to the economy though they utilize the resources and land of the tribal. Today the state sponsored private sector utilizing the natural resources for the development of privately owned business. Recently to protect tribal land and to preserve their culture, the scheduled tribe and others traditional Forest Dwellers Act 2006 was passed. This Act gave the authority and liability to the tribal to preserve the forest land.

#### 4. Analysing Nature and Scope of Right to 'Development'

United Nation in 1986 adopted a Declaration on Right to Development, This declaration has ended the debate on whether Right to Development is Human Right or not. What we understand about Human Rights is that it is a claim to something of value on other people, institution, a state, or international community, who has a duty to provide it to the right holder of something of value. For instance if tribal want the Development, it is a duty of the state to give them opportunities for development like employment, free education for children, providing electricity, good roads, preservation of forest etc.. The important factor here is the valuable rights so the employment, education, electricity etc. has high value which justifies the claim of that right. In the early history of the Human Right, there is a binary matching of rights with duties which was understood too inflexibly. Amartya Sen describes this matching in terms of the Kantian concept of "perfect obligation". According to those espousing rights as "perfect obligations", "saying that everyone has a right to a "valuable something", does not mean much unless agent- specific duties and methods of fulfilling the obligation of the duty holders can be identified<sup>ix</sup>. Right to development can be divided into two parts right to development as a Human Right which cannot be denied and it create legal binding obligation in relation to that rights.



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Right to development is considered as a natural human right, but for positive school this right is given by society to itself. They are not granted by external authority, nor given by nature or divine principle. According to positive school, human rights are recognized by the law creating authority, once they are accepted they are binding on the community. Before going into the controversies over right to development we will analyze the importance of human right in International law. The fey features of the Human rights are it is an individual right, it has been repeatedly mentioned in the various international bill, only exception to this right is the right to self-determination<sup>x</sup>. This right is the claim against the State and it is

interdependent and indivisible. Human Rights is divided into First, Second and Third generation rights. The first generation consist of civil and political rights, have the libertarian character and require sanctity of individual right within the socio-political society in the he lives. Second is consist of economic, social and cultural rights, is a positive rights require affirmative action from the government. Third generation is a solidarity right which includes right to development, right to peace, right to environment, ownership of the common heritage of mankind and right to communication<sup>xi</sup>. The very objective of the third generation right is to reinforce existing human right, to enhance their effectiveness and to make them relevant for government and individuals. Traditionally there was the argument against economic, social and cultural rights and this is the reason that some do not considered right to development as natural rights. Donnelly puts it, in the Universal Declaration, "human rights are clearly and unambiguously conceptualized as being inherent to humans and not as the product of social cooperation. These rights are conceptualized as being universal and held equally by all; that is, as natural rights"<sup>xii</sup>. For instance, human rights are only personal rights, based on negative freedom, such as the rights to life, liberty, and free speech, whereby the law prohibits others from killing, imprisoning, that the state is expected to protect. While considering Economic, social and cultural rights as stated earlier with positive rights, which the state has to secure and protect through positive action. They are not natural rights, therefore, according to this view; they are not human rights. The right to development is a solidarity right, which is also called as collective rights, which is a sum of individual or personal rights, and to positive economic rights, so it cannot be regarded as human rights. To support this view Charles Taylor, says that, “Even personal rights can be taken as rights to be protected for individuals and groups”.

Another criticism on the Right to Development as Human Right is by the Positive school, as they consider the right should be legally enforceable, if not they are statements of objectives. For example the Indian constitution provides duty on State in Article 39(b) for the distribution of resources for common goods, but there is no specific Legislation for the Right

to Development. This particular article puts the duty on the state, but it is not a right of individuals and even the minorities. From the above understanding we can say that if the tribal determine by the self that the development Programme of the government hampering there very existing of the tribal and there is no legislation for the protection of this ethnic minorities, then the tribal claim for Human Right is just a mere statement. But According to Amratya Sen, “Human rights in nature are, in this view, no more born with human rights than they are born fully clothed; right would have to be acquired through legislation, just as clothes are acquired through tailoring”<sup>xiii</sup>. If we look into Sen’s view it seems that her view supports the claim of tribal in India, that Right to Development being the collective right is not taken into heed, but given to big industries. In other words State is under the obligation to provide development for ethnic community, instead of rehabilitating and displacing them by big Industries.

#### 5. Collective Rights of Tribal

In India, the Constitution of India has framed the provisions to reflect the ethno-culture Neutrality, which is also called as secularism. This shows India’s concern towards indigenous population, which is reflected in the preamble as well. On the basis of this various legislation were made to protect the collective rights of tribal in India. These collective rights of tribal are day by day hampered by various developmental projects in India. In this article we are continuously talking about the collective rights of tribal, but we need to understand why there rights called as collective rights.

Kimlicka believes that the debate over the nature of particular rights is largely “sterile because the question of whether the right is collective is morally unimportant”. The real issue “is why certain rights are group-differentiated? That is why the members of certain groups should have rights regarding land, language, representation, etc. that the members of other groups do not have. This is predicament is significant for the legal theory as well as issues of right holders and legal nature of specific right<sup>xiv</sup>. If we look into Article 1 of the Declaration on the Rights of person Belonging to National Ethnic, Religious and Linguistic Minorities and Article 27 of ICCPR Bothe protect the identity and existence of the ethnic minorities by the envisaging the words “person belonging to”. One of the most important draft of the UN is UN Declaration on the Rights of Indigenous Peoples<sup>xv</sup> is broad enough to cover Indigenous collective and Individual rights. Right to Development is part and parcel of the above declaration which is reflected in article. But the indigenous people Right to Development always get tousled with development Programme of the State. This right is promoted by the Third World and First world Criticsas collective rights of a State. The question arises whether

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only State has right to development at prize of indigenou people. We can say that there is a conflict between State Collective Right vs. Collective Right of Indigenou People. Article 39(b) of the Constitution of India put onus on the State, for welfare of the society and equal distribution of resources. It means that welfare of the society is Collective rights of the citizens were the State is having a duty to implement this by various program, but which should not override the Individual Rights of the citizen. These individual rights of the tribal to protect the Land, the very existence, Identity together became the collective of the tribal people<sup>xvi</sup>. If we read Article 1 with Article 2 of the Declaration on Right to Development we can see that the exercise of their inalienable right to full sovereignty over their natural wealth and resources and subsequent provision says that “the Human person is the central subject of development and should be active participant and beneficiary of the Right to Development”<sup>xvii</sup>. This clarifies that State should provide ambience of development to all, and not only to the industries. This shows the tribal collective right exist were they agitate towards the development of their community instead of Giant Industries.

Most of the developing countries during the 1970s, they contended that The integrated program of commodities, the generalized preference scheme, industrialization, and technology transfers and all the essential components of the New International Economic Orders were the claims are preconditions for development of all peoples in those countries. But during the 1970s and 1980s they were regarded as highly relevant, and this is reflected in the wording of the preamble of the Declaration. However, they were never meant to disregard the primacy of individual rights which used the foundations of human rights theory and which developed over time with collective rights complementing the individual rights<sup>xviii</sup>.

### 6. Conclusion

Today India needs to take balance approach towards the development of ethnic community and corporate world. There is a need of hour for the corporate world especially Public and private companies to have social responsibility towards the society, especially towards the Tribal. State for the development of the economy provides them with lands, forest areas, natural resources which is the key element of the tribal in India. Since Independence India has made disastrous development program for the public enterprises and today in the neoliberal era States are giving more significant role to Private Companies which is making development without any limits. What is required is the protection of the tribal collective rights to development. Because of the policy of the Indian government tribal individuals rights transformed into collective rights.

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<sup>ii</sup> B. C. Nirmal, *The Right to Self-Determination*, 280 (1999).

<sup>iii</sup> *Ibid*, at 281.

<sup>iv</sup> Ministry of Tribal Affairs, Government of India, Statistical Report 2013, available at <http://ww.tribal.nic.in/WriteReadData/userfiles/file/Statistics/StstatisticalProfileofSTs2013.pdf>, last seen on 08/02/2017.

<sup>v</sup> *Supra* 2, at 282.

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<sup>vii</sup> 1984, AIR 326

<sup>viii</sup> 1987, AIR 374.

<sup>ix</sup> Arjun Sengupta, *On the Theory and Practice of the Right to Development*, *Human Rights Quarterly*, Vol. 24, No. 4 (Nov., 2002), pp. 837-889, available at <http://www.jstor.org/stable/20069637>, last seen on 07/01/2017.

<sup>x</sup> International Covenant on Civil and Political Rights, adopted 16 Dec. 1966, G.A. Res. 2200 (XXI), U.N. GAOR, 21st Sess., Supp. No. 16, art.27, U.N. Doc. A/6316 (1966), 999 U.N.T.S. 171 {entered into force 23 Mar. 1976}.

<sup>xi</sup> N. J. Udombana, *The Third World and the Right to Development: Agenda for the Next Millennium*, *Human Rights Quarterly*, Vol. 22, No. 3 (Aug., 2000), pp. 753-787, available [http://www.jstor.org/stable/4489300?seq=1&cid=pdf-reference#references\\_tab\\_contents](http://www.jstor.org/stable/4489300?seq=1&cid=pdf-reference#references_tab_contents), last seen on 09/01/2017

<sup>xii</sup> *Supra* 9, at 558

<sup>xiii</sup> *Supra* 9, at 859.

<sup>xiv</sup> Miodrag A. Jovanović, *Recognizing Minority Identities through Collective Rights*, *Human Rights Quarterly*, Vol. 27, No. 2 (May, 2005), pp. 625-651, available <http://www.jstor.org/stable/20069799>, last seen on 07/01/2017.

<sup>xv</sup> Draft United Nations Declaration on the Rights of Indigenous Peoples, U.N. ESCOR, Comm'n on Hum. Rts., 46th Sess., Agenda Item 15, U.N. Doc. E/CN.4/Sub.2/1994/2/ Add.1 (1994).

<sup>xvi</sup> International Covenant on Civil and Political Rights, adopted 16 Dec. 1966, G.A. Res. 2200 (XXI), U.N. GAOR, 21st Sess., Supp. No. 16, art.

<sup>xvii</sup> The Declaration on the Right to Development, adopted 4 Dec. 1986, G.A. Res. 41/128 U.N. GAOR, 41 st Sess., at 3, Annex, U.N. Doc. A/Res/41/128 Annex (1987).

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## A Study on Employee Empowerment and its Impact on Employee Retention

Mr. Alhad Sadachar<sup>1</sup>

### Abstract

When employees feel as though they have choice and can make direct decisions, this often leads to a greater feeling of self-worth. In a model where power is closely tied to sense of self, having some power is a valuable thing. An employee who does not feel constantly watched and criticized is more likely to consider work to be a positive environment instead of a negative one.

In today's organizational world the major challenge faced by the HR as well the top management is how to retain the talent. Various approaches are used for retaining the best and productive employees. But in many cases, the productive employees are the first to leave the organization. According to the two factor theory of motivation, Fredrick Hertzberg considers one of the motivator as "Challenges and opportunities".

In this light, it becomes important to review, interview and discuss various aspects which reinforce the possibility of considering "Empowerment as an important tool for retaining talent"

This paper basically studies the impact of employee empowerment on employee retention mainly talent retention based on primary as well as secondary data collected.

Keywords: Retention, HR, Employee empowerment, employee turnover

### 1. Introduction and Background

"Employee empowerment" is a term that is used to express the ways in which non-managerial staff members can make decisions without consulting their bosses or managers. These decisions can be small or large, depending upon the degree of power with which the company wishes to invest employees. Employee empowerment can begin with training and converting a whole company to an empowerment model. Conversely, it might merely mean giving employees the ability to make some decisions on their own. The thinking behind employee empowerment is that it gives power to individuals and thus makes for happier employees. By being able to make choices and participate on a more responsible level,

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employees become more invested in their company. They often view themselves as representatives of the company.

A survey conducted by McKinsey & Company in June 2009 reinforces the benefits of empowering the talent in an organization. Feedback from roughly 1,047 executives, managers and employees from a range of sectors revealed that the number one, non-financial incentive for retention and job satisfaction was “praise and commendation from an immediate manager at 67 percent.”

In yet another study by Leadership IQ, a leadership training and research company, “53 percent of employees say that when their boss does praise excellent performance, the feedback does not provide enough useful information to help them repeat it. And 65 percent of employees say that when their boss criticizes poor performance, they don’t provide enough useful information to help employees correct the issue.”

These findings in the research surveys are self explanatory.

### 2. Objectives

- To review the literature to find link between employee empowerment and talent retention issues today.
- To review the views of various respondents interviewed by researcher
- To interpret the findings and study the relation between employee empowerment, its effect on employee engagement and ultimately on talent retention
- To conclude by providing effective tools and method for employee empowerment in an organization.

### 3. Hypothesis Of The Study

Statement of hypothesis considered for this study is as below:

Employee empowerment if done in proper way will lead to better employee engagement and have direct positive impact on increasing employee retention.

### 4. Review of Literature

Various eminent writers from corporate field as well management faculties have studied various aspects of this emerging strong tool of employee empowerment. There are some selective references in books, magazines, published papers as well as on the internet. It is interesting to observe that most of the literature on empowerment is written in recent times which show that the concept of empowerment is modern and very much applicable to today’s workplace.

At its best, Kenneth L. Murrell and Mimi Meredith (Empowering Employees, 2000) illustrates the vogue concept of worker empowerment as it relates to real-life work. It explains a gap between ideal aspects of empowerment and the ground reality supported by examples of companies like Toyota and AT&T that have embraced empowerment - or portions of it - to great success.

According to Wikipedia.org, “Nowadays more and more bosses and managers are practicing the concept of empowerment among their subordinates to provide them with better opportunities. According to Thomas A Potterfield, many organizational theorists and practitioners regard employee empowerment as one of the most important and popular management concepts of our time. Companies ranging from small to large and from low-technology manufacturing concerns to high-tech software firms have been initiating empowerment programs in attempts to enhance employee motivation, increase efficiency, and gain competitive advantages in the turbulent contemporary business environment.”

Dr. Rozana Huq (2010) in her book “Employee Empowerment: The Rhetoric and the Reality” has detailed the thoughts as well implementation issues in employee empowerment. She has enlightened both the formal as well informal ways of empowerment at workplaces. She mentions that though empowerment is a powerful tool and theoretically looks well, there are problems in implementation. She also mentions that there is lack of good research in the field of empowerment. She mentions following effective practical tools for empowerment:

1. Participative decision making
2. Devolution of responsibility
3. People oriented leadership style

John P. Carlos (2009) in his book “Empowerment Takes More Than a Minute” discusses the three important keys to employee empowerment. These three keys are : 1. Share Accurate Information with others 2. Create Autonomy through boundaries and 3. Replace hierarchical thinking with self-managed teams.

Bret L Simmons writes in his articles on Internet (2011) “A study recently published in the Journal of Applied Psychology (full citation below) provides strong support for why managers should provide more reality and less rhetoric when it comes to employee empowerment. This meta-analysis of 142 previous studies also reveals what the evidence shows are the most effective means to achieve employee empowerment. The study showed that for both individuals and teams, empowerment drives both employee behaviors and attitudes. Empowered employees were more satisfied and committed at work, and less likely



to experience stress and to think about leaving the organization. The critical behaviors driven by empowerment were performance, innovation, and organizational citizenship.”

Apart from book reviews, there is also valuable discussions researcher had with few practicing HR professionals. Mr. Sachchidanad, HR executive from Calicut, Kerala mentioned that “Empowerment can easily be practiced, if the organization bears the additional overheads on training and development, which would immediately get compensated by the enlarged span of control and flatter system of organization.”

Priti Shah , HR consultant at Laurent & Benon Management Consultants Ltd, a public limited company with its corporate office Gurgaon with Pan-India presence, says “For employee empowerment to work successfully, the management team must be truly committed to allowing employees to make decisions. They may wish to define the scope of decisions made. Building decision-making teams is often one of the models used in employee empowerment, because it allows for managers and workers to contribute ideas toward directing the company. Autocratic managers, who are micromanagers, tend not to be able to utilize employee empowerment. These types of managers tend to oversee all aspects of others’ work, and usually will not give up control. A manager dedicated to employee empowerment must be willing to give up control of some aspects of work production.”

Chandra Bhole, Co-founder of Octave Business School, Nagpur and board member of Global BITS Pilani Alumni Association says “Empowerment does not mean blind delegation or lack of visibility for the manager. It's a conscious and aware decision. One thing manager is avoiding is micro-management. But, he is aware about what's happening. “

Considering the views of both academicians and practicing HR professionals, it can be said that Empowerment in indeed a powerful tool for employee engagement as well as retention but it needs to be institutionalized and implemented with proper method.

## 5. Research Methodology

Methodology adopted for research is a combination of textual research i.e. exploratory research and empirical research through survey. Various attributes are tested through existing literature as well as results of the survey conducted. Hence there is equal importance of primary data as well as secondary data for this research.

### a. Data Collection

Primary data can be collected by conducting field survey, or by taking interviews or through observation method. For research under discussion, researcher has selected online survey method. Questionnaire was designed and mailed to the selective



respondents either in HR field or the people managers. Some respondents were telephonically interviewed. Responses of people were collected via email as well as on phone. It comprised of basic primary data for study. Secondary data was collected from 1. Books 2. Other publications and 3. Internet. This data was utilized for concept study and literature review and also for comparison with field responses.

**b. Sampling**

Sampling method used was justified sampling (stratified sampling) where from various sectors 4 strata were prepared. Samples of equal sizes were selected at random from the defined strata. 15 samples i.e. 15 individuals were selected from each strata.

1. HR professionals and consultants
2. Managers in organizations
3. Owners of SMEs, partners, directors
4. HR and other management faculties

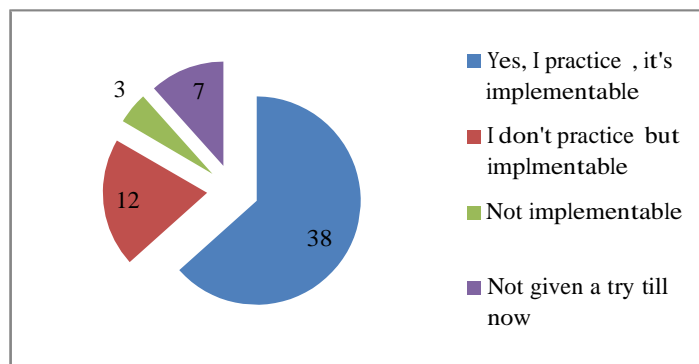
A sample size of 60 was chosen for the survey. Employees working in various situations/ positions as mentioned in the strata were the units of analysis. Simple statistical tools were used, mainly measures of central tendency such as arithmetic mean and mode were used since the stated hypotheses do not demand any specific statistical calculations,

**6. Data Analysis and Interpretation**

Questionnaire was designed with questions relevant with the subject and data was obtained from 60 respondents. Survey was conducted over phone and the data was tabulated

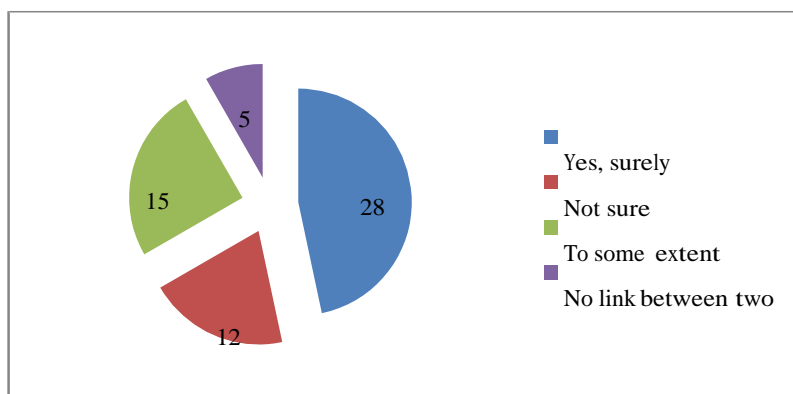
Q1. Do you practice empowerment? Is it implementable?

Options	Frequency	Percentage
Yes, I practice , it's implementable	38	63.33
I don't practice but implementable	12	20
Not implementable	3	5
Not given a try till now	7	11.67



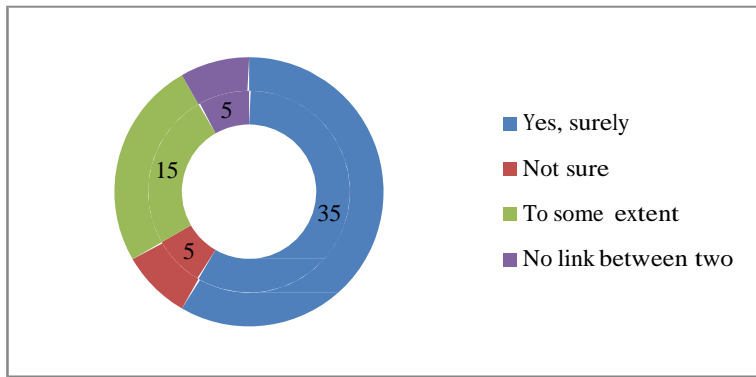
Q2. Can empowerment help in improving employee engagement?

Options	Frequency	Percentage
Yes, surely	28	46.67
Not sure	12	20
To some extent	15	25
No link between two	5	8.33



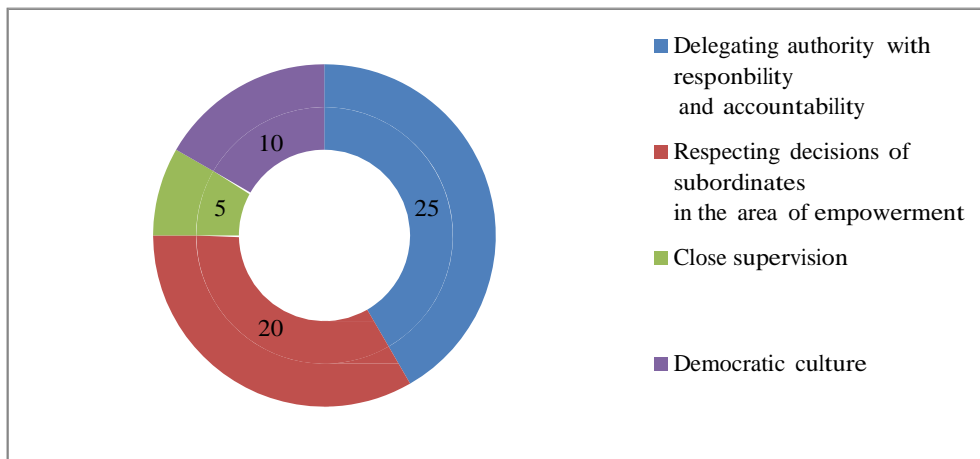
Q3. Does employee empowerment help in increasing employee retention

Options	Frequency	Percentage
Yes, surely	35	58.33
Not sure	5	8.33
To some extent	15	25
No link between two	5	8.33



Q4. What is most important in empowerment?

Options	Frequency	Percentage
Delegating authority with reasonability and accountability	25	41.67
Respecting decisions of subordinates in the area of empowerment	20	33.33
Close supervision	5	8.33
Democratic culture	10	16.67



7. Interpretations

- More than 60% of respondents say that Employee empowerment is implementable. However everybody explained a different method for empowerment. Thus there is no standard method of empowerment and it is difficult to institutionalize empowerment process.
- Link between employee engagement and empowerment could not be clearly established as only 46% agreed that there is a link.
- As 58% respondents agreed that empowerment leads to better retention and another 25% confirmed that there at least some link, it can be said that a link is there between empowerment and retention.

8. Conclusion

- While relating the literature written worldwide (online as well as published literature) with the findings of the survey conducted for understanding the current status of empowerment in Indian industry, it was found that the Indian industry is now becoming

aware of this powerful tool. The behavioural science approach of managing human resources has reached to the extent that HR managers can now identify the key employees or talent and try to empower them.

- Though it was found that empowerment leads to talent retention, it was also discussed that it has no direct impact on employee engagement. Specifically the HR professionals out of the total sample denied the link between two.
- Some HR professionals and most of the owners/ partners in SMEs were not very confident about empowerment as it may lead to a hierarchical chaos according to them. Others were of different opinion saying that the ultimate responsibility and accountability still lies with the manager.
- From the discussions with respondents and review of literature both, it was thus found that empowerment has few limitations, especially on two fronts: 1. Implementation, and 2. Evaluation. It cannot be applied to all employees, all kinds of jobs and all industries.
- Out of total, 46% respondents agreed that there is a link between employee empowerment and employee engagement. This is not a sufficient response to confirm the link. However 60% respondents fully and 25% partially agreed that empowerment has direct impact on talent retention. Thus the hypothesis that “Employee empowerment if done in proper way will lead to better employee engagement and have direct positive impact on increasing employee retention.” can be partially accepted and it needs further research to come to any concrete conclusion.
- In institutionalizing the empowerment process, 41% respondents agreed that “Delegating authority with responsibility and accountability” is an important step, while 33% stated that “Respecting decisions of subordinates in the area of their empowerment” is equally important.

#### 9. Recommendations and Researcher’s View

Clearly, the problem of empowerment has various issues and researcher would like to make some suggestions based on the study, observations, etc.

- Implementation & institutionalization: There is no set process for implementing and institutionalizing the empowerment process. Of course, it will differ from company to company, job to job and employee to employee. But certainly, there can be some set steps which can be formulated. Researcher would like to suggest following steps:
  1. Identify the key positions, employees and areas where empowerment can be done.

2. Decide the level of empowerment and control parameters
  3. Decide the tools for empowerment
  4. Use the tools
  5. Observe the changes and monitor
  6. Evaluate periodically and make changes wherever needed.
- Tools of empowerment: There is always a discussion over and confusion about the tools which should be used for creating actual empowerment. After discussions with various HR professionals and academicians, we can chalk down following tools which can be used for effective empowerment.
1. Involving subordinates in decision making, problem solving and change process.
  2. Delegating responsibility and providing equal authority and clearly stating the needed accountability
  3. Clearly defining area of empowerment.
  4. Respecting and following the decisions taken by the subordinate in his area of empowerment
  5. Declaring his/ her area of empowerment to everyone who is concerned
  6. Deciding periodic check-points and review standards
  7. Imparting required training to the subordinate to take up the new responsibility
  8. Creating a proper reporting structure, pre-defining budgets and role boundaries
  9. Acknowledging small achievements of the subordinate in area of empowerment and mentoring him/her if a failure is faced
  10. Most important : Inculcating sense ownership of the area of empowerment by counseling and participative discussions

There can always be some degree of empowerment possible for each company, each job and each person. HR manager has to use his judgment to find out that degree of empowerment precisely.

- Evaluation and Correction: This probably one of the major objections raised by traditional HR practitioners and SME owners/ managers. Here one need to understand empowerment does not involve any additional cost more does it call for specialized skills. It may need some precious time of the managers. But this small investment of time can produce empowered and enthusiastic employees and further the manager will be relieved from many micro-management activities. This will help him to concentrate on core areas.

Empowerment is no doubt an effective component of Quality of Work Life and it has two fold benefits. On one hand the employee moral remains high and retention improves while on the other hand productivity per employee increases and this leads to organizational effectiveness. Every people-manager, if uses this tool of Empowerment, will definitely get multiple benefits and will be able to build up more focused, integrated and loyal teams.

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## Opportunities & Challenges in Franchising

Dr.Archana Dadhe<sup>1</sup>

### Abstract

Although franchising is one of the sectors that has shown resilience and continues to grow in this tough economic environment, the sector is not without risk for franchisees and franchisors.

Franchise systems are based on a proven model that can be successfully replicated; these types of businesses are often considered less risky by entrepreneurs. The reality is that no franchise is immune to tough economic conditions levels of success vary depending on the concept, strength of the brand, management and the industry.

Entrepreneurs share many things in common. They're risk takers, they aren't lacking in ideas, and they dream big. They strive to conquer unknown territory via national – even global – expansion and often turn to franchising to do so. However, with new franchise concepts popping up constantly, not all are destined to succeed, and even franchisors – despite their bold fearlessness – aren't always able to overcome the hurdles that come with building a franchise.

For example, fast-food and restaurant franchises are currently outperforming their peers due to the viability of the businesses and increased demand.

There are quite a few challenges that franchise owners should take into consideration during these tough times.

### 1. Introduction

Franchising is a long-term cooperative relationship between two entities a franchisor and one or more franchisees that is based on an agreement in which the franchisor provides a licensed privilege to the franchisee to do business. The franchisor grants the franchisee the right to use a developed concept, including trademarks and brand names, production, service and marketing methods and the entire business operation model, for a fee. The franchisee then provides the time, capital, and desire to utilize the brand and services provided by the franchisor to build a thriving business.

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## Opportunities & Challenges in Franchising

For many companies, franchising is a means of expanding business. For individual entrepreneurs, franchising is a method of opening a business. Franchising is the fastest way to guarantee that entrepreneurs adhere to the high standards required for successful business management.

Franchising may be described as a combination of several small businesses and one large one, constituting an alliance that links the commitment and aspirations of individual entrepreneurs with the extensive resources, power and experience of a major corporation. This alliance gives rise to a winning formula with high likelihood of success. Throughout the world, franchising is recognized as a relatively secure type of business operation with the following advantages:

- Entrepreneurs run independent businesses but are not entirely alone.
- Companies may expand efficiently without incurring high costs, setting up and maintaining branches without the problems entailed by managing numerous wholly-owned outlets. Franchising increases chain size and strength, guaranteeing operator and employee loyalty to the parent company and its objectives.

### 1.1 Franchising As Business Concept

To all of us as consumers, a McDonald's or a KFC or a Cafe Coffee Day for that matter in India, or abroad largely look the same. Yet beneath this layer of similarity reside two entirely different organizations - the invisible company that owns the Brand, and the company that operates the visible outlet- the franchise.

Franchising is a term that defines the business relationship between two organizations where a franchisor, who is the owner of a brand name, product, or system of a business, permits a franchisee to use its brand, product, or business process for a fee. At a conceptual level franchising is a method of marketing and distribution, and organizations use franchising as a method of growth and development.

### 1.2 History of Franchising

Franchising is a term that comes from the French language and means 'to be free from servitude'. It was developed as a business method in the United States in 1850s. But there are some historians who argue that as a method of licensing, franchising developed much earlier in feudal times when the head of the Roman Catholic Church gave his clergy the right to collect church taxes locally.

Franchising is a low-capital rapid growth market share gaining option. The goal of a franchisor is to provide a consistent product and consumer experience 'indirectly' through a franchisee.

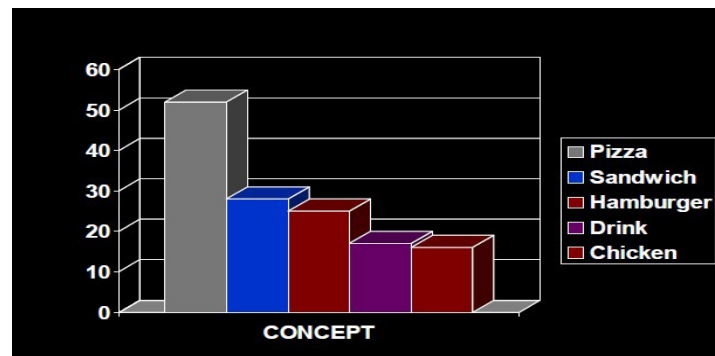
This is achieved through operational processes that are transferred to the franchisee organization, and managing them for performance.

An organization that does franchising is required to develop systems, structures, and processes for inter-organizational collaboration focused upon accountability and control of performance of an 'external' business. Franchisees, view themselves as independent business people, and see their relationship with the franchisor as one between business partners.

By the very nature of the franchising process, it is a business method more suited to generic services that evolve around a recognized brand, a basic standardized process capable of delivering a consistent product or service through a wide network of operational units.

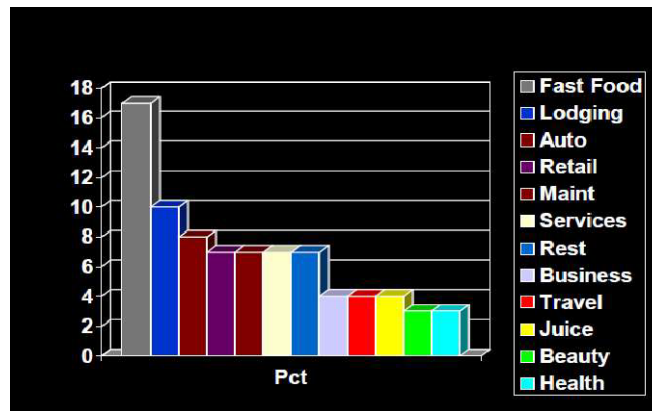
The importance of franchising as a potential business option can be assessed based upon research in 1997 that estimated that nearly 40% of all retail sales reached consumers through the franchise route. The hospitality industry has traditionally used the franchise route for international growth. The importance of the franchising process is reflected in the retail and hospitality industries where nearly every retailer (in malls) and every major hotel are franchisees of international as well as major national chains. Internationally, Franchising is very well accepted and is entrenched deeply within USA & Western Europe.

Food Sector



Franchising by Sector

## Opportunities & Challenges in Franchising



### 1.3 Franchising in India

In India, acceptability is growing by the day and it has a fairly conventional industry spread. Approximately 600 franchisors spread across industries like education, retailing, professional services, healthcare etc.

There are close to over 40,000 franchisees, with an annual turnover anywhere between Rs.8000-Rs.10,000 crores from franchising. It is estimated that the total investments made by Franchisees is over Rs.5000 crores and over 300,000 people are directly employed by franchised businesses. (Source: Annual Surveys of the Indian Franchise Sector, conducted by First Franchising).

Opportunities in Franchising in India exist in the following areas like Beauty Salons & Supplies, Business Services, Clothing, Computer & Internet, Consultancy, Consumer Services, Education & Training, Entertainment, Financial Services, Florists, Food and Beverages, Health Care & Fitness, Immigration Services, Interiors, Jewellery, Play School & Activity Centre, Retail and Travel. Retail franchising within India, grew initially in the apparel & footwear sectors and has gradually grown to cover a wide variety of sectors including food, consumer durables, jewelry, books, home decor etc. in this type of business model, there are two varieties of Retailers.

The first ones are the manufacturer-retailers - typically Product Distribution Franchises and other ones are the aggregators - typically Business Format Franchises. Substantial action is also happening in non metro locations, thereby spreading organised retailing over a larger footprint

### 2. Objectives

- 1) To study growth of franchising in the economic development.
- 2) To study opportunities in franchising.
- 3) To study challenges in franchising.
- 4) To study distinct advantages over independent business ownership

### 3. Opportunities & Challenges in Franchising

#### 3.1 Challenges

There are quite a few challenges that franchise owners should take into consideration during these tough times.

- Shrinking disposable income – as the cost of living increases due to a number of economic factors, consumers are beginning to spend even less. This is one of the biggest threats facing the franchising industry.
- Increasing competition (market share) – a number of foreign-owned brands such as Starbucks, Burger King and Domino's Pizza have now been incorporated into the local market. While this has a positive economic impact and gives consumer more choice, it significantly increases competition and puts more pressure on the performance of established brands.

The battle for market share is increasing, with businesses constantly finding new ways of satisfying customers who favour value for money and convenience over price and ambiance.

- Rising costs – the current drought, which has had a direct impact on food price inflation, will significantly increase costs for franchises within the fast-food and restaurant sector. With consumers already struggling due to shrinking disposable income, it will be difficult for franchises to pass on these costs to them.

Furthermore, increasing electricity costs, interest rates, salaries, transport and maintenance costs are putting more strain on the bottom line of franchises.

- Falling staff morale – when business conditions are not great, some franchises can often not afford to hire more staff or bring in temporary staff, leaving employees severely stretched and demotivated. Job security issues are also heightened during this time as some employees may fear losing their jobs.

Motivating staff and constantly updating them on how the business is doing is extremely important since quality customer service goes a long way during this time.

- Bad debts – with interest rates likely to continue increasing throughout the year, franchises may find it difficult to service debt and borrow more money, leading to cash flow constraints.
- Adapting to consumer needs – following a tried and tested model is no longer a guarantee for success in the franchising sector. Convenience and innovation in technology is increasingly becoming important to customers.

Consumers now want the option of ordering meals online and getting them delivered to their homes. Moreover, there is an emerging focus on wellbeing, with consumers opting

## Opportunities & Challenges in Franchising

for healthier food options and preferring to patronise businesses with ethical and sustainable business practices.

As the business landscape continues to evolve, it presents entrepreneurs with a new set of challenges and opportunities. Franchisors and franchisees who stay ahead of industry developments will continue to grow and remain a step ahead of their competitors.

- **Having Sufficient Capital.** Many businesses fail due to under capitalization, and the same is true for new franchises. This is usually a challenge in the first year since the cost of creating the franchise system and the cost of supporting new franchisees usually exceed royalty revenues and franchise fees in the beginning.

Underestimating the amount of capital needed to get the franchise to the point where it's self-sustaining. New franchisors should have enough capital to cover building an infrastructure to support incoming franchisees in sectors including operations, marketing, administrative, and accounting, and to develop a franchise sales program that includes staff and lead generation.

- **Building a Solid Infrastructure.** Systems, procedures, and support form the backbone of a franchise, yet these issues are not always at the top of the priority list for new franchisors. "Growing before you have your systems and processes figured out means that you can't provide the support that your franchisees need. A good way to measure your success is the profitability of your corporate operations.

In order to build a solid infrastructure, new franchisors should conduct an analysis of the systems, processes, procedures, and support they currently have and what they will require to support franchisees. In addition, "franchisors will likely need to add operational support and training staff, technology, marketing, and administrative support to their internal team.

- **Bringing the Right Franchisees on Board.** The long-term success of your franchise will depend largely on the quality of your franchisees. The challenge is finding the right people with the right qualifications. "Many emerging franchisors award franchises to friends and family in their early stages in an effort to grow the business. While this may work in some cases, in most cases your friends and family are not the most qualified franchisees.

Finding the right franchisees often becomes a money issue. "Today, finding qualified candidates who are interested and willing to invest in becoming a franchisee is more difficult than ever before.

- **Building Solid Relationships.** Finding the right franchisees is just the first step. Next, you have to invest time to nurture a positive relationship with them. The franchisor

needs to recognize that the relationship they build with their franchisees is the key to their long-term success. If the franchisor just keeps in mind that they need to treat franchisees as they would want to be treated and always do the right thing by them, they will reap happy, successful franchisees. Franchisors that are only in it to make money will end up with unhappy franchisees. Without the franchisees' validation, it is tough to add new franchisees.

- **Bringing the Right Staff on Board.** Awarding franchises to the right people is critical, but so is hiring the right people. As an emerging franchisor, it is likely that franchisees will interact with every person in your company at some level. Your employees need to reflect the brand and represent the company's core values. 'Hire slow, fire fast' are words to live by."
- **Understanding Your Role as Franchisor.** In order to be a successful franchisor, you need to understand your role. "Running a business is a different role than running a franchise. A business owner is focused on the performance of the business, staffing, and expense control. The franchisor is focused on adding, training, and supporting franchisees. Making the shift from business owner to franchisor is often a critical step for the success of the franchise business.
- **Finding the Right Time.** So much in life is about timing and it's no different with a franchise. While it is important to nail down the processes and systems, it is also important to recognize that you will have to continue to adapt the system to meet the changing market. Your system should always be looking for ways to improve; thus, it is never 'done.' If you wait until things are perfect to grow, you may end up missing the market opportunity.

### 3.2 Opportunities

There are franchise investments in almost every industry, from restaurants to fitness clubs. Franchising has become one of the fastest and most lucrative routes to being successfully self-employed.

Some specific benefits of franchising include the following:

- **Capital-** The most common barrier to expansion faced by today's small businesses is lack of access to capital. Franchising, as an alternative form of capital acquisition, offers some advantages. The primary reason most entrepreneurs turn to franchising is that it allows them to expand without the risk of debt or the cost of equity.
- **Motivated Management-** Another stumbling block facing many entrepreneurs wanting to expand is finding and retaining good unit managers. And hired managers are only

## Opportunities & Challenges in Franchising

employees who may or may not have a genuine commitment to their jobs, which makes supervising their work from a distance a challenge.

But franchising allows the business owner to overcome these problems by substituting an owner for the manager. No one is more motivated than someone who is materially invested in the success of the operation.

Long-term commitment, Better-quality management, improved operational quality, and Innovation these are the few benefits.

- **Speed of Growth-** For some entrepreneurs, franchising may be the only way to ensure that they capture a market leadership position before competitors encroach on their space, because the franchisee performs most of these tasks. Franchising not only allows the franchisor financial leverage, but also allows it to leverage human resources as well. Franchising allows companies to compete with much larger businesses so they can saturate markets before these companies can respond.
- **Staffing Leverage-** Franchising allows franchisors to function effectively with a much leaner organization. Since franchisees will assume many of the responsibilities otherwise shouldered by the corporate home office, franchisors can leverage these efforts to reduce overall staffing.
- **Ease of Supervision-** From a managerial point of view, franchising provides other advantages as well. For one, the franchisor is not responsible for the day-to-day management of the individual franchise units. At a micro level, this means that if a shift leader or crew member calls in sick in the middle of the night, they're calling your franchisee -- not you -- to let them know. And it's the franchisee's responsibility to find a replacement or cover their shift. And if they choose to pay salaries that aren't in line with the marketplace, employ their friends and relatives, or spend money on unnecessary or frivolous purchases, it won't impact you or your financial returns. By eliminating these responsibilities, franchising allows you to direct your efforts toward improving the big picture.
- **Increased Profitability-** Since franchisors can depend on their franchisees to undertake site selection, lease negotiation, local marketing, hiring, training, accounting, payroll, and other human resources functions, the franchisor's organization is typically much leaner . So the net result is that a franchise organization can be more profitable.
- **Improved Valuations-** The combination of faster growth, increased profitability, and increased organizational leverage helps account for the fact that franchisors are often valued at a higher multiple than other businesses.

- Penetration of Secondary and Tertiary Markets- The ability of franchisees to improve unit-level financial performance has some weighty implications. A typical franchisee will not only be able to generate higher revenues than a manager in a similar location but will also keep a closer eye on expenses.
- As a franchisor, this can give you the flexibility to consider markets in which corporate returns might be marginal.
- Reduced Risk- By its very nature, franchising also reduces risk for the franchisor. Unless you choose to structure it differently (and few do), the franchisee has all the responsibility for the investment in the franchise operation, paying for any build-out, purchasing any inventory, hiring any employees, and taking responsibility for any working capital needed to establish the business.
- The franchisee is also the one who executes leases for equipment, autos, and the physical location, and has the liability for what happens within the unit itself.

#### 4. International Expansion: Opportunities Outweigh Challenges

##### Challenges Franchisors Face When Going Global

- i. Expanding outside your home country efficiently and cost-effectively: Without a plan and priorities you can find yourself spending lots of money with little results.
- ii. Defining the benefits, risks, opportunities and challenges: What are the specific benefits for your franchise? What are the resources needed for your franchise that you have or have to add and when? What will this effort take away from your growth?
- iii. Defining the time and cost it will take to succeed outside your home country: That all important financial models that show your investment and expected return over time.
- iv. Protecting your brand and intellectual property: An up-front investment in trademarks is essential to maintain your brand value.
- v. The added cost of training and support across many times zones: Budget for this up front and include it in your initial master franchise fee.
- vi. Deciding where to take your franchise to get the best return on your investment.
- vii. Picking the right master franchisees: The most difficult and time-consuming task of all in the global development of your franchise and the task most often not done properly. Take your time to find, evaluate and conduct due diligence on master-franchise candidates.



## Opportunities & Challenges in Franchising

- viii. How will your franchise go global? Master franchising to one company per country? Area or province franchising larger countries such as China, Germany and the United Kingdom? Direct franchising which means more up-front investment on your part but more control and more profits long term. Maybe your franchise will use more than one of these market-entry structures. Take time to evaluate what each development method means to your franchise in terms of up-front investment and long-term return.
- ix. While in the past U.S. franchises were the only ones going global, in recent years we have seen a flood of Australian, European and Latin American franchisors also entering world markets. Now there is competition with these companies in many countries, including the United States.

### 5. Conclusion

Franchising is considered by many to be the major catalyst as a growth vehicle in the future world economy.

An association with a well-established brand, reputation and product or service, other attributes should be sought after when assessing prospective franchise businesses. These include robust support across the entire operation of the business; assistance with site selection, lease negotiation, project management for store construction, assistance with store designs, equipment procurement, launch marketing program, management training and experienced field support; marketing support, advertising and merchandising assistance, buying power and access to a proven business model and a network of franchisee peers to draw support from.

While the opportunities are apparent, starting a business can be daunting without the right planning and support in place. One of the most common mistakes franchise prospects overlook is the alignment of individual needs compared to what the franchise business model delivers and underestimating the investment required in setting up a business and the working capital required to operate the business on a day to day basis,

Particularly in the first 12-18 months of establishing a new franchise business. A successful franchise prospect will be open to working within the framework of an established business model. This can bring less autonomy in some business decisions, and a set of guidelines that a franchisor puts in place for the franchisee to follow.

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## A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur

Dr.Parihar Dahake<sup>1</sup>

### Abstract

The use of cash widely persists in the Indian economy. But Trade and exchange of goods and services has also come a long way from the times of the barter system to the modern currency system. Despite the fact that a transition to a cashless society is already happening, there is reluctance among the high echelons of power to switch over to the completely cashless economic system as it decentralizes the power from their hands. Different factors in online service encounters for customer satisfaction. In the order of importance, these factors were delivery performance, time saved, website functional properties, internet familiarity, and price saved. Some other factors that were not found to be significant included: website aesthetic properties, risk, customer support, and product variety. The new policy by Reserve Bank of India (RBI) on cashless system of payment has raised a lot of concern to the growth of Indian economy, with the objective of reducing robbery, high cost of processing cash, revenue leakages, inefficient treasury management, promoting economic development through financial intermediation, among others. The convenience of electronic transactions, the ease of credit availability, increased sales, increased purchasing power, to list a few. Since the end users of the convenience the card payment system generates, they are the ones who bear the cost of the system. This Paper analyzes the trends in payments in Nagpur City and discuss that there has been an important growth in the use of cashless digital payment instruments, namely the use of credit and debit cards, electronic funds transfers (EFTs) and mobile banking at the time of online purchasing of telecommunication Services.

Keywords: Cashless, Transaction, Economy, Electronic Payment, online, purchasing, telecommunication, Services

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## A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur

### 1.1 Introduction

Before the emergence of modern banking system, banking operation was manually done which lead to a slowdown in settlement of transactions. This provided a good understanding of the business philosophy and pricing strategy of the income earning and profit making players in the card based payment system. The characteristics of online retailing indirectly affect e-trust, e-commitment, and word of mouth, and it does this by moderating customer satisfaction and customer satisfaction indirectly affects e-commitment and word of mouth by moderating e-trust. Apart from this impact on potential sales and reputation, reliable voice and data telecommunications are essential to any business, and in today's world, many businesses completely depend on effective telecommunications for voice, and more importantly data communications. At alarming speed, and the recent huge increase in the capacity of telecoms networks has resulted in a growth of Cashless Transactions in Purchase of Telecommunication services.

High-speed data networks, such as 2.5 and 3G, with more sophisticated data-enabled wireless devices, have the potential to transform payment. Color screens, greater bandwidth, and compelling content are converging to create an environment where consumers feel more comfortable transacting on the move. Mobile telecommunications continue to be phenomenally successful, with an estimated one billion mobile subscribers by the end of 2002 (Source: The Universal Mobile Telecommunications Service (UMTS) Forum).

### 1.2 Online Purchase of Mobile Recharge Services in Nagpur

More and more, these moments across the customer journey are happening on mobile devices. Whether it's performing a search, opening an app, visiting a website or watching a video, people turn to their mobile device to get answers or take action. We call these Micro-Moments, and they are chances for brands to meet their customers at their moments of intent, when decisions are being made or preferences are being shaped.

While developed and fast developing countries have understood the influence of Internet, Nagpur is still ignorant and trying to deal with up with the technological developments. The retail industry campaign has been repainted by Internet and the rules of the game in retailing are fast altering. The western culture has affected each and every aspect of our Nagpur Society. The life is becoming fast not only in metros but also in the normal cities. The number of nuclear families is increasing and both husband and wife are working, as they have less time to go to the market for purchasing every now and then. Nagpur market is dominated

by organized players but there is potential in the area of Mobile Recharge as well. Entry of bigger players such as Airtel, Vodafone, Idea, Reliance, BSNL, Telenor More etc

### 1.3 Literature Review

Solomon, 1998 in his study “Consumer behavior is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires”. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer’s mind-set, intention and conduct in light of the online buying practice: i.e., why they employ or falter to use it for purchasing? Consumer attitudes seem to have a significant influence on this decision.

Annamalai, S. and Muthu R. Iiakkuvan(2008) in their article “Retail transaction: Future bright for plastic money” projected the growth of debit and credit cards in the retail transactions. They also mentioned the growth factors, which leads to its popularity, important constraints faced by banks and summarized with bright future and scope of plastic money. Alvares, Clifford(2009) in their reports “The problem regarding fake currency in India.” It is said that the country's battle against fake currency is not getting easier and many fakes go undetected. It is also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes.

Reddy, Ramakrishna (2006) in his article “Card products in India”, commented about the reasons for not attaining full growth potential among card products and suggest remedies for growth in this field for the benefit of all players. Saha, TapashRanjan(2006) in the article “Debit cards overtaking credit cards in India”, provided comparative features of both credit cards and debit cards and its volume of transactions from 1995 to 2005, shows that debit cards growth is out placing the credit cards.

The work of Kim and Park (2005) using U.S. samples suggests that their positive attitudes as well as willingness to search for pre-purchase information leads to a strong likelihood that they will buy online. Online shoppers are required to have computer skills in order to use the Internet for shopping. Hence, those who are not comfortable with using the computer, will likely do their shopping at the traditional store, modern shop, or discount store (Monuwe , 2004) because it will be faster shopping there than in the Internet shop. Goldsmith and Flynn (2004) state that the home catalog is another traditional selling channel where people can shop at home because of the varieties of products offered in the catalog. They can order through the phone or by mail. It is convenient except that they are not able to touch and feel products before purchasing. (Ernst & Young, 2001;Mahajan, Muller & Bass, 1990), Sultan and Henrichs (2000) in his study concluded that the consumer’s willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness. Vijay, Sai. T. &Balaji, M. S. (May 2009), revealed thatConsumers, all over the world, are increasingly shifting from the crowded stores

to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India.

Reddy, Ramakrishna (2006) in his article “Card products in India”, commented about the reasons for not attaining full growth potential among card products and suggest remedies for growth in this field for the benefit of all players. Saha, Tapash Ranjan (2006) in the article “Debit cards overtaking creditcards in India”, provided comparative features of both credit cards and debit cards and its volume of transactions from 1995 to 2005, shows that debit cards growth is out placing the credit cards.

Srinivas, N. (2006) in his study “An analysis of the defaults in credit card payments”, has tried to analyse the socio-economic profile of the defaulters of credit cards, to identify the set of factors which contributed to such defaults and suggest relevant measures to minimize the default cases. Analysis of reasons indicated that economic hardship is the major reason identified by majority of the sample units follows by rigid payment structure and loss of job/business. The main suggestion is that the banks concerned should redesign the payment structure of credit card defaulters in a flexible and affordable installment.

#### 1.4 Research Methodology

The research design used in this study is the descriptive survey method. The population of this study is the entire academic community. A sample size of 100 was selected using the convenience sampling procedure. The sample includes both literate and illiterate Nagpur People since they are the ones that can respond to determine the reliability of the numeracy of users knowing fully that an average Nagpur People can use mobile phones. The method used to collect data for this study is structured questionnaire. A total of 250 copies of the questionnaire were personally administered out of which 87 copies were retrieved in usable form. This represents a response rate of 87%. The responses from the respondents were collated and analyzed using the simple percentage procedure.

##### 1.4.1 Objective of Study

- To Know the Mediums Of Marketing regarding awareness of Cashless Transaction System in Nagpur
- To assess the customer trust and beliefs on Cashless Transaction System in online purchasing of Mobile recharge.

##### 1.4.2 Null Hypothesis

H<sub>0</sub>. There is no significant relationship between Online Recharge System and cashless Transaction.

# A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur

## Alternate Hypothesis

H1. There is a significant relationship between Online Recharge System and cashless Transaction.

### 1.4.3 Research Instruments

The research instrument used was a questionnaire, it comprised of both open ended and close ended question. Personal interview was conducted among the target respondents using the questionnaire, Journals, Books and internet.

### 1.4.4 Universe of study

- Higher Middle Class Customers Of Nagpur City
- Sampling Design and sample size:

Sampling Technique used for the study was convenience sampling and the sample size was 250 Customers of Nagpur City.

### 1.4.5. Tools Used for the study

Percentage analysis method: Simple percentage method analysis refers to a special kind of ratio with the help of absolute figures. It will be difficult to interpret any meaning from the collected data but when percentage are found out then it becomes easy to find relative difference between two or more attributes

- $\text{Percentage} = \frac{\text{Number of Respondents}}{\text{Total Number of respondents}} \times 100$
- And One-Way Anova Analysis

## 1.5 Limitations of The Study

- a) Chances of the respondents bias are involved in this research
- b) This research limited only for Nagpur city only.

## 1.6 Period of Study

The study was conducted in the period of November 2016 to January 2017

## 1.7 Payment Modes by Cashless Transactions

- i) App: Short for 'application', which here typically refers to a small, specialized program that is downloaded onto mobile devices for a specific purpose. In the mobile payment environment, smartphone owners who shop online seem to have a preference for using apps instead of mobile websites.
- ii) Interoperability: According to ISO/IEC 2382-01 Information Technology Vocabulary, interoperability is a capability to communicate, execute programs or transfer data among various functional units in a manner that requires the user to have little or no knowledge of the unique characteristics of those units.
- iii) Mobile commerce or m-commerce: Electronic commerce (e-commerce) conducted from a mobile device, e.g., phone, tablet computer. Mobile commerce

should not be confused with electronic commerce which entails all commerce over an electronic network, including purchases made from personal computers.

iv) **Mobile Network Operator:** Mobile Telecommunications Company who handles its online transactions and sales by company websites.

v) **Mobile Wallet:** Digital container accessed by the mobile device, allowing customers to store applications and credentials used for mobile financial and non-financial services. The container may reside on the consumer's mobile device, or may be remotely hosted on a secure server or on a merchant website.

vi) **NFC:** Near Field Communication, a short-range, contactless communication system, based on Radio Frequency Identification (RFID) technology that allows payment data transfer between devices.

### 1.8 Data Interpretation & Analysis of Study

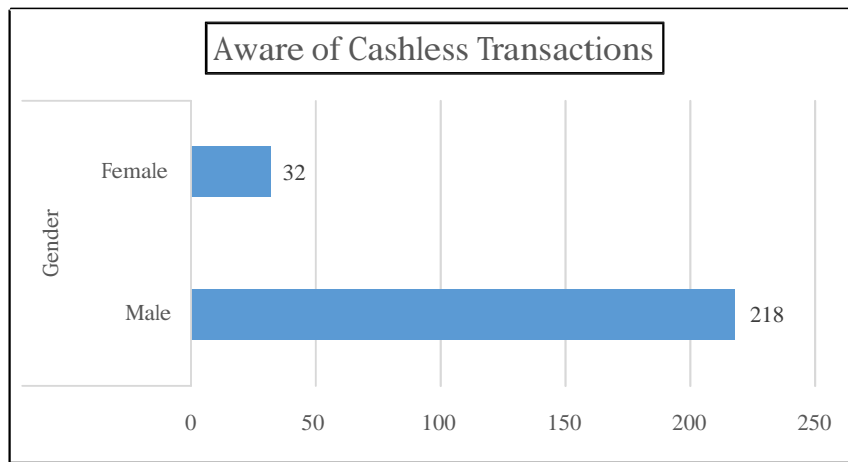
From Analysis and Data information the Following analysis being done

Age * Aware of Online Recharge System service Cross-tabulation				
Count				
		Aware of Online Recharge System service		Total
		Yes		
Age	16-30	103		103
	31-45	100		100
	46-60	43		43
	61 and above	4		4
Total		250		250

Table 1



**A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur**



Graph-1

**1.8.1 Interpretation:**

From table 1 the Age of respondents with Awareness of Online Recharge System service Cross-tabulation has been shown, in which the age 16-30 and 31-45 ratio is more, rest are very less

**1.8.2 Interpretation 2-**

Regions where Online Mobile recharge system mostly used in Nagpur * to go in for Online Recharge service								
Crosstabulation								
Count		Reasons to go in for Online Recharge service						Total
		Unavailab ility Of Cash	Unavaila bility of cable connectio n in area.	Can select recharges and plan as per choice.	can see more no. of VAS of Mobile service Providers	Safe Transactions and Time Saving	Cashless facility available without any cost	
Regions where Online Mobile recharge system mostly used in Nagpur	Mahal	3	1	0	3	12	0	19
	Buldi	1	1	3	1	8	0	14
	Sadar	2	3	2	1	5	1	14
	Civil Lines	8	1	10	15	22	1	57
	Dighori	1	1	5	4	13	0	24
	Sakkardara	3	2	5	6	17	0	33
	Medical Square	0	1	4	5	10	0	20
	Ajani	0	1	4	6	8	1	20
	Pardi	0	0	2	0	2	0	4
	Pratap Nagar	0	0	1	0	2	0	3
	Khamla	0	1	0	1	2	0	4
	Laxmi Nagar	0	0	2	0	2	0	4
	Shankar Nagar	1	0	1	1	1	0	4
	Bajaj Nagar	0	1	1	0	0	0	2
Ambazari	0	1	1	0	1	1	4	

## Management Solutions For Socio Economic Challenges

Nandanwan	2	0	0	1	3	0	6
Koradi	0	0	1	0	1	0	2
CA Road	0	0	0	1	1	0	2
Subhedar Layout	0	0	0	1	1	0	2
Amravati Road	1	0	0	2	1	0	4
Wardhaman Nagar	0	0	0	0	3	1	4
Wadi	0	0	1	0	1	0	2
Somalwada	0	0	0	1	1	0	2
<b>Total</b>	<b>22</b>	<b>14</b>	<b>43</b>	<b>49</b>	<b>117</b>	<b>5</b>	<b>250</b>

Table-2

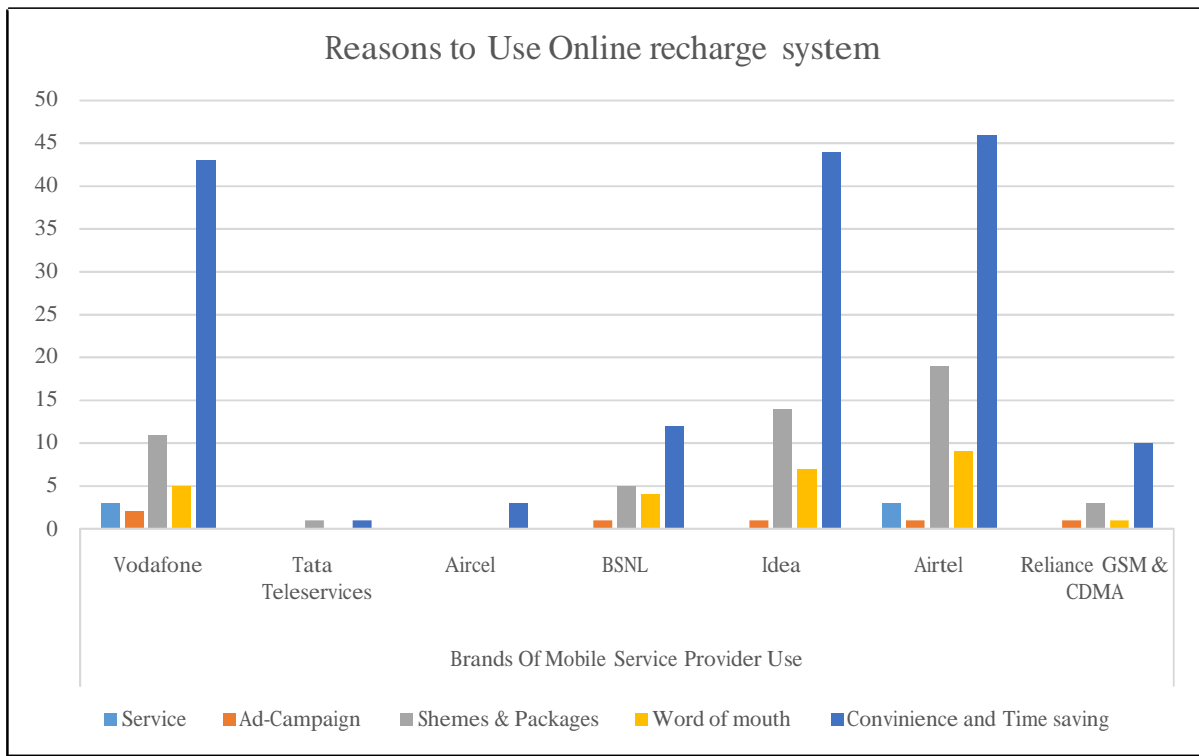
From table 2 Regions where Online Mobile recharge system mostly used in Nagpur. it is shown that major ratio of online recharge are from civil lines and sakkardara, Ajni, Medical square and other localities are in average range and rest are less.

### 1.8.3 Interpretation:3

Brands Of Mobile Service Provider Use * What Factors influence you to Recharge Online Crosstabulation							
Count							
		What Factors influence you to Recharge Online					Total
		Service	Ad-Campaign	Schemes & Packages	Word of mouth	Convenience and Time saving	
Brands Of Mobile Service Provider Use	Vodafone	3	2	11	5	43	64
	Tata Teleservices	0	0	1	0	1	2
	Aircel	0	0	0	0	3	3
	BSNL	0	1	5	4	12	22
	Idea	0	1	14	7	44	66
	Airtel	3	1	19	9	46	78
	Reliance GSM & CDMA	0	1	3	1	10	15
<b>Total</b>	<b>6</b>	<b>6</b>	<b>53</b>	<b>26</b>	<b>159</b>	<b>250</b>	

Table-3

A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur



Graph-2

In above table no-3 and graph-2 the Brands Of Mobile Service Provider Use with Factors influence to Users Recharge Online Cross-tabulation in which most of the users uses Airtel Teleservices on second people uses Idea and on third spot people preferred Vodafone, rest mobile services are in least ratio, the reason behind the adoption of this services are convenience and time saving which is more influential by Online transaction and cashless payment,

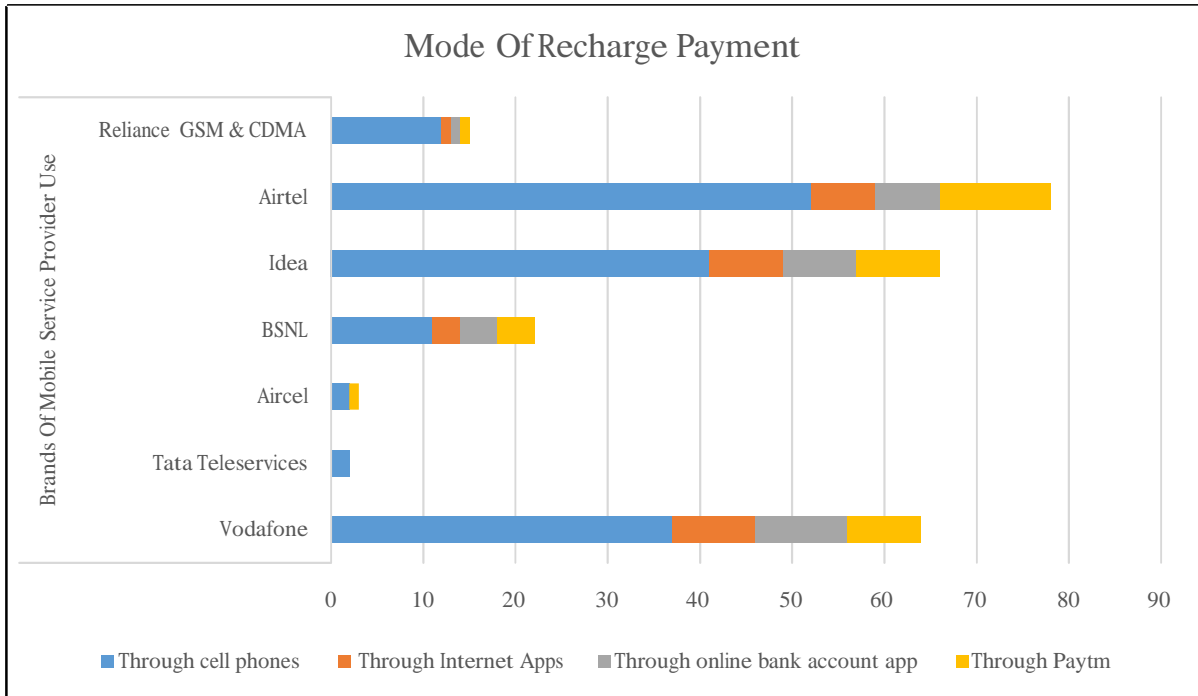
1.8.4 Interpretation-4

Brands Of Mobile Service Provider Use * Mode Of Recharge Payment Crosstabulation						
Count						
		Mode Of Recharge Payment				Total
		Through cell phones	Through Internet Apps	Through online bank account app	Through PayTm	
Brands Of Mobile Service Provider	Vodafone	37	9	10	8	64
	Tata Teleservices	2	0	0	0	2
	Aircel	2	0	0	1	3
	BSNL	11	3	4	4	22
	Idea	41	8	8	9	66

## Management Solutions For Socio Economic Challenges

Use	Airtel	52	7	7	12	78
	Reliance GSM & CDMA	12	1	1	1	15
Total		157	28	30	35	250

Table-4



Graph-3

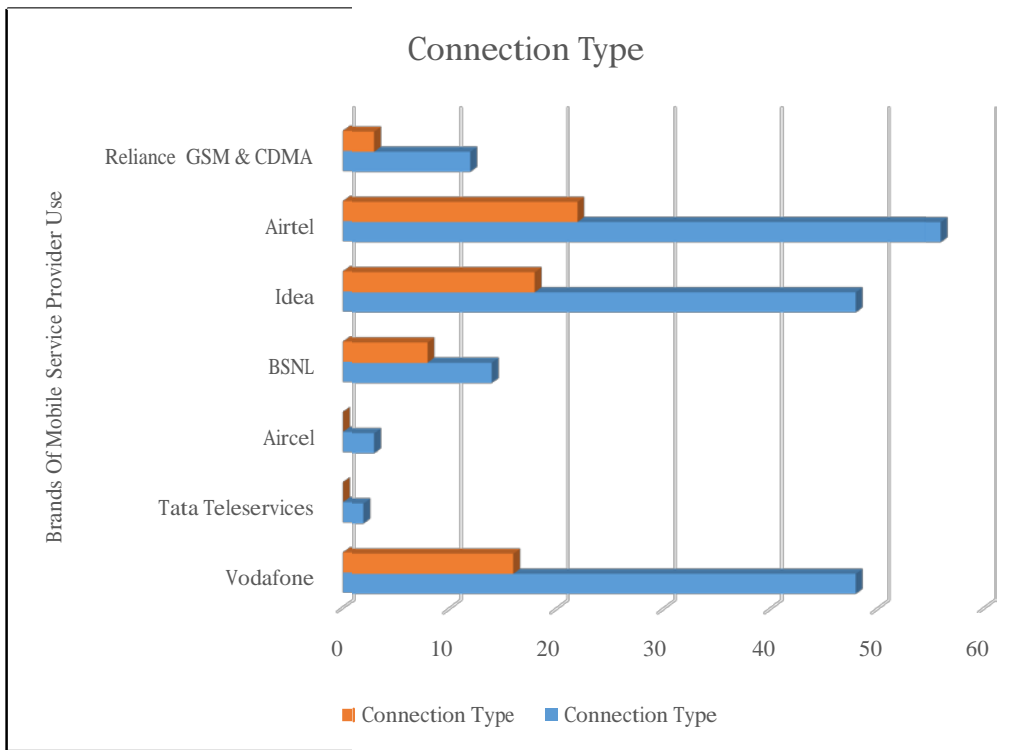
In table no-4 and graph-3 the Brands of Mobile Service Provider Use with Mode of Recharge Payment Cross-tabulation is shown, in which most of the people uses mobile app by cell phones and pay tm system for online rechargePayment bank account and internet applications are having less usage.

### 1.8.5 Interpretation-5

Brands Of Mobile Service Provider Use * Connection Type Crosstabulation				
Count				
		Connection Type		Total
		Prepaid	Post-Paid	
Brands Of Mobile Service Provider Use	Vodafone	48	16	64
	Tata Teleservices	2	0	2
	Aircel	3	0	3
	BSNL	14	8	22
	Idea	48	18	66
	Airtel	56	22	78
	Reliance GSM & CDMA	12	3	15
Total		183	67	250

Table-5

A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur



Graph:4

In table no-5 and graph-4 Brands Of Mobile Service Provider Use with Connection Type Cross-tabulation shown, through which most of the customer have prepaid mobile services and less than half respondents have post-paid mobile services, it means that more customers adopted online services for online recharge of their mobile account.

1.8.6 Interpretation-6

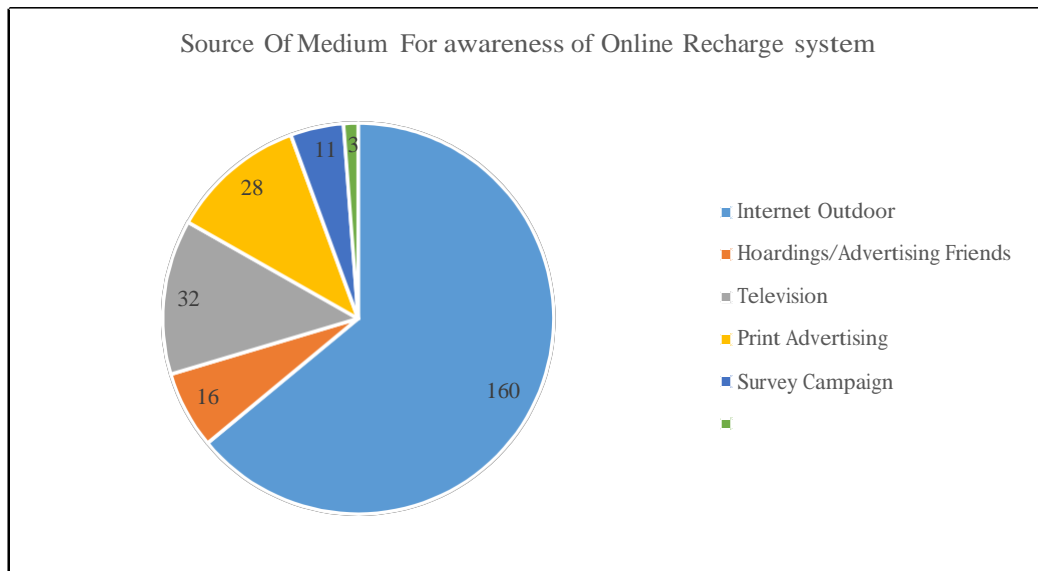
Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Source of Medium for Online Transaction awareness	250	1	7	2.25	1.782
Valid N (listwise)	250				

Table-6.1

Source of Medium for Online Transaction awareness					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Internet	160	22.4	64.0	64.0
	Outdoor Hoardings/Advertising	16	2.2	6.4	70.4
	Friends	32	4.5	12.8	83.2
	Television	28	3.9	11.2	94.4
	Print Advertising	11	1.5	4.4	98.8
	Survey Campaign	3	.4	1.2	100.0

Total	250	35.0	100.0	
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Table-6.2



Graph- 5

**Interpretation**

In Table No 6.1,6.2 and graph-5 in which descriptive analysis and frequency of Source of Medium for Online Transaction awareness is shown, in which Internet is the best medium for awareness and then friends and peers spread awareness then television and print advertisements plays least role in message spreading. Though this analysis the objective no-01 i.e. the Mediums Of Marketing regarding awareness of Cashless Transaction System in Nagpur

**1.8.7 Interpretation-7**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Positivity of Cashless Transactions	250	1	4	1.68	.654
Overall satisfaction about Online Recharge service	250	1	6	1.94	.988
Valid N (list-wise)	250				

Table-7.1

Positivity of Cashless Transactions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	101	14.1	40.4	40.4
	Agree	133	18.6	53.2	93.6
	Neither Agree nor Disagree	11	1.5	4.4	98.0
	Disagree	5	.7	2.0	100.0

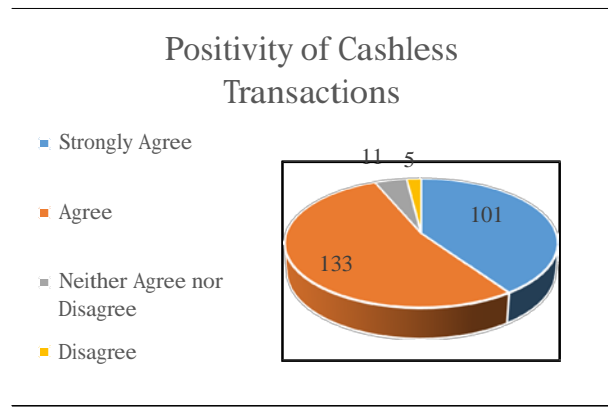
**A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur**

	Total	250	35.0	100.0	
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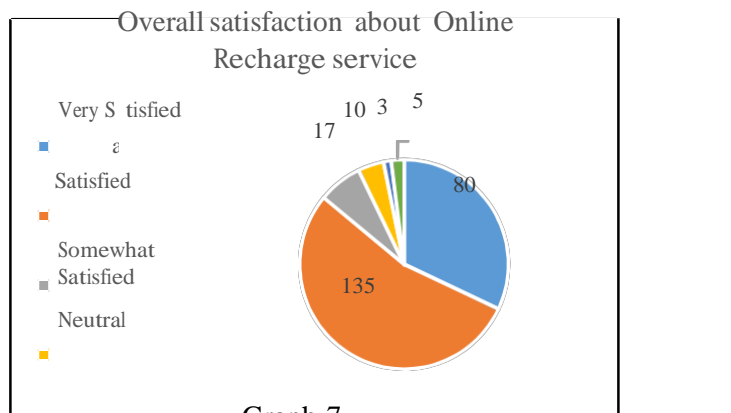
Table-7.2

Overall satisfaction about Online Recharge service					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	80	11.2	32.0	32.0
	Satisfied	135	18.9	54.0	86.0
	Somewhat Satisfied	17	2.4	6.8	92.8
	Neutral	10	1.4	4.0	96.8
	Somewhat Dissatisfied	3	.4	1.2	98.0
	Dissatisfied	5	.7	2.0	100.0
	<b>Total</b>	<b>250</b>	<b>35.0</b>	<b>100.0</b>	

Table-7.3



Graph 6



Graph-7

**Interpretation**

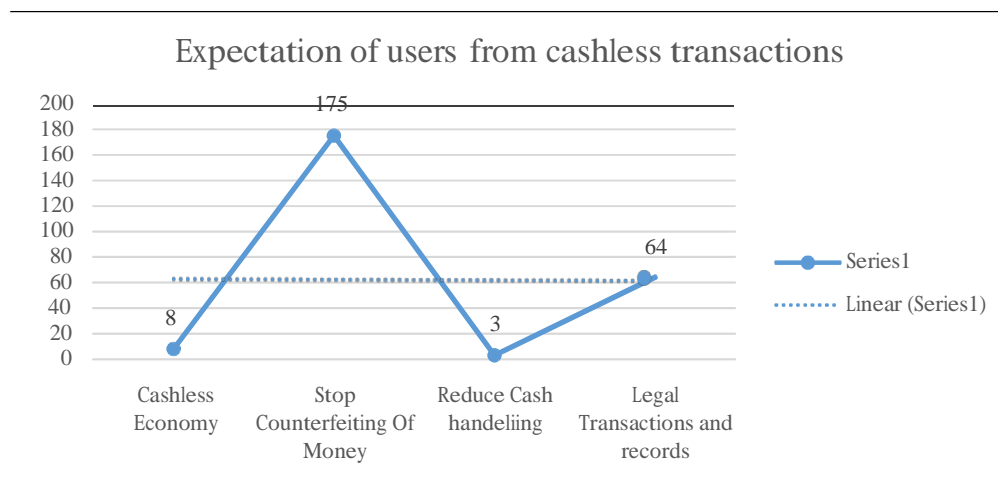
Form Table No - 7.1, 7.2, 7.3 and Graph 6 & Graph-7, the Descriptive statistics and ration of Positivity of Cashless Transactions and Overall satisfaction about online recharge system is shown, most of the people are agree and strongly agree with this initiative of cashless transaction, through which the faire transaction will occurs it is their view by this

finding. Though this analysis the objective no-2 i.e. the customer trust and beliefs on Cashless Transaction System in online purchasing of Mobile recharge Has shown.

1.8.8 Interpretation 8:

Expectation From Online Purchasing					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cashless Economy	8	1.1	3.2	3.2
	Stop Counterfeiting Of Money	175	24.5	70.0	73.2
	Reduce Cash handling	3	.4	1.2	74.4
	Legal Transactions and records	64	9.0	25.6	100.0
	Total	250	35.0	100.0	

Table-8.1



Graph:8

From Table 8.1 and graph-8 the Expectation From Online Purchasing of users have been shown in which the users have perception and expectations to stop Counterfeiting Of Money in Indian economy and Legal Transactions and records should be maintain that consideration they have.

1.9 Hypothesis Testing:

ANOVA					
Online Recharge service and Cahless transaction system decision					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.725	3	1.242	0.128	.028
Within Groups	239.491	246	.974		
Total	243.216	249			

One-way ANOVA Table



## A Marketing of Cashless Transaction and its Impact on Customer With Respect to Online Purchasing of Telecommunication Services in Nagpur

### Interpretation:

From the above One-way ANOVA Table analysis the Sign value =  $0.028 < 0.05$ , Hence, the null hypothesis  $H_0$  is rejected at 5% level of significance and hence the alternate hypothesis is accepted. The alternate hypothesis is, There is a significant relationship between Online Recharge System and cashless Transaction.

### 1.10 Findings:

- Nagpur City People are satisfied with online recharge services.
- From the age of 15-45 are uses online mobile recharge services.
- Customers are expected that counterfeiting of money should be stop due to this initiative.
- Nagpur city people adopted the Positivity of Cashless Transactions system.

### 1.11 Suggestion:

- Telecommunication companies should serve more Value added services to online purchasers.
- To motivate cashless transactions company should focused on TARGET STRATEGIES.
- There should be adequate sensitization of the public on benefits and operation of the policy.
- The recently introduced cashless policy should be sustained

### 1.12 Conclusion:

In recent years, many operators have expanded their mobile money portfolios from basic money transfer and bill payments toward value-added features such as insurance and more sophisticated proximity payments offerings. As this evolution continues, success will depend on operators' ability to drive a phased expansion of differentiated services, allied to higher levels of trust among end users. Such shifts are in turn opening up a broadening range of revenue streams, from transaction and subscription fees at the business-to-consumer (B2C) end of the spectrum to in-store loyalty, and Mobile operator strategies are now focusing on mobile payments as part of a wider proposition for retailers one that also encompasses marketing and advertising services can be seen in Wave. On the age and location of mobile payment users, take-up of mobile payment services is highest among those aged 16–30, with usage best established in the 31–45 age bracket for both mobile money transfer and mobile payment at location. The study finds that proportion of smartphone owners using mobile

payment services regularly or occasionally is twice that of non-smartphone owners. Yet the proportion of potential users is similar across device categories, suggesting strong future demand for mobile payment regardless of people's current device type. Online purchase has the potential of becoming a dominant alternative shopping channel in the near future that cannot be easily challenged by the conventional retailing method. No one can predict how successful e-commerce will be in this competitive market. Online purchase is supplementary or complementary to existing business as an additional marketing, promotion and fulfillment channel. This research demonstrates that online shoppers were motivated by multiple types of factors, including demography, purchase perception and website quality.

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## Financial Challenges for Participants in Maharashtra State Drama Competition: A Study

Dr. Sanyukta Thorat<sup>1</sup>

### Abstract

In Maharashtra, State Drama Competition is usually organized in the month of November. This competition is conducted in both languages, Marathi and Hindi. Not only this, but Children's play, Sanskrit Drama and Musical Play also included in this competition. This competition was started approximately in 1960 and is organized by Directorate of Cultural Affairs Maharashtra with the objective to speed up the activities related to drama, to provide platform to new artists, light designers, set designers, costume and make-up artists and to priorities their talents.

For this programme, Government provides financial assistance to every group involved in the drama. Cash is also awarded as a token of appreciation or price. But still the question is unanswered that is this fund sufficient to the concern group for successful preparation and presentation of the drama?

In this research article, financial management of first round of Maharashtra State Drama Competition will be discussed.

Keywords: Maharashtra State Drama Competition, Directorate of Cultural Affairs, Financial management.

### 1. Introduction

India is rich in its cultural heritage and is a country of diverse cultures. Be it Bhavai or Garbha of gujraat; Ghumar, Kalbeliya or Kathputali of Rajasthan; Jatra or Naatak of Bengal; Nautanki of Uttarpradesh; bihu dance from of Assam; Yakshagaan of Andrapradesh; lavani or natak of Maharashtra, every state reflects its own cultural heritage. India is also known for different art forms such as Bhualankaran (Rangoli), Varli paintings etc.

The origin of Art is closely associated with the evolution of human being. Art developed with the development of humans. Getting associated with any form of the art is a

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# Financial Challenges for Participants in Maharashtra State Drama Competition: A Study

need of the day. In this world of globalization, urbanization, and industrialization, where every person is unknowingly undergoing stress, art acts as a source of relaxation, peacefulness and eternal bliss. Art is not only a medium of entertainment but also act as a therapeutic tool. Research as well as education in the field of art is gaining momentum. Almost all the forms of art that reflect Indian culture are being studied today in various institutes and universities across the India. They have included these art forms as a part of their syllabus.

Amidst all forms of Fine Arts, Drama has its own uniqueness. It is a perfect blend of all other fine arts and presented in audio-visual form as well. Drama related activities take place in Maharashtra and Bengal on a large scale. The first drama "Seeta Swayamvar" was written by Vishnudas Bhave and was played in Sangli (Maharashtra) in 1843. Prior to this, the tradition of Tanjwari Art and Folk Art were at their peaks.

Marathi Theatre/ Drama is closely linked with the legendary Balgandharva. He was known not only for his singing but also acting. He was famous for his potential of performing a female role in female outfit. The Theatre/ Drama at that time was at its peak. Drama got the large number of audience; made the shows 'Housefull', new ideas were experimented which made the drama most popular form of art.

## 2. Theme

But as the time changed and the presence of audiences for the drama shows declined gradually which affected its growth and other aspects as well. But the love for drama remains untouched and unshaken in the hearts of the audience of the Maharashtra. This is the reason why the government also supported the theatre related activities. The theatre related activities were carried out in the Maharashtra like 'Maharashtra State Drama Competition' which was commenced in the year 1961, immediately after the separation of states Gujrat and Maharashtra. It has been organized by the Directorate of Cultural Affairs, Maharashtra and is still a major ongoing activity. It is divided into two major rounds the preliminary and the final round.

Presentation of a drama is not possible without a stage, artists, technicians, lights, music, set and the most important auditorium. The whole setup needs a big financial assistance. The Directorate of Cultural Affairs looks after the booking of the auditorium, wages and honorarium of the judges and limited number of lights and sets are also provided by them. Other than this, few more aspects are involved in the successful presentation of a drama. An amount of 3000/- rupees is issued to each participating team. This is all for the smooth

conduction of the preliminary round. The present research paper would throw the light on the economic or financial management of the preliminary round of Maharashtra State Drama Competition. Money or finance has utmost importance in the smooth conduction of any activity. An amount Rs. 3000/- which is given to each team for the presentation of drama in competition is not sufficient. Most of the time, artist have to bear the excess burden from his/her own pocket with the hope of winning some prize, comprising of cash amount which could at least fulfill their financial needs partly. However, out of 14 or 20 performances, only 3 of them win prizes, so rest have no means of getting their amount back.

This competition is organized every year. Some rules remain the same while some of them changes each year. For example, only those new scripts that have been written 3 years ago shall be included, older script would be barred. This change had a great impact on the entries. As a result this rule was then reformed. But the presentation of new script was given additional 5 marks. Some changes were also seen in the marking system. The judges were asked to give grades instead of marks; however, the grades of all the three judges were not able to draw a common conclusion. Therefore again old traditional marking system came into force. Amongst all the major changes or reformations made in the rules; the rule related to financial assistance, also has utmost importance, which should also be taken into consideration and need to be thought of seriously. If we take a glance at the Maharashtra State Drama Competition, it shows that in 2006; Rs.1000/- were sanctioned to the each participating group for their performances. As the years passed, it was getting difficult to manage and bear the expenses of the rehearsals and presentations. In 2010, the amount increased to Rs. 3000/- and at present is still the same. If the participating team is not localite, then a D.A. of Rs. 75/- per artist need to be given. However, managing all the expenses regarding the successful presentation of drama, which also include props, sets, lights, costume etc, is still a challenge.

But the participants have never lost hope. Each year they participate with great zeal and enthusiasm. They positively approached the Cultural Ministry and demanded more amount as a financial support or expenditure required for their performances. As a result, Cultural Ministry accepted the proposal and decided to sanction Rs. 6000/- to each participating team. This decision was made in 2016 and shall be implemented from 2017. The cash prize also has been increased to large extent.

However; renowned theatre artist of Nagpur Mr. Sanjay Kashikar suggested that it would be better to have an increased amount of production money rather than the cash prizes. Similarly renowned theatre artist of Nagpur Mr. Salim Sheikh have also supported the views of Mr. Sanjay Kashikar.

## Financial Challenges for Participants in Maharashtra State Drama Competition: A Study

On other hand, Mr. Prakash Lunge well experienced theatre artist of Nagpur emphasized on the enhancement of the quality of the performances rather than the increase in the amount of production money.

### 3. Conclusion

Since the increase in prize money would benefit only the prize winners. The Directorate of Cultural Affairs should also consider the financial status of each participating team. It is so because the artist or the directors participating in the competition comes from every part of the society.

It is also possible that the increase cash prize might corrupt the virtuous environment of divine Art.

### References

- Personal view
- Interview



## Domain Specific Special Economic Zone: A Key Driver of Employment for Youth in Nagpur Region

Miss Payal Kale<sup>1</sup>

### Abstract

Special Economic Zone (SEZ) is one of the major issues to be considered for the development of industrialization in India. Industrialization will lead to solving major problems of employment due to growing population in India and resultant unemployment. Special Economic Zone (SEZ) is been sanctioned by government of India jointly with Industrial development Cooperation's of various states. This paper is with respect to an indepth analysis of Special Economic Zone (SEZ) of Nagpur region. The major reason for selecting Nagpur region as study is because of several major industrial projects introduced in this region in last few years. Maharashtra holds India's largest youth population and Nagpur's SEZ can contribute generously in providing the employment to youths of nearby location. The paper is subjected to identify factors affecting SEZ with the demand of students and their specialization & to identify the ratio of unemployed students of different subjects under Nagpur University. The paper also directs in development of an explanatory theory of an ideal SEZ model. These subsections of paper will give an ideal SEZ model which help to overcome the problem of unemployment.

Keywords: special economic zone, industrial development.

### 1. Introduction

A special economic zone (SEZ) is an area in which business and trade laws are different from the rest of the country. SEZs are located within a country's national borders, and their aims include: increased trade, increased investment, job creation and effective administration. Special Economic Zone gives special facilities to the entrepreneurs. In SEZ special facilities are provided to the industrialist, who starts their business in this sector. Special facilities for taxes, visa will require in this zone. SEZ is a specifically delineated duty free enclave and shall be foreign territory for the purposes of trade operation and duties and tariffs. In SEZ all

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## Domain Specific Special Economic Zone: A Key Driver of Employment for Youth in Nagpur Region

import duty, taxes and other taxes are given concession and supplying industrial service and other trade activities, treated as foreign country In SEZ special cities are developed, it has its own airport and port, roads etc. included.

### 2. Background of Special Economic Zone in India

From 1951, India has accepted mix economy for development of financial and industrial through the five years plans. For promoting foreign trade and increases export, India has started first Free Trade Zone at Candela in 1965. Then in 1974 it expanded at Cochin, Mumbai, Chennai, Vishakhapattanam and Surat.

The progress and expansion of SEZ in China, Korea, Singapore, Malaysia and America has considered by Government of India and accepted the concept of SEZ in March, 2000. Then protection of exporters and demand of traders has been considered by Indian government.

Parliament bill of SEZ was sanctioned on 23<sup>rd</sup>. June, 2005 by the central government. SEZ Act has been applicable to all over India. SEZs are recognized under financial development and export promotion. As per SEZ Act, SEZ means specially created territory of free taxes and fees. In these sector industries are established for producing articles and supplying services. As per Special Economy Zone Act, 2005 and 2006, the definition of SEZ was included articles production, supplying services, free trade and free ware housing.

### 3. Salient Features Of An SEZ

- (a) Generation of additional economic activity;
- (b) Promotion of exports of goods and services;
- (c) Promotion of investment from domestic and foreign sources;
- (d) Creation of employment opportunities;
- (e) Development of infrastructure facilities.

### 4. SEZ Mihan

In order to remove the regional disparity in the state, Govt. of Maharashtra has decided to develop a composite project called 'Multi-Model International Passenger and Cargo Hub Airport at Nagpur' (MIHAN). The project comprises of developing the existing domestic airport of Nagpur as an international passenger and cargo hub airport, along with a huge Special Economic Zone (SEZ), which is abutting to the boundary of the airport.

SEZ (Special Economic Zone).

Just adjoining to the boundary of this airport, MADC is developing a huge SEZ on an area

of more than 2,000 Hectares, which is supposed to house various export oriented units like I.T. industries, gems and jewelry, garments, electronic goods, pharmaceuticals, processed foods and any other type of industries. It is proposed to have a huge road terminal having facilities for parking of about 900 trucks at a time, huge warehouse, open stockyard, cold storage, etc. and by the side of this road terminal, there is a proposed rail terminal capable of handling 2 trains at a time.

Thus, MIHAN is a composite project of airport, road terminal, rail terminal, SEZ and various other allied services like housing, health city, international school and many more.

\* Companies operational in Mihan SEZ: Cenosphere, Hexaware BPS (Caliber Point), Lupin Pharma, Smart Data, TAL Manufacturing Solutions, ADCC Infocomm (Working in CFB), Dr M Hope Software, Ebix, Global Logic, Informatics Solutions, Klouddata, and Zeon Solutions. (Outside SEZ: BPCL Petrol Pump, DY Patil International School and Future Group Warehouse, which acquired 20.17 acres)

\* Companies under construction in SEZ: Diet Food International, Haas Corporation, Kanav Agronomy, Kolland Developers, Metatech, NACIL (Air-India-Boeing), Percept Web Solutions, Pravesh Exports, Tata Consultancy Services (TCS), Tech Mahindra. (Outside SEZ: First City by M/s Reatox, Mahindra Lifespaces, MorajFinanz, Moraj Infra, Phoenix Infra, rail terminal by M/s Concor, Transport Corporation of India (TCI) warehouse)

\* Companies interested in starting units: Aryan Foods Private Limited, Becquerel Industries, Infocepts, Innova Pharma Active, Nitika Pharma, Rewaa Technologies, Thermolab Group, UCO Bank, Vidarbha Techno Hub, and Virtual Galaxy Private Limited

Three Types of SEZ are as under:

- SEZ for multi-products
- SEZ for special sector
- SEZ for port or airport

#### A. Effects of Special Economic Zone Mihan, Nagpur

1. Increased employment: Due to SEZ, the employment will rise. SEZ's entrepreneurs and companies have invested more capital in the business and used capital oriented techniques which will result in increased rate of employment.

2. Immigration of new population in town: The companies which have started in SEZ Mihan have either outsourced their work to their headquarters located at other cities or transferred the employees to the new location.

## Domain Specific Special Economic Zone: A Key Driver of Employment for Youth in Nagpur Region

3. The existence of small scale industries could be at risk: Small scale industries create employment and it has more importance in the countries like Japan. The industries in SEZ are giving many facilities. So they are producing in the low production cost and sale their production in fewer prices than small scale industries. The existence of small scale is in risk.

4. No rules about the construction: In SEZ there are no rules explained about construction. Roads, open space, construction area etc. are not declared in detail.

5. Increased financial disequilibrium: The government is transferring their responsibility in industrial sector to the SEZ holders. Due to SEZ rich will become rich and poor will become poor. The gap of rich and poor will be increasing. For this reason, social dissatisfaction will occur.

6. Disequilibrium in sector distribution: Large scale industries have already and will establish in the SEZ, Mihan. There is avaricious acquisition of land taking place by supply of abundant money by the company owners and investors to own large area.

### B. Remedies or Options

SEZ is a very important element to ignite employment, export and financial development of the country. For equal development of the state, all-round development of the country, SEZ is essential. To solve the problems of the SEZ, some changes are necessary. For solve the problems of SEZ, following options should be considered.

1. To acquire non-agricultural land for the SEZ: - The non-agricultural land should be acquired for SEZ.

2. Employment for the local youth: - Employment should be provided to the local youth in the projects of SEZ.

3. Limitation on maximum land holding: - For SEZ maximum land holding should not be given in the SEZ Act. The provision should be made how much land should be acquired for the project of SEZ.

4. To save the Small Scale Industries: - It's the small scale industries that create employment in large scale. Because of SEZ small scale industries will be closed, unemployment may rise.

5. To minimize land acquisition for the SEZ: - Land acquisition for the SEZ may be minimized.

6. To Save Environment: - In SEZ many types of industries should be created pollution in water, air and sound. For protect pollution, the projects of SEZ will established 10 to 15 km from the cities and villages.

7. Acquisition of the land on lease: - The land for SEZ should be given permission to SEZ holders, to take land on lease. The price of the land acquired for SEZ should be considered future price of land.

#### 5. RTMNU

Rashtrasant Tukdoji Maharaj Nagpur University (RTMNU), formerly known as Nagpur University, is a public state university, established on August 4, 1923 in the city of Nagpur in Maharashtra state in central India. It is one of the oldest universities in India and the second oldest in the state of Maharashtra, after the University of Mumbai. It is named after Rashtrasant Tukdoji Maharaj, a renowned spiritual person from Vidarbha. It is a member of the Association of Indian Universities and the Association of Commonwealth Universities.[1] It has been accredited with the A grade by the National Assessment and Accreditation Council (NAAC), New Delhi. It has been consistently ranked among the top Universities in India.

#### 6. Methodology

The overall analysis is done on Nagpur University and colleges affiliated to Nagpur university for domain specific special economic zone in Nagpur region. The secondary data is collected from various sources including websites of Nagpur University. All the data is presented properly in the below paper.

#### 7. Need of Domain Specific Special Economic Zone

There is a huge disparity in population of youth in Nagpur who pass out every year and the jobs opportunities. We can't make complains to the existing industries for not creating job openings but can try for the upcoming diligences to make some effort for the betterment of the youth.

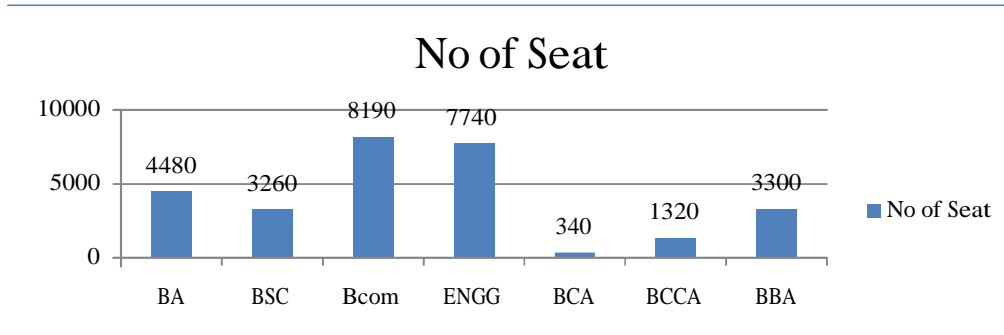
The need of domain specific special economic zone indicates that there should be proper distribution of sectors considering the number of students being passed out in each of the respective courses in Nagpur University. For the study researcher selected the following courses for UG and PG.

## Domain Specific Special Economic Zone: A Key Driver of Employment for Youth in Nagpur Region

Table 6.1: List of Under Graduate Courses offered by Nagpur University

Total No. Seats	BA	BSC	BCOM	ENGG	BCA	BCCA	BBA
	4480	3260	8190	7740	340	1320	3300

Graph 6.1 under Graduate Course in Nagpur University

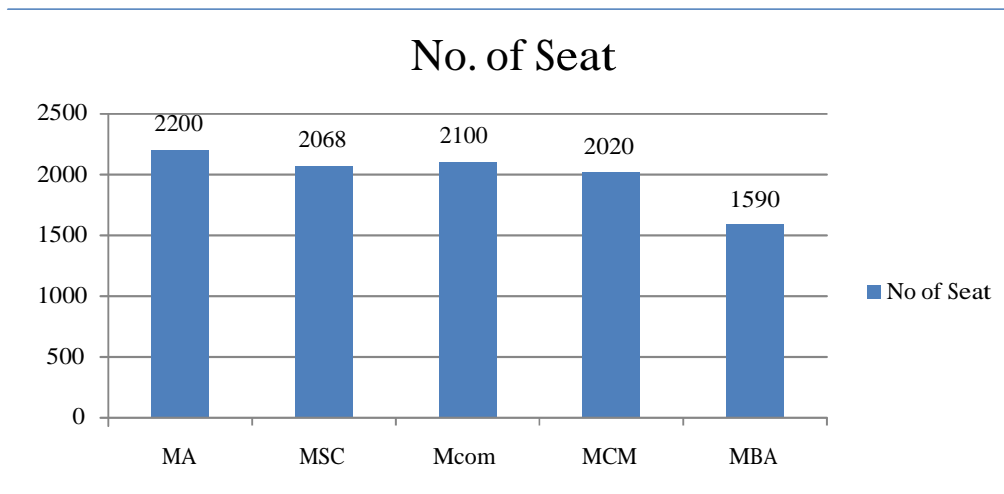


(Source: RTMNU website)

Table 6.2: List of Post Graduate Course in Nagpur University

Total No. Seats	MA	MSC	MCOM	MCM	MBA
	2200	2068	2100	2020	1590

Graph 6.2 Post Graduate Courses in Nagpur University



(Source: RTMNU website)

Based on the study it was observed that the following courses are every year passed in the all 665 colleges which comes under the region of Nagpur University.

Aggregate distribution of domain based special economic zone

(Population of UG and PG students)

The proposed study suggests implementing and taking into consideration of educational based domain specific special economic zone.

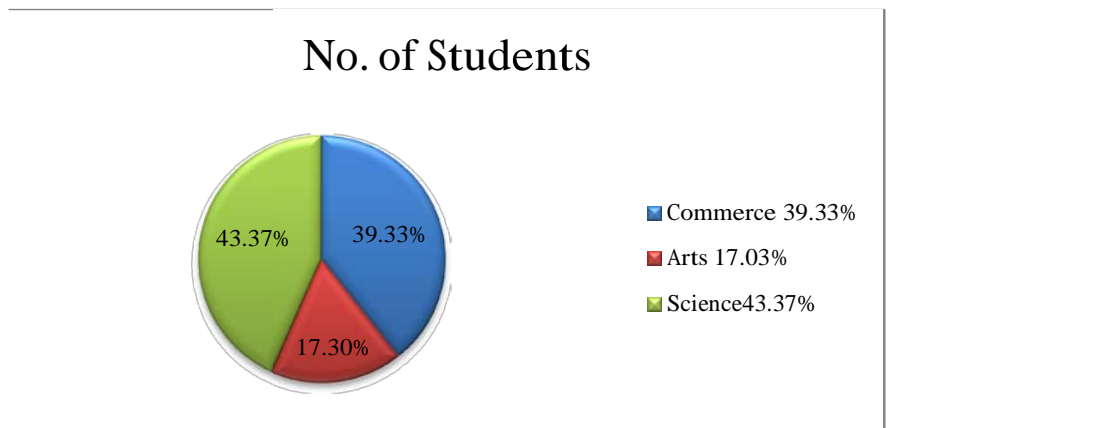


Figure 7.1 Aggregate distributions of students from UG and PG

(Source: RTMNU website)

The distribution criterion includes the domain specific special economic zone where the maximum benefits and company's priority should be given to pass out student population who are fresher and in dire need of job.

Current Distribution

The pie chart below shows the area wise distribution (in %) of the land at MIHAN. This land is utilized by different Companies who have either purchased the land and started on full-fledged or purchased the land and started construction on it or are planning to invest in. The total area to be covered under the SEZ Mihan, Nagpur project is 2086 hectares

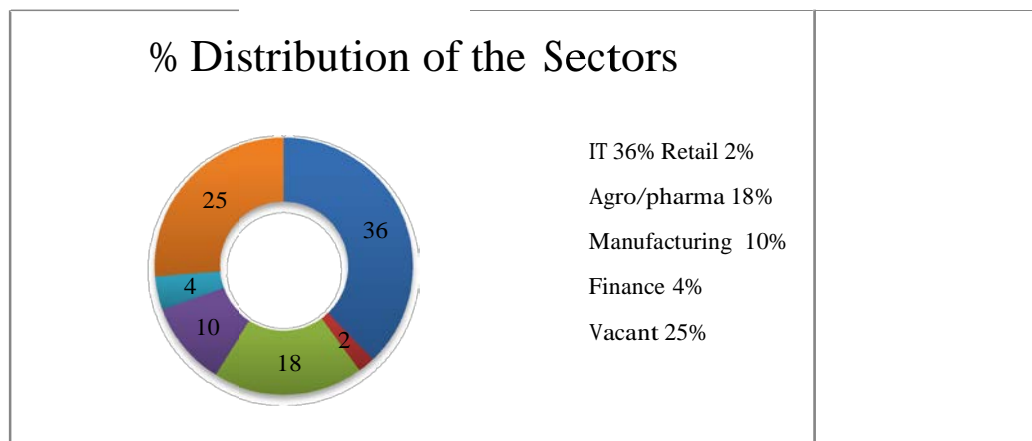


Figure 7.a.1 Current Distribution of different sectors in SEZ Mihan

## Domain Specific Special Economic Zone: A Key Driver of Employment for Youth in Nagpur Region

Inference / Interpretation: It can be inferred from the above data that there is disequilibrium in the ratio of job opportunities at SEZ Mihan and the student pass out ratio. Assuming 100 percent employable students are passing out every year, there is a very low prospect of job creations. For example, only 36% IT companies are currently present whereas 39.33% science students are passed out every year. The land allotted to various companies in SEZ is not done on the basis of employability factor but on potential investors. There is still some scope to rethink and act on for the betterment of today's youth population who are job seekers.

### Proposed SEZ Model

Given below is the proposed SEZ model which shows the allocation to various sectors according to the demand and need of the students under RTMNU.

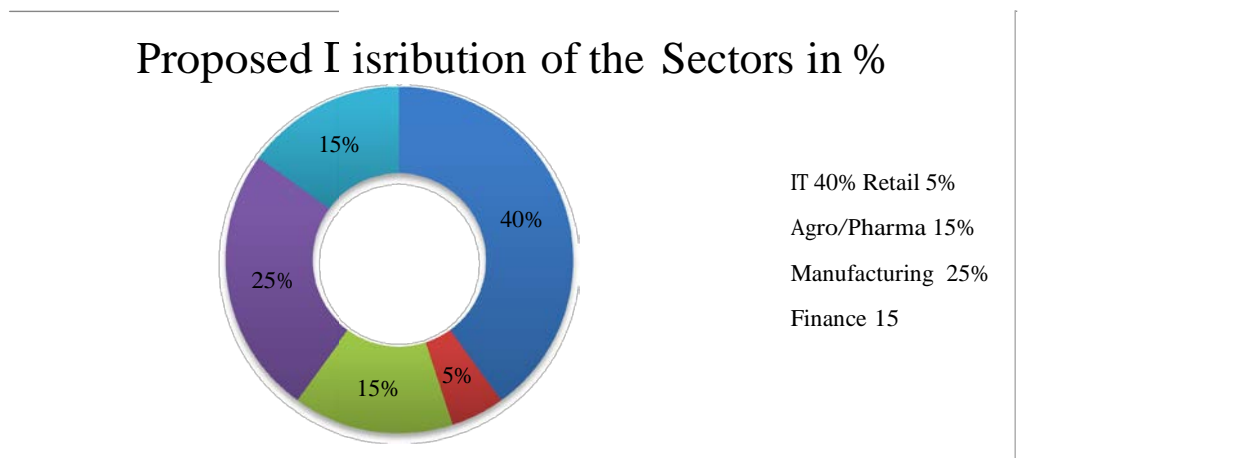


Fig. 7.b.1 Proposed SEZ Distribution of different sectors in SEZ Mihan Model

### 8. Conclusion

The key objective of setting up Special Economic Zone is to maximize the positive human development by providing employment to the youth as well as the unemployed population in the city and reduce immigration of the youth in the city and curb poverty impacts. SEZs have the potential to enhance human capabilities. But for this potential to be realized, the government along with the university must devise strategies to strengthen the opportunities that are likely to emerge and protect interests of the fresher's as well as the unemployed population of the country by understanding the demand and need of theirs and connect the linkages between Companies under SEZs and the RTMNU.



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## Corporate Social Responsibility and Corporate Crime: An Entangled Relationship

Miss Shruti Vaghela<sup>1</sup>

### Abstract

Corporations are as much part of our society as are any other social institution. History bears testimony to the fact that there has been a gradual rise in the importance of corporations and their role in the economy and polity of a nation, the need for accountability and regulation has been felt. One can infer that the corporations do owe certain duties and responsibilities to society at large. In the present era, social good demands more than just attributing responsibility, it requires that corporations contribute in a process to enhance the benefits accrued to the society at the same time have such rules and regulations in place to prevent corporate crimes so that the brunt of such crimes are not borne the most vulnerable victim i.e. society. In today's world Corporate social responsibility (CSR) has taken a whole new dimension i.e. internally it is responsible for issues such as health, safety and restructuring and externally it is responsible for environmental issues, consumers, human rights etc. Thus in the first section the researcher will conceptual analysis of corporate crime and criminal liability. This section will also highlight the increasing problem of corporate crime in India. The next section will focus on the overview concept of corporate social responsibility. Subsequent section will focus justifying on how corporate social responsibility and corporate crime are intertwined. This section will also draw attention to judicial approach in supporting corporate social responsibility.

Keywords: Corporate Crime, Corporate Social Responsibility, Criminal Liability, Accountability, Legislations, Judiciary, Corporate Governance.

### 1. Introduction

We live in a corporate world. Corporation are so much a part of our lives that their role is usually taken for granted, going unnoticed until the occurrence of some dramatic event brings it to our attention. Corporation plays a very important role in our lives as they supply or control our access to goods and services, work and leisure, knowledge and information.

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However, what we know about corporate world is communicate through media that are controlled by corporation. The power of these corporations have increased in such a proportion that in modern society the significance of corporations is not only confined to private business sector, the activities of corporation shape or influence national economies, they affect the quality of the environment, and they influence the action of nation states. Corporations are increasingly called upon to contribute to the provision of social welfare and national development either in partnership with or by taking over from the work of governments. However it should be noted that the corporations at each time are working for their self-interest.

Corporate crime poses a significant threat to the welfare of the community. Given the pervasive presence of corporations in a wide range of activities in our society, and the impact of their actions on a much wider group of people than are affected by individual action, the potential for both economic and physical harm caused by a corporation is great. There is a substantial body of literature that consider 'corporate crime' to be a serious social problem, despite what some may argue to be relatively less media coverage than crimes committed by individuals, at least in the tabloid newspaper, and despite the lack of comprehensive research into the costs and incidence of corporate misconduct. Corporate crime can be held to be more damaging to society than so called 'common' crimes.

This paper analyzes the growth of corporate power and the need to impose criminal liability on corporations in view of increasing trend of corporate crimes. This paper is an attempt to highlight the need and scope of implementation of corporate social responsibility in curbing the rate of corporate crime in present scenario. This paper also highlights the intertwined relationship between corporate crime and corporate social responsibility. This paper has also highlighted how judicial had played an important role in curbing the corporate crime and making corporate responsible for their acts.

### 2. Origin and Definition of Corporate

The concept of 'Company' or 'Corporation' in business is not new, but was dealt with, in 4th century BC itself during 'Arthashastra' days. Its' shape got revamped over a period of time according to the needs of business dynamics. The word 'company' is derived from the Latin word (Com=with or together; panis =bread), and it originally referred to an association of persons who took their meals together. The word 'corporation' is derived from the Latin term 'corpus' which means 'body'. Accordingly, 'corporation' is a legal person created by a process other than natural birth. It is, for this reason, sometimes called artificial

legal person. As a legal person, a corporate is capable of enjoying many of the rights and incurring many of the liabilities of a natural person.

In the legal sense, a company is an association of both natural and artificial persons (and is incorporated under the existing law of a country). In terms of the Companies Act, 2013 (Act No. 18 of 2013) a “company” means a company incorporated under this Act or under any previous company law [Section 2(20)]. In common law, a company is a “legal person” or “legal entity” separate from, and capable of surviving beyond the lives of its members. A company is not merely a legal institution. It is rather a legal device for the attainment of social and economic end. It is, therefore, a combined political, social, economic and legal institution. Thus, the term company has been described in many ways. “It is a means of cooperation and organization in the conduct of an enterprise”. It is “an intricate, centralized, economic and administrative structure run by professional managers who hire capital from the investor(s)”.

Lord Justice Lindley has defined a company as “associations of many persons who contribute money or money’s worth to a common stock and employs it in some trade or business and who share the profit and loss arising there from. The common stock so contributed is denoted in money and is the capital of the company. The persons who contributed in it or form it, or to whom it belongs, are members. The proportion of capital to which each member is entitled is his “share”. The shares are always transferable although the right to transfer them may be restricted.”

From the foregoing discussion it is clear that a company has its own corporate and legal personality distinct which is separate from its members.

### 3. Origin and Definition of Crime

The word crime is derived from the latin root cerno, meaning “I decide, I give judgment”. Originally the Latin word crimen meant “charge” or “cry of distress.” The Ancient Greek word krima, from which the Latin cognate derives, typically referred to an intellectual mistake or an offense against the community, rather than a private or moral wrong. The word may derive from the Latin cernere – “to decide, to sift”. But Ernest Klein rejects this and suggests cri-men, which originally would have meant “cry of distress”.

A precise definition of “crime” is by no means an easy task. The legal definition ‘crime’ is any form of conduct which is declared to be socially harmful in a state and such forbidden by law under pain of some punishment.

Crime is illegal activity that is prohibited by the law. A crime is often called an ‘offence’. The law and the crimes it creates are most often a reflection of morality. Morality

## Corporate Social Responsibility and Corporate Crime: An Entangled Relationship

is made up of the principles we use to govern our relationships with one another. This is why actions such as stealing, assault, rape, and murder are crimes – each of these acts harms our ability to trust other people, and to feel safe in society. Crime is something that has to do with the greater good of society. The law criminalizes activities that will hurt our relationships with one another, and in society as a whole. The concept of crime is closely related to social policy of given time with changes in ideologies the concept of crime also changes. To be classified as a crime, the act of doing something wrong that is *actus reus* must be usually accompanied by the intention to do something wrong *mens rea*, with certain exceptions strict liability. While every crime violates the law, not every violation of the law counts as a crime. Breaches of private law (torts and breaches of contract) are not automatically punished by the state, but can be enforced through civil procedure.

### 4. Concept of Corporate Crime

Although there are numerous instances of crime occurring in the course of an occupation throughout history, the focus on, study of and prosecution for corporate crime is a relatively new phenomenon – phenomena that has recently gained the public interest. For criminologists, “corporate crime” refers to acts in violation of the law that are committed by businesses, corporation or individuals within those entities. Corporate crime is also closely associated with white collar crime, organized crime and state corporate crimes. Numerous terms have been employed to describe this concept. The confusion comes in the notion that these various terms are often used to describe diverse behaviours or, conversely, that they have all been used to describe the exact same behaviours. Somehow studying corporate crime can find it very difficult to determine which behaviours fall under corporate crime’s curse, or if they can ever refer to the behaviors they are studying as corporate crime. The following list provides some of those delineations:

1. Corporate Crime : offences committed by corporate officials for their corporation and the offenses of the corporation itself”
2. White Collar Crime: the majority of individuals who may act as or represent the interests of the corporation are white-collar professionals;
3. Occupational crime : violation of the law in the course of activity in a legitimate occupation
4. Organizational Crime : illegal act of omission or commission of an individual or a group of individual in a legitimate formal organization in accordance with the operative goal of the organization, which have serious physical or economic impact on employee, consumers or the general public.

5. State Corporate crime: the concept refer to crimes that result from the relationship between the policies of the state and the policies and the practices of commercial corporations.

Corporate crime is a type of white collar crime. Edwin Sutterland introduces the latter concept to describe criminal activity be persons of high social status and respectability who use their occupational position as a means to violate the law.as a subcategory of white collar crime, corporate crime has been defined in many ways. Corporate crime is interchangeably used with White collar crime; however, the later term has more of individualistic connotations. Characterizing the task of defining corporate crime has been intensively debated; no single list has ever been prepared discussing the types of corporate crime. Various classifications and categorization of corporate crimes, the following types of corporate crimes may be discussed:

1. Offences under Companies Act
2. Crimes relating to Securities Market.
3. Environmental Crimes
4. Crimes in relation to workers and work safety measures
5. Corruption
6. Corporate manslaughter
7. Money laundering
8. Computer crime
9. Economic crimes

India, the scholars have concentrated upon the white collar crime aspect from a socio – economic or economic angle and have not dealt with the issue of corporate crime directly. Even for socio economic offences legislations are scattered and there is no one line of development to be traced. Some of the major corporate crimes which affected the society as a whole are Bhopal Gas Leak Disaster 1984 (Chemical), Enron – 2001 (Energy), Worldcom – 2000 (Telecommunication), Parmalat Scandal – 2003 (Food and Beverage), BCCI (Banking – Money Laundering), TCR case (Waste Disposal), etc.

#### 5. Corporate Criminal Liability – The Concept

The concept of the corporate criminal liability is not a new concept in the scenario. Actually this concept had been in the process since the time of the industrial revolution from that time the corporate entities were being exploited the public. Historically, the criminal law

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has been the vehicle for deterrence. Corporations are increasingly significant actors in our economy and, to the extent their actions can victimize society, they too should be deterred.

The endorsement of criminal liability of corporations has largely been a twentieth century judicial development, influenced by the "sweeping expansion" of common law principles. The majority of theories of corporate criminal liability are typical of common law developments; they have been constructed on a case-by-case basis. Despite their importance, these theories have proved to be ineffective, for their lack of strong theoretical basis and their individualistic roots. Examples of these models are the agency theory and, in a more elaborate form, identification theory.

### a. Agency Theory

The agency theory was first developed in tort law and gradually "was carried over into the criminal arena"<sup>i</sup>. According to this theory, the corporation is liable for the intents and acts of its employees.

Vicarious liability (or respondent superior) is commonly employed in the United States. In other jurisdictions, this theory is restrictively established in relation to some strict liability and hybrid offences that deal with matters such as pollution, food, drugs, health and safety at work but not to mens rea offences.

The agency theory is based on the premise that criminal violations normally entail two elements, actus reus and mens rea. Since corporations are considered to be purely incorporeal legal entities, they do not possess any mental state and the only way to impute intent to a corporation is to consider the state of mind of its employees. The theory encompasses a simple and logical method of attributing liability to a corporate offender, if corporations do not have intention, someone within the corporations must have it and the intention of this individual as part of the corporation is the intention of the corporation itself.

### b. Identification Theory

The doctrine of identification is the traditional method by which companies are held liable in most countries under the principles of the common law. The limitations of the agency theory led to the construction of a direct liability theory. This theory was developed as an attempt to overcome the problem of imposing primary, as opposed to vicarious, corporate criminal liability for offences that insisted on proof of criminal fault. In *Lennard's Carrying Co Ltd v. Asiatic Petroleum Co Ltd*, (*Lennard's Carrying Co Ltd v. Asiatic Petroleum Co Ltd* [1915] AC 705.) Viscount Haldane fashioned a model of

primary corporate criminal liability for offences that require mens rea that would later be known as the identification theory.

#### 6. Legal Framework for Corporate Criminal Liability in India

Criminal Liability is attached only those acts in which there is violation of Criminal Law i.e. to say there cannot be liability without a criminal law which prohibits certain acts or omissions. The basic rule of criminal liability revolves around the basic Latin maxim *actus non facit reum, nisi mens sit rea*. It means that to make one liable it must be shown that act or omission has been done which was forbidden by law and has been done with guilty mind.

Hence every crime has two elements one physical known as *actus reus* and other mental known as *mens rea*. This is the rule of criminal liability in technical sense but in general the Principle upon which responsibility is premised is autonomy of the individual, which states that the imposition of responsibility upon an individual flows naturally from the freedom to make rational choices about actions and behaviour.

Although the general rule as stated above is applicable to all criminal cases but the criminal law jurisprudence has seen one exception to the above said concept in form of doctrine of strict liability in which one may be made liable in absence of any guilty state of mind. This happens in cases of mass destructions through pollution, gross negligence of the company resulting in widespread damages like in the Bhopal Gas tragedy, *Assn. of Victims of Uphaar Tragedy v. UOI*, 104 (2003) DLT 234, *Rylands v. Fletcher*, (1868), L.R. 3 H.L. 330 etc.

Earlier Answer to this question was not pervasive. The Parliament has not made any particular law regarding this problem. But after the landmark judgment by the Apex Court in the *Standard Chartered Bank and Ors. v. Directorate of Enforcement and Ors.* (2005) 4 SCC 530 had made the scenario crystal clear. The Supreme Court stated that the company is liable to be prosecuted even if the offence is punishable both with a term of imprisonment and fine. In case the company is found guilty, the sentence of imprisonment cannot be imposed on the company and then the sentence of fine is to be imposed and the court has got the judicial discretion to do so. This course is open only in the case where the company is found guilty but if a natural person is so found guilty, both sentence of imprisonment and fine are to be imposed on such person.

Further court remarked that “...there is no blanket immunity for any company from any prosecution for serious offences merely because the prosecution would ultimately entail a sentence of mandatory imprisonment. The corporate bodies, such as a firm or company



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undertake series of activities that affect the life, liberty and property of the citizens and therefore on the discretion of court they held to be liable as according to law”.

There are various provisions in Companies Act, 2013 itself which hold a company liable for its wrongdoing. However, there are provisions which provides mandatory imprisonment for a person including company, such as Section 447 of Companies Act, 2013 Act, Section 420 of The IPC, 276B of The Income Tax Act etc.

### 7. Concept of Corporate Social Responsible

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of Corporate Self-policing integrated into a Business model CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international sociology. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, Stakeholder and all other members of the Public sphere who may also be considered as stakeholders..

Corporate Social Responsibility can be explained as:

Corporate :- means organized business

Social :- means everything dealing with the people

Responsibility :- means accountability between the two

There is no single commonly accepted definition of corporate social responsibility. It can be defined as

“Corporate Social Responsibility is operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that a society has from the business.”

The term Corporate Social Responsibility refers to the concept of business being accountable for how it manages the impact of its processes on stakeholders and takes responsibility for producing a positive effect on society.

The section 135 of Company Act 2013 seeks to provide that every company having specified net worth or turnover or net profit during any financial year shall constitute the Corporate Social Responsibility Committee of the Board. The composition of the committee shall be included in the Board’s Report. The Committee shall formulate policy including the activities specified in Schedule VII. The Board shall disclose the content of policy in its report and place on website, if any of the company. The section further provides that the Board shall ensure that atleast two per cent of average net profits of the company made

during three immediately preceding financial years shall be spent on such policy every year. If the company fails to spend such amount the Board shall give in its report the reasons for not spending. There was no corresponding provision in the Companies Act, 1956 but Ministry of Corporate Affairs, Government of India had brought 'Corporate Social Responsibility Voluntary Guidelines, 2009' in December, 2009. According to these guidelines, each business entity should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives, which should be an integral part of overall business policy and aligned with its business goals. The policy should be framed with the participation of various level executives and should be approved by the Board.

The CSR Policy is expected to normally cover following core elements:

- (a) Care for all stakeholders
- (b) Ethical functioning
- (c) Respect for workers' rights and welfare
- (d) Respect for human rights
- (e) Respect for environment
- (f) Activities for social and inclusive development

CSR has many interpretations but can be understood to be a concept imposing a liability on the Company to contribute to the society (whether towards environmental causes, educational promotion, social causes etc.) along with the reinforced duty to conduct the business in an ethical manner. Corporate Social Responsibility (CSR) is a form of self-regulation integrated into a business model. It is also known as corporate conscience, corporate citizenship, social performance or sustainable business/responsible business.

CSR involves both internal as well as external stakeholders. Internal stakeholders include the employees of the company whereas external stakeholders include community & environment, customers, vendors, shareholders, government etc. To carry out CSR effectively, it is essential that it has to be driven from top.

Some of the various acts/ laws of India, which can be referred for tracing the importance or in which the concept of social responsible has been stated are Constitution of India 1950, Companies Act 1956 and 2013. Provision in the below given acts have mentioned the responsibility of corporate in various sectors such labour, environment, corruption etc. These acts are Minimum Wages Act 1948, Payment of wages Act 1936, Workmen's Compensation Act 1923, Maternity Benefit Act 1961, The Environment (Protection Act) 1986, Environment (Protection) Act, 1986, Doctrine of Absolute Liability, The Public Liability Insurance Act 1991

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The Factories Act 1948, amended in 1987, The National Environmental Tribunal Act, 1995, The National Environmental Appellate Authority Act, 1997, The Disaster Management Act, 2005, The National Green Tribunal Act, 2010, Right to Information Act, 2005, Prevention of Money Laundering Act 2002, etc.

### 8. CSR and Corporate Crime are Intertwined

Corporate accountability for crime is a foundation of corporate social responsibility. Corporate social responsibilities, at the most general level, include economic duties, legal and regulatory compliance, responsiveness to ethical norms, and discretionary social welfare contributions. In addition, one of the most basic of all corporate social responsibilities is corporate accountability. It is defined as the continuous, systematic, and public communication of information and reasons designed to justify an organization's decisions, actions, and outputs to various stakeholders. According to this definition, corporate accountability is primarily a form of ethical communication directed toward those parties who are affected by corporate activities and effects. Corporate accountability represents a corporation's social responsibility to explain its actions (past, present, and future) in an accessible, reasonable, and meaningful way to the society in which it operates.

One can infer from the above discussion that corporate being an essential part of the society have certain duties and responsibilities towards the society. CSR as seen helps in maintaining the accountability of corporate. CSR is not merely the charitable duty of the corporate but it has emerged as proactive participant for curbing the corporate crime at large. The international guidelines as well as compulsory implementation of CSR have helped to make corporate liable for their acts. The corporate have become more conscious of their act towards the society. The major setback in the form of Bhopal Gas tragedy, Satyam Scam etc. have made legal machinery think to strengthen the CSR. Mandatory CSR implementation will cut down the rate of corporate crime as well as increase accountability of corporate. We can say that CSR and Corporate Crime are inter-related in the sense that if proper implementation of CSR is made there will be less amount of corporate crime in the society. CSR helps corporate to think beyond the concept of profit making and helps them in realizing their responsibility towards society, environment, labour etc.

From the above discussion it is clear that corporate crime affects the society and for the betterment of the society court have intervene in making the corporate accountable for their criminal acts. Now in today's era emphasis is made by making CSR mandatory that corporate control their activity by proper governance internally as well as externally so that

corporate crime rate can decrease and corporate could work more efficiently. CSR means accountability of corporate towards society. Corporate accountability means being responsible for actions, decisions, and policies of the corporate which is expected from proper implementation of CSR by the society. CSR means corporate responsibility towards society to communicate (past or future) actions and decisions, to justify them and to suffer punishment in case of eventual misconduct. Ethically accountability plays a progressively role for the corporates. Administrative accountability helps in implementing the rules and norms. CSR helps in internal as well as external working of corporate and if anything goes wrong, corporate is accountable to the society.

## 9. Conclusion

Corporate crime, Corporate Criminal Liability and CSR is a rapidly evolving field. Judiciary as well as legislations had played a vital role in building and explaining these concept. The countries all of the world are readily accepting this concept and considering this a need of the hour. CSR being made mandate is milestone which India have embodied in its history. In an era of increasing global competition, the need to create an image that shows that the corporate houses are a part of the communities and care about it is growing. The power and the corresponding scale of the wrong that can be committed by Modern Corporation are unprecedented. For that reason it is important for society to have at its disposal the full range of legal tools, including both regulations and intended to prevent harm as well as civil and criminal remedies. A new era of growth of corporate sector has begun in which progress as well as social responsibility will go hand in hand.

It is finally concluded that the amendment of Company Law 2013 and CSR being mandatory is an excellent piece of work by the government of India. Highlighting the concept of CSR on paper will not help the society to be free from the crime committed by the corporates, strictly implementation of the rules would be fruitful to decrease the crime rate.

## 10. Suggestions

- Awareness program of these new concepts to the public by the government, companies and academicians.
- Enhance effective stakeholder involvement: CSR, corporate crime needs to be introduced as a topic in business discussion starting right from business and commerce education to the highest level of trade negotiation.

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- Training, conferences and seminars could be organized by companies to disseminate and generate new knowledge and information in this sector. Research should be promoted to grow the ambit of this concepts.
- Encouragement through media. Examples can be documented and covered through media and even corporate crime can be highlighted through media persons so that society at large could understand it. A basic advice help-line and newsletters can provide basic information on CSR and corporate crime.
- Corporate crime is under prosecuted so there is a need for reforming Indian Criminal Law so that proper punishment can be awarded. Equal application of law. Those who are responsible for equal wrongs should be treated equally. Proper mechanism should be made for appropriate corporate crime reporting and/ or misreporting.

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## Corporate Social Responsibility - A Choice or a Must for Large Organizations

Prof Sindhu Ghate<sup>1</sup>

### Abstract

CSR has been a very hot topic in business in recent years. One of the main reason for this is with growing technology the company's activities is no longer concealed and the customers are becoming more and more prudent. If profit earning is the duty of companies then social responsibility is an obligation. Many companies view CSR as a Triple Bottom Line Approach": accounting for people, planet and profit. It is a commitment by the company to develop policies that integrate responsible practices into daily business operations. Various studies illustrate CSR as more than a philanthropic model and as a voluntary contribution by company to make their policies and practices in assimilation to economic and environmental development. The main aim of this study is to show that CSR being a costly model is very difficult to be accepted by small & medium firms but heavy-funded firms should definitely accept this model and tag on it. While explaining this we have elucidated some of the benefits, approaches and limitations to CSR.

Keywords: Corporate Social Responsibility (CSR), Sustainability, Philanthropy

### 1. Introduction

In Modern World , where business is not only for gaining profits and increasing wealth of the shareholders, but to create a permanent image in the minds of the customers, the responsibilities of the corporate enterprise becomes more difficult and widened. With the business world becoming as competitive as ever, the importance to stand out from the crowd also emerges. The business does not run in isolation. Customers and clients are influenced by a company's reputation in social and environmental areas. The employment market is very competitive and complex and good recruits desires to work for and stay with companies that care for their welfare. Social performance increasingly influences Investor's decisions as the ethical investment market grows ever more quickly.

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# Corporate Social Responsibility - A Choice or a Must for Large Organizations

Milton Friedman, Noble Laureate in Economics and author of several books, wrote in 1970 in the New York Times Magazine that “the social responsibility of business is to increase profits” and “the business of business is business”. This is an extreme view that the only social responsibility of a law-abiding concern is to maximize profits for their shareholders, which were considered the only stakeholders for the company. However, time has changed the meaning of stakeholder and as Edward Freeman correctly defines “a stakeholder in an organization is any individual or group who can affect or is affected by the achievement of the organizations objectives.” Thus the term stakeholders include, apart from shareholders, customers, employees, suppliers, community, environment and society at large. These and a host of other ideas have given rise to concept of Corporate Social Responsibility (CSR).

Business for Social responsibility defines CSR as “achieving commercial success in ways that honor ethical values and respect people, communities and the environment.” Ethical behavior is the pre-requisite of CSR. Though there are different views that company adopting CSR do it for their own benefit, there are many other views that corporate should embrace in CSR for growth and more sustainability.

## 2. Review of Literature

Prime Minister Narendra Modi on Jan 2017 advocated Scientific Social Responsibility (SSR) on the lines of Corporate Social responsibility to promote scientific excellence in all stakeholders, including educational institutions.

The Economic Times (11<sup>th</sup> Jan 2013) highlighted on company Dell’s strategy of motivating employees in initializing CSR. The news stated that company’s employees are the power that forced the company to do more for the society. It highlighted the employees’ participation in social responsibility activities in areas of education, environment and employee’s welfare.

Bibhu Parshed (2012) stated in his article that CSR is beyond natural and statutory obligation of a company. He pointed out that sustainable development is the development of the society as well as the company in a balanced way.

Borogonovi, Veronica (2011) article in Knowledge @ Wharton, stated that CSR has different meaning for different companies. Some term it as social issues while other as environmental issues.

Shah, Bhaskar (2010) in his study on public sector company, Bharat Petroleum Corporation Ltd (BPCL), outlined that organization using resources of society like material, human, etc. should provide services to the society.

### 3. Research Methodology

The study is based on secondary data and information has been procured from various sources such as Research Papers, Books, Websites, etc.

### 4. Objectives

- To study the concept of CSR.
- Benefits and approaches to CSR.
- Discussion whether it is a voluntary or compulsory act.
- Ways by which company can accomplish CSR.
- Limitations to CSR

### 5. Limitations

- The study is taken by the use of secondary data collected from various sources which may have some discrepancy.
- Due to limitation on the length of paper Researcher was unable to develop a detailed insight into the topic.

### 6. Why Corporate Should Tag on CSR

Liz Maw, CEO of Net Impact, “Sustainability isn’t just important for people and the planet, but also is vital for business success”.

It can be truly said that, other things remaining same, companies that take an active role in promoting their corporate social responsibility (CSR) programs are generally viewed more favourably than those that do not have highly visible programs. CSR has been viewed in two angels. One angel shows it as donating funds and employee time to social activities and the other angel deals with Company’s plan and process in developing product or services that are in the best interests of society.

With the advancement of social media, consumers and other players of market are continuously checking the Companies’ practices and product qualities. Organizations are accountable for their actions. Hence the need for study of Corporate Social Responsibility has arisen. Some of the major benefits of CSR to Companies are:

#### a. Satisfied Customers

The customers are the King of business. Hence, to keep them happy and satisfied is the foremost responsibility of business organization. This can be done through planned CSR program for customers showing them the safety and quality aspects in the products.



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## b. Satisfied Employees

Highly motivated employees are very important for smooth running of the work force. The employee turnover to a great extent. Positive Workplace Environment, Participation in Management Decisions, Encouraging in their personal & professional growth, holiday & health benefits are some of the examples of CSR tools towards staff.

## 7. Increase In Pr & Social Media Coverage

Companies Public Image is at the hands of the Public which include consumers, suppliers, etc. Philanthropists companies, which publishes their efforts & lets public know about their activities are more favorable in the eyes of consumers. Another important component in market is Social Media which is gaining a lot of importance in recent years. It is rightly said that, bad news spread faster than good news. Hence, corporate should have a good relationship with media outlets and a good CSR program will definitely increase company's value in Public and Media.

## 8. Approaches To CSR

The following are the broad approaches to CSR:

1. Obstructionist
2. Defensive
3. Accommodative
4. Proactive

**Obstructionist Approach:** This is a total disregard to social responsibility. In this approach, Managers engage in and cover up unethical and illegal behavior. Eg. Manufacturers of Fruit Juices hide evidence about using industrial sugar in the process of making pure fruit juices.

**Defensive Approach:** This approach covers companies showing minimal commitment to social responsibility. They do their utmost to ensure their employees behave legally and do not harm others. The interest of their shareholders is given importance other than the other stakeholders.

**Accommodative Approach:** This approach strives to balance interests of various stakeholders against each other. The commitment is moderate in this strategy.

**Proactive Approach:** This is a fully committed approach to CSR. Here, Companies take time and efforts to learn about the needs of various stakeholders and behave in socially responsible ways.

We can now draw to the types of CSR which are:

- a. Economic: These are basic social responsibilities. Profit Maximization, Productive jobs, tax payments are some of the examples.
- b. Legal: Compliances with all basic laws that govern business and individuals working in the business are examples of this type.
- c. Ethical: Code of conduct and governing the health and safety of employee's come under this category.
- d. Discretionary: All other voluntary activities followed by business entities like charities, mass marriage for backward classes, social campaigns, etc. are examples of this type.

#### 9. A Compulsory or A Voluntary Act

Mahatma Gandhi truly said, "The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems." That time his main target were individuals but today this say goes to apply for high net worth companies who are continuously using the natural resources.

Companies are not bound under any law to do social work, but many laws are there which govern the company's working with different stakeholders. CSR may be said as the threshold below which the corporations no longer behave in socially responsible ways. There are many criticisms leveled against CSR that it is a tool of Marketing for companies and they do it merely for PR. It should be noted that companies follow CSR not because "they should" but because "they want" to. Companies should integer CSR as a part of their planning and controlling activities and there must be a complete check on the efficient working of this department. Of course, it should be mentioned here that CSR to work as a separate department needs more money and efforts hence mostly big companies with large disposable funds can afford this. Small organizations can also do CSR in miniature approach as this is a cost center. They can conduct monthly recreational activities; donate some amount towards welfare of the society, etc. Highly capitalized companies' should follow CSR as a regular approach and be fully involved in it. CSR is regarded as a tool to handle crisis of damage in consumer confidence and level of trust in to run in isolation from those agents impacted from its actions. It is necessary for a firm to focus attention on both increasing its bottom line and being a good corporate citizen.

Organizations have developed a variety of strategies for dealing with the intersection of societal needs, the natural environment, and corresponding business imperatives. Organizations can be considered on the development scale with respect to how deeply and

## Corporate Social Responsibility - A Choice or a Must for Large Organizations

how well they are integrating social responsibilities approaches with their business strategies. At one end of the scale, there are companies who do not acknowledge any responsibility to society and environment and at the other end of the scale there are companies who view their operations as having a significant impact on society at the economic, social and ecological levels, and hence they have a responsibility beyond the traditional boundaries of the organization.

### 10. How to Promote CSR Within Organization

Once an organization decides about extending its goals to society in philanthropic way, it should also educate all the people involved in the process for smooth running and successful implementation. Hence, we can say that following are the proper way to promote CSR inside an organization:

- Defining corporate social responsibility for your company. Since each company's objectives are different their responsibility towards society also differs.
- Conducting research and studies on CSR is the next step in implementing the process.
- Establishing metric for measuring the impact of CSR strategies is the next level. In this step, measuring the fund required, labour time to be spent for CSR activities, etc are determined.
- Involving employees in advancing CSR activities is the next crucial step. Employees should be given proper authority and responsibility in performing functions and a proper check on their activities is a must.
- CSR accountability is a key point in CSR. Accounting all the costs involved in performing CSR duty is an undeniable aspect. As much as a company wants to be socially responsible, it also has an obligation to be fiscally accountable to shareholders.
- Communicating your modus operandi to employees internally and externally to all stakeholders is very important.
- Establishing and maintaining positive and pro-active relationships with other socially responsible companies will help the company in better publicity and new ideas.

Thus, from the above steps it can be understood that implementing CSR involves cost and time and hence it is not viable for small companies with minimal staff. But big companies should take up CSR as a voluntary and on-going act and completely involve in betterment of the society.

### Ways in Which Companies Can Execute CSR

For a company to be sustainable, it must be financially secure, eliminate its negative environmental impacts and act in conformity with social expectations.

- Employee participation in Idea-generation: Companies foremost duty is on the employees they employ in business. Hence, to keep employees' satisfied, management should involve them in activities.
- Enlist customers: Involving customers in various programmes and keeping them updated about the products and services through various social media and technology is a very latest way of CSR.
- Combine Philanthropy and corporate training: This is achieved by injecting philanthropy into corporate events and training, building empathy, collaborating on charitable projects, etc. can create a strong corporate culture.
- Creating something that lasts: CSR programmes are sometimes viewed as skepticism. Hence, companies should impress customers by creating a self-sustaining social responsibility program that will have a lasting effect on the minds of the customers and society.
- Other latest ways: Conducting Mass marriages for poor, free education to children of workers, tree plantation, involving in cleanliness of the society programme "Swachh Bharat", etc are some of the latest ways of CSR undertaken by companies.

### 11. Limitations to CSR

There are two aspects of anything. One is pro and other is con. CSR as mentioned in the above paragraphs has many benefits to the Companies but do come along with limitations as well.

- Expenses: While implementing CSR, the company needs to shell out for environmental program, to train their employees, etc. CSR cannot be treated as investment program as it does not directly help in increasing profit or wealth of the organization.
- Corporate Reputation: While many companies use CSR as a tool to enhance their public image, these initiatives may sometimes necessitate a company to disclose information which could have an adverse effect on the reputation.
- Technical Skill: For successful implementation of CSR project the persons involved must be fully skilled and proficient. If there is lack of expertise in this department then the outcome of the project maybe very costly and unaffordable to the company.

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- Business Objective: Other than PSU's, many large companies' main objective is to earn maximum profits. Hence this affects their objective in implementing CSR as it requires a substantial amount of money which would otherwise have been distributed as profits amongst the owners.

Hence, looking at the Cost-Benefit analysis of CSR, it can be said that though there are number of shortcoming in its implementation but the outcome of its successful implementation cannot be disregarded.

### 12. Few Indian Companies Practicing CSR

- Johnson and Johnson Pvt. Ltd., India
- Mahindra & Mahindra
- Dabur
- Aditya Birla Group

### 13. Conclusion

Corporate Social Responsibility is a very good step but only if it is on the discretion of the companies. The large companies can very well perform their social responsibilities as they have sufficient capital to do so. However, the small and medium companies don't have such capital strength and hence they would not be able to perform their social obligations. If CSR is made compulsory then small companies may really find it difficult to face the situation and may close down their operations. Hence CSR should not be compulsory but a choice to the companies.

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## Study on Difference of Social Acceptability of Students of Various Hindi Medium Schools with Different Schooling Environment

Dr. Tripti Srivastava

### Abstract

After the birth a kids gradually expands their social domain as they grow with the time. The kids come across neighbourhood and develop friendship, cooperation, competition and even rivalry with other kids. By the time they attain age of 3-4 years, the kids start their schooling where they are given education keeping the social objectives in mind. In schools kids are tried to educate for fulfilling the social needs. It the schooling environment is good, kids develop the feelings of affection, liberty, cooperation, mutual interaction, good values, habits, self realisation, discipline and social acceptability. Humans are social animals. They accept rules and regulations, rituals, traditions laid down by the society.

### Introduction

After the birth a kids gradually expands their social domain as they grow with the time. The kids come across neighbourhood and develop friendship, cooperation, competition and even rivalry with other kids. By the time they attain age of 3-4 years, the kids start their schooling where they are given education keeping the social objectives in mind. In schools kids are tried to educate for fulfilling the social needs. It the schooling environment is good, kids develop the feelings of affection, liberty, cooperation, mutual interaction, good values, habits, self realisation, discipline and social acceptability. Humans are social animals. They accept rules and regulations, rituals, traditions laid down by the society. Also they reject the socially unaccepted behaviours. Since the school is considered to be a mirror of society, the schools also follow the work cultures which are suitable with the social customs and traditions. Subsequently the students learn rules of school and follow the discipline. In today's context social acceptance and its customs are very important. Social acceptability is influenced by what one should do in society and what to avoid. Many a times it happens that kids try to violate the rules and regulations of society when they reach age of adolescent or teenage and exhibit socially unacceptable behaviour. This raises the importance of social acceptability and social customs of students/kids.

As the students grow and continue their schooling, they learn to obey rules and regulations of society, and maintain discipline like their other schoolmates do. A school having good

environment and providing socially accepted rules and customs are always able to influence positively the academic achievements of the students through social skills.

Therefore, it is the duty of each school to provide the students such an environment that encourages and inspires the students to follow social acceptability and customs. It must inspire students to become a good citizen of nation so that they can contribute to the growth and development of society and nation at large.

### Literature Review

Johnson David J, Johnson Roger T and Barbara Taylor (1993) made a study about academic achievements, self realisation and social acceptability on access to the schooling environment of students and their colleagues having higher competency. It was observed that self realisation of a student having higher competency was strong in collaborative environment.

Ventzyl Catherine R (1994) had study on relationship between direct social collaboration and social acceptability and classroom behaviour for achieving social objectives. It was concluded in the study that relationship of students accepting socially responsible aims and their colleagues was negative in nature.

The present research also has the objectives to understand whether schooling environment plays an important role in developing social acceptability of adolescent and teenage students. It is also studied that if acceptance of rules and customs of society enable the students to develop social acceptability and social skills.

### Objectives of Study

To study the difference in the level of social acceptability among various Hindi medium school students from different schooling environments

### Hypothesis

There is no difference between levels of social acceptability of students of various Hindi medium schools having different atmosphere.

### Data Collection

The researcher has used survey method for research purpose to collect primary data relating to schooling environment of students and their social acceptability of students.

## Study on Difference of Social Acceptability of Students of Various Hindi Medium Schools with Different Schooling Environment

Dr. Anita Soni and Dr. Ashok Sharma have contributed for collection of data related to Schooling Environment and Dr. Abha Goyal and Dr. Suchita Tiwari have contributed for measuring social acceptability of students.

### Sampling Frame

Initially a sample drawn from randomly selected 400 school students of 11<sup>th</sup> standard from various Hindi medium schools. Later 240 students were included in final sample after differentiating good schooling environment and normal schooling environment.

### Research Process

Survey was conducted on randomly selected 240 students from Hindi medium schools regarding their social acceptability in the society. After that data was collected and analysed using various statistical tools (Mean, Standard Deviation, Critical Ratio etc). The result obtained relating to students from good schooling environment and normal schooling environment were interpreted thereon.

### Data Analysis and Interpretation

Results related to social acceptability of students from different schooling environments are as follows-

#### Table

Comparative Results of Social Acceptability of Students from Different Schooling Environment in Different Hindi Medium Schools

Category	Schooling Environment	No. Of Students	Mean	Standard Deviation	Critical Ratio	'p' Value
Male students	Very Good	60	31.25	4.65	2.10	0.05
	Normal	60	29.60	4.49		
Female Students	Very Good	60	31.98	3.67	1.57	0.05
	Normal	60	30.82	4.42		
Total Students	Very Good	120	31.67	4.18	2.61	0.01
	Normal	120	30.21	4.48		

Degree of Freedom -118

Critical value at significance level of 0.05 is 1.98

Critical value at significance level of 0.01 is 2.62



Degree of Freedom -238      Critical value at significance level of 0.05 is 1.97  
Critical value at significance level of 0.01 is 2.60

It is observed from the above table that there is significant influence of schooling environment of male students and total students on their social acceptability as the calculated values of Critical Ratio are more than that of predefined values at significance level of 0.05 and 0.01.

But, on the contrary there is no significant influence of schooling environment of female students on their social acceptability because the calculated values of critical ratio is less than that of predefined values at significance level of 0.05 and 0.01

Therefore it can be concluded that there is significant difference between the level of social acceptability of Hindi medium male students from good schooling environment and normal schooling environment. Whereas, there is no significant difference as far as the girls students of Hindi medium schools having different schooling environment are concerned.

From the above results it is clear that schooling environment has visible impact on the social acceptability of students in society. The reason behind no influence of schooling environment on social acceptability of female students is the prevailing conditions in the society of our country.

The present social environment in our society has most of the Hindi medium school girls belonging to lower and middle income level families and their social acceptability is low due to lack of higher education. This negative feeling in the girls are not eliminated even if genuine efforts are taken by the schools in order to create very good schooling environment. In their study Srivastava and Ramaswamy (1987) found that schooling environment in English medium schools was better than Hindi medium schools and the social acceptability of those English medium students were more in the society.

On the basis of the results obtained through current research and its analysis, it can be said that schooling environment plays a vital role on developing self realisation of students and their acceptability in the society.

## Study on Difference of Social Acceptability of Students of Various Hindi Medium Schools with Different Schooling Environment

### Suggestions

Based on the results of present study, following suggestions can be given to students (both male and female), teachers, guardians and parents, administrators and other research scholars-

- Students should perform such tasks that can provide them admiration, respect and recognition in society. These develop their social aspect and subsequently other people react in order to enhance the social acceptability as well.
- Students should do such things which have approval of society. It helps developing their social acceptability.
- The students must exhibit coordination and healthy competition which increases their social acceptability and self realisation.
- A student can have properly maintained moral and social development by obeying rules and regulations, traditions and customs of the society which eventually increases their social acceptability.
- Social acceptability can be increased by establishing generous relationship and discipline in the classroom.
- It is the duty of parents and guardians that they educate their wards about social rules and culture so that they gain social development in right direction and social acceptability is increased.
- The parents must help their wards to differentiate between good and bad. Also they must encourage them to do good and right things because these leads to admiration and respect in the society.

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Impulsive Purchase Behaviour of Undergraduate Students Towards Online Shopping

Dr. Prabhjot Kaur Nayyar<sup>1</sup>  
Prof. Rinki Moolchandani<sup>2</sup>

Abstract

With the growth and development of IT Sector, Indian market has also been developed. A new horizon to the business has been achieved today and internet has developed into a vast global market place for the exchange of goods and services. Online shopping has shown a remarkable success. Online shopping is the buzzword in today's modern world. Technology has made today buying much faster, smarter and even most convenient. The tech savvy customers of Digital era, today, can get any product at his doorsteps very quickly. There is no doubt that the presence of Internet in our day to day life has created addiction in youth for online shopping. In this world of digitization, the actual concept of shopping has been redefined and thus it creates an urge in customers to buy products online impulsively. Today, increase in online shopping is due to usage of internet by younger generation in India. Online shopping attracts each category of population but it attracts youth more because the major population of Indian country consists of college going students or even employed youth. The present research aims at knowing the impulsive buying behavior of undergraduate students of Nagpur city.

The main objective of this research is to study the factors affecting the consumers for impulsive online shopping. For this, a survey was conducted, questionnaires were distributed among the students of different colleges of Nagpur. The objectives of present research is based on Primary data collected from undergraduate students of Nagpur city. Data analysis has been done using SPSS software. The data has been presented in the form of graphs. The present study clearly states the different factors like amount spent on online shopping, earnings of family members, frequency to shop online influence for the impulse buying of the commodities online.

Keywords : Online shopping, undergraduate students, impulsive buying behaviour.

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## 1. Introduction

An impulse purchase or impulse buying is an unplanned or otherwise spontaneous purchase. Impulse purchasing is unplanned and is decided on-the-spot. Impulse buyers begin browsing without having an intention to purchase a certain item or visiting a certain store. As consumers browse, they are exposed to the stimuli, which triggers customers' urge to buy on impulse. When impulse buyers feel the desire to buy, they make a purchase decision without searching for information or even evaluating alternatives. Impulse Purchase behaviour thus indicates the unplanned buying behaviour. When any purchase is being carried out online without any planning, then such a purchase is termed as Impulse Purchase. Online shopping is a form of electronic commerce which enables consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumer can find a product of his choice by visiting the website of the retailer directly. The website displays the same product's availability and pricing at different e-retailers. Today, online shopping is on rise due to usage of internet by younger generation in India. Online shopping attracts youth more because the major population of Indian Country consists of college going students or even employed youth. The undergraduate students are very much prone to internet usage and they purchase online products impulsively. Without taking much consideration the need of the product, utility of the product, these students do shopping online. They are influenced by the website design, advertisement, sales, discount offers, etc. These factors influence them a lot towards online impulsive buying. Thus the present study is undertaken with a viewpoint to know the factors influencing impulsive online shopping amongst undergraduate students.<sup>1</sup>

## 2. Literature Review

Researchers observed some common variables influencing online impulsive buying. The first and foremost is time. The more time an individual has, the longer time he or she spends browsing the shopping environment (Beatty and Ferrell, 1998). Secondly, its Gender, as it has specific influence on impulse buying. As Women are fond of shopping online so they tend to be more impulsive than men (Giraud, 2001). Next in queue is the mood of the customer. If consumers are in a good mood, they tend to reward themselves more generously and tend to be more impulsive (Giraud, 2001). Young generation is more impulsive than others, age of buyers from 18 to 40 are generally impulsive (Mai et al., 2003).

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A good store layout is yet another factor which maximize the convenience of the consumer (Crawford and Melewar, 2003). Store atmospherics is important to stimulate impulse purchase (Crawford and Melewar, 2003). The availability of money is a facilitator in the impulse buying process (Mai et al., 2003), since it increases the purchasing power of the individual. Browsers usually make more unplanned purchases than non-browsers (Crawford and Melewar, 2003). Product price is another variable of impulse buying. Consumers tend to be more impulsive when there are sales or product discounts, promotions or even offers.(Wong and Zhou, 2003).Shopping enjoyment is another variable, whereby individuals consider shopping as a form of recreation, do not stick to a buying list, and therefore, tend to make many impulsive purchases (Sharma and Sivakumaran, 2004). Peer pressure also increases the likelihood of impulse purchase. Consumer reviews towards any product creates an urge to buy product online. These variables mainly influence the consumers to do the impulse purchase spontaneously.

### 3. Objectives

- To know the demographic factors influencing the impulsive buying behaviour of undergraduate students .
- To analyse the relationship between Web Advertisement and amount spent on online shopping.
- To analyse the relationship between number of earning members and general shopping habits.

### 4. Hypothesis

H<sub>01</sub> – There is no influence of demographic factors on Online Impulsive Buying.

H<sub>A1</sub> – There is influence of demographic factors on Online Impulsive Buying.

H<sub>02</sub> – There is no relationship between amount spent and Web Advertisement.

H<sub>A2</sub> – There is relationship between amount spent and Web Advertisement.

H<sub>03</sub> – There is no relationship between number of earning members and general shopping habits.

H<sub>A3</sub> – There is relationship between number of earning members and general shopping habits.

## 5. Limitations

1. The study covers only Nagpur city.
2. The sample size is limited. The result of the study cannot be generalised to the universe.
3. The time utilized for the study was very limited.

## 6. Research Methodology

### 6.1 Research Method

The quantitative research method is used for the present study.

### 6.2 Data collection

Both the primary and secondary method of data collection are used for the present study. Under the primary data collection method, Questionnaire, observation and in-depth interview methods are used for data collection. The secondary data for the present data includes the online research papers, websites, etc.

### 6.3 Sampling Framework

- i. **Population Definition:** The population for the research includes undergraduate students of different colleges of Nagpur.
- ii. **Sample Size:** Keeping into consideration the limitation of time, the researcher has taken the sample of 100 undergraduate students.
- iii. **Sampling technique:** By keeping in view the limitations of time, resources,, population researcher has decided to apply convenience sampling technique for the purpose of collecting experimental material.

### 6.4 Questionnaire Design

The questionnaire is carefully designed to meet the requirements of the research. The questions are taken on factors affecting towards impulsive online shopping with a view to validate the research more. The questions are self structured to cover the diversity of research problems.

The questionnaire consists of two parts. The first part is basically focussed on questions in terms of demography. The second part of questionnaire consists of questions related to web advertisement effect which are constructed with 5points Likert Scale ranging from 1(Strongly disagree) to 5 (Strongly Disagree).

## 7. Data Analysis And Interpretation

The data analysis and interpretation mainly concerns primary data collected in the form of questionnaire distributed among undergraduate students of different colleges of Nagpur city.

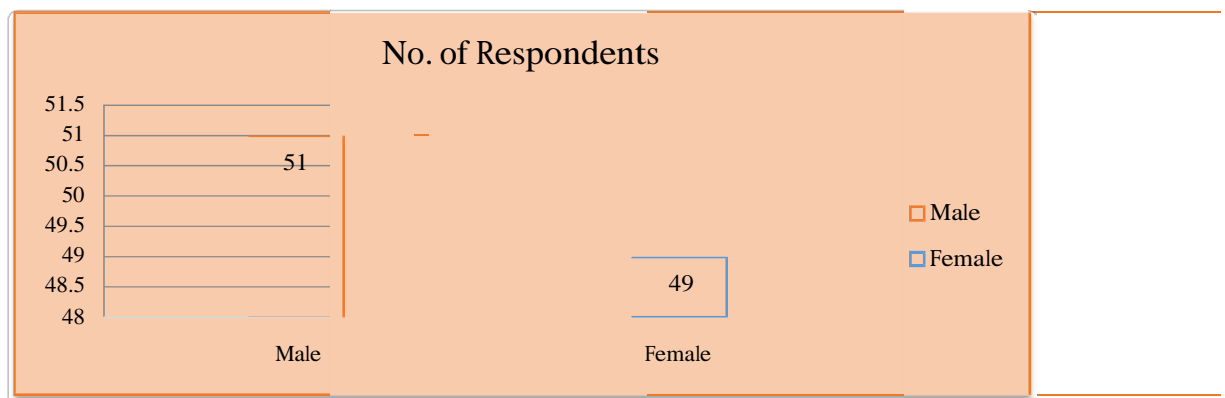
### A) Demographic factors

The first part of questionnaire deals with the questions relating to Demographic details includes the Gender, average income, Frequency of Online Shopping, Amount Spent, No. of Earning members in a family.

The response of demographic data is shown with the help of graphs and charts prepared using MS-Excel 2007 software.

#### Gender :

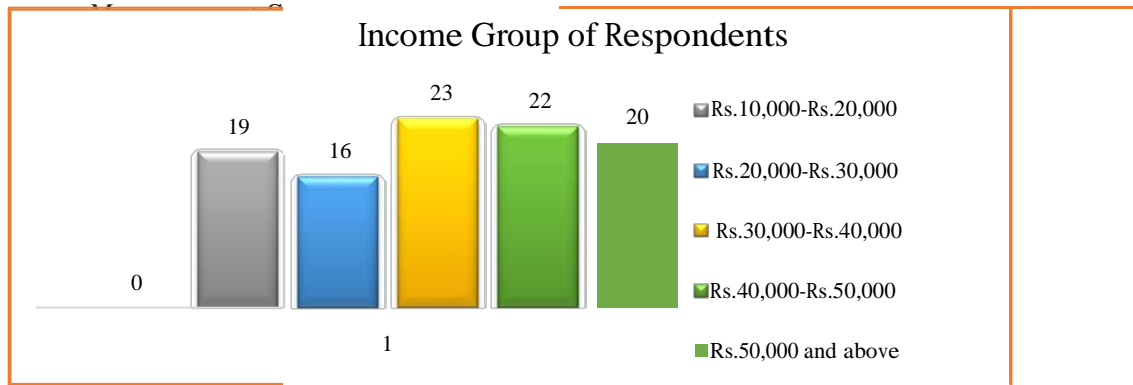
Figure 1 shows the gender respondents ,51% respondents are male and 49% respondents are female indicating male respondents are more interested to shop online without planning before purchasing any product.



#### Average Income :

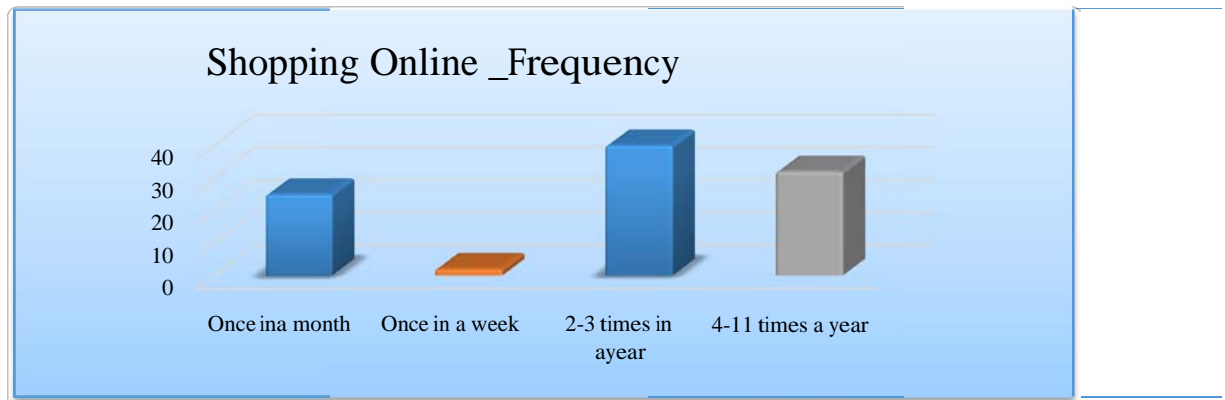
Income is one of the important and sensitive demographic variables. Figure 2 shows that 19% respondents monthly income ranges from ₹10,000 - ₹20,000 , whereas 16 % respondents monthly income is in between ₹20,000 - ₹30,000, 23% respondents monthly income ranges from ₹30,000-₹40,000, , only 20% respondents monthly income is ₹50,000 and more.





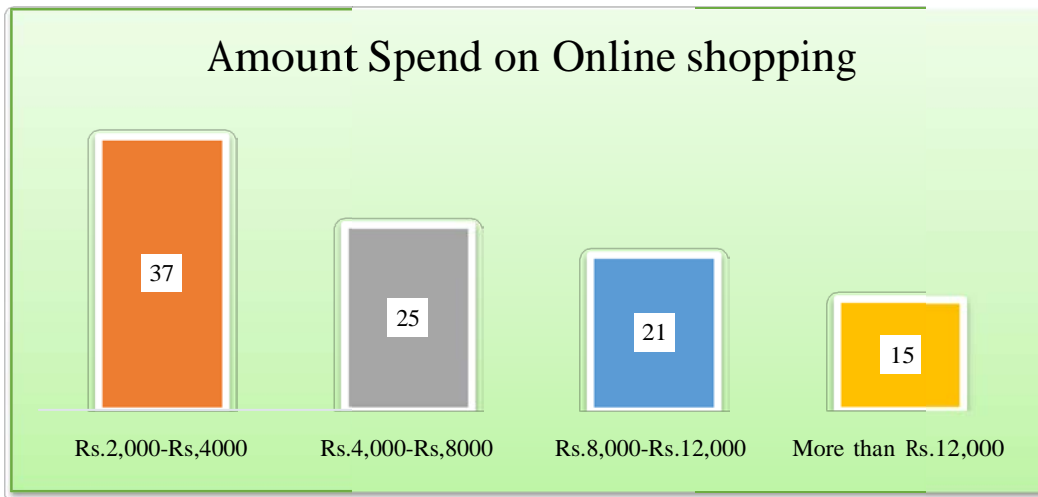
#### Frequency of Shopping online:

Frequency to shop online is clearly depicted in Figure 3. 25 % of UG students responded that they do online shopping once in a month. Only 2% of total respondents do impulsive online shopping once in a week. 40% students respondents go for online shopping 2-3 times in a year. 32 % respondents agreed that they do shop online for 4-11 times in a year.



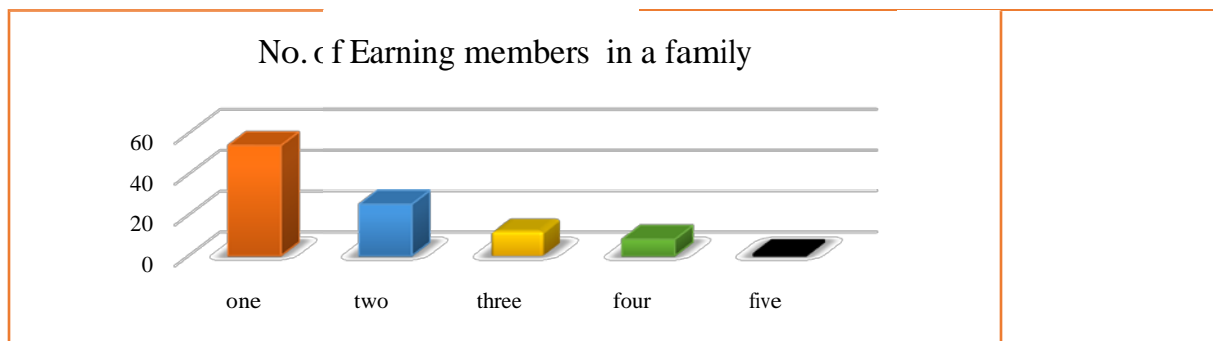
#### Amount Spent for Online shopping:

Figure 4 clearly indicates the amount spent by Undergraduate students for impulsive online shopping. 37 % of total respondents spent ₹2,000 - ₹4,000 on online products. Around 25 % respondents spent from ₹4,000 - ₹8,000 during online shopping. Whereas only 15 % of the undergraduate students spent the highest amount i.e. more than ₹12,000 for shopping products online.



Number of earning members:

Figure 5 indicates the number of earning members in a family. 54 % respondents clearly stated that only one person is the earning member in their family. Whereas next to it, 25% respondents has two earning members in their family. On the other hand, only 13 % of total respondents replied with the three earning members in a family thereby indicating the highest tendency to shop online for students having maximum earning members.



B) Analysis Of Variables

The two variables for study are :General Shopping Habits and Web advertisement effect

Table 1 shows the results of correlation analysis:

		Gender	Avg Income	No. Earning	Online Y_N	Frequency	AmtSpent	General Shopping Habits	webEffect	
Kendall's tau_b	Gender	Correlation Coefficient	1.000	-.019	.037	.	.118	-.175*	-.023	-.083
		Sig. (2-tailed)	.	.781	.599	.	.092	.011	.722	.203
		N	100	100	100	100	100	100	100	100
	Avg Income	Correlation Coefficient	-.019	1.000	-.041	.	.062	.106	-.202**	-.072
		Sig. (2-tailed)	.781	.	.518	.	.327	.085	.000	.217
		N	100	100	100	100	100	100	100	100
	No. Earning	Correlation	.037	-.041	1.000	.	.001	.081	.248**	.089
		Sig. (2-tailed)	.599	.518	.	.	.983	.207	.000	.146

Impulsive Purchase Behaviour of Undergraduate Students Towards Online Shopping

	N	100	100	100	100	100	100	100	100
Freq	Correlation Coefficient	.118	.062	.001	.	1.000	.043	.035	-.177**
	Sig. (2-tailed)	.092	.327	.983	.	.	.501	.560	.004
	N	100	100	100	100	100	100	100	100
Amt Spent	Correlation Coefficient	-.175*	.106	.081	.	.043	1.000	.136*	.219**
	Sig. (2-tailed)	.011	.085	.207	.	.501	.	.022	.000
	N	100	100	100	100	100	100	100	100
Gen Shopping Habit	Correlation Coefficient	-.023	-.202**	.248**	.	.035	.136*	1.000	.345**
	Sig. (2-tailed)	.722	.000	.000	.	.560	.022	.	.000
	N	100	100	100	100	100	100	100	100
Web Effect	Correlation Coefficient	-.083	-.072	.089		-.177**	.219**	.345**	1.000

		Sig. (2-tailed)	.203	.217	.146	.	.004	.000	.000	.
<p>*. Correlation is significant at the 0.05 level (2-tailed).                  **. Correlation is significant at the 0.01 level (2-tailed).</p>										

Table 2: The correlation analysis of two factors of study:

CORRELATION ANALYSIS		
VARIABLE 1	VARIABLE 2	R
No. of earning members in a family	General Shopping Habits	0.248**
Amount_Spent	Web Advertisement effect	0.219**

The above table 2 shows the results of correlation analysis between the consumers who shop online and the factors towards online impulsive buying.

C) Validity And Reliability

- The questionnaire was validated through RM experts after a pilot of 20 respondents.
- The data was found reliable as per the Reliability Statistics by SPSS Program.

<u>Reliability Statistics</u>
<u>Cronbach's Alpha</u>
.812

#### D) Hypothesis testing

Since the significant value is less than 0.05, so null hypotheses is rejected and alternate hypotheses is accepted.

H<sub>A1</sub> – There is influence of demographic factors on Online Impulsive Buying.

H<sub>A2</sub> – There is relationship between amount spent and Web Advertisement.

H<sub>A3</sub> – There is relationship between number of earning members and general shopping habits.

### 8. Key Findings & Conclusions

- Number of earning members in a family are significantly related to General Shopping habits. More the earnings members in a family, the higher is the tendency to shop online.
- Frequency to shop online and web advertisement effect are significantly associated to each other and it shows that web advertisement effect creates an urge to buy more things impulsively.
- Amount spend on Online shopping and web advertisement effect are significantly related to each other . It means that the promotions or sale features found through web advertisement results in high tendency to shop online.
- The overall impact of impulsive buying is due to the factors like Average Income, General shopping habits, Internet habits, Web advertisement effect.

### 9. Recommendations

- Students should do planning before shopping online.
- Undergraduates students should understand the utility of the product which they purchase online.
- Difference between attraction and need of the product should be clarified.
- Decision regarding what is actually needed should be considered while shopping online.
- Students must consult with Parents before buying.

- They should also develop an attitude of Savings rather than merely spending.

### Acknowledgement

Authors are thankful to Dr. Sujit Metre Sir, Professor, MBA Dept., Dr. Ambedkar Institute of Management Studies and Research, Deekshabhoomi, Nagpur for his guidance and help extended during the preparation of research paper.

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## Sculpting Structured Approach to Merchandising and Investigating Impact of Visual Merchandising on Impulse Buying

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### Abstract:

Merchandising is the heart of retailing. A good merchandise management facilitates growth and development in retailing. Retailers are taking a look at where they stand regarding their merchandising strategies, and many are planning near-term upgrades.

**Research Problem:** This study is an attempt to understand the importance of system approach to good merchandise. The intent was to initiate revitalization on merchandising. Efficient and effective merchandising is vital to a highly functioning retail operation so the study aims to examine the impact of environmentally induced stimulation in influencing impulse buying behavior. The investigation further leads to examining the connection between impulse buying and visual merchandising.

**Methods:** The theoretical part is framed through the books, journals, previous research papers and articles. Researcher attempted to study and investigate a system approach to merchandising and also build up a model to showcase the blueprint of the idea of this research paper. Also total of 30 customers surveys were collected in Amravati and these were analyzed using statistical tools, for the purpose to understand connection between impulse buying and visual merchandising.

Findings show that promotional environment of store have most related to with impulsive buying behavior. The longer an individual lingers on a product, the more likely that individual is to purchase a product. The first and most important step in Impulse Buying is seeing the product. Connection between impulse buying and various dependent factors reveals  $r(\text{factor of correlation}) = 0.504$  highest between Impulse Buying Behavior and Personal Use Products shows positive association. This indicates that consumer make maximum impulse purchases for

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personal use products. This study provides an insight to retailers about type of environment of store that can influence consumers for impulse buying.

**Keywords:** Impulse Buying, Visual Merchandising, Retailing, System Approach

**Introduction:**

Efficient and effective merchandising is vital to a highly functioning retail operation. Retailers are taking a look at where they stand regarding their merchandising strategies, and many are planning near-term upgrades. As part of an overall growth strategy, the implementation of merchandising solutions helps improve top-line and bottom-line performance by establishing a more flexible technology foundation. By removing previous constraints, retailers achieve process improvements across the business, resulting in more profitable assortments, improved promotion effectiveness, reduced markdowns and greater inventory effectiveness. Understanding how to improve overall inventory position and what tools are available is essential.

There are many ways to assist small communities in addressing the interrelated issues. One strategy is to help small town merchants compete in a highly competitive environment. In light of the regionalization of consumer shopping to larger urban centers, many small town businesses are in need of effective marketing techniques. The following materials provide information on merchandising, an important part for any business total marketing effort. Researcher tried to throw light on a system approach to merchandising and also developed a model to bring down the blueprint of the idea. The intent was to initiate revitalization on merchandising.

A successful retailing business requires that a distinct and consistent image be created in the customer's mind that permeates all product and service offerings. Visual merchandising can help create that positive customer image that leads to successful sales. It not only communicates the store's image, but also reinforces the store's advertising efforts and encourages impulse buying by the customer. Merchandising is a major factor often overlooked in the success or failure of a retail store. It is second only to effective customer relations. Merchandising can be defined as everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire and action on the part of

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the customer. It includes the dramatic presentation of merchandise as well as other important, subtle features that create the store's overall atmosphere. Merchandising is the process of making products in Retail outlets available to consumers, by stocking and displaying them on shelves. Merchandising activities may include display techniques, free samples, on the spot demonstration, pricing, shelf talkers, special offers, and other point-of-sale methods. According to American Marketing Association, merchandising encompasses "planning involved in marketing the right merchandise or service at the right place, at the right time, in the right quantities, and at the right price." It may be called as the heart of the retailing. Merchandise Management involves planning, acquisition, handling and control of the merchandise so that the sales and profits of a category can be maximized. It is a coordinated process and involves buying, sourcing, merchandising, and sales.

Research methodology used in the article - is systemic and comparison analysis of scientific literature. It is an exploratory research. The theoretical part is framed through the books, journals, previous research papers and articles. Researcher attempted to study and investigate a system approach to merchandising and also



build up a model to showcase the blueprint of the idea of this research paper. A total of 30 customer surveys were collected in Amravati and these were analyzed using statistical tools. The first-hand information is collected for the purpose to understand connection between impulse buying and visual merchandising.

The aim of this article is to develop a Model of System Approach to Merchandising and its process so as to understand the process and factors influencing it more precisely, Also exploring its connection with impulse buying.

**Research Problem:** This study is an attempt to understand the importance of system approach to good merchandise. The intent was to initiate revitalization on merchandising. Efficient and effective merchandising is vital to a highly functioning retail operation so the study aims to examine the impact of environmentally induced stimulation in influencing impulse buying behavior. The investigation further leads to examining the connection between impulse buying and visual merchandising.

**Importance of Merchandising:**

For a business to make sales, its products and services should be visible and displayed in an appealing manner, a process referred to as merchandising. Merchandising includes product display and packaging, as well as all the advertising techniques used to promote and sell goods to consumers. While it might bring to mind the cheap pens and plastic toys often given away as promotional gifts, merchandising can be a valuable means of connecting with customers, raising awareness of your brand and boosting sales, as Kate Horstead explains. While large corporations such as McDonald's and Kellogg's are well known for giving away free toys and gifts to keep their brand name in customers' minds, small firms can benefit from merchandising, too. You can use it to achieve specific objectives such as encouraging people to visit your shop or office, or to raise awareness about a newly-launched product or service.

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### Psychological Importance:

In many respects, the importance of merchandising lies in its ability to psychologically manipulate the customer. Ultimately, beyond food, water and clothing, no piece of merchandise found in a store constitutes a necessity for the customer. Merchandising uses visual cues such as color, shape and associations created through imagery to convince a customer to buy or at least consider buying a certain product. When successful, the psychological impact of merchandising drives up sales, generates product awareness, creates a comfortable visual environment for the customer and pumps money into the retail outlet. It can also affect the way people see certain products, thus influencing future purchasing decisions.

### Merchandising and Sales

On the most basic level, the importance of merchandising is reflected in sales. Retail stores must make a certain amount of money each day, week, month and year in order to stay in business. The sale of products generates this revenue. Merchandising concerns selling merchandise to generate profit. Poor merchandising does not drive up sales, while successful marketing does. According to R. Srinivasan, author of



“Case Studies in Marketing,” merchandising directly influences approximately two-thirds of all sales.

Merchandising impacts a business and, thereby, its employees. Poor merchandising means poor sales, which impacts retailers and manufacturers. This changes the nature of the economy through potential job loss.

#### Merchandising and Customer Awareness

Merchandising within a retail outlet creates product awareness and works to associate products with one another. For instance, a customer shopping for a new computer may want speakers to connect to that computer. Successful merchandising places speakers in visual range of the computers, raising customer awareness of the product and potentially increasing sales. Another example can be found at the checkout line of large stores like Target and Best Buy, where everything from DVDs to magazines to snack food sits. Retail outlets use merchandising to remind customers that certain products exist and that they complement other products.

#### Visual Merchandising

Visual merchandising constitutes a special branch of merchandising concerned with creating the look of merchandise within a store. The role of the visual merchandiser entails creating an aesthetically pleasing interior space and a logical flow of products. Visual merchandisers use the layout of a store to maximum effect by placing displays in key locations. The importance of visual merchandising lies in its ability to make merchandise appealing to the eye of the beholder. If a display catches the eye of a customer, that individual lingers on the product. The longer an individual lingers on a product, the more likely that individual is to purchase a product.

#### Seeing is buying:

Impulse buying is all about seeing the product. The first and most important step in impulse buying is seeing the product. The more visible the product, the more likely it is to be bought, provided the consumer knows what the product is or does exist. Visibility is the most important factor. You see the products as you walk through the mall, and you will see a lot more of the merchandise than what's in the windows of

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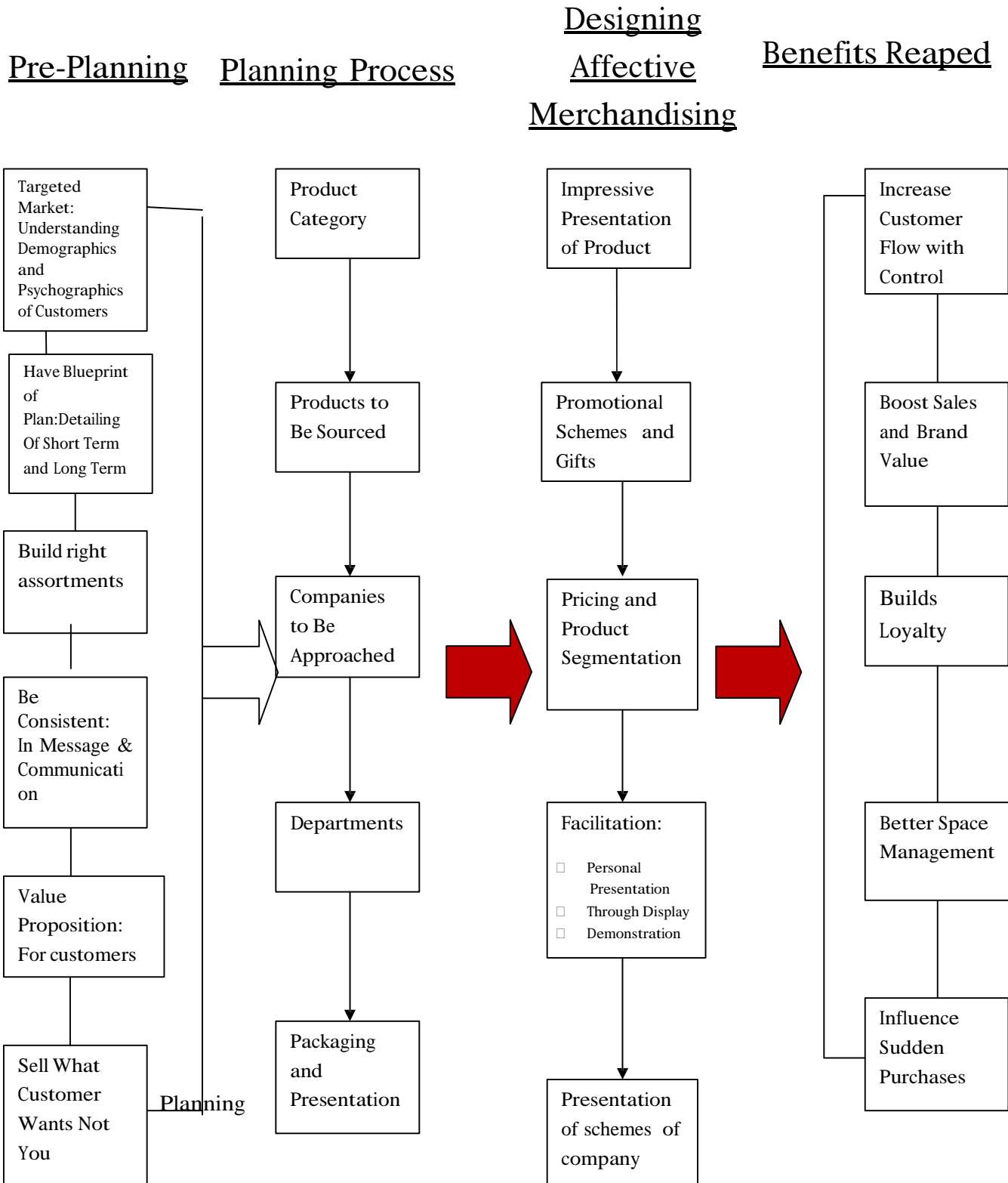
traditional stores. “Some consumers are especially susceptible to signage that shows a good deal; they get satisfaction from getting what they perceive to be good prices on products or services. It’s the satisfaction of the deal.” That is the gist of impulse buying, and you don’t need a graduate course in psychology to make it work for you. Assume consumers realize a problem and are looking for a product. That can happen either before they go shopping, or not until they see the product that triggers the thought. Make products easy to spot: make them highly visible. And when their problem and your solution intersect and leads to Impulse buy.



Knowing the importance of effective merchandising researcher developed a Model giving a system approach to merchandising. The model through light on the Pre-Planning of merchandising followed by the Planning Process and thus putting on Affective Merchandise which leads to certain Benefits to Be Reaped.



# A Structured Approach to Merchandising



## Sculpting Structured Approach to Merchandising and Investigating Impact of Visual Merchandising on Impulse Buying

An efficient and strategic merchandise plan can effectively transform the way your company is able to sell products; it enables you to see areas that may need improving and allows you to be more flexible in times of market uncertainty. Implementing a merchandise plan not only helps your business in terms of sales, but it can also lay the groundwork for strategies that can further fine-tune how you do business overall. Pre-planning involves;

**Targeted Segments:** It is very important to understand your targeted segment, to know the demographics and psychographics of your customer. The Retailer exists for the customer. Thus products retailed in the store should be a reflection of consumers' needs and wants. The first step towards this would be the ability to understand who is the consumer? First of all to decide to what segment u intends to focus on. Like in retail merchandising the lower income group customers won't be able to contribute much to the sales output, similarly focusing on the higher income group the products placed will have to be high in cost and brands which again may somewhere affect the free flow of sales input and output, but if we go for middle income group customer, you will find a number of customer willing to shop. Also Each Store is different; the customers visiting each Store are different. Hence they have to be understood as separate entities. While the merchandise plan is built for the company as a whole, there has to be an element wherein peculiarities of each Store and region are taken into account.

**Have Blueprint Of Plan:** This includes having a clear focus on what must be included as well as any other features you would like to include, if your budget allows. Some of the most obvious benefits you can gain from your plan are;

- A clear statement of your business mission and vision.
- A set of values that can help you steer your business through times of trouble.
- A blueprint you can use to focus your energy and keep your company on track.
- A portrait of your potential customers and their buying behaviors.
- A description of your business model, or how you plan to make money and stay in business.

- An action plan that anticipates potential detours or hurdles you may encounter.
- Detailing of short term and long term strategies u will be going for.

**Build Right Assortment:** The collection of goods or services that a business provides to consumers. The main characteristics of a company's product assortment are: (1) its length or number of products, (2) its breadth or number of product lines, (3) its depth or number of product varieties within a product line and (4) its consistency or how products relate to each other in a retail environment. Retailers face the challenge of satisfying today's ever more unpredictable and demanding consumers who want and expect their favorite retailers to have exactly what they're looking for in stock and also a wide selection to choose from. This is becoming ever more complex with multiple shopping channels and consumers armed with mobile devices and more information than ever before. So, retailers are challenged to plan their merchandise assortment so that it offers the right amount of the right products in the right stores and channels at the right time in order to meet customer demand and maximize sales and margins.

**Be Consistent:** When building a range of products for the consumers, it is necessary to ensure consistency across all product offerings. Consistency is required not only in the choice of products offered but also in terms of their quality. This follows from the principle that a Retailer cannot be everything for everybody. Keeping in view the target market, products and brands offered should be consistent with the image that the retailer seeks to create for itself, in the minds of the costumers.

**Value Proposition:**A value proposition is a promise of value to be delivered and acknowledged and a belief from the customer that value will be delivered and experienced. A value proposition is a promise of value to be delivered. It's the primary reason a prospect should buy from you.Your product should solve customer's problems or improves their situation, deliver specific benefits, tells the ideal customer why they should buy from you and not from the competition.

**Sell What Customer Wants Not You:** The buyer is the representative of the consumers, and it is necessary to remember that the choice and taste of target consumers may be very different from his/her. The buyer therefore needs to offer what the consumer will want rather than what he/she likes.

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### Planning Process:

The merchandise planning process allows the retail buyer to forecast with some degree of accuracy what to purchase and when to have it delivered. This will greatly assist the company in attaining its sales and gross margin goals. The process involves deciding Product category, Products How to Be Sourced, Companies to Be Offered, Departments, Category and Subcategory.

**Product Category:** Merchandise refers to the complete range of products that the Retailer chooses to offer to its customers. Merchandise covers the breadth and depth of products sold by the Retailers. Over a period of time, the product category may change in keeping with the market conditions, and may vary even during the course of the same year. The product category comprises of products which the Retailer terms as staple, classic or basic; combined after taking into consideration fashion, fads and seasonal preferences.

**Products How To Be Sourced:** Retailers may buy product from a variety of sources, which depend on the nature of the business and the product, as well as the capacity for the inventory. There are different types of sources, e.g. drop shipping, local sourcing, and low volume wholesalers, mid volume: importers and distributors and high volume manufacturers and liquidation sales. Wholesalers are the best option for purchasing low volumes, because they are generally very flexible with Retailers. Once the business is established, and the Retailer is in a position to hold larger quantities of product, importers and distributors may be considered for product sourcing; although they have higher minimum order requirements, they can offer pricing arrangements which can be considerably more profitable than dealing with the wholesalers.

**Companies to Be Approached:** A minute study should be made of on which companies should to offered space in your merchandise. Look for the reputation of the companies in the market and the perception of customers. Whether local brands should be given space or not should be decided. For example if your target customer are middle income group people then giving Mercedes space in your retail will not work profitable for you.

**Departments:** To effectively forecast sales and purchase the right product, you need a further breakdown of your store's major departments. For example, a typical family shoestore may have the following department's men's footwear, women's footwear, and children's footwear and accessories. The men's department may be made up of the following subcategories or "classes" dress shoes, sport shoes, boots and slippers.

**Packaging and presentation:** The packaging and presentation of the product plays an important role in merchandising. No matter how well is it made, a product will



not attract a buyer unless it is presented in an attractive manner. the packaging of a produce displayed on the shelves of a supermarket is equally important; it should be attractive in appearance, easy to handle, showing the brand name prominently, and providing all the information, such as nutrition value, ingredients, weight, price, manufacturing date, expiry date, discount, if any, etc. clearly.

**Designing Affective Merchandising:** Then after going through the planning process now put affective merchandise also a merchandiser can maximize the sale of the products through it.

**Impressive Presentation of Product:** The display of the products at the retail store must entice the customers. The merchandiser in coordination with the store manager must ensure that the products are according to the season as well as latest trends.

The merchandiser must:

- Source something which is unique and not available at any other retail store.

## Sculpting Structured Approach to Merchandising and Investigating Impact of Visual Merchandising on Impulse Buying

- Never compromise on quality of the merchandise. Compromising on quality costs later.
- Source merchandise as per the season and climate.

Promotional Schemes and Gifts: Coupons and attractive gifts make shopping a pleasurable experience for the customers.

Pricing and Product Segmentation: Attractive prices, discounts, rebates also bring customers to the store.

Facilitation: The role of merchandising is to make customers feel that there is always something new and innovative to look at and shop for every time they come in to make a purchase. For example, window-dressing does not cost much, but it adds the "professionalism". If there is really a good window dresser, you will find increase in sales straight away - many products sell out when the customer sees them within a window display. Similarly being a good facilitator is also important, like providing information about the products personally through representatives, or through displays like POPs demonstrating the uses of products. These efforts will allow the customer to understand the use of the product and will create awareness.. For instance, a customer shopping for a new computer may want speakers to connect to that computer. Successful merchandising places speakers in visual range of the computers, raising customer awareness of the product and potentially increasing sales. Another example can be found at the checkout line of large stores like Target and Best Buy, where everything from DVDs to magazines to snack food sits. Retail outlets use merchandising to remind customers that certain products exist and that they complement other products.

## Management Solutions For Socio Economic Challenges

Presentation of Schemes Of the Company: Presentation of the schemes of the company to the customer which is beneficial to them increases the trust of the customers and confirms customer loyalty.

### Benefits Reaped:

A good merchandise results in various benefits that could be reaped like, increase in customer flow with proper control on what our target customers are, it also boost sales and increases the brand value, builds loyal customers, facilitates better space management, and also influences sudden purchases.



Increases Customer Flow with Control: Good merchandising drives visitors to your store. Also an attractive exterior influences a customer's decision to come inside and do business. Brightly colored sales signs, a well-kept structure and a clean, well-organized parking lot are also some factors that encourage customers to come into your store.

Boosts Sales and increases Brand Value: Effective merchandising has a significant impact on the sales and the brand value of the retail store. Pricing, proper product display, packaging, promotional marketing and sales signs can also shoot sales



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upwards and give the customers a memorable shopping experience. Customers are more likely to return in the future if they find your store attractive and well organized.

**Builds Loyalty:** Customers are more likely to return to a store which offers top quality products in a customer-friendly and easy-to-access setting. Offering fresh product arrangements in appealing displays entices shoppers to return frequently, building long-term loyal customer relationships.

**Better Space Management:** Good merchandising involves the proper arrangement of aisles, display fixtures, shelves and the entire layout of the retail space. Efficient space management creates usable space that accommodates more people and makes the whole shopping process a pleasant experience. If space is efficiently managed, there may not be need to renovate or expand the existing retail space.

**Influences Sudden Purchases:**

Good merchandise can motivate sudden purchases. When customer is reminded of availability of variety of products with benefits or offers never before they tend to make unplanned purchases which increase the sale.

- The longer an individual lingers on a product, the more likely that individual is to purchase a product. The first and most important step in Impulse Buying is seeing the product.
- The longer an individual lingers on a product, the more likely that individual is to purchase a product. The first and most important step in Impulse Buying is seeing the product.

### VISUAL MERCHANDISING & IMPULSE BUYING BEHAVIOUR

Situational factors are the external factors coming from the shopping environment when buyer comes into contact with particular visual stimuli like product or promotion that create the unplanned purchase. At that instant the shopper may feel a sudden need to purchase a particular product that has attracted his/her attention. Advocates of situational variables stress that consistency in behavior alters



depending on situation. Situational factors includes five elements: (1) physical surrounding, (2) social surrounding, (3) time, (4) shopping task and (5) previous conditions with which the consumer enters the shopping surrounding or which result from the shopping surrounding. Moreover, the more time is available, the higher is the chance for unplanned buying, especially when there is no buying task. Other additional buying motivators are the price discounts or sales store accessibility and sales staff as well as the location .The product design, the way the products are displayed, attractive colors, aroma or music can attract the shoppers' attention by putting them in a good mood and stimulating the interaction with the store atmosphere and thus unplanned .

Mattila and Wirtz (2008) highlighted that social factors influence impulse buying. Social factors include two types: store employees and other customers. Social factor (e.g. employee friendliness) was found to directly influence impulse buying. Store managers might be able to reduce the negative effect of crowding by training their employees to be extra friendly at busy times.

Praise from others, such as salesperson, friends during the shopping may increase the chances of impulse purchase (Yu and Bastin 2010). Luo (2005) research work about "influence of shopping with others on impulsive purchasing" revealed that the presence of peers increases the urge to purchase but the presence of family members decreases it. Rook and Fisher (1995) suggested that anonymity might encourage impulse purchasing. Shoppers tend to try on new things, styles and fantasize, wrapped in the anonymity of a self-service environment.

Maymand M.M., Ahmadinejad M, (December, 2011) The environment and space of the store affects the impulse buying. Store browsing increases the probability of impulse buying. Thus, the environment of the store can absorb the customers to stay longer there. The result shows that the possibility of testing the product during the purchase is very effective on impulse buying. Wherever it is not possible the store should allow the customers to touch and handle the goods and test them as much as possible.

Jain V., et.al, (2012) To an extent Visual Merchandising also leads to Impulse Buying. Women in general greatly influenced by Visual Merchandising, get an idea to buy after looking through in-store form/mannequin display. Display of apparels with the help of mannequins outside the store creates a sense of excitement among the customers.

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Jamnani A., Daddikar P., (August 2015) Customer's expectation changes periodically and retailers must realize the significance of these expectations and offer them a congenial environment to attract and retain the customers. Attributes of impulsive buying were attractive mannequin, price tags, merchandising theme during the festival season. Aesthetic appeal of the store augmented buying decision and leads to impulsive buying.

Cant M.C., Hefer Y., (2014) Visual merchandising displays are mostly notice in a subliminal way and that is influenced by personal preference, contextual aspects, such as theme, type of store, brands, gender to some degree, and sensory and cognitive aspects. Women are attentive to complete retail display. Visual merchandising displays were subconscious in creating curiosity and interest to further peruse the merchandise.

### METHODS

Data for this study was collected by the means of a survey conducted in Amravati in 2015. A total of 55 questionnaire forms were distributed out of which 38 forms were received. Out of 35 forms 30 properly and completely filled forms were selected for further analysis. The questionnaire consisted of questions that were related to background.

### RESEARCH OBSERVATION

Also it is observed the consumer do high impulse purchasing for personal use product frequently.

#### A. Gender of consumer with Impulse Buying Behavior.

Gender		Impulse buying behavior			Total
		100-200	200-300	300-400	
Gender	Female	3	14	3	20
	Male	3	6	1	10
	Total	6	20	4	30

Note: Higher score indicates respondents prone to Impulse Buying Behavior.

In analyzing the effect of gender on impulse buying it is observed that gender prominently affects the impulse buying of consumers. Female score of impulse

buying is more in the range of 200-300, i.e. female consumers are moderately high impulsive buyers compared with male consumers.

B. Age of consumer with Impulse Buying Behavior.

Age		Impulse buying behavior				Total
		0-100	100-200	200-300	300-400	
	Below 20	0	0	1	0	1
	21-40	0	5	15	4	24
	41-60	0	1	3	0	4
	60+	0	0	1	0	1
	Total	0	6	20	4	30

Note: Higher score indicates respondents prone to Impulse Buying Behavior.

Impulse purchasing is more prominently observed in the middle age group of consumers i.e. 21-40. It can be said that the consumers in the middle age group don't think much before spending their hard earned money and give more importance to their personal satisfaction.

Also correlation analysis was used to check the correlation between various factors and Impulse Buying Behavior. Researcher examined correlation of attributes of consumers Impulse Buying Behavior of Amravati city, consumers were asked to give responses to various questions related to Impulse buying behavior. Factor of Correlation is .504 another positive associations is seen between Impulse Buying Behavior and Personal Use Products which reflect that consumer make maximum impulse purchases for personal use products.

Conclusion:

While going through the researches and developing model researcher found that,

- Merchandising helps in the sensible presentation of the products available for sale to entice the customers and make them a brand loyalist, which is not possible without an effective Pre-Planning.

## Sculpting Structured Approach to Merchandising and Investigating Impact of Visual Merchandising on Impulse Buying

- Merchandising helps in the attractive display of the products at the store in order to increase their sale and generate revenues for the retail store, necessitating need for efficient Packaging and Presentation.
- Designing Effective Merchandise is important because the ways the products are displayed and stocked on the shelves play an important role in influencing the buying behavior of the individuals.
- The most important Benefit Reaped from Merchandising is that it directly influences approximately two-thirds of all sales hence should be focused so as to attain maximum profits.
- Merchandising within a retail outlet creates Product Awareness and works to associate products with one another and hence Retail outlets can use merchandising to remind customers that certain products exist and that they complement other products.
- The longer an individual lingers on a product, the more likely that individual is to purchase a product. The first and most important step in Impulse Buying is seeing the product.
- Impulse purchasing is more prominently observed in the middle age group don't think much before spending their hard earned money and give more importance to their personal satisfaction.
- Connection between impulse buying and various dependent factors reveals  $r$  (factor of correlation) = 0.504 highest between Impulse Buying Behavior and Personal Use Products shows positive association. This indicates that consumer make maximum impulse purchases for personal use products.

A successful merchandising strategy is a vital component of business success in today's challenging retail environment. Realizing the need to implement process improvements, retailers also know that they need the right information in hand to make the best decisions going forward. Giving a structured approach to merchandising helps in understanding the various components, which play vital role in developing effective merchandise which is discussed in the above model. Further researches can be focused on implementing various attractive offers to motivate

impulse buying in retails and knowing how prominent the growth of merchandise marketing is.

Further scope for study:

A structured approach to merchandising helps in understanding the various components, which play vital role in developing effective merchandise in different sectors. Researches can be focused on factors which motivate impulse buying in retails and its impact on growth of merchandise marketing.

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MARCH 2017

ISBN: 978-93-5267-373-5

## A study on Impact of Digital Marketing on consumer buying behaviour with reference to Nagpur City

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### Abstract

In the new era of engagement marketing, modern marketers need to utilize all the tools at their disposal to identify and capture net new leads. This starts by understanding the digital marketing and social media marketing and how the two work together.

Digital marketing as an umbrella term used to encompass all marketing efforts used to build awareness and increase engagement on digital platforms. Social media marketing is the latest addition in digital marketing. Although joined by the same interactive, digital body, these two marketing forms often have polar opposite intentions and outcomes.

The development and widespread use of internet technologies have transformed the way society communicates both in their daily and professional life.

The second generation of Internet-based applications enhances marketing efforts by allowing firms to implement innovative forms of communication and co-create content with their customers. The digital environment has changed the way consumers and businesses interact, provided new opportunities by facilitating access to information and reduced transaction costs.

“All consumers are customers but it is not essential that all customers are consumers.” Consumer behavior focuses on how individuals make decisions to spend their available resources. Therefore, studying consumer buying behaviour is the vital for marketers which require to rethink their marketing strategies in the digital domain.

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This study focuses on Impact of Digital Marketing on consumer buying behaviour to facilitate an understanding of digital marketing and social media in modern technological world.

In the first part, we have discussed in brief about digital marketing and its impact on consumer behaviour. Then based on a survey of consumers, we have discussed about the changing scenario of consumer preferences and their choices towards buying behaviour in era of digital marketing.

Keywords: Digital marketing, social media, consumer behaviour, digital environment

## I. INTRODUCTION

Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc and is influenced by cultural trends as well as his social and societal environment.

Consumer behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants.

### Types of Consumer Buying Behavior

The four type of consumer buying behavior are:

1. Routine Response/Programmed Behavior--buying low involvement frequently purchased low cost items; need very little search and decision effort; purchased almost automatically. Examples include soft drinks, snack foods, milk etc.
2. Limited Decision Making--buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps. Requires a moderate amount of time for information gathering. Examples include Clothes--know product class but not the brand.
3. Extensive Decision Making-- Complex high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/performance/psychological risk. Examples include cars, homes, computers, education. Spend a lot of time seeking



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information and deciding. Information from the companies MM; friends and relatives, store personnel etc. Go through all six stages of the buying process.

4. Impulse buying, no conscious planning

Digital marketing and its impact on consumer buying behaviour:

Today, shopping for goods and services online is becoming more of a common practice. Ecommerce (electronic commerce) has been around for over 40 years. Consumer-using e-commerce really did not start to take off until around the mid 1990s. One reason ecommerce emerged during the 1990's was due to the increased number of household computers. For e-commerce to work, a consumer must have an Internet enabled device to complete a transaction. As technology becomes cheaper and broadband Internet becomes more accessible there is a greater chance that ecommerce will take over the traditional businesses model.



Source :[www.reliablesoft.net](http://www.reliablesoft.net)

With the boom of Smartphone and Tablets, Digital Marketing has reached a new high. The internet has opened new opportunities for firms to reach consumers through new advertising and sales channels and made it easier for firms to bring their products to market, manage supply chains, reach new customers and build long term relationships with existing customers. In the new era of engagement marketing, modern marketers need to utilize all the tools at their disposal to identify and capture net new leads. Digital marketing as an umbrella term used to encompass all marketing efforts used to build awareness and increase engagement on digital platforms, including: blogging, email marketing, web marketing, SEO, SEM, mobile marketing, online banners and social media marketing.

Social media marketing is the latest addition in digital marketing and includes promoting messages and engaging on Facebook, LinkedIn, Pinterest, Instagram, Twitter, Google+, Snapchat and Tumblr.

Social media marketing is a part of digital marketing. However, while digital marketing will include promoting across multiple channels, social media marketing is limited to internet based social media platforms.

Consumer purchasing behaviour in the digital environment:

**Accessing information:** The internet provides consumers with much better access to information and sellers than other sales channels. This improved access to information about products, services and prices has been shown to have positive benefits for consumers. However, some consumers may find the information enormous.

**Assessment and analysis of information:** Price comparison websites and recommendations from other consumers and friends through review sites and social media are also important sources of information. While price comparison websites are not always trusted sources of information, recommendations and consumer reviews are highly trusted sources that have been shown influence on actual consumer behaviour.

**Acting on assessment and analysis:** The main drivers of online purchases for consumers are convenience and the potential to save money by purchasing online. Furthermore, consumers feel that they benefit from ecommerce through better deals and more product variety and some consumers feel ecommerce gives them a better shopping experience.

**Complaints and redress:** When consumers purchase in the digital environment they may experience a change in the type of problem incurred compared to purchasing offline. Most typically, problems with e-commerce are related to delivery or the quality of the product or service.

**Post-sale service:** After an online purchase has been completed; almost three quarters of e-commerce sellers send at least one post-sale e-mail to customers. Post-sale advertising may increase loyalty, particularly if the consumer has opted in to the email service. Guarantees, transparent return policies, and order fulfillment have also been shown to increase the likelihood that consumers return to the retailer's website.

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Fig. Consumer Purchasing Decision

## II. REVIEW OF LITERATURE

Fusun CIZMECI et al., (2015) investigated the impact of digital marketing tools on brand awareness generation among housing companies. Under this study theoretical framework was drawn for usage of trends in digital marketing

Information technology provides online consumers with tremendous access to information about products and services from anywhere in the world and from different sources other than solely from the product seller. The combination of less time available for shopping, limited information-processing capability and the explosive amount of information on the web has, however, led customers to demand more control, less effort and greater efficiency during shopping (Belch et al, 2012). In order to respond to the customers' desire for control and convenience, web stores have to design an efficient system to enable consumers easily find what they need, learn more about it and quickly make a purchase decision (Chaffey and Smith, 2008).

In addition to the impact of trust and perceived risks associated with online shopping, enjoyment of the online shopping experience is also an important determinant of retaining online shoppers. (Cheung et al 2005). Many online purchasers have been said to ascertain that they would not shop on a particular website next time if they had an unpleasant experience with it. On the web, shopping enjoyment is positively and significantly related both to attitudes and intentions toward shopping on the web (Chaffey et al, 2012). Online shopping is, however, a different experience from shopping in a physical retail store. One major point of difference deals with store atmospherics. As flow experience occurs during network navigation, an issue Online-marketers must consider is whether consumers' skills are competent to meet the challenges of the virtual environment. Therefore, the best-designed information package will generate a competitive advantage

The concept of customer satisfaction occupies a central position in marketing theory and practice. Many researchers have found the quality of web retailing sites as a dominant antecedent of customer satisfaction within the online shopping environment. Assuming web design as an important issue in web shopping, Wolfinbarger and Gilly (2002) developed a four dimensional scale; that included website design, Reliability/fulfillment, customer service and privacy/security to measure the quality of an online retailing site. They found that website design quality was an important issue in customer satisfaction. This scale was tested and validated, and they recommended its use in any further study dealing with the measurement of online quality.

### III. RESEARCH METHODOLOGY:

#### Research Design: Type of Study

This research tries to describe the opinion of the respondents on the selected topic. Although the design is called as descriptive, the part of the study related to collection of secondary data; does include exploration which has helped in formulating the hypothesis and objectives of this research.

#### Objectives of the Study

1. To analyze the impact of digital marketing on consumer buying behaviour
2. To study the awareness of digital marketing in Nagpur city consumers.
3. To analyze the influence of digital marketing in purchase decision.
4. To know about the kind of products bought by utilizing digital channels.

#### Hypothesis of the Study

1. H<sub>0</sub>: There is no significant relationship between the age of consumer and the awareness about digital marketing  
H<sub>1</sub>: There is a significant relationship between the age of consumer and the awareness about digital marketing

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2. H0: There is no significant relationship between monthly income and purchase decision of the respondents.  
H2: There is a significant relationship between monthly income and purchase decision of the respondents.
3. H0: There is no significant relationship between occupation and purchase decision of the respondents.  
H3: There is a significant relationship between occupation and purchase decision of the respondents.
4. H0: There is no significant difference of impact of digital marketing on males and females  
H3: There is significant difference of impact of digital marketing on males and females
5. H0: There is no significant relationship between digital marketing and consumer buying behaviour  
H5: There is a significant relationship between digital marketing and consumer buying behaviour

#### Scope of the Study

The suggestion from the study is based on the responses given by the consumers in a specific area. This study will be helpful in getting an insight into the impact of digital marketing in customer buying decision.

#### Limitation of the study

This study is undertaken in particular region accurate results on the variables could not be able to obtain. There exists a future scope to analyses the impact of digital marketing on customer purchase decision for a wider geographic area and more sample size to obtain more accurate results

Methods & Sources of Data Collection/Methods of Investigations:

The present study is exploratory as well as diagnostic. The present study is empirical in nature as it tries to collect the first hand information from the universe and analyze the same in the later stage.

Both primary and secondary data has been used for the purpose of this study.

Primary data: Primary data is collected with the help of a structured questionnaire the same is finalized after conducting a pilot study.

1. Questionnaire Technique.
2. Personal interview.

Secondary data: The secondary data is collected from various published sources such as books, journals, newspapers, websites etc.

Sampling technique –

Sampling Design: Data is collected from both primary and secondary data through Questionnaire method, interviews. The Primary data is collected as already pre-tested schedules keeping in mind the objectives of the study. Total 100 customers are covered demographically.

Sampling frame: individuals between below 20 years age to above 60 years.

Sampling unit: individuals following into class of student, service, business, housewife and retired in Nagpur city

Sample area: The venue of the present study was conducted in Nagpur city

Sample size: 100 respondents.

Sampling method: simple random method

Respondents: consumers buying consumer goods

Tool of Data Analysis

Data was collected through structured questionnaire by using non comparative scaling technique

Likert scaling is used in the questionnaire

The data analysis and processing is analyzed on the basis of objectives by applying chi- square statistical techniques.

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IV. CHANGING SCENARIO OF CONSUMER PREFERENCES AND THEIR CHOICES TOWARDS BUYING BEHAVIOUR IN ERA OF DIGITAL MARKETING

Buying behavior of consumers in India has changed, and education, age, income, economic scenario, media and technology play a predominant role in shaping the way people shop, according to a report by the Retailers Association of India (RAI) and consultancy firm KPMG.

The report, based on a study done to understand the buying behavior of Indian consumers, states that the Indian consumer today is more educated. The fact that a large chunk of these customers are youth is changing the way people are shopping and this has a direct implication on various aspects of shopping such as the choice of brands.

The rapid urbanization and lifestyle changes have increased time-starved consumers exponentially and the segment that values convenience has grown.

In a global survey of 13,000 drivers across 11 countries conducted by Accenture in 2012, it was found that across the globe, drivers are seeking more integrated digital marketing experience from manufacturer and dealer sites. The study found that 13% of buyers browse more than 20 websites to get the information they seek. 92% visit at least 6 websites before buying a car. 69% turn to traditional offline media for information to make a car-buying decision. 86% customers want dealer sites with better integrated digital marketing, 62% favor a process that will enable them to get more simplified information online. 59% welcome the ability to chat online with a dealer and 87% respondents felt that better interactive digital marketing is a must for the auto industry.

V. DATA ANALYSIS & FINDINGS

Hypothesis Testing:

1. H0: There is no relationship between the age of consumer and the awareness about digital marketing  
H1: There is a relationship between the age of consumer and the awareness about digital marketing

Results						
Digital Marketing	Age					Row Totals
	below 20	20-30	30-40	40-50	50 & above	
Social media	5 (3.64) [0.51]	9 (8.32) [0.06]	6 (6.76) [0.09]	5 (4.94) [0.00]	1 (2.34) [0.77]	26
Websites	2 (3.08) [0.38]	7 (7.04) [0.00]	6 (5.72) [0.01]	4 (4.18) [0.01]	3 (1.98) [0.53]	22
Mobile	3 (2.94) [0.00]	9 (6.72) [0.77]	5 (5.46) [0.04]	3 (3.99) [0.25]	1 (1.89) [0.42]	21
E-mail	2 (2.52) [0.11]	3 (5.76) [1.32]	6 (4.68) [0.37]	4 (3.42) [0.10]	3 (1.62) [1.18]	18
others	2 (1.82) [0.02]	4 (4.16) [0.01]	3 (3.38) [0.04]	3 (2.47) [0.11]	1 (1.17) [0.02]	13
Column Totals	14	32	26	19	9	100 (Grand Total)

Source: Primary Data

**Interpretation:**

The chi-square statistic is 7.1025. The p-value is .971235. The result is not significant at  $p < .05$ . Since the P-value (.971235) is more than the significance level (0.05), we fail to reject null hypothesis i.e. we accept the null hypothesis. P-value (.971235) > significance level (0.05)

Thus, we conclude that there is no relationship between the age of consumer and the awareness about digital marketing

2. H0: There is no significant relationship between monthly income and purchase decision of the respondents.  
H2: There is a significant relationship between monthly income and purchase decision of the respondents.



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Results					
Income Level(Rs.)	Goods				Row Totals
	Convenience goods	Shopping goods	Speciality goods	Unsought goods	
less than 10,000	5 (5.04) [0.00]	8 (6.48) [0.36]	4 (4.32) [0.02]	1 (2.16) [0.62]	18
10,000-20,000	9 (10.08) [0.12]	13 (12.96) [0.00]	8 (8.64) [0.05]	6 (4.32) [0.65]	36
20,000-30,000	9 (8.96) [0.00]	12 (11.52) [0.02]	8 (7.68) [0.01]	3 (3.84) [0.18]	32
30,000-40,000	3 (2.24) [0.26]	1 (2.88) [1.23]	3 (1.92) [0.61]	1 (0.96) [0.00]	8
more than 40,000	2 (1.68) [0.06]	2 (2.16) [0.01]	1 (1.44) [0.13]	1 (0.72) [0.11]	6
Column Totals	28	36	24	12	100 (Grand Total)

Source: Primary Data

Interpretation:

The chi-square statistic is 4.4478. The p-value is .973937. The result is not significant at  $p < .05$ . Since the P-value (.973937) is more than the significance level (0.05), we fail to reject null hypothesis i.e. we accept the null hypothesis. P-value (.973937) > significance level (0.05)

Thus, we conclude that there is no significant relation exists between monthly income and purchase decision of the respondents.

3. H0: There is no significant relationship between occupation and purchase decision of the respondents.

H3: There is a significant relationship between occupation and purchase decision of the respondents.

Results					
Occupation	Goods				Row Totals
	Convenience goods	Shopping goods	Speciality goods	Unsought goods	
Business	15 (10.64) [1.79]	12 (13.68) [0.21]	9 (9.12) [0.00]	2 (4.56) [1.44]	38
Professionals	4 (5.04) [0.21]	7 (6.48) [0.04]	5 (4.32) [0.11]	2 (2.16) [0.01]	18
Students	3 (4.48) [0.49]	7 (5.76) [0.27]	3 (3.84) [0.18]	3 (1.92) [0.61]	16
Housewife	4 (6.16) [0.76]	8 (7.92) [0.00]	6 (5.28) [0.10]	4 (2.64) [0.70]	22
Retired	2 (1.68) [0.06]	2 (2.16) [0.01]	1 (1.44) [0.13]	1 (0.72) [0.11]	6
Column Totals	28	36	24	12	100 (Grand Total)

Source: Primary Data

**Interpretation:**

The chi-square statistic is 7.2272. The p-value is .842242. The result is not significant at  $p < .05$ . Since the P-value (.842242) is more than the significance level (0.05), we fail to reject null hypothesis i.e. we accept the null hypothesis. P-value (.842242) > significance level (0.05) Thus, we conclude that there is no significant relationship between occupation and purchase decision of the respondents.

- 4. H0: There is no significant difference of impact of digital marketing on males and females
- H4: There is significant difference of impact of digital marketing on males and females

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Results						
Gender	Opinion on Digital Marketing					Row Totals
	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	
Male	29 (27.00) [0.15]	13 (14.40) [0.14]	1 (0.90) [0.01]	2 (1.80) [0.02]	0 (0.90) [0.90]	45
Female	31 (33.00) [0.12]	19 (17.60) [0.11]	1 (1.10) [0.01]	2 (2.20) [0.02]	2 (1.10) [0.74]	55
Column Totals	60	32	2	4	2	100 (Grand Total)

Source: Primary Data

Interpretation:

The chi-square statistic is 2.2138. The p-value is .696503. The result is not significant at  $p < .05$ . Since the P-value (.696503) is more than the significance level (0.05), we fail to reject null hypothesis i.e. we accept the null hypothesis. P-value (.696503) > significance level (0.05) Thus, we conclude that there is no significant difference of impact of digital marketing on males and females

- 5. H0: There is no significant relationship between digital marketing and consumer buying behaviour
- H5: There is a significant relationship between digital marketing and consumer buying behaviour

Results						
Digital Marketing	Opinion on Digital Marketing					Row Totals
	Strongly	Agree	No	Disagree	Strongly	

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	agree		opinion		disagree	
Social media	17 (15.60) [0.13]	6 (8.32) [0.65]	1 (0.52) [0.44]	1 (1.04) [0.00]	1 (0.52) [0.44]	26
Websites	12 (13.20) [0.11]	9 (7.04) [0.55]	0 (0.44) [0.44]	1 (0.88) [0.02]	0 (0.44) [0.44]	22
Mobile	11 (12.60) [0.20]	9 (6.72) [0.77]	1 (0.42) [0.80]	0 (0.84) [0.84]	0 (0.42) [0.42]	21
E-mail	13 (10.80) [0.45]	4 (5.76) [0.54]	0 (0.36) [0.36]	1 (0.72) [0.11]	0 (0.36) [0.36]	18
others	7 (7.80) [0.08]	4 (4.16) [0.01]	0 (0.26) [0.26]	1 (0.52) [0.44]	1 (0.26) [2.11]	13
Column Totals	60	32	2	4	2	100 (Grand Total)

Source: Primary Data

### Interpretation:

The chi-square statistic is 10.9613. The p-value is .811865. The result is not significant at  $p < .05$ .

Since the P-value (.811865.) is more than the significance level (0.05), we fail to reject null hypothesis i.e. we accept the null hypothesis. P-value (.811865.) > significance level (0.05)

Thus, we conclude that there is no significant relationship between digital marketing and consumer buying behaviour

### Findings of the Study

- Analysis of data on the basis of Chi-square test shows that the people are aware of digital marketing irrespective of their age
- By analyzing the collected data from the respondent using Chi-square test it is found that there is not much role of monthly income of the people associated with the kind of products they wish to buy preferring digital channel.

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- The study reveals that the occupation of the people is not associated with the kind of products they wish to buy preferring digital channel.
- The study also reveals that there is no significant difference of impact of digital marketing on males and females.
- Finally the present study shows that the impact of the digital marketing is not supporting in change of opinion of consumer buying behaviour towards purchasing a product

**VI. Conclusion**

The study is made in a particular Nagpur city, the results of the study reveals that people are aware of the digital marketing irrespective of their age, customers use to prefer digital channels to buy electronic goods like pen drive, mobile, hair trimmer, hair dryers, LED bulbs, etc. while in consumer goods like garments, footwear, hair dyes, watches, tourist bags, goggles, etc. through online purchasing due to price variations and prevailing discounts.

It is concluded that the role of monthly income of people does not play much role in choosing a kind product they buy through digital channels.

Mostly people prefer shopping goods to buy through digital channels and it came to known from the study that there is a rise in purchase of convenience goods through digital channels among people. The study concludes that the occupation of the people is not associated with the kind of products they wish to buy preferring digital channel. While there is no significant difference of impact of digital marketing on males and females, both genders are more or less equally influenced by digital marketing

The present study concludes that the impact of the digital marketing is not supporting in change of opinion of consumer buying behaviour towards purchasing a product, but in near future the digital marketing will influence the customer purchase opinion as there is a consideration for digital channels among customers are evident.

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Impact of Online Shopping on Consumer Purchase Behavior

Prof. Vanashree Karkare<sup>1</sup>

**Abstract**

Gone are days when we used to visit shopping malls and stores to find a perfect outfit for an occasion. Now, most of people especially youth live and breathe online so they prefer to shop online. Take a look at the following factors encouraging online clothes shopping in India. In today's fast-paced life, nobody likes to waste time standing in those long queues at billing counters in the stores when all the things can be bought sitting at home with a single click. The concept of online shopping has been accepted widely in India thanks to lower prices, convenience and variety of products. Online shopping sites like Flipkart, HomeShop18, Snapdeal and Amazon let you to order everything ranging from apparel to jewellery and plumbing material to kitchen appliances from the comfort of your home or office and delivered it at your doorsteps. This is not only convenient but also time & money saving. Generally, upper class and upper middle class people in India prefer online shopping. But, now even the middle income people go for online shopping due to the easy availability of the credit/debit cards and cash on delivery payment mode. Indians usually buy consumer electronics, apparels, accessories and books online from various online shopping sites. Opportunities for web exclusive brands are coming up in apparel, accessories, shoes etc. and also gathering momentum across all market segments with each passing day.

**Key Words:** Online Shopping, Apparels, Online Shopping Sites, Brands.

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## INTRODUCTION

With the booming of e-commerce market in the 21st century, more and more consumers are changing their shopping behavior and prefer to do their usual shopping from the comfort of their homes rather than putting up with the time consuming physical store deal. The internet has played a significant role in our daily life in that people can talk through the internet to one who is actually on the other side of the Earth, can send email around the clock, can search information, can play game with others, and even can buy things online. Meanwhile, Internet shopping has been widely accepted as a way of purchasing products and services. It has become a more popular means in the Internet world. It also provides consumer more information and choices to compare product and price, more choice, convenience, easier to find anything online. Online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed. On the other hand, some consumers still feel uncomfortable to buy online. Lack of trust, for instance, seems to be the major reason that impedes consumers to buy online. Also, consumers may have a need to exam and feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have negative influence on consumer decision to shop online.

## LITERATURE REVIEW

Donal Rogan (2007) explains the relationship between consumer behavior and marketing strategy. He states that strategy is about increasing the probability and frequency of buyer behavior. Requirements for succeeding in doing this are to know the customer and understand the consumer's needs and wants.

Chisnall (1995) points out that human needs and motives are inextricably linked and that the relationship between them is so very close that it becomes difficult to identify the precise difference which may characterize them.

Monsuwe et al. (2004) created a framework to work through their study that would allow the consumer's understanding its attitude toward online shopping. The attitudes and beliefs are separated from the consumer psychological characteristics and mainly determined by the learning and prior experience. Sensitive to the evolution of the prices the buyers are mostly in relation to the purchase of products at the lowest price or get the best value for the money they spend through online shopping. Also in another research paper they made a comparison of the traditional way of shopping and online shopping and comparison has shown that shopping



online is more convenient to make purchases compared to the traditional ones. This has principally concluded on the fact that the internet allows for more information must be collected in minimum quantity of the effort, the convenience and invested time by the consumer.

### Impact of Online Shopping on Consumer Purchase Behavior

Smith and Rupp (2003) have examined and identify the factors in their work that affects the behavior of consumers. These issues have been identified as for the marketing effort, socio-cultural influence, emotional factor, the psychological factors and privacy factors, to the experience, the purchase and post -purchase decisions. They also show that consumers are affected by various psychological factors, such as perception, motivation, personality, attitudes and emotions.

#### OBJECTIVES OF STUDY

1. To understand the growth of Apparel Industry India.
2. To study the factors promoting online shopping of Apparels in India.

#### RESEARCH METHODOLOGY

The study is based on primary as well as secondary data. Primary data is collected through Questionnaire and secondary data is availed from various sources of information such as Books and Various websites.

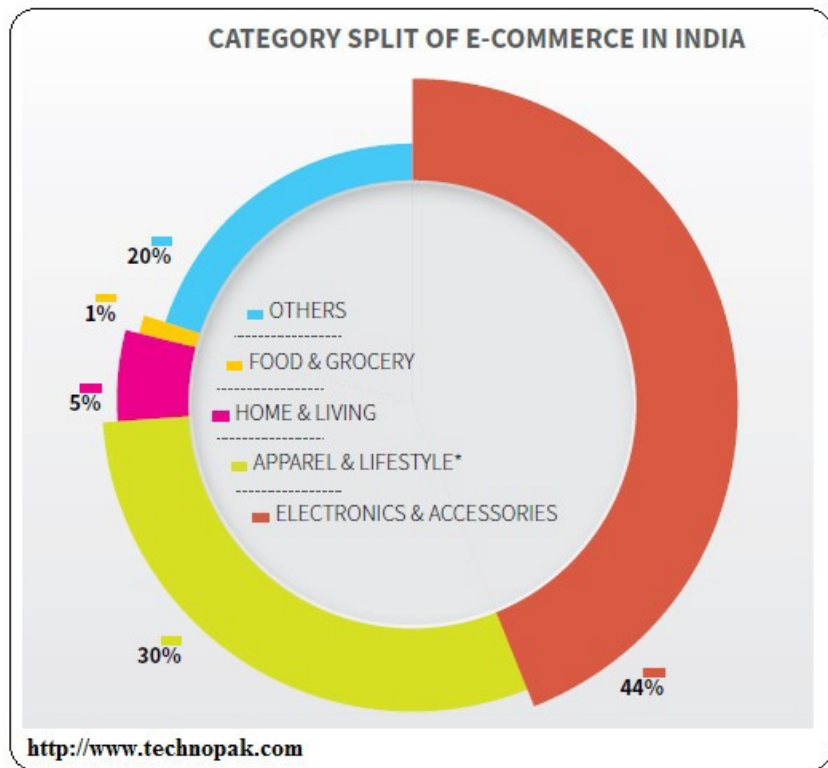
#### LIMITATIONS

The study contains the use of secondary data collected by other sources which may have some deficiencies.

#### APPAREL INDUSTRY IN INDIA

Indian textiles and apparels have a history of fine craftsmanship and global appeal. Cotton, silk and denim from India are highly popular abroad, and with the upsurge in Indian design talent, Indian apparel too has found success in the fashion centres of the world. India is the world's second-largest producer of textiles and apparels, with a massive raw material and manufacturing base. The industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about 14% to industrial production, 4 per cent to the GDP and around 15% to the country's total export earnings. The sector is the second largest employment provider in the country, employing about 51 million people directly and 68 million people indirectly in FY 2015-16.

Many e-commerce entities would agree that clothing was one such retail area, that most were skeptical about as to whether it will work or no on an online platform. After all people love to touch, try, feel and sashay around before buying garments. To make the same people buy apparel online was going to be nothing less than a mammoth task was a common knowledge.



However, miraculously Indian Online Shopping sites have managed to break this barrier. They have somehow convinced shoppers to gamble with online apparel shopping.

Here are some facts to support that:

- A survey conducted by Baggout in 2014 revealed that Clothes and Footwear were the two most popular categories in Fashion
- Apparel is one of the three most sold product category in Indian e-commerce industry.
- According to a news report published on ETRetail.com, apparel sales continue to own the largest share in online retail pie and are the fastest growing sector.
- Research reveal that in 2016 apparel and accessories worth INR Rs 16,800 crore (\$2.8 billion) were sold online.

## FACTORS PROMOTING ONLINE APPAREL SHOPPING IN INDIA

### 1. Variety

Virtual stores have limited space so they have limited colors, styles and customization options. But when you go for online shopping, there is no limitation. A large variety of apparels with accurate description are available online to choose from. You can easily find exactly what you want without going from store to store to get the perfect colour, style, fit and design.

### 2. Low prices and Discounts

Online stores offer huge discounts and amazing deals to attract more customers. They purchase goods directly from manufacturers thereby cutting out the middleman and allowing a margin for discounts on quality goods. You can get extra discount on final bill with coupon and promo codes available at various websites. Moreover during festivals, online shopping sites offer further discounts on apparels.

### 3. Availability: 24X7

Almost all of us have faced this situation at least once in our lives. We go to a store or mall to buy something important and the store is shut down due to weekends or holidays. Now, you can order anything at anytime from the comfort of your home without any time limit.

### 4. No Irritating Sales Guys

Sometimes it happens that you visit a store and the sales person does not show the stuff properly or try to sell stuff you don't need. Such things will not happen when you shop online.

### 5. Wish List

Unlike virtual stores, online store lets you to save products you like for future purchase. If you don't have sufficient money to buy a particular product, you can add it to wishlist or shopping cart and order it when you wish. Shopping websites like Flipkart and Amazon.in allow you to share the wishlist with your friends and family so that they can know what you might like as gift.

### 6. EMI Option

EMI option is the best payment method for those who can't afford to pay all the money at once. Credit card holders can take benefit of EMI facility. Online shopping sites like

HomeShop18.com, shopping.indiatimes.com, yepme.com, shopclues.com, flipkart.com, snapdeal.com and infibeam.com offer EMI schemes without charging any processing fee.

But, your Bank will charge annual interest rate according to your EMI Plan.

#### 7. Payback points

Myntra.com and Jabong.com offers Payback points to their customers with every purchase. These points can be redeemed for making purchases at that particular website. You can also earn points by referring the site to your friends and family.

#### 8. Buy Whole Look

Those don't know much about fashion and always get confused what footwear or accessories should be worn with the particular clothes. Jabong.com is here to help them. The site lets you to buy the whole look the model is wearing in the photo with a click of mouse.

#### 9. Try and Buy

Yebhi.Com and Myntra.com are giving their customers a chance to buy apparels only if they like after trying them. You can order two apparels and when the product gets delivered, try the product and make the payment (if you are happy).

#### 10. Cash on Delivery

Most Indians hesitate to provide their credit/debit card information online or making online payment. According to survey, 76% Indians prefer Cash on delivery Payment option. Almost all shopping sites offer COD option to lure more and more customers.

#### 11. Easy Returns

If you not satisfied with the product you purchased, you can return it with 30 days of the purchase and get full refund.

#### 12. Free Shipping and Delivery

All the websites provide free shipping on order above the pre-determined minimum price. Your product will be delivered on the same day or within 3-4 working days. Website like Amazon.in charge you extra price for delivering the products on the same day.

### 13. Price Comparison

Generally you visit a store, try to find the required stuff and compare the alternative items. And finally pay the price the seller has placed on an item. Many people wander from store to store just to compare prices of the product. Online shopping gives you the power to compare prices of multiple online stores at the same time to get the best deal.

### 14. Consumer Reviews

Before buying any clothing online, you can read the customer reviews regarding that particular product. This will help you to know whether it is worth to buy or not.

### 15. Privacy

Many women feel uncomfortable or embarrassing to buy under garments, and personal hygiene items in front of others. Online shopping allows you to buy these items privately without any embarrassment. Even the package delivered to you will not give any hint what's inside.

### 16. No Crowd

In India, there is so much rush in the stores and malls during festive season. Online shopping is the best way to avoid the festive rush. Just, sit in your home and order whatever you want.

## CONCLUSION

With the increasing internet literacy, the prospect of online marketing is increasing in India. The consumers indulging in online shopping consider many factors. If companies analyse the factors affecting consumer behavior towards online shopping and the relationships between these factors and the type of online buyers, then they can devise effective marketing strategies to convert potential customers into active ones, while retaining existing online customers. It is a fact that a great online shopping revolution is expected in India in the coming years. There is a huge purchasing power of a youth population aged 18-40 in the urban area. If we observe the growth of Internet Subscribers from the above graph, it is getting doubled year by year. The usage of internet in India is only 4% of the total population. This is also getting increased day by day as the costs of computers are decreasing and net penetration is increasing. The cost of internet usage is also getting lower, with good competition among the providers. Wi-Fi & Wimax system has also started in India. This will increase the usage as it goes more on wireless internet. Indians are proving every time that

they can beat the world when it comes to figures of online shopping. More and more Indians are going to online shopping and the frequency of India's online buying is crossing the overall global averages.

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## Impact of Demonetization on the Sales of FMCG Companies

Prof. Avinash Bhowate<sup>1</sup>

### Abstract

In 2016, the Indian government decided to demonetize the 500- and 1000- rupee notes, the two biggest denomination notes. These notes accounted for 86% of the country's cash supply. The government's goal was to eradicate counterfeit currency, fight tax evasion, eliminate black money gotten from money laundering and terrorist financing activities, and promote a cashless economy. By making the larger denomination notes worthless, individuals and entities with huge sums of black money gotten from parallel cash systems were forced to convert the money at a bank which is by law required to acquire tax information from the entity. If the entity could not provide proof of making any tax payments on the cash, a tax penalty of 200% of the tax owed was imposed. Cash transactions are the norm in India with around 96% transactions conducted in cash. With such a high degree of reliance on cash, the impact of demonetization on FMCG industry can be much larger than envisaged by management pundits and think tanks. The Government's move of eliminating high currency notes will impact both the Retail Transactions between Consumers to Retailer and the ones between Retailers to Distributor.

Key words: Impact, Demonetization, FMCG sector,

### Introduction:

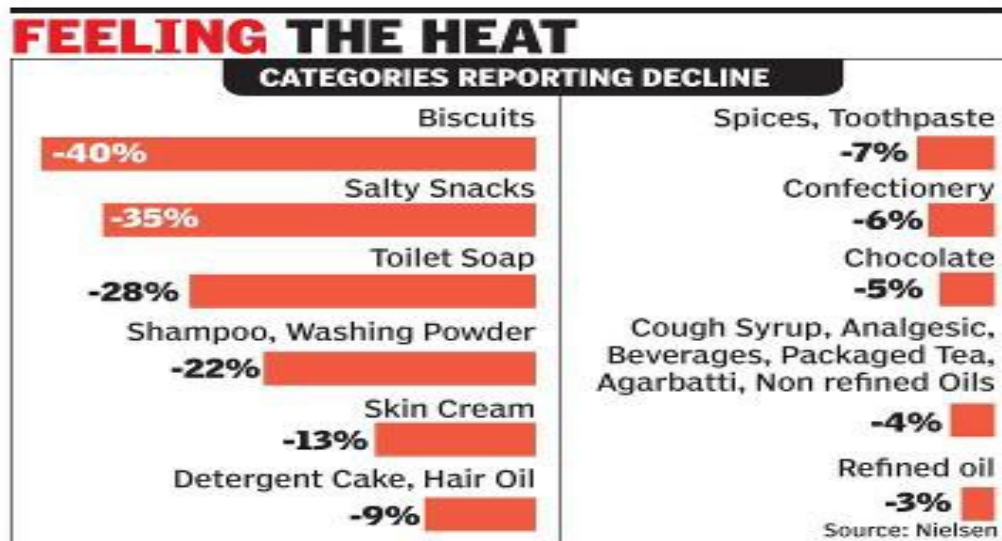
At the Consumer – Retailer level temporary liquidity crunch (owing to hoarding mentality for Rs 100 Note and sub optimal circulation of new Rs 500 and Rs 2000 Bills) will lead to down-trading either in terms of lower wt./volume packs or shifting between the brands (premium to mass). The move could also bring down the average transaction size per consumer thus further impacting margins for the retailers. For many large FMCG companies in India general trade contributes to ~ 90% of total sale and is catered through millions of outlets spread across India. Further FMCG sale is also dependent on the rural economy which contributes to 35-50% of total sales. Majority of this sale is heavily dependent on cash and the liquidity crunch will see some impact in sales growth for FMCG players. While there will not be a

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sizable impact on consumer staples, but I believe with limited cash at disposable spend on impulse products like beverages, ice-creams and chocolates will be severely impacted.

In FMCG Industry, more than 80-85% transactions between retailers to distributors are cash based. Further though most of the large FMCG companies do not extend credit to distributors, but distributors tend to extend credit to retailers typically for a period ranging between 7 days to 3 weeks. Under-reporting of sale at retailer level and transactions without bill by distributors is a rampant practice in trade and is something ignored by FMCG players being off book. All this money which used to typically find its way back in circulation has been made redundant by the governments move. The money which is genuine is also stuck since majority of it is in denominations of Rs 500 or Rs 1000 and the process of conversion is tedious and with a limit of Rs 4000 per day. These transactions being high value in nature (avg distributor Bill cut being ~ Rs 2-20 lacs / week and average retailer bill cut being Rs 500-2000) may take few weeks before the order is re-established. Distributors for Impulse products like beverage and chocolates are usually non –exclusive. This would mean that for a distributor with lower liquidity his preference might force him to divert his limited cash to products which have a high throughput and turnover ratio i.e. either consumer staples or personal care.



New Delhi: The FMCG industry, which was on course to reap the benefit of a bumper monsoon, is bracing for a major setback due to the liquidity crunch.

An estimate by financial services company Edelweiss has pegged the initial impact of demonetization on nationwide FMCG sales at 20-40%. Impulse categories such as biscuits



## Impact of Demonetization on the Sales of FMCG Companies

and salty snacks have taken the biggest hit, along with personal care categories like toilet soaps, shampoos and detergents, said market research firm Nielsen.

"India had a good sowing season, a good monsoon. There is a rise in the water table. The FMCG sector was starting to come back," said a top executive at one of the country's largest FMCG companies. "But now, the wholesale market has gone into a tailspin. It is a low margin market where cash accounts for 95% of all transactions."

"Around 45% of FMCG sales happen through the wholesale channel," said Arvind Mediratta, MD & CEO of Metro Cash & Carry India. "And that channel is the worst affected."

### Impact of demonetization:

"Demonetization has led to widespread adoption of online payment, and digital wallet options have suddenly gained traction. Overall, the JAM Trinity initiative will spur the growth of payment service providers and telecommunication, ICT and other technology-related sectors, paving the way for digitalisation of the economy," the report pointed out.

Moreover, it said, the move is expected to have a positive long term impact on the economy through better tax compliance, increase in the tax to GDP ratio and higher tax collections. The ceasing of major proportion of unaccounted currency would reduce the government liabilities and add to its finances. Besides, the surplus liquidity in the banking system will lower borrowing costs and increase the access to credit. It also termed demonetization as a major step aimed at strengthening India's proposition of becoming a transparent economy by curbing black money, terror financing and fake currency circulating in the economy.

There has been a 20-40% fall in sales of biscuits, salty snacks, toilet soaps, shampoos and washing powders, the data from Nielsen shows. Sales of refined oil, agarbattis, beverages and packaged tea fell about 3-4%.

"There has been an impact on sales particularly in impulse categories, although we believe things should ease out soon," said Saugata Gupta, MD, Marico. Customers may also be down trading to smaller pack sizes in the near-term to conserve cash.

**FMCG Sector:**

FMCG companies had been witnessing cautious consumer spending, latest data from market researcher Nielsen shows sales of the industry have gone down by 1-1.5% or Rs 3,840 crore in November, compared to October. “While 11.5% net impact of demonetisation does not look huge, considering the size of the FMCG industry at Rs 2.56 lakh crore,

		Sales in Rs. Crores			
Sr. No	Company Name	Q2 (Sep-16)	Q3 (Dec-16)	Difference	%
1	Dabur India	1348.1	1281.21	66.89	4.96
2	Nestle India	2346.18	2261.28	84.9	3.61
3	Britannia Industries	2200.87	2092.57	108.3	4.92
4	Hindustan Unilever	7697.55	7512.52	185.03	2.4
5	Colgate Palmolive (India)	1048.32	864.98	183.34	17.48
6	Godrej Consumer	1304.78	1179.82	124.96	9.58

Source: <http://www.moneycontrol.com/financials/results/quarterly-results>

Above data shows there is decline of sales in 3<sup>rd</sup> quarter and all above 06 companies of FMCG sectors shows decrease of sales volume from 2.4% to 17.48%.

**Further scope of study:**

There is huge scope for further study with this topic, some points for scope of study are mention bellow.

- 1) Consumer buying behaviour with special reference to demonetization.
- 2) Impact of demonetization on socio-economic health of consumers.
- 3) Corporate strategies to tackle impact of demonetization.
- 4) Marketing challenges and the solutions at the time of slack market situations.

**Conclusion:**

As the demonetization shown high impact on sales in the month of November and December was also showing some impact. The small kirana stores are caught between the drop in sales on one side and wholesalers stopping visits to these outlets, particularly in small towns in the wake of the liquidity crunch.

## Impact of Demonetization on the Sales of FMCG Companies

Nielsen said its survey of over 750 stores showed, “70% stores reported that due to cash-crunch on both purchase as well as sales, their business has come down in the last few days. Many wholesalers/distributors have stopped visits to small towns and rural areas compounding the problem.”

The situation is getting difficult as only 1% stores accept non-cash payments like debit cards or mobile wallets or meal vouchers.

The modern cash and carry stores have also seen sales drop. According to Nielsen, sales in these cash and carry outlets declined 1% in the week after demonetization was announced, versus a 14% year-to-date growth till November 6.

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Analytical Study of Human Resource Management Practices in Maharashtra State Electricity Distribution Company Limited & its Effect On Employee Satisfaction Level with Reference to Nagpur Zone

Rasika S Bhole<sup>1</sup>  
Mahesh Joshi<sup>2</sup>

**Abstract**

This research work has been done to measure the satisfaction level of employees about current HR practices with special reference to MSEDCL (NZ). Today to sustain in such a competitive market its very important to retain good employees, that contribute towards the attainment of Organizational goal and customer satisfaction as well. Data was collected based on structured questionnaire method for 3 major HRM Practices namely Performance Management System, Employee Relations & Remuneration and Benefits Administration.

**Introduction**

Human Resource Management is defined as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance & separation of human resources to the end that individual, organizational & social objectives are achieved”- Edwin Flippo.

Human Resource is considered to be most valuable asset in any organization. Hence it should be utilized to the maximum possible extent in order to achieve individual & organizational goals.

Staff well-being and their level of satisfaction and engagement have been found to directly impact on organizational performance and ultimately organizational success. It is an obvious statement but high employee satisfaction levels can reduce employee turnover. Dissatisfied employees tend to perform below their capabilities, result in high turnover of staff and leave their jobs relatively quickly, and are not very likely to recommend your company as an employer. Satisfied employees tend to contribute more in terms of Organizational productivity and maintaining a commitment to customer satisfaction. Staff satisfaction surveys give employees a voice and also allow the pinpointing of problematic areas, leading to the raising of staff satisfaction levels, developing and reviewing of staff management, and optimizing corporate communications.

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### Employee Satisfaction

“Employee Satisfaction is a positive orientation of an individual towards a work role which he is presently occupying”- Vroom

Employee Satisfaction is the term used to describe whether employees are happy & contented fulfilling their desires and need at work. It contributes major part to Employee motivation, Employee goal achievement & Positive morale in workplace.

Satisfied employees are a precondition for increasing productivity, responsiveness, quality, and customer service. (Kaplan 1996, 130)

### HR Processes

The following are the various HR processes contributing in Employee Satisfaction:

- Human resource planning (Recruitment, Selecting, Hiring, Training, Induction, Orientation, Evaluation, Promotion and Layoff).
- Employee remuneration and Benefits Administration
- Performance Management.
- Employee Relations.

### Factors Contributing to Employee Satisfaction:-

Following are the Factors which contribute to employee satisfaction.

- Treating employees with respect
- Providing regular employee recognition
- Empowering employees
- Offering above industry-average benefits and compensation
- Providing employee perks
- Positive management within a success framework of goals, measurements, and expectations.

### Theories of Employee Satisfaction:-

Satisfaction refers to the level of fulfillment on one's needs, desires, and wants. It can be experienced in various levels or degrees. Vital ingredients for any employee's satisfaction are physical, security, social and egoistic needs which satisfy individual's psycho social.

- Equity Theory:-

People value fair treatment which causes them to be motivated to keep the fairness maintained within the relationships of their co-workers and the organization. The structure of equity in the workplace is based on the ratio of inputs to outcomes. If this balance is maintained, the employee feel satisfied.

Analytical Study of Human Resource Management Practices in Maharashtra State Electricity Distribution Company Limited & its Effect On Employee Satisfaction Level with Reference to Nagpur Zone

Expectancy Theory (Vroom's Theory):-

This theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients.

Maslow's Hierarchy Of Needs:-

There are five different levels in Maslow's hierarchy of needs.

- Physiological Needs
- Security Needs
- Social Needs
- Esteem Needs
- Self-actualizing Needs
- Two-Factor Theory:-

The theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction.

Motivators (e.g. challenging work, recognition, responsibility) which give positive satisfaction

Hygiene factors (e.g. status, job security, salary and fringe benefits) which do not give positive satisfaction, although dissatisfaction results from their absence.

Following are the HRM Practices which differentiate MSEDCL from other organizations & increase competency of Employees by making them more satisfied.

Performance Management System:-

Performance Appraisal System should be fair so that it creates healthy competition among employees.

Promotion- Channel of promotion is available for vertical growth of every individual employee depending on his performance and available of post. Promotions are carried out in impartial manner strictly as per Recruitment Regulations & Service Regulations. Departmental Promotion Plan displayed before 01 Sept.

Growth Opportunity - Opportunity to compete in Direct Recruitment for higher post: Quota for Direct Recruitment for each post. Recruitment is done by I.B.P.S. a renowned Central Govt. approved agency in absolute transparent manner,

Higher Grade Benefit (De-stagnation Measure) Grant of Higher Grade Benefit under the provisions of G.O 74/111 on three occasions:

- 1st Occasion - 6 Years from date of joining

## Management Solutions For Socio Economic Challenges

- 2nd Occasion - 9 Years from date of 1st Occasion.
- 3rd Occasion - 28 Years from date of joining.

### Employee Relations:-

In MSEDCL, special Labour Officers/ Industrial Relation Officers/ Public Relation Officers are appointed to see that all Employees related laws are followed.

### Welfare Scheme

- Medical Benefits
- Medical Camp
- Employee Welfare Trust Fund(Employee Welfare Scheme)
- Providing Alternate Employment
- Monthly Monetary Benefit
- Employment of the son/daughter of the deceased employee (C.S.28 cases)
- Group Accident Insurance Scheme
- Scholarship Scheme for children
- Canteen Facility
- Library
- Sports Club

### Remuneration and Benefits Administration:

#### Salary Structure

- (Basic) Salary: The Basic Salary is the minimum salary of an employee
- Dearness Allowance: At par with State Government
- Company Accommodation : Company accommodation is available on concession rates
- House rent Allowance: @30% of the Basic for Urban area; @ 20% of Basic for semirural area & @ 10% of Basic for rural area if Company accommodation is not occupied.
- Conveyance Allowance
- Electricity Charge/ Supervisory Allowance: As per entitlement of the employee.
- Intra City Allowance. : As per entitlement of the employee.
- Contributory Provident Fund: 12% of the employee's basic salary plus DA is deducted and paid along with the matching contribution by MSEDCL.
- Employee Provident Fund Scheme

#### Allowances

- Heavy Duty Allowance
- Special Compensatory Allowance
- Transport Assistance Allowance
- Entertainment Allowance

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- Technical Journal Allowance and Book Allowance
- Risk Allowance
- E.D.P. Allowance

Advances : The employee can avail the following Advances:

- Advance of TA on tour / transfer.
- Advance of LTC.
- Advance of Medical Treatment.
- Personal Computer/Laptop.
- Festival Advance.
- House Building Advance.
- Motor Car/Motor Cycle/Scooter Advance.

Terminal Benefits

- Encashment of Leave
- Gratuity

Other Benefits

- Leave Travel Concession
- Leave Encashment
- Family Planning Allowance
- Ex-Gratia
- Uniform / Washing Allowances
- Mobile Facility
- Lien For A Period Of Three Years
- Earned leave (EL)
- Casual Leave [CL]
- Leave on Half-Average Pay [HAP]:
- Other Leave:
  - Commuted Leave on medical certificate [limit of 180 days]
  - Study Leave: Providing for higher study. [12 months at any one time, during his entire service, 24 months in all]
  - Special Disability Leave [who meet with accident, arising out and in the course of employment, shall be eligible.]
  - Maternity Leave [180 days]
  - Special Leave (90days) [for female employees of the Company who adopt orphan child.

Objective of study To study the various factors influencing Employee Satisfaction ; To analyze the impact of Remuneration & Benefit Strategy on Employee Satisfaction Level; To study the level of Motivation among employees based on Performance Management System;



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To analyze the factors affecting Employee Turnover based on Employee Relationship Strategy.

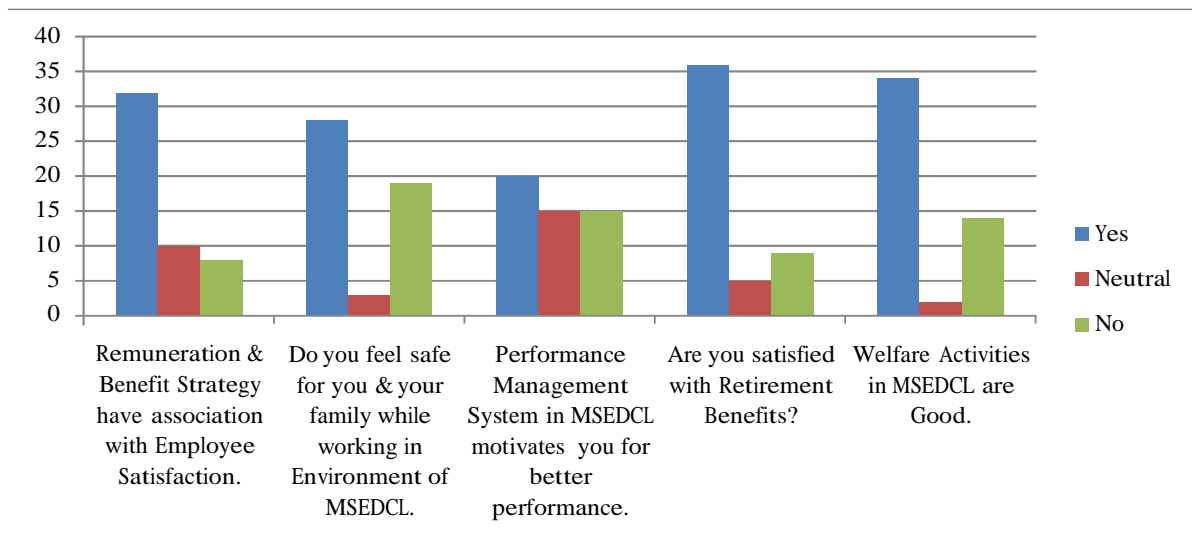
Design The universe for the present is finite. Finite universe gives a certainty for the items. The universe for the present study is MSEDCL, Nagpur Zone, Nagpur. Universe is population. In the present study, the universe is MSEDCL.

Sample Frame Sample frame from which the sample is to be drawn is MSEDCL, NZ Office

Sample Size Technical Officers/ Employees:25; Non Technical Employees:25

The study

Questions	Yes	Neutral	No
Remuneration & Benefit Strategy have association with Employee Satisfaction.	32	10	8
Do you feel safe for you & your family while working in Environment of MSEDCL.	28	3	19
Performance Management System in MSEDCL motivates you for better performance.	20	15	15
Are you satisfied with Retirement Benefits?	36	5	9
Welfare Activities in MSEDCL are Good.	34	2	14



Findings Many employees (32) agree that Remuneration & Benefit Strategy have association with Employee Satisfaction. Also more than 50% (28) employees feel safe in working

Analytical Study of Human Resource Management Practices in Maharashtra State Electricity Distribution Company Limited & its Effect On Employee Satisfaction Level with Reference to Nagpur Zone

environment & employee relationship policies of MSEDCL. PMS motivates only 40% (20) employees. Retirement & Welfare activities satisfy most of the employees (36, 34).

The findings of this study illustrate that most of the employees in MSEDCL are satisfied but PMS has still scope for improvement.

Suggestions for increasing the satisfaction level among Employees about current Human Resource Practices are listed as under.

1. Information about Performance Management System should be given to employees as many employees are not aware of detailed system. Also many employees are not satisfied with current PMS. Modern techniques of Promotion should be used.
2. Welfare activities in MSEDCL are good but more awareness should be spread specially about schemes like Medical Insurance Policy, Scholarship Scheme for children etc.

Research limitations The Study includes Data of only Nagpur Zone Employees of MSEDCL.

Conclusion The paper concludes that the overall employees with special reference to MSEDCL were satisfied with their organization. More than 50% employees agree that Remuneration & Benefit strategy is better than other companies. Positive point is Employees feel safe about them & their families in MSEDCL Environment.

MSEDCL is still using traditional method for promotion. So employees are not satisfied with the current method. Hence company should use Modern techniques.

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## Study of Successful Entrepreneurs of Indian Economic Development

Harshali Gomase

**Abstract:**

Entrepreneurship has been considered the backbone of socio economic development of Country. It has been well established that the level of economic growth of a region to a large extent, depends on the level of entrepreneurial activities in the region. An organization comes into existence only because of the efforts put in by an individual, who would be prepared to assume responsibility of leading the enterprise with him. For that, the individual must have special quality that is known as entrepreneurship. True entrepreneurs are resourceful, passionate and driven to succeed and improve. Entrepreneurship as an economic activity emerges and functions in sociological and cultural environment. It could be conceived as an individual's free choice activity or a social group's occupation or profession.

A person who has a business of his own is called an entrepreneur. A successful entrepreneur is always aware of the new developments and changes that take place around him in the society and is prepared to adapt to the changing needs of the society. He is the central point, around whom all other factors of production, productive resources and techniques shall revolve. He integrates talent, abilities and drives to transform the resources into profitable ventures. Studies on entrepreneurs have revealed that personality and cultural or social factors are related to entrepreneurial behavior. Traits such as self confidence, creativity, persistence, calculated risk taking capacity, determination, need for achievement, individuality, leadership, versatility, optimism and liking for challenges characterize the entrepreneurial person.

This study focuses and provides an insight into the meaning, history of successful entrepreneur, qualities required for an entrepreneur, opportunities and challenges faced by them.

**Keywords:** Entrepreneur, Economic Empowerment, Environment, functions, behaviour, Entrepreneurship, resources.

**Introduction**

Joseph Schumpeter introduced the modern definition of 'entrepreneurship' in 1934. According to Schumpeter, "the carrying out of new combinations we call 'enterprise'," and "the individuals whose function it is to carry them out we call 'entrepreneurs'." Schumpeter tied entrepreneurship to the creation of five basic "new combinations" namely: introduction

of a new product, introduction of a new method of production, opening of a new market, the conquest of a new source of supply and carrying out of a new organization of industry. Peter Drucker proposed that 'entrepreneurship' is a practice. What this means is that entrepreneurship is not a state of being nor is it characterized by making plans that are not acted upon. Entrepreneurship begins with action, creation of new organization. This organization may or may not become self-sustaining and in fact, may never earn significant revenues. But, when individuals create a new organization, they have entered the entrepreneurship paradigm. Entrepreneur is a borrowed word from the French language that refers to a person who undertakes and operates a new venture, and assumes some accountability for the inherent risks. Being in business or being an entrepreneur is about taking risks and confronting challenges. Entrepreneurs build companies that are specifically crafted to exploit a particular opportunity. This gives them an advantage over older companies that were designed in response to challenges of the past and must change to adapt to today's requirements. Entrepreneurs can build new companies. They can also rejuvenate existing companies via buyouts and turnarounds. They can also build new companies inside existing companies, which can be called corporate entrepreneurship.

### Significance of Entrepreneurship

The basic concept of entrepreneurship entails an effective and deliberate inner urge to take risk in terms of uncertainties and an intuition. In short, an entrepreneur shows sagacity to jump into untested waters and face the consequences, with a strong self conviction that he will successfully encounter the sharks and befriend the dolphins. The common definition for an entrepreneur is a person, who organizes, manages, and takes the risk of running a business or enterprise. The entrepreneurs perform vital function in economic development of a nation. They have been referred to as the human agents needed to mobilize capital, to exploit natural resources, to often develop innovative products or concepts, to create markets and to carry on business. It may be construed that the entrepreneurial contribution spells the difference between prosperity and poverty among nations. The importance of entrepreneurs to progress cannot be more succinctly expressed than the statement – no entrepreneur, no development. The inactivity or scarcity of entrepreneurs has for sometimes been the factor seen by many Asian countries as a major hindrance to economic development. The availability of abundant natural resources, skilled and unskilled labour, and capital has not proven itself sufficient enough to result in a surge of entrepreneurial zeal among the people. One of the important inputs in any economic development of a country is entrepreneurship. More the

Study of Successful Entrepreneurs of Indian Economic Development  
entrepreneurship activities, better the development. Entrepreneurship is the life blood of any economy and it applies more to a developing economy like India.

The areas of development are:

- Taking to higher rate of economic growth by creation of value.
- Speed up the process of industrial use of the factors of production.
- Creation of employment opportunities.
- Dispersal of economic activities to different sectors of economy and  
Identifying new avenues of growth.

Development of backward and tribal areas.

- Better social changes.
- Improvement of the standard of living of different weaker sections in the society.

Bring socio - political change in the society.

- Develop technological know-how.
- Improve culture of business and expand commercial activities.
- Act as a change agent to meet the requirements of the changing markets and  
Customer preferences.
- Develop a culture of achievement orientation.

Objectives of Study

- To explore the traits of Indian entrepreneurs
- To differentiate successful Indian entrepreneurs from entrepreneurs
- To trace the success stories of selected successful Indian entrepreneurs
- To identify their winning strategies for success in business
- To summarize the findings of the study and establishing as bench mark  
for future entrepreneurs to be successful

Characteristics of Successful Entrepreneurs

Entrepreneur is a human being, who conceives in his mind an industrial enterprise. For this purpose he provides considerable efforts for fructifying his dream. It is a purposeful penetrating action for initiating, promoting and managing the economic activity or activities for the production and distribution of wealth. There should be a person with a mind, heart and

intention to combine them all and convert them into production or creation of goods and services wanted by the people. It is the entrepreneur who has to come forward to execute these activities related to production with the sole purpose of satisfying the customer. A successful entrepreneur is always aware of the new developments and changes that take place around him in the society and is prepared to adapt to the changing needs of the society. He is the central point, around whom all other factors of production, productive resources and techniques shall revolve. He integrates talent, abilities and drives to transform the resources into profitable ventures. Studies on entrepreneurs have revealed that personality and cultural or social factors are related to entrepreneurial behaviour. Traits such as self confidence, creativity, persistence, calculated risk taking capacity, determination, need for achievement, individuality, leadership, versatility, optimism and liking for challenges characterize the entrepreneurial person. A person who has a business of his own is called an entrepreneur. But what differentiate an entrepreneur from a successful entrepreneur are his achievements in the field of his business.

#### Entrepreneurial Scenario in India

During post independence era, entrepreneurship has begun to grow faster. The Government of India has spelt through industrial policy statements steps for rapid and balanced industrialization of the country. The government recognizes the vital role of the private sector in accelerating industrial development especially after the economic liberalization in 1991.

The government pursues the following objectives:

- To maintain a proper distribution of economic power between public and private sectors.
  
- To disseminate the entrepreneurial acumen concentrated in a few dominant Communities to a large number of industrially potential people of varied social strata.
  
- To encourage the spirit of industrialization by spreading entrepreneurship from the existing centers to other cities, towns and villages.
  
- To achieve the above objectives the government has decided to encourage the development of small scale units. It provides various incentives and concessions to SSI in the form of capital, technical knowhow, markets and land to establish industrial units particularly in the backward areas of the country.

## Study of Successful Entrepreneurs of Indian Economic Development

### Growth of Entrepreneurs

The business history of India comes out with names of successful entrepreneurs such as Tata, Birla, Modi, Dalmia, Kirloskar and others who started their enterprises in a small way and made a good fortune. Post liberalization we have witnessed the latest generation of entrepreneurs such as Ambani, Ruia, Azim Premji, Murthy, Siva Nadar etc. Scanning their personal characteristics show certain prominent traits:

- Willingness to work hard and to persevere even if the business is in the verge of failure.
- Having a strong desire to achieve high goals in business.
- Undying optimism for a future and not disturbed by others and follow their own route.
- Independent and not guided by the current problems besieging them.
- Good foresight to visualize the likely changes in the business and taking timely actions accordingly.
- Ability to bring together all the resources required for starting the enterprise.
- Initiating research and innovative activities to cater to changing needs of Customers.

### Relevance of Study

The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures. More than increasing national income by creating new jobs, entrepreneurship acts as a positive force in economic growth by serving as the bridge between innovation and market place. Although government gives great support to basic and applied research, it has to have great success in translating the technological innovations to products or services. Although intrapreneurship offers a promise of marriage of those research capabilities and business skills that one expects from a large corporation, the results have not been spectacular. This leaves the entrepreneur, who frequently lacks both technical and business

skills, to serve as the major link in the process of innovation, development, and economic growth and revitalization. The study of entrepreneurship and education of potential entrepreneurs are essential parts of any attempt to strengthen this link so essential to a country's economic well-being.

### Need for the Study

Modern India is in need of substantial growth of the industrial and agricultural sectors for her march towards a global power and to successfully meet the social obligations such as poverty alleviation, raising standard of living, and meaningful employment to all. The role of entrepreneurs in this aspect is highly significant. Indian entrepreneurs have been instrumental in shaping the destiny of millions by providing them employment in their enterprises, venturing into untested arena, and introducing innovative business strategies. This naturally draws our attention to investigate as to how Indian entrepreneurs succeed in their ventures and the essence of such enquiry can be used as benchmark for budding and aspiring entrepreneurs.

### Scope of the Study

The Indian entrepreneurs selected for study are based on the conditions that they have started their career either as low level employees of some organizations or started their venture with their own meager investments. They are their own masters, in the sense that they did not have back up from their family members either in the form of financial support or inheritance of family wealth. They started their own enterprise with a humble beginning, and slowly and steadily picked up their business purely due to their entrepreneurship qualities. They faced hardships in course of their growth, but never gave up. The ingenuity and the spirit of entrepreneurship always kept up their hopes and confidence and eventually proved to be successful entrepreneurs.

### Methodology of the Study

Primary and Secondary data: Interview and secondary sources were referred in this case study method. Out of the available entrepreneurs in India, these few (sixty five) successful entrepreneurs, who had their investment options from their own sources, were considered for this study. Based on the hypothesis proposed as above, a sample of sixty five successful Indian entrepreneurs is carefully selected for the study. The methodology chosen is case



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study method; their history is studied in depth, the factors deciphered as to identify their secret of success.

### Limitations of the Study

Due to time constraint, the researcher could not undertake extensive journeys for data collection. The difficulty in identifying the qualified entrepreneurs in India to meet the conditions laid down in the hypothesis, led to a sample size of sixty five only. Hence, the result drawn out of the study is likely to have some error or bias. Nevertheless, the research findings are expected to throw light on specific factors for success and can act as guidelines for the future generation of entrepreneurs.

### Review of Study

R. Nagendran, Dr. K. Banumathy and Dr. N.R.V.Prabhu (2002) in their book entrepreneurship Management and Development of Small Business explain the characteristics of successful entrepreneurs. A successful entrepreneur is always aware of the new developments and change that take place around him in the society and is prepared to adapt to the changing needs of the society. He is the pivot around which all other factor of production, productive resources, and techniques should revolve. He combines talents, abilities and drive to transform the resources into profitable undertakings.

Thomas W. Zimmerer and Norman M. Scarborough (2006) in their book Essentials of Entrepreneurship and Small Business Management, describe entrepreneur as a person who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalize on them.

According to James J. Berna, a true entrepreneur besides possessing functional qualities must also possess a broad personality which helps in developing initiative and drive to accomplish great tasks and face challenges squarely. The author has stressed the following qualities of a good entrepreneur:

1. He is an enterprising individual, is energetic, hardworking, resourceful, aware of new opportunities and able to adjust himself to changing conditions with ease and willingness to assume risks involved in change.
2. He is interested in an advancing technology and in improving the quality of his product or service.
3. He is interested in expanding the scale of his operation by reinvesting his earnings.

4. He visualizes changes and adapts to changing conditions.
5. He is a firm believer in planning and systematic work.
6. He works for the society at large and for the good of his fellow-beings.

The above qualities sum up, what is usually implied from the phrase, the “spirit of enterprise”. It is difficult to conceive of a first-rate industrial entrepreneur who is not adaptable to change, anxious to grow large and improve technologically. Entrepreneurship appears as a personal quality which enables certain individuals to make decision with far-reaching consequences. The personal qualities that contribute to the success of an entrepreneur are motivation towards achievement, creativity and clarity among others.

H. Nandan (2007) in his book *Fundamentals of Entrepreneurship* highlights on the ultimate success in any entrepreneurial endeavour. According to him, the success depends on the personality, that is to say, the composite characteristics, of the entrepreneur. The entrepreneurial personality denotes the totality of the entrepreneur’s individual character traits, including attitude, habits, emotional tendencies and behavioural patterns. In fact, extraordinary personal traits not only constitute entrepreneurs, but also serve to identify them from others.

S.B. Verma (2005) in *Entrepreneurship and Employment: Strategies for Human Resource Management*, highlights the role of entrepreneurship on economic development. Entrepreneurship as an economic activity emerges and functions in sociological and cultural setting. It could be conceived of as an individual free choice activity or a social group’s occupation or profession. In Indian context, entrepreneurs hail either from communities which are traditionally endowed with entrepreneurial qualities or those from traditionally Non-entrepreneurial group. Further, entrepreneurship may result in basic, partial or total transformation in the client community.

Dr. B.S. Patil (2009) in his book on *Social Entrepreneurship* draws in detail the role and responsibilities of social entrepreneurs. Any definition of social entrepreneurship should reflect the need for a substitute for the market

discipline that works for business entrepreneurs. The definition combines an emphasis on discipline and accountability with the notions of value creation taken by Say, innovation and change agent from Schumpeter, pursuit of opportunity from Drucker, and resourcefulness from Stevenson. In brief, this definition can be stated as follows:

Social entrepreneur plays the role of change agents in the social sector by:

1. Applying a mission to create and sustain social value
2. Recognizing and relentlessly pursuing new opportunities to serve that mission
3. Engaging in a process of continuous innovation, adaptation and learning

4. Acting boldly without being limited by resources currently in hand
5. Exhibiting heightened accountability to the constituencies served and for the outcomes created

G.R. Basotia and K.K. Sharma (1999) explain the role of entrepreneurs in developing enterprises in their handbook on entrepreneurship development.

Neeta Baporikar (2002) establishes the role of entrepreneurs in the economic and industrial development of countries through her book Entrepreneurship and Small Industry.

Dr. Nagendra P Singh (1985) says there have been several studies which highlight that the entrepreneur is a person who bears, innovates or initiates and organizes the business.

#### Reasons Compelling Entrepreneurs to Enter Industry

Sometimes the compulsion rather than the ambition leads the man to success. At times, the initial aspirations and the opportunities may clash with each other. Then the destiny is shaped none other than by the compulsions encountered by the individual. Sometimes, one may be thrown out of his job all of a sudden or he may remain unemployed for long time after his education. There are also cases of people who start as tiny industry as a diversification of economic interests and ultimately making lakhs of rupees and providing employment to others in hundreds. Such is the importance of the element of compulsion in everyday life. Hence, it is thought appropriate to examine the reasons that might have compelled the entrepreneurs to pursue entrepreneurship.

#### Conclusion

Institutions and Governments will have to play a major role in introducing new stricter rules and regulations pertaining to the promotion of entrepreneurship at the schools/ colleges/ universities level. Infrastructural support, schemes and stimulus, skills based trainings and awareness programmes to enhance the interest in this regard can facilitate innovators and entrepreneurs in starting their own ventures. Simpler legal procedures, promotion of public private partnerships and stakeholders' co-operations would certainly be able to bring productivity and generate new jobs. Entrepreneurship can provide economic empowerment to the society at a micro level. The key benefits of encouraging entrepreneurship include inclusive economic approach and an integrated literate workforce, reduce socio-psychological issues due to unemployment and poverty, skills development and innovate unique products or services for their enterprise, new economic opportunities, jobs creation

and economic empowerment etc. Entrepreneurs make a society develop economically and be self-reliant and further contribute towards the economic development of districts, states, nations and the world.

#### Suggestions

- In order to run industrial enterprise on efficient lines, proper training, motivation and wide exposure become extremely important.
- It is universally accepted that "entrepreneurs can be taught and made." In India, illiteracy has been the main stumbling block for entrepreneurship development. Therefore, the first step to adopt is to provide suitable education and training to the people.
- The encouragement and development of entrepreneurship culture should become the core part of our education system, so that the young men and women can become "job givers" and not "job seekers"
- Power scarcity is the main reason for underutilization of capacity. Every possible step should be taken to improve the power condition of the state on priority basis.
- Severe penalties may be levied on entrepreneurs found misusing the funds or otherwise seeking financial assistance by under-hand means. Preventive measures should be taken to provide a check on the malpractices of small units.
- The government must provide efficient and effective consultancy services to the entrepreneurs.
- Unhealthy competition among the small units as well as large units should be discouraged as far as marketing problems are concerned.
- The state government needs to be active in this regard. As a sign of encouragement to local entrepreneurs, government departments should procure products produced by these entrepreneurs.
- Both the central and state governments should give wide publicity so as to reach the information to all the entrepreneurs about policies, incentives, schemes, programmes, etc., relating to small scale industries.

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Pradhan Mantri MUDRA Yojana: It Impact on Beneficiaries with Special Reference to  
“Shishu” Category in Nagpur City

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Abstract: -

In present scenario, India has advantage of ‘Demographic Dividend’ term refers to young working population who contributes in GDP growth and nation building program. On the other hand Indian population suffering from Unemployment, Poverty, Wastage of Natural and Human resources, and Social Crimes. To get control over above the issues Government has introduced Pradhan Mantri MUDRA Yojana (PMMY) under Micro Units Development and Refinance Agency Bank Ltd. For development and refinancing activities related with Micro and Small units. Main aim behind this initiative is generate employment through facilitation of quick finance facility for promotion of entrepreneurial skills amongst youth. Under this scheme three tier loan structure facility is available i.e. SHISHU, KISHOR & TARUN. Out of total targeted amount of MUDRA loan 60% will be provided under SHISHU Category. Pinpoint focus of this research paper is to find out impact of PMMY specifically on beneficiaries who comes under SHISHU loan category of MUDRA loan.

To study this topic data will be collected from suitable primary and secondary resources for best possible outcomes and to draw some inferences and conclusion. For better understanding and clarity sample will be collected from Nagpur City like fruit-vendors, vegetable-vendors, small business houses, small trader, etc.

Keywords: - PMMY, MUDRA Bank, SHISHU, KISHOR and TARUN loan category.

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**Introduction:-**

India is the 2<sup>nd</sup> largest country in the world who has 1.25 crore population and more than 52% (approx) population are young i.e. “Demographic Dividend”. We are rich to have vast young human resource but poor to utilise this resource optimally. After getting degree from universities still we are unable to get job because mostly people wants to be “Job-seeker” rather than “Job-maker”. Although, we have some other constraints to provide jobs to youth like lack of finance, Legal hurdles during set up of unit, lack of Collateral securities, Infrastructure problem, etc. To control over this, our Indian Government has launched Pradhan Mantri MUDRA Yojana to promote self employment through quick finance facility which helps to provide employment to unemployed youth. MUDRA (Micro Units Development & Refinancing Agency) Bank Ltd is wholly owned subsidiary of SIDBI having initial corpus of 1000 crore which aim to provide easy finance to last beneficiaries who needs finance to start their own business or to expand existing one. As per NSSO report 2013, in India near around 5.77 crore small proprietorship businesses employ 12 crore Indian people against large industries that absorb only 1 crore and 25 lakh skilled human resource approx., still they have lack of funds due to unavailability of collateral securities and are segregated from mainstream of finance from eons. To fight against this problem, Government has decided to launch PMMY on 8<sup>th</sup> April 2015 to open up the doors of banking loan facilities for these small business households who have been engaged in the economic activities such as manufacturing, trading and retailing.



[From official website](#)

□ About MUDRA Loan Scheme-

MUDRA loans are extended by Banks, NBFC’s and other financial intermediaries who has notified by MUDRA Ltd. And refinance by SIDBI from time to time. Under this scheme loan will be provided to the needy person only in three different categories i.e. SHISHU, KISHOR & TARUN according to the need and level of business operation. Beneficiaries includes small business, vendors, retailers, Self-help Groups (SHG’s), women entrepreneurs and special preference will have been given to women from SC,ST



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and other Backward categories. There is also one important fact is that more preference will be given to beneficiaries who are come under “Shishu” category of MUDRA loan.

□ Product of the MUDRA loan-

- Shishu: under this category, loan amount limit is up to Rs. 50,000 and will be provided to the needy at initial stage of his/her business.
- Kishor: under this category, loan amount is from Rs. 50,000 to Rs. 5,00,000 and will be given to those people who have already their business and wants to expand to it.
- Tarun: under this category, loan amount is Rs. 5,00,000 to Rs.10,00,000 and will be given to expansion and to acquire advanced and latest technology for business purpose.

□ Who are eligible to apply for MUDRA loan?

Under MUDRA loan person who needs fund to run business operation having satisfactory credit track record with bank can apply for this loan. Generally, beneficiaries include individual, fruit vendors, Shopkeepers, Proprietorship Concern, Partnership Firm, Private Ltd. Company, Public Company, etc. The applicant shouldn't be defaulter to any bank or financial institution. It is necessary to possess any skills/art or education if requires. Neither a rich businessman can apply for this loan or for personal need and consumption.

□ Nature of assistance under MUDRA loan-

Under MUDRA Loan, loan will be provided in the form of Need-based Term Loan/ Overdraft Limit/ Composite Loan to acquire capital asset and/or working capital and/or marketing related requirements. For the purpose of working capital limit, MUDRA has launched new product i.e. “MUDRA Card”, just similar to Debit card issued on RuPay platform to provide hassle free quick loan with flexibility.

□ Reason behind give especial reference to “SHISHU” category of the applicants-

India has population of 1,34,25,12,706 on 17<sup>th</sup> February, 2017 which is equivalent to 17.86% of world's total population. We have plus point of population is that near about 60% population are young they are more productive as compare to another group of the population. In India, we can seen all kinds, category, types of people like small to big,

unskilled to skilled, labour to software engineer, English to non-English speaking, poor to rich, etc. They engaged in various economic activities to run their livelihood or get two-time's food for their family, children, and parents. It is impossible to provide government job to each and every single individual that's why we have formal as well as informal working system out of which some is control by the government or some may be not. Due to unavailability of job, unemployed people surge for do something productive, which not only helps to earn money but also generate employment and save natural and human resources from futility. Mostly put of them, on the basis of knowledge about specific process and skills what they have, they can start their own business units such as Vegetable-Shop, Grocery-Shop, Pan-Thela, Tapri, Fruit-Shop, Taxi-Services, Beauty-Parlour, Mess (Tiffin Services), etc. But, problem is that they don't have been any financial resources and no one wants to give loan to them because of unavailability of security against loan. To eliminate this problem, PMMY is quite good idea to encourage entrepreneurs and small business units to expand their capabilities and operations, to reduce indebtedness and provide formal system of credit for "last beneficiaries of mile", where special attention has given to above category of the people. In India mostly people are working in small business units, they are base of the pyramid of human resource; if they will get all require resources properly then they can contribute in economic growth and helps to government to produce more employment which may leads to enhance purchasing power of individual. That's why now government has come up with the idea of MUDRA Loan especially for SHISHU category of applicants. Out of total, only 40% portion is for TARUN & KISHOR, but 60% reserve for SHISHU category. Due to the main focus on needy who comes in SHIHSU category, government can reduce poverty, may increase purchasing power and standard of living and last but not least it will provide formal credit system to those who doesn't have it at all. Main target of PMMY is SHISHU category's beneficiaries to enrol them into mainstream of the finance.

□ **The SHISHU Loan application-**

Vendors/ businessman who think their venture falls under the SHIHSU category and wants to start their own business with minimum requirement can apply for this loan after submitting an application form offline only. The application form under the SHISHU category is not available for download online.

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□ Benefits of the SHISHU loan-

One of the benefits of this type of loan is that no collateral will be required to avail this loan like other loan. There is also no loan processing fees are attached and the beneficiaries can repay this loan up to 5 years with extension.

One MAUDRA CARD will be provided to all beneficiaries in the form of Rupay Debit Card and they can be used this card to withdraw cash from any ATM or POS machines. With the help of Rupay MUDRA Card, beneficiaries can make online purchase whenever they required.

Review of Literature:-Literature review is a text of a scholarly paper, which includes the current knowledge including original findings, as well as theoretical and methodological contribution o a particular topic. This are only secondary sources to avoid repetition of the same thing and do not report new or experimental work. It only supports to the new study document for better clarity of concept and to draw inferences and find out the gap between old study and new study.

- In a Developing country having large population like India, small businesses play an important role not only in contributing to nation’s GDP but also by providing employment to a large number of people. After identifying the importance of self-employment people and small business units, government of India launched MUDRA Yojana to address the financial and other constraints. (Roy, January 2016)
- In India most of the people are depending upon small scale businesses as their source of livelihood. Most of the individuals depend on unorganised sectors for loans and other credit facilities which have high rate of interest along with unbearable terms and conditions. Ultimately it will lead these poor people to fall in debts. A vast part of the non-corporate sector operates as unregistered enterprises. They do not maintain proper Books of Accounts and are not formally covered under taxation areas. Therefore, the banks find it difficult to lend to them. Majority of this sector does not access outside sources of finance. After identifying the importance of self-employment people and small business units, government of India launched the MUDRA Bank Scheme under Pradhan Mantri MUDRA Yojana to provide financial assistance to MSMEs who provide employment to a large number of people targeted towards mainstreaming young, educated or skilled workers and entrepreneurs including women entrepreneurs. (Mahammad Shahid, 2016)

**Research Methodology:-** Research methodology is necessary part for any research study, due to this we can avoid repetition through review of earlier study and also can reduced efforts and time.

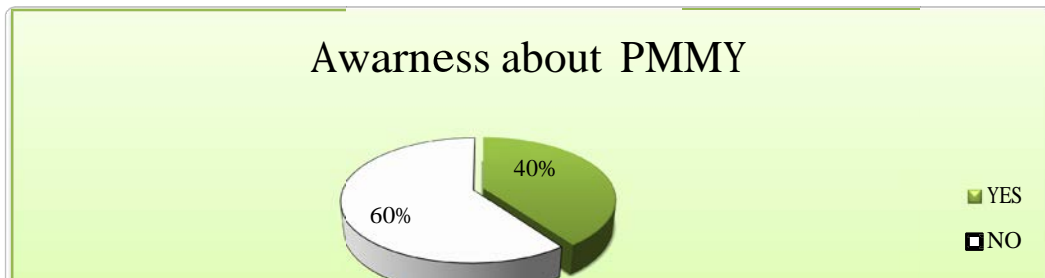
- **Data collection-** When we are collecting data from respondents then it reduces the chances of misconception and proves study and also gives results. Basically data can be collected into two form i.e. PRIMARY & SECONDARY data.
  - a) **Primary data-** I have collected primary data from Fruit-vendors, Chat-Centre Owner, Two-Wheeler Mechanic, Vegetable Vendors, Grocery Shop Owner, Pani-Puri Vendor, etc.
  - b) **Secondary data-** Secondary data has collected from suitable resources like official Websites, Reports, Journal, Newspapers and International/National Conference proceeding of scholars, tc.
- **Population –** To study this topic, population has been considered to all small business owners who want finance for their business within Nagpur City Only.
- **Sample size-** National sample size has considered for this topic is 50 due to time constraints and out of which 20 gave response properly.
- **Sampling technique-** To collect sample form the population, Random sampling method has been used for study.

**Data interpretation and Analysis:-** This part of study plays significant role to draw out the conclusion and findings, because of the data what we have collected from Primary and Secondary resources we can a alyse to it, especially responses received from the primary resources i.e. Respondents who are directly related with our study. I have draw some question regarding PMMY, which helps to me understand about the view and opinions of general public those are selected by me as sample.

1. Are you aware about PMMY?

a) YES

b) NO



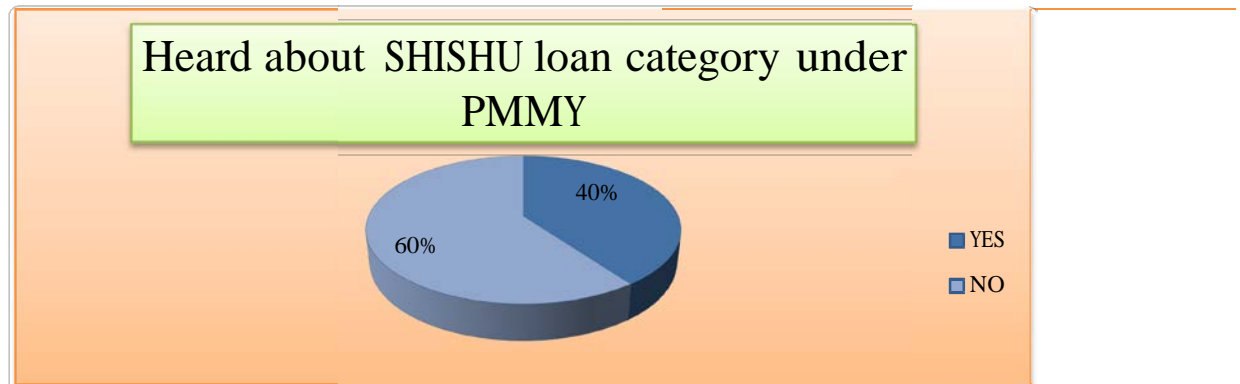
Pradhan Mantri MUDRA Yojana: It impact on beneficiaries with special reference to “SHISHU” category in Nagpur City

After completion of the study, I found that only 40% people are aware about the PMMY out of the total number of sample which I had been selected for study. 60% of respondents didn't have any idea about PMMY and its offerings.

2. Have you heard about SHISHU Loan category under PMMY scheme?

a) YES

b) NO

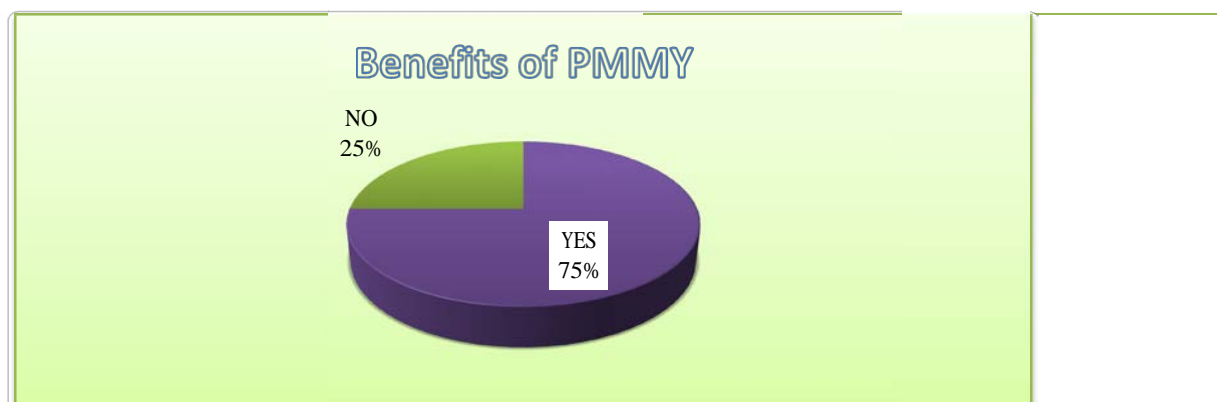


As per the first question we found that only 40% are aware about PMMY, similarly in this question only 40% respondents have heard about SHISHU Loan category of PMMY because who has information about the MUDRA Yojana he must know the products offered by the MUDRA Bank under PMMY.

3. Is this scheme beneficial or not?

a) YES

b) NO



Out of the 40% respondents, 75% gave positive response about SHISHU loan under PMMY and 25% were negative about it. Positive response is that PMMY helps to not only generate employment but increase power of the small businessman who are

running their business on footpath. From negative side there are so many problems while applying for loan, like favouritism, legal hurdles, etc.

4. How much capital required for your business?

a) Up to 50,000

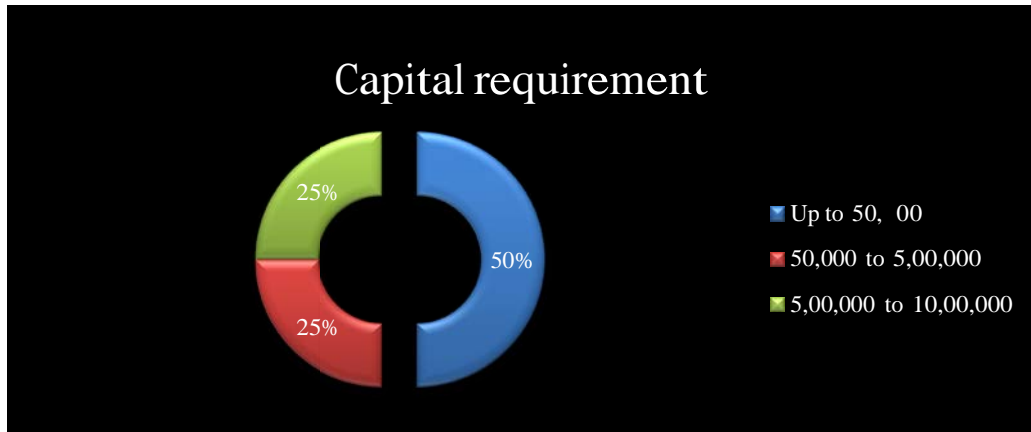
b) 50,000 to 5,00,000

c) 5,00,000 to 10,00,00

(SHISHU)

(KISHOR)

(TARUN)



When I did research on MUDRA Yojana then I found that only 25% respondents want loan under “KISHOR” & “TARUN” category but near around 50% needs money to fulfil their business operation requirements under ‘SHISHU’ category are generally belongs from small business category such as Chat-centre owner, Chinese-centre owner, Pan-dukun, Tea-Stall owner, Fruits-Vendor, Cycle Puncture wala, Two-Wheeler Mechanic, etc. They just want to start their own business with small amount of capital and give employment to others.

5. Have you applied for any loan facility ever before?

a) YES

b) NO



initial stage of

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their business and also faced many positive and negative problems. 60% hadn't applied for any kind of loan because of lack of collateral security or guarantor, high interest rate and sold their inherent property to get money to start business.

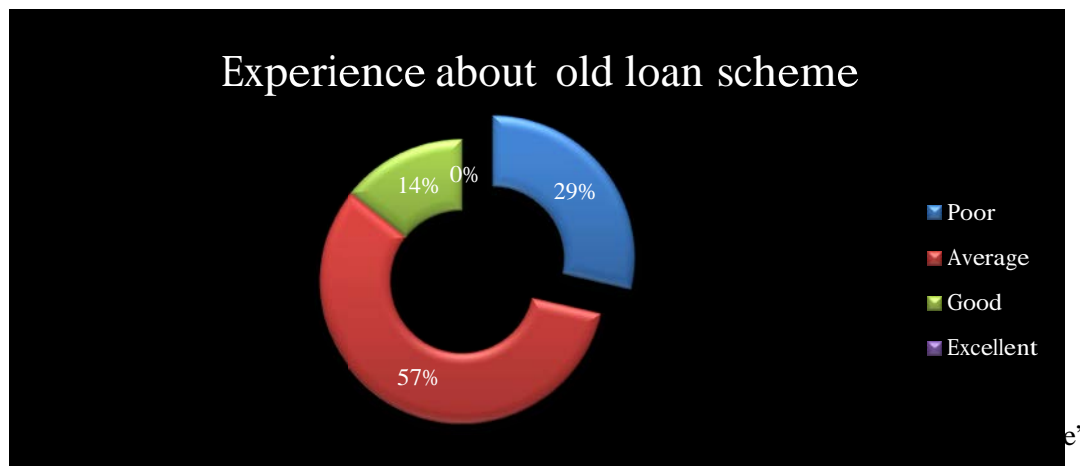
6. How was it?

a) Poor

b) Average

c) Good

d) Excellent



rating for earlier loan scheme and only 14% are in favour of “Good” response. 29% respondents were saying that earlier loan scheme was poor and there is no one who gave “excellent” rating for earlier loan scheme. Entrepreneurs who gave response for this question generally have taken loan from directly bank where they have an account. They are not so aware about any loan scheme introduced by the Government.

7. What problem you have been facing while applying for MUDRA SHISHU loan? Respondents who gave positive response about PMMY scheme are quite aware about MUDRA “SHISHU” category loan. When I asked this question to them then I found that after successful launching of this program still they are facing difficulties to get loan from bank because of so many reasons. They are curious about new loan scheme and are interested to take loan and expand their business as well but unable to get loan easily.

Conclusion and Findings:- So, we can conclude that, this study has been done through proper direction for right result and conclusions. After study this topic we understood that Pradhan Mantri MUDRA Yojana is an initiative has taken by the Indian government to inject liquidity into the base of human working pyramid to maintain flow from lowest level to the highest one. It not only helps to promote employment but utilised human skills and reduced suicide amongst youth due to unemployment. Every coin has two sides; similarly we found

favourable and unfavourable response from the ultimate respondents. Some are happy with this scheme on other hand some are unaware about this scheme totally.

Suggestions and recommendations-

We studied this topic thoroughly, met ultimate needy owner who are the target of the PMMY and get some response from them, so now we are in position to give some suggestions and recommendation to the authority whomsoever to be concern.

Suggestions are-

- a) Make aware to the targeted group of the people about MUDRA Loan, because mostly not aware about this loan facility, they are looking for fund to finance their business need.
- b) Promote PMMY through print media such as pomp-lets, newspaper, electronic media, by survey, etc. in more highlighted way to attract to these people especially small businessman who comes under SHISHU category's applicant, they actually need of finance in a right manner.
- c) Do monthly review of this scheme from government officers (Central/State or both) to increase loan takers and track records of them.
- d) Set up a help-desk in each and every branch where one can get solution for their problem regarding MUDRA loan or to solve other related queries.
- e) Make transparency while providing loan to the needy and avoid favouritism and biasness. In India, partiality is main route to divert funds from targeted to untargeted group. We should avoid this to make healthy and competitive economy.
- f) Do survey at ground level for MUDRA SHISHU Loan by the bank employees only just similar to door-to-door credit card promotion. It leads to increase employment in banking industry as well and they are the only person who can give information about MUDRA loan scheme properly.

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Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The  
Indian Economy

Prof. Bhavini Patel

Abstract:

Indian economy is encompassed by varied sectors comprising primary, secondary and tertiary sector. During the past decades the Indian economy has witnessed enormous dynamism in secondary sector. Automobile sector being under the umbrella of secondary sector is one of the most booming sectors of the country having a huge scope of growth in the coming era. The automobile sector affects various allied and non allied sectors directly and indirectly of the Indian market

With the emerging new players in the market, the traditional pattern of the capital structure is changing drastically. Hence, it portrays a need to study the performance of this sector. Further for the purpose of understanding the financial performance, study of various parameters like capital structure, GDP contribution and alike is needed. These parameters reflect compositional and the structural change in the capital structure of the companies in the defined time frame and in return what impact it shall have on its financial performance.

The implication of the study shall help us understand and get more insight about the capital structure framework and its effect on the performance of the companies.

The aim of this paper is to examine the effect of capital structure on financial performance of the automobile companies in the Indian economy. In the later part, the paper shows the positive or negative relationship between the capital structure and financial performance of automobile sector of Indian market.

Key Words: Financial performance, Capital structure, secondary sector, Indian economy,

**Introduction:**

**Indian automobile industry:**

The automobile sector in India has come a long way. This sector has reported high growth rate from 26 percent to a worst negative growth in some segments during past years. Indian auto sector is one of the most vibrant industry. The automobile industry is one of India's major sectors; accounting for 22% of the country's manufacturing GDP. The Indian auto industry, comprising passenger cars, two-wheelers, three-wheelers and commercial vehicles, is the seventh-largest in the world with an

annual production of 17.5 million vehicles, of which 2.3 million are exported. Indian Auto market has the potential to dominate the Global auto industry, provided, a conducive environment is created for potential innovators to come up with new pilot projects.

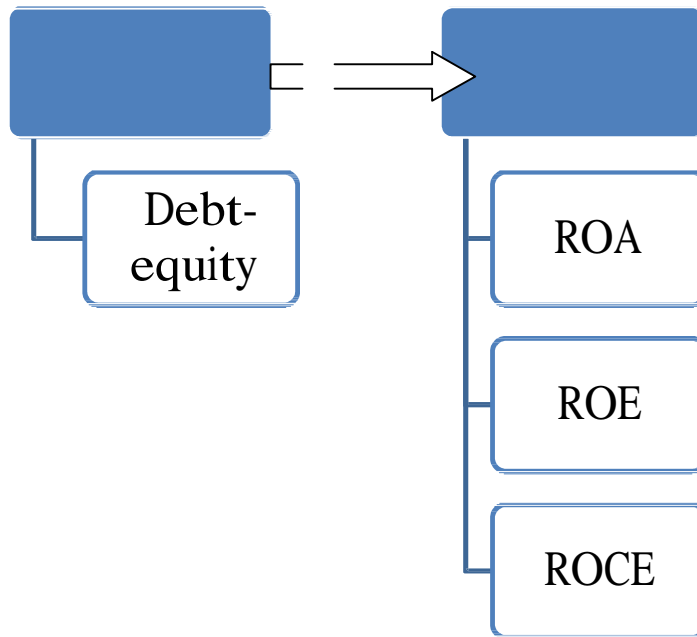
With the gradual liberalization of the automotive sector in India since 1991, the number of manufacturing facilities has grown progressively. In the last ten years, the volumes, exports and turnover have increased by 3.8, 19.6 and 6 times respectively. With a CAGR of over of 15% during the last 5-7 years, the automotive sector is aptly described as the next sun rise sector of the Indian economy. The contribution of this sector to the National GDP, with liberalization, has risen from 2.77% in 1992-93 to about 8% now. It provides direct and indirect employment to over 13.1 million people. At present, there are 19 manufacturers of passenger cars & multi utility vehicles, 14 manufacturers of commercial vehicles, 16 of 2/3 wheelers and 12 of tractors besides 5 manufacturers of engines in India. At present, India has amongst the lowest vehicle densities globally at 11 cars per thousand persons and 32 two-wheelers per thousand persons. This is very low as compared to other comparable economies. Thus, there is a huge potential market for automobiles that is yet to be tapped.

(Source: Report of the working group on Automotive Sector for the 12th five year plan (2012-2017))

#### Capital structure:

Capital structure is one of the most important and effective parameters for the valuation of economic enterprises. There are a multiple sources of financing by which a Company can finance its operations. Sources of finance are classified into two categories, the internal sources which consists Equity and Preference shares issued and retained earnings of the Company and the other is external source which includes Long term and Short term borrowings and Debentures issued. The Capital Structure of any Company is the combination or blend of such internal and external sources of financing. The decision to use debts to finance assets is called leverage which affects the return and risk of owners and lenders. In case of major proportion of debt into capital structure of a company then it is said to be highly levered, using more debt increases the riskiness due to fixed interest obligations and leads to increased expected return on equity as higher the risk higher will be the expected rate of return by owners. Hence, the decision of financing the assets of a company is very important so that there can be a balance between risk and return to achieve the goal of maximisation of wealth and the value of the Company. The purpose of the present study is to analyse the role of capital structure to identify the relationship with financial performance of the automobile companies in India.

## Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The Indian Economy



### Capital Structure Theories

There are different viewpoints on the impact of the debt-equity mix on the shareholder's wealth. There is a viewpoint that strongly supports the argument that the financing decision has major impact on the shareholder's wealth, while according to others, the decision about the financial decision is irrelevant as regards maximization of shareholder's wealth.

A great deal of controversy has developed over whether the capital structure of a firm as determined by its financing decision affects its cost of capital. Traditionalists argue that the firm can lower its cost of capital and increase the market value per share by the judicious use of leverage. Modigliani & Miller, on the other hand, argue that in the absence of taxes and other market imperfections, the total value of the firm and its cost of capital are independent of capital structure. There are four major theories explaining the relationship between capital structure, cost of capital and value of the firm:

1. Net Income Approach
2. Net Operating Income Approach
3. Traditional Approach
4. Modigliani-Miller Approach

Literature review:

A lot of research has been conducted so far by various researchers all over the world to identify the impact of capital structure on financial performance of the companies. To develop a clear understanding about such relationship review of some of the literatures available are as under:

Modigliani and Miller (1958) establish that under certain assumptions i.e perfect capital market with symmetric information, no transaction and bankruptcy cost exist, absence of taxes, equity and debt choice becomes irrelevant and there will be no impact on company's performance due to selection of source of financing. In 1963, Modigliani and Miller argued that companies will prefer debt financing because of the tax shield on interest.

Anurag Pahuja and Anu Sahi (2012) in their study on factors affecting capital structure decisions: Empirical evidence from selected Indian firms, confirmed that independent variables i.e. growth and liquidity indicates positive and significant relationship with debt equity ratio in consistence with pecking order theory of capital structure.

Bimal Jaisawal, Namita Srivastava and Sushma (2013), studies the relationship of capital structure and financial performance of companies in cement industry in India. Study indicates that there is weak positive correlation between capital structure and two determinant of performance GPR and ROE. The other determinants of financial performance NPR, ROCE, ROA are negatively correlated with capital structure. A linear regression model has been developed to estimate the effect of variation in capital structure to the variation in the firm financial performance and it is observed that there is negative and low degree of relationship between the variables under study.

Margaritis and Psillaki (2010) observed a significant positive relation between leverage and firm's performance. They used a sample of both low and high growth French firms for the period 2003-2005 and found that leverage have positive effect on firms' efficiency over the entire sample.

Velnampy&Niresh (2012) revealed that profitability of the firm's is dependent upon the capital structure decisions of the firm having the different debt and equity combination that can well suited to increase the profitability of the firm. The important part of the firm's financial strategy is to prosperous choice and use of its capital. The relationship between firm's capital structure and the firm's profitability is very significant as the profitability of the firm can be directly affected by the capital structure decisions of the firms.

# Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The Indian Economy

## Objectives of the study:

1. To find out if there is any relationship between capital structure and firms' financial performance.
2. And if a relationship exists, then to find out direction of relationship that whether relationship is positive or negative.
3. In case of existence of relationship between capital structure and firms' financial performance it would also be revealed in this study that to what extent capital structure affect firm performance.

## Hypothesis:

For the present study following two hypotheses are framed:

H0: There is no significant relationship between capital structure and financial performance.

H1: There is a significant relationship between capital structure and financial performance.

## Research Methodology:

### Scope:

The present study is restricted to the Automobile Companies listed in Indian Stock Exchanges (BSE/NSE). The time period taken into consideration for analysis is three year i.e. from financial year 2013-14 to 2015-16.

### Data collection:

Only secondary data is used to attain the objective of the study which is taken from websites and cross verified with published annual report of the respective companies which is hunted from official website.

### Sample Size:

For the study, data of two listed automobile companies on the National Stock Exchange and Bombay Stock Exchange from automobile industry are taken as a sample and it is assumed that the findings of the sample will apply to the total automobile industry. The companies which are taken as the sample are:

- a. Maruti Suzuki India Ltd.

b. Tata Motors Ltd.

Determinants of variables:

The present study consist capital structure as independent variable and financial performance as dependent variables. Here capital structure is measured with the help of debt equity ratio and financial performance is measured with the help of ROE, ROA and ROCE.

Variables and its definitions:

Variables	Proxy variables	Formula
Capital structure (independent variable)	Debt equity ratio	Debt/ equity
Financial performance (dependent variable)	ROA (return on assets)	Net income/total assets
	ROE (return on equity)	Net income/shareholders equity
	ROCE (return on capital employed)	EBIT/capital employed

Tools and techniques of analysis:

Statistical measures like correlation, regression are used to measure the relation between two variables i.e. capital structure and financial performance and t-test for hypothesis testing with the help of MS Excel 2008.

Correlation Method:

To study the relationship between capital structure and three measures of financial performance correlation method is used.

Regression Method:

A linear regression model has been developed to estimate the effect of variation in capital structure i.e. independent variable to the variation in the financial performance i.e. dependent variable.

t-test for hypothesis testing:

t-test is used for test the considered hypothesis, the result of which enables to accept or reject the hypothesis.

## Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The Indian Economy

Data analysis:

### I. TATA MOTORS:

Year	D/E	ROA	ROE	ROCE
2014	0.92	7.35	27.34	21.71
2015	1.31	6.2	23.08	20.75
2016	0.87	4.42	16.22	13.24

(Figures in %)

#### a. Correlation Analysis:

##### 1. With ROA:

	Column 1	Column 2
Column 1	1	
Column 2	0.225515865	1

**Interpretation:** The above table shows the correlation between capital structure and return on assets. The correlation coefficient is positive between ROA and Capital structure, which means increase in debt-equity results in an increase in return on assets.

#### b. Regression Analysis:

##### With ROA:

Regression Statistics	
Multiple R	0.225515865
R Square	0.050857406
Adjusted R Square	-0.898285189
Standard Error	2.03394516
Observations	3

**Interpretation:** The above table shows the value of R, R square and the adjusted R square. R square shows that 5.0% profitability is caused by capital structure and other 95% is caused by other variables.



c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	4.561970	6.2799277	0.7264	0.6000	-	84.3560		
X Variable 1	1.381964	5.9701533	0.2314	0.8551	-74.476	77.2399	-74.476	77.23995

Interpretation: The t static value is less than the t critical value, hence H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt- equity and ROA. This implies that the debt-equity has no significant impact on ROA at 5% significance level.

$t_{val}(0.231479) < t_{cri}(12.706)$ , H0 is accepted.

a. Correlation Analysis:

2. With ROE:

	Column 1	Column 2
Column 1	1	
Column 2	0.2359	1

Interpretation: The above analysis table shows the correlation between capital structure and return on equity. The correlation coefficient is positive between ROE and capital structure, which means increase in debt-equity results in an increase in return on equity.

b. Regression Analysis:

With ROE:

Regression Statistics	
Multiple R	0.2359
R Square	0.055649
Adjusted R Square	-0.8887
Standard Error	7.710418
Observations	3

## Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The Indian Economy

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 5.5% profitability is caused by debt-equity and other 94.5% is caused by other variables.

### c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	16.53623	23.80638	0.694614	0.613507	-285.952	319.025	-285.952	319.025
X Variable 1	5.493969	22.63206	0.242752	0.848392	-282.074	293.0616	-282.074	293.0616

Interpretation: The t static value is less than the t critical value, hence H<sub>0</sub> is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt-equity and return on equity. This implies that the debt-equity has no significant impact on ROE at 5% significance level.

t val (0.242752) < t cri (12.706), H<sub>0</sub> is accepted.

### a. Correlation Analysis:

#### 3. With ROCE:

	Column 1	Column 2
Column 1	1	
Column 2	0.500246	1

Interpretation: The above table shows the correlation between debt-equity and return on capital employed. The correlation coefficient is positive between ROCE and capital structure, which means increase in debt-equity, results in an increase in return on capital employed.

### a. Regression Analysis:

#### With ROCE:

Regression Statistics	
Multiple R	0.500246
R Square	0.250246
Adjusted R Square	-0.49951
Standard Error	5.679354

Observations	3
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Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 25% profitability is caused by debt-equity and other 75% is caused by other variables.

c. t-test for hypothesis testing

	Coefficient	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	8.614675	17.53535	0.491275	0.709292	-214.193	231.4224	-214.193	231.4224
X Variable 1	9.630959	16.67037	0.577729	0.666486	-202.186	221.4481	-202.186	221.4481

Interpretation: The t static value is less than the t critical value, hence H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt-equity. This implies that the debt-equity has no significant impact on ROCE at 5% significance level.

t val (0.577729) < t cri (12.706), H0 is accepted.

II. MARUTI SUZUKI INDIA LTD.

Year	D/E	ROA	ROE	ROCE
2014	0.09	9.6	13.79	17.77
2015	0.03	11.49	16.55	21.42
2016	0.01	12.39	17.79	25.31

(Figures in %)

a. Correlation Analysis:

1. With ROA:

	Column 1	Column 2
Column 1	1	

Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The  
Indian Economy

Column 2	-0.996883909	1
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Interpretation: The above table shows the correlation between capital structure and return on assets. The correlation coefficient is negative between ROA and Capital structure, which means increase in debt-equity results in a decreases in return on assets.

b. Regression analysis:

With ROA:

Regression Statistics	
Multiple R	0.996883909
R Square	0.993777527
Adjusted R Square	0.987555055
Standard Error	0.158854069
Observations	3

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 99% profitability is caused by debt-equity and other 1% is caused by other variables.

c. t-test for hypothesis testing

	Coefficien ts	Standard Error	t Stat	P- value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	12.6375	0.1485943 76	85.046 96	0.0074 85	10.7494 3	14.5255 7	10.74943	14.52557
X Variable 1	- 34.09615 385	2.6980022 19	- 12.637 6	0.0502 7	- 68.3775 5	0.18521	-68.3775	0.185215

Interpretation: The t static value is less than the t critical value, hence H0 is accepted. Therefore, t-test confirms that there is a negative, low and statistically not significant relationship between

debt-equity. This implies that the debt-equity has no significant impact on ROA at 5% significance level.

$t \text{ val } (-12.6376) < t \text{ cri } (12.706)$ ,  $H_0$  is accepted.

a. Correlation Analysis:

2. With ROE

	Column 1	Column 2
Column 1	1	
Column 2	-0.99788	1

Interpretation: The above table shows the correlation between capital structure and return on equity. The correlation coefficient is negative between ROE and Capital structure, which means increase in debt-equity results in a decreases in return on equity.

b. Regression analysis:

With ROE:

Regression Statistics	
Multiple R	0.997884
R Square	0.995773
Adjusted R Square	0.991545
Standard Error	0.188271
Observations	3

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 99% profitability is caused by debt-equity and other 1% is caused by other variables.

Impact Of Capital Structure On Financial Performance Of The Automobile Sector In The  
Indian Economy

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	18.17	0.176112	103.1731	0.00617	15.93229	20.40771	15.93229	20.40771
X Variable 1	-49.0769	3.197632	-15.3479	0.041421	-89.7067	-8.44715	-89.7067	-8.44715

Interpretation: The t static value is less than the t critical value, hence H<sub>0</sub> is accepted. Therefore, t-test confirms that there is a negative, low and statistically not significant relationship between debt-equity and return on equity. This implies that the debt-equity has no significant impact on ROE at 5% significance level.

t val (-15.3479) < t cri (12.706), H<sub>0</sub> is accepted.

a. Correlation Analysis:

3. With ROCE

	Column 1	Column 2
Column 1	1	
Column 2	-0.95551	1

Interpretation: The above table shows the correlation between capital structure and return on capital employed. The correlation coefficient is negative between ROCE and Capital structure, which means increase in debt-equity results in a decreases in return on capital employed.

b. Regression analysis:

With ROCE:

Regression Statistics	
Multiple R	0.955511
R Square	0.913001
Adjusted R	0.826001

Square	
Standard Error	1.572851
Observations	3

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 91% profitability is caused by debt-equity and other 9% is caused by other variables.

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	25.25	1.471268	17.16207	0.037053	6.555771	43.94423	6.555771	43.94423
X Variable 1	-86.5385	26.71355	-3.2395	0.19061	-425.966	252.8894	-425.966	252.8894

Interpretation: The t static value is less than the t critical value, hence H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt-equity and return on capital employed. This implies that the debt-equity has no significant impact on ROCE at 5% significance level.

t val (-3.2395) < t cri (12.706), H0 is accepted.

Conclusion:

This study involves determining the relationship between capital structure (Debt/equity) and profitability of the automobile companies in India (2013-2016). The correlation results confirmed that Capital structure shows a significant positive relationship with all profit measuring ratios (ROA, ROE, ROCE) with reference to Tata Motors Ltd. While, with reference to Maruti Suzuki India Ltd, Capital structure shows a significant negative relationship with all profit measuring ratios (ROA,ROE, ROCE) at confidence level 0.5%.

Through the regression analysis, it is found that in case of Tata Motors Ltd, there is 5%, 5.5% and 25% low positive impact of capital structure on financial performance i.e. ROA, ROE and ROCE respectively. In case of Maruti Suzuki India Ltd there is 99%, 99% and 95% low negative impact of capital structure on financial performance i.e. ROA, ROE and ROCE respectively.

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he result of regression and t-test for hypothesis testing indicates that there is no significant relationship between capital structure and financial performance of the companies.

So we accept our null hypothesis at confidence level 0.5%.

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E-Learning: Issues and Challenges with Special Reference to  
Vidarbha Region

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**Abstract:**

In the age of globalization and technological revolution life-long learning is quickly becoming an essential in today's world. Electronic learning or e-Learning is a type of Technology supported education and learning where the medium of instruction is computer technology.

With e-learning, the possibilities for getting knowledge and information out to the learner at her / his own pace opened a whole new world for knowledge transfer.

India is a fast developing country with large population and providing education to such a large population is itself a challenge

E-learning has potential in India; adoption has been slow and will need a major marketing and awareness effort. In India, globalization has generated a good environment and life for education. The benefits of these technologies have to reach the rural masses of India.

Understanding issues and challenges in respect of e-learning is of significant importance to the society involved in e-learning and will have a significant role in forming future practices

This paper is emphasis on the education scenario, issues and challenges in Vidarbha region.

This paper also discuss about the latest trends in e learning.

**Keywords:** e-Learning, technology, education etc.

**Introduction:**

The World Wide Web (WWW) is being used to improve communication, collaboration, sharing of resources, promoting active learning, and delivery of education in distance learning mode. E-Learning may be taken as the latest form of distance learning mediated by state-of-art technologies like Internet and World-Wide-Web.

In recent years, many of the universities and educational institutions worldwide offer online services such as for admissions, virtual (online) learning environments in order to facilitate the lifelong learning and to make this compatible with other educational management activities.

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Definition e-learning:

E-learning is defined as acquisition of knowledge and skill using electronic technologies such as computer and Internet-based tools and local and wide area networks. The term was introduced in 1995 when it was all called "Internet based Training" then "Web-based Training" to clarify that delivery could be on the Inter- or Intra-net, then "Online Learning" and finally e-learning, adopting the in vogue use of "e" during the dot com boom. The "e- " breakthrough enabled the industry to raise hundreds of millions from venture capitalists who would invest in any industry that started with this magic letter. E-learning is the computer and network-enabled transfer of skills and knowledge. E-learning applications and processes include Web-based learning, computer-based learning, virtual education opportunities and digital collaboration.

About Vidarbha Region



Vidarbha has total population of 23,003,179 according to the 2011 census of the government of India. It occupies 31.6% of total area and holds 21.3% of total population of Maharashtra. Marathi is official language in Vidarbha region.

Economy

Vidarbha's economy is primarily agricultural and also the region is rich in forest and mineral wealth. As per business point of view Chandrapur, Amravati and Nagpur are important cities of Vidarbha. Nagpur is a central hub for business. Amravati is the city which is well known for film distributors and its cloth market. Chandrapur has the thermal power station which is one of the biggest thermal power stations in India and some other heavy industries such as BILT (Paper Industry) MEL, steel industries, cement industries and coal mines.

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An International cargo hub, (MIHAN), is being developed at Nagpur. MIHAN will be used for handling heavy cargo coming from South-East Asia and Middle-East Asia. Project will also include Rs 10,000 crore (US\$ 2.2 billion) Special Economic Zone (SEZ) for Information Technology (IT) companies. This will be the biggest development project in India so far.

New revolution of e-Governance in various Districts in Vidarbha

Amravati: more than 64 % coverage of Aadhar implementation, UID enrolment about 92% of total population, National Social Assistance Programme (NSAP) schemes have been rolled out and Amravati has been carrying out 11,754 UID based payments through CPSMS, e-tendering process, Revenue officers MIS

Buldhana: Buldhana district has initiated and successfully implemented various e-Governance initiatives like e-Office, e-Tendering, Wi-Fi connectivity, capacity building, providing G2C and B2C services through CSCs & SETU centers etc

Akola: Akola district has implemented the scientific concept of virtualization for client-server based land record computerization (LRC) using virtual machines. The virtual machine is used for client-server based land record computerization project related applications like LMIS, PCIS, agriculture, census, e-Chawdi and 7/12 data uploading on website.

Washim: Various e-initiatives such as Virtual Technology used in three tehsils for providing 7/12 service, e-Property Card, e-Tender, Website design and updating by NIC, Online Recruitment of talathis and clerks, Complaint Monitoring System

Yawatmal: Yawatmal District is one of the leading districts in eServices through CSCs, Setu and Sangram centers recording over 16 lakh (G2C) & 63,000 (B2C) e-Transactions in year 2012-13

Nagpur/Wardha: More than 77% of coverage in Aadhaar Enrollments, The Nagpur district has implemented various e-Governance initiatives successfully such as voter management system (VMS), VISHWAS (Visiting Information on Schools Handled With Attendance System) for Zilla parishad, 'Janani' is a package of mobile telephony and a server based computer programme with GIS backbone, especially developed for frontline health workers to deliver timely, location wise quality services to pregnant women and children.

Gondia / Bhandara: website and e-mail ID, key projects initiated by the State Government including opening of CSCs and Setu centers, SWAN & VC, e-Tendering, e-Office etc are being successfully implemented in the district

Chandrapur: RISK [Reliable Internet Service Key] Project has been implemented, wherein high speed internet connectivity is made available to all the offices in the Collector Office (seven different buildings), Collector Office is now a WiFi Campus

Gadchiroli: e-Tapal is used for storing and monitoring the inward and outward letters, e-Lokshahi, Computerized ROR (7/12 Record)

Volumes of e-transaction in Maharashtra (2012-13)

Total Category A-1114.7 Lakh (Including Setu kendra, Gram Panchayat, Municipal Corporation, Agrecultural department e-parwana, eTibak, SMS, Sales Tax, KDMC Services, Online booking, ticketing, Scholarship, employment exchange, Land records, Online admission (Technical), e-tender, payment gateway etc.)

Total Category B-118.39 Lakh (Including Electricity Payment, Online ticket etc.

**Standard Service(s) of Maharashtra**  
From: 01-01-2013 To: 31-12-2013

Total no. of e-Transactions: 18,95,06,364

Sr. No.	Standard Services	No. of e-Transactions
1	Agriculture & Allied	4,46,272
2	Certificates	1,15,10,930
3	Commercial Tax	2,15,79,888
4	Education	12,64,296
5	Election	1,05,272
6	Employment	27,891
7	State Specific Services	14,38,225
8	Transport	1,29,52,412
9	Utility Services and Bill Payment	8,55,38,218
10	Licenses and Permits	1,44,187
11	Other Services	12,87,735
12	Passport & Visa Services	29,328
13	Property Registration & House Tax	44,93,155
14	Public Distribution System	1,92,11,380
15	Social Welfare & Pension	14,468
16	e-Procurement	88,763
17	Grievance	436
18	Health	51,71,996
19	Industry and Commerce	54,366
20	Integrated Finance Management Services	8,82,589
21	Land Revenue	2,32,64,557
<b>Total e-Transactions</b>		<b>18,95,06,364</b>

### Scope Of E-Learning

E-learning can be examined at two levels. The first one is education and another one is training. For education can be used at both elementary and higher levels. In training it can be used by companies to train and upgrade their employees. E-learning permits the delivery of knowledge and information to learners at an accelerated pace, opening up new vistas of knowledge transfer. Early adopters are companies that have tried to supplement face-to-face

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meetings, demonstrations, training classes and lectures with this technology. The adoption of e-learning in all spheres like corporate, schools, universities, etc. is low at present. The Indian market is not substantial when compared to the international market. E-learning in India has been most successful in the corporate segment where it is seen as a means of achieving business goals and motivating employees. A lot of work has to be done to make e-learning successful for education, both formal and informal and to cultivate faith of people in online degrees in India apart from the ones given by renowned institutions like IITs. If e-learning reaches the remote and rural parts of India, it would be much faster to educate people. One major problem faced by India is that almost all highly skilled professionals are based in bigger cities that deprive the rural population from getting educated through them. E-learning simplifies this process by taking the knowledge to masses provided that there's internet connectivity available at some nearby area. Even in the area of higher education, the supply and demand are not balanced.

### Benefits Of E-Learning

- It is cost effective and saves time
- The self-paced aspect of e-learning shines through all obstacles
- E-learning results in a higher knowledge retention
- Tracking Course Progress becomes Easier
- E-learning provides ample room to be discreet
- E-learning encourages sharing
- The target audience base for e-learning is quite large

### Issues And Challenges Faced By E-Learning

- The Internet is still a luxury in many parts of the country

A vast majority of the Indian population resides in rural areas. The lack of infrastructure in such areas gives rise to connectivity and accessibility issues. However, the Government of India has been instrumental in removing such barriers by implementing various measures.

Two schemes have been launched to aid in e-learning implementation:

1. National Mission on Education through Information and Communication Technology (NMEICT)
2. National Program on Technology Enhanced Learning

These two schemes have been solely launched to implement ICT in video and web-based learning.

- E-learning does not cover a lot of certification courses

The certifications that come with conventional learning are somehow lost in the e-learning concept of education. The e-learning courses do not cover a lot of certification courses that are recognized by colleges and universities across India or abroad. This pulls the e-learning courses out of sync with any stream of school education.

- It would take some time to renovate the conventional educational system

The traditional education methods have enlightened generations for decades now. Even though you might feel that they have overstayed their welcome, it has become increasingly difficult for us to overthrow tradition completely and embrace newer methods of learning with open arms. However, renovations in the old-school methods have seen the light of the day with technology entering the industry. But a complete makeover in education with the e-learning methods would still require some time to establish itself.

- Not all learners are tech-savvy

Even though the e-learning courses are available in a wide range of platforms for learners to choose from, a basic knowledge of how to operate those devices is imperative to benefit from the courses. And being a tech-savvy teacher becomes a primary requisite. Therefore, before e-learning could be implemented, learners and educators need to be educated about the ins and outs of technology to facilitate a smooth learning curve.

- Lack of awareness

If a large part of the population isn't aware of the amazing benefits that e-learning has to offer, then how can it be expected to change the face of education in the coming years? Awareness plays a key role in making the proliferation of e-learning a joy ride. With that lacking, the future becomes questionable. While the challenges pose an impending storm rocking the e-learning ship violently, the numerous benefits calm the waves to a soothing cradle. E-learning streams in like a shining ray of hope, making education accessible for anyone, anywhere and anytime.

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### Ways to overcome the problems in e-Learning

#### □ Adaptability Struggle

Switching from traditional classroom and face to face instructor training to computer-based training in a virtual classroom makes the learning experience entirely different for students. Their resistance to change doesn't allow them to adapt to the online learning environment, whereas it takes time for them to get accustomed to Course Management Systems and the methods of computer-based education. Students with a "traditional" mindset find it difficult to adapt; however, they need to accept the new learning circumstances with an open mind and heart. Understanding the benefits of eLearning and even discussing them with their peers may change this mindset and better prepare students for online classes.

#### □ Technical Issues

Many students are not provided with the high bandwidth or the strong internet connection that online courses require, and thus fail to catch up with their virtual classmates: Their weak monitors make it hard to follow the Course Management System and their learning experience becomes problematic. Moreover, most of them live off campus and find it difficult to keep in tune with the technical requirements of the chosen course. Some of them don't even own computers and seek help in Learning Resource Centers for technical assistance. The only solution to this problem knows exactly what kind of technological support they will need for a certain course before enrolling in it, as well as properly equipping themselves for the course's successful completion.

#### □ Computer Literacy

Although students are generally tech savvy and thus able to manage computers well, lack of computer literacy is a major issue among students today. Many of them cannot operate basic programs such as Microsoft Word, excel and PowerPoint and therefore are not able to handle their files. Furthermore, many students find fixing basic computer problems troublesome, as they have no knowledge in this area. However, technological proficiency is a must for following online courses, as it enables students to manage their assignments and courseware in an organized manner without struggling. Basic courses in computer literacy enhance



students' knowledge in the field; having a fundamental knowledge of computer hardware would help them participate in online classes without interruptions and hindrances.

□ Time Management

Time management is a difficult task for e-Learners, as online courses require a lot of time and intensive work. Furthermore, whereas it is mostly adults who prefer web-based learning programs for their place and time flexibility, they rarely have the time to take the courses due to their various everyday commitments. A regular schedule planner would be a significant help to these learners, as they could even set reminders for their courses and assignments.

□ Self-Motivation

Self-motivation is an eLearning essential requirement; however, many online learners lack it, much to their surprise. After enrolling in distance learning courses, many learners fall behind and nurture the idea of giving up, as difficulties in handling a technological medium also seem insurmountable. Students need to find the motivation to follow the new educational trends and also properly equip themselves for future challenges in their education and careers. Only a positive attitude will help them overcome the challenges in eLearning; though this is hard to practice, students need to understand that it is necessary in order to reap the e-Learning's benefits in the future.

Conclusion:

As e-learning in Maharashtra as well in Vidarbha region is growing at very high rate. This not only holds true for segments such as government and education but in corporate also. Experts are of the view that there needs to be a mindset for the adoption of e-learning. In underdeveloped states, e-learning can raise the level of education, literacy and economic development. This is especially true for those states in India where technical education is expensive, opportunities are limited, and economic disparities exist.

However, some of the problems with e-learning in Vidarbha region is the lack of course content, especially outside the mainstream focus areas of IT education, English-language content, and Lack of awareness. The Bottom line is that, the Indian market is still young, but it will continue to adopt the concept of e-learning in order to meet its communication needs and seize business opportunities.



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