This journal is available at a subscription of Rs. 1000 per annum for Indian and $ 20.00 per annum for foreign subscription. The proforma of the subscription form is given below. It may be used to subscribe our journal.

**SUBSCRIPTION FORM**

I/We would like to subscribe to ‘**ANVESHAK, International Journal of Management**’

Individuals and Organizations: Annual Membership–Rs. 1000 per annum (For India)

$ 20.00 per annum (Foreign Subscription)

I/We enclose a DD/ Cheque for Rs. ($)________________only towards subscription for one year time. (Subscriptions are to be sent in the form of DD/ Cheque in favor of **Indira Institute of Management, Pune** payable at Pune, Maharashtra).

Name:_____________________________________________________________________________

Designation:_______________________________________________________________________

Postal Address:____________________________________________________________________

E-mail id:__________________________________________________________________________

Please mail the above subscription form by speed post/courier to:

**Dr. Pandit Mali**  
Director, Indira Institute of Management

*Editor-in-Chief*  
**ANVESHAK, International Journal of Management**  
Indira Institute of Management  
85/5-A, ‘Tapasya’  
New Pune Mumbai Highway  
Thathawade  
Pune–411033  
Maharashtra  
Tel: 020 667397 868 /727/830  
Email: pmali@indiraiimp.edu.com

*Kindly Address any Queries to:*  
Dr. Poornima Tapas, Executive Editor at poornima.tapas@indiraiimp.edu.in  
Mr. A.P. Chandratreya, Coordinating Editor at pgrc.iimp@indiraedu.com
ANVESHAH
INTERNATIONAL JOURNAL OF MANAGEMENT (AIJM)
(A Double Blind, Peer Reviewed Bi-annual Journal)

Editor-in-Chief
Dr. Pandit Mali
Director
Indira Institute of Management, Pune–411033

Executive Editor
Dr. Poornima Tapas
Associate Professor & HOD (MBA)
Indira Institute of Management, Pune–411033

Advisory Board
Dr. Tarita Shankar
Chairperson, Indira Group of Institutes, Pune

Prof. Chetan Wakalkar
Group Director, Indira Group of Institutes, Pune

Dr. Dilip M. Sarwate
Certified Management Consultant
Professor Emeritus Indira Institute of Management, Pune

Dr. Guneratne Wickremasinghe
School of Accounting and Finance, Faculty of Business and Law
Victoria University, Melbourne Victoria–8001, Australia

Dr. Jaswant Gandhi
Professor of Management, Member, McKenzie Expert Panel
Management Consultant, Jodhpur (India)

Dr. Patthira Phon-ngam
Associate Professor, Chairman of Ph.D Program
Regional Development Strategies, Loei Rajabhat University, Thailand

Dr. Rajesh Chitre
Sr. Manager Ethics, Abbot Laboratories, Mumbai

Dr. Shiv K. Tripathi
Professor, School of Business, Mzumbe University, Tanzania

Dr. P. Malyadri
Principal, Government Degree College
Osmania University Tandur–501141, Ranga Reddy District, Andhra Pradesh
Members of Editorial Board

**Dr. S.P. Singh**  
Dy. Director, Indira Institute of Management, Pune

**Dr. Santosh Dastane**  
Director (Research), IBMR, Chinchwad, Pune

**Dr. S.G. Bapat**  
S.G. Bapat & Associates, Pune

**Prof. Varun Arya**  
Director, Aravali Gurukul Ashram, Jodhpur, Rajasthan, India

**Dr. R. Shashi Kumar**  
Reader in Economics, Bangalore University, Bangalore

**Dr. Raj Agrawal**  
Director, Centre for Management Education  
All India Management Association

**Dr. Sisira Kanti Mishra**  
BPUT, Orissa

**Dr. Shamsher Singh**  
Banarsidas Chandiwala Institute of Professional Studies  
Dwarka, New Delhi

**Prof. Jayant Panse**  
Director, Maharashtra Institute of Management  
Kalamb-Walchandnagar, Dist. Pune

**Prof. K.P. Mishra**  
Indira Institute of Management, Pune

**Prof. Brijesh Pillai**  
Indira Institute of Management, Pune

**Abhijit P. Chandratrey**  
Coordinating Editor, Indira Institute of Management, Pune
Editor’s Message

Dear Readers,

Greetings!!

It gives me immense pleasure to bring the third issue of ANVESHAK—A bi-annual International Journal of Management (AIJM) with ISSN: 2278-8913.

The Journal solicits original and unpublished research papers addressing theoretical and practical implementations in Management Education. The aim of the journal is to publish a wide variety of disciplinary and interdisciplinary perspectives, encompassing a broad theoretical and methodological scope. The focus is on quality which is achieved through continuous improvement and assurance of high standards.

The current issue embraces the entire area of Management Research. It covers diverse topics from major functional areas of Management. There are reports on descriptive studies in Customer Relationship Management, shopping behaviour in malls, product-mix strategy, branding, and communication in marketing. Studies on Self-Help Groups, traditional financial performance measures and other financial aspects of a business unit give a deep insight into the subject matter.

This issue also gives a fresh perspective on developing an ethical foundation for sustainable business. Study of critical cost issues on waste management for Madurai district is a meaningful value addition on this graver yet vital issue of the 21st century.

Core HR issues on recruitment, retention and a case study on alternative workplace management provides a holistic view of the subject. Two other case studies are also included viz., HUL and textile firm in Tamil Nadu. Study of the internet as a service provider to the globe, re-establishes its features as a highly dependable/indispensable tool of modern world.

Finally, I thank all the contributors for their efforts in creating/enriching the knowledge base. I look forward to our journey together as we develop AIJM to its fullest potential.

Thank you!

Dr. Poornima Tapas

Executive Editor
# Contents

1. **Factors Influencing Acceptance of Mobile Money Services amongst Students of Higher Learning Institutions in Tanzania with Special Reference to Ruaha University College**  
   Bukaza Chachage, Faustin Kamuzora and Gabriel Malima  
   9

2. **India’s ‘Twin Deficits’: Are They Identical Twins or the Warring Cousins**  
   Sindy Fazeli Fard and Kishore G. Kulkarni  
   19

3. **A Fresh Perspective on Developing an Ethical Foundation for Sustainable Business Success**  
   Tanushree and Gaura Nautiyal  
   39

4. **HRM: The Impact of Recession on Recruitment of Manufacturing Industries in India**  
   Archana Surywanshi  
   55

5. **Video Game as Learning and Communication Tool for Teenagers in New Media Age Findings of a Study using Classic Video Game, Tetris**  
   Niket Mehta  
   65

6. **Failure of Power Branding: A Case of HUL**  
   Rekha Dahiya and Asjad Usmani  
   73

7. **Factors Affecting Employee Retention: An Empirical Study in Indian Manufacturing Sector**  
   G. Gopi and Viju Samuel  
   80

8. **Responsible Business is Good Business: A Case of Loyal Textiles Firm from Tamilnadu**  
   Sathish P., Anjana S. and Vidya Rajaram Iyer  
   94

9. **The Spillover Cost of Waste and its Management: A Study with Reference to Madurai District**  
   Ragul Dharmaraja D., Anjana S. and Vidya Rajaram Iyer  
   103

10. **A Descriptive Study of Customer Relationship Management Practices in Automobile Dealers in Baramati Region**  
    Ajit Ashokrao Chandgude and Pratap Paraji Lawande  
    116

11. **Media Means of Internet Service Provider: A Survey**  
    Dr. G.V. Satya Sekhar  
    127
12. SHGs LIFESPANS in India: A Study of Quality Issues of SHGs in Selected Indian States  
   Twinkle Prusty and Ashish Kant Chaudhari  
   137

13. The Alternative Workplace: Charging People with Job Rotation: A Case Study of Private Banks at Raipur (C.G.) Region  
   Sanjay Mishra  
   167

14. EVA’s Superiority over Traditional Financial Performance Measures: A Case Study of Banswara Syntex Limited  
   Shivani Gupta  
   175

15. A Revision of Product Mix Strategy for Rural Market  
   Dr. Nitin Zaware  
   191

16. Role of Entertainment on Shopping Behaviour in Malls of Jaipur  
   Dr. Ashish Pareek and Preeti Tak  
   201

17. Women’s Empowerment in India  
   Gunjan Saigal and Krishna Sarawat  
   210

18. Examining the Environmentally Responsible Consumption Behaviour of University Students  
   Rajan Girdhar and Kaysar Kahlief  
   224

AUTHOR INDEX  
   234
Factors Influencing Acceptance of Mobile Money Services amongst Students of Higher Learning Institutions in Tanzania with Special Reference to Ruaha University College

Bukaza Chachage¹, Faustin Kamuzora² and Gabriel Malima³

¹²³University of Iringa, Tanzania

E-mail: ¹bchachage@tumaini.ac.tz, ²fkamuzora@mzumbe.ac.tz, ³gmalima@tumaini.ac.tz

Abstract—The major objective of this study was to assess factors which influence the acceptance of mobile money services amongst students of higher learning institutions with special reference to Ruaha University College of Saint Augustine University of Tanzania. Survey questionnaire was used to collect data from students. The internal reliability showed that all the research model constructs are reliable except facilitating conditions. Confirmatory Factor Analysis was used to validate the scales. Hypotheses were tested using regression analysis. The findings indicate that majority of users of mobile money services were male students aged between 20-29 years. The study found that Performance Expectancy, Effort Expectance and Social Influence are positively influencing the behaviour intention to use mobile money technologies. Furthermore, Behavioural Intention to use the technology was found to be positively related to the user behaviour of actual use of mobile money technologies.

Keywords: Mobile Money Services, Mobile Banking Systems, Mobile Money Technologies, financial technologies, students’ money services.

INTRODUCTION AND THEORETICAL FOUNDATIONS

This study is constructed based on four theoretical foundations: Unified Theory of Acceptance and Use of Technology (UTAUT) Model by Venkatesh et al., (2003). Vankatesh et al., (2003) developed the UTAUT from reviewing the constructs of eight models that earlier research had employed to explain information systems usage behaviour. These models are Theory of Reasoned Action (TRA), Theory of Planned Behaviour (TPB), Technology Acceptance Model (TAM), and Motivational Model, a combined theory of Planned Behaviour/ Technology Acceptance Model, Model of Personal Computer Use, Diffusion of Innovations Theory (IDT), and Social Cognitive Theory. Empirical studies revealed that UTAUT was able to account for more than 70% variance in usage intention, better than any of the eight models alone (Vankatesh et al., 2003).
The model can be broken down into two parts. Firstly, it postulates that use of new technologies is directly affected by Behavioural Intention (BI) to use technology and Facilitating Conditions (FC). In turn, FC is moderated by Age and Experience. Secondly, BI is directly determined by Performance Expectancy (PE), Effort Expectancy (EE) and Social Influence (SI), moderated by gender, age, experience and the degree to which the technology is voluntary or imposed (Venkatesh et al., 2003).

*Table 1: Definitions of UTAUT Constructs*

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Expectancy (PE)</td>
<td>The degree to which an individual believes that using the system will help to attain gains in job performance.</td>
<td>Venkatesh et al. (2003)</td>
</tr>
<tr>
<td>Effort Expectancy (EE)</td>
<td>The degree of perceived practical ease of use associated with the use of the technology.</td>
<td>Venkatesh (2000); Wu et al. (2010)</td>
</tr>
<tr>
<td>Social influence (SI)</td>
<td>The degree to which an individual perceives the importance others believes he or she should use the new system.</td>
<td>Venkatesh (2000); Wu et al., (2010)</td>
</tr>
<tr>
<td>Facilitating Condition (FC)</td>
<td>The degree to which an individual believes that an organizational and technical infrastructure exists to support use of the system.</td>
<td>Venkatesh et al. (2003)</td>
</tr>
<tr>
<td>Behaviour Intention (BI)</td>
<td>The degree to which a person has formulated conscious plan to perform or not perform some specified future behaviour.</td>
<td>Venkatesh (2000); Wu et al. (2010)</td>
</tr>
<tr>
<td>Use Behaviour (UB)</td>
<td>Use behaviour is the measure of users’ actual frequencies of using technology</td>
<td>Wu et al. (2010)</td>
</tr>
</tbody>
</table>
Basing on the UTUAT, the theoretical framework was developed. The model was modified to fit the study intended. The study tested only the determinants to accept and use technology while leaving moderators such as age, experience, gender and voluntariness. The assumption was that behaviour intention would eventually lead into use behaviour (Chuttur, 2009; Venkatesh et al., 2003; Wu et al., 2012; Zhang et al., 2009).

**Fig. 2: Conceptual Framework of the Study**

**RESEARCH OBJECTIVE AND HYPOTHESES FORMULATION**

The major objective of this study was to test the influence of performance expectancy, effort expectancy, social influence and facilitating conditions on the behaviour intention of the students to accept and use mobile technologies for money transactions. Therefore, from the constructs in the conceptual framework, the following hypotheses were formulated:

- **H1:** Performance acceptance has positive influence on university students’ intention to accept and use mobile money services to conduct transactions
- **H2:** Effort expectancy has positive influence on university students’ behaviour intention to accept and use mobile money service to conduct transactions
- **H3:** Social influence has positive influence on university students’ behaviour intention to accept and use mobile money service to conduct transactions
- **H4:** Facilitating conditions has positive influence on university students’ use behaviour of mobile money service
- **H5:** Behaviour Intention will have positive influence on university students’ use behaviour of mobile money service
METHODOLOGY

The study was conducted in Iringa region with special reference to students of Ruaha University College (RUCO). RUCO was selected randomly to represent universities in Iringa region. The study explored the students’ attitudes towards acceptance and use of mobile money services to send or to receive money. Self-administered questionnaires were used to collect data from 441 randomly picked students who were willing to take part in the study. The study targeted students who are taking various degree programmes who have experience of using mobile money services at least once.

The variables used in this study were PE, EE, SI, FC and BI as specified in the UTAUT by Venkatesh et al., (2003). The scale used consisted of 27 statements (items) to measure these variables using Likert's scale. Students were asked to indicate their level of agreement to the statements in the instrument.

FINDINGS AND DISCUSSION

Gender, age and year of study were assumed to explain the usage or intention to use mobile technologies for money services. Therefore, it was important to find out descriptively the age distribution of respondents, their gender and year of study. Table 2 shows the findings.

The findings in Table 2 indicate that majority of respondents were male students (67.1%) and female respondents comprised of 38.3%. The findings concur with the well known fact that in most of the universities in Tanzania male students are more than female students. In case of age distribution of respondents, most of the respondents 80% were between 20–29 years of age, which was followed by age group of 30–39 (14.1%), 40–49 (3.4%), below 20 years (2%) and above 50 (0.5%). Although the study intended to capture the perceptions and views of university students from all levels of studies, but the findings indicates that most of respondents 75.7% were first years students, followed by second year (23.4%) and third year students (0.9%). The age findings are in line with the findings in the participants of the survey. Normally, first year students in Tanzania follow under the age shown in Table 2. The findings of third year students can be explained by the fact that final year students at RUCO participate in the internship and writing their final paper, which makes them unavailable on campus most of the time during their last year.
FACTORS INFLUENCING ACCEPTANCE OF MOBILE MONEY SERVICES AMONGST STUDENTS

Table 2: Characteristics of the Respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>272</td>
<td>61.7</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>169</td>
<td>38.3</td>
</tr>
<tr>
<td>Age</td>
<td>Below 20 years</td>
<td>9</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>20–29 years</td>
<td>353</td>
<td>80.0</td>
</tr>
<tr>
<td></td>
<td>30–39 years</td>
<td>62</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>40-49 years</td>
<td>15</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>More than 50 Years</td>
<td>2</td>
<td>0.5</td>
</tr>
<tr>
<td>Year of study</td>
<td>First year</td>
<td>334</td>
<td>75.7</td>
</tr>
<tr>
<td></td>
<td>Second year</td>
<td>103</td>
<td>23.4</td>
</tr>
<tr>
<td></td>
<td>Third year</td>
<td>4</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Data Reduction

Though the scale used was adopted from Venkatesh et al. (2003), it was modified to fit the environment. To ensure validity, Principal Component Analysis (CPA), a data reduction technique was run to remove items that do not load in the same component with other items measuring similar construct. A Principal Component Analysis (PCA) with subsequent (Varimax) was conducted in the modified 27 items of the scale. Many correlations were in excess of 0.30 and the Kaiser-Meyer-Olkin (KMO) and Bartlett’s test indicated that the sampling adequacy was greater than 0.5, thus it was suitable for satisfactory factor analysis to proceed. Following rotation, four components were loaded. There was significant cross loading of items. Cross loaded items were removed to remain with 13 items scale. CPA with subsequent (Varimax) was rerun in the 13 items scale, the reversed scale loaded in four components, no cross-loadings and only items measuring FC and BI loaded in the same component.

Table 3: Rotated Component Matrix* of the Reversed Scale

<table>
<thead>
<tr>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>PE1: Mobile money will improve performance in my studies</td>
</tr>
<tr>
<td>PE2: Mobile money enhance effectiveness and efficiency of my transactions</td>
</tr>
<tr>
<td>PE3: Using mobile money will enable me to increase my University productivity</td>
</tr>
<tr>
<td>EE2: It was easy to use mobile money services</td>
</tr>
<tr>
<td>EE3: Mobile money services is easy to use</td>
</tr>
<tr>
<td>EE5: It was easy to learn and use mobile money services</td>
</tr>
</tbody>
</table>

*Table 3 (Contd.)...
Reliability

Reliability refers to the consistency and stability of the findings that enables the findings to be replicated (Burns & Burns, 2008). Internal reliability of the scale was assessed. A reliability analysis using Cronbach’s alpha (\( \alpha \)) was conducted to estimate the reliability of the predictor variables. Cronbach’s \( \alpha \) analysis is a useful way of determining internal consistency and homogeneity of groups of items in tests and questionnaires (Burns & Burns, 2008). The generally agreed upon lower limit for Cronbach’s \( \alpha \) is 0.70. Except FC, all other constructs were above the required limit hence items assessing in construct proved to be reliability in testing the acceptance and use of mobile money transaction. Due to low reliability, FC was dropped.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of Items</th>
<th>Alpha</th>
<th>Variable Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Expectancy</td>
<td>4</td>
<td>0.729</td>
<td>Predictor</td>
</tr>
<tr>
<td>Effort Expectancy</td>
<td>3</td>
<td>0.788</td>
<td>Predictor</td>
</tr>
<tr>
<td>Social Influence</td>
<td>2</td>
<td>0.787</td>
<td>Predictor</td>
</tr>
<tr>
<td>Facilitating Condition</td>
<td>2</td>
<td>0.685</td>
<td>Predictor</td>
</tr>
<tr>
<td>Behaviour Intention</td>
<td>2</td>
<td>0.749</td>
<td>Predictor</td>
</tr>
</tbody>
</table>

Validation

In this study, through the use of Structural Equation Model (SEM), a Confirmatory Factor Analysis (CFA) was run to confirm the validity of the scale. The technique was used to determine whether the model fits the data collected. CFA was performed using AMOS 21. The path diagram displays the standardized regression weights (factor loadings) for the common factor
(Predictor) and each of the items. The squared multiple correlation coefficients describing the amount of variance the common factor accounts for in the observed variables are also displayed in the Figure 3. The highest factor loading was in item BI4 which is 0.82 ($R^2 = 0.67$) and the lowest factor loading PE1 which is 0.60 ($R^2 = 0.36$) (Figure 3).

**Fig. 3: Path Diagram of 11 Items**

$\text{PeE}=\text{PE}, \text{Ee}=\text{EE}, \text{Sol}=\text{SI}$ and $\text{Bel}=\text{BI}$

---

15
After that, CPA was run. The Chi square, $\chi^2$ obtained was 87.878, df is 38 and P-value 0.000 is significant indicating that the hypothesis, that the model is a good fit, should be rejected. However, interpretation of the model fit relying on the Chi-square might mislead because the test is sensitive to sample size (Hooper, et al., 2008). Table 5 shows that RMESA value is 0.055, that indicates the good fit. Other indices which indicated the model good fit are; GFI = 0.965; AGFI =0.940; NFI= 0.980; and NNFI = 0.993 (Table 5). The fit indices of all judgments have already reached the standard, which means that the overall model fitness is good, namely, the fitness between the path plot of the model and the actual observed information is good; thus the assumption of causal model that is mentioned by this study has obtained statistical support.

Table 5: Fit Indices

<table>
<thead>
<tr>
<th>Fit Indices</th>
<th>Acceptable Threshold Level</th>
<th>Obtained Indices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relative $\chi^2$ ($\chi^2$/df)</td>
<td>2:1 - 3:1</td>
<td>2:1</td>
</tr>
<tr>
<td>RMSEA</td>
<td>$&lt;0.08$ = Good Fit</td>
<td>0.055</td>
</tr>
<tr>
<td>GFI</td>
<td>$&gt;0.9$</td>
<td>0.965</td>
</tr>
<tr>
<td>AGFI</td>
<td>$&gt;0.9$</td>
<td>0.94</td>
</tr>
<tr>
<td>RMR</td>
<td>Small value, the better</td>
<td>0.043</td>
</tr>
<tr>
<td>Incremental Fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NFI</td>
<td>$&gt;0.9$</td>
<td>0.945</td>
</tr>
<tr>
<td>CFI</td>
<td>$&gt;0.9$</td>
<td>0.968</td>
</tr>
<tr>
<td>NNFI (TLI)</td>
<td>$&gt;0.9$</td>
<td>0.953</td>
</tr>
</tbody>
</table>

Source: Hooper et al.,(2008); Lei & Wu (2007)

Regression Analysis

Multiple regressions are used to estimate the value on the criterion variable from values on two or more other variables (Burns & Burns, 2008). Multiple regressions were conducted to test the influence of PE, EE, and SI on BI. PE, EE and SI were found to be uniquely, significantly and positively influencing the prediction of behaviour intention ($\beta$=0.107 p=0.049), ($\beta$=0.152 p=0.006) and ($\beta$=0.121 p=0.023) respectively. Based on the results, it can be urged that SI is stronger determinant than PE and EE. Thus, H1, H2 and H3 were supported. Linear regression was conducted to test the influence of BI on use behaviour of mobile money services. BI was found to be uniquely, significantly and positively influence the prediction of use behaviour ($\beta$=.192 p=.000), hence H5 was accepted.
**CONCLUSIONS AND RECOMMENDATIONS**

With regard to the students’ social influence of mobile money services, it has positive influence towards behavioural intention. Friends and fellow students would influence a student to use mobile money service. Social influence was determined to be the stronger determinant that perception on performance expectancy and effort expectancy, this means that university students would tend to use the service more when they are influenced by others, than when they perceive positive usefulness, or when there is low effort required to use the service.

With regard to the users’ performance expectancy of the money services, it has positive influence towards behavioural intention. This means that high expectancy that mobile money services will improve the students’ desire to use the service is validated. For mobile phone services targeting students to be successful, there should be positive expectancy that might have been created by reliable services, security and assurance of the availability of the services when needed.

With regard to the effort expectancy, it has positive influence towards Behavioural Intention. Students require to be provided with immediate mobile phone customer services when needed. The services could include call free, manual, instructions through posters and brochures. Finally, phone companies should consider providing short training to shopkeepers and customer attendants so as these assist their customers, including the university students, better.
REFERENCES


India’s ‘Twin Deficits’: Are They Identical Twins or the Warring Cousins

Sandy Fazeli Fard1 and Kishore G. Kulkarni2
1Graduate Student, Korbel School of International Studies, University of Denver, Denver, CO 80209
2Distinguished Professor of Economics and Editor, Indian Journal of Economics and Business (IJEB), Metropolitan State University of Denver
E-mail: kulkarnk@mscd.edu

Abstract—This study tests the presence and behavior of the ‘twin deficits’—a shorthand term referring to the trade and budget deficits—in India’s economy between 1995 and 2010. Although each deficit is thought to have its own unique set of triggers, theoretical analyses and empirical studies have attempted to document and analyze the extent to which, and how, they act as ‘twins’ (i.e. move together over time). The period of analysis in this study provides an interesting case study because it is fully situated in India’s period of ‘liberalization,’ after a balance of payments (BOP) crisis in the early 1990s catalyzed a set of reforms designed to improve the government and trade budgets. Our approach employs regression models and causality tests to find that while there is evidence of twin deficits in India over the time period in question, the direction of the causal relationship between these deficits stems from the trade deficit to the budget deficit, which is contrary to the direction that standard theory would predict.

INTRODUCTION

Particularly in the aftermath of the recent global financial crisis, the question of ‘twin deficits’ has gained increasing attention. Both separately and together, these deficits—the budget and trade deficits of a country—serve as more than mere indicators of an economy’s health (or lack thereof). An analogy used by Charles Schultze, former Chairman of the Council of Economic Advisers, to describe fiscal deficit, is apt here: it ‘is not a case of the wolf at the door, it’s termites in the woodwork.’ A twin deficit problem can disrupt and slow economic activity, incite currency fluctuations, place upward strain on interest rates, and disincentivize private sector borrowing and capital inflows into an economy. As such, the twin deficits, when left unchecked, erode the framework that makes an economy attract investment and growth.

The twin deficit hypothesis posits that despite their different sets of triggers, the trade deficit and the government budget deficit act as ‘twins’ because they move together. This argument can be hypothetically proven in
two major ways: through a national income accounting approach, and through a combined analysis of the goods market, money market, and balance of payments (BOP) situation of an economy. Both separately and together, these approaches demonstrate that ‘where one goes, the other will follow’; however, many empirical challenges to these theories have sought to question precisely which deficit leads, and which follows (and more often than not, with mixed results).

In this study, we introduce major concepts and theories behind the twin deficit hypothesis, examine the presence and behaviour of the twin deficits in India in the period 1995–2010, and test for causality between the trade and budget deficits. Theoretically speaking, macroeconomic models would predict that the causal relationship between these deficits stems from the budget deficit to the trade deficit; however, our empirical analysis suggests a reverse causal relationship. While we elaborate a few possible explanations for these results, future research may wish to explore the specific variables and factors behind this interplay.

These findings require an examination of the potential factors that may have caused (and continue to cause) the twin deficits to behave antithetically to standard theory, and have implications for fiscal and trade policy making. If the basic reason for rising fiscal deficits in India is indeed the escalating trade deficit, then lawmakers may focus on mitigating India’s terms of trade in order to resolve the budget deficit problem that has adversely affected the value of the rupee as well as the government’s ability to finance expenditures outside of debt repayment (for instance, economic, social, and human development initiatives). However, if the perception that there is a causal relationship is incorrect, then reductions in the trade deficit may fail to resolve the budget deficit dilemma and its associated problems.

In the first section, ‘Twin Deficits Theory’, we explore two theoretical approaches that make the case for the twin deficits hypothesis: national income accounting and IS-LM-BP curve analysis. We demonstrate how they arrive at the same conclusion—namely, that there is a relationship between the trade and budget deficit that makes them act like ‘twins’ (i.e., move together). In the following section, ‘Literature Review,’ we present some of the existing theoretical and empirical work conducted around the concept of the twin deficits, with an additional and specific focus on studies applied to Indian economic data. Section 3, ‘The Twin Deficits in India’s Economy,’ provides background information that helps illuminate our understanding of the trade and budget deficits given India’s recent economic history. It also presents data and provides our rationale for testing the presence of twin
deficits in India. Finally, it presents our findings and offers some explanation for them. In the concluding section, ‘Summary and Conclusions,’ we offer a summarization of this study and some of its key conclusions.

**TWIN DEFICITS THEORY**

**National Income Accounting Approach**

Understanding the twin deficits hypothesis requires a grasp of several related macroeconomic concepts. The first, the process of national income accounting, explores how the economic activity of a nation is a measure of the gross domestic product (herein denoted by GDP or the variable Y). GDP is a measure of the total market value of all final goods and services produced in an economy in a given time period (usually over the course of a year). The calculation of the GDP excludes the price of intermediate goods (which are accounted for in the price of intermediates) as well as informal and financial transactions. The value of the real GDP is a more commonly-used concept than the nominal GDP, as it adjusts for inflation and other price changes year-to-year. The ‘expenditure’ approach to calculating GDP reflects the level of aggregate demand in the economy by looking at the sources of GDP:

\[
\text{Total expenditure of the economy} = Y = C + I + G + X - M,
\]

Where,

Y is GDP; C denotes consumption and is equal to the purchases of final goods and services by the consumer sector; I refers to investment by the producer sector, including the purchase of machinery, tools, and equipment, construction activities, and purchases uses to increase inventories; ‘G’ stands for government expenditure on activities such as welfare, defense, education, and transportation; ‘X’ is equal to the value of a nation’s exports, or the purchases of foreign residents on domestic goods and services; and ‘M’ equals the value of a nation’s imports, or the purchases of domestic residents on foreign goods and services. The final term (X-M) is often called ‘net exports.’ Equal to the difference between exports and imports, it allows us to count only the value of exports in the calculation of GDP (since import transactions contribute to the GDP of foreign economies). All of these variables are expressed in the domestic currency.

Another relevant approach to calculating GDP is known as the ‘income’ approach, which looks at the uses (rather than sources) of GDP. Income is a function of consumption, savings, and taxes, as is reflected in the following formula:
Total income of the economy = \( Y = C + S + T_x \),

Where,

\( Y \) is GDP; \( C \) is consumption; \( S \) stands for savings; and \( T_x \) is the tax revenue collected by the government.

In the formulae above, GDP is said to equal to both the total expenditure and the total income of the country, implying thus that total expenditure is equal to total income. When this occurs, an economy is said to have achieved its equilibrium level of GDP. Graphically, this concept is represented by the intersection of the total income and total expenditure lines:

Known as the Keynesian cross-diagram and credited to American economist Paul Samuelson, the above graph is an attempt to capture the essence of Keynes' theory of effective demand. The ‘total expenditure’ line represents aggregate expenditure on domestically produced goods and services. The 45° line from the origin expresses the national income accounting identity that aggregate expenditure is equal to national income (Ambrosi 1981, 504). The equilibrium level of GDP, \( Y_e \), occurs when the total expenditure line meets the 45° line.
An economy will always produce at the equilibrium level of GDP because of processes known as recessionary and inflationary gaps. At a level of GDP that is higher than the equilibrium, (say, at Y₁), income exceeds expenditure and this results in an excess supply of goods and services in the economy. Excess supply will lead to a decline in prices, which will serve as an incentive for producers to lower their level of investments. These actions will lower output and correspond with a rise in unemployment, causing a recession in the economy. Known as the ‘recessionary gap’, this process will eventually serve to bring GDP down from Y₁ to the equilibrium level.

Conversely, at the income level Y₂, total expenditure exceeds income, causing an excess demand for goods and services which consequently results in higher prices and an ‘inflationary gap’. The increased price level results in higher expected profits, higher investments, and a higher level of output, pushing GDP from Y₂ up to Yₑ. (Kulkarni and Erickson 2001, 99) Of all the components of aggregate expenditure, only the level of consumption is assumed to be a function of income; the other components are assumed to be autonomous. In this regard, a change in autonomous expenditure leads to a larger-sized change in national income, a relationship in Keynesian economics known as the multiplier effect. (Clark 1938, 439). When total expenditure equals total income, the follow equations are true:

\[ C + I + G + X-M = C + S + Tx \]  
(1)

Rearranging, we get,

\[ (I-S) + (G-Tx) = (M-X) \]  
(2)

Equation (2) states that the government budget (G-Tx) is equal to the difference between domestic saving and investment, minus net exports. When negative, this term is considered to be the budget deficit. A shift in this deficit will result in some adjustment in the variables (S-I) and the trade balance (M-X), in order to equate the flows in income and product.

The twin deficit hypothesis thus arises when we assume stability in the difference between investment and savings (i.e., in the first term of equation (2)) and when we acknowledge that the second term represents the government’s budget deficit and the third the trade deficit. The conclusion of the hypothesis is that the two deficits will always be nearly equal to one another and act as ‘twins’—namely, when one deficit changes, the other does too, and in the same direction. (Kulkarni and Erickson, 99).
IS-LM-BP Analysis

Another macroeconomic tool useful for understanding the twin deficit hypothesis is that of the IS-LM-BP curve:

![IS-LM-BP Curve Diagram]

The IS line represents the goods market equilibrium, which is defined when total expenditure is equal to total income. The LM line represents the combinations of interest rate and GDP at which the money market is in equilibrium, at which point, money supply (L) is equal to money demand (M). The BP curve represents the combinations of interest rate and GDP needed to have the balance of payments (BOP) equal to zero. Insofar as the current account and capital account are the main balances on the BOP, a higher GDP increases the current account deficit by leading to a higher level of imports. It is upward sloping, therefore, because a higher GDP needs to be offset by a higher interest rate (r), which would generate inflows of capital and maintain BOP=0. Point J—the point at which all three curves intersect—is the point where all three markets are in equilibrium at the same time.

Graphically, an expansionary fiscal policy would shift the IS1 curve to the right, because it either raises government expenditure or lowers taxes. Along the new IS line, IS2, new equilibrium between the commodity and money markets is established at point K. However, there is a deficit in the BOP because the interest rate (r2) corresponds to a level of GDP (Y2) which is higher than the level of GDP needed to maintain BOP=0 (Y1), which would occur at point T rather than at point K. As a result, an expansionary fiscal policy—which increases the budget deficit—is also responsible for a trade deficit, further signaling evidence of ‘twin’ deficits. (Kulkarni and Erickson, 100).
Implications of Twin Deficit Theory

One particular question that many analyses have attempted to investigate is the issue of causality between the budget and the trade deficit. A broad point of agreement amongst most theoretical and empirical analyses is that there exists a causal relationship stemming from the budget deficit to the trade deficit, which aligns with most standard macroeconomic models. Theoretically, higher budget deficits put upward pressure on interest rates, raising the foreign exchange value of the dollar, and in turn reducing net exports. (Darrat 1988, 880)

Furthermore, budget deficits reduce national savings (both private and public). Assuming that the following equations about savings (which is equal to GDP minus consumption and government expenditure) and GDP hold true:

\[ S = Y - C - G \]
\[ Y = C + I + G + X - M, \]

then, substituting these expressions for Y yields:

\[ S = I + X - M \]

This equation sheds light on the effects of budget deficits by demonstrating that national saving equals the sum of investment and net exports (X-M). When budget deficits reduce national savings, they must in turn reduce investment, net exports, or both. (Ball and Mankiw 1995, 4).

As such, an increase in the government budget deficit is financed either by an increase in domestic savings or an increase in foreign borrowing, which increases the trade deficit (M-X). Or, a government deficit can be corrected in three ways: through a rise in private saving, a fall in domestic investment, or a rise in net foreign saving (reflecting a decrease in the trade balance). (Blecker 1992, 36).

Alexander’s ‘income absorption theory’ of the balance of payments (1952) ties into these concepts by positing that the success of exchange rate policy in reducing a trade deficit is contingent on the implementation of a restrictive (rather than expansionary) fiscal policy that significantly reduces government expenditure (thus addressing the government’s budget problems as well). (Alexander 1952, 274). A Keynesian concept, absorption theory asserts that budget deficits increase a nation’s total expenditures on final goods and services (known as ‘absorption’), which leads to import expansion and exacerbates the trade deficit. (Ratha 2012, 52).
LITERATURE REVIEW

Empirical Tests of Causality

The causal relationship between the twin deficits is empirically tested in a number of studies. Leachman and Francis (2002) use econometric analysis to test for twin deficits between 1948 and 1992 in the United States. From 1948 to 1964, there existed multi-correlation between revenues and expenditures as well as imports and exports, thus ruling out the possibility of a twin deficit relationship between government and trade deficits. Between 1976 and 1992, however, during a period of floating exchange rates, the study finds causation running from the government deficit to the trade deficit. Similarly, Vamvoukas’s (1997) analysis of Greek annual data between 1948 and 1993 finds causality running from the budget to the trade deficit.

However, this causal relationship is not an empirical given. In a more recent analysis of Greek data, Kalou and Paleologou (2012) find the two deficits to be positively linked, yet the direction of causality runs from the current account (which is the sum of the balance of trade, factor income, and cash transfers) to the government budget. The explanations offered for this divergent conclusion are that Vamvoukas ignores the existence of structural breaks in his data and that he uses a narrower definition of the current account deficit, namely the trade balance in real terms.

The few studies that have focused on the twin deficit issue in developing countries also come to divergent conclusions. An analysis conducted by Celik and Deniz (2009) uses quarterly data between 1996 and 2006 for six emerging economies (Brazil, Czech Republic, South Africa, Colombia, Mexico, and Turkey) to find that causality stems from the budget to the current account. On the other hand, Katircioglu et al.’s (2009) analysis of panel data from 24 small island states reveals unidirectional causation stemming from the current account balance to the overall budget balance. Finally, only by expanding his model to include a more extensive array of macroeconomic variables than the traditional twin deficit components, does Hakro (2009) find causality flowing from the Pakistani budget deficit to prices to interest rates to capital flows to exchange rates and, finally, to trade deficits.

Theoretical and empirical analyses have also been used to question the foundational assumptions and counter the conclusions of twin deficit theory. Eisner (1994) proposes that because national savings is composed of private (personal) as well as public (government) savings, a decrease in government savings reflected in budget deficits can be offset by increase in private
savings. In this sense, the national savings rate would be unaffected by deficit spending, because a drop in government savings is offset by an increase in personal savings. In this regard, Eisner’s empirical analysis reveals no effect on private saving from deficit spending between 1972 and 1991. Reynolds (2004) finds that Japan has sustained significant budget deficits, though this situation has not resulted in higher interest rates, currency appreciation, or a current account deficit.

**Applying Twin Deficit Hypothesis to India**

Due to the ambiguous nature of twin deficit theory and its practical implications for fiscal and trade policy making, the question of twin deficits in India has been the subject of a number of empirical studies. Kulkarni and Erickson (2001) use regression and Granger tests to find a causal relationship stemming from India’s budget deficit to its trade deficit over the period 1979–1996. Along those same lines, Parikh and Rao (2006) analyze over three decades worth of Indian economic data to find that fiscal deficits contribute significantly to current account deficits.

On the other hand, a study by Anoruo and Ramchander (1998) of data from five developing Asian economies (India, Indonesia, Korea, Malaysia, and the Philippines) finds that trade deficits cause fiscal deficits. They observe that governments in developing countries may attempt to alleviate the economic consequences of large trade imbalances by engaging in fiscal stimulus programmes, suggesting that trade imbalances spur fiscally-oriented reactions. Ratha (2012) finds that the twin deficits theory holds true for India in the short-term, but not in the long-term. Using monthly and quarterly data for the 1998–2009 period, she finds evidence that by exercising fiscal discipline, India’s government should be able to mitigate the country’s trade deficit in the short-run. However, in the long-run, the importance of austerity measures as a trade deficit reduction tool becomes weak. (Ratha 2012, 65). Raju and Mukherjee (2010) use unit root tests and co-integration techniques to examine the relationship between the fiscal deficit and the current account deficit (both expressed as a percentage of GDP) in India between 1980 and 2008, and they find no long-run relationship.

It is worthwhile to note that very few studies have formally examined the interaction between the trade and budget deficits in India strictly since 1991 (a year which, as we will discuss in the next section, is marked to be the beginning of India’s period of ‘trade liberalization’). Very recently, Bose and Jha (2011) have employed a bivariate framework to conclude that there is
co-movement between India’s current account deficit and fiscal deficit, as a percentage of GDP. Testing for causality, they find some evidence of bi-directional causality, although the evidence that the fiscal deficit causes the current account deficit is weak. (Bose and Jha 2011, 94). By introducing the exchange rate and interest rate into their model, they confirm that in the short-run, the fiscal deficit explains both the exchange rate and the interest rate, while the fiscal deficit itself is explained by the current account deficit. (Bose and Jha 2011, 95).

**Policy Implications**

Despite the divergent conclusions of various analyses, the twin deficit issues involved here have significant implications for policy. For one, as Efremidze and Tomohara (2011) find, twin deficits are key factors underlying sudden stops in capital inflows in developing countries, often leading to a disruption in economic activity and currency crises. Furthermore, the growth of the current account deficit (CAD) tends to place upward strain on interest rates, disincentivizing private sector borrowing. (Narasimhan 2012). Finally, if the basic reason for rising trade deficits is indeed the escalating government budget deficit, then lawmakers may focus on mitigating the budget deficit in order to resolve the trade deficit problem that has adversely affected several sectors such as manufacturing and agriculture. However, if the perception that there is a causal relationship is incorrect, then reductions in the budget deficit may fail to resolve the trade deficit dilemma.

**THE TWIN DEFICITS IN INDIA’S ECONOMY**

**Background**

After gaining independence from the United Kingdom in 1947, India opted to follow a path of planned economic development. According to a definition put forth by Todaro and Smith (2009), economic planning is a ‘deliberate governmental attempt to coordinate economic decision making over the long run and to influence, direct, and in some cases even control the level and growth of a national’s principle economic variables...to achieve a predetermined set of development objectives’ (532). In post-colonial India, economic planning came in the form of Five Years Plans (FYPs), which since 1950 have interchangeably placed priority on issues such as GDP growth, equity, poverty alleviation, industry, and measures to reduce the fiscal deficit and improve the country’s BOP. A central feature of the economic policy regime under these FYPs was a protectionist stance, involving the imposition of import and export controls and a gradual withdrawal of India from participation in the global marketplace. (Thirlwell 2004, 13). To illustrate, by
the late 1980s, India had imposed tariff barriers which were ranked to be among the highest and strictest in the world. (Thirlwell 2004, 20).

Despite some short-term successes associated with the plans, reform efforts in the 1980s acknowledged that the state-sponsored economic development model was failing to deliver exceptional levels of growth to the Indian economy. Worse yet, repeated OPEC oil shocks, export limitations, and India’s rapid and capital-intensive process of industrialization had put strain on its import bill and worsened the terms of trade. (Thirlwell 2004, 15). The reform efforts implemented as a result were cautious and incremental, and they were designed to reduce barriers to export, deregulate industry gradually, and introduce some tax reforms. As a result, the 1980s did witness some economic successes: for instance, total factor productivity in Indian manufacturing improved significantly during this time. (Ahluwalia 1991, 43). GDP grew at an annual rate of 7.6% from 1988/89-1990/91, and exports (which had grown annually at a rate of 1.2% between 1980 and 1985) registered an annual growth of 14.4% during 1985–1990. (Panagariya 2004, 14).

Simultaneously, however, the reforms were associated with an expansionary government budget that led to a growth of the fiscal deficit to as much as 8% of GDP by the end of the decade. (Thirlwell 2004, 17).

![Fig. 2: Indian Fiscal and Current Account Deficit as a Per cent of GDP, 1980/81-1990/91](image)

*Source: Reserve Bank of India, Central Statistical Organization and Ministry of Finance*
EFFECTS OF THE 1991 CRISIS

These balance of payment dynamics (rising fiscal and trade deficits, external borrowing to finance these deficits, rising debt service obligations, high inflation, and an overvalued exchange rate) precipitated India’s 1991 economic crisis. By the beginning of the 1990s, the budget deficit had ballooned, reaching 9.4% of GDP, and was financed by monetization (namely, by printing more rupees) as well as by increase in foreign borrowing. (Cerra and Saxena 2002, 397). By the same token, India’s current account position had also deteriorated due to high dependence on foreign imports, vulnerability to oil price fluctuations, weak remittances from abroad, strong domestic consumer demand (a consequence of public sector wage increases throughout the 1980s), and steep debt service payments. (Ghosh 2006, 414). As Finance Minister, Madhu Dandavate declared in his February 1990 budget speech, ‘the fiscal imbalance is the root cause of the twin problems of inflation and the difficult balance of payments position.’ (Dandavate 1990). The next year, Finance Minister Yashwant Sinha admitted that by November 1990 the economic situation had attained ‘crisis proportions’. (Sinha 1991). Between July and September 1990, India withdrew $660 million from its reserve tranche in the IMF; by the end of that same year, the remaining reserves could only cover three weeks of imports, spurring the government to take steps to suppress imports. (Ghosh 2006, 418).

Emergency measures taken to mitigate the impact of the crisis focused on stabilization and liberalization, and ultimately contributed to a fundamental restructuring of India’s post-1991 economy. Attacking the twin deficit problem head-on was part and parcel of the government’s response. Fiscal consolidation occurred, easing the government budget deficit’s share of the GDP from 7.8% in 1990/91 down to 5.6% in 1992/93. By 1993, a ‘managed’ floating exchange rate for the rupee had been adopted, the country’s foreign direct investment (FDI) regime was deregulated, and double-digit inflation was cut back to single-digit levels. (Ghosh 2006, 422) Together, these measures helped slash the current account deficit to less than half a percentage point of GDP by 1994 and allowed the foreign reserves to increase to more than eight month’s coverage of imports. (Thirlwell 2004, 18).

EVIDENCE OF TWIN DEFICITS IN POST-LIBERALIZATION INDIA

The following data table summarizes the variables relevant to our analysis, which investigates and tests for the presence of twin deficits in India between 1995 and 2010:
India’s ‘Twin Deficits’: Are They Identical Twins or the Warring Cousins

Table 1: Data Table, India’s Key Economic Variables, 1995–2010 (In Rupees Crore)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (Y)</th>
<th>Investment (I)</th>
<th>Savings (S)</th>
<th>Exports (X)</th>
<th>Imports (M)</th>
<th>Trade Deficit (M-X)</th>
<th>Fiscal Deficit (G-Tx)</th>
<th>Consumption (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1191813</td>
<td>320586</td>
<td>302995</td>
<td>130733</td>
<td>144953</td>
<td>14220</td>
<td>91113</td>
<td>751734</td>
</tr>
<tr>
<td>1996</td>
<td>1378617</td>
<td>350472</td>
<td>32634</td>
<td>144854</td>
<td>161022</td>
<td>16168</td>
<td>103294</td>
<td>886559</td>
</tr>
<tr>
<td>1997</td>
<td>1527158</td>
<td>389227</td>
<td>369817</td>
<td>165203</td>
<td>184333</td>
<td>19130</td>
<td>132411</td>
<td>965339</td>
</tr>
<tr>
<td>1998</td>
<td>1751199</td>
<td>420620</td>
<td>402758</td>
<td>195280</td>
<td>224745</td>
<td>29465</td>
<td>186644</td>
<td>1121595</td>
</tr>
<tr>
<td>1999</td>
<td>1952036</td>
<td>508857</td>
<td>489356</td>
<td>227697</td>
<td>265702</td>
<td>38005</td>
<td>194814</td>
<td>1253643</td>
</tr>
<tr>
<td>2000</td>
<td>2102313</td>
<td>509643</td>
<td>489355</td>
<td>278126</td>
<td>297523</td>
<td>19397</td>
<td>206738</td>
<td>1339274</td>
</tr>
<tr>
<td>2001</td>
<td>2278952</td>
<td>515203</td>
<td>521789</td>
<td>290757</td>
<td>311050</td>
<td>38005</td>
<td>235216</td>
<td>1467196</td>
</tr>
<tr>
<td>2002</td>
<td>2454561</td>
<td>587426</td>
<td>621372</td>
<td>355556</td>
<td>379981</td>
<td>24425</td>
<td>247499</td>
<td>1551365</td>
</tr>
<tr>
<td>2003</td>
<td>2754260</td>
<td>719286</td>
<td>760193</td>
<td>417425</td>
<td>436878</td>
<td>19453</td>
<td>243904</td>
<td>1699485</td>
</tr>
<tr>
<td>2004</td>
<td>3149407</td>
<td>984442</td>
<td>988001</td>
<td>569051</td>
<td>629495</td>
<td>56894</td>
<td>235368</td>
<td>1840026</td>
</tr>
<tr>
<td>2005</td>
<td>3586744</td>
<td>1224981</td>
<td>1179357</td>
<td>712087</td>
<td>813466</td>
<td>101379</td>
<td>236519</td>
<td>2057461</td>
</tr>
<tr>
<td>2006</td>
<td>4129173</td>
<td>1457598</td>
<td>1415315</td>
<td>916804</td>
<td>1042263</td>
<td>125459</td>
<td>220082</td>
<td>2307822</td>
</tr>
<tr>
<td>2007</td>
<td>4723400</td>
<td>1761413</td>
<td>1731032</td>
<td>999441</td>
<td>116786</td>
<td>168345</td>
<td>209267</td>
<td>2840421</td>
</tr>
<tr>
<td>2008</td>
<td>5321753</td>
<td>1843668</td>
<td>171955</td>
<td>1206600</td>
<td>1491375</td>
<td>284775</td>
<td>471581</td>
<td>3257800</td>
</tr>
<tr>
<td>2009</td>
<td>6550271</td>
<td>2433294</td>
<td>2297966</td>
<td>1298371</td>
<td>1639872</td>
<td>341501</td>
<td>634583</td>
<td>3782013</td>
</tr>
<tr>
<td>2010</td>
<td>7875627</td>
<td>2788917</td>
<td>2531542</td>
<td>1951665</td>
<td>255442</td>
<td>599537</td>
<td>4502974</td>
<td>4502974</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund, International Financial Statistics and Reserve Bank of India, Handbook of Statistics on Indian Economy

Both the trade and budget deficits were important leverage points in the government’s response to the 1991 economic crisis; since the 1990s, they have continued to play an important role in the country’s economic trajectory. Since the crisis, India’s ‘liberalization’ period has witnessed a steady opening of the Indian economy, aided by the easing of trade policies and improvements in the country’s export levels. However, India’s integration into the global economy has still been partial at best. To illustrate, the International Monetary Fund (IMF) measures a country’s level of ‘trade restriveness’ on an index ranging from zero (least restrictive) to ten (most restrictive). On this scale, India scores 8/10, a highly restrictive score compared to China’s 5/10 and an average score of a little less than 4/10 for the Asian region as a whole. (Rajan 2005). Furthermore, while some headway had been made in the 1990s in alleviating the fiscal deficit, it continues to be a source of concern to this day and may be an obstruction to sustainable growth. (Bhide and Srinivasan 2004, 33). The gross fiscal deficit of the Indian government as a whole (including the central and state governments) remained close to 10% of GDP in 2002/03, at even greater levels than those seen in the 1990s at the onset of the crisis. This large deficit has made expenditure on economic development difficult. (Bhide and Srinivasan 2004, 35–36).

A simple graphical plot of the double deficits over a recent 15-year period (1995–2010) provides compelling visual evidence that they (1) are indeed deficits and (2) act as ‘twins’ (i.e., they move together)
As mentioned previously, the concept of the twin deficits holds when we assume stability in the term (I-S), two variables which we can depict graphically:

**Fig. 3: India’s Fiscal and Trade Deficits, 1995–2010**

*Source: Reserve Bank of India, Handbook of Statistics on Indian Economy*

**Fig. 4: Private Investment and Savings as a Per cent of GDP, 1995–2010**

*Source: International Monetary Fund, International Financial Statistics*
Both graphs provide some insight about the presence and behaviour of twin deficits in India. Interestingly, the country's deficit situation fared well throughout the East Asian economic crisis of 1997, which was triggered by the collapse of the Thai currency, the baht. At that point, the lessons from India's 1991 crisis were still active: external debt was tightly controlled; the current account deficit was managed; and the exchange rate system did not lose control. This management allowed the country to go relatively unscathed through 1997/98, especially under the aegis of the Reserve Bank of India (RBI) which intervened in the spot and forward exchange rate markets to help curb speculative behaviour and volatility. (Dua 2007, 13). In this regard, the deficit graph shows very little indication of the economy having taken a 'hit' during the 1997 crisis.

The global financial crisis of 2008, on the other hand, demonstrates a larger impact. The two deficits seem to have moved in opposite directions during the period 2003–2007, with the trade deficit rising and the budget deficit decreasing slightly, thanks to the implementation of the Fiscal Responsibility and Budget Management (FRBM) Act of 2003. However, the crisis adversely affected the budget deficit because the government opted for fiscal expansion and stimulus during the peak crisis period, particularly between 2008 and 2009. (Bose and Jha 2011, 84). Simultaneously, the 1998 crisis led to deterioration in the trade balance, as India's exports (which are led by jewelry, textiles, and services) declined more than did its imports (which rely heavily on foreign oil, coal, and other energy sources). Calculating the marginal propensity to import (MPI) using 1995–2010 data, we estimate this equation to be:

\[ M = -286313 + 0.298(Y) \]

Indicating that in the post-liberalization time period, a one rupee crore unit increase in GDP corresponded to an increase in import expenditures by 0.298 rupee crore (nearly 3 million rupees).

The investment and savings graph demonstrates similar effects. While savings and investment as a proportion of GDP certainly took a 'dip' during the 1997 East Asian crisis, they both experienced a steep rise between 2001 and 2007. High income growth, coupled with a demographic transition that introduced more working-age people into the workforce, resulted in a surge in private savings during this time. Business profitability during this period also contributed to a rise in corporate savings as well as investment, explaining the rise in both curves. The 2008 global financial crisis catalyzed a more drastic dip in both investment and savings. Overall, during the period 1995–2010, we estimate the equation for the marginal propensity to save to be:
S = -204683 + 0.368(Y),

which suggests that the savings as a percentage of GDP increases by 0.368 percentage points with a one-rupee crore unit increase in GDP.

**Testing the Twin Deficits in India, 1995–2010**

Our methodology for testing the behaviour of the twin deficits in India over the period 1995–2010 replicates the approach used by Kulkarni and Erickson (2001) to test the twin deficits in India, Mexico, and Pakistan. Namely, this approach involves bivariate and multivariate linear regressions to test causality between the fiscal and trade deficits. In this regard, we attempt to estimate the following equations:

1. \( \text{TD} = k \text{BD} \), where TD and BD represent the trade deficit and budget deficit respectively, and \( k \) is the expected coefficient.
2. \( \text{BD} = j \text{TD} \), where \( j \) is the expected coefficient.
3. \( \text{TD}_t = l \text{BD}_{t-1} + m \text{TD}_{t-1} \), where \( l \) and \( m \) are the expected coefficients, \( t \) is the current year, and \( t-1 \) is the previous year.
4. \( \text{BD}_t = n \text{BD}_{t-1} + p \text{TD}_{t-1} \), where \( n \) and \( p \) are the expected coefficients.

Equations (1) and (2) estimate the degree to which the budget deficit affects the trade deficit in a given year and vice-versa, respectively. Equations (3) and (4) test the extent to which the trade deficit in one year is affected by the trade and budget deficits in the previous year and the extent to which the budget deficit in one year is affected by the trade and budget deficits in the previous year, respectively.

The results of our tests are summarized below (figures in parentheses represent the t-statistic of the estimated intercept or coefficient):

1. \( \text{TD} = -63829.3 + 0.603(\text{BD}) \)
   \((-2.527) (7.339)\)
   Adjusted \( R^2 = 0.779 \)
   Standard error of the estimate = 51261.2
2. \( \text{BD} = 138627 + 1.316(\text{TD}) \)
   \((5.421) (7.339)\)
   Adjusted \( R^2 = 0.779 \)
   Standard error of the estimate = 75717
3. \( \text{TD} = 75343.34 + 1.452(\text{TD}_{t-1}) - 0.403(\text{BD}_{t-1}) \)
   \((3.013) (7.173) (-2.660)\)
INDIA'S 'TWIN DEFICITS': ARE THEY IDENTICAL TWINS OR THE WARRING COUSINS

4.  \[ BD = 11375.8 + 1.061(TD_t-1) + 0.298(BD_{t-1}) \]
\( (2.616) \) \( (3.015) \) \( (1.132) \)

\[ \text{Adjusted } R^2 = 0.835 \]
\[ \text{Standard error of the estimate} = 64883.04 \]

The results demonstrated in equations (1) and (2) provide evidence of twin deficits in India during the time period in question. The high adjusted R square values make a compelling case that there is a causal relationship between the trade and budget deficits, in both directions. However, the higher coefficient in equation (2) seems to suggest that a change in the trade deficit has a bigger impact on the budget deficit than does the budget deficit on the trade deficit, which is unintuitive given the traditional view that causality stems from the budget to the trade deficit.

The results from equations (3) and (4) also seem to contradict the standard textbook prediction that causality runs in this direction. Both have compelling adjusted R square values; however, the high coefficient for the past year's trade deficit variable \((TD_{t-1})\) in equation (4) indicates that the budget deficit is dependent on the trade deficit.

ANALYSIS

There may be several possible reasons to explain the unconventional results of our tests of Indian twin deficit data from 1995 to 2010. The first possible factor has to do with the interaction between investment and savings during this time period, particularly during the early-to mid-2000s before the global financial crisis. In observing the graph 'Private Investment and Savings as a Per cent of GDP', we see that both the investment and savings curves do demonstrate 'co-movement,' insofar as changes in one curve seem to occur (more or less) simultaneously with changes in the other. However, the period 2001–2004 saw the savings rate exceeding the investment rate, when traditionally the reverse has been true. In terms of the national income accounting equation, this fluctuation seems to be contrary to the premises of the twin deficit hypothesis, which assume stability in the \((I-S)\) term such that \((G-Tx)\) can be approximated to be equal to \((M-X)\). The fact that the \((I-S)\) term in actuality fluctuated between positive and negative values between 1995 and 2010 may either (1) provide evidence against the presence of twin deficits in India during our time period, or (2) have caused the trade deficit and budget deficit to adjust in such a way as to suggest a causal relationship that is antithetical to the mainstream theory.

Furthermore, the impact of India's own balance of payments crisis, the East Asian crisis, and the 2008 global financial crises is significant here. The
two prongs of India’s post-crisis economic restructuring plan were trade liberalization and stabilization (particularly of the fiscal deficit). As a new entrant to the global economy, India began to experience the effects of trade openness—including increases in both exports and imports—beginning in the early-to mid-1990s. However, its fiscal discipline programme, which culminated in the enactment of the FRBM Act of 2003, did not arguably make a significant impact on the budget deficit until the mid-2000s. Thus, efforts to mitigate the trade deficit took hold in India sooner than efforts to alleviate the budget deficit.

The reaction of imports, exports, and fiscal stimulus measures to these external crises may also play a role. Despite taking hits from 1997 and 2008 crises, Indian GDP grew over the period 1995–2010 at high positive rates, averaging about 7% annually. This GDP growth, combined with the fact the marginal propensity to import has a direct positive association with GDP, suggests that despite global recession, Indian demand for imports (especially for energy sources) has remained high, and continues to grow. On the other hand, the recessions caused a decline in demand for Indian exports, especially for luxury goods and services. The rich developed nations that were particularly hard-hit by the 2008 global crisis (including the United States, United Kingdom, and other major economies in the European Union) also constitute a large portion of India’s trading partners. In this manner, the 2008 crisis catalyzed an increase in India’s trade deficit, as purchases of imports drastically exceeded revenues from exports. In an attempt to mitigate the impact of the crisis, India partook in an expansionary government spending programme (with the intent of returning to the ‘FRBM target for fiscal deficit at the earliest and as soon as the negative effects of the global crisis on the Indian economy have been overcome,’ according to a budget speech by Finance Minister Pranab Mukherjee). (Mukherjee 2009).

By government design, therefore, we see strong evidence that the worsening of the trade deficit (at least for the last few years of the 2000s) had a significant causal impact that also worsened the budget deficit.

**SUMMARY AND CONCLUSION**

This study sought to explain the major concepts behind the twin deficits hypothesis, apply them to the case of India’s economy between 1995 and 2010, and test for causality between the trade and budget deficits over this period. This hypothesis posits that ‘where one goes, the other will follow’: the two deficits will always be nearly equal to one another and act as ‘twins’—namely, when one deficit changes, the other does too, and in the same direction. This can be demonstrated using two macroeconomic models, namely the national income accounting approach and the IS-LM-BP curve analysis.
INDIA'S 'TWIN DEFICITS': ARE THEY IDENTICAL TWINS OR THE WARRING COUSINS

Theoretically speaking, these macroeconomic models would normally predict that the causal relationship between these deficits stems from the budget deficit to the trade deficit; however, our empirical analysis suggests a reverse causal relationship. There is more evidence in the Indian case that in the period 1995–2010, changes in the trade deficit caused changes in the government budget deficit, rather than vice-versa. While the results of the tests we conduct are compelling, the fact that they go contrary to standard theoretical predictions required a closer look at the potential factors to account for this digression. Specifically, the impact of the 1991, 1997, and 2008 crises—combined with the fact that GDP growth in India has increased consumer demand for imported goods and services, namely oil and coal—could be potential explanations for why deterioration in the terms of trade catalyzed expansionary fiscal measures that increased the budget deficit during the period in question.

If the basic reason for rising fiscal deficits in India is indeed the escalating trade deficit, then lawmakers may focus on mitigating India's terms of trade in order to resolve the budget deficit problem. However, if the perception that there is a causal relationship is incorrect, then reductions in the trade deficit may fail to resolve the budget deficit dilemma and its associated problems. Ultimately, the twin deficit hypothesis provides an important framework that may help lead India's economy down a more prosperous trajectory.

REFERENCES


A Fresh Perspective on Developing an Ethical Foundation for Sustainable Business Success

Tanushree¹ and Gaura Nautiyal²
¹Assistant Professor, Banarasidas Chandiwala Institute of Professional Studies, New Delhi–75
²Assistant Professor, Banarasidas Chandiwala Institute of Professional Studies
E-mail: ¹tanushree.bhu@gmail.com, ²gauranautiyal@gmail.com

Abstract—In order to achieve excellence in the contemporary business scenario it is imperative that companies should have basic positive values and attitudes. Ethics deals with what is wrong and what is right in various disciplines of the organization. Unethical practices may yield short term gains but the organization may have to compromise its success in the long run.

In the increasingly conscience-focused marketplaces of the 21st century, the demand for more ethical business processes and actions is growing. Simultaneously, the increasing globalization has put organizations under immense pressure to not only maintain but improve profitability. Added to this is the moral dilemma that an action may be acceptable as per the law of the country but stakeholders, importantly here—the customers, may view it as an unethical practice. There are numerous such examples some of which have been highlighted in the paper.

India too has its own stories of unethical practices, the least of which being the tendency of most local companies ignoring intellectual property rights and passing off local developments as their innovations or as is popularly stated as ‘jugaad’.

There are, however, equally compelling examples of ethical corporate behaviour resulting in business success. It would therefore, be safe to presume that in the long run, customers tend to prefer companies with evident ethical practices and that hopefully, sooner or later, unethical organizations are bound to face the contempt of customers in the form of dwindling revenues.

This paper is our attempt to present our perspective on the core idea of maintaining ethical standards as a fundamental to the prosperity and reputation of an organization as well as the development of its human resources. It focuses on the various ethical dilemmas that may be faced in the organization and analyses the ways in which an organization may promote ethical conduct.

Keywords: Ethics, Unethical Practices, Ethical Behaviour

INTRODUCTION

Good ethics lead us to believe in not doing things that are not right and not saying things which are untrue. Ethics is a system of moral principles governing the appropriate conduct of a person or a group. It is a way of being human and having a feeling of compassion, sympathy and regard for others, the way we have for ourselves. Maintaining good ethics is being consistent with the principles of correct moral conduct constantly.
Management ethics is about exercising appropriate behaviour when handling people at work and obtaining best efforts within moral codes. Management is the vital force in an organization and if that is facing some ethical issues, the organization’s success, steadiness and endurance get endangered. In today’s world, corporate indiscretion, wrongdoing, and corruption are perpetually the subject of media attention as well-known companies such as Enron, Tyco and WorldCom, have been found guilty of unlawful behaviour. Although conventional wisdom suggests that unethical behaviour is the result of a few ‘bad apples’, there is mounting evidence that in addition to the personal values of employees, the organizational environment plays a critical role in encouraging ethical conduct.

**OBJECTIVE AND SCOPE**

This paper aims to present our perspective on the core idea of laying down and maintaining ethical standards for the long term prosperity and sustainable success of an organization.

We have tried to highlight the alarming trend of rising unethical practices in the modern business and present our views regarding the measures to promote ethical behaviour in the modern organizations.

**IMPORTANCE OF BUSINESS ETHICS: LITERATURE REVIEW**

Construed broadly as moral reflection on commerce, business ethics is probably as old as trade itself. Although self-conscious, academic business ethics is of recent vintage, its intellectual roots are found in the corporate social responsibility (CSR) and business-and-society literatures originating in law and in business in the early and middle 20th century (Berle and Means 1932). Academic business ethics displays its CSR heritage in the peculiar constellation of concerns that pervade its literature. Those concerns surround the business corporation, which Robert Solomon (1991) calls ‘the basic unit of commerce today’. Seeing the large, publicly-traded corporation as the key actor in business, most academic business ethicists understand the foundational normative question of their discipline to be that of how and in whose interests corporations ought to be governed. Over the last two decades, the main attempts to answer this foundational normative question have been understood as constituting a ‘shareholder-stakeholder debate’ in business ethics.

Originating in the work of R. Edward Freeman (1984), *stakeholder theory* is widely regarded among academic business ethicists as the most significant theoretical construct in their discipline. Normative ethical stakeholder theory
articulates the view that a business firm ought to be managed in a way that achieves a balance among the interests of all who bear a substantial relationship to the firm—its stakeholders. In Freeman’s account, the very purpose of the firm is coordination of and joint service to its stakeholders.

The ethical sensitivity of all professionals has come under close scrutiny in recent years. The past level of ethics demonstrated by professionals is no longer adequate and perhaps never was. This renewed ethical concern represents the recurrence of an established issue: the lack of ethical behaviour exhibited by many persons in positions of responsibility (Tsalkis and Fritzsche, 1989).

Ethics involves learning about right and wrong and includes the fundamental ground rules by which we live our lives. Philosophers have been discussing ethics for more than 2500 years, since the times of Socrates and Plato. It may seem very simple to say that every business should be ethical, but it simply is not as easy as that. It is important to plan an approach towards ethical conduct and value-based practices in today’s organizations. Poor ethical choices can possibly ruin an entire business or corporation and affect large groups of people. It is important to understand that unethical behaviour can have extreme consequences.

Business ethics manifests both as written and unwritten codes of moral standards that are critical to the current activities and future aspirations of a business organization. They can differ from one company to another because of differences in cultural perspectives, operational structures and strategic orientations (Brenner, 1992). The guiding framework of business ethics permeates all levels of the organization. It is about having the wisdom to determine the difference between right actions and wrong decisions. In simpler terms, business ethics fundamentally epitomizes the organization’s codes of corporate governance. It stipulates the morality standards and behavioural patterns expected of individuals and the business as a whole. These moral benchmarks can be perceived in terms of the microenvironment and macro environment of the business.

The importance of ethical conduct by organizations cannot be overlooked and companies and business people who wish to thrive long-term must adopt sound ethical decision-making practices. Companies and people who behave in a socially responsible manner are much more likely to enjoy ultimate success than those whose actions are motivated solely by profits. Knowing the difference between right and wrong and choosing what is right is the foundation for ethical decisionmaking. In many cases, doing the right thing often leads to the greatest financial, social, and personal rewards in
long run. Also, there have been many instances in the past when businesses experienced catastrophic consequences for failure to adhere to ethical business practices.

A company’s managers play an important role in establishing its ethical tone. If managers behave as if the only thing that matters is profit, employees are likely to act in the same manner. A company’s leaders are responsible for setting standards for what is, and is not, acceptable employee behaviour. It’s vital for managers to play an active role in creating a working environment where employees are encouraged and rewarded for acting in an ethical manner. Managers perform a crucial role in organizations because they interpret company policy, execute corporate directives, fulfil all of the people management needs in their particular area of responsibility, cascade senior management messages down the chain of command, and communicate employee feedback up the chain. They are probably the most important ingredient in an organization’s success and they are frequently the most overlooked. But make no mistake about it—managers are the lens through which employees view the company, as well as the filter through which senior executives view employees’ (Trevino & Nelson, 2006). Managers are constantly faced with many ethical issues related to hiring, performance evaluations, discipline, termination, diversity and harassment.

Managers who want employees to behave ethically must exhibit ethical decisionmaking practices themselves. They have to remember that leading by example is the first step in fostering a culture of ethical behaviour in their companies. No matter what the formal policies say or what they are told to do, if employees see managers behaving unethically, they will believe that the company wants them to act in a like manner.

RISING INSTANCES OF UNETHICAL BUSINESS AN ALARMING TREND

In the increasingly conscience-focused marketplaces of the 21st century, the demand for more ethical business processes and actions is growing. Simultaneously, the increasing globalisation has put organizations under immense pressure to not only maintain but improve profitability. Added to this is the moral dilemma that an action may be acceptable as per the law of the country but stakeholders, importantly here—the customers, may view it as an unethical practice.
Most companies do have a charter of ethical practices of some sort in place but the increasing number of incidences of unethical practices coming to light like that of Nike and more recently Apple, the pertinent question here is: Are ethical practices restricted to mere documentation? Both the aforementioned companies, like many others in the developed world, outsource most of their work to factories in developing countries like Thailand, Vietnam, India etc. The sourcing companies claim to have stringent norms for selecting suppliers, however, many of their suppliers have been found to have flouted labour laws making employees work for inhuman hours under unhygienic conditions and yet not paying the minimum wages. Nike has, in the past, pleaded innocence since it was not directly employing the affected workforce. However, the allegations of profiting from operating these ‘sweatshops’ stuck and the company lost its leadership position in the US athletic footwear market as a result of consumer backlash.

A dictionary would define unethical behaviour as ‘not conforming to approved standards of social or professional behaviour’. There are numerous examples of this, including that of ‘Blood Diamonds’ or ‘conflict’ diamonds which are defined by the UN as: ‘Any diamond that is mined in areas controlled by forces opposed to the legitimate, internationally recognized government of a country and that is sold to fund military action against that government.’ Potential customers reacted adversely to the news that the diamonds that they were buying were sourced from people who were using the income generated from these sales to wage war against their own people, a war that had left thousands dead, millions displaced, and more despairingly forced children to work as foot soldiers of the rebel militia.

The diamond companies involved in the controversy claimed that their representatives had purchased the diamonds at legitimate auctions and were, therefore, free of all blame. While the companies may have been legally right, profiting by funding a war definitely qualified as an unethical act. Following the bashing that its image too the diamond industry undertook measures to improve its battered image by introducing what is known as the ‘Kimberly Process’ that entails companies voluntarily providing a certificate of origin to customers to convince them that they are not buying conflict diamonds. However, as has been widely reported by Amnesty International in its demands for increased governmental intervention across the world, the tainted diamonds continue to find their way into markets across the world as it is a voluntary process.
Increasingly, governments are intervening in cases where an unethical practice has proven to have occurred. In early 2011, for instance, Johnson & Johnson was fined US$ 70 million by the US Securities and Exchange Commission (SEC) for violating the Foreign Corrupt Practices Act. The company, and its subsidiaries, were found guilty on two counts: to have bribed various public doctors in many European countries for prescribing drugs or authorising purchase of products manufactured by the company. More recently, the Indian government was considering bringing in a legislation that would make it illegal for doctors to accept gifts from pharmaceutical companies. A draft code to this effect was introduced in the Parliament in early 2012.

Paying bribes for getting work done is, in fact, one of the most widespread unethical practice in the global business scenario, so much so that Transparency International has been coming out with a Bribe Payers Index Report once every three years since 1999. Countries are measured on a scale of 0–10, where a maximum score of 10 corresponds with the view that companies from that country never bribe abroad and a 0 corresponds with the view that they always do. The most recent report in 2011 was based on a survey of 28 leading economies. Russia was found to be topping the list of bribe payers with the lowest score of 6.1, while India with a score of 7.5 ranked ninth. Companies from Netherlands were least likely to pay a bribe as they scored a high 8.5. What is significant, however, is that no country scored a perfect 10 indicating that paying bribes to get work done is an accepted norm across the world.

There is a very fine line dividing right from wrong. Often, the temptation to indulge in an unethical practice is often rationalised by convincing oneself that nobody’s being harmed. For instance, an online start-up may put up false customer testimonials and justify it by thinking that, ‘I know my product is good, when customers, convinced by the testimonials, actually register with me I’ll definitely be providing them a quality product, so what’s so wrong in my action?’ This is probably what might have happened in the case of Satyam Computers. What started off as a little window dressing of its financial statements, spiralled uncontrollably to a systematic accounting fraud of Rs. 7,136 crores by the time the details of the scam came to light in early 2009. The revelations resulted in a spurt of resignations, until the government disbanded the board, and put its founder and CEO, B. Ramalinga Raju behind bars. The extent to which the investor community lost faith in the company is evident in the sharp fall in share prices from a 52-week high of Rs. 544 to a low of Rs. 30 per share.
There are other instances of businesses in India indulging in varied unethical practices, the least of which being the tendency of most local companies ignoring intellectual property rights and passing off local developments as their innovations, or as what is popularly known as 'jugaad'.

However, India is also at the receiving end of unethical practices as was witnessed in the decades old Union Carbide case with those responsible escaping with relatively minor monetary penalties simply because India being a ‘third world’ country with the quality of life that did not justify higher levels of compensation, according to the judgement. This, despite the fact that those affected, including the unborn, were maimed for life.

**BEING ETHICAL PAYS IN THE LONG RUN**

Organizations, however, are recognizing the need to have an ethical foundation for their management. *Ethisphere Magazine*, a quarterly publication of the New York based Ethisphere Institute, has been evaluating companies across the globe on ethical practices and publishing a list of World’s Most Ethical Companies, since 2007. The selection, open to every company in every industry around the globe, gives its winners an opportunity to trumpet their do-gooding ways.

The numbers making the list have varied from year-to-year. For instance, in 2011 only 110 companies made the list and for the first time since its inception it featured an Indian company—HDFC. In 2012, the number of companies that made their way to this list increased to 145, and although two Indian companies, Wipro Ltd., and Tata Steel Ltd., featured in it the previous year’s Indian entry, HDFC was not included.

What is significant is that only 23 companies have managed to make the list all six years from 2007–2012 underlining the fact that maintaining ethical standards in an increasingly competitive market can be very difficult. Even more noteworthy, however, is the fact that nearly 5,000 companies were nominated—or nominated themselves—to be considered in 2012. The record-high number of nominations and applications demonstrates companies’ desire to be acknowledged for high ethical standards and the realization that ethics can be an important competitive advantage in the global economy.

The 2011 survey by the same organization found that the 110 companies categorised as World’s Most Ethical outperformed the S & P 500 index over the five year period from 2007–2011. It would, therefore, be safe to presume that in the long run customers tend to prefer companies with evident ethical practices and that hopefully, sooner or later, unethical organizations are bound to face the contempt of customers in the form of dwindling revenues.
All of these companies have clearly laid down policies and rules that guide employees on what constitutes acceptable ethical behaviour and as is clearly evident that these companies have managed to put these policies into practice. The purpose of these policies is to guide employees when faced with ethical dilemmas as often there is a very thin dividing line between right and wrong. For instance Wipro Ltd’s comprehensive Code of Business Conduct and Ethics (COBCE) emphatically rejects the practice of offering bribes, defined in the code as ‘corruptly giving a thing of value in exchange for gaining advantage in favour of the giver or any other person’. Making facilitating payments, however, are considered acceptable. Facilitating payments have been defined as ‘payment of money to expedite a routine governmental action to which the giver is otherwise entitled to’. Thus clearly laid down guidelines, provided they are also implemented, go a long way in promoting ethical conduct.

Companies that are ethical, tend to realize that doing the right thing, and maintaining a clean image, is actually good for business—and they drive and encourage a culture that emphasizes that.

**HOW TO PROMOTE ETHICAL BEHAVIOUR IN AN ORGANIZATION?**

Different people have different beliefs about what constitutes ethical behaviour. The law defines what is, and is not, legal, but the distinctions between moral right and wrong are not always so clear. In many situations, lines between right and wrong are blurred. Such situations can lead to ethical dilemmas.

When faced with ethical dilemmas, it’s important to consider outcomes of the decision-making process. One way of dealing with ethical dilemmas is to use the four-way test to evaluate decisions. This test involves asking four questions:

1. Is our decision a truthful one?
2. Is our decision fair to everyone affected?
3. Will it build goodwill for the organization?
4. Is the decision beneficial to all parties who have a vested interest in the outcome?

When these four questions can be answered truthfully with a ‘yes’, it is likely that the decision is an ethical one.

It has to be understood that more than simply a legal or moral responsibility, ethics need to become an organizational priority.
Organizational leaders have a lot on their minds in today’s highly competitive world. They must keep abreast of rapid technological advancements, competitor’s products and services, the effects of globalization, and opportunities and threats within their own industry, to name the most obvious. Leaders must also keep a constant eye on the mission, vision, values, culture, strategy and goals of their own organizations. In the midst of all of this complexity, it’s not easy to find room on the organizational plate for another major priority. However, to succeed in the 21st century, organizations will have to figure out how to make ethics a priority. Priorities are those few things that are deemed most important. Many things are important, some more and some less, but only a few things are most important. Ethical values need to achieve recognition as among the elite, most important success factors in modern organizations.

As an organizational priority, ethics will not only affect decision-making, but also, and ultimately, institutional culture. To achieve this ideal, there must be an alignment process that integrates business ethics with mission, vision, values, strategies and goals. Ethical values are essentially social in nature, therefore, this alignment process will be concerned with relationships and defining relational expectations. The goal of an ethical organizational culture is the greater good of all. Internal relationships between leaders and followers, as well as external relationships with clients, customers, vendors and the community are all prized. As a result, people are treated well consistently and an ethical culture emerges.

It can be said that there are three key ingredients of the ethical environment that work together to promote ethical behaviour: (1) ethical leadership, (2) ethical practices, and the (3) ethical climate.

**Ethical Leadership**

We all have heard stories about the numerous companies that are managed by ethical leaders. While standards seem to keep falling in some corporations, other leaders ‘raise the bar’ and inspire their teams to do the same. These leaders do the right thing, at the right time, for the right reasons. They put their ethics before the bottomline—and as a result, they have dedicated teams that would do almost anything for them. Ethical leaders set the tone for how employees should behave in organizations. Ethical leaders are both moral persons who have desirable characteristics and moral managers who influence employees conduct directly. As moral persons, they listen to employees, conduct their personal lives in an ethical manner, have the best interests of employees in mind, make fair decisions and can be trusted, whereas as moral managers they discipline employees
who violate ethical standards, discuss business ethics or values with employees, set an example of how to do things the right way in terms of ethics, define success not just by results but also the way they are obtained and always keep in mind ‘the right thing to do’ when making decisions.

What is significant is that most Indian CEOs are conscious of this need to lead by example as highlighted in a 2007 study titled, 'The DNA of Indian Leadership: The Governance, Management and Leadership of Leading Indian Firms'. When asked to rank their management priorities, ‘Keeper of organizational culture’ figured amongst the top three areas of focus for most of the Indian CEOs surveyed.

Two such shining examples of exemplary ethical leadership are Mr. Narayana Murthy, Chairman Emeritus of Infosys and Ratan Tata of Tata Sons, who have, over the years, been widely appreciated in India as well as abroad for their deep commitment to adopting a morally sensitive approach to doing business.

**Ethical Practices**

Employee ethics cover a diverse landscape of practices, some with legal implications, all of which the managers and decision makers must be aware. Company policies and mission, employer demeanor and actions provide a working template for employees to use as they conduct their day-to-day business. Develop a template for an ethical workplace culture by defining what constitutes ethical practices. Business values and ethics policies guide employee ethical practices.

It can be said that ethical practices are actions or activities related to ethics that are repeated and recognizable in organizations—they are what organizations actually do rather than just what is touted. Research demonstrates there are six critical organizational practices related to ethics:

**Recruitment and Selection**

The organization should use ethical hiring practices, hiring employees with strong ethical values, emphasizing ethics when recruiting new employees and trying to search for ethical applicants.

**Orientation and Training**

It involves focusing on maintaining attendance at ethics training, using the things employees learn in ethics training when performing their jobs, and discussing ethical issues with new employees as part of their initial orientation.
Policies and Codes
The organization should focus on strictly following written codes of ethics, the ethics code serving as more than just window dressing, enforcing all ethical behaviours and not just the ones that are high profile.

Reward and Punishment Systems
The focus should be on providing positive feedback and rewards for making ethical decisions, measuring and tracking ethical behaviours and disciplining employees who violate ethical standards.

Accountability and Responsibility
Holding employees accountable for their actions, taking responsibility for the outcomes of one’s own actions and questioning authority if unethical behaviour occurs.

Decision-Making
Ethical issues should be taken into account when making decisions, discussing ethical concerns at meetings, talking about whether something is the ‘right thing to do’.

ETHICAL CLIMATE
Improving the ethical climate of your organization ‘enhances and preserves its reputation, inspires loyalty and advertises that it has its ethics message right. It also fosters an ethical culture within the organization.’

Some experts suggest that companies should undergo internal ethics audits on a regular basis. They contend that the regular internal audit of the organization’s ethics and compliance programme adds great value to the organization. Business organizations must take a ‘top-down’ approach to ethics. By communicating and modelling behavioural standards from the highest levels of your business down to the entry-level positions, you can ensure that there is no ‘gap’ between ethical standards and the actual behaviour of employees. By regularly evaluating these standards and the behaviour of your organization’s leadership, you can effectively promote compliance to ethical behavioural norms for your organization. It can be said that ethical climate is a general perception organizational employees have about whether the organization is ethical. In an ethical climate, we would see the following things:
• Employees are skilled in recognizing and dealing with ethical issues
• Success is defined not just by the results, but also the way it is obtained
• Employees continually strive to maintain high ethical standards
• Employees rarely feel pressurized to compromise the organization’s ethical standards to achieve business objectives

Although there is a human tendency to blame a few ‘bad apples’ for wrongdoing in organizations, the inconvenient truth is that the organizational environment, including the leadership, practices, and climate, is the most critical factor in creating ethical organizations.

Proactive organizations always think about creating and maintaining an ethical climate. For example, some companies are using ethical behaviour models to ensure that managers and employees follow the proper rules of the company and the business environment when working. Many organizations develop guidelines to train and educate employees on proper ethical behaviour in the workplace. Ethical guidelines can help relieve the pressure a company faces from consumers, competitors and the economic market when conducting business. Companies sometimes use a pledge to ensure employees act ethically when dealing with different business situations. Employees confirm these pledges with their signature stating that they agree and follow the ethical principles of the company. Companies may also use these pledges to reinforce the importance of business ethics and why employees must sign the pledge and follow these principles. Ethics pledges also grant employees the freedom to report unethical business practices by managers or other employees. Most companies use an anonymous reporting method to ensure employees aren’t castigated or punished for turning in people who engage in unethical behaviour.

A specific mention here can be made of Infosys which is not only an IT bellwether, it’s also an ethical bellwether. The company, in 2008, imposed a Rs. 5 lakh fine on its CEO for not declaring 12,800 equity shares that he had inherited from his mother, which was considered a technical violation of the company’s insider trading rules.

A US-based independent director was also fined $2,000 for a similar violation. Through these actions the company has demonstrated that any violation of its ethical code of conduct would not go unpunished irrespective of the position held by the individual in the organisational hierarchy.
Ethical Bedrock of a Proactive Organization

Certain elements constitute the foundation of an ethical organization. They should be remembered and practised in an ethically proactive organization. Some of those essential elements are:

Mutual Respect

As a manager, a person needs to respect oneself and surround oneself with people one can respect. An organization should not hire or do business with people it doesn’t respect, or who don’t respect it. These are the types of people who ultimately don’t respect their colleagues, customers, vendors, or themselves. When existing relationships weaken, actions have to be taken. Do your best to rebuild mutual respect, but if it can no longer be rebuilt, the person should be let go. Mutual respect is of paramount significance when we talk of ethical conduct.

Honour and Recognition

Good people are a fundamental part of good ethics. They are also great ambassadors for doing things right. Special attention has to be given to strong performers and people who exemplify the spirit of an organization. Most companies recognize top achievers and producers. Gratitude has to be shown to the people who exhibit exemplary behaviour, and who have made sacrifices for the organization. These are people who have helped the organization to be successful, and they need to be acknowledged and honoured for their contributions publicly, as well as privately.

Integrity

When it comes to integrity, the rules are simple. Organizational members should not lie, steal, or cheat. Make your word your bond and always stand by your word. When you are wrong, own up to it and make good on the deal. Treat others as you’d want to be treated.

An organization should try not to hire or retain people who do not have integrity. Other employees, customers and vendors will not trust them. That lack of trust is like a virus; eventually they will not trust you either.

Make sure no one is selling the company’s values short to have personal gains. After all, making a bad deal to meet a quota or target is not only unethical, it’s often unprofitable in the end.
Customer Focus
Customers make or break an organization. More to the point, if a company does not produce what people want and will pay for, there is no point to that company. A focus on your customers is a must for any organization. It has to be remembered that organizational decisions affect its people, its investors, its partners and ultimately, the customers. Serving all of these people is part of an organization’s ethical responsibility. Selling your customers short not only risks compromising your ethics, it also risks the long-term health of your company. The focus should be on producing, promoting and selling ethically so that the profits and goodwill is sustainable.

Results-orientation
Ethics factor is important for results too. Don’t aim for results at any cost. Work on achieving your results within your company values. Results should be attained in the context of developing something that customers want, and producing and delivering it at a price that is fair to all the parties involved.

Good managers clearly identify the results they expect, then support their employees and help them achieve those results. They provide feedback on performance in an effort to help the employee achieve their potential, and the results the company needs for success. In an ethical company, results are more than just numbers. They are benchmarks and lessons for the future as well as goals for the present.

Calculated Risk-taking
Ethical organizations are never scared of doing the wrong thing. And they thrive, prosper and grow by taking risks. They do not stick to the safe path. Great companies innovate, they think ‘out of the box’, and they try new things. They re-invent themselves and they reward the risk-takers. As long as you stick to your philosophical guns, risk-taking poses no threat to your ethics.

Great companies attract employees who are willing to take risks, and they encourage, support and reward them for taking calculated risks. When the risks pay off, they share the rewards with those who produced. When the risks do not pay off, they take the time to analyze what went wrong, and learn what to do better next time.

Passion to Excel
Great organizations are comprised of people who have a passion for what they are doing. These are people who are working for you for the thrill and
challenge, not merely putting in time to collect a pay-check. They are excited, driven, and believe that their work and efforts can make a difference.

Without the passion burning within them, people put in a minimal effort, get paid and go home. These people are negative role models to others: why work so hard when you can come in late and leave early?

**Persistence**

People in awesome organizations have the will to persist. They will keep working even when results are not what they hoped, or when customers refuse to buy. Their persistence is tied to their passion for what they are doing and a belief that this group of people, this company, has the best chance of ‘making it’ of any company they could join. And so, they work harder, They continue to take risks. They behave with honour and integrity. They keep their focus on the customer’s needs and wants. And, they are not satisfied until they achieve the goals and results that are expected.

**Conclusion**

In conclusion, we can surmise that ethical business practices ensure an organization’s success and survival in the market. The cornerstone of any successful organisation is a committed leadership, therefore, top executives should take the lead in establishing an ethical climate by conducting business in an unblemished manner. A strong initiative in this direction would be in designing clear policies that would be helpful to employees when faced with a moral dilemma. Additionally, employees should be appropriately sensitised to the organisation’s views on what constitutes acceptable ethical business behaviour, and companies should clearly demonstrate a zero tolerance for unethical practices by taking strict action against defaulters.

As discussed earlier, governments across the world are putting in place strict anti-corruption laws and consumers are getting increasingly impatient with unethical practices. Therefore, organizations need to realise that doing what is morally right is also right for business success.

**References**


HRM: The Impact of Recession on Recruitment of Manufacturing Industries in India

Archana Surywanshi
Assistant Professor,
Shikshan Maharshi Dr. D.Y. Patil College Center for Management, Chikhali, Pune
E-mail: surywanshi.archana@gmail.com

Abstract—The recession has affected the market on a huge scale. There is a lot of unemployment, rise in prices of houses; decrease in GDP rate is also observed. The banks are into huge losses and are facing financial crises. The study is focused on the impact of recession and to know the reasons behind the problem of recession as well as impact of recession on the manufacturing industry. The data has been collected from secondary source from journals and internet. A critical analysis is done from the data collected. The objective was to know the recruitment challenges faced by the manufacturing industries by the problem of recession. The paper concludes that recession has brought a lot of unemployment threats and skills set required for any position. This recession has affected the manufacturing industry as well as a lot of different industries as well.

Keywords: GDP, recession, unemployment, financial crises

INTRODUCTION

Human Resource Management

Human resource is the people that work for the organization and the contribution that they make through their skills, their knowledge and their competence. Managing people at work is concerned with devising plans and approaches which best support and enable an organization’s people to contribute effectively in helping the organization to meet its objective. HRM is utilization of individual to achieve organization objectives. Managers at every level must concern themselves with HRM. All managers get things done through efforts of others, this requires effective HRM. Individual dealing with HR matters faces challenges: government regulation and technological revolution are constantly changing and increasing day-by-day.

HRM has become the dominant approach to people management throughout the world. But it is important to stress that HRM has not ‘come out of nowhere’. HRM has absorbed wide range of theories and practical tools.

Recession

According to the National Bureau of Economic Research (NBER), recession is defined as ‘a significant decline in economic activity spread across the
economy, lasting more than a few months, normally visible in real gross domestic product (GDP), real income, employment, industrial production and wholesale-retail sales.’

Recession is defined as a period when businesses stop expanding, the GDP decreases for two successive quarters, the rate of unemployment increases and housing prices decreases.

A recession can be defined as an extended period of significant decline in economic activity including negative gross domestic product (GDP) growth, uncertain confidence on the part of consumers and businesses, weak employment, diminishing real incomes, and declining sales and production. This is not just the environment that would lead to higher stock prices or a fine outlook on stocks.

Other aspects of recessionary environments as they relate to investments include a heightened risk dislikes on the part of investors and a subsequent flight to safety. However, on the bright side, recessions do eventually lead to recoveries and follow a relatively predictable pattern of behaviour along the way. In an inflationary environment, people tend to cut out leisure spending, reduce overall spending and begin to save more. But as individuals and businesses restrict expenditures in an effort to reduce costs, this causes GDP to decline. Unemployment rates rise because companies lay off workers to cut costs. It is these combined factors that cause the economy to fall into a recession.

**Reasons for Recession**

- The sharp fall in the prices of assets like houses, property land etc.
- A credit crises suffered by the financial institution are reducing the credit facility provided to lend on households and business and raise the interest rate on loans.
- The large increase in exchange rate which hits demand for exporter and raising the import demand which causes the trade balance to worse.
- The risk is arising from deflationary macroeconomic policies like increased intrest rates or higher direct and indirect taxation
- The negative multiplier effects are raised from decreased consumption on goods and services.
- The next cause may be the accelerator effect which is caused due to less consumption and having less motivation to invest in new capital.
There is a drop in consumer and business confidence by having worse hope that can lead to more cost-cutting techniques by firms in which there is rise in unemployment.

**Recruitment**

Recruitment forms the first stage in process which continues with selection and ceases with placement of the candidate. The first is the manpower planning and the next step is procurement function. Recruitment makes it possible to acquire the number and types of people necessary to ensure the continued operation of organization. Recruitment is the process of discovering of potential applicants for actual or anticipated organizational vacancies.

According to Dale Yoder, ‘Recruitment is the process to find out the sources of manpower to meet the requirement of the staffing schedule and to employ effective measures for attracting that manpower in adequate number to facilitate effective selection of an efficient working force.’

**Objective**

The objectives of the research are:

- To study the impact of recession observed in recruitment in manufacturing industry.
- To study the causes of recession
- To study the recruitment challenges faced by the current manufacturing industries.

**Hypothesis**

There is no effect of recession on the recruitment of manufacturing industries.

**Methodology**

The research paper focuses on data analysis based on critical analysis of data by analytical method. The secondary data is collected from internet, journals etc. The data is collected in structured questionnaire form so that analysis is done in a better way.
ANALYSIS OF DATA

Comparison of what the Economy was Capable of Producing and where the GDP Fell?

It is observed that there has been a huge change in the demand for goods and services between 1950 to 2010. The percentage wise GDP for goods and services is 5.9% which is less than the economy was capable of supplying. Due to this, there is observed that where as unemployment rate is high, the productivity capacity has become less. According to the graph, we can see that there is fall in the GDP from 2008 onwards which should be rising.

![Gross Domestic Product](chart.png)

**Fig. 1: Comparison of what the Economy was Capable of Producing and where the GDP Fell?**

The Percentage Change in Non-farm Payroll Employment Since Start of Recession

The graph shows that a lot of jobs were lost in the year 2007. In the year 2010 were jobs became available for the unemployed people. In December 2007, the recession was started and as a result non-farm payroll employment was lower in February 2013 which indicates signs of of recession. The economy is still facing a long and difficult rise out of the jobs gap created by the recent recession. Because of this, it is observed that decline in the unemployment rate and also job growth will be needed to bring back normal labour force participation and high employment in a reasonable amount of time.
The Number of Unemployed Workers per Job Opening

It can be observed that, from the year 2001 to 2008 there is a slow effect of recession on employment. After 2008 there is drastic change observed in the graph. The ratio of people applying for the job has increased. In the middle of 2009 and 2010, the ratio is the highest for application of job candidates. In the year January 2013, the unemployment rate decreased and unemployed workers for every three available positions are available.

Fig. 2: Percentage Change in Non-farm Payroll Employment Since Start of Recession

Fig. 3: Number of Unemployed Workers Per Job Opening
Are Organizations Currently Hiring?

From the above data, organization is currently hiring and as compared to 2011 there is slight increase in hiring of employees. 75% of respondents from the manufacturing industry are currently hiring. This number has not changed over the past seven months (from August 2011 to April 2012), but has increased from 51% in 2010.

![Are Organizations Currently Hiring?](chart.png)

Are Organizations Creating New Positions or Replacing Jobs Lost?

Organization are replacing the jobs. In 2011 which is 54% more than 2012 and In 2011 new duties are added to those who have lost their jobs which is 14% in 2011. Since the recession began, an increase compared with 2010 has 42%. Some organizations were hiring for completely new positions in 2012 which is 36% and in 2011 32% than in 2010 which is 48%.
The Jobs Lost, are there any Specific Skills Required for Filling the New Positions?

There are a lot of unemployed people, but for filling the jobs completely new and different skill sets are required i.e. in 2011 there was 14% and in 2012 it is 11%. A person with multi-skills set is having preference by which a mixture of new skills and same types of skills observed in 2012 was 67% which is more as compared to the year 2011.
Difficulty Faced by Organization to Fill Some Specific Job Categories

There are a lot of difficulties faced by the organization; in the year 2012, 91% of respondents agreed that there is requirement of high skilled technical knowledge. Managers and executives observed that in 2011 there is less percentage of respondents who agreed that specific skills are required for the manager's post but in 2012, 83% respondents agreed to it.

**Fig. 7: Difficulty Faced by Organization to Fill Some Specific Job Categories**

**FINDINGS**

- When the data is compared with that of the economy was capable of producing and where the GDP fell is from 2008, the GDP is decreasing. There are 5.9% of goods and services is observed. Due to this the economy is not capable of supplying and so unemployment rate is high.

- The percentage changed in non-farm payroll employment states. In the year 2009, recession ended, therefore, the employment opportunity increased in the year 2010. Due to this, there was a decrease in unemployment rate.
The number of unemployed workers per job opening from 2008–2009 was very high. The number of applicants applied per job was high. In the year 2001, very less competition was observed.

Organizations were hiring non-management employees more in 2012 and directors and managers at managerial level were hired more in the year 2011.

The organizations are replacing the jobs with current employees. Due to this, the work load has increased and so employees stress is also increased.

If organisations are hiring for new position then they recruit the person who has multiskills or the person who is capable of handling different profiles at once.

**CONCLUSION**

From the analysis done with the help of data and figures, it is clear that the unemployment rate is increasing day by day.

Next thing is that every individual will have to increase the skills set required for a particular job because if the person is multi-skilled then the person can handle more than one job.

During this research, it is observed that the impact of recession has affected the economy of the country and so employees are losing their jobs. The graph shows that there is decreasing graph for employment.

Therefore, the hypothesis that there will be no impact on recession on recruitment in manufacturing industry was wrong. There is a huge impact of unemployment observed because of recession.

**LIMITATION OF STUDY**

The first limitation of my study was covering only manufacturing industry only.

The second limitation of my study is only considering the recruitment point only from huge topic of human resource management.

The third limitation was that the study is based on only unemployment perspective in manufacturing industry.
REFERENCES

Video Game as Learning and Communication Tool for Teenagers in New Media Age
Findings of a Study using Classic Video Game, Tetris

Niket Mehta
Assistant Professor, Animation and Multimedia Department and Research Scholar,
Birla Institute of Technology, Noida, India
E-mail: ltniket007@gmail.com

Abstract—In developing countries like India where new Information Technologies such as Computing, Internet, Mobile Phones, and Digital Interactive Television are becoming part of everybody’s life whether rich or poor, Video Games can serve the purpose of teaching and interactive communication to enlighten the masses of country who are fond of entertainment because music, games, enjoyment are part of their culture and would grasp the interactive-participatory-infotainment better than any other medium of communication. There is need to find out how to implement it and how to design it. This paper analyzes the variables (components) of a game to find the feasibility of Video Games as a Medium of Communication and Learning.

Keywords: New Media, Video Games, Communication

GAMES—A NEW MEDIA APPLICATION

Computer games have evolved from the simple graphics and gameplay of early titles like Spacewar! to a wide range of more visually advanced titles. Especially during this New Media age when people are always surrounded by some screen either of a mobile phone or a laptop or computer or television, games have become more important because of its multimedia richness. As long as these screens are around us, there would be software for these screens and games are nothing but interactive, participatory and entertaining software which keeps the people engaged. Importance of video games has increased many folds because of emerging technologies and techniques which have made video games easily accessible. Educational computer and video game are a digital medium that have been proved to be useful in improving both students’ motivation and learning outcomes enhancing the overall learning experience. On the one hand, games can introduce new appealing interfaces and highly interactive experiences. On the other hand, e-learning environments can help to address some of the open issues that come up when digital games are introduced in the curricula. [1].

65
Games and simulations promise effective, engaging and situated learning. [2] In 2008, the digital games industry generated revenues of $11.7 billion up 22% from the previous year (Entertainment Software Association, 2010). Top games such as Halo 3 generated more revenue in its first few weeks of sales than most top box office movies. [3]. A study ‘Improving Literacy in Rural India: Cellphone Games in an After-School Program’ has also underlined the importance of Mobile games for education in rural India. [4] Sherry Turkle in her book on new media, The Second Self, has discovered that games play a social and psychological role—and, more precisely, that games provide a way in which children as well as adults can take on different roles that are important to them psychologically. [5]

**GAMES FOR EFFECTIVE COMMUNICATION FOR PEOPLE OF ALL AGES**

There are many criticisms surrounding computer games, these controversial playing devices also play an important role in education and can assist many people, namely students, with learning. It has been proven by researchers that computer games expand a child’s ability on spatial subjects, improve hand-eye coordination, improve reflexes, and expands a child’s social life by having the opportunity to interact with other children through multiplayer games. [6]

Computer games provide fantasy fulfillment for many people. People can escape their monotonous lives and become whatever they want—a super hero, a lean mean fighting machine, a professional golf player or even a tomb raider. Consequently, a video game can be a way of escaping the harshness of reality at times, all with the click of a button. [7]

Digital games got their beginning in 1958 by a physicist, Dr. William Higinbotham at the Brookhaven National Laboratory where he created a game called Tennis for two on an oscilloscope to attract visitors to the lab. Interest in his innovation became so popular that each day hundreds of people would line up for a chance to play the electronic tennis game. [8]

Computer games improve logical thinking and problem solving skills. There are many educational games which exist such as Sim City, where players have to build houses, cities and develop war strategies. Games like these improve decision-making skills, communication, alertness, mathematician and spelling. In fact, the American government is currently researching how to implement computer games into the school syllabus. [9]

Social Networking has brought new games with it. Online games are favourite amongst people of all ages. Even women are also playing games on social networking sites with sheer enthusiasm, who actually are supposed to
be less fond of games. Android from Google, iPhone from Apple and other new interactive touch based mobile phones which are available in market at affordable prices for a common man, and have opened the new doorways for the games and interactive applications developers. Games on Mobile phones are proving successful because mobile is portable and everybody carries mobile almost throughout the day. So, games can be the best utility during free time. By letting you play simplest game ‘Snakes’ to graphic rich Car Racing games (Need For Speed) to learning games (Word Mole) mobile phones can become a gaming console during free time.

Indian online gaming websites such as ibibo.com, zapak.com, indiagames.com, dhruga.com are coming up with games with desi (local) content to capture the Indian market. Various games are available in market for various platforms and of various genres for players of different ages. A kid can enjoy a game for fun only, a teenager can learn by playing games, game can be relaxing for a professional, can be a group activity for elderly.

Teachers throughout the ages have searched for methods to inspire students in their quest for knowledge. Creative techniques of games and activities date back as far as 3000 B.C. to ancient China with the game GO, a predecessor to modern day chess. Legend has it that Emperor Yau had a son, Danzhu, would not study but only wanted to play no matter what incentives or threats his tutors provided. The emperor, frustrated with his son’s lack of focus, sought to gain his son’s attention through a game that would teach military strategy yet hold his son’s attention. Thus, the game GO was created. The legend goes on to say that the boy became so captivated by the game that he spent all of his waking hours playing the game while learning military strategy, mathematics and problem solving at the same time. [10]

WHAT IS A GAME?

Games are interactive, participatory, entertainment activity.

Video games are a window onto a new kind of intimacy with machines that is characteristic of the nascent computer culture. The special relationship that players form with video games has elements that are common to interactions with other kinds of computers. The holding power of video game their almost hypnotic fascination, is computer holding power. The experiences of video game players help us to understand this holding power and something else as well. At the heart of the computer culture is the idea of constructed, ‘rule-governed’ worlds. I use the video game to begin a discussion of the computer culture as a culture of rules and simulation. [11]. Video games are something you do, something you do to your head, a world
that you enter, and, to a certain extent, they are something you ‘become’[12]. Good computer and video games like *System Shock 2, Deus Ex, Pikmin, Rise of Nations, Neverwinter Nights, and Xenosaga: Episode 1* are learning machines. They get themselves learned and learned well, so that they get played long and hard by a great many people. [13]

According to James Paul Gee:

- Games are form of play. That gives us intense and passionate involvement.
- Games have rules. That gives us structure.
- Games have goals. That gives us motivation.
- Games have outcomes and feedback. That gives us learning.
- Games have win states. That gives us ego gratification.
- Games have conflict/ competition/ challenge/ opposition. That gives us adrenaline.
- Games have problem solving. That sparks our creativity. [14]

**WHY TETRIS GAME?**

*Tetris*, a tile-matching puzzle video game was originally designed by a Russian, Alexey Pajitnov in 1984. Its name has been derived from the Greek numerical prefix *tetra-* (all of the game’s pieces contain four segments) and tennis. This game is available for nearly every video game console and computer operating system, as well as for devices such as graphing calculators, mobile phones, portable media players, PDAs, Network music players etc. Various versions of *Tetris* were sold during 1980s-home computer platforms as well as the arcades which were hugely successful. *Electronic Gaming Monthly*’s 100th issue had *Tetris* in first place as ‘Greatest Game of All Time’. In 2007, *Tetris* came in second place in IGN’s ‘100 Greatest Video Games of All Time’ (2007). It has sold more than 70 million copies. In January 2010, it was announced that Tetris has sold more than 100 million copies for cell phones alone since 2005. The objective of the game is to manipulate geometric shapes composed of four blocks, by moving them sideways or rotating it, with the aim of creating a horizontal line of ten blocks without gaps. When a line is created, it disappears, and any block above that line will fall. When a certain number of lines are cleared, the game enters a new level.
A research by Dr. Richard Haier, et al. proved that playing Tetris can also lead to more efficient brain activity during play. When first playing Tetris, brain function and activity increases, along with greater cerebral energy consumption, measured by glucose metabolic rate. As Tetris players become more proficient, their brains show a reduced consumption of glucose, indicating more efficient brain activity for this task. Even moderate playing of Tetris (half-an-hour a day for three months) boosts general cognitive functions such as ‘critical thinking, reasoning, language and processing’ and increases cerebral cortex thickness. The game has been noted to cause the brain to involuntarily picture Tetris combinations even when the player is not playing (the Tetris effect), although this can occur with any computer game or situation showcasing repeated images or scenarios, such as a jigsaw puzzle. [17]

Tetris is the simplest and easy to learn game and available easily for almost every platform.

A STUDY ON TEENAGERS

A survey was done on 120 respondents to find out acceptance of video games for learning and communication on teenagers who don’t have easy access to technology or video games. The reasons of not an easy access for games could be any; we didn’t take that into consideration. Respondents were from Delhi and National Capital Region which is an urban and well developed area but most of our respondents’ parents were not quite well off to afford gaming consoles for children. So most of these respondents played this game for the first time or they haven’t played it much. Respondents were first taught how to play the game ‘Tetris’ on computer. We choose the game Tetris because it is a puzzle game and a classic and very famous game. It could be the very first or basic game for beginners and it has some qualities which makes it all time favourite such as continuous game play, arcade game (where reaction speed matters), puzzle which can be understood by all alike etc. Moreover, it was easy for our volunteer to teach this game to respondent and it is available free on internet. Once the respondent played the game well and understood it, a questionnaire which had 12 questions based on the ‘components of game’ was filled by volunteer and it was tabulated and analysed in Microsoft Excel.

FINDINGS

The following facts emerged out of survey:

Gaming is an entertaining experience.

Gaming is a learning experience.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>52%</td>
<td>4%</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 1
Table 2

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>48%</td>
<td>24%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Games create ‘Curiosity’. Did you feel like ‘what will happen next’?

Table 3

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>32%</td>
<td>10%</td>
<td>22%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Games create anxiety (in a positive way). Did you become anxious to set the shapes coming in game to achieve your target?

Table 4

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>32%</td>
<td>10%</td>
<td>22%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Games make you ‘Goal Oriented’. Players set their targets and play to achieve them. What was your target while playing game?

Table 5

<table>
<thead>
<tr>
<th>Reach Next Level</th>
<th>Enjoy Game</th>
<th>Gain More Score</th>
<th>Finish the Game</th>
<th>Explore More</th>
<th>Curiosity</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>20%</td>
<td>22%</td>
<td>10%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

People react when they play games. Games make them take part in game-play. Games are participatory and immersive. Did you react by emotional, facial, body gestures during game?

Table 6

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>36%</td>
<td>36%</td>
<td>10%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Rewards in the form of score games motivate players. Exactly like real life where we love to achieve more when we are rewarded. Did increase in ‘score’ or ‘increase in level’ made you happy?

Table 7

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>50%</td>
<td>2%</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Games motivate. Did you feel ‘motivated’ to move to next level by playing game more attentively?

Table 8

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>38%</td>
<td>42%</td>
<td>18%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>
The game ‘Tetris’ didn’t have much of sound effects and music. So this might not be applicable to ‘Tetris’ game. But still findings show that ‘Sound has important role in Games’. Did ‘sound effects played role in making you engaged in game?’

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>After playing the game, do you look at world as ‘Game World’?</td>
<td>38%</td>
<td>42%</td>
<td>18%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>People like to play games again and again.</td>
<td>10%</td>
<td>4%</td>
<td>46%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Can’t Say</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIMITATIONS AND FUTURE SCOPE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This study was done in smaller region with a small sample size just for a superficial idea. Game chosen for the purpose is a simple arcade game whereas today is the time of 3D multimedia rich games.

This study could have been continued further with other specific games. In spite of limitations, this study shows positive indications that video games can better serve the purpose of communication for this new media generations.

There are many central issues associated with the computer game. The most important issues relevant to this topic are: convergence, genre and computer games in a cinematic context. But, perhaps the most significant issue is the social implications that computer games pose on children/adults in society. Issues such as sexism, violence, health and addiction are just some of the major problems related to computer games. [15]

RECOMMENDATIONS

Video games are good for teaching and communication because of the discussed components of video game. Teaching Modules and Mass Media Communication can also be converted into video games format to make it interactive and engaging. People relate more to interactive and entertaining
messages than plain simple straight forward messages. So, we should seriously start thinking about creating digital communication messages in interactive, participatory and entertaining format which is nothing but video games.

REFERENCES


Failure of Power Branding: A Case of HUL

Rekha Dahiya¹ and Asjad Usmani²
¹Assistant Professor, Marketing Banarsidas Chandiwala Institute of Professional Studies
Dwarka, Sector 11, New Delhi–110075
²Assistant Professor, Management Banarsidas Chandiwala Institute of Professional Studies
Dwarka, Sector 11, New Delhi–110075
E-mail: ¹rekkhadahiya@gmail.com, ²asjadusmani@gmail.com

Abstract—When a company has many brands in its kitty and customers start getting confused among the brands in terms of differentiation, quality and image, then it makes sense to contract your portfolio and focus its resources on few brands which are leader in their category. After all, resources are scarce. This strategy is known as power branding. This strategy was implemented by HUL in early 2000. Although this was very successful all over the globe, it failed in India. This paper is an attempt to understand this strategy in detail and also aims to uncover the reasons why this strategy didn’t bear the expected results in India.

Keywords: Power Branding, HUL, Strategy Failure.

INTRODUCTION

When I was doing my MBA, I knew almost every student of my class. Out of which 6–7 were in good friends list. Apart from that, I was also having friends who were not from the college. Then I got the job and naturally there was no time to interact with my friends. It caused my friend circle to shrink from a size of 15–20 to let us say 4–5 and ultimately to two only. What made me do that? I realized it was because of scarcity of resources in terms of time, efforts and energy. Thank god! Friendship doesn't cost you money. It was not possible for me to manage a big group, so I rationalized my group and decided to be in touch with the BEST friends only.

If we apply the same situation to the corporate world and replace the friends by brands, then this rationalization of brands whereby you focus on certain big brands rather than the whole portfolio of brands, is known as Power Branding strategy. This strategy was pioneered by Hindustan Unilever (HLL at that time) in 2001, in which the company picked 30 national brands and 10 regional brands from a portfolio of 110 brands and decided to focus on these brands only. HUL, the Indian subsidiary of Unilever, UK got its inspiration from its parent company which rationalized the 1600 brands portfolio.

The much hyped strategy of HUL didn’t perform as expected. In this case, we will try to know what the factors were that motivated the company to adopt this strategy and what went wrong with this strategy in India which was quite successful with the parent company.
POWER BRANDING: THE CONCEPT

Power branding refers to building multi-product, multi-category brands which have global reach (*Marketing Week*, Dec. 2000). The idea behind this strategy is to build global brands which endorse multiple products in various categories (something like an umbrella brand).

This is a strategy in which every product in a company’s range has its own brand name which functions independently, unsupported by either the company’s corporate brand or its other brands. Power branding is a resource-intensive strategy, since each brand must be commercially promoted and legally protected. This strategy is used mainly by manufacturers of consumer goods. Lever’s and Procter & Gamble’s detergents are good examples of power brands.

RESEARCH METHODOLOGY

This paper is basically descriptive in nature. So, research design used here is descriptive research designs. Secondary data has been collected from various journals, books and newspapers and has been presented below under various heads.

PARENT COMPANY WAS THE INSPIRATION

The first and foremost reason of adopting this strategy in India was the success of the strategy with the parent company. In 2000, Unilever was reeling under the pressure to balance size and growth. It was facing tough competition from the small players. This pressure made Unilever to re-look its huge portfolio having 1600 brands across various categories. Top management thought that too many number of brands is the main reason for the slow growth. Apart from that, there were market conditions in which giant retailers like Wal-Mart changed the power equation due to which power moved from manufacturers to retailers. Retailers had their private labels and they began to stock only the large brands as shelf space was scarce. Moreover, me-too brands flooded the market with little, or no differentiation. So, the management thought it would be wise decision to have limited number of brands that could be extended to multiple categories that would help in reducing the clutter in the market. Another logic was the Pareto Principle of 80/20. Twenty per cent of the brands contributed 80% revenue, hence why not to spend the marketing budget on those big brands that contributed to the revenue. Under this, Unilever pruned its brand portfolio from 1600 brand to a core 400 Power Brands.
Taking a cue from the same, HUL (at that time HLL) introduced the same strategy to a different market from UK, i.e. India. Like its parent, HUL too had a huge brand portfolio consisting of 110 brands. Competition was gearing up and HUL was struggling to retain the market share. So, it found itself justified in following the footsteps of its parent company rather than doing anything else.

THE ECONOMIC LOGIC

Another reason going for the strategy was economic in nature. From 1991, there had been a dramatic change in the cost of media and in the cost of building brands. There were so many numbers of brands which were similar in the features and little differentiation was there. Launching a new brand from a reputed manufacturer didn’t guarantee the success of the brand. Not only it was more expensive to break through the clutter, it was becoming tougher too. More the number of brands, more the required investment in a situation when there are hundreds of other brands available in the market providing the same benefit. Fewer and stronger brands could have allowed for scale and the ability to concentrate and focus resources—be it technology, innovation or advertising. That’s why company applied this economic logic that fewer and bigger brands will help create competitive advantage.

CUSTOMERS TRUST A FEW BRANDS ONLY

For a customer, there can’t be hundred brands which will be relevant and meaningful for him, there can only be few brands which he can trust and which he can think are relevant for him. So, why not to hover around those focussed brands only instead of having the huge portfolio of brands that is almost insignificant for a consumer, was the philosophy of HUL. Company believed that consumers may flirt with some brands, but when it comes to having a serious relationship, they trust brands with which they have a long-lasting relationship. So, consumers will start narrowing choices. Moreover, when a consumer starts moving from category-specific functional benefits to broader emotional spaces, then there can’t be a hundred emotional spaces. There can only be handful emotional benefits and therefore it is possible for a handful of brands to do that.

POWER BRANDING STRATEGY IMPLEMENTATION

The brands which were put in power brands kitty were chosen on the basis of size, brand strength, uniqueness and growth potential. Company thought it would help in increasing operational efficiency and reduce brand clutter.
Later on, they will increase the promotions for power brands and encourage users of the small brands to migrate to power brands. They also set an ambitious growth plan (8–10%) for power brands.

Company implemented the strategy in 2001 and did some major changes in its product portfolio. In 2002, company re-launched established brands such as Lifebuoy, Rin, Surf and Vim. Company withdrew many successful brands from the market like Jai soap, Rexona, Denim powder, Sunlight edible oil, 501 etc. Jai brand of toilet soap was merged under the umbrella of the Breeze brand. The reason for doing this was that both brands contained the same synthetic lime perfume and having the same price i.e. Rs 8 for 100 gm. So, merging them and subsequently phasing out the smaller brand was the strategy being adopted by HLL. 501 washing cake, the economy brand was absorbed under the Rin franchise. Denim brand was being retailed along with Axe in limited packs, which contain both Denim and Axe products and later on phased out from the market. This was done because Axe was a power brand at that time in the male grooming market so Denim had to be phased out as per the power brand strategy.

These were some of the examples of the successful brands which were being phased out as a part of power branding strategy, the process continued in the hope of better results. But as every story doesn’t have a good ending, the results were disastrous. After the power brand strategy implementation, HLL’s top brands took a major hit. Profits went down by 22%. In many smaller markets, HLL’s brands were knocked out by small regional brands.

CHALLENGES FACED

The Hindustan Unilever’s ‘Path to Growth’ strategy aimed at re-structuring the brand portfolio and to concentrate on some core brands in order to have a closer consumer focus and to build an agile organization. The ‘Power Brands’ strategy adopted by Unilever itself became a challenge for it in developing and emerging markets. The primary reason for this was Unilever did not accurately assess the utility of its small brands, especially, in economies like India and other Asian countries. The withdrawal of the smaller brands from these countries proved to be a costly mistake which Unilever had underwent. These brands held a lot of strategic advantage and acted as an intermediate brand that helped in filling the gap left by larger brands and thus preempting competition. Smaller brands were accepted locally and when these brands were withdrawn, Unilever lost its presence in local markets. This reduction in the number of smaller brands by Unilever
also strengthened many regional brands of its competitors. This challenge revealed the fact that HUL did not consider the players of the local market and the products that they offered which acted as substitutes of small brands.

In FMCG, price is considered to be one of the most important criteria by consumers before making any kind of purchase. The reduction in the number of smaller brands was based on the assumption that users of smaller brands would switch over to the Power brands. This assumption of HUL did not work and posed a challenge for the company thereby declining its revenues and operating profits. The revenues of the company declined from $48,760 million in 2002 to $40,360 million.

**FAILURE OF POWER BRAND STRATEGY**

The much hyped strategy of HUL didn’t pay off well. Although if you ask the same question to the HUL executive, they will try to underplay it by blaming the execution part of the strategy but results are loud enough to sing the saga of failure of the power branding strategy. Company realized later on that the phased out brands enjoy strong brand equity even after withdrawing from the market and again company is trying to revive the brands. But one interesting and curious question is what made this strategy a failure in India? The primary reason for the failure of the strategy was keeping Indian market at the same level as that of UK. Although competition was tough at that time but Indian market was not same as that of UK. Indian retailers were not as strong as that of UK and private labels brands were also not present in the market. The company wrongly calculated the utility power of small brands. The biggest mistake that company made was the withdrawal of the small brands from the market. Small brands were more accepted locally and when these brands were withdrawn, HLL lost its presence in the smaller markets. This step boosted the confidence of the small and regional players and they didn’t miss the opportunity and conquered the market battle field. Poor customers of the HUL had no place to go except the competitor brands. In 2002, these small players registered the double digit growth while the leader struggled hard for the single digit. FMCG industry saw the emergence of some very successful brands like Kaleesuwari Refineries, Parakh Foods, Anchor Switchboards and Kanpur Detergents, Anchor white toothpaste, Ghari detergent, Gold winner and Gemini edible oil in 2002 and interestingly none of these was from HUL stable, all of these were the small regional players.
Another reason that failed the strategy was the assumption that users of small brands will migrate to the power brands if small brands would be removed. This assumption failed miserably. A classic case is the failed migration effort of Rexona to Lux. The users of the smaller brands of HLL moved away from the company to brands of other companies. All these factors led to a situation in which top performing brands were affecting along with the growth rate of the company which ultimately affected the investor sentiments.

**Measures Taken by HUL to Overcome the Challenges**

‘Power Brands’ Strategy is a strategy which needs to be implemented with great precaution. It is not just a one day affair, it requires a lot of time and energy to be spent on it before the strategy is executed. In order to overcome the challenges/ failures, Unilever appointed Patrick Cescau as its new Chief Executive Officer. Cescau continued the ‘Power Branding’ strategy under the new corporate restructuring strategy called ‘One Unilever’ with the emphasis being on unification of the corporation. The aim of ‘One Unilever’ was simplification of the business and bringing of national operators together so as to have a single management team in each country. The combination of the restructured organization and ‘One Unilever’ made Cescau believe that it would improve the firm’s performance and allow it to build on local strengths while exploiting its power as a global operation.

- Unilever started focusing on three areas of growth i.e. Developing and emerging markets, personal care and healthy living products.
- Modification of the 'Power Brands' strategy in developing and emerging markets by reviving popular small brands like Rexona.
- Launching of products especially for the emerging markets. For instance, Clear (anti-dandruff shampoo) was developed and launched first in emerging markets and later introduced in US and Europe.
- Nearly one-third of the company’s home and personal products brand development resources were based in the developing world in order to ensure that the products met the needs of the local consumers in these markets.

Once these changes came into effect, the new Power Branding strategy of Unilever started paying off. HUL posted its best annual results on February 7, 2008 with $15 billion sales and nearly $8 billion net profits and 45% of the revenues were accounted from developing countries.
FAILURE OF POWER BRANDING: A CASE OF HUL

SUGGESTIONS

• ‘Power Branding’ strategy needs to be implemented after taking lot many aspects into consideration. It needs to carefully analyse the utility of all brands in terms of their uniqueness, growth and market potential that they have.

• Before any small brand is phased out of the market, especially, in a developing country like India, the company needs to analyze the loyalty of customers towards that brand so that its phasing out does not pose any kind of challenge to the company.

• The company should try to seek the opinion of the customers in order to know what they feel and think about the various brands offered by the company and select those brands as power brands that satisfy the needs of the consumers at large and help the company to retain its strategic advantage over its competitors.

• The company should always consider its local competitors that offer products that are substitutes for the company’s products.

CONCLUSION

This power branding proved a fatal blow to the company. Company realized its mistake in withdrawing the very strong brands from the market which affected it very badly via hurting its profits and distribution channel. Later on, HUL went for a restructuring exercise that included reviving some withdrawn brands and transfer of key persons from top management and power branding strategy of the company was given a silent burial. That is why it is being said Power Branding–Not a Cakewalk.

REFERENCES


Factors Affecting Employee Retention: 
An Empirical Study in Indian 
Manufacturing Sector

G. Gopi¹ and Viju Samuel²
¹Lecturer, Department of Management Studies, 
Koshys Institute of Management Studies 
²Lecturer and Coordinator for BBM, 
Department of Management Studies, 
Koshys Institute of Management Studies
E-mail: ¹gopichandmba@gmail.com, ²samuelviju@yahoo.co.in

Abstract—
Purpose: The present study explores and identifies the main factors of retention management strategies in organizations.

Methodology: The study is based on a single cross-sectional survey. In all, 100 responses were generated from employees of a manufacturing firm in India. A self-administered questionnaire with items related to the study dimensions was deployed for the study.

Findings: The Cronbach’s alpha of the questionnaire was found to be 0.823 & Pearson correlation was 0.951 (p<0.001). The factor analysis of the component ‘retention management strategies’ led to the extraction of 3 factors from the organizations. The factors were ‘competence and relationship oriented’, ‘scholastic & futuristic oriented’ and ‘developmental and reward oriented’

Practical Implications: The findings from the present study provide insights into the dynamics of employee retention, which is a major issue of concern in Indian corporate world. The results can provide inputs to companies to handle issues related to employee turnover which is seen as a serious problem in India.

Research Limitations: Due to very vast geographical expanse of India, the study was concentrated on a limited geographical region. The study was based on a limited sample. It might have suffered from a relatively small sample size related problems.

Type of Paper: Research paper.

Keywords: Employee Retention, Employee Turnover, Retention Strategies

INTRODUCTION

Employee retention issues are emerging as the most critical workforce management challenges of the immediate future. Researchers have shown that in the future, successful organizations will be those which adapt their organizational behaviour to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. In fact, the dynamics of the work environment will have to reflect a
diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another. Critical analysis of workforce trends points to an impending shortage of highly-skilled employees who possess the requisite knowledge and ability to perform at high levels, meaning that organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Rappaport et al., 2003). Retention rates generally falls as employees become distracted, confused and preoccupied with potential outcomes immediately following an organizational transition (Bridges, 1991). However, despite the vast literature on employee turnover, which is aimed at identifying factors that cause employees to quit (Griffeth, Hom, & Gaertner, 2000), much less is known about the factors that compel employees to stay. Steel, Griffeth & Hom (2002) added, ‘The fact is often overlooked, but the reasons people stay are not always the same as the reasons people leave.’ In this study, we focus on studying the retention management practices that makes people stay in organizations. Thus, we propose that understanding the reasons why people stay, on average, is an important goal and blanket retention policies may be disadvantageous in a similar context (sector, in our case) and organizations would want to adopt particular strategies that contribute to the retention of their most valued employees in one while avoiding control methods that would appeal the employees in the other.

LITERATURE REVIEW

Retention is a complex concept and there is no single recipe for keeping employees with a company. In literature, retention has been viewed as: ‘an obligation to continue to do business or exchange with a particular company on an ongoing basis’ (Zineldin, 2000). Studies have also indicated that retention is driven by several key factors, which ought to be managed congruently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems (Logan, 2000). Increasing numbers of organization mergers and acquisitions have left employees feeling displeased from the companies that they work and haunted by concerns of overall job security. As a result, employees are now making strategic career moves to guarantee employment that satisfy their need for security. On the other hand, employers have a need to keep their stuff from leaving or going to work for other companies. In fact, companies that offer employee development programs are finding success with retaining workers (Logan, 2000). This is true because of the great expenses associated with hiring and retraining new employees. The adage, good help is hard to find, is even truer these days than ever before because the job market is becoming increasingly tight (Eskildesen & Nussler, 2000). In fact, literature
on employee retention shows that wooing existing employees through employee development or talent management programmes costs less than acquiring new talents, as organizations know their employees’ wants and desires; while the initial cost of attracting the new employees has already been expended (Davidow & Utta l, 1989). The literature on employee retention clearly explains that satisfied employees who are happy with their jobs are more devoted for doing a good job and look forward to improve their organizational customers’ satisfaction (Denton 2000). Employees who are satisfied have higher intentions of persisting with their organization, which results in a decreased turnover rate (Mobley et al., 1979). Abundant studies have hypothesized and empirically validated the link between satisfaction and behavioral intentions and behaviours such as employee’s retention (Anderson & Sullivan, 1993). Further, numerous studies explain the importance of high employees’ involvement and how it could enhance their retention (Arthur 1994). In summary, the literature defines retention as continuing relation between employees and their organization.

**Retention Factors for all Employees**

Research shows that trends redefining modern retention strategies go beyond the traditional salary and benefits package (Gale Group, 2006) and compensation (Feldman, 2000). Embracing employee motivation (Thomas, 2000), is one of the key factors to cater to the diversity and long stay of the workforce in the organization. Retention factors incorporating the needs and desires of employees at any age enhance levels of individual job satisfaction, loyalty, and commitment (Boomer Authority, 2009). Cunningham (2002) states that employees rank employee recognition, flexibility and training as top priorities for prolonging individual employment, while Walker (2001) and others call for establishing a supportive learning and working climate for employee retention. Further, career development (Boomer Authority 2009), organizational commitment (Patrick Owens, 2006), communication (Gopinath and Becker, 2000) and superior-subordinate relationship (Zenger, Ulrich, Smallwood, 2000) are also the factors known for prolonged stay of the employees in the organization. The list of retention factors and literature review is not meant to be exhaustive of all possible theories or variables related to employee retention and turnover (Griffeth et al., 2000). Rather, the emphasis in this study is placed on testing the relative frequency with which various retention factors emerge when analyzing employees’ versions for why they stay. A brief introduction and review of the 12 retention factors working towards the preservation of an organization’s most valuable asset—employees (Yazinski, 2009), examined in this study are provided in the following section.
Skill Recognition

Providing skill recognition of personal job accomplishments is an effective retention strategy for employees at any age (Yazinski, 2009). Studies indicate fulfilling peoples’ need for acceptance by acknowledging individual work accomplishments prolongs employment of employees (Redington, 2007). A study by Yazinski (2009) show trends of an increased number of job applicants seeking out companies that encourage employee input, growth, education, and teamwork, beyond the traditional compensation/benefit packages offered by employers.

Learning and Working Climate

Since learning and development opportunities appear crucial for the retention of talented employees (Arnold, 2005; Hytter, 2007; Walker, 2001), an organisation must establish a supportive learning and working climate. The concept ‘learning and working climate’ is derived from previous research (Abrams et al., 2008 etc). In general, it refers to the environment wherein employees both learn and work. More specifically, the concept could be described by referring to: guidance and appreciation at work; pressure of work; the amount of empowerment and the responsibility that employees experience; choice in job tasks and development; provision of challenging and meaningful work; and advancement and development opportunities.

Job Flexibility

Job flexibility is vital for retaining employees of any age (Boomer Authority, 2009). Researchers describe the importance of employment flexibility such as scheduling variations that better accommodate individual work times, workloads, responsibilities, and locations around family responsibilities (Cunningham, 2002; Pleffer, 2007). Studies show that ‘flexibility’ empowers individuals to facilitate a healthier balance between work and personal obligations, something that appeals to all ages of employees (Eyster, et al., 2008; Scheef & Thielfodt, 2004).

Cost Effectiveness

Studies supports the conclusion that organizations providing cost effective job flexibility options benefit from satisfying the needs of all employees, independent of age, which allows for the reallocation of expenses related to recruitment, work space changes, sick time, absenteeism, and commuting costs (Agrela et al., 2008; Boomer Authority, 2009; Cunningham, 2002).
Training

Training is a key retention factor for employees at any age. Statistical evidence indicates that job training is a critical factor for personal (behavioural) and professional (technical) development (United States Department of Labour, 2009). The availability for all employees having access to training and development programmes is critical in facilitating organizational growth, particularly with performance and technological improvements (Boomer Authority, 2009). Research supports that both the organizational benefits and cost savings associated with training programmess outweigh the initial cost it incurs (Prenda & Stahl, 2001).

Benefits

The relationship of benefits with retention is another aspect of making people stay is often investigated by researchers. Maccoby (1984) identified the job satisfaction of employees and supervisors of Bell System over a five-year period and found that the employees and supervisors were satisfied with their pay and benefits and were also motivated to work productively

Career Development

The purpose of career planning as part of an employee development programme is not only to help employees feel like their employers are investing in them, but also help people manage the multiple aspects of their lives and deal with the fact that there is not a clear promotion track. Employers can no longer promise job security, but they can help people maintain the skills they need to remain viable in the job market (Moses, 1999).

Superior-Subordinate Relationship

Employee development programmes cannot exist without a culture that supports them. Any effective programme must have strong support from people in senior management positions, and these people must also serve as positive role models to subordinates (Zenger, Ulrich, Smallwood, 2000). Managers and supervisors take on a new role when an organization gets into the business of employee development.
FACTORS AFFECTING EMPLOYEE RETENTION: AN EMPIRICAL STUDY IN INDIAN

Compensation
Creating a compensation structure that supports an employee development program is a distinct challenge for companies. Many organizations claim to base pay raises on performance, but that is not actually the case. Some companies try to emphasize a team environment, but continue to reward people for individual achievement (Feldman, 2000). These inconsistencies can cause frustration and cynicism in employees. It is especially difficult when employees are not seeing significant pay raises, yet company leaders are richly rewarded (Feldman, 2000).

Organizational Commitment
Studies have concluded that committed employees’ remains with the organization for longer periods of time than those which are less committed. Steers (1977) suggests that the more committed an employee is, the less desire they have to quit the organization. These ‘highly committed’ employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Steers (1977) concluded that ‘commitment was significantly and inversely related to employee turnover.’

Communication
Studies have indicated that effective communications improve employee identification with their agency and build openness and trust culture. Increasingly, organizations provide information on values, mission, strategies, competitive performance, and changes that may affect employees enthusiasm (Gopinath and Becker 2000; Levine 1995). Many companies are working to provide information that employees want and need in better way of communication, through the most credible sources (e.g., CEO and top management strategies) on a timely and consistent basis.

Employee Motivation
Management theory and practice has traditionally focused on extrinsic motivators. While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today’s environment (Thomas, 2000). Now-a-days motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. Over the long haul, people need intrinsic rewards to keep going and to perform at their peak (Thomas, 2000).
OBJECTIVE AND SCOPE OF THE STUDY

The objective of the present study is to explore and identify the main factors of retention management strategies in organizations. Employee retention is a major issue in Indian automobile industry as the employee turnover rate is very steep. The present study provides insight to the dynamics of employee retention issue with a special reference to Indian automobile sector.

Research Methodology

This study used a descriptive survey design. The purpose of descriptive surveys, according to Ezeani (1998), is to collect detailed and factual information that describes an existing phenomenon. A thorough review of literature was conducted before selecting the topic of the study. In this study, we focused on studying the retention management practices that makes people stay in and continue to serve. The target populations of the study were 100 middle level managers who were selected from the Indian manufacturing companies (Automobile Industry), to participate because this group tends to be the focus of maximum employee turnover in recent years. Also members among this group are often called upon to assume expanded roles, functions and responsibilities as a part of retention management practices. Additionally, they are more likely to be responsible for implementing the management strategies for retaining the employees. As a result, they are in better position to observe and experience the work behaviours and attitudes towards retention strategies. It is hoped that this would provide more realistic and reliable data and information about the impact of efforts made by the organization for continuous individual employment on themselves and those they supervise. Moreover, because blanket retention policies may be disadvantageous in a similar context (sector, in our case) and organizations would want to adopt particular strategies that contribute to the retention of their most valued employees in one while avoiding control methods that would appeal the employees in the other. The population was taken for survey from manufacturers based in south India. A total enumeration sampling technique was used to select 100 middle level managers.

Instrument

A set of 12 measures were selected for the study after going through the literature. A structured questionnaire was constructed utilizing these 12 measures of job recognition, flexibility, benefits, compensation, employee motivation, learning work climate, cost-effectiveness, career development, organizational commitment, communication, superior-
subordinate relationship and training with appropriate instructions for each section of the questionnaire for the collection of data on the study. The questionnaire was specifically designed to accomplish the objectives of the study. The first section collected information such as age, sex, experience, professional status, marital status and position. The second section was supplemented by items based on the studies of Arnold (2005), Hytter (2007), Akinboye's 2001 Executive Behaviour Battery, Griffeth and Horn (1995, 2001), Mooday, Steer, and Porter (1979), Boomer Authority (2009), Redington, (2007). To assess the validity of the questionnaire, expert judgment method was applied. So, the developed questionnaire, along with explanations regarding terms and concepts were presented to five university professors, five managers each from the two organizations. It was also noticed that some of the questions needed revision along with some additions and deletions. The necessary amendments were then made and its content and construct validity were assured and finally confirmed by other experts. The questionnaire consisted of 60 items in which the perception of the participants is central. The items measure the participants’ perception, work behaviours and attitudes towards retention strategies in their organisation. All 60 items were scored on a five-point Likert scale ranging from 1 ‘I strongly disagree’ to 5 ‘I strongly agree’. Then, to determine the reliability of the questionnaire, it was sent to the organizations. The questionnaire was filled out by the research community belonging to middle managerial level from both the organizations. After the mentioned questionnaires were filled out, the reliability of the questionnaire was determined using Cronbach’s alpha and Pearson correlation. The overall reliability co-efficient of the modified instrument after the pilot survey yielded an $r = 0.823$ Cronbach alpha while Pearson correlation was 0.951 ($p<0.001$). As such, it showed that the questionnaire was reliable.

**DATA ANALYSIS AND INTERPRETATION**

Kaiser-Meyer-Olkin was used to determine the sufficiency of the sample size, and Bartlet test of sphericity was applied to calculate the meaningfulness of the correlation matrix. Then, the exploratory factor analysis was performed with maximum probability approach to identify the rate of loading of variables recognized in the component, and Varimax orthogonal approach was used to interpret the variables.

**Results**

In the first step, the correlation of each identified variable and the internal consistency of all variables were calculated in the component ‘Retention Management Strategies’ for both the organizations.
Retention Management Strategies

Before the explanatory factor analysis, the Kaiser-Meyer-Olkin approach was used to determine the sufficiency of the sample size for the component, while Bartlet test of sphericity was used to establish whether the correlation matrix has meaningful difference with zero or not. The sufficiency of sampling and meaningfulness of the correlation matrix was checked for the (p<0.001), respectively. It showed that the exploratory factor analysis was permissible. Then, the explanatory factor analysis was performed with maximum probability approach and the variables were interpreted with Varimax rotation approach. The results showed that three factors came out from the 'Retention Management Strategies' component with special values bigger than 1. The first, second and third factors explained 40.153, 11.912 and 10.8% of the total variances of variables, respectively. Therefore, these three factors explained 62.865% of the total variances of variables for the component 'Retention Management Strategies'. As regards this component, the following variables formed.

The 1st factor was formed by the following variables:
1. Skill Recognition.
2. Job Flexibility.
3. Superior-Subordinate Relationship.
4. Employee Motivation.
5. Organization Commitment.

The 2nd factor was formed by the following variables:
1. Learning and Working Climate.
2. Cost Effectiveness.
3. Communication.

The 3rd factor was formed by the following variables:
1. Benefits.
2. Compensation.
3. Cost Effectiveness.
4. Training.
DISCUSSION

Findings of this research showed that three factors have been identified regarding retention management strategies at manufacturing companies in India. Lockwood (2006) states that retention is a critical element of an organization’s more general approach to talent management, which is defined as ‘the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs.’ The latter part of this definition is important because it suggests that talent management programmes should be tailored to those who are most responsible for the organization’s success. The assertion of Lockwood (2006) is in consonance with the findings of the present research. The first factor was called ‘competence and relationship oriented’ the second one was ‘scholastic and futuristic oriented’ and the third one was ‘developmental and reward oriented’. In fact, many companies have discovered, however, that one of the factors that helps retain employees is the opportunity to learn and try new things (Logan, 2000).

SUGGESTIONS AND MANAGERIAL IMPLICATIONS

In order for any organization to achieve its goals, a committed workforce is essential. It has, however, become a great challenge for organisations to attract and retain employees as the power of success has shifted from organizations to employees. The organization that is committed to attraction and retention of staff is likely to gain a competitive advantage, as staff members are satisfied and give their optimum production. Given the growing needs for organizations to retain its best employees in the face of competition, the findings of the study suggest that certain variables are crucial in influencing employees’ decision to either leave or remain in an organization. Such variables include skill recognition, employee motivation, job flexibility etc. Nonetheless, the importance of other variables should not be underestimated when formulating a retention policy. It is only a comprehensive blend of intrinsic and extrinsic motivational variables that can enhance retention and reduce the high rate of employee turnover in our various organisations. Organisations should invest heavily in training and development of their employees. Training and development appeals greatly to employees and remain the best ways of retaining key employees. On the basis of the results achieved from the present research, the study may suggest that these factors have substantial roles in determining the retention management strategies of the organizations and should be
considered to be the main components for retaining employees. The factors emerging of retention strategies also indicate that employees stay when they have strong relationships with others; with whom they work, as a positive learning environment and encouragement of team building activities, project assignments involving work with colleagues and opportunities for interaction both on and off the job leads to higher retention rates.

**FUTURE RESEARCH DIRECTIONS**

Based on the study, the following directions for future research may be pointed out:

- While this study covered variables that are considered more relevant to the employee retention process, there are other variables sighted in the extant literature that were not included in the study. Future researchers should look for opportunities to collect data that allow for the investigation of those variables under the similar framework. Future studies that include those variables as well will provide a better picture of employee retention phenomenon.

- In order to increase the validity of the findings, additional research can be undertaken to test this research findings using a larger sample, perhaps replicating the study on all a nation-wide scale. Consequently, it could firmly determine the possible boundary for its applicability.

- Being a quantitative study, it was not possible to get an in-depth understanding of the contextual factors behind the beliefs and perceptions of the employees. Perhaps a mixed methodology with personal interviews with leavers and stayers in future will provide a much richer description of the reasons why stayers stayed and were satisfied and committed to teaching. Such research could provide further insight into the nature of employee job satisfaction and organizational commitment, both generally and particularly.

- More broadly, the findings from this study could be explored with other organizational outcomes such as absenteeism, job performance, and organizational citizenship behaviour.

- HR managers constitute an accepted source of data collection in turnover research (e.g., Shaw et al., 1998) and were thought to be particularly well-positioned to comment on organizational drivers of voluntary staff turnover. Future researchers should look to collect data from persons holding managerial/authoritative position in organizations also and compare—for any discrepancy—their perception with that of employees, regarding employee turnover and retention issues.
FACTORS AFFECTING EMPLOYEE RETENTION: AN EMPIRICAL STUDY IN INDIAN

REFERENCES


FACTORS AFFECTING EMPLOYEE RETENTION: AN EMPIRICAL STUDY IN INDIAN


Responsible Business is Good Business: A Case of Loyal Textiles Firm from Tamilnadu

Sathish P.¹, Anjana S.² and Vidya Rajaram Iyer³
¹MBA Student, Thiagarajar School of Management, Thiruparankundram, Madurai–625005
²,³Assistant Professor, Thiagarajar School of Management, Thiruparankundram, Madurai–625005
E-mail: ¹sathishbpositive@gmail.com, ²anjanas@tsm.ac.in, ³vidyasuresh@tsm.ac.in

Abstract—One of the most significant developments in the field of Corporate Social Responsibility (CSR) over the past few years has been the growth in public expectations that the companies not only make commitments to its stakeholders in its business operations but also commit themselves to social development activities. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision-making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. The time has come where the nation and its economic sectors need to concentrate not only on the growth but also on overall inclusive development of the society. Strategically speaking, business can only flourish when the communities and ecosystems which they operate are healthy. In this context, the article presents a case of a textile firm situated in Tamilnadu who have been into CSR activity since five decades.

Keywords: Corporate Social Responsibility, Loyal Textile Mill, Case for CSR

An Overview of Corporate Social Responsibility

‘Welfare of the community is linked with corporate success and is the duty of corporate, no more no less.’

—Ratan Tata

The quote of Shr. Ratan Tata, a business tycoon of India, is quite relevant to highlight the role of business in social and community development. Since the 1990s, the impact of economic globalization is demanding the corporate world to take an effort to eliminate poverty, achieve responsible systems of governance and assure environmental security. Keeping in mind that the businesses are run to make profits, it is also important to understand that the business is an indispensable part of the society and are accountable to maximize the positive benefits to the society from all of their activities and mitigate the harmful effects. And the result of this concern took root as Corporate Social Responsibility which is also termed as ‘corporate citizenship’ or ‘corporate accountability’. As CSR is gaining importance in
today's society, it is referred as 'responsible competitiveness' and companies have a built-in system to monitor all of their activities related to CSR in order to make sure that they comply with the environmental standards and government norms.

The CSR activities include providing basic education for the needy, organizing health camps for the deprived, sponsoring sportspersons and similar efforts. Thus, CSR represents 'the integrity with which a company governs itself, fulfills its mission, lives by its values, engages with its stakeholders, measures its impact and reports on its activities'. The World Business Council for sustained and supportable improvement has described CSR as the company involvement to sustainable economic growth of a nation. Basically, CSR activities should have compliance with rules and regulations of the government of the respective state. It includes activities like, corporate governance, health and safety, ecological balance, human rights, viable improvement, industrial associations with education institution as well as society, community expansion, involvement of diverse principles, corporate patronage, customer gratification, anti-bribery and anti-corruption trials, accountability and transparency, supplier relations and so on and so forth.

**Objective of the Study**

The primary objective of the study is to revisit the relationship between business and society and further strengthen it by emphasizing the role of corporate in the accomplishment of social goals in the country. The study has closely examined the CSR activity of Loyal Textile Mills which operates in southern part of Tamilnadu as a case for this paper. The study is divided into three parts. The first part deals with the introduction of the topic and objective of the study. The second part discusses the relationship of CSR with various activities and finally we support our study with the case.

**Sustainable Development in the Field of CSR**

CSR includes developing and implementing systems so as to assess and report on the relative progress of the activities of the corporate with respect to its commitments. Government regulations are now demanding companies to excel in areas such as business ethics, human rights, community development, environmental policies which are no longer a part of CSR.

The new regulation brought by UPA II says that company has to invest 2% of their gross profit in the form of CSR apart from the rules and regulations
which they need to follow. Examples of CSR include promoting safe working conditions, contributions to the society and charities at different levels of people.

**Relationship between CSR and the Law**

There is a close association between CSR and law. The government uses law as a main instrument to address a firm’s social, economical and environmental impacts. Many countries have a wide range of laws at all levels from national to local, pertaining to consumers, workers, their safety, environmental protection and many more. It is important that a firm’s CSR should start by ensuring full compliance with the existing law else it will be a failure as the law undermines the other good efforts.

**Performance Reporting and the Law**

In many jurisdictions there are laws that require firms in certain sectors to disclose their practices to the public. The Indian Companies Act 1956, for example, requires publicly-listed companies to report on the number of specific issues which are essential to understand the company’s business. These include environmental difficulties (including the impact of the company’s business on the environment), the company’s employees, social and community issues, and risks. Similar arrangements exist in the UK, the US, France and across the EU.

**Corporate Governance and Disclosure**

Social and environmental issues are becoming an essential part of the corporate governance agenda and so in many countries securities issuing firms need to publicly reveal their corporate governance practices.

**Bribery**

CSR stress that a corporate should follow ethical and responsible means of act. In India, we have a mechanism to check bribery in the issues like placing or procuring a contract which is hardly proved in the court of law. This act of anti-bribery should come from within than, out of regulations. There are many companies which never pay or get bribery in course of their operation. For example, the Ex-Chairman of Infosys, Mr. N.R. Narayanamoorthy has said in one of his recent talks that in his span of over 30 years, his company had never paid bribe in getting their work done. This is purely an ‘ethical’ stand taken by the company and sticks to it till now.
Requirements under Different Jurisdictions

Different countries have different legal requirements which should be taken into consideration. For example, the U.K. legislation requires the pension fund trustees to make a comment in their investment statements to know how much their policy is concerned about various social and ethical issues. In European countries the law requires the firms to report on the social and environmental performance. And also number of firms in U.S. have been summoned under the Alien Tort Claims Act (e.g., Doe v. Unocal), where corporate accountability could be established through transnational civil litigation. In India, ‘Companies Bill’ makes it mandatory for the firms to spend 2% on CSR activities with companies having net profit of over Rs.500 crore, net worth of Rs.500 crore or turnover of Rs.1000 crore or over in a given financial year. There were some objections from the corporates and so the Ministry of Corporate Affairs modified the bill in such a way that if a company is unable to spend 2% on CSR then it should provide sufficient convincing reasons for it.

LOYAL TEXTILE GROUP: A CASE OF CSR IN TAMILNADU

The CSR activities vary from firm to firm depending upon various criteria like business sector, firm size, products, operating mechanism, suppliers, consumers and many more.

An Introduction to Loyal Textile Mills Ltd.

Loyal Textiles is committed to the social and environmental development and philanthropy. It is a multi-faceted organization and it provides numerous products for the textile and apparel industries. Throughout its seven decades of operation, it has set benchmarks for the generations to come. Loyal Group has three composite mills, one spinning mill, one dyeing house, four garment manufacturing units, one trading-cum-retailing company and a joint venture trading company in Italy. In addition to this, the Group has a 162 year-old watch trading company called ‘P Orr & Sons’, which has nine operational stores in Tamil Nadu and Pondicherry. The annual turnover of Loyal Group is Rs.10 billion, of which, Rs.8 billion is generated from exports. Loyal group exports products to various countries like Israel, Egypt, U S A, EU Countries, Japan, Thailand, South Korea, United kingdom, Dubai, Sri Lanka, Bangladesh, Brazil, Argentina, Columbia, Taiwan, Vietnam, Iran, Mexico, Israel, China and Indonesia. The Government of India has awarded the Group with ‘Trading House’ status for its continuous improvement in export performance. And the Group has several other awards and accolades in its profile.
Vision

With a strong commitment to quality and customer satisfaction, Loyal’s vision encompasses the following:

1. To be one of the most admired textile companies which follows and supports sustainable environmental friendly processes right from cotton cultivation to product distribution; practices high level of integrity and fairness in dealing with all the stakeholders.

2. To remain focused on developing specialty and technical products for safety and functional wear.

Mission

1. Loyal’s quest is to become the most admired group by all their stakeholders i.e., customers, employees, shareholders and society at large.

2. Loyal shall pursue world-class standards in their people, products, processes and performance.

3. Loyal is seeking quantum growth to lead in the international and domestic market and enhance their international presence by encouraging Innovation and nurturing intellectual processing.

4. Loyal will be always conscious of the path they take to ensure highest ethical and moral compliance even as they remain totally focussed on their goals.

Founder of Loyal Group

The Loyal Group was founded in 1956 by Late ‘Kalaithanthai’ Karumuttu Thiagarajar Chettiar. He started it as a spinning and weaving mill by getting second hand machines to help the laid off workers from other mills. But as time passed, it became one among the largest spinning mills in India. From a rich trading background, Karumuttu Thiagarajar Chettiar became the pioneer of South Indian Textile industry. With the help of his experience he promoted many sugar industries and banks. He started many educational institutions and offered subsidized or free education to the deprived. Because of his efforts, the Loyal Textile Mills Ltd. runs successfully even after his demise.

The Group has seen three generation of entrepreneurs in Textiles and Trading. Karumuttu Thiagarajan Chettiar’s second son took the firm forward after his hardworking father and presently looked after by the third generation members headed by Mr. Manikam Ramaswami as its Chairman-cum-Managing Director.
Social Contributions

Education

Loyal Group is supporting several charitable trusts and educational institutes and is providing quality education in all areas from primary level to master level where it has set foot. Nearly 3000 students are benefited every year from its educational services. And it is also enabling degree through distance learning for women to improve their standards of living.

Thiagarajar School of Management (TSM)

TSM located in Madurai, is one of the premier institutions of learning, rendering creditable service to the cause of higher education. TSM was founded in 1962 by the pioneer of the south Indian textile industry, Karumuttu Thiagarajan Chettiar who also founded several engineering and arts colleges and polytechnic and schools in and around Madurai. The initial objective was to provide management education for working executives and entrepreneurs. But later, its success resulted in making it a part time MBA programme in 1972 followed by the full time MBA programme for young aspirants from 1986 onwards. And also a full time MCA programme was added to the curriculum in 1994. The strong belief of the firm is that there is no substitute for good education, and provide the students with all needed facilities. And also TSM does not accept any capitation fees from students seeking admission. The school is fully supported and funded by the Loyal Textiles Group.

Thiagarajar College of Preceptors Madurai (TCP)

TCP sited in the eastern part of Madurai, was founded in 1956 by Thiagarajar trust which was formed in 1944. B.Ed., M.Ed. and M.Phil. were the courses offered at that time. It is a co-educational institution and is affiliated to Madurai Kamarajar University. Thiagarajar College of Preceptors is also recognized by National Council for Teacher Education (NCTE). The college provides training to the students with the help of attached Thiagarajar Model Hr. Sec. School. This allows students and staffs to conduct various educational researches from time to time.

Thiagarajar Model Higher Secondary School, Madurai

It is located in the eastern part of Madurai and was founded in 1957 as a need for the B.Ed. College (TCP). The school has classes from VI standard to XII standard offering education in both the mediums, English and Tamil. The main subjects comprise Mathematics, Physics, Chemistry, Biology,
Computer Science, Commerce, Economics, Accountancy, History, Geography and Indian culture. The school also offers choice for vocational subject such as Mathematics and General Machinist. The admission is purely on merit basis. The school provides concession in fees for poor and deserving students, medical assistance for staff and students, value education programme and tutoring programme for economically poor students. And also other facilities like N.C.C, Yoga classes, Breathing Exercises, Industrial Training for vocational students, parental sessions, literary and science associations, guest lectures for students by eminent personalities and special coaching in sports activities are delivered.

**Sustainability Index of Loyal**

Loyal Group is responsible towards the society, human resource and environment and hence ensures conservation of resources as per the prescribed laws and regulations as per the ISO: 14001 environment management system. Some of the work done by group includes, compliance with environmental rules and regulations; conservation of natural resources; dyeing of fabrics using water frugal technology; reusing, recycling and minimizing wastes; adopting cost effective measures in the prevention of pollution from Loyal’s processes; motivating and preparing all employees to take personal accountability for protecting the environment; planning, implementing and reviewing environmental objectives and targets; Carbon Emission: Loyal Group is becoming a carbon dioxide consumer than an emitter. The energy requirements are met by its own wind farms and the firewood requirements is met by its firewood plantation; Waste Water Treatment: Waste water produced in the dyeing house is very low as it is processed by using bacteria and Ozone to let out least amount of solid waste; Health Care: Loyal Group has taken initiative to bring in health awareness and it is providing continuous treatment for people living in rural areas and those living around their factories; Farm Division: Cows live in the factory premises thus providing **gobar gas**, **vermicompost**, urine based pesticide and disinfectants besides milk. These cows are fed with natural food and no growth hormone is used to induce. By using two types of earthworm **vermicompost** is prepared using trench method and thus Loyal is increasing the microbial population. The water requirements of the mill are met by the municipal waste water which is processed in the treatment plants at Loyal. And also water collected in ponds through rain water harvesting provides 60 million liters in excess which is used for cultivation of fruit trees in the factory premises.
The Spillover Benefits from Loyal Mills

The Loyals have proved their mettle not only in business but also in their CSR activities in various fields. Loyal Textiles has been winning awards continuously over the last six years. These included a National Gold Medal for incorporating high technology developed by in-house R&D. The Loyals successfully developed high specialty fabric for high tension electricity workers which conducts away electricity transmitted when short circuit takes place in high-tension lines resulting in explosion. The garment protects the person from these multi risks—from the impact of the explosion, from molten parts, electric charge and thermal shock. All these have to be ensured by the fabric manufactured at the lowest cost, lowest costume weight and highest possible comfort.

Going in line with the UPA government’s scheme of NREGA which increased the average wage levels from Rs 60 to Rs 150 per day, the Loyal Textiles had to incur an increase in wage rate in their establishments at around Rs 4.5 lakh crore. This without doubt raised the standard of living of the employees to the next level. Apart from developing the parent firm, the mill also has generated employment in education arena.

Table 1: Employment Generation in CSR of Loyal Textile Mills LTD

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Institution</th>
<th>Teaching Staff</th>
<th>Support Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thiagarajar school of management</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>Thiagarajar college of preceptors</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Thiagarajar model higher secondary school</td>
<td>60</td>
<td>11</td>
</tr>
<tr>
<td>4</td>
<td>Thiagarajar nursery school</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>121</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Primary data collection from Loyal Textile, 22 April 2013

CONCLUSION

We would like to conclude with this saying’ There is no way to avoid paying serious attention to corporate citizenship: the costs of failing are simply too high.... There are countless win-win opportunities waiting to be discovered: every activity in a firm’s value chain overlaps in some way with social factors—everything from how you buy or procure to how you do your research—yet very few companies have thought about this. The goal is to leverage your company’s unique capabilities in supporting social causes, and improve your competitive context at the same time. The job of today’s leaders is to stop being defensive and start thinking systematically about corporate responsibility.’

—Michael Porter
Professor, Harvard Business School, at the April 2005 Business and Society Conference on Corporate Citizenship, sponsored by the University of Toronto’s Rotman School of Management.

REFERENCES

[5] http://www.oecd.org/document/49/0,2340,en_2649_34813_31530865_1_1_1_1,00.htm
Abstract—Madurai City generates approximately 450 tonnes of waste daily, out of which 88% of them are from residential and commercial sources. The city’s waste is dumped at an exclusive dump yard located at a place called Avaniapuram, an area located on the outskirts of Madurai. The collected garbage/ waste is dumped and burnt at the same site causing hardships to the people residing nearby. The process of garbage dumping and garbage burning is a daily affair. While the garbage is being dumped, the residents of the nearby places are subjected to various hardships like foul smell, unhygienic surroundings and if the same garbage is burnt, it further adds to the misery causing eye irritation, nausea to the local people. The objective of this paper is to find out how the garbage dumped can be managed so as to bring down the ill effects of the same and to facilitate a happy life for the people residing nearby. The paper also suggests solutions for the problems of garbage dumping and burning and to set up an efficient garbage disposal system for the people of Madurai.

Keywords: Madurai City, Garbage Dumping, Effects of Waste Dumping

INTRODUCTION

The stench and ugly sight of garbage dumped on the roadside, sometimes overflowing from drains or floating on the surface of rivers, is not at all uncommon in India. It is disgusting, until you get used to it and begin to ignore it. Garbage dumping involves the process of dumping all the household, commercial, industrial and other sources of biodegradable and non-biodegradable waste collected from an entire city, in a particular area as reserved by the Municipal Corporation of that city. This paper deals with the garbage management issues in a select district of Tamilnadu. The Municipal Corporation of all cities in Tamilnadu takes care of the disposal of waste. This study discusses the effectiveness of the methodology adopted by the corporation. The dumping place chosen by the corporation in certain cities
are close to residential areas and people residing in such places become prone to various health issues. The study also concentrates on the effects of garbage dumping in the city of Madurai.

**RESEARCH OBJECTIVE**

To find out how the garbage dumped can be managed so as to bring down the ill effects of the same.

**GARBAGE DUMPING AT MADURAI**

It is narrated in legend that Madurai was originally a forest known as Kadambavanam. One day, a farmer named Dhananjaya who was passing through the forest, saw Indra (The king of the gods), worshipping a swayambhu (self-created Lingam) under kadamba tree. Dhananjaya, the farmer, immediately reported this to King Kulasekara Pandya. Kulasekara Pandya cleared the forest and built a temple around the Lingam. A city was soon planned with the temple as its centre. On the day the city was to be named, Lord Shiva is said to have appeared and drops of nectar from his hair fell on the town. So, the place was named Madurai-mathuram meaning ‘sweetness’ in Tamil.

Now, after India’s independence, Madurai is one of the major districts of Tamilnadu State. Later on, Madurai district was bifurcated into two districts namely Madurai and Dindugul. In Madurai district, there are 15 State Assembly constituencies and two Parliament constituencies. Madurai town is divided into 4 zones covering all 72 municipal wards. The collection, transportation and disposal of municipal solid waste are an obligatory function of the Madurai Corporation. Disposal of waste in a city that has a population of more than 10 lakhs is a major challenge. Unfortunately, for Madurai, the age-old practice of waste disposal still means simply dumping it elsewhere. The result of dumping almost 450 tons of waste generated every day at Vellakkal near Avaniapuram has been threatening the environment and people living around. Besides stench, mosquito and fly menace, rampant burning of waste has become intolerable for the residents. With no compound wall around, access for rag pickers to the 110-acre sprawling yard has always been easy and it is the sole reason behind the thick smoke billowing into the air and a health hazard for the people of the residential areas. Many schools, colleges and offices are also located in the vicinity. The municipal solid waste mainly comprises of waste from households, market, commercial establishments, hotels, hospitals and industries in the town.
The System of Solid Waste Management in Madurai

The management of garbage is one of the vital functions of the Madurai Corporation. This function includes collection, transportation and disposal of solid waste. The garbage mainly comprises of waste from households, market, commercial establishments, hotels, hospitals and industries in the town. The public health department of the corporation, headed by City Health Officer and Assistant Health Officer is responsible for the solid waste management in the city. For the efficient administration and for day-to-day operational purposes, the town is divided into 4 zones covering all the 100 Municipal Wards.

Table 1: Source of Solid Waste Generation

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Source</th>
<th>Quantity (Tones Per Day)</th>
<th>Composition (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Domestic</td>
<td>288.00</td>
<td>64%</td>
</tr>
<tr>
<td>2.</td>
<td>Commercial</td>
<td>108.00</td>
<td>24%</td>
</tr>
<tr>
<td>3.</td>
<td>Industrial</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>4.</td>
<td>Hospitals &amp; Clinics</td>
<td>18.00</td>
<td>4%</td>
</tr>
<tr>
<td>5.</td>
<td>Others</td>
<td>36.00</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>450.00</td>
<td>100%</td>
</tr>
</tbody>
</table>


From Fig 1 it is clear that the major source of waste generation has been households, followed by commercial. Even the hospital which is thought to be active in generation of waste contributes only 4% of the total garbage dump. The household waste mainly consists of organic waste such as vegetable waste, food etc., which can be easily disposed. Commercial establishments like hotels, restaurants, shops, trading units, street vendors and event halls generate solid waste which mainly comprises of paper, plastics, food left-overs and others in organics. Madurai has approximately 25 daily markets and 2 weekly markets. The total quantum of waste generated from these sources is 108.00 tonnes per day, which constitutes about 24% of the total waste dump. Waste collection and disposal in the public gathering, market area and town including bus stand are managed by means of contract employees. As there are no major industries in the Corporation area, the waste from the existing units is not mixed with the municipal waste. As far as the health clinics and multispeciality hospitals are concerned, which constitutes approximately 18.00 tonnes are disposed separately through incineration and is not mixed with municipal waste.
Table 2: Existing Solid Waste Management

<table>
<thead>
<tr>
<th>Solid Waste Management</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Zones</td>
<td>4 Zones</td>
</tr>
<tr>
<td>No. of Wards</td>
<td>72 Wards</td>
</tr>
<tr>
<td>Population (2004)</td>
<td>1051434</td>
</tr>
<tr>
<td>Floating Population (20%)</td>
<td>2100000</td>
</tr>
<tr>
<td>Garbage Generated per day (including Floating population)</td>
<td>450 MT</td>
</tr>
<tr>
<td>Garbage Collected per day</td>
<td>360 MT</td>
</tr>
<tr>
<td>Collection efficiency</td>
<td>80%</td>
</tr>
</tbody>
</table>


The Corporation manages primary collection through 135 Tricycles (carrying capacity–20 kg/Tricycle) and 150 Hand Carts (carrying capacity–100 kg/hand cart). Collection and transfer of waste to collection points is also managed by auto minder (57 rented vehicles are being used). There are 74 dumper bins with a total carrying capacity of approximately 100 tonnes placed at main collection locations around the city. Night sweeping is done effectively around the temples, core city and certain market areas and also around bus stands. In Madurai Corporation, waste transportation is being carried out using open vehicles. Transfer of garbage to collection points is done by Corporation owned hand carts, tricycles and rented vehicles like auto minders, which is further taken to the dump yard by means of Corporation owned vehicles (Lorries and Dumper Placers) and rented vehicles (Tractors). Transportation of waste is managed by 12 Corporation owned vehicles and 65 hired vehicles. The Corporation is collecting and transporting 410 MT of waste to the dump site based on varying number of trips assigned and undertaken by these vehicles. At present, the corporation is not practising any safe or scientific solid waste disposal methods. The waste collected from various localities in the city is directly disposed of by open dumping at Vellakkal site, located outside the city limit. Solid waste generated from all sanitary wards is disposed off at this site. Site is located at about 10 km from the city and the total area of the site is 82 acres. The people living in the residential areas nearby Avaniapuram are not satisfied with the steps taken by Municipal Corporation. They feel that the Municipality can take better steps to do away with the garbage so that the residents do not get affected by any health problems such as skin disease, eye irritation, respiratory problems, etc. The residents would like to have a clean environment to live in and prefer the dumping area to be shifted to a different locality.
REVIEW OF LITERATURE

In the following section, an attempt is made to present a review of select studies which have examined the waste management in different states of India. Since the studies on waste management are numerous, this section presents not an exhaustive but a select list of studies. However, the present study is kept in focus so that the reviews have a direct relevance.

Hina Zia and V. Devadas, in their study titled, 'Municipal Solid Waste Management in Kanpur, India: Obstacles and Prospects’ made an exploratory study on existing solid waste management system in Kanpur. The study revealed that city appears to be highly inefficient in managing the waste. Only primary and secondary collection, transportation and open dumping are practised, that too in a non-technical manner. The research has been conducted in three stages. The first stage involved collection of background information through various reports, publications of various organizations to understand the state of MSWM in the city, followed by interviews with various heads of the Municipal Corporation involved in SWM, municipal workers and residents of the city. Field studies were conducted in some wards of the city and official dump sites. The third stage involved conducting interviews with planning experts and representatives from NGOs to derive information on various SWM related problems and prospects for improving the system. The study concludes that there is a need to establish a detailed database regarding the quantity and quality of the waste generated by various generators category wise. There is a need to find the exact size of the informal waste recycling sector and the economics of waste recycling in the city to integrate it with the formal sector.

S. Esakku et al., studied municipal solid waste management in Chennai city in India. According to their study, Chennai being the fourth largest metropolitan city in India, has increased from 600 to 3500 tonnes per day (tpd) within 20 years. The highest per capita solid waste generation rate in India is in Chennai (0.6 kg/d). Chennai is divided into 10 zones of 155 wards and collection of garbage is carried out using door-to-door collection and street bin systems. The collected wastes are disposed at open dump sites located at a distance of 15 km from the city. Recent investigations on reclamation and hazard potential of the sites indicate the need for the rehabilitation of the sites. Chennai is the first city in India to contract out MSWM services to a foreign private agency-ONYX, a Singapore based company. The scope of privatization includes activities such as sweeping, collection, storing, transporting of MSW and creating public awareness in
three municipal zones. ONYX collects about 1100 MT of waste from three zones per day and transports it to open dumps. Various Community Based Organizations (CBO) are also involved in the MSWM of the city. A high rate biomethanation plant for power generation is in operation at the Koyembedu market. Total cost for street sweeping, collection and transportation per metric ton of waste by Corporation of Chennai (CoC) and Onyx is approximately USD 33 and 25, respectively.

Kurian Joseph, in his study, ‘Electronic waste management in India—Issues and strategies’, discussed about the current practices of e-waste management in India that suffer from a number of drawbacks like the difficulty in inventory maintenance, unhealthy conditions of informal recycling, inadequate legislation, poor awareness and reluctance on part of the corporate to address the critical issues. The consequences are that (i) toxic materials enter the waste stream with no special precautions to avoid the known adverse effects on the environment and human health, and (ii) resources are wasted when economically valuable materials are dumped or unhealthy conditions are developed during the informal recycling. The paper highlights the associated issues and strategies to address this emerging problem, in the light of initiatives in India. The paper presents a waste management system with shared responsibility for the collection and recycling of electronic wastes amongst the manufacturers/ assemblers, importers, recyclers, regulatory bodies and the consumers.

Florentino B. De la Cruz et al. studied about measurement of carbon storage in landfills from the biogenic carbon content of excavated waste samples. Their study concluded that landfills are an anaerobic ecosystem and represent the major disposal alternative for municipal solid waste (MSW) in the U.S. While some fraction of the biogenic carbon, primarily cellulose (Cel) and hemicellulose (H), is converted to carbon dioxide and methane, lignin (L) is essentially recalcitrant. The biogenic carbon that is not mineralized is stored within the landfill. This carbon storage represents a significant component of a landfill carbon balance. The fraction of biogenic carbon that is not reactive in the landfill environment and therefore stored was derived for samples of excavated waste by measurement of the total organic carbon, its biogenic fraction, and the remaining methane potential. The average biogenic carbon content of the excavated samples was 64.6 ± 18.0% (average ± standard deviation), while the average carbon storage factor was 0.09 ± 0.06 g biogenic-C stored per g dry sample or 0.66 ± 0.16 g biogenic-C stored per g biogenic C.
**Methodology Of Research**

The study uses primary data collected on random from area which is affected from garbage dumping in Madurai. The result was generated from a cross-section data collected between April 17, 2012 and June 24, 2012. One member from each family living near the dump yard was surveyed. Since some of the respondents were not well-versed with English language, scheduling method of data collection was used. The survey was conducted in Pamban Swamy Nagar, Avaniyapuram and Vellakkal area. These are the areas which are very close by the dump yard. Secondary data is from the Madurai Corporation website. The survey involved participation of hundred people on random and their responses were noted down. Each and every respondent was asked to fill the questionnaire and their comments, suggestions and proposals were taken into consideration for our study. All the respondents to this survey are above the age of 20. The samples are not biased under any criteria for this study. Statistical methods like Chi-Square test and Cross tabulation were used with the help of SPSS.

**Result and Discussions**

![Bar chart of the % of age groups with health issues](image)

**Fig. 1: Relationship between Age of the Respondent and Health Issues Faced**

**Interpretation**

It is found that age of the respondent has a significant relationship with the problems of nausea, frequent illness and skin diseases. People in the age group of 40–50 years are more prone to frequent illness due to the garbage dumping in the nearby area.
Fig. 2: Relationship between Gender of the Respondent and Health Issues Faced

**Interpretation**

It is found that gender of the respondent has a significant relationship with the problems of waste disposal. People have developed the problems of nausea, frequent illness and skin diseases due to foul smell. In our case, females are more prone to nausea, frequent illness and skin diseases.

Fig. 3: The Effect of Locality on the Health

**Interpretation**

It is found that the area of residence has a significant relationship with the problems of waste disposal in terms of foul smell and eye irritation. The analysis shows that people of Pamban Swamy Nagar are facing major problems like foul smell and eye irritation.
The Spillover Cost of Waste and Its Management: A Study with Reference

**Interpretation**

People residing in Pamban Nagar are more dissatisfied with the steps taken by the Municipal Corporation than the people in Vellakkal. Vellakkal belongs to the Municipal Corporation, so the people are reluctant to show their dissatisfaction. Most of the people want the dump yard to be shifted to a non-residential area and want it to be recycled.

**Limitations**

The study has faced some issues while on data collection stage. ‘No Comments’ occupy the second response for some people under survey. It also conveys the fact that some of the people are not conscious of their civic duties and cleanliness. They are used to having dump yard nearby and
cleanliness is not in their list of priorities. Also, the respondents of the survey included a large section of uneducated people who had barely cleared their secondary level of education and from the way they answered the questionnaire they are inconsistent with some of their answers (when the same questions were asked in a different way) and are not clear with their preferences on how they want their area to be a cleaner place to live in. There is a disparity in the level of civic sense of the people.

**Findings**

A brief finding from the analysis follows that people in the age group of 30–40 years are the most affected by nausea, frequent illness and skin diseases. Among the respondent, females are more prone to skin diseases, nausea and frequent illness. People at Pamban Swamy Nagar are the most affected by the dump yard, and hence these people have been approaching the municipal corporation very often and by and large people are dissatisfied with the steps taken by Municipal Corporation. Shifting the dump yard to a non-residential area is the most opted solution, when they were asked to comment on the alternatives for dumping wastes at the present site.

**Conclusion & Recommendations**

From the findings it can be concluded that in order to make a locality cleaner and greener the participation and interest shown by the people of that locality is of prime importance without which the sustenance of the harmonious ecosystem may not be the good final result. The report concludes by proposing that advanced waste or garbage disposal systems should be brought into action so as to tackle the garbage dumping and burning problem. Some of the measures for efficient waste treatment have been listed in the recommendations section. Such waste treatment methods will avoid the disadvantages with the present system of managing wastes and will ensure that people living nearer to the dump yard too will lead a happy and garbage problem free life.

The following recommendations can be made to minimize the ill effects of garbage dumping and burning and also to recycle the wastes:

**Treatment of Garbage/ Wastes**

Incineration of wastes-Incineration is the waste treatment process that involves the combustion of organic substances contained in waste materials. Incineration and other high temperature waste treatment systems are described as ‘thermal treatment’. This incineration has to take place in a closed and protected chamber and the burnt wastes residues of this combustion process can be fed as fertilizer to the fields located nearby. However, the cost for this type of treatment is higher as it involves highly protected chambers.
Biological Processing of Wastes

Anaerobic digestion is a series of biological process in which microorganisms break down biodegradable material in the absence of oxygen, used for industrial or domestic purposes to manage waste and/or to release energy. It is used as part of the process to treat biodegradable waste and sewage sludge.

Energy Recovery

Directly using the wastes as fuel after treating them biologically. For example, the gases like methane produced under this environment can be used directly for cooking purposes.

Student Campaigns/ Awareness Campaigns

On educating the people around Avaniapuram on the ill effects of garbage dumping and burning could be conducted, as most of the people are not health or environment conscious given their fairly low exposure to health education and also educating them on the significance of cleanliness.

Conduct of Vaccination

camps for people living near the garbage dump yard as commonly recurring diseases can be prevented thereby improving the immunity of the people.

Plastic Wastes

Plastic wastes can be utilized for laying plastic tar roads. Plastic tar roads have been found to have longer life than the conventional ordinary tar roads and have lesser withering capacity, which is ideal for road users.

REFERENCES

### Table 1: Age Group of Respondents

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Age Group</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20-30 years</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>30-40 years</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>40-50 years</td>
<td>23</td>
</tr>
<tr>
<td>4</td>
<td>Above 50 years</td>
<td>26</td>
</tr>
</tbody>
</table>

### Table 2: Years of Residence of Respondents

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Years of Residence</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0-2 years</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>2-5 years</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>5-10 years</td>
<td>28</td>
</tr>
<tr>
<td>4</td>
<td>More than 10 years</td>
<td>57</td>
</tr>
</tbody>
</table>

### Table 3: Responses for Question: Is Garbage Dumping/ Burning a Problem?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>97</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>2</td>
</tr>
</tbody>
</table>

### Table 4: Responses for Question: Do you Experience Foul Smell because of the Dump Yard?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>92</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>7</td>
</tr>
</tbody>
</table>

### Table 5: Responses for Question: Do you Feel that the Surroundings are Unclean?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>42</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>57</td>
</tr>
</tbody>
</table>

### Table 6: Responses for Question: Do you have Nausea Problems?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>28</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>71</td>
</tr>
</tbody>
</table>

### Table 7: Responses for Question: Do you Experience Eye Irritation because of the Dump Yard?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>75</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>24</td>
</tr>
</tbody>
</table>
### Table 8: Responses for Question: Do you have Frequent Illness?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>67</td>
</tr>
</tbody>
</table>

### Table 9: Responses for Question: Do you have General Immunity Problems?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>33</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>66</td>
</tr>
</tbody>
</table>

### Table 10: Responses for Question: Do you have Eye Irritation Problems?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>68</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>31</td>
</tr>
</tbody>
</table>

### Table 11: Responses for Question: Do you have any Other Problems?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Respiratory problems</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Skin problems</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Death</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Stray dogs</td>
<td>3</td>
</tr>
</tbody>
</table>

### Table 12: Responses for Question: Have you Approached the Municipality Related to this Problem?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>19</td>
</tr>
</tbody>
</table>

### Table 13: Responses for Question: Are you Satisfied with the Steps Taken by the Municipality?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly dissatisfied</td>
<td>52</td>
</tr>
<tr>
<td>2</td>
<td>Somewhat dissatisfied</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Neutral</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Somewhat satisfied</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Highly satisfied</td>
<td>1</td>
</tr>
</tbody>
</table>

### Table 14: Responses for Question: Suggest a Solution?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Answer</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Change the dump yard</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>No comments</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Stop burning waste</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Take steps to recycle waste &amp; water</td>
<td>16</td>
</tr>
</tbody>
</table>
A Descriptive Study of Customer Relationship Management Practices in Automobile Dealers in Baramati Region

Ajit Ashokrao Chandgude¹ and Pratap Paraji Lawande²
¹,²Asst. Prof., College of Commerce, Science and Computer Education, Malegaon BK, Baramati, Pune
E-mail: ¹ajit_c27@yahoo.co.in, ²pratapmcs@gmail.com

Abstract—With the increasing globalization, company orientation becomes customer centric. Customers are most important elements of modern marketing. This paradigm of shift of business activity resulted in the customer relationship marketing (CRM). CRM becomes effective aid to serve customers effectively. CRM systems have been developed to support the process in the areas of marketing, sales and service. CRM becomes increasingly important for organizations to improve profits through long-term relationships with customers. Today companies are building more direct and lasting relationships with more carefully selected customers. Many organizations are fighting for share in the market in changing demographic conditions of market. Abundant information’s are available to customers through internet, television, newspaper, exhibitions, trade fairs etc. Due to this availability of information, customers are empowered to demand more. Customers are aware about the availability of various products as well as comparative analysis of their features. Hence, the challenges of sales persons become tough regarding identification of needs providing right solutions to customers. This is possible with the help of Customer Relation Management which is the combination of organization strategy, information systems and technology focussed on providing better customer service. CRM when correctly and effectively utilized, results in increased profitability and greater customer loyalty, which are two key needs for any organization. In the last two decades, it becomes necessary to consider emerging technologies and identifying opportunities and bottlenecks during the implementation of CRM. Thus, successful implementations of CRM in organization produces focus on profiling or understanding the needs and desires of customers and it is achieved by placing these needs at the heart of business by integrating them with the organizations strategy, people, technology and business process. In this research paper, attempt has been made to understand the effects of Customer Relationship Management practices used by automobile dealers in the Baramati region.

Objectives: To study the impact of CRM practices on overall performance of Automobile dealers in Baramati region.

Also to study the impact of CRM Practices on Sales of Automobile dealers in Baramati region.

Scope: This research paper covers CRM practices of Automobile dealers in Baramati Region.

Definition: By Greenleaf & Winner: ‘Customer Relationship Management is a business strategy to select and manage customers to optimize long-term value.’

Keywords: Customer Relationship Management (CRM), Relationship Marketing, Demographic Conditions, Globalization, Organization Strategies
INTRODUCTION

In recent years, many organizations have identified the need to become more customer-facing with increased global competition. As a consequence, Customer Relationship Management (CRM) has risen to the agenda of many organization strategies. CRM uses emerging technology that allows organizations to provide fast and effective customer-service by developing a relationship with each customer through effective use of customer database information systems. The objectives of CRM are to acquire new customers, retain current customers and grow relationship with an organization existing customers.

CRM requires a synergetic integration of strategy, people and technology of an organization. This integration leads to creation of service process that seeks to develop an ongoing relationship with customers and results in creation of an exchange relationship that is mutually beneficial for both, the organization and the customer. CRM must come from top. It is an all-encompassing strategy and no single department or Call Centre or Information Technology manager can drive the cross-functional process changes required. CRM can also be considered as corporate strategy. Companies that adopt this approach are called as customer-centric rather than product-centric. To be customer-centric, companies need to collect and store meaningful information in comprehensive customer database. A customer database is an organized collection of information about individual customers or prospects. The database must be current, accessible and actionable in order to support the generation of leads for new customers while supporting sales of maintenance of current customer relationships. Smart organizations are collecting information every time a customer comes into contact with organization since CRM has grown in scope. CRM initially referred to technological initiatives to make call centres less expensive and more efficient. Now, a lot of organizations are looking at more macro-organizational changes. Organizations are now asking how they can change their business process to use the customer data they have gathered. CRM is changing into business process instead of just a technological process.

The aim of CRM initiatives is to retain right customers and key determinant of customer relation is customer satisfaction. The objective is to ensure that customers are satisfied which in turn would ensure their continued patronage. The desire of salesperson is that prospects should be
converted into the customers and generating more business through them. This is possible when customers are happy with the service provided by the organization. This is possible through CRM practices. Thus, CRM allows a company to know who its customer is and what his/her specific requirements are and to be more precise, CRM collects information about customers and evaluates such information for profit of organization.

**CRM in the Automobile Industry**

In today’s business environment, competition in automobile industry has increased substantially. It is very essential for automobile industry to find or know more and more about their current and prospective customers. CRM practices are now used by all automobile dealers in daily services. New modern technology is used in CRM for providing quality services to customers. CRM offers various services like:

- Communication.
- Consulting.
- Database Construction.
- Strategic Planning.
- Customer Segmentation.
- After Sales Service.
- Call Centre.
- Grievance Handling etc.

By using CRM practices, all the automobile dealer services become customer-centric. Qualitative service are provided to the customers for maintaining positions in the market. CRM practices cater to customer demand. Thus, CRM helps automobile dealers to forecast business and increase the reputation through excellent customer approaches. Also, CRM helps the dealers for revenue generation and enable sharing of information through excellent practices.
A DESCRIPTIVE STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN AUTOMOBILE

Fig. 1: CRM Life Cycle Fig. 2: CRM Implementation

REVIEW OF LITERATURE

• According to Light (2001), CRM is evolved from business process such as relationship marketing and increased emphasis on improved customer retention through the effective management of customer relationships.

• Girishankar (2000) gives holistic approach of CRM. According to holistic approach, CRM is at the heart of organization with customer oriented business process and integration of CRM system.

• According to Newell (2000), CRM is a useful tool in terms of identifying the right customer groups and for helping to decide which customer to jettison.

• Celemons (2000) estimates that there may be ten-fold difference between the most profitable customers and the average. The idea that you cannot have a profitable relationship with all different products or services is already widespread in many financial services.

• Freeland (2003) asserts that the internet is a channel that will continue to increase in customer relationship management and utilization for all companies: both now and in the future. The internet can provide an overall improved and more consistent customer experience and also allows for increasing data collection and better customer personalization experiences.

• Hamid & Kasim (2004) further determine through their research that customer loyalty, while partially impacted by internet, is determined by a combination of online experience with things such as quality of after sales service. Internet is the most popular medium for building brand identity.
• Kennedy (2006) defines customer relationship management is being about identifying a company’s best customer and managing value from them by satisfying & retailing them. There are both sides of the fence who argue for & against CRM, but research remains consistent that a properly implemented, companywide CRM initiative will truly save company money, increase revenue, grow customer loyalty.

• According to Chan (2005), to enable a holistic view of customers, all interactions with customers should be tracked across various functions like sales and marketing, call centres, customer service, distribution channels and alliance partners. Interactions across the department should be in a customer-centric manner instead of company-centric manner.

RESEARCH METHODOLOGY

It would be more appropriate to call this work as descriptive type of research. The descriptive research includes fact finding enquiries and surveys of different kinds to provide data about the population being studied.

Span

Baramati Region of Pune District.

Universe of Two Wheeler Dealers:

1. Kamal Bajaj.
2. Mahalaxmi Automotive (Hero).
3. Ajinkya Yamaha.
4. J.J. TVS.
5. Saraf Honda.
6. Mahindra Two Wheelers
7. Dhanesh Suzuki
8. Royal Enfield
9. S.P. enterprises (VESPA)
10. Borawake Motors (Hero) etc.
Universe of Four Wheeler Dealers:
1. Mahalaxmi Automotives (Maruti Suzuki).
2. Baramati Automotives (TATA & Fiat).
3. Somani Hyundai.
4. Mota Chevrolet.
5. Sharayu Toyata.
7. S.P. Enterprises (PIAGGIO).
8. Skoda.
9. Nevase Auto (Sonalika Rhino) etc.

**Sampling**
Simple Random Sampling.

**Type**
2 Wheeler and 4 Wheeler Automobile Dealers.

**Size**
18 Managers of Automobile Dealers (2 Wheeler and 4 Wheeler) responded for the Survey.

**Data Captured**
1. What is the impact of CRM practices on customer service?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly improved</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Moderately improved</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Some extent improved</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>No impact</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Decreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

![Chart showing the impact of CRM practices on customer service](chart.png)
2. What is the impact of CRM practices on customer satisfaction level?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly improved</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Moderately improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Some extent improved</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>No impact</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Decreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

3. What is the impact of CRM practices on handling of routine tasks including After Sales Service, Grievance Handling etc?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smooth</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Very easy handling</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Easy Handling</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Complicated</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

4. What is the impact of CRM practices on Teamwork within organization?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Moderately improved</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Some extent improved</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>No impact</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Decreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>
A DESCRIPTIVE STUDY OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN AUTOMOBILE

5. What is the impact of CRM practices on ‘communication process’?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly improved</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Moderately improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Some extent improved</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>No impact</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Descreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

6. What is the impact of CRM practices on Discipline in organization?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly improved</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Moderately improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Some extent improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>No impact</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Descreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

7. What is the impact of CRM practices on ‘Performance of employee’?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Moderately improved</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Some extent improved</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>No impact</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Descreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>
8. Do you think CRM practices gives ‘Competitive Edge to organization’?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>78</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Can’t Say</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

9. What is the impact of CRM practices on ‘Customer loyalty’?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>improved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderately</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>improved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some extent</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>improved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No impact</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Descreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

10. What is the impact of CRM practices on ‘Sales’?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Out of 18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>improved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderately</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>improved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some extent</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>improved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No impact</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Descreased</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>100</td>
</tr>
</tbody>
</table>

FINDINGS

- Out of 18 dealers, 9 dealers responded that customer service is highly improved, while 5 dealers responded that customer service is moderately improved.
- Out of 18 dealers, 7 dealers responded that there is high impact of CRM practices on customer satisfaction level and 6 dealers responded that there is moderate impact of CRM practices on customer satisfaction level.
• 6 dealers responded that handling of routine tasks including After Sales Service, Grievance Handling etc is smoother and 5 dealers responded that handling of routine tasks including After Sales Service, Grievance Handling etc is very easy.

• 33% dealers responded that Teamwork within organization is highly improved because of CRM practices while 39% dealers responded that Teamwork within organization has moderately improved.

• 39% dealers responded that communication process within organization is highly improved because of CRM practices while 33% dealers responded that communication process within organization has moderately improved.

• 28% dealers responded that Discipline within organization has highly increased because of CRM practices while 33% dealers responded that Discipline within organization is moderately and somewhat increased.

• 6 dealers responded that Performance of employees of organization is highly and moderately improved because of CRM practices while 5 dealers responded that Performance of employees of organization is somewhat improved.

• 78% dealers think CRM practices gives Competitive Edge to organization while 11% dealers don’t think that CRM practices gives Competitive Edge to organization.

• 39% dealers responded that Customer loyalty is highly improved because of CRM practices while 33% dealers responded that Customer loyalty has moderately improved. 6% dealers responded that Customer loyalty has no impact.

• 33% dealers responded that Sales is highly improved because of CRM practices while 39% dealers responded that Sales is moderately improved.

SUGGESTIONS
Customers should be given top priority by dealers. All the dealers should implement CRM practices in the organization with new modern technology. New software of CRM should be used in organization. Company should implement some performance measurement techniques related to customer services due to which customer services will be improved.
CONCLUSION

The increased competitions from the local as well as foreign companies in market have resulted in the increase in the demand and expectation of customers. Customer service and CRM are vital in this new environment. A right environment, a right culture and right attitude of employees provides better services to customer. Thus by implementing customer services organization can retain and maintain customers which will be beneficial for increasing profit.

REFERENCES

Abstract—Media selection by the Internet Service Providers (ISP) is required to be examined in present scenario which has more demand for fast, secure and reliable accessibility. Till today, more than 90% of Internet Service Providers have been granted license for offering Internet Telephony Services, which is expected to provide fillip to the demand for network facilities including bandwidth, last mile access and other connectivity resources and bridging the digital divide within the country. However, an important issue needing immediate attention is tackling the Internet Telephony Grey Market requires concerted efforts by the government and the industry. It is imperative that all leading ISPs including VSNL, BSNL and MTNL join hand to tackle the menace.

In this context, a survey was conducted in Hyderabad, the state capital of Andhra Pradesh, with a sample size consisting of 210 organizations, out of which 88% private and 12% government organizations were considered for the study. The important findings of the study were presented in this paper with the background information on Internet Service Provider.

Objectives:
- To examine the trends in the system of internet service providers.
- To elicit opinion of internet service providers about the choice of media in this context.
- To make necessary suggestions for the improvement to the ISPs.

Keywords: Internet, Protocol, Media, communication technology

INTRODUCTION

Internet Telephony is proving to be a key drive for local entrepreneurs to set up ‘Community Information Centres’ or ‘Cyber-kiosks’ and or Internet Dhabas, etc, even in small towns and villages.

With the choice availability of Toll Quality (PSTN) and Non-Toll Quality options, Internet Telephony has thrown open Long Distance Telephony to those sections of the society, which could not afford the same earlier. Tokyo's Media Exchange Inc. (MEX) is an ISP supplying businesses with such services as Internet Data Center (IDC) services and ISPs and carriers with broadband Internet connection services. The organization needed a backbone switch that would provide reliability and availability. The company is selective about purchasing products locally but open to new ideas when
the value is readily apparent. In this context, this paper is organized into two sections, viz., genesis and cost considerations relating to media of internet service providers and with a focus on the analysis of survey results.

**RESEARCH DESIGN**

A survey is conducted to elicit opinion by the internet service providers. Thus, we have considered 210 organizations, based on convenience randomized sampling, which are using internet service. This survey is categorized into two parts. First part is to examine the utilization of internet service and second part is to study the media usage by the internet service providers.

**REVIEW OF LITERATURE**

Intersile Consulting Group submitted a report, which is intended to provide an historical context for, and concise summary of, the evolution of ISP interconnection—how it originated, how it developed, and how it is practiced today—without exhaustively reiterating information that is available from other sources. The Working Group\(^1\) identified 24 Best Practices to address protection for end-users as well as the network. The Best Practices, set out in Appendix A, are organized into the logical steps required to address dot nets. The first step is Prevention (12 BPs), followed by Detection (5 BPs), Notification (2 BPs), and then Mitigation (3 BPs). In addition, 2 BPs on Privacy Considerations were identified to address the handling of customer information in dot net response. The BPs identified are primarily for use by ISPs that provide service to consumer end-users on residential broadband networks but may apply to other end-users and networks as well.

**GENESIS**

In August 1995, the state-owned Videsh Sanchar Nigam Limited (VSNL) launched Internet Services in India. The government allowed provisioning of Internet Services by Private Operators by November, 1998. The terms and conditions of the ‘Internet Service Providers’ (ISP) license were unusually

---

\(^1\)The Communications Security, Reliability and Interoperability Council (‘CSRIC’) is a Federal Advisory Committee that provides input and recommendations to the Federal Communications Commission (‘FCC’) regarding the security, reliability and resiliency of communications systems, including telecommunications, media and public safety communications systems. On March 19, 2009, the FCC, pursuant to the Federal Advisory Committee Act, renewed the charter for the CSRIC for a period of two years, through March 18, 2011. CSRIC created ten working groups, each with its own area of responsibility.
liberal with no license fee and the government allowed unlimited number of players. ISPs could set their own tariffs and even their own International Gateways.

Department of Telecom (DOT) issues three types of licenses: Category ‘A’ for All-India operations; Category ‘B’ for metropolitan cities and state-level circles, and Category ‘C’ for medium and small cities (SDCAs). Presently, there are 390 license holders, 64 in Category ‘A’ and 135 and 191 respectively in Category ‘B’ and ‘C’. About 189 licensees have started their operations. The trend demanded broader bandwidths in connection services, from 100 MBPS to 1 GBPS, and eventually 10 GBPS. In response, MEX started an ethernet connection services and expanded its data centre in one of its buildings in Ikebukuro, Tokyo, so it could accommodate approximately 800 IDC racks. The company had already replaced its backbone with 10 GBPS routers to extend the bandwidth; however, the router manufacturer discontinued production of that particular router. Since 1995, a number of countries have permitted VOIP as a technology option to the classical PSTN as well as Internet Telephony so as to provide a cheaper alternative to classical PSTN calls.

Fig. 1
They inquired about other switches from the same vendor but a satisfactory replacement was not offered. As a result, MEX investigated other products, including those from Extreme Networks. In 2001, Microsoft Corporation embraced Superkeyword.net as one of first the 150 companies to be named an official Windows Media Service Provider that helped companies and individuals in areas of web casting corporate training, deployment, distant learning, online courses, hosting, production, encoding, web development, content management, secure transmissions, and digital rights encryption. Each account has a reserved number of connections and a maximum number of connections associated with it. The user list file can contain a generic account description that applies to all users, specific instructions about certain accounts, or a combination of the two. The maximum setting refers to the highest number of connections that will be available for a particular customer’s content. The number of connections reserved for ISP hosting depends on the type of user record within the user list file.

ISP Hosting

Helix Universal Server works with your existing user accounts and directory structure to make users’ media files available for streaming. You allocate a minimum and maximum number of connections for each account, based on the number of streams permitted by your license. Allocating on a per-connection basis, rather than by stream, ensures that all files, including SMIL files which reference multiple streams, will always be served. User account information is stored in a text file, which lists paths and connection information. List all user account information in a single file, or use separate files to make management easier. Within the user list file, create customized account path and connection information. Or, create a single entry that applies to all user accounts.

Cost Considerations

The price of Internet access via dial-up service is generally composed of a fee paid to an ISP for Internet service and a fee paid to the telephone company for use of the underlying telecommunications network. Internet consumers are being charged for local telephone calls on a per call basis, dial-up Internet connections between users and their ISPs are also billed on the same basis, resulting in extremely high access costs. This pricing structure restricts the ability of consumers to use the Internet.

http://www.superkeyword.net/stream.htm
This cost of service through land line generally includes several elements:

1. Fixed charges for the line connection and rental
2. Any government tax applied to telecommunications
3. Usage charges, or tariffs charged for making calls to the ISP’s gateway (PoP) to the Internet.

The most significant and controversial portion of these costs is the third one: the price applied to calls from the user to the ISP's Internet gateway (PoP). Several studies confirm that the high cost of this dial-up access has been a major barrier to Internet use. As a result, in several countries they have been experimenting with a variety of flat rate (‘unmetered’) or discounted pricing options for Internet services, and the same may be adopted in India for catalyzing the growth of Internet.

**Per Minute Pricing vs. Flat Rate Pricing**

Economically, per minute pricing is subject to criticism because metered tariffs do not directly reflect the cost of the service provided to users. The cost of using the telephone network does not increase by the minute. To the contrary, network costs are fixed and are determined by the amount of capacity that is built into the network. Using assumptions regarding expected call lengths, telephone companies using a metered rate approach recover a portion of these fixed costs through the cost of each individual call. However, under the per minute billing system, Internet users pay a disproportionate share of the estimated fixed cost.

Countries with lower access prices tend to have more Internet development and usage. For example, an OECD study indicates that the number of Internet users and hosts grows at a faster rate in countries that have unmetered rather than metered access. OECD studies have shown that the price of access to the Internet and the structure of this pricing are key factors in explaining the relative development of ‘e-commerce’ among OECD members. In addition, users tend to go online more frequently and for longer periods of time in unmetered billing environments. It has been successfully demonstrated that the average time spent on-line is much higher in markets where users have access to unmetered local calls. This effect is significant because increasing the amount of time that users spend on-line is crucial to developing a critical mass of users that is sufficient to sustain applications such as e-governance, e-commerce, advertising, etc.
According to the OECD four countries have two common telecommunication attributes that most obviously set them apart from the rest of the OECD. Australia, Canada, New Zealand and the United States have high telecommunication penetration rates and ‘unmetered’ local loops. It is worth mentioning here that the paper has classified the ‘always on group’ of Australia, Canada, New Zealand and the United States as Group 1. The group 1 is typified by unmetered local telecommunication charges. These countries are much ahead of the OECD average in the penetration of both Internet hosts and secure servers. It is to be noted that most other countries included in the study typify metered telecommunication charges and are way below the OECD average of Internet hosts and servers. These various studies indicate that the type of telecommunications pricing that is used in connection with Internet access (e.g., flat rate or metered pricing) greatly influences the growth of the Internet in a particular market. (see Fisher and Lorenz) It is evident that pricing mechanisms, such as flat rate pricing, that reduce costs that consumers must pay to access their ISPs will permit greater local usage of the Internet. In light of these studies, it is not surprising that there is a growing trend towards offering unmetered telephone service, at least for access to the Internet.

Flat rate pricing for accessing Internet is available in Australia, Bangladesh, Canada, France, Hong Kong, Korea, Luxemburg, Mexico, New Zealand, Portugal, Philippines, Pakistan, United Kingdom and the United States, among other countries. In addition, a number of reforms promoting flat rate or unmetered access have been initiated in various parts of Europe, and in other parts of the world. For example unmetered dial-up pricing options during off-peak times are available in Hungary, Finland and Spain, while Japan offers unmetered access at some off-peak times for dial-up users.

**Positive Economic Effects of True Flat Rate**

The start-up of new businesses, including virtual businesses, is facilitated with the introduction of ‘True Flat rate pricing’ which also will be useful to increase the corporate user density, leading to competitive advantages and thus promotes growth and employment: existing companies will most likely realize cost savings in the distribution sector as well as on the purchasing side. It also leads to improvement in the user density on the part of the administrative authorities, leading to positive efficiency and productivity effects in the governmental sector; better yet, more new offers for state-run services can be extended to citizens. An expansion of the Internet boosts the incentives for the emergence of new fields of occupations that offer the
promise of communications-intensive and communications-oriented jobs. It also relieves congestion in the transportation sector, as certain Internet-based communications can serve as a substitute for business trips; better yet, the increased use of online banking, directory and trade services could mean a considerable relief of the strain on the transportation sector in the long term.

**Survey Results**

This survey is categorized into two parts. First part is to examine the utilization of internet service and second part is to study the media usage by the internet service providers. In this content, a survey is conducted to elicit opinion by the internet service providers. Thus, we have considered 210 organizations which are using internet service, which are categorized in accordance with the nature of the service provided by them (Table 1).

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manufacturing Organisations</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>Computer and IT organisations</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Educational Institutions</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Tours, Travels &amp; Transportation Organizations</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Marketing &amp;Advertising Agencies</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Financial Institutions</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>Government Organisations</td>
<td>12</td>
</tr>
<tr>
<td>8</td>
<td>Others</td>
<td>34</td>
</tr>
</tbody>
</table>

*Source: Survey conducted by author.*

![Graph 1: Analysis of Internet Users](image-url)
Table 2 gives an overview of number of organizations having URLs (Uniform Resource Locators i.e., Web site). It is found that 76% of government organizations are having URL while in the case of private organizations it is only 55%. It is interesting to note that 96% government organizations are having e-mail facility while it is only 78% in case of private sector organizations.

<table>
<thead>
<tr>
<th>Sector</th>
<th>E-mail Account Holders</th>
<th>With out E-mail Account</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>25</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>Private</td>
<td>143</td>
<td>41</td>
<td>184</td>
</tr>
<tr>
<td>Total</td>
<td>168</td>
<td>42</td>
<td>210</td>
</tr>
</tbody>
</table>

*Source: Survey conducted by author.*

Graph 2

It was found that the BSNL and VSNL stand first in the list with 70% market share. The second place goes to Dish Net with 57% Satyam computer is standing in 3rd place; however its market share is only 26%. It was revealed that the dial up connections are occupying first place with 53%, because 'BSNL, 'VSNL', and other service providers are giving connections mostly by 'Dial Up' mode. 'Dish Net' and all the 'Local Service Providers' are providing Internet service by cable connections. Table 5 identifies the fact that the ratio of dial-up connections is nearly five times to that of leased line connections.

Table 4: Mode of Individual ISPs

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Media</th>
<th>No. of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dial Up Connections</td>
<td>106</td>
</tr>
<tr>
<td>2</td>
<td>Cable Connections</td>
<td>74</td>
</tr>
<tr>
<td>3</td>
<td>Leased Lines</td>
<td>26</td>
</tr>
<tr>
<td>4</td>
<td>Radio Frequency</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>210</td>
</tr>
</tbody>
</table>

*Source: Survey conducted by author*
The following tables focus on data relating to media of ‘Dishnet’ and ‘media of local service providers’. It is interesting to note that 89% are through cable connections by dish net. All the local net providers can give connections through cable only. Their reach is limited to only particular area.

**Table 5: Media of BSNL & VSNL**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Media</th>
<th>No. of Organizations</th>
<th>Ratio of Leased Line to Dial Up Connections</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dial Up Connections</td>
<td>58</td>
<td>1: 5</td>
<td>83</td>
</tr>
<tr>
<td>2</td>
<td>Leased Line Connections</td>
<td>12</td>
<td>-</td>
<td>17</td>
</tr>
</tbody>
</table>

*Source: Survey conducted by author*

**Table 6: Media of Dish NET**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Media</th>
<th>No. of Organizations</th>
<th>Ratio of Leased Line to Cable Connections</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cable Connections</td>
<td>51</td>
<td>1:8</td>
<td>89%</td>
</tr>
<tr>
<td>2</td>
<td>Leased Line Connections</td>
<td>6</td>
<td>-</td>
<td>11%</td>
</tr>
</tbody>
</table>

*Source: Survey conducted by author*
Table 7: Media of Local Providers

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Media</th>
<th>No. of Organizations</th>
<th>Percentage of Leased Line to Cable Connections</th>
<th>Ratio of Leased Line to Cable Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cable Connections</td>
<td>21</td>
<td>81</td>
<td>1:4</td>
</tr>
<tr>
<td>2</td>
<td>Leased Line</td>
<td>5</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey conducted by author

SUGGESTIONS AND RECOMMENDATIONS

This paper examines the importance of media used for Internet service of ISPs. It was found that that 89% are through cable connections by dish net. All the local net providers can give connections through only cable. Their reach limited to only particular area. Hence it was suggested to improve service quality and coverage to customers. BSNL, ‘VSNL’, and other service providers are giving connections mostly by ‘Diil Up’ mode. ‘Dish Net’ and all the ‘Local Service Providers’ are providing internet service by Cable connections. It was found that there is overwhelming competition among the Internet service providers. But, it should lead to qualitative competition. Further, it is suggested that the service providers should try to reduce cost by upgrading the quality of band with.

REFERENCES

SHGs LIFESPANS in India: A Study of Quality Issues of SHGs in Selected Indian States

Twinkle Prusty¹ and Ashish Kant Chaudhari²
¹Assistant Professor, Faculty of Commerce, Banaras Hindu University, Varanasi
²Assistant Professor, Department of Commerce, IGNTU, Amarkantak, M.P.

SHGs Spiralling in India

The provision of microfinance has been gradually recognized to be not only a panacea but also an instrument among others that helps female workforce participation to grow and develop. Poverty is a complex phenomenon with multiple causes, of which, the lack of access to capital is the only one. In this regard, the government, the social partners and other civil society organizations strive and adhere to respect and enforce basic principles for sustainable microfinance. The idea of organizing Self-Help Groups (SHGs) was initiated in 1992, which brought forth the possibility of facilitating credit for enrichment of human development and in meeting the fundamental requirements of life, such as health, education with safe and hygienic food and water. Thus, microcredit programmes provide control over material resources which raises rural empowerment thereby promoting intersperse consultation by mobilizing at the grassroots level and providing access to supportive services. The issue of rural empowerment has thus started to constitute the cornerstone of any discussions on planned interventions for poverty alleviation. The unique aspect of such a strategy is through the viability of its financial intermediation in the form of credit for the poor which effectuate in social upliftment. Hence, the development of microfinance through SHG functionaries has been recognized as an essential element for rural development in India where a multi-agency approach has been adopted for capital and assets acquisition.

The Self-Help Group movement has been initiated in India, with a view to facilitate poor rural mass to avail bank credit for which a pilot project for micro-credit by linking SHGs with banks has been launched by NABARD. Reserve Bank of India has also directed the commercial banks to actively participate in this linkage programme. However, the SHG movement was initially started as micro-finance institution movement which has now taken the form of rural empowerment paradigm as a group approach to eradicate rural poverty. The constitutional support to socio-economic justice and the international obligations have encouraged India’s endeavour to initiate the self-help movement in the country. In India, the number of SHGs has
increased from 2122 in 1994–95 to 32.01 lakh in 2010–11. Meanwhile, the number of SHGs having bank loans increased from 1502 to 12.83 lakh; the total amount of bank loans increased from Rs. 179 lakh to Rs. 8096.13 crores and the number of families who availed loan increased from 25,534 to 99,38,835. There is uneven geographic distribution of SHGs in the country. Andhra Pradesh alone has 35.5% of the total SHGs of the country. The lowest percentage i.e. 0.19% is in Punjab. The growth of SHGs is very slow in states like Assam, Bihar, Jharkhand, Madhya Pradesh and Rajasthan where the social environment is totally unfavourable to rural women empowerment. However 488 districts in all the states and union territories are covered under SHGs-bank linkage programmes having linkage with 444 banks including 44 commercial banks, 191 RRBs and 209 co-operative banks with the association of 2155 NGOs. The Union Government had shifted its approach from minimal approach to integrated approach so as to establish Micro Finance Development Fund with NABARD in 2000–01. Moreover, the government also allowed foreign investment in micro-credit field to empower the rural poor women to some extent and enabled them to cross the poverty line. NABARD has also initiated actions to speed up progress which have large poor rural households and according to its estimates, more than one lakh SHGs should come up in the poverty-inflicted areas of Orissa, Assam, Bihar, West Bengal, Madhya Pradesh, Rajasthan, Maharashtra and Uttar Pradesh.

NATIONAL STATUS

At the national level, a government sponsored micro-finance model, the Swarnajayanti Gram Swarozgar Yojana (SGSY) is being implemented in rural India since the financial year 1999–2000 which is dedicated to the rural poor, envisaged increasing outreach of micro-finance through small and informal SHGs formed with the support of 5 to 20 persons with relatively homogenous backgrounds. Micro-finance has been extended under the programme to only those SHGs who have passed a subjective grading test and are involved in regular thrift and credit activities for not less than six months. To improve the quality of life of the SHGs and their productivity, the programme has tried to firm up their financial and economic norms meant for selection of appropriate beneficiary and subsequent disbursement of credit to the needy. This micro-finance driven self-employment programme has been also expected to help in beneficiary identification through participatory methods. Subsidy given by the government to SHGs under this programme is back-ended.
However, the analysis of the state-wise poverty in India and credit flow under SGSY during 2009–10, suggests that poverty ratio for Orissa is 49.2% (2011–2012 estimates) which has been the highest in the country. Though credit flow under SGSY depends on the proportion of poor living in a state concerned, yet Orissa, being the most backward state has got only 9.88% of total SGSY credit for onward disbursement to its poor through SHGs during the year 2011–12. The largest gainer of the SGSY credit is Uttar Pradesh followed by Bihar, Madhya Pradesh and Maharashtra. The per capita SGSY credit disbursement to poor during the year was only Rs. 68.4 in the country. There were 8 states where the disbursement was lower than the national per capita credit disbursement under SGSY.

The UN-Solution Exchange has launched the micro-finance community which has been the need of the hour since the mellowness of the women federations has to take form and need to be strengthened in the areas of microfinance which shall be a platform to introduce the learning and support of the expansion of SHGs. Recent surveys made by the development banks in Andhra Pradesh points out that there are about 3000 NGOs in India with substantial microfinance activities, and if Mutually Aided Cooperative Societies are included, the number spurts to around 4800. Apart from outreach and amount outstanding, the Micro-credit Summit Campaign Report published every year as a centralized mapping for microfinance activities around the world, measures the percentage of poor and poorest of the poor served by microfinance institutions and the corresponding figures for women borrowers.

It is well recognized that microfinance in India continues to be skewed in its geographical distribution due to the general malaise in the economy of central, eastern and north-eastern states, with very little resultant demand for credit, and the absence of quality NGOs that are willing to initiate microfinance programmes in these states. Expanding the reach of microfinance services cannot be met overnight and overall economic growth has to pick up and public investments are essential in areas such as watershed development, small-scale irrigation, livestock upgradation and forest regeneration. Long-term lumpy public investments in these areas can unlock the potential for enhancing the livelihoods of millions of poor people.

A proposal for increasing the number of quality NGOs in the lesser served states similar to the NGOs existing in the southern states, was made by the Tenth Five Year Plan Working Group on Poverty Alleviation Programmes (Planning Commission 2002), which recommended that well established NGOs be asked to set up branches in selected poor districts and they be
funded for this on an assured, though declining basis for the first three to five years. The experience of Rashtriya Gramin Vikas Nidhi and Rashtriya Mahila Kosh in supporting hundreds of small NGOs all over the eastern region is a useful experience which needs to be taken into account. Another proposal has been to incubate microfinance institutions in poorer districts under the guidance of established microfinance institutions. Although the Linkage Bank Programme still remains biased towards the southern region, the latest figures are an improvement over early years. NABARD's emphasis on scaling up the SHG-bank linkage programme in 13 priority states accounting for 75% of the country's rural poor has resulted in four-fold increase in the number of SHG’s credit-linked during the period 2011–12. Significant increase has been witnessed in the economically backward states like Assam, Bihar and Orissa. As a result, the share of the 13 priority states excluding all the southern states, in the total number of SHGs credit linked, increased from 30.7% by March 2002 and to 71.26% by March 2012.

However, Orissa has been recognized as one of the poorest and the organic agrarian state in India having very high incidences of conjectural poverty due to the climatic crisis like flood, cyclone and drought causing destitution. As per the estimates made in 2010–11 by the Modified Expert Group of Planning Commission, Orissa has the highest proportion of population living below the poverty line wherein the percentage of people living below the poverty line. Whereas in Orissa it is 49.15, it is 44.6% in case of Bihar. On the other hand, the all India average is found to be 31.9%. The lowest poverty ratio is seen in Jammu & Kashmir, i.e., 4.5 per cent followed by Punjab (7.2%), Himachal Pradesh (8.6%) and Haryana (9.7%). The SC/ST households, being disadvantaged, have a considerably higher incidence of poverty than other groups and the percentage of SC and ST population to total population of the state was about 38% in all the three censuses, i.e., 1971, 1981 and 1991. On the other hand, the corresponding figure for India was about 24%. The percentage share of SC population was more or less same in all the three censuses both in Orissa and India. So, it is the scheduled tribe population, which is mainly responsible for the poor living condition of the people of the state. In Orissa, the percentage of scheduled tribe population was about 23% in the three censuses as against about 8% in India. The poverty-hub regions need the outreach of the microfinance for promoting opportunity in stimulating overall growth, capacity building, and facilitating empowerment by removing the social barriers and enhancement of security from the outburst of economic shocks and policy induced dislocations.
The object of poverty in Uttar Pradesh mainly revolve around three categories of population viz., agricultural labourer households, small and marginal farmer households and rural labourer households engaged in non-agricultural activities, who do not have production assets, employment opportunities, land, health facilities, education, safe drinking water etc. Further, the situation of poverty is aggravated by the abundance of labour force and relatively restricted opportunities which tended to keep the wage levels low in the states. Secondly, at times of personal need, people generally resort to borrowing and the indebtedness of various sections of population has shown an upward trend. With poor repayment capacities and high rates of interest on the money borrowed from private money lenders, the loss of land and other assets due to indebtedness are the inevitable consequences, severely eroding subsistence bases of poor classes, and also encouraging distress sale of their products to meet their immediate needs. Moreover, the development process in the Uttar Pradesh displays an ironic situation. While on the one hand the states experienced a rise in the agricultural productivity, reduction in the mortality rate and increase in trade and commerce, on the other hand, major part of the population in the region is deprived of the access to minimum livelihood. This is because the fruits of development are enjoyed by a small section of the local elite and the integration of Uttar Pradesh has been a process of extraction of resources and minerals which are utilized by the national and international firms for the so called national development. There are many factors positively contributing to the perpetuation of poverty in Uttar Pradesh. The most important among them are: unequal distribution of land and rural assets, recurrence of drought, the colonization by outsiders, depletion of forest resources, decline of rights over community resources and all the recurrent disasters like flood, unequal distribution of land, erratic rainfall, consumption of fertilizer, sharing of available land and common property resources (CPRs), traditional pattern of cultivation, the saga of drought and calamities, ineffective public action, lack of land entitlement, migration, education, forest, health and socio-economic conflict etc. In the poverty profile of the rural Uttar Pradesh according to its agro-climatic regions it is observed that eastern region has the highest poverty incidence (38.0%) among all regions. It also has the highest share of poor persons i.e. 55.2% while it has the population share of 44.7%. Poverty incidence is the highest (42.5%) among Scheduled Caste/ Schedules Tribe (SC/ST) group followed by Other Backward Castes (OBC) being 30.0%. With a view to evolve supplementary credit strategy to reach out to the people with negligible or very little savings, banks have associated themselves with the concept of Self Help Groups (SHGs).
A focused approach to rural poverty eradication in a time-bound manner is one of the projected policy frameworks in the planning policy of the Government of India proposing to bring each BPL households under SHG grid, to set up dedicated implementation structures at various levels enhancing capital and to form and strengthen people-owned organizations such as SHG federation at various levels. The Government of India, however, till the end of the tenth five-year plan displayed its concern on high rates of growth with an inbuilt supposition that economic growth would percolate down and poverty will be eradicated in the process of development. Despite launching so many developmental programmes, the incidence of poverty in the country is still high. Various policies and rural development programmes from the government and NGOs are designed to ensure the generation of employment through creation of productive assets which takes a centrestage, especially in rural areas.

On one hand, India compared favourably with other Asian countries on indicators of governance between 1996 and 2012, on the other hand, there have been persistent and powerful cultural barriers of empowering women and persons from scheduled castes and tribes, particularly in the northern and eastern states. Quite often, they are located in geographically unfavourable area with adverse disaster regions with low and fluctuating production and hardly any avenues of employment like that of Uttar Pradesh and Orissa. Thus, microfinance plays a key strategy in Uttar Pradesh and Orissa for poverty alleviation and empowering women. Access to financial services and the subsequent transfer of financial resources to poor women enable them to become economic agents of change. Women become economic self-reliant, play a more active role in decision-making and are able to confront systemic gender inequalities.

**Review of Research and Development on SHG Lifespan**

The year 2005 was declared as the Year of Microfinance by United Nations, which was also the target year of the Microcredit Summit Campaign launched in 1997 to reach 100 million households globally. In the UN Declaration of Millennium Development Goals, microfinance has been recognized as an important tool for combating poverty. The subject has attracted the attention of all major global developmental players like multilateral agencies, bilateral agencies and various donor organizations. Multilateral agencies like the UN, World Bank, International Fund for Agriculture and Development (IFAD), Food and Agriculture Organization (FAO) and Asian Development Bank (ADB) have supported and advocated microfinance through various initiatives which acted as a conduit to
outreach various policy issues like reducing subsidies by developing countries for poverty alleviation etc. Literature survey says that whether provisions of credit for the poor women could change the social equations in which this sub-set of the population lives in villages. The proponents of the theory go to argue that targeted credit can be used as a mechanism for enhancing shoddier women’s existing socio-economic conditions and thereby altering the relations between gender and class, to the benefit of the weaker parties. However, on the other side of the fence, critics tend to say that while a marginal increase in income and assets can enhance well-being and economic security, the increase could be too little to affect the pervasively entrenched political and economic relations. The venture of micro-finance inventiveness is indeed exemplary, especially, in a time when availability and access to formal credit is not found to be satisfactory in developing countries like India. However, the flow of informal credit through the support of government and non-government organizations need a boost up with the gaining enormity of the microfinance institutions and banks which are now considering the micro-finance activities as one of their commercial ventures in the priority sectors as well as in the areas which are yet to be explored. The various literature studies in the field of microfinance and its outrange embraces the effort of various contributors and practitioners who have best practice experiences in this area.

Dr. C. Rangarajan (2005) has observed the evolution of self-help groups at three level i.e. survival, subsistence and sustainable to transform themselves from pure thrift institutions into groups promoting micro-enterprises for income generating activities.

Dr. Y.S.P. Thorat (2006) has suggested that due to the fast growth of the SHG-Bank Linkage Programme, the quality of SHGs has been sacrificed for non-availability of significant financial investment and technical support in an environment of exponential growth.

Robert Peck Christen (2007) has stressed that large numbers of microcredit channels is continuously being generated without creating the means by which poor performers can be improved or eliminated from the system to protect its overall reputation.

Nair (2008) in his study on the issues of costs in the SHG approach, has tried to tackle the issue of the financial sustainability of a superstructure that would provide long term support to SHGs. In his findings regarding federations contributing to the long term sustainability of the SHG system, two leading federations have become self-sustaining on the basis of the fees they charge to their members.
According to the study results made by Vijayalakshmi Das (2009), 80% of the growing informal sector in the country are not able to access the formal banking sector for their working capital needs. Moreover, the whole movement of microfinance was initiated keeping women in the centre with the conviction that any intervention through them will have the desired impact on the household economy. Hence, capacity building needs to be combined with loan support for the start-ups.

In the search for newer approaches and instruments of poverty alleviation, H.S. Shylendra (2009) has identified problems with the credit based self-employment programmes like Integrated Rural Development Programme (IRDP) and Swarna Jayanti Swarojgar Yojana (SGSY), Differential Interest Rate (DRI) scheme and Regional Rural Banks (RRBs). These problems were related to:

- Target based approach focussing on achieving quantitative results in reaching the poor.
- Linkage to subsidies resulting in large scale leakage of the benefits to non-poor.
- High rate of failure of self-employment schemes due to poor project formulation and implementation.
- High loan repayment problems both due to failure of projects and creation of widespread impression among the scheme participants about loan as non-returnable grant.

Cyril Fouillet and Britta Augsburg (2010) indicated that, 'While the use of absolute numbers of SHGs camouflaged the variations in population size among the states, the ratio between number of households taking part in a SHG and the total number of households yields a different pattern of microfinance

Dr. Sheela Purohit (2010), has identified certain constraints in the growth and performance of SHGs in her studies made on NGOs in Andhra Pradesh and given overall impressions like, use of resources (credit) for income generating activities, adoption of non-traditional activities, improvement in the income levels of SHGs members, nearly 100% recovery of loans, generation of small savings in the rural sector among women, use of local knowledge and resources in productive activities, reduction in transaction cost for both banks as well as SHGs, maintenance of minimum records in the form of registers, maintenance of proper accounts by the SHGs, regular meetings of the SHGs members to tackle problems among
themselves, healthy relation and coordination between SHGs, NGOs and banks, grant assistance by banks to NGOs for capacity building (towards strengthening and monitoring of SHGs, training, computerization, etc.) and support services to NGOs by banks for networking with other smaller NGOs.

Y.S. Nanda (NABARD, 2010)\textsuperscript{xvii} has observed that in most developing countries, attempts have been made to develop cooperatives by bringing together people of small means for fostering thrift and mutual help for their economic betterment.

Nan Dawkins Scully (2011)\textsuperscript{xviii}, in his study, has opined that, ‘As long as micro-enterprise development is offered as a substitute for meaningful social development, it will only impede progress towards finding real answers to the very real problem of poverty.’ She also stressed that micro-enterprise development has, in some circumstances, contributed positively to women’s empowerment and helped extremely poor women survive economic crises in the short term. Vinod Khosla and Vikram Gandh (2011)\textsuperscript{xix} have stated that the impressive recent growth of certain sectors of the Indian economy is a necessary but insufficient condition for the elimination of extreme poverty. In order to ensure that the poor people benefit from this growth, and also contribute to it, the expansion and improvement of the microfinance sector should be a national priority. By unleashing the entrepreneurial talent of the poor, a transformed India could begin to be imagined with successful models of microfinance.

Sukhwinder Singh Arora (2011)\textsuperscript{xx} has suggested that, since the Self Help Group movement is beginning to focus on issues of quality and embedding of social performance monitoring as a part of the regular management information systems but then, microfinance is not yet at the centrestage of the Indian financial sector.

India is home to thousands of women’s savings groups created with the help of numerous organizations like, CARE. Recently CARE (2012)\textsuperscript{xxi} concluded research into its own and a random control group of other women’s self-help groups in Orissa state. According to them, evidence showed that women who participate in its ‘Microfinance-Plus’ projects experienced higher levels of empowerment than women in a random control group. Women who received credit and who sustained social, political and business-development training for more than three years displayed greater independence, increased household decision-making, more control of resources, and more equality within the home. CARE advocates that in India all microfinance strategies for women address root causes of women’s subordination and their systemic exclusion from development processes.
Several other field studies have highlighted the beneficial impact of the SHG-Bank Linkage Programme which includes the study of NABARD which showed that 70% to 80% of poor households use credit for consumption purpose but gradually an increasing proportion of them use credit for non-conventional micro-enterprises. Another impact evaluation study by NABARD (2011)xxii had found that 86% of the members of the SHGs belong to the weaker sections. However, the value of the assets of the group members had increased to 59% with a three-fold increase in the member’s average annual savings and doubling of borrowings per annum. Then, a study conducted by MYRADAxxiii in Karnataka reveals that 45% of the members had undertaken income generating activities because of bank loans. It also found that the biggest impact on the lives of the members was their social empowerment. Apart from these studies, all the three main types of banking institutions in the country, viz., commercial banks (both public sector and private sector banks), RRBs and cooperative banks have been implementing the SHG-Bank Linkage Programme. All the commercial banks had together financed 60% of the SHGs participating in the SHG-Bank Linkage Programme and accounted for 68% of the total credit provided. The RRBs had financed 48% of the total number of the SHGs participating in the programme and accounted for 43% of the total credit advanced to the groups. On the other hand cooperative banks had financed 12% while accounting for 9% of the total credit purveyed.

NEED OF THE STUDY

The Self-Help Groups have come to play a crucial role in the delivery of savings and credit for the poor wherein microfinance is promoted as an instrument of poverty alleviation and empowerment under the active guidance of the state. In terms of specific policy initiatives, the paper advocates adoption of a pro-poor microfinance policy which would clearly identify, besides the goal and approach, the enabling conditions and the resources required for mainstream microfinance.

It is imperative that the women in collectives (SHGs) should be encouraged as being bankable with capacity building for the reason that they contribute substantially to the income in poor households and the preferred impact on the household economy by the intervention through a woman’s will. Hence, the SHG methodology should be geared towards strengthening the capacity of these women in managerial and leadership skills. However, the quality of the SHGs in terms of time and resources in building the capacity of the members of the SHGs may be reduced with the increasing emphasis on organizing more poor women SHGs at a faster rate.
because of their ultimate focus on short term vision to access credit from banks, government and non-government agencies. It would definitely provide an impetus to micro-entrepreneurship and generate a huge band of veterans for setting up micro-enterprises. NABARD has decided to intensify the microfinance programmes due to the buoyant response of banks in India to the linkage projects and favourable reports received as per their actions taken up. Besides improving the outreach of the formal banking system, it is also expected to enhance the quality of credit in rural areas to promote people’s participation, self-help and grass roots institutions. However, substantial number of SHGs in many states have not been credit-linked and they need to be assessed for bringing the required improvements to consolidate the gains so that the incipient problems are analyzed and addressed.

It is of essence that the ways and means of improving and sustaining the quality of SHGs with their consistency and balanced sustainability for credit access is to be identified. They are resolute keeping the vital requirements for every poor household in regard to meeting the survival and essential needs and sustainability of the revenue engendering capability. Thus, there is an urgent need to widen the scope, scale and reach of microfinance through the qualitative performances of SHGs so as to pull off the vast inaccessible population in the low income group from financial exclusion.

**OBJECTIVES**

The present study identifies the lifespan of SHGs and makes an assessment of the quality issues in their functioning by bringing about the impact on eradication of poverty and rural empowerment in Uttar Pradesh and Orissa. It also evaluates the various problems and challenges arising in the SHG development and support received by the promoting institutions including the government thus suggesting ways to channelize their efforts towards improving lifespan and sustainability of SHGs.
METHODOLOGY

Sample Design
The study was conducted on the SHG lifespan in the states of Uttar Pradesh and Orissa on a multistage stratified random sampling method. The study used Participatory Rural Appraisal (PRA) data for gathering relevant information, obtained from a primary sample survey of less developed and developed districts of the above selected states of India. At least 100 SHGs were taken from the different blocks of each of the selected districts on the basis of their type of formation i.e. by banks, government, NGOs and other financial intermediaries. Further, the SHGs were categorized as those converted to SGSY-nurtured groups and otherwise in the block level, to study the key issues of the SHGs’ quality and their lifespan. The study has included SHGs that had completed a minimum of one year of bank linkage as on 31 March 2012.

Scope of the Study
The study has covered the entire state of Uttar Pradesh and Orissa where SHG activities are carried out predominantly and data could be collected up to the end of 31st March 2012. The study could be taken in those villages and districts, having SHGs for which information could be gathered and on the basis of those banks which have reported on their performances. Hence, data unavailable for those districts of these selected states have been out of the arena of the study which serves as a limitation.

Collection of Data
The data has been obtained from the field by way of questionnaire from various households of SHGs. Furthermore, information has also been obtained in the form of published data from various self-help promoting institutions viz, banks, NGOs and the government functionaries. The study took the help of the case analysis of SHGs as a group and as well as their individual members to investigate wide range of developmental issues.

ANALYSIS OF SHG OPERATIONS IN UTTAR PRADESH AND ORISSA

On issues related to sustainability and financial aspects of SHGs, the study found that the quality of record maintenance in Orissa has been good only in 35% of the groups, moderate in 44% and weak in 21%, while in Uttar Pradesh it is good only in 15% of the groups, moderate in 49% and weak in 30%. In matters of distribution of loan amount, the number of borrowers (SHGs) availing finance from the banks is quite average i.e., around 57% in
Uttar Pradesh and about 76% in Orissa; from NGOs it is 32% in Uttar Pradesh, 34% in Orissa; while it is 66% only from the government of Uttar Pradesh and a high of 94% from the government of Orissa.

However, the number of non-borrowers was quite small i.e. 7% and 4% in Uttar Pradesh and Orissa respectively. The study has also evaluated the repayment of loans by the groups and their eligibility for the conversion into SGSY. It has been observed that by the end of March 2012, there is high percentage of NPAs recorded in Uttar Pradesh (4.6%) compared to that of Orissa (2.2%) which reflects relatively high standard deviation around the mean entailing risk for the financiers in Uttar Pradesh. The study has shown savings outreach to the extent of 58% in terms of opening of savings account and the amount of money deposited by SHGs in the banks of Orissa and a comparatively lower savings in Uttar Pradesh of 37%. The reasons of such a difference is that the potential of SHGs in regard to financial and organizational support and strengthening of SHG federations in availing loan and savings with minimum cost of borrowings in Orissa have been favourable along with other stages of SHG development. This is evident from the fact that the role of SHG federations has been providing sustainability of SHGs, economic and rural empowerment and microfinance needed for poverty eradication. The survey also indicated that the SHGs are meeting regularly to discuss their problems in relation to their activity development and income generating avenues.

As a result, the average value of assets of SHG member enhances due to their active participation in group activities by which there arises remarkable improvement in social empowerment of SHG members in terms of self-sufficiency, decision-making, better communication and democracy. Thus, this enables regular repayment of loans by SHG members in the plea of availing further loan amount which creates employment generation per household thereby considerably contributing towards poverty eradication.

There is substantial rise in the quantum of SHG formation in Orissa than in Uttar Pradesh due to certain qualitative issues arising in the functioning of the SHGs and their monitoring of activities.
The following graph shows the above discussed viewpoint:

**Graph 1: Total Loans Disbursed Uttar Pradesh**

**Graph 2: NPA for Banks Loan to SHGs Orissa**

---

150
Assessment of Quality Issues of SHGs

It is observed that though both the states have the same CAGR (compound annual growth rate) i.e. 5.6%, the base level income of households has been high in U.P. than in Orissa. For studying the quality issues in the workings of SHGs, it is necessary to find out how well the members of SHGs can increase their income generating activities and subsequently the income of their households through qualitative operation. The following table gives a comparative study of the quality functioning of SHGs:

Table 1: Qualitative Aspects of SHG Operations

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Points of Comparison</th>
<th>Uttar Pradesh</th>
<th>Orissa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Operational Dependency</td>
<td>24.18%</td>
<td>48.92%</td>
</tr>
<tr>
<td>2.</td>
<td>Easy access to bank</td>
<td>3.3 km avg.</td>
<td>5.6 km avg.</td>
</tr>
<tr>
<td>3.</td>
<td>Average age of members</td>
<td>37.8</td>
<td>34.2</td>
</tr>
<tr>
<td>4.</td>
<td>Distribution of SHGs by sex</td>
<td>55.4%(F)</td>
<td>94.9%(F)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.7%(M)</td>
<td>4.4%(M)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24.8%(mixed)</td>
<td>0.6%(mixed)</td>
</tr>
<tr>
<td>5.</td>
<td>Distribution of SHGs by caste</td>
<td>34.9%(SC/ST)</td>
<td>29%(SC/ST)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>39.6%(OBC)</td>
<td>19.4%(OBC)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.4%(ALL)</td>
<td>11%(ALL)</td>
</tr>
<tr>
<td>6.</td>
<td>Literacy of SHG by more than 50%</td>
<td>36.9%</td>
<td>53.8%</td>
</tr>
<tr>
<td>7.</td>
<td>Economic status</td>
<td>33.8%(BPL Gr.)</td>
<td>76.6%(BPL Gr.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>64.3%(APL Gr.)</td>
<td>17.7%(APL Gr.)</td>
</tr>
<tr>
<td>8.</td>
<td>Governance by leadership</td>
<td>44.8%</td>
<td>84.1%</td>
</tr>
<tr>
<td>9.</td>
<td>Average savings per year per member</td>
<td>Rs.1345.77</td>
<td>Rs.879.50</td>
</tr>
<tr>
<td>10.</td>
<td>Average amount of own funds available at the time of bank linkage</td>
<td>Rs.1501.49</td>
<td>Rs.2387.27</td>
</tr>
<tr>
<td>11.</td>
<td>Problem in raising fund</td>
<td>97.45%</td>
<td>82.91%</td>
</tr>
<tr>
<td>12.</td>
<td>Banks funding SHGs</td>
<td>19.7%</td>
<td>69.8%</td>
</tr>
<tr>
<td>13.</td>
<td>Avg. Interest rate p. a</td>
<td>23.2%</td>
<td>28.1%</td>
</tr>
<tr>
<td>14.</td>
<td>Avg. no. of months after formation of SHGs providing loans to members</td>
<td>6.2 m</td>
<td>9.1 m</td>
</tr>
<tr>
<td>15.</td>
<td>Loans used for repayment of debts</td>
<td>0.8%</td>
<td>2.7%</td>
</tr>
<tr>
<td>16.</td>
<td>Loans used for basic consumption needs</td>
<td>10.5%</td>
<td>10.3%</td>
</tr>
<tr>
<td>17.</td>
<td>Loans used for household improvements</td>
<td>7.2%</td>
<td>5.6%</td>
</tr>
<tr>
<td>18.</td>
<td>Loans used for social needs</td>
<td>17.8%</td>
<td>19.9%</td>
</tr>
<tr>
<td>19.</td>
<td>Loans used for agriculture</td>
<td>33.2%</td>
<td>30.1%</td>
</tr>
<tr>
<td>20.</td>
<td>Loans used for other income generating activities</td>
<td>30.4%</td>
<td>31.4%</td>
</tr>
<tr>
<td>21.</td>
<td>Development of skills through SHG formation</td>
<td>20.4%</td>
<td>27.2%</td>
</tr>
</tbody>
</table>

From the above analysis, it is observed that illiteracy and people’s ignorance in regard to the benefits of SHGs have been the major cause in associating quality with their functioning. For the rural empowerment, it is vital that SHG development need be there through various parameters like
governance, monitoring, training and infrastructural facilities. It is felt that there is problem in linking the SHGs with the banks due to non-viability of groups with the reason for migration, ill-health, conflicts, and irrational dealings within the group members, deliberate defaulting attitude, lack of interest and other circumstantial problems. Moreover, lack of financial support have been due to non-cooperation from bank managers and untimed complicacies in monitoring by banks, lack of providing marketing collateral for loans by the SHGs. However, in comparison to previous years, the situation in Orissa has been improving, since the problems relating to performance of SHGs in regard to financial or organizational has been addressed whereas the situation in Uttar Pradesh has hardly changed. Even though the loan disbursement is quite high, because of the accumulation of NPAs, the terms of recovery have been lower than that of Orissa. As regards qualitative performance of SHGs, it is found that the sustainability of SHGs in Orissa have been improving as compared to that of Uttar Pradesh in spite of the later being the largest state, in various aspects of SHG functioning viz., financial management practices, general management practices, governance, training needs, organizational, human development skills and financial sustainability. The same has been revealed in the charts given below:

Graph 3: Problem Relating to Promotion of SHGs (%)
Graph 4: Problems Relating to Bank Linkage of SHGs (%)

<table>
<thead>
<tr>
<th>Problem</th>
<th>Orissa</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shortage of field staff</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Illiteracy and ignorance</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Financial support</td>
<td>14</td>
<td>10</td>
</tr>
</tbody>
</table>

Graph 5: Problems Relating to Monitoring of SHGs (%)

<table>
<thead>
<tr>
<th>Problem</th>
<th>Orissa</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial support</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Shortage of field staff</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Insufficient time</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Illiteracy and ignorance</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>others</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
### Table 2: Financial Management Practices

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Points of Scaling</th>
<th>Orissa</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Maintenance of book of accounts of SHG’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A literate member</td>
<td>43.7</td>
<td>44.6</td>
</tr>
<tr>
<td></td>
<td>Representative of NGO</td>
<td>31.0</td>
<td>6.40</td>
</tr>
<tr>
<td></td>
<td>Any person employed by SHG</td>
<td>17.7</td>
<td>11.50</td>
</tr>
<tr>
<td></td>
<td>Any other</td>
<td>6.3</td>
<td>5.10</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>1.3</td>
<td>32.50</td>
</tr>
<tr>
<td>2.</td>
<td>Maintenance of SHG’s Passbook</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A literate member</td>
<td>34.8</td>
<td>38.9</td>
</tr>
<tr>
<td></td>
<td>Representative of NGO</td>
<td>23.4</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>Any person employed by SHG</td>
<td>4.4</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>Any other</td>
<td>34.8</td>
<td>46.5</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>2.5</td>
<td>0.6</td>
</tr>
<tr>
<td>3.</td>
<td>Maintenance of Passbook of Members</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A literate member</td>
<td>47.5</td>
<td>52.9</td>
</tr>
<tr>
<td></td>
<td>Representative of NGO</td>
<td>27.2</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>Any person employed by SHG</td>
<td>12.2</td>
<td>29.3</td>
</tr>
<tr>
<td></td>
<td>Any other</td>
<td>5.7</td>
<td>8.9</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>7.0</td>
<td>1.9</td>
</tr>
<tr>
<td>4.</td>
<td>Frequency of updating book of Accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regularly</td>
<td>73.4</td>
<td>68.4</td>
</tr>
<tr>
<td></td>
<td>Occasionally</td>
<td>10.5</td>
<td>15.3</td>
</tr>
<tr>
<td></td>
<td>Rarely</td>
<td>16.1</td>
<td>16.3</td>
</tr>
<tr>
<td>5.</td>
<td>Frequency of updating members passbook</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regularly</td>
<td>70.1</td>
<td>61.2</td>
</tr>
<tr>
<td></td>
<td>Occasionally</td>
<td>9.7</td>
<td>15.1</td>
</tr>
<tr>
<td></td>
<td>Rarely</td>
<td>20.1</td>
<td>23.7</td>
</tr>
<tr>
<td>6.</td>
<td>Frequency of updating passbook of SHG’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regularly</td>
<td>73.7</td>
<td>67.5</td>
</tr>
<tr>
<td></td>
<td>Occasionally</td>
<td>6.3</td>
<td>20.5</td>
</tr>
<tr>
<td></td>
<td>Rarely</td>
<td>20.0</td>
<td>12.0</td>
</tr>
<tr>
<td>7.</td>
<td>SHG’s taking admission/membership fee (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>….</td>
<td>32.3</td>
<td>31.2</td>
</tr>
</tbody>
</table>
Graph 6: Financial Management Practices

Graph 7: Governance Aspects of SHGs
Table 3: General Management Practices

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Points of Scaling</th>
<th>Orissa</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of meeting conducted per month</td>
<td>1.30</td>
<td>1.06</td>
</tr>
<tr>
<td>2</td>
<td>% of member attending</td>
<td>91.4</td>
<td>88.7</td>
</tr>
<tr>
<td>3</td>
<td>% of member participating in the discussions</td>
<td>75.3</td>
<td>79.4</td>
</tr>
<tr>
<td>4</td>
<td>% of SHGs having rules &amp; regulation in written form</td>
<td>89.9</td>
<td>86.0</td>
</tr>
<tr>
<td>5</td>
<td>Frequency of updation of rules &amp; regulation</td>
<td>Frequently</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>Rarely</td>
<td>64.0</td>
<td>23.1</td>
</tr>
<tr>
<td></td>
<td>never</td>
<td>20.0</td>
<td>76.9</td>
</tr>
<tr>
<td>6</td>
<td>% of SHGs reporting accessibility of rules &amp; regulation to all members</td>
<td>96.1</td>
<td>92.9</td>
</tr>
<tr>
<td>7</td>
<td>Level of awareness about objective of the group Among members (%)</td>
<td>High</td>
<td>31.0</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>62.0</td>
<td>67.5</td>
</tr>
<tr>
<td></td>
<td>Very little</td>
<td>7.0</td>
<td>5.1</td>
</tr>
<tr>
<td>8</td>
<td>Maintenance of minutes register</td>
<td>A literate member</td>
<td>44.3</td>
</tr>
<tr>
<td></td>
<td>Representative of NGO</td>
<td>24.1</td>
<td>8.3</td>
</tr>
<tr>
<td></td>
<td>Any person employed by SHG</td>
<td>7.6</td>
<td>29.9</td>
</tr>
<tr>
<td></td>
<td>Any other</td>
<td>6.3</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>17.7</td>
<td>0.6</td>
</tr>
<tr>
<td>9</td>
<td>Frequency of updating minutes register</td>
<td>Regularly</td>
<td>69.2</td>
</tr>
<tr>
<td></td>
<td>Occasionally</td>
<td>8.5</td>
<td>16.1</td>
</tr>
<tr>
<td></td>
<td>Rarely</td>
<td>22.2</td>
<td>36.2</td>
</tr>
<tr>
<td></td>
<td>Total (of sl. 9 above)</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Graph 8: General Management Practices
Table 4: Percentage Distribution of SHGs by Development of Skills of Their Members

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Points of Scaling</th>
<th>Orissa (%)</th>
<th>Uttar Pradesh (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SHGs which have helped members to develop skills (%)</td>
<td>27.2</td>
<td>20.4</td>
</tr>
<tr>
<td>2.</td>
<td>SHGs which have developed the following human development skills (%)</td>
<td>27.2</td>
<td>20.4</td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td>32.3</td>
<td>36.9</td>
</tr>
<tr>
<td></td>
<td>Motivation</td>
<td>39.2</td>
<td>21.0</td>
</tr>
<tr>
<td></td>
<td>Delegation</td>
<td>6.3</td>
<td>17.8</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>36.1</td>
<td>9.6</td>
</tr>
<tr>
<td></td>
<td>Negotiation</td>
<td>22.1</td>
<td>56.7</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>0.0</td>
<td>1.3</td>
</tr>
<tr>
<td>3.</td>
<td>SHGs which have developed the following management skills (%)</td>
<td>39.2</td>
<td>20.4</td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td>13.9</td>
<td>35.0</td>
</tr>
<tr>
<td></td>
<td>Planning</td>
<td>17.1</td>
<td>36.3</td>
</tr>
<tr>
<td></td>
<td>Marketing</td>
<td>34.2</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Financial/numeric</td>
<td>22.8</td>
<td>23.6</td>
</tr>
<tr>
<td></td>
<td>Project management</td>
<td>12.0</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td>Time management</td>
<td>7.0</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Graph 9: Percentage Distribution of SHGs by Development of Skills of their Members
Table 5: Training Needs of SHGs Members

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Points of Scaling</th>
<th>Orissa</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SHGs reporting following fields in which members require more knowledge skills for income generating (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technical</td>
<td>64.6</td>
<td>59.9</td>
</tr>
<tr>
<td></td>
<td>Financial skills</td>
<td>63.3</td>
<td>73.2</td>
</tr>
<tr>
<td></td>
<td>Management skills</td>
<td>58.2</td>
<td>16.6</td>
</tr>
<tr>
<td></td>
<td>Market development skills</td>
<td>27.8</td>
<td>21.0</td>
</tr>
<tr>
<td></td>
<td>Other skills</td>
<td>3.8</td>
<td>5.1</td>
</tr>
<tr>
<td></td>
<td>No further training required</td>
<td>3.8</td>
<td>7.0</td>
</tr>
<tr>
<td>2.</td>
<td>SHGs reporting facing problems in developing the interest among members (%)</td>
<td>96.8</td>
<td>98.7</td>
</tr>
<tr>
<td>3.</td>
<td>Type of problems faced by SHG in developing the skills of members</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of literacy &amp; interest among members</td>
<td>56.2</td>
<td>34.8</td>
</tr>
<tr>
<td></td>
<td>Lack of cooperation &amp; initiative from banks &amp; financial institutes</td>
<td>8.5</td>
<td>15.5</td>
</tr>
<tr>
<td></td>
<td>Lack of cooperation &amp; initiative from NGO/promoting agencies</td>
<td>2.6</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>Insufficient / inadequate training facility</td>
<td>14.4</td>
<td>9.0</td>
</tr>
<tr>
<td></td>
<td>Lack of time among members</td>
<td>16.3</td>
<td>30.3</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>2.0</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Graph 10: Training Needs of SHGs Members
SHG LIFESPANS IN INDIA: A STUDY OF QUALITY ISSUES OF SHGs IN SELECTED INDIAN STATES

Graph 11: Organizational Sustainability of SHGs

Table 6: Financial Sustainability of SHGs

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Points of Scaling</th>
<th>Orissa</th>
<th>Uttar Pradesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Distribution of SHGs by% of loan recovery</td>
<td>100%</td>
<td>63.6</td>
</tr>
<tr>
<td></td>
<td>95-99%</td>
<td>1.5</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>90-94%</td>
<td>3.0</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>85-90%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>75-84%</td>
<td>10.6</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>50-74%</td>
<td>12.0</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>&lt;50%</td>
<td>13.6</td>
<td>--</td>
</tr>
<tr>
<td>2</td>
<td>Causes of non-repayment of loan by members (%)</td>
<td>Natural calamity</td>
<td>14.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inadequate peer pressure</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Blocking of payments from buyer of products sold</td>
<td>25.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health/illness problem</td>
<td>33.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>21.6</td>
</tr>
<tr>
<td>3</td>
<td>Average loan amount presently outstanding (Rs.)</td>
<td>37818.18</td>
<td>18631.81</td>
</tr>
<tr>
<td>4</td>
<td>SHGs reporting loan repayment arrears (%)</td>
<td>27.3</td>
<td>2.1</td>
</tr>
<tr>
<td>5</td>
<td>Average amount of arrears for the reporting SHGs (Rs.)</td>
<td>11937.45</td>
<td>34180.00</td>
</tr>
<tr>
<td>6</td>
<td>SHGs reporting repayment arrears (%)</td>
<td>&gt;6 months</td>
<td>31.6</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>&gt;12 months</td>
<td>24.7</td>
</tr>
</tbody>
</table>
Despite the efforts made by the government over the past few decades, rural poverty in India continues to be significant. With the poverty alleviation programme initiated by the government during successive years, the poverty levels in percentage terms have been reduced from 56.44% of India’s population in 1973–74 to 16.1% during 2011V12. Although, there is significant reduction in percentage terms, the absolute number of person below poverty line are quite large. Employment assurance schemes (EAS) and Jawahar Gram Samridhi Yojana (JGSY) were merged since April 2002xix. There are three aims of SGSY i.e., providing wage employment in rural areas, food security and creation of durable community, social and economic assets of the rural mass. The success of the programme has motivated the government to borrow its design features and incorporate them in their poverty alleviation programme. This is certainly welcome but for the fact that the government’s programme (SGSY) has an inbuilt subsidy element which tends to attract linkage group members and cases of migration generally for the wrong reasons.

Graph 12: Financial Sustainability of SHGs

SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

Despite the efforts made by the government over the past few decades, rural poverty in India continues to be significant. With the poverty alleviation programme initiated by the government during successive years, the poverty levels in percentage terms have been reduced from 56.44% of India’s population in 1973–74 to 16.1% during 2011V12. Although, there is significant reduction in percentage terms, the absolute number of person below poverty line are quite large. Employment assurance schemes (EAS) and Jawahar Gram Samridhi Yojana (JGSY) were merged since April 2002xxiv. There are three aims of SGSY i.e., providing wage employment in rural areas, food security and creation of durable community, social and economic assets of the rural mass. The success of the programme has motivated the government to borrow its design features and incorporate them in their poverty alleviation programme. This is certainly welcome but for the fact that the government’s programme (SGSY) has an inbuilt subsidy element which tends to attract linkage group members and cases of migration generally for the wrong reasons.
OBJECTIVE OF SGSY SCHEME

This scheme is being implemented through Commercial, Cooperative and Regional Rural Banks in the state with effect from 1st April 1999. Beneficiaries living Below Poverty Line (BPL) are being financed through Self Help Groups (SHGs). Performance of the banks as on March '12 is summarized below:

Table 7: Progress of Self Help Groups from 01 April 2011 to 31 March 2012

<table>
<thead>
<tr>
<th>Agencies</th>
<th>No. of Groups Formed</th>
<th>No. of Groups Passed 1st Grading</th>
<th>No. of Groups Sancd. CCL</th>
<th>No. of Groups Passed 2nd Grading</th>
<th>No. of Groups Disbursed Loan No.</th>
<th>No. of Beneficiaries Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Com. Bank</td>
<td>14285</td>
<td>11580</td>
<td>10603</td>
<td>8997</td>
<td>10370</td>
<td>137.90</td>
</tr>
<tr>
<td>RRBs</td>
<td>10547</td>
<td>9262</td>
<td>8913</td>
<td>6758</td>
<td>8723</td>
<td>160.16</td>
</tr>
<tr>
<td>Co. Banks</td>
<td>512</td>
<td>512</td>
<td>512</td>
<td>512</td>
<td>512</td>
<td>5.96</td>
</tr>
<tr>
<td>G. Total</td>
<td>25344</td>
<td>21354</td>
<td>20028</td>
<td>16267</td>
<td>19605</td>
<td>304.02</td>
</tr>
</tbody>
</table>

During the financial year 2011–12, 224951 beneficiaries have been assisted till 31 March 2012 against annual physical target of 2.75 lakh and Rs.304.02 crore has been disbursed against the annual target of Rs.510.52 crore.

Table 8: Progress of Self Help Groups since Inception of the Scheme upto March 2012

<table>
<thead>
<tr>
<th>Agencies</th>
<th>No. of Groups Formed</th>
<th>No. of 1st Graded Groups</th>
<th>No. of Groups Sanctioned CCL</th>
<th>No. of 2nd Graded Groups</th>
<th>No. of Groups Disbursed loan No.</th>
<th>No. of Beneficiaries Assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm. Banks</td>
<td>125455</td>
<td>86832</td>
<td>78691</td>
<td>61551</td>
<td>56857</td>
<td>883.68</td>
</tr>
<tr>
<td>RRBs</td>
<td>130096</td>
<td>73651</td>
<td>68144</td>
<td>43945</td>
<td>41063</td>
<td>588.63</td>
</tr>
<tr>
<td>Coop. Banks</td>
<td>2624</td>
<td>2624</td>
<td>2624</td>
<td>2624</td>
<td>2624</td>
<td>24.39</td>
</tr>
<tr>
<td>Grand Total</td>
<td>258175</td>
<td>163107</td>
<td>149459</td>
<td>108120</td>
<td>100544</td>
<td>1496.70</td>
</tr>
</tbody>
</table>

- The above data reveal that 13648 groups that have passed 1st grading, are pending for sanction of Cash Credit Limit (CCL) and 7576 groups that have been 2nd graded, are still pending for disbursement of loans.
- All banks should match and reconcile their block-level groups-wise figures with that of the Nodal Deptt during the meetings of SGSY committees so that a realistic picture in case of formation and linkage/financial assistance to the groups, may be precipitated and actual work done is reflected.
RECOVERY PERFORMANCE OF SHGs IN INDIA

On the basis of data reported by 329 banks, NABARD has made a study as regards recovery percentage of SHG loans. The recovery rate has increased from 73% as on 31 March 2010 to 82% recovery of SHG loans as on 31 March 2011 to 89% as on 31 March 2012.

Table 9: Recovery Performance-Agency Wise (All SHGs)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Total No. of Banks Reported Recovery Data</th>
<th>95%</th>
<th>80-94%</th>
<th>50-79%</th>
<th>&lt;50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Banks (publ. sector)</td>
<td>25</td>
<td>11</td>
<td>6</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Banks (pvt sector)</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>RRBs</td>
<td>70</td>
<td>22</td>
<td>25</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Co-Operative Banks</td>
<td>226</td>
<td>113</td>
<td>39</td>
<td>51</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>329</td>
<td>153</td>
<td>70</td>
<td>77</td>
<td>29</td>
</tr>
<tr>
<td>Percentage of Banks</td>
<td>------------------------------------------</td>
<td>-----</td>
<td>--------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>46.5</td>
<td>21.3</td>
<td>23.4</td>
<td>8.8</td>
</tr>
</tbody>
</table>

NABARD annual report, 2012

Table 10: Recovery Performance-Agency Wise (Exclusive SGSY SHGs)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Total No. of Banks Reported Recovery Data</th>
<th>95%</th>
<th>80-94%</th>
<th>50-79%</th>
<th>&lt;50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Banks (publ. sector)</td>
<td>25</td>
<td>9</td>
<td>4</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Banks (pvt sector)</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>RRBs</td>
<td>58</td>
<td>16</td>
<td>12</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>Co-Operative Banks</td>
<td>108</td>
<td>46</td>
<td>18</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>197</td>
<td>75</td>
<td>34</td>
<td>63</td>
<td>25</td>
</tr>
<tr>
<td>% of Banks</td>
<td>------------------------------------------</td>
<td>-----</td>
<td>--------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>38.0</td>
<td>17.3</td>
<td>32.01</td>
<td>12.7</td>
</tr>
</tbody>
</table>

NABARD annual report, 2012

Prompt recovery of loans has been an important aspect of SGSY, not only to ensure discipline but to guarantee success of the self-employment programme. To ensure this, the government should take some measures for loan recoveries in full. The government support and assistance is essential for the success of programme like SGSY.
CONCLUSION

In our study, we found that owing to low recovery rate of loans under SGSY or other SHG loans, banks hesitate to lend the beneficiaries in Uttar Pradesh as well as in Orissa. As per our result, the recovery rate in Orissa hovers between 1.5%–13.6% and that of Uttar Pradesh is between 0–3.2%. The mounting NPAs in this regard dissuade them to go for lending. Bankers complain that the DRDA (District Rural Development Agency) officials do not cooperate with them in recovering the credit from the beneficiaries. It is also revealed that DRDA, a Self Help Promoting Institutions (SHPI), spends roughly 4% of the principal share of SGSY funds towards strengthening the capacity of SHGs or providing training or developing skills of the SHG members. This affects the mobilization efforts of SHGs adversely. The accessibility to institutional credit largely hinges on the financial prudence of SHGs. Significantly, the study has also observed the fact that as high as 47% of Swarojgarees in Orissa and 58% in Uttar Pradesh are not able to take up self-employment ventures due to lack of institutional credit. The result is either they choose low investment; low productivity ventures or borrow from non-institutional sources at high interest rates to meet their investment requirements. Especially, artisans and weavers often borrow from private moneylenders to finance their costly raw materials. It neither resulted in increased income nor was a positive occupational shift witnessed among the beneficiaries. Thus, we conclude that high NPAs prevent unrestricted credit flow to the beneficiaries. Hence, only a proactive coordination between the SHPIs and banks in the field of SHG capacity building, their grading and credit appraisal can bring down the growing defaults.

Our study has placed immense value on the accountability of various SHG programmes as part of the learning process. We suggest ways to be implemented for monitoring their progress and sustainability, thereby evaluating their achievements against the intended processes and outcomes and building upon success. Our study has focussed on rural empowerment and poverty eradication and found out the changes to individuals’ structures and relationships that perpetuated inequality in the programme sectors including education, health and economic development. Furthermore, our study has accomplished in finding out the sustainability of SHG programmes/ schemes through bank-linkage, NGOs or governmental organization in Uttar Pradesh and Orissa. The possible solutions through the study of SHG lifespans for enabling their qualitative outreach have been assessed effectively for those at the bottom of the distribution by the following:
• Amending the fragility of the SHGs to enhance their existing potential through strengthening their unexplored methodology.

• The social rights seem more important than basic capability.

• Finding out the various proximate causes of failure and inconsistencies, if any, in the design of poverty alleviation and microfinance programmes.

• The problems of their management and collective action need to be sorted out for the beneficial progress of the rural empowerment.

Thus, our study has evaluated the pace of development of SHGs and the quality issues in the microfinance sector as a means to help the poor in fighting poverty and social oblivion in Uttar Pradesh and Orissa and let them know how the most profound changes arise when they work not only with the most disempowered, but with equity and in their rights, responsibilities, opportunities and structures around them that can support or undermine their struggle for a life with dignity not by gender bias but as a human being. The lifespan and quality issues of SHGs in the selected districts of Uttar Pradesh and Orissa has been analyzed as the dome of income generating activities serving as instruments which could bring about economic consciousness, benefits and empowerment especially among the women affiliates. It is noteworthy to find out the possible ways through the SHG development, used and aligned as a tool for the development of the cooperative and its members in those disaster prone districts of these states. Hence, it has been enviable in stimulating information and exploring the extent to which the quality of SHGs have been able to eradicate poverty and susceptibility in the selected regions of Uttar Pradesh and Orissa owing to their employment generation, socio-economic status and entrepreneurial activity within households, built-in capacity to manage risks and improve accessibility of micro-credit at the community level. Our study has also identified the core problems and challenges to understand the process of development of SHGs i.e., the pace by which they have proceeded and achieved their livelihood through the microfinance. The SHGs need to be educated regarding the benefits of microfinance, so that their performance and efforts with the support of government machineries and microfinance programmes improve and aim at enhancing lifespan and sustainability thereby managing the issues involved in their finance procurement, savings and reinvestments in the orbit of future challenges. The analysis also suggests that SHGs have been performing better than before not only as providers of financial services in terms of augmenting savings, lending and
ensuring loan recovery but also in terms of awareness creation and rural empowerment. They also lead to the development of human resources and management skills, leadership and motivation. The study also found significant improvements in the ability of SHG functioning in facing problems on quality aspects reported to have been achieved by the states (Orissa to the extent of 73% while it is 58% in Uttar Pradesh) selected in the study. Such an effort has entailed the lifespan of SHGs and to sustain for all round SHG development in the path of economic empowerment followed by rural empowerment.

REFERENCES

[12] Nair, Tara (2008), Head of Research Unit, FWWB CMF-NABARD, Sustainability of SHGs Scope, Issues and Challenges, November 1st, Chennai.


The Alternative Workplace: Charging People with Job Rotation: A Case Study of Private Banks at Raipur (C.G.) Region

Sanjay Mishra
Associate Professor, PIBM, Pune
E-mail: mail2sanjaymishra@gmail.com

Abstract—The study reports the perception of employees towards the Job Rotation Techniques. Demographic variables and the positional variables of the employees were analyzed with respect to the perception which they hold on Job Rotation. Data were collected using a self-administered questionnaire. The researchers found that most of the employees perceive Job Rotation as a technique which stimulates their growth in the company, reduces their boredom and as a means of Fast Learning. From the findings of the current study, the researchers suggest that organization should consider the perception and needs of individual employees for successful introduction and implementation of job rotation in an organization for an overall benefit of the organization and ultimate value to the shareholder.

Keywords: Job Rotation, Change Management Technique, Resistance to Change, Enhancing Skills

INTRODUCTION

In his study, Stoner (1982) noticed that, on the implementation of Job Rotation in an organization, dissatisfaction among the employees could be tackled in a very efficient way; as it offers employees different challenges, skills sets and necessary motivation enabling the employees to be more than content [7]. It is therefore, of great relevance and importance to understand the characteristics of Job Rotation in an organization, in order to mitigate employees with the monotonous work routine, yet enabling higher learning in them. As Bob Nelson, President of Nelson-motivation once said, ‘Treat and appreciate your employees well and they will reciprocate in a thousand ways’, it is very important for any organization to be highly empathetic and responsive towards their employees by creating an environment where employees are happy to do their jobs and extract maximum from their contentment.

The basic aim of any organization is to do the best for their shareholders; this could be achieved only by effective management of people working in the organization to carry them efficiently throughout their working tenure in the organization. The current study aims at understanding the perception of the employees towards the potential use of Job Rotation in an organization. The researchers also believe that the findings of the study would stand as a great help to Managers for efficiently and effectively carry out Job Rotation for employees at different hierarchy and demographics.
LITERATURE REVIEW

In their study, Carnell and Maxwell (1988) argued that managers face a mammoth challenge in implementing any kind of change in the organization, effectively [2]. Odni (1990) noticed that people when subjected to any change generally form fear in their minds and resist the change to their extent and this resistance level become even more stronger and higher when they don’t comprehend the reason for the change[6]. If job rotation is the reason for that change, there is definitely a great scope of learning and motivation but according to Odni (1990), people show a great deal of reluctance to this change despite being positive and beneficial in nature, which he calls as behavioural resistance. This in turn makes managers fearful in initiating change as they think change is always followed by chaos and difficulties, but Odni (1990) argues that this thinking of managers will only inhibit the most productive phase brought about by the change. Odni (1990) affirmed that managing a change could be hard but productive and positive change would only decrease insolvency rather than increasing destitution in the organization, contrary to the common belief.

Ben Bennett (2003) describes Job Rotation as a change technique of moving employees between jobs over a period of time in a well-planned way, in order to fulfill various purposes for the benefit of the employees and the organization [1]. He tells that there are two types of Job Rotation; one being within function and other being cross functional rotation. The former kind of Job Rotation includes making the employees to perform the jobs of same or similar responsibilities within the same operational level over a period of time whereas the latter one means rotation of jobs involving higher degree of responsibility. The researcher has taken only Within-Function Rotation for the purpose of the current study.

Managing people in an organization is a no child’s game and the job of a manager is arguably the hardest, as he has to deal with the most intelligent and perhaps the most complex being of all the human beings. However, Job Rotation, when implemented, is a change which is progressive in nature but a considerable understanding of what exactly the employees perceive about Job Rotation so that a manager can easily mold his Job Rotation techniques according to the perception/ needs of the employees to derive the best of them. Various other past researches on this field were found to be of considerable importance and relevance to the researches in carrying out the study (Johnston and Estinson, 1978; Morgan, 1972) [3] [5].

METHODOLOGY AND OBJECTIVES

As time passed by, the importance of Job Rotation as a means of enhancing skills, knowledge and abilities of an individual to improve the overall
Organizational Mechanics have become evident to any Organization. Job rotation has become the need of the hour for most of the organizations and is a fast emerging domain of research in the field of human resource, there is no deficiency of resources on Job Rotation. The researchers conducted a thorough and extensive amount of literature review which was available and used in framing the conceptual foundation for the research on hand.

**The Focus of the Current Study**

- To understand the employee perception of Private Banks in the city of Raipur, on Job Rotation programmes on the basis of both personal and positional variables of the employees

The current study has used only primary data from 200 personnel working in various Private Banks operational at Raipur using a questionnaire tool, which was further analyzed using the statistical tool ‘Mean score’ to generate the results and discuss the findings.

**Relevance of Mean as a Statistical Tool**

It is simple to apply, understand and interpret. Moreover, the standard problems encountered while administering mean i.e., impact of unduly extreme values is not seen in this case as 5-Point Likert scale is used for data collection.

**Benchmark Kept**

The identified benchmark for comparison is identified taking normal distribution into consideration. The values above 2.5 (5/2) are considered to be positive and further is the observation from the mean assumed to be neutral (2.5) stronger relation it bears with reference to the parameter under study. The benchmark is based on researcher’s experience.

**Findings and Discussions**

Human Resource is one of the most vital and perhaps the most complicated resources of them all present in an organization. It learns in a certain way, behaves in a certain way using its aptitude and attitude. Job rotation has become a tool which aims to increase the skills base of the most intelligent resource of the business. Many organizations have become aware that up-skilling their workforce is fundamental to their survival and growth. The primary data on employees' perception of Job Rotation was collected and the same was analyzed. To help in better understanding of the results, the obtained results were tabulated on the basis of personal demographic variables and positional demographic variables. However, the least substance was bestowed by the respondents to the statement that Job rotation is a tool for new recruiting purposes.
1. Employees are quite content when it comes to Job Rotation and are not worried about that the same will cause any kind of new recruitment in the organization.

The respondents awarded a second least substance to the statement that:

2. Job rotation is used as a tool to give proper overview of the job, the common belief in this regard could be that employees do need more attention towards their job roles and responsibilities rather than what job rotation provides, i.e. making them aware of specifications and description of other jobs.

The next variable which respondents least favoured was Job Rotation as a means of motivating employees with a mean score of 3.32; this substantiates the belief that:

3. When it comes to motivating the employees, Job rotation doesn’t influence the employees they would need something apart from that maybe through monetary methods or through mentoring, although the same recommendations need further researches to be done.

If we study the individual variables separately, for instance, according to age, what perceptions the employees hold about Job Rotation, we can see from the generated result of Table 1.

4. Even young blood of the age group believes that Job rotation helps in cultivating and spreading the culture of the organization awarding a mean score of 3.85 on the highest side of the spectrum.

5. Job rotation as a tool for Job Preview was bestowed with a mean score of 3.05 on the lowest side.

6. Job rotation as a means of recruiting tool was the least agreed dimension by the employees awarding the lowest mean score of 2.98.

7. Most of the individuals of the same age group of people believe that job rotation is a good tool in building, reinforcing and spreading the culture all around the organization.

8. Most of the employees of older age group (above 40 years) have the opinion that the use of job rotation is a recruiting tool by giving a very low mean score of 3.1.

9. The same group has given the dimension of job rotation as a means of replacement tool the highest with a mean score of 3.81.

Thus, we can see that the current research indicates that the employee perception towards various variables related to job rotation swings from the statement of job rotation being a tool for individual growth to the use of job rotation as a recruiting tool.
Table 1: Employee Perception Across Personal Variables

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Age</th>
<th>Gender</th>
<th>Marital Status</th>
<th>Academic Qualification</th>
<th>Grand Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>M</td>
<td>F</td>
</tr>
<tr>
<td>Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retention Tool</td>
<td>3.79</td>
<td>3.73</td>
<td>3.61</td>
<td>3.71</td>
<td>3.72</td>
</tr>
<tr>
<td>Recruiting tool</td>
<td>3.1</td>
<td>2.98</td>
<td>3.1</td>
<td>2.8</td>
<td>2.69</td>
</tr>
<tr>
<td>Stimulates Individual Growth</td>
<td>3.83</td>
<td>3.78</td>
<td>3.71</td>
<td>3.89</td>
<td>3.82</td>
</tr>
<tr>
<td>Tool for Employee Promotion</td>
<td>3.66</td>
<td>3.69</td>
<td>3.65</td>
<td>3.95</td>
<td>3.66</td>
</tr>
<tr>
<td>Tool for skills Development and learning</td>
<td>3.63</td>
<td>3.71</td>
<td>3.73</td>
<td>3.74</td>
<td>3.64</td>
</tr>
<tr>
<td>Stimulates better departmental Coordination</td>
<td>3.64</td>
<td>3.57</td>
<td>3.67</td>
<td>3.58</td>
<td>3.67</td>
</tr>
<tr>
<td>Stimulates better colleagues' understanding</td>
<td>3.6</td>
<td>3.54</td>
<td>3.79</td>
<td>3.58</td>
<td>3.65</td>
</tr>
<tr>
<td>Tool for Job preview</td>
<td>3.05</td>
<td>3.19</td>
<td>3.15</td>
<td>3.17</td>
<td>3.05</td>
</tr>
<tr>
<td>Tool for Fast Learning</td>
<td>3.72</td>
<td>3.74</td>
<td>3.68</td>
<td>3.61</td>
<td>3.71</td>
</tr>
<tr>
<td>Tool for understanding diversity</td>
<td>3.28</td>
<td>3.38</td>
<td>3.12</td>
<td>3.21</td>
<td>3.47</td>
</tr>
<tr>
<td>Tool for Preventing Job Boredom</td>
<td>3.66</td>
<td>3.39</td>
<td>3.57</td>
<td>3.48</td>
<td>3.64</td>
</tr>
<tr>
<td>Training Tool</td>
<td>3.84</td>
<td>3.62</td>
<td>3.75</td>
<td>3.7</td>
<td>3.72</td>
</tr>
<tr>
<td>Problem Solving Tool</td>
<td>3.46</td>
<td>3.39</td>
<td>3.55</td>
<td>3.48</td>
<td>3.38</td>
</tr>
<tr>
<td>Assessment Tool</td>
<td>3.47</td>
<td>3.45</td>
<td>3.57</td>
<td>3.42</td>
<td>3.58</td>
</tr>
<tr>
<td>Building, Reinforcing and Spreading Culture</td>
<td>3.85</td>
<td>3.81</td>
<td>3.56</td>
<td>3.76</td>
<td>3.71</td>
</tr>
<tr>
<td>Information sharing tool</td>
<td>3.71</td>
<td>3.68</td>
<td>3.73</td>
<td>3.69</td>
<td>3.71</td>
</tr>
<tr>
<td>Tool for avoiding Layoffs</td>
<td>3.19</td>
<td>3.26</td>
<td>3.29</td>
<td>3.25</td>
<td>3.31</td>
</tr>
<tr>
<td>Job Replacement Tool</td>
<td>3.74</td>
<td>3.72</td>
<td>3.81</td>
<td>3.92</td>
<td>3.83</td>
</tr>
<tr>
<td>Motivation Tool</td>
<td>3.34</td>
<td>3.11</td>
<td>3.21</td>
<td>3.43</td>
<td>3.33</td>
</tr>
</tbody>
</table>

Note: 1=20-30 Years: 2=31-40 Yrs: 3=41 Years and Above; M=Male; F=Female; MA=Married.
UM=Unmarried; UG=Undergraduates: G=Graduates: PG=Post Graduates and above
PERCEPTION ON JOB ROTATION ACROSS POSITIONAL VARIABLES

The research data were analyzed against positional variables, the result of which is indicated by Table 2. The obtained results are again very parallel to the results obtained and analyzed across personal demographic variables. The range of the results in this instance varies from a mean score of 3.83 (on a higher side) to a mean score of 3.14 (on a lower side). The percentage difference between these variations was found to be 21.95%:

1. There is a very high agreement to the training tool with the probable belief that job rotation makes them to learn about various activities of the organization and thus training them streamlining the organization at the gun point.

2. Strong agreement is also seen towards the statement that job rotation helps in building, reinforcing and spreading each personnel, departments and to the external organizational culture among customers too.

3. Another strong belief that was found that job rotation makes the employees to develop their skills and learn new things.

4. Job rotation helps in developing skills of an individual and makes them to learn new things with regard to the organizational needs.

5. The dimensions of job rotation of being a tool for recruiting, a tool for better job preview and tool for avoiding layoffs did not stand concrete in the eyes of the employees and they gave the same the lowest mean scores of 3.14, 3.22 and 3.25 to each of them respectively.

This is in the line of findings of previous table. The slight variations in assigning different mean scores could have been because of the positional aspects of an employee while in previous case were totally a personal opinion.

If we study any particular positional demographic variable separately to see how the employees of different hierarchical positions perceive job rotation. We can see from Table 2 that:

1. People of accounting level strongly feel that job rotation is a tool for job replacement with a means score of 3.85.

2. People of clerical position see job rotation as a means to stimulate individual growth and have given the same the highest mean score of 3.85.

3. The employees of managerial level and above see job rotation as a tool for fast learning (the highest mean score of 3.82).

They see job rotation as means of making things easier for them to learn while being in different positions.
4. All the three categories of employees have given the lowest mean score to dimension of job rotation as a recruiting tool which is also complementary to all previous findings of the current study.

The current study could stand as an eye-opener but the same could turn around the face of human resource tools which a HR department takes with regards to the use of job rotation for various reasons for their employees.

Table 2: Employee Perception Across Positional Variables

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Position</th>
<th>Total Work Experience</th>
<th>Exp. In Present Position</th>
<th>Grand Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retention Tool</td>
<td>3.56</td>
<td>3.71</td>
<td>3.71</td>
<td>3.6</td>
</tr>
<tr>
<td>Recruiting tool</td>
<td>3.08</td>
<td>3.15</td>
<td>3.1</td>
<td>3.15</td>
</tr>
<tr>
<td>Stimulates Individual Growth</td>
<td>3.85</td>
<td>3.6</td>
<td>3.42</td>
<td>3.81</td>
</tr>
<tr>
<td>Tool for Employee Promotion</td>
<td>3.36</td>
<td>3.59</td>
<td>3.79</td>
<td>3.22</td>
</tr>
<tr>
<td>Tool for Skills Development and Learning</td>
<td>3.56</td>
<td>3.76</td>
<td>3.71</td>
<td>3.6</td>
</tr>
<tr>
<td>Stimulates better Departmental Coordination</td>
<td>3.68</td>
<td>3.73</td>
<td>3.69</td>
<td>3.71</td>
</tr>
<tr>
<td>Stimulates better Colleagues’ understanding</td>
<td>3.49</td>
<td>3.45</td>
<td>3.56</td>
<td>3.59</td>
</tr>
<tr>
<td>Tool for Job preview</td>
<td>3.11</td>
<td>3.15</td>
<td>3.79</td>
<td>2.91</td>
</tr>
<tr>
<td>Tool for Fast Learning</td>
<td>3.43</td>
<td>3.45</td>
<td>3.82</td>
<td>3.25</td>
</tr>
<tr>
<td>Tool for understanding diversity</td>
<td>3.12</td>
<td>3.15</td>
<td>3.24</td>
<td>3.32</td>
</tr>
<tr>
<td>Tool for Preventing Job Boredom</td>
<td>3.46</td>
<td>3.39</td>
<td>3.55</td>
<td>3.48</td>
</tr>
<tr>
<td>Training Tool</td>
<td>3.83</td>
<td>3.72</td>
<td>3.77</td>
<td>3.89</td>
</tr>
<tr>
<td>Problem Solving Tool</td>
<td>3.28</td>
<td>3.38</td>
<td>3.43</td>
<td>3.21</td>
</tr>
<tr>
<td>Assessment Tool</td>
<td>3.64</td>
<td>3.57</td>
<td>3.67</td>
<td>3.58</td>
</tr>
<tr>
<td>Building, Reinforcing and Spreading Culture</td>
<td>3.77</td>
<td>3.78</td>
<td>3.65</td>
<td>3.89</td>
</tr>
<tr>
<td>Information sharing tool</td>
<td>3.66</td>
<td>3.69</td>
<td>3.65</td>
<td>3.75</td>
</tr>
<tr>
<td>Job Replacement Tool</td>
<td>3.79</td>
<td>3.85</td>
<td>3.6</td>
<td>3.42</td>
</tr>
<tr>
<td>Motivation Tool</td>
<td>3.47</td>
<td>3.48</td>
<td>3.66</td>
<td>3.61</td>
</tr>
</tbody>
</table>

Note: C=Clerks; A=Accountants; M=Managers; a=up to 3 years; b=3-10 years; c=10 years and above; X=up to 3 years; Y=3 years and above

**RECOMMENDATION AND SUGGESTIONS**

Although job rotation is very effective tool for job enrichment, yet is misconstrued at times. Hence, it loses its utility. If following points are kept in mind while implementing the idea, it would definitely produce better results:
1. Involve the representatives of the employees in planning and implementation of the programme.

2. Regular newsletters and similar communication formally and informally to be sent so that the factors showing less positive perception can be moderated beforehand.

3. Quality Circles can be formed and applied to handle the issue. This may result in lowered resistance from the employees as it would be seen as an initiative from their side.

CONCLUSION

Most of the aspects of the business are moving forward towards internationalization and every organization has embraced the fact that in order to succeed in the current competitive and fierce market, treating and constantly upgrading their current workforce is by and large the only weapon in their arsenal. Using job rotation to do the same is a technique adopted by many organizations worldwide for many reasons. The current research however brings out certain results pertaining to various job rotation dimensions which were discussed in the above section. The use of job retention for retaining the good employees by developing their skills and making them to learn many new aspects of their current and other jobs around them as well were the two main dimensions which employees of the organization commonly believe. The same would in turn help in cultivating and spreading the necessary culture not only within the organization but also to the outside world too which is indeed mentioned by the employees in a positive way. The researcher believe that the current research would help organizations in embracing the job rotation tool in a way in order to enhance the quality of their workforce and overall quality of the organization output which is in fact the need of the hour.

REFERENCES

EVA’s Superiority over Traditional Financial Performance Measures: A Case Study of Banswara Syntex Limited

Shivani Gupta
Assistant Professor, P.G. Department of Commerce,
P.G. Government College, Sector–46, Chandigarh
E-mail: shivuamar999@gmail.com

Abstract—EVA is a registered trademark developed by Stern Stewart & Company. Economic Value Added or EVA is an estimate of true economic profit after making corrective adjustments to accounting as per the provisions of GAAP (Generally Accepted Accounting Principles), including deducting the opportunity cost of equity capital. The EVA concept believes that for every performance measure there is a corresponding wealth measure. The traditional performance measures ignore the cost of capital. Thus, the results are overrated when these traditional techniques like ROI, ROE, NVA and MVA are applied to measure the performance of the company. EVA gives true results after considering cost of capital. In this research paper, attempt has been made to prove the superiority of EVA over traditional performance measurement techniques—ROI, ROE, NVA, EPS and MVA by taking Banswara Syntex Limited as a base company.

Keywords: EVA, Traditional Performance Measurement Techniques, Case Study, ROI, MVA, NVA, EPS, ROE

INTRODUCTION TO ECONOMIC VALUE ADDED

EVA is a registered trademark developed by Stern Stewart & Company. Economic Value Added or EVA is an estimate of true economic profit after making corrective adjustments to GAAP accounting, including deducting the opportunity cost of equity capital. By taking all capital costs into account, including the cost of equity, EVA shows the financial amount of wealth a business has created or destroyed in a reporting period. In other words, EVA is profit in the way that shareholders define it. EVA is creative accounting and is gradually replacing the traditional measures of financial performance.

EVA can be calculated as follows:

\[ \text{EVA} = \text{NOPAT} - \text{WACC} \times \text{CAPITAL EMPLOYED} \]

Where,

- NOPAT refers to net operating profits after taxes. NOPAT is equal to earnings before interest and tax (EBIT) minus adjusted taxes (AT).
- EBIT refers to the earnings before interest and tax.
AT refers to the adjusted taxes.

WACC refers to weighted average cost of capital. It comprises of following two components:

**Cost of Debt**

Company’s post tax marginal rate of borrowing.

\[
\text{Cost of Debt} = \text{Borrowing rate} \times (1-\text{marginal tax rate})
\]

**Cost of Equity**

Required rate of return on company’s share.

\[
\text{Cost of Equity} = \text{Risk free rate} + \text{Risk premium} \times \text{Beta (Capital Asset Pricing Model)}
\]

We have used another method of calculating Cost of Equity, i.e.

\[
\text{Cost of Equity} = \frac{\text{Earnings Per Share}}{\text{Market Price Per Share}}
\]

\[
\text{WACC} = \frac{\text{D}}{\text{V}} \times \text{Cost of Debt} + \frac{\text{E}}{\text{V}} \times \text{Cost of Equity}
\]

where,

1. \(\text{D}\) = Average debt.
2. \(\text{E}\) = Average equity (market capitalization).
3. \(\text{V}\) = \(\text{D} + \text{E}\) (Total value of firm).
4. The risk free rate is equivalent to government’s long-term bond yield.
5. Beta measures the volatility of share price relative to the market.
6. Market risk premium is the extra return investors expect from equity market over and above risk free rate.

**EVA’s Superiority**

EVA is the Net Operating Profit after Taxes (NOPAT) minus the monetary cost of capital. Monetary cost of capital means the value of that cost rather than a rate of return. EVA adds back to the accounting profits on the amortization of goodwill or capitalization of brand advertising. There are other similar adjustments of intangibles which EVA considers important. Shareholders of the company receive positive value added when the return from the capital employed in the business operations is greater than the cost of that capital. The EVA concept believes that for every performance measure there is a corresponding wealth measure. The traditional performance
EVA’S SUPERIORITY OVER TRADITIONAL FINANCIAL PERFORMANCE MEASURES

measures ignore the cost of capital. Thus, the results are overrated when these traditional techniques are used to measure the performance of the company. EVA gives true results after considering cost of capital.

*Fortune* magazine has called EVA as ‘today’s hottest financial idea and getting hotter’ and management guru Peter Drucker has referred to EVA as a measure of total factor productivity. No doubt EVA is superior to traditional financial performance measures.

**PROFILE OF BANSWARA SYNTEX LIMITED**

Banswara Syntex Limited (BSL) is a vertically integrated textile mill which manufactures man-made synthetic blended yarn, wool and wool mixed yarn, all type of fabrics including Jacquard furnishing fabrics. BSL also manufactures readymade garments and made-up's. Banswara Syntex Limited has a track record of expanding, modernizing and diversifying its activities from time-to-time keeping in view the increasing demands, quality expectation of the customers and changing market requirements etc. Banswara Syntex Limited is a government recognized Two Star Export House having IS/ ISO 9001:2000 certification by the Bureau of Indian Standards.

**ABOUT THE STUDY**

1. The data has been collected from the annual reports of Banswara Syntex Limited.
2. For the purpose of comparison between traditional performance techniques and Economic Value Added technique.

The following parameters have been used for performance evaluation:

- **B** = bad (negative value)
- **A** = Average (upto 5%)
- **S** = Satisfactory (5% to 10%)
- **G** = Good (10% to 15%)
- **VG** = very good (More than 15%)

In case of EPS,

- **B** = bad (negative value)
- **A** = Average (upto Rs. 5)
- **S** = Satisfactory (Rs. 5 to Rs. 10)
3. The time period of the study is 2003–04 to 2010–11.

4. The limitations of the study are non-availability of beta factor. That is why CAPM method has not been used to calculate cost of equity and non-availability of reports of the company prior to 2003–04.

**THE ANALYSIS**

**Traditional Performance Measures**

**Value Added Analysis (VAA)**

The sales of the company has increased at a very high rate. Sales of the company was Rs. 27,431.61 lakh in 2003–04 and increased to Rs. 45,395.07 lakh in 2007–08 and further to Rs. 84,791.74 lakh in 2010–11. The rate of increase in sales was very high at 65.48% for the period from 2003–04 to 2007–08 and at 86.78% for the period from 2007–08 to 2010–11. The average value addition during the period under study was Rs. 8,787.51 lakh. The highest value added was at Rs. 18,821.97 lakh in 2010–11 and the lowest at Rs. 3,608.80 lakh in 2004–05. (Refer Appendix Table 1 and 2). If we further analyze it can be observed that:

1. The company has added the highest value 22.20% of sales in 2010–11 while the same was found lowest in 2004–05 at 11.60%. It can be observed that company has added average value at 16.98% of sales during the period under study.

2. Company has added the highest value at 30.08% in 2010–11 of material cost while the same was found to be lowest at 13.65% in the year 2004–05. The average value added to material cost has been 21.77% during the period under study.

3. Company added value to net worth at an average 96.82% which was highest in year at 116.44% in the year 2010–11 and the lowest in the year 2004–05 at 77.33%.

4. Company has added value to capital employed an average 21.97%.

5. Company has added Rs. 75.39 value per share on an average. The highest was Rs 127.55 per share in 2010–11 and the lowest was Rs. 52.45 in 2004–05. The value addition per share has been positive throughout the period under study.
6. If we analyze how the company has used the value addition to its different stakeholders, we will find that the company has made positive contribution to retained earnings throughout the period under study with an average contribution to retained earnings at Rs. 1,783.78 lakh. It is clear from the analysis that the largest part of value addition has been distributed among employees by the company at an average rate of 47.14% of the value addition. The company has distributed big part of value addition as interest to lenders on an average 24.42%. Company has also contributed 3.97% on an average to the government as taxes. As far as dividend is concerned the company has distributed dividend throughout the period under study on an average 3.32% to its shareholders.

**Evaluation of Performance**

On the basis of value addition technique it can be concluded that company has added sufficient value during the period under study at an average of Rs. 8,787.51 lakh. The highest value added was in 2010–11 at Rs. 18821.97 lakh and the lowest at Rs. 3,608.08 lakh in 2004–05.

From Shareholders point of view the company’s performance has been found satisfactory as company has distributed divided throughout the period under study on an average of 3.32%. The rate of dividend as percentage of value added has been the highest at 4.57% in 2010–11. The retained earnings of the company have been positive throughout the period under study at an average of Rs. 8787.51 lakh.

![Average Values of ROI, ROE, MVA and NVA as % of Capital Employed for the Period 2003-04 to 2010-11](image)

**Exhibit 1: Average Value of ROI, ROE, MVA and NVA as Percentage of Capital Employed**
**Return on Investment (ROI)**

Company has earned around 10.15% return on investment on an average during the period under study. Company has earned highest return on investment at 13.05% in the year 2010–11 and the lowest return was 6.07% in the year 2007–08. (Refer Appendix Table 3).

**Evaluation of Performance**

The performance of the company has been found good (between 10%–15%) on this basis of ROI because the company has earned on an average 10.15% on its investment.

**Earning Per Share (EPS)**

The performance of the company can be evaluated in absolute terms also with the help of EPS analysis. The company has earned on an average Rs. 16.15 per share during the period under study. The earning per share was found to be highest in the year 2010–11 at Rs. 33.51 per share while the lowest was found to be in 2007–08 at Rs. 3.79 per share. (Refer Appendix Table 3).

**Evaluation of Performance**

The performance of the company has been found to be good on this basis because the company has earned average amount per share during the period under study on an average of Rs. 12.13 per share.

**Return on Equity (ROE)**

A company has to earn enough profit so that it can provide enough earning to its shareholders. The company has earned positive return for its shareholders. The company has earned about 20.06% on an average return on its equity during the year under study. The company has earned highest return on equity at 30.63% in the year 2010–11 and the lowest was 5.96% in the year 2007–08. (Refer Appendix Table 3).

**Evaluation of Performance**

The performance of the company has been very good on the basis of Return on Equity. The company has earned very good rate of return on equity on an average 20.06% during the period under study.
Marked Value Added (MVA)

It is also a performance measurement technique in absolute terms. Company has not been found successful in adding positive market value throughout the period under study. Positive market value addition was in 2005–06, 2006–07, 2009–10 and 2010–11 at Rs. 666.20 lakh, Rs. 50.42 lakh, Rs. 2194.20 lakh and Rs. 2730.84 lakh respectively. MVA was negative in 2003–04, 2004–05, 2007–08 and 2008–09. On an average company has the added market value of Rs. (1,076.28) lakh. The highest MVA was in 2010–11 at Rs. 2730.84 lakh and the lowest market value was added in 2008–09 at Rs. (6,499.28) lakh. The company has added percentage of market value (4.61)% of capital employed on an average. The highest MVA as percentage of capital employed was in the year 2009–10 at 3.92% and the lowest market value added was (18.40)% of capital employed in the year 2003–04. (Refer Appendix Table 3)

Evaluation of Performance

On the basis of MVA, company’s performance has not been satisfactory on an average during the years under study. MVA has been positive in 2005–06, 2006–07, 2009–10 and 2010–11 only. Company has added market value as the percentage of capital employed at (4.61)% on an average and Rs. (1,076.28) lakh on an average in absolute terms during the years under study.

Modern Performance Measures

Economic Value Added (EVA)

One of the main drawbacks of traditional measures of performance is that they ignore cost of capital. While true profitability can be measured by calculating how much profit available after compensation against cost of capital. Such a performance evaluation is possible with the help of EVA. Company has negative economic value in all the years under study except 2010–11. EVA has been positive in absolute terms only in 2010–11 at Rs. 93 lakh. On an average, EVA was Rs. (720.45) lakh. The highest EVA was in 2010–11 at Rs. 93 lakh and the lowest EVA was in 2003–04 at Rs. (2,620) lakh. EVA was on an average (3.13) % of capital employed. The highest percentage was in 2010–11 at 0.63% and the lowest was (38.08)% in 2003–04. (Refer Appendix Table 4).
Evaluation of Performance

Performance of the company has been rated as bad during the period under study because EVA has been negative on an average during the period under study. EVA has been positive only in 2010–11. On an average, the performance has been bad. If EVA as percentage of capital employed on an average is seen, it indicates that the company has been performing bad during the period under study because of negative percentage. Only in 2010–11, EVA in absolute terms and as a percentage of capital employed is positive and the performance has been rated as average (below 5%).

Comparison of Results

Table 1: Comparison of Performance with Different Techniques

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Measurement Technique</th>
<th>03–04</th>
<th>04–05</th>
<th>05–06</th>
<th>06–07</th>
<th>07–08</th>
<th>08–09</th>
<th>09–10</th>
<th>10–11</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td>ROI</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>S</td>
<td>S</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>2</td>
<td>EPS</td>
<td>VG</td>
<td>S</td>
<td>VG</td>
<td>G</td>
<td>A</td>
<td>S</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
</tr>
<tr>
<td>3</td>
<td>ROE</td>
<td>VG</td>
<td>G</td>
<td>VG</td>
<td>VG</td>
<td>S</td>
<td>G</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
</tr>
<tr>
<td>4</td>
<td>NVA</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
<td>VG</td>
</tr>
<tr>
<td>5</td>
<td>MVA</td>
<td>B</td>
<td>B</td>
<td>A</td>
<td>A</td>
<td>B</td>
<td>B</td>
<td>A</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>B</td>
<td>EVA</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>A</td>
</tr>
</tbody>
</table>
If we compare the result on the basis of various performance measures it can be concluded that the results vary significantly (Refer Appendix Table 5). The performance has been rated good on an average on the basis of ROI technique, whereas, the performance of the company has been rated very good on the basis of EPS, ROE and NVA technique. According to MVA the company’s performance has been rated as bad. The results vary surprisingly. But when we apply EVA technique it has been found that the performance of the company has been bad throughout the period under study except 2010–11. On an average the performance of the Company of the basis of EVA has been rated as bad. In 2003–04, when traditional techniques has rated the company as very good except MVA, by applying EVA it has been found that the company’s performance has been bad in 2003–04. Same was the case in the year 2005–06, 2007–08 and 2009–10 where the performance on the basis of EVA has been found to be bad when other techniques have rated the performance as very good except MVA. EVA is true profit. EVA has given better indication of performance. The company’s EVA has been negative throughout the period under study except 2010–11, indicating that the company’s performance has been bad on an average except in 2010–11. There is a need of improvement in the company’s processes to increase EVA further to upgrade the company’s performance to satisfactory level. EVA has not overrated the performance of the company like traditional performance measurement techniques.

**SUGGESTIONS**

EVA presents better results as compared to the traditional measures of performance. Still, EVA is not implemented at a larger scale. Studies show that there are very few companies across the globe that implement EVA as a measure of financial performance. The main reasons are lack of accounting standard on EVA, lack of management commitment and large number of adjustments while calculating EVA. There are some suggestions which can improvise the implementation of EVA at a larger scale:

1. Companies should not only use traditional performance appraisal techniques but also use EVA model to do better reporting to its stakeholders.

2. The basic problem with EVA is to make number of adjustments. EVA requires 164 potential adjustments to eliminate the the GAP in GAAP including adjustment for inventory valuation, R&D expenses. There is a need to examine more closely which components of EVA and earnings contribute to, information content positively or negatively. The practical solution of this problem is to define the adjustments required in a condensed form. It will help to reduce the number of adjustments required from about 75 to less than 15–20. EVA will be most beneficial if broken down into small parts.
3. The companies should calculate the cost of equity capital by using capital assets pricing model for which Beta should be calculated with the help of stock market trends and fluctuations.

4. The companies should clearly mention the EVA model used through diagrams and presentations in their annual reports so that common person can better understand the approach.

5. The Institute of Chartered Accountants of India should prepare the separate accounting standard for calculation and presentation of EVA for the reporting purposes.

6. The top management’s attitude matters a lot in reporting practices. Especially, the key persons (top and middle managers) have to understand and commit to EVA thoroughly which is difficult. Management should recognize that current financial measures distort capital allocation or weaken incentives to create shareholder value. The top management should invest sufficient time and resources to help managers understand what EVA is and how it should be used in managing their business.

7. There should be clear ‘line-of-sight’ between a manager’s actions and EVA, and EVA and shareholder value.

8. The top management should integrate the EVA initiative with other efforts such as cycle time, customer satisfaction, and balanced scorecard.

9. EVA does not have system of minimum and maximum cap for bonus as the traditional methods have. Switching over to EVA from the earlier traditional methods of bonus system may create resistance in the employees. Human resources department should engage in careful communication of what the firm hopes to achieve by switching to EVA, the manner in which employees and management may improve EVA, and the way in which employees compensation is tied to EVA.

**CONCLUSION**

Performance appraisal’s results are not the same under different methods of appraisal. Traditional performance measures over rate the performance of the industries whereas the modern method EVA gives better results without any exaggerations and inflations. While observing the data of Banswara Syntex Limited (BSL) it was found that if the company uses EVA model to measure its performance, its performance will decline as compared to present models it is using. When EVA was calculated for Banswara Syntex
Limited (BSL), it was found that there is a contradiction between the results of traditional model and EVA model. EVA gives true profit, yet very few companies implement it because of certain limitations. If the shortcomings are overcome then EVA will emerge as the best measure of financial performance measurement.

REFERENCES

### Table 1: Value Added Analysis Banswara Syntex Limited

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales (Including Services)</td>
<td>27431.61</td>
<td>31105.81</td>
<td>38173.72</td>
<td>40356.91</td>
<td>45395.07</td>
<td>55922.24</td>
<td>64782.3</td>
<td>84791.74</td>
<td>48494.925</td>
</tr>
<tr>
<td>2</td>
<td>Cost of Material &amp; Services</td>
<td>22604.75</td>
<td>26423.34</td>
<td>31450.81</td>
<td>31824.28</td>
<td>35819.53</td>
<td>42422.82</td>
<td>48096.04</td>
<td>62567.32</td>
<td>37651.1125</td>
</tr>
<tr>
<td>3</td>
<td>Depreciation</td>
<td>824.2</td>
<td>1074.39</td>
<td>1330.94</td>
<td>1625.63</td>
<td>2180.04</td>
<td>2939.33</td>
<td>3073.44</td>
<td>3402.45</td>
<td>2056.3025</td>
</tr>
<tr>
<td></td>
<td>Net Value Added [1–(2+3)]</td>
<td>4002.66</td>
<td>3608.08</td>
<td>5391.97</td>
<td>6907</td>
<td>7395.5</td>
<td>10560.09</td>
<td>13612.82</td>
<td>18821.97</td>
<td>8787.51125</td>
</tr>
<tr>
<td>4</td>
<td>Application of Value Added</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Employee Cost</td>
<td>1604.11</td>
<td>1747.71</td>
<td>2321.91</td>
<td>2805.24</td>
<td>4292.39</td>
<td>5413.09</td>
<td>6739.58</td>
<td>8673.86</td>
<td>4199.73625</td>
</tr>
<tr>
<td>6</td>
<td>Payment to Govt. (Taxes)</td>
<td>108.26</td>
<td>49.73</td>
<td>210</td>
<td>645.62</td>
<td>65.23</td>
<td>128.18</td>
<td>736.5</td>
<td>1300.27</td>
<td>405.47375</td>
</tr>
<tr>
<td>7</td>
<td>Interest for Borrowing</td>
<td>976.26</td>
<td>954.17</td>
<td>1242.19</td>
<td>1559.16</td>
<td>2130.7</td>
<td>2924.38</td>
<td>2994.7</td>
<td>3836.04</td>
<td>2077.2</td>
</tr>
<tr>
<td>8</td>
<td>Dividend (Including Div. Tax)</td>
<td>91.77</td>
<td>93.17</td>
<td>177.19</td>
<td>298.31</td>
<td>189.73</td>
<td>281.55</td>
<td>579.19</td>
<td>859.61</td>
<td>321.315</td>
</tr>
<tr>
<td>9</td>
<td>Retained Earning</td>
<td>1222.26</td>
<td>763.3</td>
<td>1440.68</td>
<td>1598.67</td>
<td>717.45</td>
<td>1812.89</td>
<td>2562.85</td>
<td>4152.19</td>
<td>1783.78625</td>
</tr>
<tr>
<td></td>
<td>Net Value Added [4+5+6+7+8]</td>
<td>4002.66</td>
<td>3608.08</td>
<td>5391.97</td>
<td>6907</td>
<td>7395.5</td>
<td>10560.09</td>
<td>13612.82</td>
<td>18821.97</td>
<td>8787.51125</td>
</tr>
<tr>
<td>10</td>
<td>Other Financial Elements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Net Worth (Equity)</td>
<td>4,368</td>
<td>4,666</td>
<td>6,321</td>
<td>8,172</td>
<td>8,426</td>
<td>9,104</td>
<td>11,781</td>
<td>16,165</td>
<td>8625.32625</td>
</tr>
<tr>
<td></td>
<td>Capital Employed</td>
<td>15892.87</td>
<td>19730.77</td>
<td>25512.79</td>
<td>32744.05</td>
<td>42946.41</td>
<td>45960.6</td>
<td>55947.38</td>
<td>73694.64</td>
<td>39053.68875</td>
</tr>
<tr>
<td></td>
<td>No. of Equity Shares</td>
<td>6879501</td>
<td>6879501</td>
<td>7811723</td>
<td>12543861</td>
<td>13106361</td>
<td>13106361</td>
<td>13106361</td>
<td>14756361</td>
<td>11023753.75</td>
</tr>
</tbody>
</table>
Table 2: Value Added Analysis (Sources and Applications of Value Added) of Banswara Syntex Limited

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Value Added to Sales</td>
<td>14.59%</td>
<td>11.60%</td>
<td>14.12%</td>
<td>17.11%</td>
<td>16.29%</td>
<td>18.88%</td>
<td>21.01%</td>
<td>22.20%</td>
<td>16.98%</td>
</tr>
<tr>
<td>2</td>
<td>Value Added to Material Cost</td>
<td>17.71%</td>
<td>13.65%</td>
<td>17.14%</td>
<td>21.70%</td>
<td>20.65%</td>
<td>24.89%</td>
<td>28.30%</td>
<td>30.08%</td>
<td>21.77%</td>
</tr>
<tr>
<td>3</td>
<td>Employee Cost to Value Added</td>
<td>40.08%</td>
<td>48.44%</td>
<td>43.06%</td>
<td>40.61%</td>
<td>58.04%</td>
<td>51.26%</td>
<td>49.51%</td>
<td>46.08%</td>
<td>47.14%</td>
</tr>
<tr>
<td>4</td>
<td>Taxes to Value Added</td>
<td>2.70%</td>
<td>1.38%</td>
<td>3.89%</td>
<td>9.35%</td>
<td>0.88%</td>
<td>1.21%</td>
<td>5.41%</td>
<td>6.91%</td>
<td>3.97%</td>
</tr>
<tr>
<td>5</td>
<td>Interest to Value Added</td>
<td>24.39%</td>
<td>26.45%</td>
<td>23.04%</td>
<td>22.57%</td>
<td>28.81%</td>
<td>27.69%</td>
<td>22.00%</td>
<td>20.38%</td>
<td>24.42%</td>
</tr>
<tr>
<td>6</td>
<td>Dividend to Value Added</td>
<td>2.29%</td>
<td>2.58%</td>
<td>3.29%</td>
<td>4.32%</td>
<td>2.57%</td>
<td>2.67%</td>
<td>4.25%</td>
<td>4.57%</td>
<td>3.32%</td>
</tr>
<tr>
<td>7</td>
<td>Retained Earning to Value Added</td>
<td>30.54%</td>
<td>21.16%</td>
<td>26.72%</td>
<td>23.15%</td>
<td>9.70%</td>
<td>17.17%</td>
<td>18.83%</td>
<td>22.06%</td>
<td>21.16%</td>
</tr>
<tr>
<td>8</td>
<td>Value Added to Net Worth</td>
<td>91.65%</td>
<td>77.33%</td>
<td>85.30%</td>
<td>84.52%</td>
<td>87.77%</td>
<td>115.99%</td>
<td>115.55%</td>
<td>116.44%</td>
<td>96.82%</td>
</tr>
<tr>
<td>9</td>
<td>Value Added to CapitalEmployed</td>
<td>25.19%</td>
<td>18.29%</td>
<td>21.13%</td>
<td>21.09%</td>
<td>17.22%</td>
<td>22.98%</td>
<td>24.33%</td>
<td>25.54%</td>
<td>21.97%</td>
</tr>
<tr>
<td>10</td>
<td>Value Added per Share (Rs.)</td>
<td>58.18</td>
<td>52.45</td>
<td>69.02</td>
<td>55.06</td>
<td>56.43</td>
<td>80.57</td>
<td>103.86</td>
<td>127.55</td>
<td>75.3913698</td>
</tr>
</tbody>
</table>
### Table 3: ROI, EPS, MVA, ROE and P/E Ratio Calculations of Banswara Syntex Limited

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Operating Profit before Int. &amp; Tax</td>
<td></td>
<td>2,023</td>
<td>1,428</td>
<td>2,582</td>
<td>3,511</td>
<td>2,609</td>
<td>3,988</td>
<td>7,029</td>
<td>9,616</td>
<td>4,098.15</td>
</tr>
<tr>
<td>2</td>
<td>Capital Employed</td>
<td></td>
<td>15892.87</td>
<td>19730.77</td>
<td>25512.79</td>
<td>32744.05</td>
<td>42946.41</td>
<td>45960.6</td>
<td>55947.38</td>
<td>73694.64</td>
<td>39053.69</td>
</tr>
<tr>
<td></td>
<td>ROI [1/2] (%)</td>
<td></td>
<td>12.73%</td>
<td>7.24%</td>
<td>10.12%</td>
<td>10.72%</td>
<td>6.07%</td>
<td>8.68%</td>
<td>12.56%</td>
<td>13.05%</td>
<td>10.15%</td>
</tr>
<tr>
<td>3</td>
<td>NPAT &amp; Pre. Div.</td>
<td>1,195</td>
<td>628</td>
<td>1,361</td>
<td>1,628</td>
<td>497</td>
<td>996</td>
<td>3,592</td>
<td>4,946</td>
<td>39053.69</td>
<td>1855.37</td>
</tr>
<tr>
<td>4</td>
<td>No of Equity Shares</td>
<td>6879501</td>
<td>6879501</td>
<td>7811723</td>
<td>12543861</td>
<td>13106361</td>
<td>13106361</td>
<td>13106361</td>
<td>14756361</td>
<td>11023753.75</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Market Price per Equity Share</td>
<td></td>
<td>20.97</td>
<td>49.50</td>
<td>89.45</td>
<td>65.55</td>
<td>37.07</td>
<td>19.87</td>
<td>106.63</td>
<td>128.05</td>
<td>64.64</td>
</tr>
<tr>
<td>7</td>
<td>Value of Equity [4*5]</td>
<td></td>
<td>1,443</td>
<td>3,405</td>
<td>6,988</td>
<td>8,223</td>
<td>4,859</td>
<td>2,604</td>
<td>13,975</td>
<td>18,896</td>
<td>7548.96</td>
</tr>
<tr>
<td>8</td>
<td>Enterprise Value [6+7]</td>
<td></td>
<td>12,968</td>
<td>18,470</td>
<td>26,179</td>
<td>32,794</td>
<td>39,379</td>
<td>39,461</td>
<td>58,142</td>
<td>76,425</td>
<td>37977.41</td>
</tr>
<tr>
<td>9</td>
<td>Capital Employed</td>
<td></td>
<td>15892.87</td>
<td>19730.77</td>
<td>25512.79</td>
<td>32744.05</td>
<td>42946.41</td>
<td>45960.6</td>
<td>55947.38</td>
<td>73694.64</td>
<td>39053.69</td>
</tr>
<tr>
<td></td>
<td>Market Value Added (MAV) [8-9]</td>
<td>(2,924.94)</td>
<td>(1,260.28)</td>
<td>666.20</td>
<td>50.42</td>
<td>(3,567.41)</td>
<td>(6,499.28)</td>
<td>2,194.20</td>
<td>2,730.84</td>
<td>-1076.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MVA as % of Capital Employed</td>
<td>-18.40%</td>
<td>-6.39%</td>
<td>2.61%</td>
<td>0.15%</td>
<td>-8.31%</td>
<td>-14.14%</td>
<td>3.92%</td>
<td>3.71%</td>
<td>-4.61%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Net Profit after Int. &amp; Tax</td>
<td>1,195</td>
<td>628</td>
<td>1,361</td>
<td>1,633</td>
<td>502</td>
<td>1,001</td>
<td>3,597</td>
<td>4,951</td>
<td>1858.58</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Net Worth</td>
<td>4,368</td>
<td>4,666</td>
<td>6,321</td>
<td>8,172</td>
<td>8,426</td>
<td>9,104</td>
<td>11,781</td>
<td>16,165</td>
<td>8625.33</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>ROE [10/11] (%)</td>
<td>27.37%</td>
<td>13.47%</td>
<td>21.52%</td>
<td>19.98%</td>
<td>5.96%</td>
<td>11.00%</td>
<td>30.53%</td>
<td>30.63%</td>
<td>20.06%</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>EPS</td>
<td>17.37</td>
<td>9.13</td>
<td>17.42</td>
<td>12.98</td>
<td>3.79</td>
<td>7.60</td>
<td>27.41</td>
<td>33.51</td>
<td>16.15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market Price</td>
<td>20.97</td>
<td>49.50</td>
<td>89.45</td>
<td>65.55</td>
<td>37.07</td>
<td>19.87</td>
<td>106.63</td>
<td>128.05</td>
<td>64.64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P/E Ratio [13/12]</td>
<td>1.21</td>
<td>5.42</td>
<td>5.13</td>
<td>5.05</td>
<td>9.78</td>
<td>2.61</td>
<td>3.89</td>
<td>3.82</td>
<td>4.62</td>
<td></td>
</tr>
</tbody>
</table>
Table 4: EVA Calculations of Banswara Syntex Limited

(Rs. in Lakhs)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capital Employed</td>
<td>15892.87</td>
<td>19730.77</td>
<td>25512.79</td>
<td>32744.05</td>
<td>42946.41</td>
<td>45960.6</td>
<td>55947.38</td>
<td>73694.64</td>
<td>39053.69</td>
</tr>
<tr>
<td>2</td>
<td>Cost of Debt (%)</td>
<td>5.93%</td>
<td>4.43%</td>
<td>4.53%</td>
<td>4.44%</td>
<td>4.32%</td>
<td>5.55%</td>
<td>4.75%</td>
<td>4.67%</td>
<td>4.83%</td>
</tr>
<tr>
<td>3</td>
<td>Cost of Equity (%)</td>
<td>82.83%</td>
<td>18.44%</td>
<td>19.47%</td>
<td>19.80%</td>
<td>10.22%</td>
<td>38.25%</td>
<td>25.71%</td>
<td>26.17%</td>
<td>30.11%</td>
</tr>
<tr>
<td>4</td>
<td>Weighted Avg. Cost of Capital (%)</td>
<td>26.69%</td>
<td>7.79%</td>
<td>8.27%</td>
<td>8.11%</td>
<td>5.40%</td>
<td>11.77%</td>
<td>9.15%</td>
<td>9.40%</td>
<td>10.82%</td>
</tr>
<tr>
<td>5</td>
<td>Cost of Capital Employed [1*4]</td>
<td>4,242</td>
<td>1,537</td>
<td>2,110</td>
<td>2,656</td>
<td>2,319</td>
<td>5,410</td>
<td>5,119</td>
<td>6,927</td>
<td>3789.93</td>
</tr>
<tr>
<td>6</td>
<td>Profit after Tax before exceptional items</td>
<td>1,195</td>
<td>628</td>
<td>1,361</td>
<td>1,633</td>
<td>502</td>
<td>1,754</td>
<td>2,989</td>
<td>4,806</td>
<td>1858.50</td>
</tr>
<tr>
<td>7</td>
<td>Interest after Tax</td>
<td>683.382</td>
<td>667.919</td>
<td>869.533</td>
<td>1091.412</td>
<td>1491.49</td>
<td>2047.066</td>
<td>2096.29</td>
<td>2685.228</td>
<td>1454.04</td>
</tr>
<tr>
<td>8</td>
<td>Other Income</td>
<td>256.77</td>
<td>204.29</td>
<td>230.68</td>
<td>326.97</td>
<td>89.3</td>
<td>66.16</td>
<td>299.39</td>
<td>470.95</td>
<td>243.06</td>
</tr>
<tr>
<td>9</td>
<td>Net Operating Profit After Tax [(6+7)-8]</td>
<td>1,622</td>
<td>1,092</td>
<td>1,999</td>
<td>2,397</td>
<td>1,904</td>
<td>3,735</td>
<td>4,785</td>
<td>7,020</td>
<td>3069.48</td>
</tr>
<tr>
<td></td>
<td>EVA % of Capital Employed</td>
<td>-16.49%</td>
<td>-2.26%</td>
<td>-0.43%</td>
<td>-0.79%</td>
<td>-0.97%</td>
<td>-3.64%</td>
<td>-0.60%</td>
<td>0.13%</td>
<td>-3.13%</td>
</tr>
<tr>
<td></td>
<td>No. of Equity Shares</td>
<td>6879501</td>
<td>6879501</td>
<td>7811723</td>
<td>12543861</td>
<td>13106361</td>
<td>13106361</td>
<td>13106361</td>
<td>14756361</td>
<td>11023753.75</td>
</tr>
<tr>
<td></td>
<td>EVA per Share</td>
<td>(38.08)</td>
<td>(6.47)</td>
<td>(1.41)</td>
<td>(2.06)</td>
<td>(3.16)</td>
<td>(12.77)</td>
<td>(2.55)</td>
<td>0.63</td>
<td>-8.24</td>
</tr>
</tbody>
</table>
Table 5: Performance Measurement of Banswara Syntex Limited on the basis of EVA and Traditional Techniques

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ROI (%)</td>
<td>12.73%</td>
<td>7.24%</td>
<td>10.12%</td>
<td>10.72%</td>
<td>6.67%</td>
<td>8.68%</td>
<td>12.56%</td>
<td>13.05%</td>
<td>10.15%</td>
</tr>
<tr>
<td>2</td>
<td>EPS (Rs.)</td>
<td>17.37</td>
<td>9.13</td>
<td>17.42</td>
<td>12.98</td>
<td>3.79</td>
<td>7.60</td>
<td>27.41</td>
<td>33.51</td>
<td>16.15</td>
</tr>
<tr>
<td>3</td>
<td>ROE (%)</td>
<td>27.37%</td>
<td>13.47%</td>
<td>21.52%</td>
<td>19.98%</td>
<td>5.96%</td>
<td>11.00%</td>
<td>30.53%</td>
<td>30.63%</td>
<td>20.06%</td>
</tr>
<tr>
<td>4</td>
<td>Net Value Added (Rs. in Lakhs)</td>
<td>4002.66</td>
<td>3608.08</td>
<td>5391.97</td>
<td>6907</td>
<td>7395.5</td>
<td>10560.09</td>
<td>13612.82</td>
<td>18821.97</td>
<td>8787.51</td>
</tr>
<tr>
<td>5</td>
<td>Net Value Added as a % of Capital Employed</td>
<td>25.19%</td>
<td>18.29%</td>
<td>21.13%</td>
<td>21.09%</td>
<td>17.22%</td>
<td>22.98%</td>
<td>24.33%</td>
<td>25.54%</td>
<td>21.97%</td>
</tr>
<tr>
<td>6</td>
<td>Market Value Added (Rs. in Lakhs)</td>
<td>(2,924.94)</td>
<td>(1,260.28)</td>
<td>666.20</td>
<td>50.42</td>
<td>(3,567.41)</td>
<td>(6,499.28)</td>
<td>2,194.20</td>
<td>2,730.84</td>
<td>-1076.28</td>
</tr>
<tr>
<td>7</td>
<td>Market Value Added as a % of Capital Employed</td>
<td>-18.40%</td>
<td>-6.39%</td>
<td>2.61%</td>
<td>0.18%</td>
<td>-8.31%</td>
<td>-14.14%</td>
<td>3.92%</td>
<td>3.71%</td>
<td>-4.61%</td>
</tr>
<tr>
<td>8</td>
<td>EVA (Rs. in Lakhs)</td>
<td>-2620</td>
<td>-445</td>
<td>(110)</td>
<td>(258)</td>
<td>(415)</td>
<td>(1674)</td>
<td>(334)</td>
<td>93</td>
<td>-720.45</td>
</tr>
<tr>
<td>9</td>
<td>EVA as a % of Capital Employed</td>
<td>-16.49%</td>
<td>-2.26%</td>
<td>-0.43%</td>
<td>-0.79%</td>
<td>-0.97%</td>
<td>-3.64%</td>
<td>-0.60%</td>
<td>0.13%</td>
<td>-3.13%</td>
</tr>
</tbody>
</table>
A Revision of Product Mix Strategy for Rural Market

Dr. Nitin Zaware
Director, Rajiv Gandhi Business School, Tathawade, Pune–410033
E-mail: nitinzaware@gmail.com

Abstract—Rural markets are complex and dynamic in nature. India’s population is 1.21 billion1. The spread of population is in 5161 cities and towns and 6,38,588 villages speaking 33 languages, 1652 dialects and having sub-cultural and diverse requirements. The growth rate of population for India in the last decade was 17.64%. The growth rate of population in rural and urban areas was 12.18% and 31.80% respectively. As rural consumers are very large in number it is necessary to consider different product mixes for them.

In India, ever since Independence, marketing has acquired an urban bias, largely. Hence, there were very less attempts on the part of marketers to develop products to satisfy the needs of the rural buyers. This was also due to the assumption that the rural consumers are economically poor and had no purchasing power to buy expensive branded products. Other factors like lack of transportation, weak communication links and limited reach of mass media were also responsible for neglect of the rural consumer by the business firms.

Keywords: brand management, new product development, product mix, rural product mix strategy

INTRODUCTION

Initiatives from the Central and State governments for education and rural development have provided desired boost to the agriculture-based rural economy in the country. This has contributed towards overall economic growth of the rural sector. These rural developments led many firms to take interest in the rural markets and reach to smaller towns and villages. The fact remains that the rural market in India has great potential just waiting to be tapped.

LITERATURE REVIEW

William Morton, (1967)2, describes the need to adopt a marketing position; Filiatrault and Ritchie (1980)3 discussed the role structure in decision making process among members of a decisionmaking unit; Bonfied E.H. (1974)4 conducted a study to measure the interactions among the independent variables related to brand purchase behaviour; Balakrishnan (1978)5, expressed that very low purchasing power resulting in low standards of living, and blinkered attitudes of marketers were the major highlights of the rural markets; Gudagni, Peter M. and Little John D.C. (1983)6, conclude that consumers who switch to a brand have a higher likelihood of
repurchasing the brand if they switched voluntarily, rather than, if they did so in response to a promotion. Similar findings are reported by Lawrence, Raymend J. (1969)\textsuperscript{7}; Jonathan Rigg (1998)\textsuperscript{8} who examined the forces of economic and social change are reworking rural areas of the developing world; Reddy D.R. and Raju R.G. (1999)\textsuperscript{9} examined the rural consumer behaviour for seeds in Warangal District; Boonghee Yoo, N. Donthu & Sungho Lee (2000)\textsuperscript{10}, explores the relationships between selected marketing mix elements and the creation of brand equity; Yikuan Lee and Gina Colarelli O’Connor (2003)\textsuperscript{11} offers decision-making guidance to managers on how to successfully introduce a product; Naidu Y. Krishna Mohan; (2004)\textsuperscript{12} deals with the extent of awareness in the rural markets of India; Sakkthivel A.M., Bishnupriya Mishra; (2005)\textsuperscript{13} created a tremendous modification in the behavior of rural consumers; Anandan C., M. Prasanna, Mohan Raj and Madhu S. (2007)\textsuperscript{14} concludes with suggesting the strategic framework for marketers to win over the hearts of the rural customers; Garg Bhawna (2007)\textsuperscript{15}, analyse the impact of socio-economic influences in rural consumer behaviour in terms of their buying practices, brand loyalty and behaviour changes of rural consumers; Saranpani A and Mamatha T. (2008)\textsuperscript{16}, explains rural consumer post-purchase evaluation; Kamalaveni D.K., Rajalakshmi S. and Kalaiselvi S.; (2008)\textsuperscript{17} highlights the brand loyalty of women consumers in respect of eight categories of FMCGs that are commonly used by both urban and rural consumers.

Although rural market issues have been well researched in general, yet there is dearth of studies in rural segment of India. The present study is designed to abridge gaps in the existing literature.

**Hypothesis**

The study was done to test following hypotheses:

- **$H_1$:** There is no significant difference between rural and urban product mix of essential commodities
- **$H_2$:** There is no significant dissociation between products attributes and satisfaction level of rural households.
- **$H_3$:** There is no dissociation between attributes of product and family members engaged in decision of purchase essential commodities.

**Objectives of Study**

In the light of the hypothesis formulated for the study, following objectives are selected for study:
Primary objective of research study is: ‘To Study of Rural Product Mix Strategy with respect to Essential Commodities’

Secondary objectives of this study are to:
1. Revise the product mix factors of buying and decision making of rural consumers.
2. Study the affect of product mix factors on consumption pattern of rural consumer.

**Research Design**

Descriptive research design is used to portray the attributes of a rural consumer and style of buying their essential commodities. Exploratory research design is undertaken to dig out the information as a secondary data.

**Data Collection Method**

The data collection methodology in this study consisted of:

**Primary Data Sources**

For this study, observation method and questionnaire survey method were selected for primary data collection. Major sources of primary data include the respondents; family household in rural villages and retailers in rural villages in Ahmednagar District.

**Secondary Data Sources**

For this study secondary data sources explored were:: various publications of the central, state and local governments, books, magazines, reports and publications of various associations connected with business and industry, banks etc., URL of various corporate houses on Internet etc.

**Sample Frame**

Non-probability Quota Sampling of the population is used as below. A quota of 10 household respondents and 04 retailer respondents in rural village and 05 rural villages in every tehsil in Ahmednagar district is selected, i.e. a total of 700 rural household respondents and 280 rural retailer respondents are interviewed.

Random sampling method is used to select the households as well as rural retail stores in rural villages.
HYPOTHESIS TESTING

Hypothesis One

$H_0$: There is significant difference between rural and urban product mix of essential commodities

$H_1$: There is no significant difference between rural and urban product mix of essential commodities

Table 1: Product Mix in Rural and Urban Market

<table>
<thead>
<tr>
<th>Product Mix Variable</th>
<th>Significant Difference</th>
<th>No Significant Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Respondents</td>
<td>% of Respondents (%)</td>
</tr>
<tr>
<td>Variety</td>
<td>32</td>
<td>11.43</td>
</tr>
<tr>
<td>Quality</td>
<td>29</td>
<td>10.36</td>
</tr>
<tr>
<td>Design</td>
<td>17</td>
<td>06.07</td>
</tr>
<tr>
<td>Features</td>
<td>12</td>
<td>04.28</td>
</tr>
<tr>
<td>Brand name</td>
<td>08</td>
<td>02.86</td>
</tr>
<tr>
<td>Packaging</td>
<td>34</td>
<td>04.86</td>
</tr>
<tr>
<td>Sizes</td>
<td>32</td>
<td>11.43</td>
</tr>
<tr>
<td>Services</td>
<td>39</td>
<td>13.93</td>
</tr>
<tr>
<td>Warranties</td>
<td>48</td>
<td>17.14</td>
</tr>
<tr>
<td>Returns</td>
<td>48</td>
<td>17.14</td>
</tr>
</tbody>
</table>

N=280
Source: Rural Retailer Survey

In the product mix variables, analysis shows that only 3% to 18% rural retailers remark that there is significant difference between rural and urban product mix of essential commodities. Hence there is strong evidence to reject null hypothesis.

Hence alternative hypothesis is accepted and we conclude that there is no significant difference between rural and urban product mix of essential commodities.

Hypothesis Two

$H_0$: There is dissociation between products attributes and satisfaction level of rural households.

$H_1$: There is no significant dissociation between products attributes and satisfaction level of rural households.

Test Used: Non-Parametric Chi-square test of independence.

The level of significance of test is, $\alpha = 0.05$ i.e. $\alpha = 5\%$. 

194
The SPSS output is given below

Table 2: Cross Tabulation of Product Mix Attributes and Satisfaction Level

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Product Attributes</th>
<th>Brand Name</th>
<th>Design</th>
<th>Feature</th>
<th>Packaging</th>
<th>Quality</th>
<th>Services</th>
<th>Sizes</th>
<th>Warrantee/Guarantee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dissatisfied</td>
<td>Count% Within Pro Attributes</td>
<td>19</td>
<td>2.7%</td>
<td>156</td>
<td>22.3%</td>
<td>236</td>
<td>33.7%</td>
<td>253</td>
<td>36.1%</td>
<td>113</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>Count% Within Pro Attributes</td>
<td>0</td>
<td>0.0%</td>
<td>106</td>
<td>15.1%</td>
<td>73</td>
<td>10.4%</td>
<td>162</td>
<td>23.1%</td>
<td>56</td>
</tr>
<tr>
<td>Highly Satisfied</td>
<td>Count% Within Pro Attributes</td>
<td>219</td>
<td>31.3%</td>
<td>39</td>
<td>5.6%</td>
<td>47</td>
<td>6.7%</td>
<td>81</td>
<td>11.6%</td>
<td>113</td>
</tr>
<tr>
<td>Neither Satisfied</td>
<td>Count% Within Pro Attributes</td>
<td>268</td>
<td>38.3%</td>
<td>68</td>
<td>9.7%</td>
<td>216</td>
<td>30.9%</td>
<td>92</td>
<td>13.1%</td>
<td>146</td>
</tr>
<tr>
<td>Satisfied</td>
<td>Count% Within Pro Attributes</td>
<td>194</td>
<td>27.7%</td>
<td>33.1</td>
<td>47.3%</td>
<td>128</td>
<td>18.3%</td>
<td>112</td>
<td>16.0%</td>
<td>272</td>
</tr>
<tr>
<td>Total</td>
<td>Count% Within Pro Attributes</td>
<td>700</td>
<td>100.0%</td>
<td>700</td>
<td>100.0%</td>
<td>700</td>
<td>100.0%</td>
<td>700</td>
<td>100.0%</td>
<td>700</td>
</tr>
</tbody>
</table>

Table 3: Results of Chi-Square Test (Hypothesis 2)

<table>
<thead>
<tr>
<th>Value</th>
<th>DF</th>
<th>Asymp. Sig. (2-Sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>1557.362</td>
<td>28</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>1624.154</td>
<td>28</td>
</tr>
<tr>
<td>N of Valid</td>
<td>5600</td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (0.0%) Have Expected Count Less than 5. the Minimum Expected Count is 80.00.
**Decision:** From the Chi-square test, the P-value of test (0.000) is less than the level of significance 0.05, hence there is strong evidence to reject null hypothesis.

**Conclusion:** Hence we accept alternative hypothesis. Therefore, we conclude that there is no significant dissociation between products attributes and satisfaction level of rural households.

**Hypothesis**

- **H₀:** There is dissociation between attributes of product and family members engaged in decision of purchase essential commodities.
- **H₁:** There is no dissociation between attributes of product and family members engaged in decision of purchase essential commodities.

**Test Used:** Non-Parametric Chi-square test of independence.

The level of significance of test is, \( \alpha = 0.05 \) i.e. \( \alpha = 5\% \).

The SPSS output is given below.

**Table 4: Cross Tabulation of Family Purchase Decision of Essential Commodities**

<table>
<thead>
<tr>
<th>Essential Commodity Group</th>
<th>Count % of Total</th>
<th>of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetic Commodity Items</td>
<td>50</td>
<td>76</td>
</tr>
<tr>
<td>Hygienic Items</td>
<td>2.4%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Packed Food Items</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count % of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>118</td>
<td>472</td>
</tr>
<tr>
<td>5.6%</td>
<td>22.5%</td>
</tr>
<tr>
<td>218</td>
<td></td>
</tr>
<tr>
<td>10.4%</td>
<td></td>
</tr>
<tr>
<td>136</td>
<td></td>
</tr>
<tr>
<td>6.5%</td>
<td></td>
</tr>
<tr>
<td>472</td>
<td></td>
</tr>
<tr>
<td>22.5%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count % of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>163</td>
<td>360</td>
</tr>
<tr>
<td>7.8%</td>
<td>17.1%</td>
</tr>
<tr>
<td>118</td>
<td></td>
</tr>
<tr>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>79</td>
<td></td>
</tr>
<tr>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>360</td>
<td></td>
</tr>
<tr>
<td>17.1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count % of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>338</td>
<td>811</td>
</tr>
<tr>
<td>16.1%</td>
<td>38.6%</td>
</tr>
<tr>
<td>236</td>
<td></td>
</tr>
<tr>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>237</td>
<td></td>
</tr>
<tr>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>811</td>
<td></td>
</tr>
<tr>
<td>38.6%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count % of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>700</td>
<td>2100</td>
</tr>
<tr>
<td>33.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>700</td>
<td></td>
</tr>
<tr>
<td>33.3%</td>
<td></td>
</tr>
<tr>
<td>700</td>
<td></td>
</tr>
<tr>
<td>33.3%</td>
<td></td>
</tr>
<tr>
<td>2100</td>
<td></td>
</tr>
<tr>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Table 5: Chi Square Test (Hypothesis 3)**

<table>
<thead>
<tr>
<th>Value</th>
<th>DF</th>
<th>Asymp. Sig. (2-Sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>243.393</td>
<td>8</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>233.565</td>
<td>8</td>
</tr>
<tr>
<td>N of Valid</td>
<td>2100</td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) Have Expected Count Less than 5, the Minimum Expected Count is 65.00.
**Decision:** P-value of test (0.000) is less than the level of significance 0.05, hence there is strong evidence to reject null hypothesis.

**Conclusion:** Hence we accept alternative hypothesis;
Therefore we conclude that there is no dissociation between attributes of product and family members engaged in decision of purchase essential commodities.

**FINDINGS AND OBSERVATIONS**

The Findings and Observations of the study are summarized below:

1. The rural markets are considered as dumping grounds for low-end products basically designed for an urban market, which are adjuncts to their urban strongholds.
2. The rural market is not a homogenous set of customers with preferences frozen in time.
3. Product developers should aim at eliminating all the cost-adding features, i.e., features which a consumer is unwilling to pay for as he sees no obvious utility. This would ‘redefine value’ in the minds of the consumer and tremendously increase product acceptability in rural market.
4. Personal ownership against devises shared within the household but not owned, and those used outside the family unit.
5. Because of lack of infrastructure facilities like power, difficult logistics and high cost of living; rural customers found innovative uses of the product.
6. The perception of improved social status due to the use of branded products is also one of the major influences on the buying process.
7. Product expectations in rural consumer are not as high; therefore a reasonable product at an affordable price is preferred.
8. Rural consumers are looking not only for cheap goods but they want value for money, and if a brand fits into this category, they are ready to pay for it.
9. Rural consumers stick to a particular brand once they are satisfied as they are using these brands for more than a year.
10. A total trust over the company and brands plays a more important role in decision-making than product merit in rural market.
11. There has been a visible shift in the rural consumers’ preference for brands. Also, there is shift from low priced brands to semi-premium brands.
12. A typical rural buyer buys single unit of product instead of full pack.

13. Rural customers identify a product by its packaging colour, visuals, size etc. So it becomes very easy for fake products to munch into the market share of established reputed brands.

14. The re-use capacity and colour of the container or box; in which the product is packed is also a decisive factor in product packaging in rural market.

15. Often rural consumers buy unbranded commodities considering price of branded product.

16. The rural consumers perceive an immediate saving, benefit or reduction in costs. Latent or intangible benefits are also considered, but are given a lower priority.

CONCLUSION AND SUGGESTIONS

The study enables to come to the following conclusions and suggestions.

Rural New Product Development Strategy

1. Instead of scaling down the features of products sold in urban markets, marketers should evolve into developing completely new products to suit the rural consumers’ needs and wants.

2. The products for the rural markets have to be simpler, easy to use and serviced or maintained.

Rural Product Mix Strategy

1. The product developed for rural areas should be sturdy enough to stand rough handling and storage. People in the rural areas like bright flashy colours such as red, blue, green etc., and feel that products with such colours are sturdy but they are more concerned with the utility of the item also.

2. Sturdiness of a product either in terms of weight or appearance is an important factor for rural consumers.

3. The marketer may perhaps provide a bundle of products to the retailer so that he can meet the requirements of the rural customer at one place.

4. Rural consumers visit high congregation areas like haats, fairs etc. these are the right market places; where product and brand awareness can be created.
5. The product have to be redesigned by the marketers for competing fake brands in rural market by matching the rural consumers demand with product-pack size.

6. Larger pack sizes are out of reach for rural consumers because of their price and usage habits. Hence small unit size and low priced packing will be suitable in rural market. It is suggested to adopt the product and price in terms of packaging, in sachets, priced to suit the economic status of the rural consumer in sizes like Rs.1 packs to Re.5 packs that are perceived to be of value for money. The typical penetration strategies will promises to convert the first time customers to repeated customers.

7. The package of the product should be strong and able to withstand the rough handling durability of product is of special interest of rural consumer.

8. Reusable packaging will be a major aid in promoting sales for products in the rural market.

**Rural Brand Management Strategy**

1. The brand names of the products sold in rural markets should be easy to remember and pronounce. The product literature if required; has to be simple enough for the rural customer to understand and as far as possible have illustrations with pictures. This will help in faster information, brand awareness diffusion of the product in the rural society.

2. There is indispensable to build assurance and trust about product quality, service support, and company credentials in the minds of rural consumers.

3. The method of brand promotion needs to be tailored to suit the expectations of the market with techniques like van campaigns, edutainment films, generating word of mouth publicity through opinion leaders, colorful wall paintings and weekly hats.

4. It is suggested to have at least one regional celebrity for brand development.

5. The extensive network of postal and medical workers throughout the country can be used as an alternative vehicle for brand promotion in the rural areas.
REFERENCES

Role of Entertainment on Shopping Behaviour in Malls of Jaipur

Dr. Ashish Pareek¹ and Preeti Tak²
¹Asst. Prof., M.D.S. University, Ajmer
²Asst. Prof., Banarsidas Chandiwal Institute of Professional Studies, New Delhi
E-mail: ¹ashpareek@gmail.com, ²ptak.mba@gmail.com

Abstract—The purpose of this paper is to assess the role of entertainment in the shopping behaviour in malls of Jaipur. It seeks to explore whether entertainment activity at malls is capable of drawing or attracting additional shoppers to the malls. It also strives to study the factors which contribute to the entertaining shopping experience. The purpose of this paper is also to assess impact of entertainment on motivation for shopping on different genders and different age groups. The data for the study was collected from face-to-face intercepts of shoppers of malls with entertainment facilities in Jaipur. A survey was conducted using a structured questionnaire among 200 shoppers visiting malls. Descriptive statistics were used to draw significant conclusions. The analysis concludes that entertainment results in attracting additional shoppers to the malls. The findings will be useful for mall owners and marketers to devise appropriate strategies with regard to entertainment activities at malls. Scope for future research in this area is also discussed.

Keywords: Entertainment, shopping behaviour, malls

INTRODUCTION

Modern retailing is being witnessed by way of sprawling malls and gigantic complexes that offer shopping, entertainment, movie theatres, leisure activities, play stations etc. Modern retailing can be found in a variety of formats such as discount stores, supermarkets, hypermarkets and specialty stores.

Visiting malls has become a regular feature and part of life of everybody: be it male, female, teenagers, youth, families, oldies. People now-a-days visit malls to not only shop for some or the other product but also for satisfying social needs and enjoying the recreational activities (Ng, 2003). Malls generally provide spaces for shopping outlets, leisure and entertainment activities, fun and gaming zones, movie theatres, food outlets etc (Terblanche, 1999).

Owing to the similarity of the elements present in the shopping malls, it would seem logical to presume that shoppers would visit a mall according to convenience, i.e., visit a mall which is located near them. But research has proved that this presumption is not valid and consumers choose between
various stores in accordance with the attitude towards stores, the environment presented by the malls and the overall shopping experience (Jones, 1999; Finn and Louviere, 1990).

Entertainment has turned out to be an important factor defining the consumers’ shopping experience because it not only increases the cross-shopping by consumers but also enhances the revenues generated by the retailers. Owing to various reasons, previously people were allured to the malls by means of assortment of goods and merchandise at a single place. But now-a-days due to various changes and trends, malls have shown various developments. The modern day retailers have added various entertainment avenues such as gaming zones, food courts, multiplexes etc. to draw shoppers to the malls.

The modern day shopping experience does not distinguish between shopping and entertainment and entertainment has become an important element in the overall shopping experience at malls. Shoppers put more importance to the shopping experience in comparison to the product (Roulac, 1994). The present day shoppers seek several goals while shopping viz., social need gratification, buying and entertainment etc. Shoppers strive to maximize the value of shopping at malls during each trip. So, in addition to convenience and product assortment, consumers also look out for value and entertainment. As such entertainment provides an added reason to them to come and enhance their shopping experience.

**Review of Literature**

People visit malls in order to satisfy two types of needs: Utilitarian Needs (to buy something) and Hedonic Needs (for recreation and entertainment) (Bloch *et al.*, 1994). Some shoppers seek only the hedonic motive from the shopping experience in the malls and hence buying a product is less attracting to them. They strive for fun and fantasy in their shopping experience (Velitchka and Barton, 2006). Chebat and Michon (2003) posit that high arousal environments (bright lights, sound and architecture) of shopping malls if perceived as favourable will result into consumer manifesting approach behaviour by shoppers (Chebat and Michon, 2003).

Entertainment has become a critical strategy for luring shoppers (increasing traffic) to visit malls away from their homes and spend more time in the malls (Donnelly, 1995). Many mall owners have realized the potential of having entertainment in the malls by way of amusement parks, theme stores, virtual gaming zones (Patterson, 1994). One major factor which makes the inclusion of entertainment necessary is that it increases cross-
shopping which means that a shopper patronizes multiple outlets while on a single trip (Ingene, 1984).

Hence, we propose the following objective for our study:

\[ O_1: \text{To study whether entertainment draws/ attracts additional shoppers to a mall.} \]

The entertaining shopping experience can be assessed in terms of various characteristics \textit{viz.} browsing (Bloch et al., 1994), the retail atmosphere (Kotler, 1973), the social interplay (Bloch et al., 1994) and purchase bargains (Schindler, 1989). Jones (1999) posited nine specific factors of entertaining shopping experience including both shopper and retailer factors. John Konarsky (1995) came out with an entertaining typology and came out with different types of entertainment in the retail stores. This classification of entertainment is based on two types of factors: owner driven or retailer driven. In the retailer driven segment, we have two categories i.e., shopping experiences and centre environment. The shopping experience category entails those shoppers for which the shopping is fun when the shopping experience is entertaining. The shopping experience becomes entertaining due to ambience, product assortment and various decorations. While the centre entertainment category includes shoppers who visit malls for the sole purpose of buying goods and services that are used at the centre of the shopping mall. This may include food and non-food categories in the malls. The food category may include food courts or themed restaurants.

In a study conducted to assess the shopping behaviour of female teens, it was found that they were prominently buying clothing wear from retail stores and their traffic and stay in the stores depends on the mall composition and excitement (Taylor and Cosenza, 2002). Reimers and Clulow (2004) feel that spatial convenience has a very strong bearing on the enhanced shopping value at the retail stores. English shoppers seek more than just purchasing products and services from the malls in comparison to French shoppers (Michon and Jean, 2004). Baker (2004) posit that there are five characteristics in the mall environment \textit{viz.} comfort, safety, retail mix, accessibility and atmosphere which affect the adolescent girl's buying patronage (Baker, 2004). Michon \textit{et al.} (2005) suggested that mall atmospherics (like mall odour) has a critical influence on the shopping behaviour in retail stores.
Thus, we propose the following objective for our study:

**O2**: To study the factors contributing to the entertaining shopping experience.

Michon *et al*. (2008) study of female shoppers reveals that mall atmosphere and environment has very little impact on the utilitarian motive of shoppers. Preez *et al*. (2007) studied the shopping behaviour of male apparel shoppers and the study indicates that they are differentiated on the basis of price, quality, and mall choice and are also more oriented towards media. The male shopping behaviour is more inclined towards satisfying utilitarian motives while female shopping behaviour is more oriented towards satisfying hedonic motives.

Males and females also differ in terms of information search and processing while buying something. Males do not seek objective information while searching for information. Females tend to process all the information available to them; in contrast, males employ heuristics and hunches while processing information while buying products and services (Laroche *et al*., 2000). Baker and Haytko's research (2000) posit that for teenage girls, the number of stores is critical to patronage decisions. The results also reveal that males are more influenced by the behaviour of sales people (Goff, Bellenger and Stojack, 1994). Females show positive orientation towards store and catalogue shopping in comparison to male shoppers.

Thus, we propose the following objectives for our study:

**O3**: To study the impact of entertainment on motivation for shopping on different genders.

**Research Methodology**

The study was conducted in Jaipur city. For collecting the primary data, a structured questionnaire was administered to a sample of 200 consumers. The intercept mall survey was used to reach the respondents. Questions were asked regarding their demographics, factors affecting shopping in malls, the factors contributing to an entertaining shopping experience and motivations for shopping in malls. The collected data were then analyzed. Table 1 shows the sample profile.

**Facts and Findings**

**O1**: To study whether entertainment draws/ attracts additional shoppers to a mall.
Table 1: Sample Profile

<table>
<thead>
<tr>
<th>Demographics Variables</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>104</td>
<td>52</td>
</tr>
<tr>
<td>Male</td>
<td>96</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25 yr</td>
<td>76</td>
<td>38</td>
</tr>
<tr>
<td>25-35 yr</td>
<td>39</td>
<td>19.5</td>
</tr>
<tr>
<td>35-45 yr</td>
<td>34</td>
<td>17</td>
</tr>
<tr>
<td>45-55 yr</td>
<td>32</td>
<td>16</td>
</tr>
<tr>
<td>Over 55 yr</td>
<td>19</td>
<td>9.5</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>42</td>
<td>21</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>78</td>
<td>39</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>53</td>
<td>26.5</td>
</tr>
<tr>
<td>Diploma/ Certificate Courses</td>
<td>27</td>
<td>13.5</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 2 Lakhs</td>
<td>39</td>
<td>19.5</td>
</tr>
<tr>
<td>2 Lakhs-4 Lakhs</td>
<td>96</td>
<td>48</td>
</tr>
<tr>
<td>Above 4 Lakhs</td>
<td>65</td>
<td>32.5</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100</td>
</tr>
</tbody>
</table>

Interpretation

Table 2 shows the factors which influence the shopping in malls. As indicated in the table the people are attracted by the malls due to the entertainment facilities provided by them. The data support the conclusion derived from Bloch et al., 1994 in which they mentioned the hedonic function served by the malls. People perceive that malls are more than just a shopping place. They view it as socializing place with their friends and family. The study also confirms the findings given by Patterson, 1994 in which he mentioned that malls successfully lures the customers by offering them amusement areas in the malls, thus extending the services provided by the malls.

Table 2: Factors Related to Shopping in Malls

<table>
<thead>
<tr>
<th>Factors Related to Shopping in Malls</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>I go to the malls only to buy something</td>
<td>2.53</td>
</tr>
<tr>
<td>The mall is a good socializing place</td>
<td>3.63</td>
</tr>
<tr>
<td>I go to the malls just to entertain myself</td>
<td>3.58</td>
</tr>
<tr>
<td>I feel malls with entertainment draw more customers</td>
<td>3.85</td>
</tr>
<tr>
<td>I do not feel bored at the mall</td>
<td>3.75</td>
</tr>
<tr>
<td>I can do much more at mall than just shopping</td>
<td>3.78</td>
</tr>
<tr>
<td>The entertainment in the mall makes it an exciting place</td>
<td>3.42</td>
</tr>
<tr>
<td>The malls have great amusement areas</td>
<td>3.66</td>
</tr>
<tr>
<td>I always find something new and interesting in the mall</td>
<td>3.17</td>
</tr>
</tbody>
</table>
O2: To study the factors contributing to the entertaining shopping experience.

**Interpretation**

Table 3 gives an insight about the factors which leads to shopping as an entertaining experience. It was interesting to know that the consumers feel that malls are ideal places for window shopping. This can be attributed to the fact that the malls carry products of big brands and offer the latest merchandise, especially, the fashion apparels which appeals to most consumers.

**Table 3: Factors Contributing to the Entertaining Shopping Experience**

<table>
<thead>
<tr>
<th>Entertaining Shopping Experience</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sights and the sound add value to my shopping experience at the malls.</td>
<td>3.22</td>
</tr>
<tr>
<td>The mall’s architecture gives it an attractive character.</td>
<td>3.25</td>
</tr>
<tr>
<td>The mall has some unique stores.</td>
<td>3.05</td>
</tr>
<tr>
<td>The layout of the malls is very attractive.</td>
<td>3.35</td>
</tr>
<tr>
<td>The amusement areas in the mall make my shopping experience interesting.</td>
<td>2.66</td>
</tr>
<tr>
<td>It’s a good place to go with friends and family.</td>
<td>3.48</td>
</tr>
<tr>
<td>The mall is a good place for window shopping.</td>
<td>3.62</td>
</tr>
<tr>
<td>The malls have stores with friendly employees.</td>
<td>2.96</td>
</tr>
<tr>
<td>The malls play lovely music.</td>
<td>3.32</td>
</tr>
<tr>
<td>The malls have great entertainment facilities.</td>
<td>3.18</td>
</tr>
</tbody>
</table>

The malls induce customers by creating the right atmosphere to spend time with the friends. The consumers think positive about the sound, lights and the music which makes the environment of the mall a pleasant one.

O3: To study the impact of entertainment on motivation for shopping on different genders.

**Interpretation**

Figures 1 and 2 indicates the behaviour of different genders towards entertainment in shopping malls. Comparison between the two figures shows that only 39.4% females go for shopping when they need something as against the 61.45% males. This supports the study done by Preez et al. (2007) which also mentioned that males go for shopping to satisfy their utilitarian needs.
Also 63.4% females opt for window shopping as compared to only 32.3% males, which indicates that females choose to shop for the satisfaction of their hedonic needs. Both the genders feel that the enjoyable and entertaining experience motivates them to visit the malls.

**CONCLUSION**

Significant conclusion can be drawn from the present study. Since retail is a service which needs to be made tangible by some cues. The physical evidence created by the ‘entertainment’ in shopping malls adds value for the customers. The study suggests that the consumers visit shopping malls not
only to satisfy their utilitarian purpose but also satisfy the hedonic needs. The study revealed that entertainment is an important factor which motivates the consumers to go to shopping in malls. The amusement facilities provided by the malls enhance the shopping experience of the consumers. The study revealed the gender differences with regard to shopping in malls; however, both agree that malls serve as a great place to socialize with family and friends. The findings also indicate that the consumers are impressed by the music, sound and lights which create a great atmosphere for shopping.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The study covers malls located in Jaipur city only and hence the generalization of the results requires caution. The sample size is small and limited. The malls are chosen randomly. The respondents were mall intercepts in the study. They have not been qualified and hence the sample may not be a representative one. The variables chosen in the study are very limited. Future research may include additional variables (other than demographic variables) so as to evaluate the impact of entertainment on shopping behaviour in malls. With technology, the way people shop is also changing. Future investigations may focus on influence of entertainment on internet shopping. Other contextual cues can also be studied focussing on the other retail formats.

REFERENCES

ROLE OF ENTERTAINMENT ON SHOPPING BEHAVIOUR IN MALLS OF JAIPUR


Women’s Empowerment in India

Gunjan Saigal¹ and Krishna Sarawat²

¹Assistant Professor, Roorkee Engineering and Management Technology Institute
²Assistant Professor, IILM

Abstract—The extent of empowerment of women in the national hierarchy is determined largely by the three factors—her economic, social and political identity and their weightage. This research paper focuses on impact of health and education on empowerment of women in society. Women’s empowerment in India is heavily dependent on many different variables that include geographical location (urban/rural), educational status, social status (caste and class), and age. Policies on women’s empowerment exist at the national, state, and local (Panchayat) levels in many sectors, including health, education, economic opportunities, gender-based violence, and political participation. However, there are significant gaps between policy advancements and actual practice at the community level. Social empowerment is to create an enabling environment through adopting various policies and programmes for development of women, besides providing them easy and equal access to all the basic minimum services so as to enable them to realize their full potential. Women’s empowerment addresses power and relationships in society intertwined with gender, class, race, ethnicity, age, culture and history. Power is identified with equity and equality for women and men in access to resources, participation in decision-making and control over distribution of resources and benefits. Gender equality is addressed at these different levels with the aim of increasing equality between men and women, and achieving women’s empowerment.

INTRODUCTION

Empowerment refers to enabling people to take charge of their own lives. For women, empowerment emphasizes the importance of increasing their power and taking control over decisions and issues that shape their lives.

Access to resources refers to both, the means and the right to obtain services, products or commodities. Gender gaps in access to resources and services are a major obstacle to women’s development. The process of empowerment includes mobilizing women to eliminate these gaps.

It is the economic and social empowerment of women that needs to be given greater importance. This could be achieved a lot through education. Education of women means greater awareness of their role in society. Awareness of their rights, better knowledge of housekeeping and better performance of their roles as a housewife and mother. Education and training have opened up the avenues of employment and self-employment in the organized sector. As never before women are working in diverse fields as
doctors, engineers, IAS officers, IPS officers, bank officials and in a wide range of sectors in the unorganized sector. In agriculture, most of the operations are run by women.

The year 2001 was declared as ‘Women’s Empowerment Year’ to bring greater focus on the programmes for women. A programme of Support to Training-cum-Employment for Women (STEP) was launched in 1987 to strengthen and improve the skills for employment opportunities for women below the poverty line, in traditional sectors of agriculture, small animal husbandry, dairying, fisheries, handlooms, handicrafts, cottage and village industries, sericulture, social forestry and wasteland development where women are employed on a large scale. Other major governmental programmes to empower poor women have been the Swayamsidha launched in March 2001 and the Swa-Shakti Project launched in October 1998.

The indicators of social empowerment of women include the base of gender inequality, sex ratios, life expectancy rates and fertility rates which shows the general status of women in terms of literacy, economic growth, availability of health care and birth control facilities, educational status of women, age at marriage, literacy rates and participation of women outside the home. Gender inequality is a worldwide phenomenon and leaving aside some Nordic nations, gender inequality base reflects very poorly for almost all major countries in the world.

Some of the most important issues related to social empowerment of women are as follows:

- Education for women.
- Ending violence against women.
- Health care for women.
- Nutrition, drinking water, sanitation and housing for women.
- Women and environment conservation.
- Participation of women in development of science and technology.
- Helping women in difficult times.
- Fighting against violence and discrimination.

Women as an independent group constitute 48% of the country’s total population as per the 2001 Census. The importance of women as an important human resource was recognized by the Constitution of India which not only accorded equality to women but also empowered the State to adopt measures of positive discrimination in their favour.
**Article 14:** Men and women to have equal rights and opportunities in the political, economic and social spheres.

**Article 15 (1):** Prohibits discrimination against any citizen on the grounds of religion, race, caste, sex etc.

**Article 15 (3):** Special provisions enabling the State to make affirmative discriminations in favour of women.

**Article 16:** Equality of opportunities in matter of public appointments for all citizens.

**Article 39 (a):** The State shall direct its policy towards securing all citizens: men and women, equally, the right to means of livelihood.

**Article 39 (d):** Equal pay for equal work for both men and women.

**Article 42:** The State to make provision for ensuring just and humane conditions of work and maternity relief.

**Article 51(A)(e):** To renounce the practices derogatory to the dignity of women.

**NATIONAL POLICIES FOR WOMEN**

The National Policy for Empowerment of Women 2001 has as its goal bringing about advancement, development and empowerment of women in all spheres of life through creation of a more responsive judicial and legal system sensitive to women and mainstreaming a gender perspective in the development process.

The objectives of this policy include:

- Creating an environment through positive economic and social policies for full development of women to enable them to realize their full potential.
- Equal access to participation and decision making of women in social, political and economic life of the nation.
- Strengthening legal systems aimed at elimination of all forms of discrimination against women.
- Mainstreaming a gender perspective in the development process.
- Elimination of discrimination and all forms of violence against women and the girl child.
Adolescent girls are a highly vulnerable group as they are subject to a number of atrocities like trafficking, rape, child marriage etc. The following illustrates a list of categories of women who are in difficult circumstances:

- Women impacted by Violence.
  - Domestic.
  - Rape.
  - Trafficked victims.
  - Women who are labeled as witches.
  - Acid attacked.
- Women impacted by internal displacement, disasters and migration.
  - Either for economic reasons.
  - Conflict e.g. refugee women.
  - Women who have been displaced because of SEZ, building of dams etc.
  - Women impacted by natural or man made disasters.
- Women and Labour.
  - Domestic labour.
  - Bonded labour.
  - Destitute women who are homeless.
- Women in Agriculture.
  - Landless women.
  - Marginal farmers.
  - Agricultural workers.
- Women and Health.
  - Women affected by HIV/ AIDS.
  - Women suffering from life threatening diseases.
  - Women with disabilities.
  - Elderly and aged women.
LITERATURE REVIEW

Since the 1990s women have been identified as key agents of sustainable development and women’s equality and empowerment are seen as central to a more holistic approach towards establishing new patterns and processes of development that are sustainable. The World Bank has suggested that empowerment of women should be a key aspect of all social development programmes (World Bank, 2001).

‘The expansion in people’s ability to make strategic life choices in a context where this ability was previously denied to them.’ For women in India, this suggests empowerment in several realms: personal, familial, economic and political (Kabeer’s, 2001).

Since the 1980s the Government of India has shown increasing concern for women’s issues through a variety of legislation promoting the education and political participation of women (Collier, 1998).

In the late 1980s and early 1990s, non-governmental organizations (NGOs) have also taken on an increased role in the area of women’s empowerment (Sadik, 1988).

The World Bank has suggested that empowerment of women should be a key aspect of social development programmes (World Bank, 2001). India has also ratified various international conventions committed to securing equal rights to women. The ‘National Policy for the Empowerment of Women’ (2000) states that, ‘The women’s movement and a widespread network of NGOs which have strong grassroots presence and deep insight into women’s concerns have contributed in inspiring initiatives for the empowerment of women.’

United Nations (2001) defines empowerment as the processes by which women take control and ownership of their lives through expansion of their choices.

Kabeer’s (1998, 1999) view of empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability.

JSI researchers identified six general areas or domains in which empowerment of women is believed to be taking place as a result of Grameen Bank, BRAC and other credit programmes: a sense of self and vision of a future, mobility and visibility, economic security, status and decision making power with in the household, ability to interact effectively in the public sphere and participation in non-family groups.
Non-governmental organizations are playing a significant role in the empowerment of disadvantaged women. Just a few years after Independence, the government set up the Central Social Welfare Board, an apex body of the voluntary sector that aids more than 10,000 NGOs across the country, helping women stand on their own through such programmes as socio-economic programme, vocational training and other similar programmes.

**RESEARCH METHODOLOGY**

Use of secondary data:
- Journals
- Newspapers
- Websites
- Books
- Published data related to topic

**RESEARCH OBJECTIVE**

The main objective of this research is to study different social factors which can contribute to women's empowerment.

To understand the importance of health and education in the empowerment of women.

**MAIN FOCUS**

**Health**

Women and girls in India face a crisis of growing, yet unaddressed, health needs. Over half of all Indian women suffer from anemia, which acerbates maternal morbidity. More women die of maternal death related causes in India than in any other country in the world. While NACO data highlights that many new HIV cases are of married women, the National Family Health Survey, 1998–99 shows that only four out of ten women in the reproductive age have heard of HIV/AIDS.

**Violence as a Public Health Issue**

NFHS-2 shows disturbing evidence that women have internalized domestic violence as a necessary part of domestic marital relationships. Half of non-working married women in India don't make personal healthcare decisions,
almost three-fourths (72%) need permission to go to the market and just
over one-tenth (11%) are not involved in any household decisions at all.
Violence, neglect and abuse not only result in long term physical injuries
and poor health, but also create chronic low self-esteem, depression and
other mental health issues for women.

**Low Budgetary Allocation**

Despite the health crisis of women and girls, India is consistently among the
lowest of all countries in terms of its investment in health, as acknowledged
in the National Health Policy of 2002. India’s investment in health as a
proportion of GDP has vacillated from 1.3% in 1990 to 0.9% in 2001, making
it amongst the lowest global spenders on health. In 2002, India’s public
health expenditure as a proportion of GDP rose to 1.3%.

**Reproductive Health**

The high rates of MMR and IMR; poor pre-natal and post-natal care
combined with the low proportion of institutional deliveries is a grave cause
of concern.

**HIV/ AIDS**

HIV in India is spreading from high risk groups to the general population in
many areas, and from urban to rural areas. According to estimates of the
National AIDS Control Organisation (NACO) 1 in 3 persons living with HIV in
India is a woman. In 2004, it was estimated that 22% of HIV cases in India
were homemakers with a single partner.

Women are increasingly becoming the face of the HIV epidemic and there
are biological, social, legal, cultural, political and economic factors that
make them more vulnerable to HIV/ AIDS.

**Recommendations**

- A holistic perspective on women’s health needs to be mainstreamed in
  the education system, from primary to higher and non-formal sectors.
- State should recognize violence as a public health issue and include it
  in medical education. This should in addition to the recognition of
  violence as a breach of women’s human rights.
- Expand the women’s component plan to cover chronic health
  problems of women such as anemia/ undernutrition, morbidity, etc.
  and commit 30% of the funds specifically towards this.
• Upgrade at least 50%–60% sub-centres and public health centres and make the phase wise information of the plan available to all women in the community.

• Ensure a clearly defined package of essential reproductive health services including ante-and post-natal care, emergency obstetric care, information about and services for contraception and safe abortion and counseling at the PHC, free to all women and adolescents.

• Ensure regular collection of data on maternal morbidity and mortality, to facilitate decentralized planning and monitoring as envisaged with the NRHM.

• The health insurance schemes being implemented by government and private sector should also cover the pregnancy period. The premium of these schemes should be kept to the minimum so that the poor women can have access to these schemes.

• Undertake periodic assessment of treatment facilities including rehabilitation at district level.

• Develop a National Policy on Mental Health with adequate budget provision at both Centre and State level

• Legislation to be enacted to protect HIV positive women against discrimination in education, livelihood opportunities, workplace, medical treatment and community.

• Women should participate in the formulation and implementation of HIV/ AIDS policy.

• Information on a mass scale for prevention and treatment of HIV/ AIDS is crucial more specifically on symptoms, opportunistic illness, exposure, prevention and use of condoms, testing facilities for determining HIV status, follow-up CD-4 tests and antiretroviral (ARV) treatment.

• Education on HIV/ AIDS must be introduced into the school curriculum.

• Community care homes to be provided for HIV positive people.

• HIV positive women to be provided livelihood opportunities.

• Adequate funds should be allocated for ARV treatment.
Education

Education is the key factor which helps in empowerment of women. Good quality education can help women and marginalized communities improve their status, enable them to have greater access to information and resources and to challenge various forms of discrimination. Education helps strengthen democratic processes as it allows for greater and more equitable participation.

Persisting Gender Disparities

- The Gross Enrolment Ratio (GER) of girls drops sharply primarily to middle school levels: From 93.07% at primary level to 56.22% at middle school and 47.35% in rural areas in 2002–03.

- Dropout rates by gender and social groups in 2003–04

<table>
<thead>
<tr>
<th></th>
<th>All Girls</th>
<th>SC Girls</th>
<th>ST Girls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>28.57</td>
<td>36.2</td>
<td>48.7</td>
</tr>
<tr>
<td>Elementary</td>
<td>52.9</td>
<td>62.2</td>
<td>71.4</td>
</tr>
<tr>
<td>Secondary</td>
<td>64.9</td>
<td>75.5</td>
<td>81.2</td>
</tr>
</tbody>
</table>

Gender Gap and Low Priority to Women’s Literacy

The 2001 census recorded a significant increase in literacy rates (from 52% in 1991 to 65% in 2001), particularly female literacy rates, which increased by 14.8% in 2001 as compared to 11.7% in 1991. For the first time, the absolute number of illiterates declined. However, despite the literacy gains, disparities in terms of gender, other social categories (like SC & ST), rural/urban situation continue to be glaring.

- The gap between male (75.8%) and female (54.1%) literacy rates is 22%.

- In 2001, illiterates numbered close to 296 million of which 190 million were women. 34.6% of the world’s non-literate population resided in India in 2003–04.

- The female literacy rate is below 50% in 253 districts.

Gender Differentials in Higher Education

- **BA Courses**: 3.39% (Schedule Caste), 1.38% (Schedule Tribe), 40% (Non-dalit women).

- At the levels of graduation and above, Muslim women are 48% worse-off compared to Muslim men and 33% worse-off than Non-Muslim women.
Science Courses: 2.8% (Dalit women), 0.58% (Schedule Tribe), 34% (Non-dalit women).

Postgraduate and Doctoral Levels: 38% (MA) and 34% (MSc) for non-dalit women, the percentage for dalit women are 3.8% and 2.9% and 1.3% and 0.48% respectively.

In Professional Fields: like medicine 2.9% (Dalit women) and 1.1% (ST Women) compared to 34% (Non-dalit women). In B.Ed. courses, the figure for dalit is 4.4% and ST women 1.4% and non-dalit women is 40%.

Violence against Women and Impact on Education

Sexual harassment and violence against girls and young women within educational institutions is widespread but under-reported. There is, however, no data that indicate the extent of the problem. While some universities have formulated guidelines and established mechanisms to deal with sexual harassment many educational institutions still do not have policies.

Resources

The budgetary allocation for education has hardly increased (from 3.49% in 1997–98 to 3.97% in 2002–03) over the past five years and is still way below the 6% of GDP commitment. Within the overall education budget the greatest priority has been given to elementary education (1.93% in 2002–03) and the least to adult education (0.02%). This low allocation to the sector whose main target group is poor, rural, socially disadvantaged women raises concerns. Women’s studies are also under-budgeted and resourced.

Recommendations

• In order to improve the educational status of girls and women and to bring them into the main stream, policy measures and specific programmes backed by resource allocation needs to be put in place on an urgent basis.

• The policy of hiring female teachers should be continued. Strategies to increase the pool of female teachers from socially disadvantaged groups like SC, ST, OBC and Muslims should be adopted.

• A comprehensive capacity building programme which includes gender, legal literacy, livelihoods and literacy should be designed and a mechanism for its transaction put in place for women emerging in leadership positions through SGHs.
• Issues of sexuality needs to be addressed to provide children with information, enable them to make informed choices, make them aware of the diversity of expressions of sexuality and gender and to equip them to deal with violations. A new curriculum for the accelerated learning programmes needs to be developed.

• Curriculum for teacher training and training of student teachers (DIETS) should include a substantive module on gender issues. Gender should become a subject within the regular in and pre service training programmes.

• Women of Schedule Caste (SC), Schedule Tribes (ST) and Muslims categories have lower access to higher education. The present efforts should be reviewed and a comprehensive strategy formulated to increase the participation of these groups in higher and professional education.

• Strategies for affirmative action to increase the number of women and girls in professional and technical courses should be developed. The private sector should be approached to come with a time bound plan with monitorable goals to provide training facilities.

• Guidelines for sexual harassment at all levels of educational institutions including schools and monitored. Teachers training programmes should include awareness on sexual and other forms of violence against girls and women. The issue should be sensitively covered in the school curriculum. Educational institutions should be made responsible for spreading awareness about these issues.

• At present, there is no policy framework in place that addresses the particular educational needs emerging from different situations of conflict. Specific programmes and policy guidelines to address these concerns should be designed specifically to restore confidence, address feelings of fear and insecurity and alienation from the mainstream specifically keeping in mind the needs of women and girls in such situations.

• Ensure that 6% of GDP is invested in education at all levels and of types with specific allocations to enhance girl’s education at all levels including higher, technical and professional education.

• Gender budgeting mechanisms should be put in place, strengthened and regularly monitored. There should be a tracking of funds allocated to girls education both in terms of expenditures and programming.
ROLE OF A CITIZEN IN WOMEN’S EMPOWERMENT

Women’s empowerment is a tremendous resource for social change and a prerequisite in the broader fight against global poverty. Empowerment of women and the capacity building has become the main goal which helps to remove discrimination. As a member of society, we consider that education of girl child has contributed largely to the choices we make. Education has given us a voice, an ability to exercise full control over our actions. As we know, when we empower a woman, we empower a family; major influence is on children, thus the society. As a part of society, every person should contribute in different ways for empowering the women:

• Start vocational and professional training programmes for women.
• Encourage them for involvement in the activities of micro-enterprises like dairy farming, poultry farming, livestock feed production and production of vermi-compost using the animal waste where women can utilize both their technical skills and raw materials from the farms and livestocks to earn substantial income.
• Primary education should be provided to each and every girl of the country.
• There should be reduction in early forced marriages and early pregnancies.
• There is a need to provide better medical, psychological and legal services for sexually harassed women.
• Increased income controlled by women gives the self-confidence, which helps to obtain a voice. The need of the hour is to bring uneducated and unemployed women into financial mainstream, helping them become savers for their families and expanding their decision making.
• We should establish non-formal education centres for women to provide education through vocational and life skills training.
• Empowerment of women can start from the base of her life, i.e. from the support of her family, if parents provide equal opportunities of education for both boys and girls.
• Top priority should be given to women in our developmental plans for improving female literacy and creating skills and capability among women for enabling them to stand on their own feet.
• We should influence policy makers and parliamentarians through demonstrations, walks, seminars and rallies.

• We should establish different skill training centres to provide skills in marketing, production and sales of readymade garments, embroidered clothes, jam, jelly, pickle making, juice making and honey making.

• Involvement of women in decision making at family level is very necessary for empowering women.

• Women should be involved in operations like stitching, weaving, bakery etc.

**CONCLUSION**

Women bear almost all responsibility for meeting basic needs of the family, yet are systematically denied the resources, information and freedom of action they need to fulfill this responsibility. When women are supported and empowered, whole of our society gets benefitted. Families become healthier, more children go to school, agricultural productivity improves and income increases. A holistic approach to women’s health which includes both nutrition and health services will be adopted and special attention will be given to the needs of women and girls at all stages of life cycle. Education and training for women is one of the major goals of social empowerment of women which need to be universally made applicable to all parts of the world. This will definitely enhance the awareness in women which in turn will increase her confidence. A confident and well aware woman would be able to tackle inequality and discrimination in a far better way than an ill-equipped and ill-trained woman. Education and awareness about health is very necessary for women. Women are vulnerable to STDs and other endemic, infectious and communicable diseases. HIV/ AIDS is another major problem. Women’s traditional knowledge of health care and nutrition, alternative systems of medicine are actually underutilized and not recognized. It is necessary to recognize these alternative systems and integrate them with the main stream health care systems to make it work in tandem.
REFERENCES

[9] www.iimb.ernet.in
Examining the Environmentally Responsible Consumption Behaviour of University Students

Rajan Girdhar¹ and Kaysar Kahlief²

¹Ph.D Research Fellow, Faculty of Business & Applied Arts, Lovely Professional University, Phagwara–144411 (Punjab)
²MBA Student, Faculty of Business & Applied Arts, Lovely Professional University, Phagwara–144411 (Punjab)
E-mail: ¹rajan.girdhar@yahoo.co.in, ²kaykay_234@outlook.com

Abstract—Worldwide, increasing awareness of global warming and adverse climate conditions are prompting everyone’s interest towards environmental protection and sustainable development. A shift towards more sustainable consumption patterns is required for improving the current state of the environment. This research attempts to investigate the environmentally responsible consumption behaviour of university students because to date, this paradigm has not been studied in context of India. The empirical analysis used data from 250 students of a private university based in Northern India were surveyed in March–April 2013. Validity and reliability of survey instrument were assessed and exploratory factor analysis along with t-statistics were employed to test the hypothesis for examining differences among male and female university students towards their environmentally responsible consumption behaviour (ECRB). Total eight factors emerged including 26 items to represent the ECRB of university students. While t-statistics revealed significant differences existing among male and female university students towards their understanding about environmental preservation and green buying decisions but remaining environmentally responsible towards consumption behaviour items did not prove statistical differences among them, thus gender does not influence ECRB of university students.

Keywords: Environmentally responsible consumption behaviour, University students, Exploratory factor analysis.

INTRODUCTION

In the past two centuries, ever since humanity industrialized, planet Earth’s environment has degraded. This is mainly a result of rapid economic growth which has not only increased civilized growth but has also caused increasing consumption worldwide. These together resulted into environmental deterioration through over-consumption and utilization of natural resources (Chen & Chai, 2010). It is anticipated that if current trend of economic growth and irresponsible consumption pattern continues, the environment degradation would worsen. The consequences of environmental degradation are global warming, depletion of stratospheric ozone layer, pollution of sea and rivers, noise and light pollution, acid rain and desertification (Ramlogan, 1997).
The flora and fauna are in danger due to the growing industrialization. These are the problems faced by both developed and developing countries. The BRIC nations like Brazil, Russia, India and China are most likely having the issues related to irresponsible consumption behaviour which are affecting the environment. People, as consumers, can reduce their impact on environment and make a positive difference through their purchase decisions i.e., buying and consuming products that are environmentally beneficial. The consumer's responsible consumption behaviour is the main problem which is investigated through this research that attempts to indentify underlying dimensions of environmentally responsible consumption behaviour of university students. The following sections include review of literature, objectives of study and hypothesis framework, research methodology, results and discussions followed by conclusion.

**Review of Literature**

Among early researchers to investigate the similar issues, Kinnear *et al.* (1974) explored relationship between the socio-economic and personality characteristics of consumers and the amount if any, of ecological concern they indicated. It was found that the socio-economic characteristics do not have significant influence on ecological concerns of consumers. Similarly, Anderson and Cunningham (1972) found that no demographic characteristics were statistically significant in relation to the ecological concern of consumers. Later, Bohlen *et al.* (1993) found that individuals perceive themselves to be reasonably educated on environmental issues and showed favourable attitude towards environment protection. Similarly, Roberts and Bacon (1997) explored the subtle relationships between environmental concern and ecologically conscious consumer behaviour. For instance, recycling behaviour and ecologically conscious decision-making of consumers were found to be correlated. These relationships portrayed important implications for marketers.

Consumers’ knowledge and beliefs about environmental products, green buying habits, general environmental attitudes together influence environmentally conscious purchases decision of consumers. More specifically, it was found that women tend to be more concerned than men on green buying and on environmental attitude (Mainieri *et al.* 1997). People’s concern for environmental issues is growing day-by-day believing which Torgler and Garcia-Valiñas (2005) investigated the determinants of consumers’ attitudes towards preventing environmental damage and also to investigate environmental preferences over time. Those who perceived the environmental damages more closely were willing to pay more in order to improve the quality of the environment.
Similar to previous empirical studies, Haytko and Matulich (2008) also found that females tend to be environmentally more responsible and have more positive attitude towards both, the advertising and the products viewed as being ‘green’ and those were also willing to pay more for these types of products. Moreover, Savita and Kumar (2010) have also attempted to compare the attitude of male and female as well as urban and rural consumers towards environment-friendly products and found no significant gender-wise difference in attitude of consumers but urban people were found to have more favourable attitude towards environment-friendly products than their rural counterparts.

According to Chen and Chai (2010), personal norm and government role contribute significantly to the consumers’ attitude towards green product. Consumers are starting to spend more for green products (Rahbar and Wahid, 2010). Similarly, Ferguson (2011) argued that consumers are increasingly accepting green products and have potential of purchasing them. But self-enhancement plays an important role into bringing change in one’s behaviour. For instance, Urien and Kilbourne (2011) have conducted research in order to understand the anatomy of generativity in context of pro-environmental behaviour of consumers and found that individuals high on generativity ought to be more aware of and concerned about the environment and they modify their behaviour accordingly but those high on self-enhancement are less concerned or willing to change their behaviour.

Most empirical studies investigated consumers’ environmental concerns in developed countries and other counterparts. However, only a handful studies exist in context of India. For instance, Ishaswini and Datta (2011) investigated pro-environmental concerns of consumers in India and found that consumers are willing to buy eco-friendly products. Not many are willing to pay a higher price for such products. But a positive correlation exists between consumers’ awareness towards eco-friendly products and their green buying behavioural intention. Whereas, according to Dagher and Itani (2012), environmental attitude is negatively correlated with green purchasing behaviour but there is a positive relationship between environmental concern and green purchasing behaviour.

**Research Objectives and Hypothesis**

The existing literature provided useful insights about environmentally responsible consumption behaviour of consumers but none of them studied environmentally responsible consumption behaviour (ERCB) of university students in India. This research is an endeavour towards filling the existing research gap. The main objective of this study is to investigate the underlying dimensions representing the environmentally responsible
consumption behaviour of university students. Moreover, it also attempts to know differences existing among male and female group of university students towards their environmentally responsible consumption behaviour. The literature review suggested following hypothesis:

**Hypothesis 1**

There is statistically significant difference among male and female group of university students towards their environmentally responsible consumption behaviour.

**Research Methodology**

In order to study and investigate the underlying dimensions representing the environmentally responsible consumption behaviour of university students, a survey instrument was developed on the basis of previously reviewed literature and experts opinion. A sample of 250 students at Lovely Professional University, located in North India, was chosen by using the non-random convenience sampling. Survey was carried out in the month of March and April during Spring Term II of academic year 2012–13. The characteristics of sample are provided in Table 1. The survey instrument consisted of 29 most appropriate items that represent the topic of study (Annexure–I), measured by using five-points Likert scale (1=strongly disagree through 5=strongly agree). For data analysis, the inferential statistics such as Exploratory Factor Analysis using the Principal Component Analysis with varimax rotation along with t-statistics were applied by using SPSS software 18.0. As the items included into survey instrument were chosen with the help of pertinent secondary sources, it was implied that the instrument is appropriate for the task at hand and passes the test of validity. However, the reliability of survey instrument was assessed for its goodness. A pilot study was conducted by taking a sample of 60 students in order to assess reliability of instrument before proceeding for final survey. According to Kline (1998), Cronbach’s alpha coefficient is the most efficient measure of assessing internal consistency and the value should always be greater than 0.7. In pilot test, the instrument passed test of internal consistency since the value of Cronbach’s Alpha was 0.822 that is greater than acceptable 0.7, which indicates that the scale is acceptable for further data collection. At final stage of data collection, the internal consistency was re-assessed through Cronbach’s Alpha whose value was .825 which remained unchanged when compared to earlier assessment.
Table 1: Characteristics of the Sample

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>N = 250</th>
<th>Frequency</th>
<th>Per cent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>147</td>
<td>58.8</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>103</td>
<td>41.2</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 18 years</td>
<td>29</td>
<td>11.6</td>
<td></td>
</tr>
<tr>
<td>18-22 years</td>
<td>123</td>
<td>49.2</td>
<td></td>
</tr>
<tr>
<td>&gt; 22 years</td>
<td>98</td>
<td>39.2</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>155</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Post-graduate</td>
<td>95</td>
<td>38</td>
<td></td>
</tr>
</tbody>
</table>

Results & Discussion

In order to identify underlying structure of variables for explaining environmentally responsible consumption behaviour of university students, exploratory factor analysis is found to be a suitable statistical technique. In first attempt of applying exploratory factor analysis, KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy value appears to be .819, more than .50, sufficient to proceed for factor analysis (Hair, Jr. et al. 2013). The Bartlett’s Test of Sphericity is statistically significant \( p < .05 \) which indicates that sufficient correlations exist among the variables to proceed. One of the most widely used orthogonal rotation techniques, Varimax rotation, is chosen in order to improve relationship among variables. The following sections include statistical information about communalities, variance explained, component matrix, and rotated component matrix respectively. Table 2 shows total variance explained for eight components or factors which are having eigenvalue greater than 1, together explain 56.2 percent variance.

Table 2: Total Variance Explained

<table>
<thead>
<tr>
<th>Components</th>
<th>Initial Eigenvalues</th>
<th>Extraction of Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>2</td>
<td>2.171</td>
<td>7.752</td>
<td>28.251</td>
</tr>
<tr>
<td>3</td>
<td>1.710</td>
<td>6.107</td>
<td>34.359</td>
</tr>
<tr>
<td>4</td>
<td>1.468</td>
<td>5.242</td>
<td>39.601</td>
</tr>
<tr>
<td>5</td>
<td>1.281</td>
<td>4.575</td>
<td>44.176</td>
</tr>
<tr>
<td>7</td>
<td>1.094</td>
<td>3.909</td>
<td>52.478</td>
</tr>
<tr>
<td>8</td>
<td>1.042</td>
<td>3.721</td>
<td>56.199</td>
</tr>
</tbody>
</table>

In first procedure of factor analysis, two variables S15 and S3 were found having significant cross-loadings on factors 2-3 and factors 3-8 respectively.
Therefore, a revised Factor analysis with varimax-rotation was applied on reduced sets of variables by dropping variable S15 to further improve variables structure considerably. The results in revised procedure improved significantly when one variable (S15) with significant cross-loading was dropped (Table 3). The revised procedure also dropped another variable (S3) with cross-loading. Under revised Factor analysis, values of communalities also improve to some extent. More importantly, the problem of cross-loadings did not emerge in the revised rotated matrix. The revised set of variables together explained total 56.2 per cent variance, slightly higher than earlier variance of 55.9 per cent but marginally lower than typical acceptable threshold of total 60 per cent variance explained.

**Table 3: Exploratory Factor Analysis–ERCB (with Varimax-rotated Component Analysis)**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Factors</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>S17</td>
<td>.677</td>
<td>.620</td>
</tr>
<tr>
<td>S21</td>
<td>.636</td>
<td>.546</td>
</tr>
<tr>
<td>S22</td>
<td>.630</td>
<td>.601</td>
</tr>
<tr>
<td>S16</td>
<td>.569</td>
<td>.519</td>
</tr>
<tr>
<td>S5</td>
<td>.723</td>
<td>.560</td>
</tr>
<tr>
<td>S13</td>
<td>.626</td>
<td>.560</td>
</tr>
<tr>
<td>S4</td>
<td>.593</td>
<td>.607</td>
</tr>
<tr>
<td>S11</td>
<td>.750</td>
<td>.626</td>
</tr>
<tr>
<td>S14</td>
<td>.557</td>
<td>.502</td>
</tr>
<tr>
<td>S10</td>
<td>.516</td>
<td>.470</td>
</tr>
<tr>
<td>S12</td>
<td>.468</td>
<td>.460</td>
</tr>
<tr>
<td>S20</td>
<td>.670</td>
<td>.642</td>
</tr>
<tr>
<td>S19</td>
<td>.608</td>
<td>.515</td>
</tr>
<tr>
<td>S2</td>
<td>.504</td>
<td>.433</td>
</tr>
<tr>
<td>S18</td>
<td>.481</td>
<td>.618</td>
</tr>
<tr>
<td>S24</td>
<td>.728</td>
<td>.645</td>
</tr>
<tr>
<td>S27</td>
<td>.720</td>
<td>.644</td>
</tr>
<tr>
<td>S6</td>
<td>.600</td>
<td>.585</td>
</tr>
<tr>
<td>S9</td>
<td>.423</td>
<td>.635</td>
</tr>
<tr>
<td>S7</td>
<td>.732</td>
<td>.652</td>
</tr>
<tr>
<td>S8</td>
<td>.626</td>
<td>.601</td>
</tr>
<tr>
<td>S28</td>
<td>.724</td>
<td>.640</td>
</tr>
<tr>
<td>S29</td>
<td>.553</td>
<td>.467</td>
</tr>
<tr>
<td>S23</td>
<td>.521</td>
<td>.569</td>
</tr>
<tr>
<td>S25</td>
<td>.733</td>
<td>.784</td>
</tr>
<tr>
<td>S1</td>
<td>.671</td>
<td>.543</td>
</tr>
</tbody>
</table>

Factor loadings less than .40 have not been shown and variables have been sorted by loadings on each factor.

KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy = .815
Bartlett’s Test of Sphericity (Approx. Chi-Square) = 1576.858 (p<.05)
Total variance explained = 56.2%
In order to accomplish second objective of this study to examine differences existing among male and female students towards their environmentally responsible consumption behaviour (ERCB), *t*-statistics along with descriptive statistics were employed (Table 4). The analysis suggested that only three items (S4, 13 and 14) showed statistically significant difference in terms of ERCB among male and female group of university students (*p*<.05). Therefore, significant difference exists among male and female students towards their understanding about environmental preservation as well as their green buying decisions (Factor 2 and 3). Moreover, it must be noted that remaining items did not show significant difference among male and female students for their ERCB.

**Table 4: Factors, Statements, Descriptive Statistics and **
**t-Statistics**

<table>
<thead>
<tr>
<th>Statements and Factors</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>t-Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor 1: Willingness to buy and consume environmentally friendly products or services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S17</td>
<td>Whenever possible, I buy products packaged in reusable containers.</td>
<td>3.63</td>
<td>3.69</td>
</tr>
<tr>
<td>S21</td>
<td>I make every possible effort to reduce my consumption to help protect the environment.</td>
<td>3.70</td>
<td>4.02</td>
</tr>
<tr>
<td>S22</td>
<td>I am willing to give up my present standard of living to help protect the environment.</td>
<td>3.39</td>
<td>3.61</td>
</tr>
<tr>
<td>S16</td>
<td>I am willing to pay premium to buy environmentally friendly products.</td>
<td>3.31</td>
<td>3.66</td>
</tr>
<tr>
<td><strong>Factor 2: Environmental stewardship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S5</td>
<td>Everyone is personally responsible for protecting the environment in their everyday life.</td>
<td>4.39</td>
<td>4.41</td>
</tr>
<tr>
<td>S13</td>
<td>When I purchase products, I make a conscious effort to buy those products that make less pollution.</td>
<td>3.56</td>
<td>3.92</td>
</tr>
<tr>
<td>S4</td>
<td>It is our moral obligation to save the natural environment.</td>
<td>4.51</td>
<td>4.69</td>
</tr>
<tr>
<td><strong>Factor 3: Preference towards environmentally-friendly products or services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S11</td>
<td>I prefer to buy products of such companies that are involved in environmental protection causes.</td>
<td>3.56</td>
<td>3.69</td>
</tr>
<tr>
<td>S14</td>
<td>Before buying a product, I check product labels to know if it is environmentally-friendly.</td>
<td>3.39</td>
<td>3.82</td>
</tr>
<tr>
<td>S10</td>
<td>I don’t prefer to buy products that cause environmental pollution.</td>
<td>3.30</td>
<td>3.62</td>
</tr>
<tr>
<td>S12</td>
<td>I tend to buy products that are made of recycled or reusable material.</td>
<td>3.60</td>
<td>3.69</td>
</tr>
<tr>
<td><strong>Factor 4: Environmental information based consumption Decision</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S20</td>
<td>According to me, advertisement plays significant role in bringing awareness about environmental issues.</td>
<td>4.14</td>
<td>4.66</td>
</tr>
<tr>
<td>S19</td>
<td>In the advertisement about a product, I expect to be informed of how environmentally-friendly a product is.</td>
<td>3.88</td>
<td>4.17</td>
</tr>
</tbody>
</table>

Table 4 (Contd.)...
...Table 4 (Contd.)

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S2</td>
<td>Environmental issues are very important to us.</td>
<td>4.61</td>
<td>4.66</td>
<td>0.64</td>
<td>0.47</td>
</tr>
<tr>
<td>S18</td>
<td>I feel good about consuming products that are less damaging to the environment.</td>
<td>3.91</td>
<td>4.20</td>
<td>0.86</td>
<td>0.46</td>
</tr>
</tbody>
</table>

**Factor 5: Holistic environmental approach**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S24</td>
<td>I don’t care about littering the public places (e.g., our university). (R)</td>
<td>3.66</td>
<td>4.23</td>
<td>1.16</td>
<td>1.01</td>
</tr>
<tr>
<td>S27</td>
<td>Only the government should take responsibility for environmental protection. (R)</td>
<td>3.91</td>
<td>4.07</td>
<td>1.16</td>
<td>1.15</td>
</tr>
<tr>
<td>S6</td>
<td>There is nothing that anyone can do to help stop the environmental pollution. (R)</td>
<td>4.16</td>
<td>4.25</td>
<td>0.87</td>
<td>0.78</td>
</tr>
<tr>
<td>S9</td>
<td>It doesn’t matter to me whether the products I buy are environmentally friendly or not. (R)</td>
<td>3.50</td>
<td>3.92</td>
<td>1.01</td>
<td>0.89</td>
</tr>
</tbody>
</table>

**Factor 6: Environmental consciousness**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S7</td>
<td>I am aware about the effect of environmental pollution on climate.</td>
<td>4.04</td>
<td>4.25</td>
<td>0.77</td>
<td>0.54</td>
</tr>
<tr>
<td>S8</td>
<td>Protecting the natural environment is one of my key priorities.</td>
<td>3.90</td>
<td>4.07</td>
<td>0.83</td>
<td>0.70</td>
</tr>
</tbody>
</table>

**Factor 7: Personal efforts to preserve the environment**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S28</td>
<td>I use plastic carry bags while shopping because of having no other alternatives. (R)</td>
<td>3.06</td>
<td>3.05</td>
<td>1.13</td>
<td>0.97</td>
</tr>
<tr>
<td>S29</td>
<td>To save the natural environment, consumers need to take steps at personal level.</td>
<td>4.14</td>
<td>4.13</td>
<td>0.84</td>
<td>0.68</td>
</tr>
<tr>
<td>S23</td>
<td>I feel I can help solve natural resource problems by conserving water and energy.</td>
<td>3.93</td>
<td>4.41</td>
<td>0.89</td>
<td>0.66</td>
</tr>
</tbody>
</table>

**Factor 8: Environmental connectedness**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S25</td>
<td>Our university takes necessary steps to bring awareness among students about the environmental issues.</td>
<td>3.13</td>
<td>3.53</td>
<td>1.19</td>
<td>1.09</td>
</tr>
<tr>
<td>S1</td>
<td>The earth’s natural resources are unlimited and should be used carelessly to increase the human standard of living. (R)</td>
<td>2.37</td>
<td>2.64</td>
<td>1.39</td>
<td>1.34</td>
</tr>
</tbody>
</table>

**Conclusion**

The results have a number of implications for those who would be interested to understand the environmentally responsible consumption behaviour of university students, e.g., university management and marketers. First of all, total eight factors emerged through exploratory factor analysis including 26 items that represent the environmentally responsible consumption behaviour (ERCB). So, profile of the environmentally responsible university students can be described well by these major dimension or factors including: willingness to buy and consume environmentally friendly products or services, environmental stewardship, that is defined as ‘…the responsibility for environmental quality shared by all those whose actions affect the environment’\(^1\) followed by their preference towards environmentally-friendly products or services, environmental information based consumption decision, holistic environmental approach,

\(^1\)Definition given by United States Environmental Protection Agency [http://www.epa.gov/stewardship/]
environmental consciousness, personal efforts to preserve the environment, environmental connectedness. Though, male and female students’ understanding about environmental preservation as well as their green buying decisions were found significantly different (Factor 2 and 3) but the overall findings of this study support results of a previous study conducted in India according to which male and female group of consumers do not exhibit significant difference towards their pro-environmental behaviour (Savita and Kumar, 2010) as compared to the studies conducted in other counterparts which have found women to be more concerned about the environmental issues than men while making purchase and consumption decision (Mainieri et al. 1997; Haytko and Matulich, 2008).

This study also proves that educated consumers, e.g., university students tend to be more concerned about environmental issues, and therefore, they attempt to consume environment-friendly products or services which are among crucial variables to support ERCB. The pro-environmental concerns influence green buying behaviour to some extent, thereby leading to purchase and consumption of more environmentally friendly products or services. The results also provide useful insights for those looking forward to target young consumers with a range of products or services that have some environmentally favourable attributes. Not only the marketers but also the educational institutions can drive benefits by using findings of this research into their policy making to implement and induce more environmentally oriented consumption decisions among students. While the existing research is focused on university students only but the future course of action should be oriented towards verifying the applicability of the ERCB scale on a larger and diverse nature of consumers.

REFERENCES
EXAMINING THE ENVIRONMENTALLY RESPONSIBLE CONSUMPTION BEHAVIOUR


# Author Index

<table>
<thead>
<tr>
<th>A</th>
<th>Anjana, S., 94, 103</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Chachage, Bukaza, 9</td>
</tr>
<tr>
<td></td>
<td>Chandgude, Ajit Ashokrao, 116</td>
</tr>
<tr>
<td></td>
<td>Chaudhari, Ashish Kant, 137</td>
</tr>
<tr>
<td>D</td>
<td>Dahiya, Rekha, 73</td>
</tr>
<tr>
<td></td>
<td>Dharmaraja, Ragul D., 103</td>
</tr>
<tr>
<td>F</td>
<td>Fard, Sandy Fazeli, 19</td>
</tr>
<tr>
<td>G</td>
<td>Girdhar, Rajan, 224</td>
</tr>
<tr>
<td></td>
<td>Gopi, G., 80</td>
</tr>
<tr>
<td></td>
<td>Gupta, Shivani, 175</td>
</tr>
<tr>
<td>I</td>
<td>Iyer, Vidya Rajaram, 94, 103</td>
</tr>
<tr>
<td>K</td>
<td>Kahlief, Kaysar, 224</td>
</tr>
<tr>
<td></td>
<td>Kamuzora, Faustin, 9</td>
</tr>
<tr>
<td></td>
<td>Kulkarni, Kishore G., 19</td>
</tr>
<tr>
<td>L</td>
<td>Lawande, Pratap Paraji, 116</td>
</tr>
<tr>
<td>M</td>
<td>Malima, Gabriel, 9</td>
</tr>
<tr>
<td></td>
<td>Mehta, Niket, 65</td>
</tr>
<tr>
<td></td>
<td>Mishra, Sanjay, 167</td>
</tr>
<tr>
<td>N</td>
<td>Nautiyal, Gaura, 39</td>
</tr>
<tr>
<td>P</td>
<td>Pareek, Ashish, 201</td>
</tr>
<tr>
<td></td>
<td>Prusty, Twinkle, 137</td>
</tr>
<tr>
<td>S</td>
<td>Saigal, Gunjan, 210</td>
</tr>
<tr>
<td></td>
<td>Samuel, Viju, 80</td>
</tr>
<tr>
<td></td>
<td>Sarawat, Krishna, 210</td>
</tr>
<tr>
<td></td>
<td>Sathish, P., 94</td>
</tr>
<tr>
<td></td>
<td>Sekhar, G.V. Satya, 127</td>
</tr>
<tr>
<td></td>
<td>Suryawanshi, Archana, 55</td>
</tr>
<tr>
<td>T</td>
<td>Tak, Preeti, 201</td>
</tr>
<tr>
<td></td>
<td>Tanushree, 39</td>
</tr>
<tr>
<td>U</td>
<td>Usmani, Asjad, 73</td>
</tr>
<tr>
<td>Z</td>
<td>Zaware, Nitin, 191</td>
</tr>
</tbody>
</table>
Factors Influencing Acceptance of Mobile Money Services amongst Students of Higher Learning Institutions in Tanzania with Special Reference to Ruaha University College

Budaka Cicchicho, Fevian Kamutoa and Gabriel Maipa

India’s “Twins Deficits”: Are They Identical Twins or the Warring Cousins

Sandy Farell Fand and Khushha G. Kulkarni

A Fresh Perspective on Developing an Ethical Foundation for Sustainable Business Success

Tanushree and Gaura Nandy

ITHE: The Impact of Recession on Recruitment of Manufacturing Industries in India an Arcana Suryawanshi

Video Game as Learning and Communication Tool for Teenagers in New Media Age: Findings of a Study using Classic Video Game, Tetris

Nilker Mahal

Failure of Power Branding: A Case of HUL

Rehana Dayya and Ajaal Usman

Factors Affecting Employee Retention: An Empirical Study in Indian Manufacturing Sector

G. Gopi and Vijo Samuel

Responsible Business Is Good Business: A Case of Loyal Textiles Firm from Tarinadu

Sathish P, Aruna S. and Vidya Rajaram Iyer

The Splitter Cost of Waste and Its Management: A Study with Reference to Madurai District

Ragup Dhamangla G., Arjuna S. and Vidya Rajaram Iyer

A Descriptive Study of Customer Relationship Management Practices in Automobile Dealers in Baramati Region

AP Ashokkar Chandragupt and Pradeep Praveer Laxmik

Media Means of Internet Service Providers: A Survey

Dr. G. V. Subha Sethur

SRI’s LIFESPANS in India: A Study of Quality issues of SRI’s in Selected Indian States

Twinkle Priyanka and Ashish Kant Chauhan

The Alternative Workplace: Changing People with Job Rotation: A Case Study of Private Banks of Rajpur (C.G.) Region

Sanjay Mishra

ETL’s Superiority over Traditional Financial Performance Measures: A Case Study of Barmerwars Synthex Limited

Shivani Gupta

A Revision of Product Mix Strategy for Rural Market

Dr. Nitin Zawar

Role of Entertainment on Shopping Behaviour in malls of Jaipur

Dr. Ashish Pareek and Preeti Tal

Women’s Empowerment in India

Suraj Salig and Krishna Sarwate

Examining the Environmentally Responsible Consumption Behaviour of University Students

Vijay Girnath and Kayasar Kadbel